



C·V·R·D

REGIONAL SERVICES COMMITTEE

WEDNESDAY, JUNE 23, 2010

6:00 P.M. / BOARD ROOM

175 INGRAM STREET

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6. ADJOURNMENT:

The next Regional Services Committee meeting is scheduled for Wednesday, July 28, 2010 at 6:00 p.m. in the Board Room, at the CVRD office, 175 Ingram Street, Duncan, BC.

DISTRIBUTION:

Regional Services Committee

Director P. Kent, Chair
Director R. Hutchins, Vice-Chair
Director K. Cossey
Director M. Dorey
Director L. Duncan
Director G. Giles
Director B. Harrison
Director D. Haywood

Director T. Walker
Director L. Iannidinardo
Director K. Kuhn
Director M. Marcotte
Director T. McGonigle
Director I. Morrison
Director G. Seymour

Cowichan Valley Regional District

Warren Jones, Administrator
Joe Barry, Corporate Secretary
Mark Kueber, General Manager, Corporate Services

(Agenda Cover Only):

Ron Austen, General Manager, Parks, Recreation & Culture
Tom Anderson, General Manager, Planning & Development
Brian Dennison, General Manager, Engineering & Environmental Services
Dan Derby, General Manager, Public Safety
Sharon Moss, Manager, Finance
Jacob Ellis, Manager, Corporate Planning
Kate McIntosh, Manager, Human Resources
Bob McDonald, Manager, Recycling & Waste Management
Geoff Millar, Manager, Economic Development
Brian Farquhar, Manager, Parks & Trails
Kate Miller, Manager, Regional Environmental Policy

Minutes of the Regular meeting of the Regional Services Committee held in the Board Room, 175 Ingram Street, Duncan, BC, on Wednesday, May 26, 2010 at 6:02 pm.

PRESENT: Acting Chair T. Walker
Directors L. Duncan, M. Dorey, K. Kuhn, B. Harrison,
D. Haywood and T. McGonigle
Alternate Directors G. Gutensohn, J. Krug, S. Arnett and
L. Heinio

ABSENT: Directors P. Kent, M. Marcotte, I. Morrison, G. Giles,
K. Cossey, L. Iannidinardo, R. Hutchins and G. Seymour

ALSO

PRESENT: Warren Jones, Administrator
Kathleen Harrison, Deputy Corporate Secretary
Mark Kueber, General Manager, Corporate Services
Kate Miller, Manager, Regional Environmental Policy
Tracy Bowen, Accountant
Steve Hurcombe, Budget Coordinator
Dominique Beesley, Recording Secretary

**CALL TO
ORDER**

The Deputy Corporate Secretary called the meeting to order, noted that Directors Kent (Chair) and Hutchins (Vice-Chair) were absent, and reviewed the procedure for appointing an Acting Chair.

**APPOINTMENT
OF ACTING
CHAIR**

It was moved and seconded that Director Walker be appointed as Acting Chair for the Regional Services Committee meeting of May 26, 2010.

MOTION CARRIED

**APPROVAL OF
AGENDA**

It was moved and seconded that the agenda be approved.

MOTION CARRIED

**ADOPTION OF
MINUTES**

2M1

It was moved and seconded that the minutes of the Regular meeting of Regional Services Committee held April 28, 2010 be adopted.

MOTION CARRIED

**BUSINESS
ARISING OUT
OF MNUTES**

There was no business arising from the minutes.

DELEGATIONS

- 4D1** Cathy Robertson, General Manager, representing Community Futures Cowichan, provided a presentation on Community Futures' current projects, programs, services and the small business community, and responded to questions from the Committee.

STAFF REPORTS

- 5D1** Staff Report from the Manager, Finance Division dated May 13, 2010, regarding 2009 Financial Statements and the 2009 Audit Report, was considered:

The General Manager, Corporate Services Department, provided an overview of the 2009 audit process noting there was a requirement to include information on the District's tangible capital assets for the first time. The General Manager introduced Baljeet Basi, Manager and Terry Shepherd, Partner, of Meyers Norris Penny, who provided comments on the findings of the 2009 Report and responded to questions from the Committee.

Alternate Director Arnett requested a correction to his first name as noted in the *Director Remuneration and Expenses Year Ended December 31, 2009* document from "Joseph" to "Steve".

It was moved and seconded that it be recommended to the Board that the Cowichan Valley Regional District's 2009 Financial Statements be received.

MOTION CARRIED

It was moved and seconded that it be recommended to the Board that the Directors' 2009 Statement of Remuneration and Expenses be received.

MOTION CARRIED

It was moved and seconded that it be recommended to the Board that the Audit Findings Report dated April 19, 2010 be received.

MOTION CARRIED

- 5D2** Staff Report from the General Manager, Public Safety Department dated May 18, 2010, regarding completion of the Mount Wood 9-1-1 repeater site tower replacement, was received for information.
- 5D3** Staff Report from the Manager, Regional Environmental Policy Division dated May 18, 2010, regarding a 2010 Budget update, was received for information.

5D4

Staff Report from the Manager, Regional Environmental Policy Division dated May 19, 2010 and a PowerPoint presentation, regarding the Cowichan – Koksilah Integrated Flood Management Plan, were considered:

It was moved and seconded that it be recommended to the Board that the Lower Cowichan / Koksilah River Integrated Flood Management Plan Final Report, prepared by Northwest Hydraulic Consultants dated September 2009, be received.

MOTION CARRIED

It was moved and seconded that it be recommended to the Board that a sub-regional approach to integrated flood management for the Lower Cowichan – Koksilah Flood Plain be developed utilizing available Regional Gas Tax funding.

MOTION CARRIED

It was moved and seconded that it be recommended to the Board that CVRD staff work with member municipalities and Cowichan Tribes to provide appropriate information from the Lower Cowichan / Koksilah River Integrated Flood Management Plan Final Report to communities.

MOTION CARRIED

It was moved and seconded that Kate Miller, Manager, Regional Environmental Policy Division, be recognized for her exceptional work, foresight, leadership and competency on all of the components of the Lower Cowichan/Koksilah River Integrated Flood Management Plan project.

MOTION CARRIED

5D5

Staff Report from the Manager, Regional Environmental Policy Division dated May 19, 2010, regarding a University of Victoria/CVRD contribution agreement, was considered:

It was moved and seconded that it be recommended to the Board that the CVRD enter into a contribution agreement with the University of Victoria to acquire digital photography and LIDAR data for the Region for research purposes and that the Chair and Corporate Secretary be authorized to sign the agreement.

MOTION CARRIED

ADJOURNMENT **It was moved and seconded that the Regional Services Committee**
7:41 pm **meeting adjourn.**

MOTION CARRIED

The meeting adjourned at 7:41 pm.

Chairperson

Recording Secretary

Dated: _____

4D1

Request to Appear as a Delegation

Meeting Information

Request to Address:*

☐ CVRD Board☒ Committee

If Committee, specify the Committee here:*

Regional Service Committee

Meeting Date:*

06/23/2010

Meeting Time:*

7:00 if possible

Applicant Information

Applicant Name:

Dr. Lorna Medd, Medical Health Officer

Representing:

Vancouver Island Health Authority

(Name of organization if applicable)

As:

(Capacity / Office)

Number Attending:

1

Applicant Contact Information

Applicant Mailing Address:

3rd Floor, 6475 Metral Drive

Applicant City:

Nanaimo, BC

Applicant Telephone:

739-6304

Applicant Fax:

755-3372

Applicant Email:

Debbie.Slatten@viha.ca

Presentation Topic and Nature of Request:

Dr. Medd, Medical Health Officer is representing the Vancouver Island Health Authority.

Dr. Medd would like to present a 10 minute powerpoint presentation on "Harm Reduction"

submitted on June 2, 2010

* indicates required fields.



5SR1

STAFF REPORT

REGIONAL SERVICES COMMITTEE MEETING OF JUNE 23, 2010

DATE: June 17, 2010

FILE NO:

FROM: Brian Farquhar, Manager
Parks and Trails Division

BYLAW NO:

SUBJECT: Kinsol Trestle Revitalization Grant Funding Status Update

Recommendation:

That this report be received for information.

Purpose:

To provide an update on the status of project funding secured for the historic Kinsol Trestle Revitalization Project.

Financial Implications:

The Regional Board has previously approved expenditure of \$6.581 million in grant funding on the rehabilitation of the historic Kinsol Trestle, inclusive of a new walkway across the top of the structure for trail users on the Cowichan Valley Trail to cross over the Koksilah River.

Interdepartmental/Agency Implications:

The Provincial Ministry of Transportation and Infrastructure owns the former Canadian National Railway corridor, inclusive of the Kinsol Trestle. A 10-Year Entry Authorization Permit has been issued by the Ministry to the Regional District for the purpose of rehabilitating and operating/maintaining the Kinsol Trestle.

Background:

Direction was given to staff to provide an update to the Regional Services Committee on the status of funding for the historic Kinsol Trestle Rehabilitation Project, inclusive of funding the new walkway atop the trestle, approach work improvements, scenic viewing areas/landscaping, signage and parking improvements.

The following table provides a summary of grant funding secured to date:

Grant Funding Commitment Summary (In Place as of June 16, 2010)

Grant Funding Source	Grant Funding Amount (Approved for Expenditure)
Provincial Local Motion Grant	\$1,611,000
Island Coastal Economic Trust Grant	\$1,000,000
Canada/BC – Building Canada Fund Communities Grant	\$3,770,732
Trans Canada Trail Foundation Grant	\$250,000
<u>Grant Project Funding Summary</u>	<u>\$6,631,732</u>

The requirements for the majority of the grant funding approved for the project is the funds must be expended no later than March 31, 2011 in order to be fully released for the project. This deadline requirement is a key factor in scheduling of the works and issuance of contracts, to ensure that the project is able to maximize the funding commitments. The committed grant funds received to date are the basis for the extent of core work to be completed on the historic Kinsol Trestle in the coming months to achieve the stabilization of the historic structure, upgrade of key bents, construction/installation of the new walkway and ancillary works with respect to viewing areas, trestle approaches, signage and parking improvements geared to opening the trestle for trail users in spring 2011.

The Cowichan Foundation's fundraising efforts secured the \$250,000 Trans Canada Trail grant for the project and supported the Regional District's successful application for the \$3.77 million BCF-CC Stimulus Funding grant. The Cowichan Foundation is now focused on the final fundraising campaign push over the coming months within the community to raise just over \$765,000 (of which the Foundation has already secured a small portion too date) in funding and in-kind contributions. The additional funds and in-kind contributions secured by the Cowichan Foundation will allow for further non-core rehabilitation work to be undertaken and establishment of a legacy fund towards future ongoing maintenance/rehabilitation work on the structure. A successful campaign realized by the Foundation will create a total project funding value for current and ongoing legacy work on the historic Kinsol Trestle project in the order of \$7.39 million.

Submitted by,



Brian Farquhar,
Manager
Parks and Trails Division
Parks, Recreation and Culture Department

BTf/ca



5SR2(a)

STAFF REPORT

REGIONAL SERVICES COMMITTEE OF JUNE 23, 2010

DATE: June 8, 2010

FILE NO:

FROM: Kate Miller, Manager, Regional Environmental Policy Division

SUBJECT: 2010 State of the Environment Report

Recommendation: That the CVRD Regional Services Committee receive the 2010 State of the Environment Report.

Purpose: To introduce the CVRD Environment Commission members who have worked on the preparation of the CVRD 2010 State of the Environment Report and to receive a verbal presentation of the key findings of the report.

Financial Implications: No change to the approved budget.

Interdepartmental/Agency Implications: The 2010 State of the Environment Report provides key background information for a variety of programs currently proposed for many of the CVRD departments, notably the development of a regional sustainability plan.

Environmental Implications: The report provides key environmental data at a regional scale that will assist with future strategic planning.

Background: The Environmental Policy Division and the CVRD Environment Commission have worked collaboratively with a team of consulting experts and community members over the past nine months to develop the regions first comprehensive State of the Environment report. The report includes over 60 key environmental indicators and provides a base line from which to develop policy and future action plans. The rationale for the report development was based on the metric of if you don't measure, you can't manage. The report provides that first measure for the region. Please find attached the opening introduction by the Commission Chair and a copy of the executive summary. The full report will be tabled at the Regional Services Committee meeting.

Submitted by,

Kate Miller, Manager
Regional Environmental Policy Division

/df

General Manager Approval:

Signature



A letter from Gerry Giles, Chair of the CVRD Board of Directors

In 2007, the CVRD Board established an Environment Commission to provide it with advice for addressing environmental issues that fall within the Board's jurisdiction.

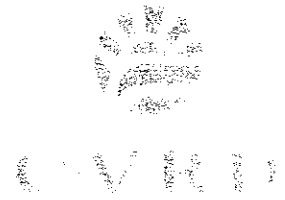
In a previous major report, the Commission worked with the CVRD to put forward "12 Big Ideas" to indicate where our communities should focus their efforts to have a positive influence on the condition of our regional environment.

During the past year a significant focus of the Commission has been on developing a means to measure the progress that is being made within the regional district to ensure that our environmental assets are healthy and sustainable. This inaugural State of Environment Report – developed in collaboration with the CVRD –establishes a scientific baseline and a process for measuring and reporting the status of our important environmental values into the future.

The Commission contracted an experienced scientific team to develop sets of measurable indicators for a variety of environmental values. The team then searched for existing information that could be used to tell us where things currently stand. Their task was to use both historic and current data to analyze current conditions and emergent trends, and to suggest what would be needed in the future to fill information gaps that they discovered.

Their report is a sobering one. The team examined the status of water, air, fish, agricultural land, biodiversity, population and growth, the implications of climate change and the management of waste. The story that emerges is that the wonderful environment that has attracted so many of us to the Cowichan region is under stress and most trends are negative. Although we are addressing some of the critical issues, we continue to degrade many of our most precious assets and we need to pay attention.

The Commission believes that we need to re-double our environmental stewardship efforts, both to arrest the negative trends that have been measured and to restore values that are in danger of dipping below recovery thresholds. Fortunately, while the message is extremely cautionary, it is being delivered to a region that is already alive to the issues and organizing to address them. The Commission is aware of many initiatives from federal, provincial, regional district and municipal



levels that are leading in the right direction. It is also aware of a host of civic organizations that are actively pursuing programs of conservation, water management, food security, energy efficiency, greenhouse gas reduction, lakeshore management, recycling and estuary health among many others. None of these organizations can solve environmental issues alone. We have in front of us a major task that requires collaboration, cooperation and coordination.

In our collective best interest, the job we have to do is to turn each of the troublesome indicator measurements from negative to positive. Good water, abundant local food, efficient use of energy sources, sustained natural ecosystems, effectively reduced waste, revived salmon populations, well-designed settlements, healthy air quality and strong resilience to climate change are goals worthy of our concentrated effort. This State of the Environment Report starts us on a path of measuring how well we are doing and pointing toward areas that most need our attention.

The Commission intends to use the State of the Environment Report to organize its annual work plan and structure its advisory functions to the CVRD Board. The Commission's 2010/11 work plan will focus on priority environmental values, establish teams to develop suitable public education and other initiatives, and develop recommendations for the CVRD Board where our contribution is relevant and our leadership is required. The Commission will also engage with and support existing community organizations in each relevant sector, and to work with federal, provincial, regional and community governments on their programs of managed development, sustainability, conservation and restoration.

On behalf of the Board of Directors, I want to congratulate the Environment Commission on producing this vital and important report.

Gerry Giles, Chair

CVRD Board of Directors

Executive Summary

State of Environment Report Executive Summary

The Cowichan Valley Regional District (CVRD) Environment Commission prepared this inaugural State of Environment Report to assess the status of a variety of environmental indicators and issues that signal the health of the environment within the regional district. Using the principle "if you don't measure, you can't manage," this ground-breaking report identifies numerous reliable and repeatable measures of how the environment is doing.

The Report strives to answer questions such as:

- > Are our ecosystems and species adequately protected?
- > Are we living within natural ecological thresholds?¹
- > Do the biodiversity and related ecological services that sustain the region have the resilience to respond to climate change and population growth?
- > Are water resources adequately protected to safely provide for people, plants and animals?
- > Is the air quality good?
- > Are we making good use of available land and creating smart, flexible, and resilient communities?
- > Are we producing enough local food?
- > Are we proactively addressing the challenges of climate change?

Overall, this report identifies a number of areas where we face major challenges. We have dramatically changed the natural landscape, and in so doing have compromised natural ecosystems including native plants and animals. Many native species and ecosystems are at risk, and there are too many invasive species. Coho and chinook salmon stocks have crashed. Water is polluted and scarce in some places and at some times of the year. While the region's air quality seems to be good, high hospital admission rates for children with respiratory problems may signal a problem. Climate change already creates challenges with floods and drought, and further stress on native species and ecosystems is imminent.

¹ Example of an ecosystem threshold: species diversity of a landscape may decline steadily with increasing habitat degradation to a certain point, and then fall sharply after a critical threshold of degradation is reached.

Low-density development (sprawl) has fragmented ecosystems, negatively impacted watersheds and created car-dependent communities that contribute to climate change through use of fossil fuels. Continued population growth in the region will place further stress on the natural environment and human use of its resources.

Much is unknown. Many residents rely on wells for water—but there are few data on how much water is being withdrawn and whether withdrawal rates are sustainable for the long term. While data for sensitive ecosystems exist for the eastern part of the region (i.e., the Coastal Douglas-fir forest), there are few studies of the ecology of the equally sensitive Coastal Western Hemlock forests to the west. There is no water quality information for many lakes and streams. Furthermore, data on populations of iconic species such as Roosevelt elk are limited, and data for less well-known species—including "species-at-risk"—are frequently sparse.

But the news is not all bad. Agriculture is a thriving industry in the Cowichan Region, providing the opportunity for the region to move towards self-sufficiency in food production. Chum salmon returns are the highest in 60 years. Rates of recycling are soaring. And although data are somewhat lacking, there appears to be reasonably good quality water within most of the region most of the time.

Simply by starting to report out on the State of Environment, the CVRD, associated municipalities, non-government organizations, businesses and individuals have an opportunity to better understand the natural environment and human impacts, and gain a competitive advantage over areas that have not had to foresight to take this initial step. Indeed, this report is an important first step in "measuring so we can manage".

As well, it is clear that many steps are being taken to address some of the problems. Reports such as the Cowichan Basin Water Management Plan have identified steps to address some of the water issues in the area, and a Cowichan Watershed Board has now been established to undertake this work. The municipalities of Ladysmith, Duncan and Lake Cowichan have installed (or plan to install) meters so that they can track drinking water consumption. The CVRD is bringing small sewage treatment plants up to standard to avoid water quality issues. The Regional District and several municipalities have undertaken energy and emissions assessments and have begun work to reduce their carbon footprints. Regional residents are knowledgeable and passionate about environmental issues, and are working in many ways to make and keep this region a healthy and desirable place to live.

Regular updates to this State of Environment Report can help residents of the region stay informed and aware, and help governments and others set priorities for action.

A summary of the key findings from the report are listed below.

The Landbase

- > The human footprint (including development and logging) now covers over 75% of the total landbase and affects its ability to supply and maintain ecological values and services.
- > On the east coast, 50% of the landbase is no longer forested and little or no older forests remain. Despite being regarded as unique and sensitive, very few areas of Coastal Douglas-fir ecosystems have protected area status. Less than 20% of the historic Garry oak ecosystems remain, and less than 5% of those are in a "natural" condition.
- > At higher elevations, and towards the west coast, there are more forested lands. However, the total amount protected (<8%) within the CVRD is well below standards (~50%) set for maintaining ecological values into the future.
- > On-going development along shorelines is resulting in continued loss and degradation of those habitats.

Biodiversity

- > The proportion of animals, plants and ecological communities at risk in the CVRD is high compared to many other areas of the province. Ecological communities at risk, such as the massive riparian Sitka-spruce forests in the western part of the region, are not legally protected from harvesting.
- > The CVRD has a large and growing number of invasive plant and animal species, especially in the drier east-side areas of the region. The negative impacts of invasive species are particularly evident in Garry oak ecosystems, riparian areas and wetlands.
- > In the last five years, the number of returning salmon spawners for two of the Cowichan River's primary salmon runs—fall coho and chinook—have been reduced to roughly 10% of numbers documented during the last 80 years. At the same time, chum salmon returns are at some of the highest levels seen in the last 60 years. Chinook salmon in particular are often considered to be indicators of broader ecosystem health, since their survival and reproductive success are affected by a wide range of factors.

Water

- > Measuring, monitoring and understanding patterns and trends for water are complex and difficult. However, there is a general sense that water is abundant and water quality is reasonably good throughout most of the CVRD, most of the time.

- > Some of the key aquifers in the Cowichan Region are naturally vulnerable and are increasingly becoming heavily developed.
- > At critical periods and particularly in dry years, the conflict for water can become acute—leading to the potential for significant impacts to crucial aquatic resources such as fish spawning, or to industrial processes. Climate change is expected to exacerbate this situation.
- > Pollutant levels are typically low, but waters of major rivers are no longer fit to drink, and cumulative downstream impacts have led to closure of shellfish fisheries since the 1970s.
- > Naturally vulnerable lakes—such as Quamichan—already show significant impacts of pollution from a variety of sources. Cowichan Lake is buffered by its large size and depth. Unfortunately, cumulative effects can be difficult to detect and may not be observed until significant events such as “fish kills” occur.
- > Most areas lack the ability to track volumes of drinking water consumption. However, the Town of Ladysmith has introduced water meters to homes, and has seen a significant reduction in water consumption as a result. North Cowichan has also been quite progressive and the municipalities of Duncan and Lake Cowichan are in the process of introducing water meters.

Air Quality

- > Air quality in the Cowichan Region is generally good, and pollution levels are well within provincial standards. However, hospital admission rates for children with respiratory problems in the region are consistently more than 20% higher than the provincial average, and at times twice the average.
- > Air quality diminishes significantly in the fall and winter months, due to increases in seasonal combustion (open burning and woodstove use). Sources of low-level air pollution throughout the year include vehicle exhaust and commercial/industrial emissions.

Population and Growth

- > The Cowichan Valley Regional District has a population of about 77,000, and its population continues to grow. While some of the population is concentrated in higher density areas (such as Duncan), there are fewer than 200 people/km² in most parts of the region. This makes ‘smart growth’ development very hard to achieve.
- > About three-quarters of the population live in communities where they are dependent on cars for most daily needs and errands. About 90% of commuters travel to work by personal vehicle—the vast majority as single occupant drivers.

- > If maximum build-out under current zoning were to occur, two-thirds of the region's watersheds would have 10–30% impervious surface coverage, with consequent significant ecological impacts on local waterways.

Agriculture

- > Agriculture is a thriving and valuable industry in the Cowichan Region, and achievement of regional food security objectives is possible. However, current rates of reported productivity fall short of food security targets.
- > Key barriers to achieving these targets include access to irrigation water (and natural constraints on available water volumes), lack of skilled labour, an absence of processing and distribution facilities, high land prices, and restrictive production quotas.

Climate Change Mitigation and Adaptation

- > The CVRD and its member municipalities, together with many groups and individual citizens, have recognized climate change as an issue that needs to be addressed. Major region-wide strategic and sectoral approaches have yet to occur.

Waste Management

- > The CVRD has set a long-term goal of Zero Waste, with a more immediate goal to achieve a 50% per capita reduction in the disposal of solid waste (over 1990 levels), and has an extensive recycling program to support this.
- > The volume of recyclables has risen significantly in the past ten years, both in terms of total volume and per capita volumes. At the same time, however, total and per capita volumes of solid waste (garbage) have also increased, indicating that while people are recycling more, they are also buying (and disposing of) more 'stuff'.
- > The CVRD is taking over and bringing up to standard many smaller liquid or sewage treatment plants, thus addressing some of the issues related to leaking septic fields. However, many septic fields remain and continue to contribute to water quality issues in the region.

**Cowichan Valley Regional District
Request to Appear as a Delegation**

APPLICATION DATED: June 16, 2010
NAME OF APPLICANT: Roger Wiles, Chris Wood
ADDRESS OF APPLICANT: n/a
PHONE NO: 250-749-3167 or 245-9191
REPRESENTING: CVRD Environment Commission
MEETING DATE: June 23, 2010
COMMITTEE/BOARD NAME: Regional Services Committee
NO. ATTENDING: 2-3

TOPIC TO BE PRESENTED:

State of the Environment Report

NATURE OF REQUEST/CONCERN:

To show a power point presentation, give out the bound copy of the State of the Environment Report (200 pages), and have a discussion about the report's findings.



5SR3

STAFF REPORT

REGIONAL SERVICES COMMITTEE MEETING OF JUNE 23, 2010

DATE: June 11, 2010

FILE NO:

FROM: Administrator

BYLAW NO:

SUBJECT: Environmental Lens Implementation Update

Recommendation(s):

That the following seven (7) actions be initiated as the first phase of the establishment of the CVRD's Environmental Lens process and that the other actions and initiatives listed in this report relating to the Environmental Lenses be considered by the Committee for prioritization at the time of future deliberations:

1. Initiate a Regional Sustainability planning process (approved by Board in 2010 Budget)
2. Implement a sustainability checklist review system for new development applications (Electoral Area pilot project in progress)
3. Implement the Cowichan Regional Area Agricultural Plan
4. Develop a plan to ensure the CVRD complies with the BC Climate Action Charter by 2012
5. Develop and implement "green" Subdivision Servicing Bylaw (a draft bylaw is currently being reviewed by the Electoral Area Services Committee).
6. Develop a "Green Team" corporate employee engagement plan
7. Establish an "Eco Depot" in South Cowichan to promote recycling and responsible waste management.

That this report be referred to the Environment Commission and member municipalities for information and comment.

Purpose:

To set out a framework of actions, initiatives and practices within the CVRD organization that will, in effect, establish environmental lenses for all decision-making processes.

Financial Implications:

Project costs for each initiative will be determined as planning detail proceeds. Many projects are not currently funded and would therefore require Board consideration and resource allocation prior to proceeding.

.../2

Background:

Following the establishment of the CVRD Environment Commission in 2008, an environmental strategy was developed by the Commission to provide for more systematic inclusion of environmental factors in all CVRD decisions.

On December 10, 2008, the following resolution was passed by the Regional Board:

- "1. That the Board adopt the draft environmental strategy and its "12 Big Ideas" framework, and that staff be directed to develop an implementation plan that identifies priorities and action plans consistent with those priorities.*
- 2. That the CVRD embed an environmental lens into all decision making immediately.*
- 3. That the Board re-affirm the role of the Environment Commission and enable it to play an active role in mobilizing this effort and supporting local government to lead the way.*
- 4. That the CVRD eliminate the artificial separation between the environment and the economy in decision making.*
- 5. That the CVRD provide resources to the Commission to continue the community conversation process to building a strong, resilient, sustainable Cowichan."*

The 12 Big Ideas initiative helped to effectively engage citizens on the subject of thinking and acting sustainably. The environmental lenses referred to in the strategy were intended to provide guidance on how the CVRD, as an organization, could weave sustainability principles into all its decision-making processes.

The purpose of an environmental lens framework is to influence all aspects of decisions made by the CVRD in the delivery of all its services to the residents and businesses of the Region.

The key decision areas that an organization like the CVRD engages in can be grouped into three broad categories:

- 1) Operations: the day to day functions of all services provided directly by the District*
- 2) Land Use Review and Development Regulation: the process of considering and approving/rejecting development proposals and the administration of regulatory bylaws i.e. subdivision, building, rezoning, etc.*
- 3) Capital Works: the expenditure of funds on utilities, buildings and other physical assets of the CVRD.*

.../3

The seven "lenses" that are intended to influence these decisions are listed as follows:

Lens 1 A Sustainable Economy

Ensure that economic development in the region is sustainable in the resources it requires for viability.

Lens 2 Healthy Natural Ecosystems:

Ensure land use conserves healthy natural ecosystems.

Lens 3 Abundant local food:

Enhance agricultural self-sufficiency of our region.

Lens 4 Good Water Supply

Ensure that the quantity and quality of the region's water is maintained for the present and future.

Lens 5 Lower Carbon Footprint

Reduce regional GHG emissions in line with, or ahead of, goals set by senior government.

Lens 6 Timely, Efficient Transportation:

Public and private transportation options in the region are efficient convenient, economical and have the lowest possible ecological impact.

Lens 7 Managing Our Waste

Ensure that waste entering the liquid and solid waste streams is minimized and that waste becomes a resource whenever feasible

Translating principles such as those listed above into day-to-day standard operational procedures may seem simple at first glance, but in practice this is not achieved by any one act or simple resolution of the Board. This involves sincere staff engagement, policy and procedure development, training, in some cases-polite persuasion and predictably, some financial resources.

As a result, progress on this initiative may not be as fast as some may have initially hoped for. Most recently, on January 13, 2010 the Regional Board discussed the status of this initiative and passed the following resolution:

"That the Board require all CVRD Departments to develop an Environmental Lens Review for all operations and capital initiatives for the Board's review by April 30, 2010."

To assist us in moving forward the CVRD has engaged the services of Mr. Russ Fuoco who was instrumental in leading many of the environmental and sustainability initiatives for the District of Saanich.

The purpose of this report is to follow up on this direction and lay out a series of possible steps and actions that will, in both short and long term, achieve the Board's long term intentions respecting the establishment of an "environmental lens" decision making framework. Due to resource constraints, not all actions can be implemented immediately, however this report identifies a number of important key initiatives that can be started now in 2010, followed by a series of others in future months and years as Board resources and priorities allow.

CVRD Strategic Planning Process 2010

Parallel with the environmental lens initiative, the CVRD has been pursuing the development of a Strategic Plan for the organization, which led off with the completion of a community survey.

The strategic plan will assist the Board and staff to be more effective in targeting the CVRD's staff and financial resources toward the priority services and initiatives most valued by the citizens of the region.

As there will be a natural overlap between the actions proposed to establish the environmental lens process and those in the Strategic Plan, it will be important to ensure that both plans are consistent with and complement each other as they move forward.

Ideas to Actions

The following is an extensive list of specific actions and initiatives that could be undertaken to establish both an environmental lens decision framework and also achieve the Board's long term sustainability objectives. All actions are grouped below in accordance with their corresponding Lens Statement 1 through 7.

Priority actions have been identified which can, with modest existing resources, be either completed or at least initiated within 2010. All initiatives are tentatively noted for their possible timing below as:

"2010" for this year,
"MED" for medium term (2011 – 2012)
"LR" for long range (2013)

It should be clearly recognized that these timing assignments are subject to change, and would likely be influenced by future legislative requirements, available staff and financial resources, and *most importantly*, the Regional Board's priorities and the direction provided by its Strategic Plan.

Lens 1 A Sustainable Economy

Actions:

1.1 Implement the Cowichan Tourism Marketing Plan

MED

.../5

- | | | |
|-----|---|---------|
| 1.2 | Update the Sustainable Economic Development Strategic Plan to reflect 2009 priorities in consultation with the Economic Development Commission and Board. | 2010 |
| 1.3 | Recommend policy improvements and initiatives that will strengthen the local economy with a specific emphasis on attracting high paying jobs. | ONGOING |
| 1.4 | Implement phase I and II of the Clean Technology project | ONGOING |
| 1.5 | Promote a long term land use strategy/policy for forestry lands in the regional district. | MED |

Lens 2 Healthy Natural Ecosystems:

- | | | |
|------|--|---------|
| 2.1 | Initiate a Regional Sustainability planning process | 2010 |
| 2.2 | Incorporate aesthetic preservation principles into OCP's and explore other ways of preserving the aesthetic nature of the Cowichan Region. | ONGOING |
| 2.3 | Develop a green building strategy/policy that supports environmentally friendly building practices for Regional District facilities. | MED |
| 2.4 | Promote ecosystem enhancement-oriented design guidelines for new developments. | MED |
| 2.5 | Develop and implement a program to recognize examples of excellence in sustainable community development | MED |
| 2.6 | Implement a sustainability checklist review system for new development applications | 2010 |
| 2.7 | Identify and map areas of high conservation value and develop policies and guidelines to protect sensitive areas | LT |
| 2.8 | Develop an inventory of CVRD brownfield sites and establish policies to incent remediation | LT |
| 2.9 | Pursue incentives and other financial instruments to encourage positive environmental practices in development | LT |
| 2.10 | Develop an environmental education plan with a focus on water, biodiversity and climate change. | MED |

.../6

- | | | |
|------|---|-----|
| 2.11 | Develop a Green Procurement Policy to ensure that sustainable alternatives are considered and promoted as part of the CVRD's purchasing process | MED |
|------|---|-----|

Lens 3 Abundant local food:

- | | | |
|-----|--|-----|
| 3.1 | Implement a Cowichan Regional Area Agricultural Plan | MED |
| 3.2 | Expand the promotion of Cowichan Region products. | MED |

Lens 4 Good Water Supply

- | | | |
|-----|--|---------|
| 4.1 | Develop regional watershed management strategies | LT |
| 4.2 | Develop water planning policies to inform community planning and development decisions. | MED |
| 4.3 | Implement the Cowichan Basin Water Management Plan. | ONGOING |
| 4.4 | Complete and implement the South Cowichan Water Management Plan. | ONGOING |
| 4.5 | Develop a water management plan for the North End of the Regional District (Town of Ladysmith, and Electoral Areas G & H). | LT |

Lens 5 Lower Carbon Footprint

- | | | |
|-----|---|------|
| 5.1 | Conduct energy efficiency audits of all CVRD facilities and equipment and priority list for improvements. | MED |
| 5.2 | Develop a community climate change adaptation strategy to help cope with changing regional conditions | MED |
| 5.3 | Develop a regional energy strategy to identify regional sources of green energy | MED |
| 5.4 | Develop a plan to ensure the CVRD complies with the BC Climate Action Charter by 2012 | 2010 |
| 5.5 | Develop a "Green Team" corporate employee engagement plan to help CVRD staff "go green" | 2010 |
| 5.6 | Develop a "green" purchasing policy | MED |

.../7

Lens 6 Timely, Efficient Transportation:

- | | | |
|-----|---|---------|
| 6.1 | Promote the development of a regional multi-modal transportation plan for southern Vancouver Island, recognizing that this issue is bigger than just the Cowichan Region. | MED |
| 6.2 | Promote pedestrian and cyclist-friendly roadways | MED |
| 6.3 | Continue to implement the Parks & Trails masterplan to respond to new park and trail needs and opportunities. | ONGOING |

Lens 7 Waste Management

- | | | |
|-----|--|---------|
| 7.1 | Continue working towards full implementation of the Solid Waste Management Plan | ONGOING |
| 7.2 | Incorporate Integrated Resource Management (IRM) principles into solid waste and water management practices, including the exploration of waste to energy opportunities. | MED |
| 7.3 | Update the South Sector and Central Sector Liquid Waste Management Plans | MED |
| 7.4 | Develop Liquid Waste Management Plans for all areas of regional district i.e. West Sector and North Sector | LT |
| 7.5 | Create a geographic Information system (GIS) asset management system and build an up-to-date inventory and assessment of CVRD assets, including their condition and replacement costs for each asset | LT |
| 7.6 | Develop a greywater re-use strategy to meet the anticipated 2010 "purple pipe" legislation for greywater. | MED |
| 7.7 | Acquire and upgrade water & sewer utilities to meet local government standards | ONGOING |
| 7.8 | Develop a long-term funding strategy including a capital reserve fund policy for maintaining and replacing infrastructure assets. | MED |
| 7.9 | Establish an "Eco Depot" in South Cowichan to promote recycling and responsible waste management. | 2010 |

.../8

Implementation

Of the above list there are six actions identified for immediate action during 2010. These initiatives are either underway or can be initiated using existing resources and budgets available for the year 2010:

- 1) Initiate a Regional Sustainability planning process
- 2) Implement a sustainability checklist review system for new development applications
- 3) Implement the Cowichan Regional Area Agricultural Plan
- 4) Develop and implement a "Green" Subdivision Servicing Bylaw.
- 5) Develop a plan to ensure the CVRD complies with the BC Climate Action Charter by 2012
- 6) Develop a "Green Team" corporate employee engagement plan.
- 7) Establish an "Eco Depot" in South Cowichan to promote recycling and responsible waste management.

The acceptance of the Committee of the above priorities will provide staff with direction to focus on and proceed on these specific initiatives during 2010.

Submitted by,

Warren Jones

File: ADMINISTRATION/2/Correspondence/Reports/Environmental Lens to RSC May 26, 2010 Rev 3



5SR4

STAFF REPORT

REGIONAL SERVICES COMMITTEE MEETING OF JUNE 23, 2010

DATE: June 11, 2010

FILE NO:

FROM: Administrator

BYLAW NO:

SUBJECT: Cowichan Watershed Board

Recommendation:

That the Board approve the CVRD hosting four (4) workshops at a total cost of \$20,000. (Gas Tax funds previously allocated for Watershed Board Initiatives) in support of Cowichan Watershed Board initiatives.

Background:

At the May 12, 2010 Board meeting Mr. Rodger Hunter provided an update on Cowichan Watershed Board activities. The CVRD Board then resolved:

"That the CVRD Board support in principle the four Cowichan Watershed Board 2010 Goals pertaining to Demand Management, Water Supply, Habitat and Flood Management subject to a review by staff, and engaging the Cowichan Tribes; with a report back that contains recommendations for the implementation of the four Cowichan Watershed Board 2010 Goals."

Staff met with Mr. Hunter to discuss in more detail the Watershed Board's requests of the CVRD. The Watershed Board is requesting that the CVRD host four (4) workshops in the coming months. Although specific details need to still be confirmed in general terms the workshops will address the following topics:

Workshop 1 – Water Conservation

Water conservation strategies and how they can be embedded and considered in Official Community Plans and other plans and policies.

Workshop 2 – Water Protection

Examine best management practices for rain water management and ground water protection in order to prevent contamination.

.../2

Workshop 3 – Aquatic / Riparian Habitat Protection

Examine how Official Community Plans, bylaws and policies can be coordinated inter-jurisdictionally in order to protect and enhance riparian and aquatic habitats.

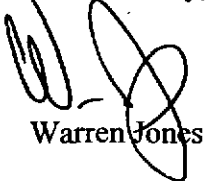
Workshop 4 – Integrated Flood Management

This workshop will provide input and feedback at an appropriate stage to the integrated flood management project.

The Workshop audiences may vary from topic to topic, however all workshops will be open to local government elected officials and staff.

It is estimated that each workshop will cost approximately \$5000 to organize and run and it is proposed that Gas Tax funding previously allocated by the Board for Watershed Board initiatives be used to fund the workshops. Staff will work with Mr. Hunter and the Watershed Board to design and facilitate the proposed workshops.

Submitted by,

A handwritten signature in black ink, appearing to read 'Warren Jones', is written over the printed name.

Warren Jones

WJ/ann

File: ADMINISTRATOR2/Correspondence/Reports/to RSC June 23 Cowichan Watershed Board

D1 Rodger Hunter representing the Cowichan Watershed Board
Re: Support to Implement Specific Elements of the Cowichan Basin Water Management Plan.

Rodger Hunter requested CVRD support for the Cowichan Watershed Board's 2010 recommended actions pertaining to Demand Management, Water Supply, Habitat and Flood Management.

10-245 It was moved and seconded that the CVRD support in principle the four Cowichan Watershed Board 2010 Goals pertaining to Demand Management, Water Supply, Habitat and Flood Management, subject to a review by staff, and engaging the Cowichan Tribes; with a report back that contains recommendations for the implementation of the four Cowichan Watershed Board 2010 Goals.

Opposed: Director Marcotte

MOTION CARRIED

CORRESPONDENCE

C1 Correspondence from the City of Duncan, Director of Corporate Services, dated April 22, 2010 re: Lower Cowichan - Koksilah River Integrated Flood Management Plan was considered.

10-246 It was moved and seconded that the correspondence from the City of Duncan, Director of Corporate Services, dated April 22, 2010 re: Lower Cowichan - Koksilah River Integrated Flood Management Plan be received.

MOTION CARRIED

**REPORT OF THE
CHAIRPERSON**

RC1 The Chair reported on the following:

1. Corporate Strategic Plan: the Chair requested the Directors to please respond to Jacob Ellis, Corporate Planning, regarding his email.

2. The sod-turning event on Tuesday, May 11th for the construction at Bings Creek of an Operations Base for the Cowichan Valley Search and Rescue Association. Chair Giles extended the Association's appreciation to the Board for providing the facility.



5SR5

STAFF REPORT

REGIONAL SERVICES COMMITTEE MEETING OF JUNE 23, 2010

DATE: June 11, 2010

FILE NO:

FROM: Sharon Moss, Manager, Finance Services

BYLAW NO:

SUBJECT: Liability Claims Update

Recommendation:

That this report be received for information.

Purpose:

To update the Board on outstanding and recently settled liability claims against the CVRD and efforts by management to address risk management.

Financial Implications:

The CVRD deductible is \$25,000 per liability claim, the cost of which is shared 50/50 between the responsible department and our insurance deductible fund. Over time successive losses may also result in higher insurance costs.

Interdepartmental/Agency Implications:

The majority of risk management activities are the result of daily vigilance at the operational level. In the case of the most recent loss a liability and injury could have been avoided by prompt interim repairs or by visibly warning the public of the hazard. The savings from deferring maintenance on facilities must be weighed against the possible loss of not doing so.

Background:

A claim was recently settled through mediation, causing a loss to the CVRD of \$25,000, representing our deductible, under a total settlement exceeding \$110,000. A 64 year old individual leaving a hockey game at the Island Savings Centre caught their foot in a ½ inch divot in the flooring whilst exiting the ice rink. The resulting fall caused significant injury, including a broken ankle. The hazard had been previously identified by custodial staff but had neither been repaired nor visibly identified as a hazard to the general public. In the discovery investigation phase it was determined that the liability was based on the failure to identify the area as a potential hazard and not related to any actions by the staff attending the incident or in handling the complaint.

The Municipal Insurance Association (MIA) is currently also handling three pending claims against the CVRD regarding the following risk areas.

- a. Personal injury claim from diving into a submerged woodpile at Mason's Beach. A swimmer dived from an adjacent private dock and struck his head on a submerged woodpile, causing injuries to the head, forehead and collarbone, resulting in 38 stitches.
- b. Alleged negligence inspection regarding a septic system. A claim was submitted for damages related to the failure of a septic system 5 years after installation, subsequent to renovations and landscaping that was performed after issuance of the building permit.
- c. Alleged failure to enforce a covenant leading to trespass and slope compromise. A claim was submitted in 2004 and has not been closed by MIA.

Exposure to risk can be mitigated through

- a. Risk management training of supervisors and managers and the implementation of sound risk management practices.
- b. Proper maintenance and inspection of facilities.
- c. Long term capital and maintenance plans need to take into account the cost versus benefit of addressing significant risk areas.

Ongoing Efforts include the following actions:

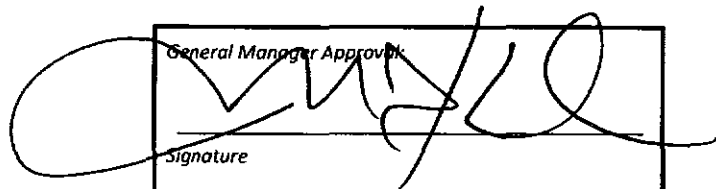
- a. Training for supervisors and managers is being provided this month on identifying and managing risks.
- b. Risk control surveys are performed each year to assist us in identifying risk areas.
- c. An inspection of equipment was recently performed at several of our facilities.
- d. Staff continue to identify and address potential risks to the CVRD on a daily basis.

Respectfully submitted by:



Sharon Moss, C.G.A.
Manager, Finance Division
SM:tk

Z:\sharon\Staff Reports - 2010\Staff Report - Liability Claims Update June 2010.doc



General Manager Approval

Signature



5SR6

STAFF REPORT

REGIONAL SERVICES COMMITTEE MEETINGS OF JUNE 23, 2010

DATE: June 11, 2010

FILE NO:

FROM: Sharon Moss, Manager, Finance Division

BYLAW 3400
NO:

SUBJECT: Fall Security Issuing Bylaw

Recommendation:

That CVRD Security Issuing Bylaw 3400 be given three readings and adoption.

Purpose:

To obtain authorization from the Board to approve the Security Issuing Bylaw for the borrowing of funds to construct a reservoir and pressure reducing pump station for the Youbou Water System, to design and construct water works within Honeymoon Bay, to upgrade Lambourn Estates Water System, to upgrade Lambourn Estates Sewer System, and to help finance Solid Waste Works.

Financial Implications:

The debt payments for this borrowing will be borne by the property owners within their respective service areas.

Interdepartmental/Agency Implications:

All borrowing by the Regional District and its member Municipalities must be from MFA and must flow through the Regional District. MFA goes out on the open market and obtains financing twice per year, spring and fall.

Background:

The Regional District has received the appropriate public approval and has adopted Loan Authorization Bylaws approving this borrowing. The Regional District has 5 years to request funds from the MFA under each Loan Authorization Bylaw which is done through a Security Issuing Bylaw. The identified projects require funds now or will this fall.

Submitted by,

Sharon Moss, C.G.A.
Manager, Finance Division

SM:tk

Attach.



COWICHAN VALLEY REGIONAL DISTRICT

BYLAW NO. 3400

A Bylaw to Authorize the Entering into an Agreement Respecting Financing Between the Cowichan Valley Regional District and the Municipal Finance Authority of British Columbia

WHEREAS 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;

AND WHEREAS under the provisions of Section 825 of the *Local Government Act*, the amount of borrowing authorized by the following Loan Authorization Bylaw, 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 is as follows:

L/A Bylaw Number	Purpose	Amount of Borrowing Authorized	Amount Already Borrowed	Borrowing Authority Remaining	Term of Issue	Amount of Issue
2902	Construct a Reservoir and Pressure Reducing Pump Station, Youbou Water	\$120,000	Nil	\$120,000	20 Years	\$120,000
2973	Design and Construct Water Works within Honeymoon Bay	\$37,000	Nil	\$37,000	20 Years	\$37,000
3062	Upgrade Lambourn Estates Water System	\$100,000	Nil	\$100,000	20 Years	\$100,000
3063	Upgrade Lambourn Estates Sewer System	\$150,000	Nil	\$150,000	20 Years	\$150,000
3277	Solid Waste Works	\$1,800,000	Nil	\$1,800,000	20 Years	\$720,000
TOTAL		\$2,207,000	Nil	\$2,207,000		\$1,127,000

TOTAL Financing under Section 825

\$1,127,000

AND WHEREAS the Regional Board, by this bylaw, hereby requests such financing shall be undertaken through the Authority;

NOW THEREFORE the Regional Board of the Cowichan Valley Regional District enacts as follows:

1. CITATION

This bylaw may be cited for all purposes as “Cowichan Valley Regional District Bylaw No. 3400 - Security Issuing (Loan Authorization Bylaw No. 2902, Loan Authorization Bylaw No. 2973, Loan Authorization Bylaw No. 3062, Loan Authorization Bylaw No. 3063, and Loan Authorization Bylaw No. 3277) Bylaw, 2010”.

2. The Authority is hereby requested and authorized to finance from time to time the aforesaid undertakings at the sole cost and on behalf of the Cowichan Valley Regional District up to, but not exceeding One Million, One Hundred and Twenty Seven Thousand Dollars, (\$1,127,000.) 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 \$1,127,000. 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.
3. Upon completion by the Authority of financing undertaken pursuant hereto, the Chair and Treasurer 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 the 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 2 of this bylaw 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 signatures of the Chair and Treasurer.

.../3

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 Victoria 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 "CVRD Bylaw No. 2902 – Youbou Water System Service Loan Authorization Bylaw, 2006", "CVRD Bylaw No. 2973 – Honeymoon Bay Water System Loan Authorization Bylaw, 2007", "CVRD Bylaw No. 3062 – Lambourn Estates Water System Service Loan Authorization Bylaw, 2008", "CVRD Bylaw No. 3063 – Lambourn Estates Sewer System Service Loan Authorization Bylaw, 2008", and "CVRD Bylaw No. 3277 – Solid Waste Management Loan Authorization (Solid Waste Works) Bylaw, 2009" the anticipated revenues accruing to the Regional District from the operation of the Youbou Water System, Honeymoon Bay Water System, Lambourn Estates Water System, Lambourn Estates Sewer System and Solid Waste Management 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.
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 sum provided for in the Agreement is 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 District shall make provision to discharge such liability.
10. At the request of the Treasurer of the Authority and pursuant to Section 15 of the *Municipal Finance Authority Act*, the Regional District shall pay over to the Authority such sums and execute and deliver such promissory notes as are required pursuant to said Section 15 of the *Municipal Finance Authority Act*, to form part of 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.

READ A FIRST TIME this _____ day of _____, 2010.

READ A SECOND TIME this _____ day of _____, 2010.

READ A THIRD TIME this _____ day of _____, 2010.

ADOPTED this _____ day of _____, 2010.

Chair

Corporate Secretary



SCHEDULE "A"

to CVRD Bylaw No. 3400

C A N A D A

PROVINCE OF BRITISH COLUMBIA

Dollars

A G R E E M E N T

COWICHAN VALLEY REGIONAL DISTRICT

The Cowichan Valley Regional District hereby promises to pay to the Municipal Finance Authority of British Columbia (the "Authority") at its Head Office in Victoria, British Columbia, the sum of _____ (\$ _____) in lawful money of Canada, together with interest thereon from the _____ day of _____ at varying rates of interest calculated semi-annually in each and every year during the currency of this Agreement; and payments shall be as specified in the table appearing on the reverse hereof commencing on the _____ day of _____ provided that in the event of 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 No. 3400 cited as "Cowichan Valley Regional District Bylaw No. 3400 - Security Issuing (Loan Authorization Bylaw 2902, Loan Authorization Bylaw 2973, Loan Authorization Bylaw 3062, Loan Authorization Bylaw 3063, and Loan Authorization Bylaw 3277) Bylaw, 2010." This Agreement is sealed with the Corporate Seal of the Cowichan Valley Regional District and signed by the Chair and Treasurer thereof.

Chair

Treasurer



5SR7

STAFF REPORT
REGIONAL SERVICES COMMITTEE MEETING
OF JUNE 23, 2010

DATE: June 10, 2010
FROM: Jacob Ellis, Manager, Corporate Planning
SUBJECT: Cowichan Sportsplex Funding

Recommendation:

For information.

Purpose:

To update the Board on options for financial support to the Cowichan Sportsplex.

Background:

Over the past several years, the CVRD has provided financial support to the Cowichan Sportsplex through its regional grants in aid function. As grants in aid are intended as a short term financial support mechanism, the Board has requested that staff present options to provide long term funding support to the Cowichan Sportsplex.

Over the past two years, some effort has been made to create a function to provide long term funding support to the Sportsplex.

- On June 11, 2008, the Board approved the creation of an annual financial contribution service for the Cowichan Sportsplex with a maximum annual requisition limit set at \$100,000.
- On September 10, 2008 Staff presented to the Board information about the Sportsplex use and where in the Region users came from. The Board then rescinded the motion to create the annual financial contribution service.
- On October 22, 2008, staff provided further funding information to the Board, including models that excluded a number of areas that preferred not to participate in a new service. The Board then requested that staff present, in the New Year, options for regional and sub-regional cost sharing for the Cowichan Sportsplex.

- In January, 2009, staff presented to the Board the Recreation Funding Report that provided an overview of recreation funding in the region along with several funding model options.
- In spring and summer of 2009 several meetings to discuss recreation in the region were held, however, no final decisions were made with regard to the Cowichan Sportsplex.
- On March 10, 2010 the Board resolved, ***"That an Annual Financial Contribution Service be created for the Chesterfield Sports Society with a maximum annual requisition limit of \$100,000."***

Discussion

Should the Board wish to establish a new service to help fund the Cowichan Sportsplex the preparation of the necessary bylaws will require that participating electoral areas and municipalities be identified. Therefore, in order to move to the bylaw preparation stage direction from the Board on the funding partners is needed.

If all Electoral Areas and Municipalities were to participate in the new service to raise \$100,000 the cost per \$100,000 of assessed value would be \$0.67.

Another funding option, if all member municipalities and electoral areas wished to participate, would be to designate the Sportsplex as a regional park and provide funding through the CVRD's Regional Parks function. The Board could assist in funding the Sportsplex in this manner although it is expected that the facility would continue to be managed by the current non-profit society.

Once the Board has determined the partners and preferred funding mechanism a detailed report including bylaws will be brought forward outlining the process, associated costs and cost sharing, and necessary public approvals.

Submitted by,



Jacob Ellis, Manager
Corporate Planning



December 22, 2009

Gerry Giles, Chair
Cowichan Valley Regional District
175 Ingram Street
Duncan, BC V9L 1N8

Dear Ms. Giles,

Thank you for the opportunity to make a presentation to the Regional Services Committee on November 25, 2009. As a follow-up to our presentation, please find enclosed our Regional Grants-In-Aid Application requesting \$100,000 for 2010 and a summary of our presentation.

With the support of our community and all levels of government, we have succeeded in building a world class facility and people from all over the CVRD are coming to enjoy it. From our informal poles, about 49% are coming from the CVRD, Ladysmith & Lake Cowichan, 44% from within the Municipality of North Cowichan and 7% from the City of Duncan.

We offer facilities that are not found elsewhere in the Cowichan Region - over 24 acres of grass and artificial sports facilities, with parking, washrooms, lights and landscaping. This project has been, and continues to be, a tribute to the energy and vision of the people of our region.

We are working together to provide sports & recreation facilities that are needed within the CVRD and because of our strong community support and high volunteer participation, we are doing it at a cost that can't be beat.

We are applying for a Grant-In-Aid to assist with the costs of operating the Cowichan Sportsplex for our next fiscal year (May 1, 2010 to Apr 30, 2011) We project that it will cost about \$342,000 to operate the Sportsplex for these 12 months. We are committed to keeping our costs to a minimum and standards to a maximum and, considering the overall size of the venue we are proud to present this very responsible budget for your consideration.


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DEC 23 2009


RECEIVED
DEC 23 2009

Financial Services Department

the heart of a healthy community.

The Society will raise 46% of the required funds or \$157,800. The remaining revenues we are asking from our local governments. A breakdown can be found in our application. As you can see, even with your approval of a \$100,000 contribution, we will only have a small surplus, just enough to cover the deficit from our current year, and it does not allow for a contribution to Capital Reserve for a second year in a row.

Creating a Capital Reserve has been a high priority for our board of directors. Their goal is to place \$20,000 each year into reserve for two main reasons:

Firstly, it is critical that we plan for the eventual replacement of our sports facilities. As a result of a formal request from our members, the Directors have committed to placing \$10,000 from annual rental fees into a fund for future replacement.

Secondly, in order to apply for capital grants from the Province of BC and/or the Government of Canada, we must be able to contribute 30% to 50% of the proposed project costs. Our goal is to create Capital Reserves so we can continue to build our infrastructure and replace ageing infrastructure through grants in the future. Through careful planning, the Sportsplex has created a channel through which millions of dollars have come to our community from our Provincial and Federal Governments.

The second \$10,000 that the Society strives to place in Capital Reserve originates from the Municipality of North Cowichan. Since the late 1990's North Cowichan has made annual contributions to both our operating costs and to a capital reserve. The Directors support this forward thinking and have made this an annual financial goal.

For the current year, directing \$20,000 to Capital Reserve would create a large deficit. Reluctantly our Directors have directed this \$20,000, which was intended to go to Capital Reserve, to our Operating budget.

I can't stress enough how important the CVRD's financial support has been over the past two years and it is equally important for the future. Thank you very much for your stewardship of this amazing regional facility.

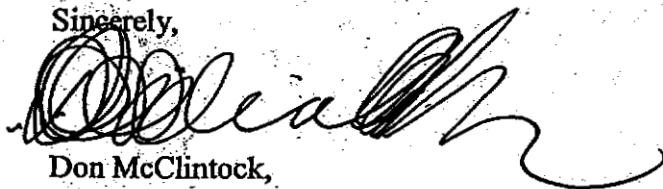
We believe that with your support you are sending a very strong message - that sports and recreation are vital to the health of your community and because of this you are helping to maintain these great facilities. Today it is more important than ever that people have access to recreation. Staying fit clears the

mind, reduces stress and brings families, friends and whole communities together.

We know our application for \$100,000 is a huge request. We can assure you that we will continue to manage your funds responsibly and for the benefit of the community.

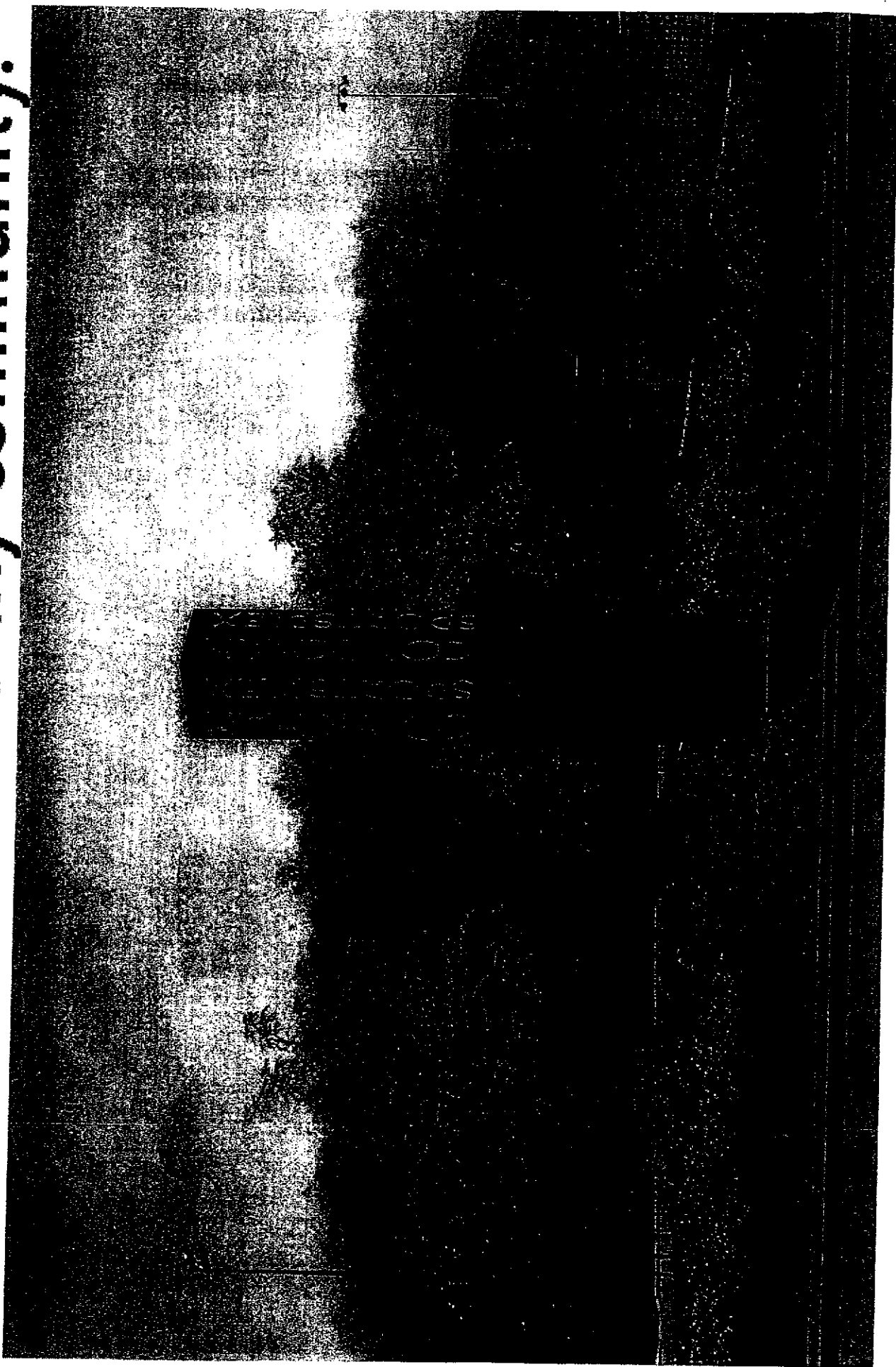
The Cowichan SportsplexIS the heart of a healthy community It is a vision worth investing in, and we thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Don McClintock', with a large, stylized flourish extending to the right.

Don McClintock,
President

the heart of a healthy community.



Cowichan Sportsplex - Operating Budget

	Estimated	Projected
	May 1, 2009 - Apr 30, 2010	May 1, 2010 - Apr 30, 2011
REVENUES		
Advertising Fence Signs	\$ 6,350.00	\$ 6,350.00
Concession	\$ 6,017.44	\$ 6,000.00
Donations to Operating	\$ 20,000.00	\$ 20,000.00
Donations In-Kind from Local Government	\$ 44,500.00	\$ 44,500.00
Rental Fees from Local Government	\$ 43,000.00	\$ 43,000.00
Rental Fees	\$ 60,000.00	\$ 63,000.00
Membership Dues	\$ 7,286.00	\$ 7,286.00
Other Operating Grants/Revenue	\$ 3,170.00	\$ 3,170.00
Fundraising (net)	\$ 52,000.00	\$ 52,000.00
Operating Grants (CVRD)	\$ 80,000.00	\$ 100,000.00
Total Operating Revenue	\$ 322,323.44	\$ 345,306.00
EXPENDITURES		
Administration		
Advertising & Promotion	\$ 700.00	\$ 700.00
Office & Miscellaneous	\$ 4,350.00	\$ 5,000.00
Insurance & Licences	\$ 8,800.00	\$ 9,064.00
Accounting & Legal	\$ 12,000.00	\$ 12,000.00
Security	\$ 1,000.00	\$ 1,000.00
Wages & Benefits	\$ 96,953.12	\$ 98,400.00
Utilities (Admin)	\$ 2,000.00	\$ 2,000.00
Contingency	\$ -	\$ 1,000.00
Total Administration	\$ 125,803.12	\$ 129,164.00
Maintenance & Operations		
Buildings	\$ 1,000.00	\$ 1,020.00
Capital Repairs & Maintenance (Contingency)	\$ 1,426.45	\$ 10,000.00
Janitorial Supplies	\$ 4,000.00	\$ 4,120.00
Equipment Supplies/Service/Repairs	\$ 5,100.00	\$ 5,253.00
Supplies & Tools	\$ 4,000.00	\$ 4,080.00
Fuel	\$ 5,100.00	\$ 5,253.00
Wages & Benefits	\$ 109,592.84	\$ 112,880.00
Professional Development & Training	\$ 900.00	\$ 1,000.00
Greenscapes	\$ 1,000.00	\$ 1,030.00
Other Repairs & Maintenance	\$ 1,500.00	\$ 1,545.00
Materials, sand, gravel	\$ 6,324.00	\$ 6,513.00
Fertilizer, Weeds, Disease, Seed	\$ 9,363.00	\$ 9,644.00
Field Marking	\$ 1,000.00	\$ 1,100.00
Irrigation	\$ 3,500.00	\$ 3,200.00
Waste Disposal	\$ 1,530.00	\$ 1,600.00
Operating Utilities In-kind	\$ 44,500.00	\$ 44,500.00
Total Maintenance & Operations	\$ 199,836.29	\$ 212,738.00
Total Expenditures	\$ 325,639.41	\$ 341,902.00
NET Revenue/Deficit from Operating	\$ (3,315.97)	\$ 3,404.00
Capital Reserve	\$ -	\$ -
NET Revenue/Deficit from Operating	\$ (3,315.97)	\$ 3,404.00

Chesterfield Sports Society
Financial Statements
April 30, 2009

Page

Management's Responsibility

Auditors' Report

Financial Statements

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Statement of Operations and Changes in Fund Balances	2
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Management's Responsibility

To the Members of Chesterfield Sports Society:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Society's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board and management to discuss their audit findings.

September 28, 2009


Executive Director

Auditors' Report

To the Members of the Chesterfield Sports Society:

We have audited the statement of financial position of the Chesterfield Sports Society as at April 30, 2009 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Society derives revenue from donations and contributed materials and services, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to donations, expenditures, revenue over expenditures, assets or fund balances.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at April 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Duncan, British Columbia

September 28, 2009

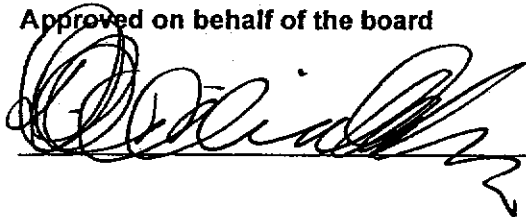
Murray Norris Penny LLP

Chartered Accountants

Chesterfield Sports Society
Statement of Financial Position
As at April 30, 2009

	<i>Operating Fund</i>	<i>Capital Asset Fund</i>	2009 Total	2008 Total
Assets				
Current				
Cash and short term deposits (note 3)	144,162	169,444	313,606	469,328
Accounts receivable (note 4)	112,329	4,000	116,329	59,505
GST receivable	-	-	-	10,524
Prepaid expenses	1,755	-	1,755	1,759
	258,246	173,444	431,690	541,116
Investments (note 5)	6,854	221,172	228,026	204,843
Property and equipment (note 6)	-	5,147,202	5,147,202	5,027,331
	265,100	5,541,818	5,806,918	5,773,290
Liabilities				
Current				
Accounts payable	17,556	-	17,556	183,922
GST payable	144	-	144	-
	17,700	-	17,700	183,922
Commitment (note 9)				
Subsequent events (note 10)				
Economic dependence (note 11)				
Fund balance				
Invested in property and equipment	-	5,151,202	5,151,202	4,895,999
Unrestricted	247,400	-	247,400	215,792
Externally restricted cash	-	169,444	169,444	282,710
Externally restricted investment	-	221,172	221,172	194,867
	247,400	5,541,818	5,789,218	5,589,368
	265,100	5,541,818	5,806,918	5,773,290

Approved on behalf of the board



Director



Director

Chesterfield Sports Society
Statement of Operations and Changes in Fund Balances
For the year ended April 30, 2009

	Operating Fund	Capital Asset Fund	2009 Total	2008 Total
Revenues				
Grant – Municipality of North Cowichan (note 8(a))	58,885	50,000	108,885	350,000
Grant – School District #79 (note 8(a))	10,000	-	10,000	10,000
Grant – Province of British Columbia (note 8(a))	-	484,646	484,646	40,856
Grant – City of Duncan (note 8(a))	17,004	-	17,004	14,488
Grant – Cowichan Valley Regional District (note 8(a))	80,000	-	80,000	80,000
Grant – Human Resources and Skills Development Canada (note 8(a))	8,658	-	8,658	-
Donations (note 8(b))	14,940	48,629	63,569	101,223
Concession	32,438	-	32,438	11,753
Investment income	10,273	(2,232)	8,041	6,364
Membership dues	6,947	-	6,947	5,143
User fees	80,746	-	80,746	94,463
Advertising, net	6,025	-	6,025	5,401
Other fundraising events, net (note 7)	46,987	-	46,987	63,084
Debt forgiven by Municipality of North Cowichan	-	-	-	181,234
GST rebate (note 2)	(7,821)	-	(7,821)	3,722
	365,082	581,043	946,125	967,731
Expenses				
Advertising and promotion	1,548	-	1,548	1,316
Amortization of capital assets	-	411,086	411,086	372,560
Concession	18,726	-	18,726	4,119
Insurance and licenses	8,827	-	8,827	8,038
Office and miscellaneous	6,952	-	6,952	23,906
Professional fees	18,211	-	18,211	20,103
Repairs and maintenance – other	22,681	-	22,681	11,972
Repairs and maintenance – salary and benefits	99,126	-	99,126	65,770
Repairs and maintenance – turf management	20,180	-	20,180	13,982
Salary and benefits	92,258	-	92,258	90,852
Security	1,800	-	1,800	1,046
Telephone and utilities	44,880	-	44,880	33,836
	335,189	411,086	746,275	647,501
Excess of revenues over expenses	29,893	169,957	199,850	320,231
Interfund transfers				
GST rebates and other miscellaneous transfer	1,715	(1,715)	-	-
Change in fund balances	31,608	168,242	199,850	320,231
Fund balances, beginning of year	215,792	5,373,576	5,589,368	5,269,137
Fund balances, ending	247,400	5,541,818	5,789,218	5,589,368

Chesterfield Sports Society
Statement of Cash Flows
For the year ended April 30, 2009

	<i>Operating Fund</i>	<i>Capital Asset Fund</i>	<i>2009 Total</i>	<i>2008 Total</i>
Cash provided by (used for) the following activities				
Operating activities				
Receipts from advertising, concession and donations	74,228	1,583	75,811	68,648
Receipts from grants	140,497	484,696	625,193	440,958
Investment income received	22,805	6,363	29,168	11,698
Receipts from dues and fees	104,569	-	104,569	98,102
GST rebates	(7,821)	-	(7,821)	67,142
Receipts from various fundraising events	46,987	-	46,987	63,084
Payments for employee salaries	(191,883)	-	(191,883)	(152,835)
Payments for materials and services	(147,320)	-	(147,320)	(108,489)
	42,062	492,642	534,704	488,308
Investing activities				
Purchase of property and equipment	-	(690,908)	(690,908)	(205,710)
Financing activities				
Transfer to (from) operating fund	(70,000)	70,000	-	-
Increase (decrease) in cash resources	(27,938)	(128,266)	(156,204)	282,598
Cash resources, beginning of year	172,100	297,710	469,810	187,212
Cash resources, end of year	144,162	169,444	313,606	469,810

Chesterfield Sports Society
Notes to the Financial Statements
For the year ended April 30, 2009

1. Incorporation and operations

The Society's purpose is to promote and support the development and maintenance of a sports complex which includes the following sporting and athletic activities: track and field; softball; football; field hockey; lacrosse; and soccer, located on that segment of Vancouver Island in the Cowichan Valley contained within the regional district boundaries including the City of Duncan, Municipality of North Cowichan and Cowichan Tribes. The Society was incorporated under the Society Act on March 1, 1996 and is a registered charity under the Income Tax Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the following significant accounting policies:

Fund accounting

The Society uses the restricted fund method of accounting for revenues and expenditures.

The Operating Fund accounts for maintenance and administrative activities.

The Capital Fund reports the transactions and balances related to construction of the Society's track and playing field assets and enhancements to the property.

Property and equipment

Purchased property and equipment are recorded at cost. Amortization of property is provided on a straight-line basis over the remaining term of the lease, including renewal options. Amortization of equipment is provided on a straight-line basis over 10 years. Amortization on various sport facilities is provided on a straight-line basis determined by management's reasonable estimate of their useful life. Amortization of software and web design is provided on a straight-line basis over 2 and 3 years respectively. Amortization expense is reported in the Capital Fund. Buildings and sport facilities under construction during the year are not amortized until put in use.

Long-lived assets

Long-lived assets consist of property and equipment with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings, loss for the year.

Revenue recognition

Pledges and contributions receivable are recognized as assets when the amount can be reasonably estimated and ultimate collection is reasonably assured.

Contributions related to maintenance and administration are recognized as revenue of the Operating Fund. All other contributions are recognized as revenue of the Capital Fund as receivable

Significant accounting policies (continued from previous page)

Contributed material and services

Volunteers contribute many hours per year to assist the Chesterfield Sports Society in carrying out the development and maintenance of the sports complex. Because of the difficulty of determining fair market value, contributed volunteer services are not recognized in these financial statements.

Contributions of materials and assets including capital assets, other than cash, are measured and recorded at fair market value at the date of contribution if fair market value can be reasonably determined, the materials are used in the normal course of business and the materials would otherwise be purchased.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expense in the periods in which they become known.

GST Accounting

The Society is a GST registrant. Expenditures are recorded net of input tax credits and public service bodies' rebates are recorded as revenue when receivable. All GST refunds/rebates are deposited in the operating fund by decision of the board of directors.

Financial Instruments

Held for trading:

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 Financial Instruments – Recognition and Measurement, even if that instrument would not otherwise satisfy the definition of held for trading. The Society has designated cash and short term deposits and investment as held for trading. Transactions to purchase or sell cash and short term deposits and investment are recorded on the settlement date, and transaction costs are immediately recognized in excess of revenue over expense.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in excess of revenue over expense.

Financial instruments (continued from previous page)

Loans and receivables:

The Society has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in expense. Total interest income, calculated using the effective interest rate method, is recognized in revenue.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Gains and losses arising from changes in fair value are recognized in excess of revenue over expense upon derecognition or impairment.

Other financial liabilities:

The Society has classified accounts payable as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in expenses. Total interest expense, calculated using the effective interest rate method, is recognized in excess of revenue over expenses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in excess of revenue over expense upon derecognition or impairment.

Financial asset impairment:

The Society assesses impairment of all its financial assets, except those classified as held for trading. Management considers whether the issuer is having significant financial difficulty or whether payments have not been made when due in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in excess (deficiency) of revenue over expense.

Recent accounting pronouncements

Disclosure of allocated expenses by not-for-profit organizations

In September 2008, the Canadian Institute of Chartered Accountants issued new recommendations for disclosures regarding allocated expenses by not-for-profit organizations. CICA Handbook Section 4470 *Disclosure of Allocated Expenses by Not-for-profit Organizations* requires disclosure by not-for-profit organizations that allocate fundraising and general support expenses to other functions of the policies adopted for the allocation of such expenses among functions, the nature of the allocated expenses, and the basis on which allocations are made. The section also requires disclosure of the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

The Society expects to apply these new recommendations for its financial statements next fiscal year and there are no significant impacts expected as they only affect disclosure.

Chesterfield Sports Society
Notes to the Financial Statements
For the year ended April 30, 2009

3. Cash and term deposits

The Society's short term investments consist of:

	2009	2008
Term Deposits		
- Operating Fund, interest payable at 2.25% due January 12, 2010	10,000	-
- Operating Fund, interest payable at 0.50% due October 26, 2010	31,965	-
- Operating Fund, interest payable at 2.00%, due February 5, 2010	10,350	-
- Operating Fund, interest payable at 3.25%, due October 17, 2009	62,266	-
- Capital Fund, interest payable at 4.30% due October 30, 2010	10,655	-
- Capital Fund, interest payable at 4.30% due October 30, 2010	10,655	-
- Capital Fund, interest payable at 2.75% due March 7, 2010	33,862	-
- Capital Fund, interest payable at 0.50% due October 26, 2010	18,776	-
- Capital Fund, interest payable at 2.25% due January 18, 2010	41,504	-
- Operating Fund, interest at 4.30%	-	30,000
- Operating Fund, interest at 3.75%	-	10,000
- Operating Fund, interest at 3.75%	-	10,000
- Operating Fund, interest at 3.75%	-	10,000
- Operating Fund, interest at 3.75%	-	10,000
- Operating Fund, interest at 3.50%	-	10,000
- Operating Fund, interest at 3.25%	-	70,000
- Capital Fund, interest at 4.25%	-	31,807
- Capital Fund, interest at 4.30%	-	18,000
- Capital Fund, interest at 2.00%	-	104,699
- Capital Fund, interest at 4.30%	-	10,000
- Capital Fund, interest at 4.30%	-	10,000
	230,033	324,505
Cash	83,573	144,823
	313,606	469,328

Chesterfield Sports Society
Notes to the Financial Statements
For the year ended April 30, 2009

4. Accounts receivable

	2009	2008
Operating		
Ceovac Track & Field	2,500	-
Cowichan Junior Field Hockey	2,205	-
Cowichan Storm Lacrosse	1,056	-
Cowichan Valley Regional District	80,000	-
Dr. Lyn Pascoe	1,125	-
Scotiabank	6,000	-
Summit Injury Management	1,200	-
Steel Pacific Recycling	6,000	7,500
Thrifty Foods	4,000	-
VILFHA	1,134	1,197
A & W	-	2,500
Field Hockey B.C.	-	1,197
NAIG Games 2008 – Cowichan	-	17,640
Scotia Bank	-	7,500
Stone Pacific	-	1,200
Other	7,109	7,152
Operating accounts receivable	112,329	45,886
Capital		
Province of British Columbia	4,000	13,619
	116,329	59,505

5. Investments

	2009	2008
Capital HSBC – BMO Bestlink Bond		
- 1,058.97 units @ \$94.52 per unit, guaranteed at cost of \$108,248	100,094	103,513
Capital HSBC – HSLC GIC		
- 95,000 units @ \$100 per unit matures March 29, 2011, interest @ 2.60%	95,000	53,376
Capital Equities BCE Inc		
- 1,032 units @ \$25.51 per unit	26,055	37,978
Operating Equities BCE Inc		
- 258 units @ \$25.51 per unit	6,854	9,494
Cash in Investment Account	23	482
	228,026	204,843

Capital investments are restricted for future field hockey turf replacement.

Chesterfield Sports Society
Notes to the Financial Statements
For the year ended April 30, 2009

6. Property and equipment

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
Track and playing fields	3,806,776	1,135,408	2,671,368	2,782,723
Ball diamonds	1,266,472	280,568	985,904	964,406
Common area	63,274	4,275	58,999	33,561
Playground	43,631	4,296	39,335	38,142
Fitness trail	8,980	539	8,441	5,588
Field Hockey	415,300	102,355	312,945	338,901
Parking lots	638,646	103,441	535,205	333,468
Buildings	237,134	43,773	193,361	178,925
Equipment	153,022	62,126	90,896	79,973
Lacrosse box	334,141	83,393	250,748	271,644
Software	5,406	5,406	-	-
Web design	1,800	1,800	-	-
	6,974,583	1,827,381	5,147,202	5,027,331

7. Fundraising activities

	2009	2008
Medallion Podium (Operating)		
Revenue	50,913	32,800
Expense	(4,964)	(489)
Net proceeds	45,949	32,311
Other Operating fundraising events, net		
Fitness Challenge	2,600	464
All Sports Tournament	(2,788)	-
Golf & Dinner Auction	(428)	-
Other fundraising income	1,654	-
	1,038	464
12 Hour Relay (Capital)		
Revenue	-	50,543
Expense	-	(20,234)
Net proceeds	-	30,309
Net proceeds	46,987	63,084

Chesterfield Sports Society
Notes to the Financial Statements
For the year ended April 30, 2009

8. Grants and donations

	2009	2008
a) Grants by local and provincial governments		
City of Duncan – Water	14,004	11,488
– Operating	3,000	3,000
Total grants by City of Duncan	17,004	14,488
 Municipality of North Cowichan		
Operating – Power and lights grant	26,968	15,000
Operating - Public use of sport facilities	30,000	30,000
Operating – Garbage	1,917	5,000
Capital – Capital projects	50,000	300,000
Total grants by Municipality of North Cowichan	108,885	350,000
 Provincial and other government grants		
Cowichan Valley Regional District	80,000	80,000
School District #79	10,000	10,000
Province of British Columbia	484,646	40,856
Human Resources and Skills Development Canada	8,658	-
Total grants by Provincial and other governments	583,304	130,856
 b) Restricted donations – to capital asset fund	48,629	60,842
 Unrestricted donations – operating fund		
Dibrell Holdings Ltd – 20% of 1290 BCE shares	-	9,946
RAL Bobcat	-	4,240
Show & Shine	3,000	2,500
Kiwanis Club of Duncan	-	1,000
Ceervac Roadrunners	-	5,000
Meyers Norris Penny	-	8,825
Ceervac Roadrunners	6,000	-
Country Grocer	1,000	-
Other donations	4,940	8,870
Total unrestricted donations	14,940	40,381
 Total donations	63,569	101,223

9. Commitment

Track and playing fields lease

The Society entered into a lease on August 29, 2007 with the Municipality of North Cowichan for the sports complex property. The lease is for five years with three renewable options of five years each. The annual lease payment is a nominal amount of \$1.

10. Subsequent events

- a) The City of Duncan notified the Society in a letter dated April 21, 2009 that the Society was granted water usage for the year – approximate value of \$15,000.
- b) The Municipality of North Cowichan has approved funds of \$30,000 for public use of the facility for the next fiscal year. The funds were received on June 26, 2009.
- c) The Municipality of North Cowichan received capital grant from the Province of British Columbia for \$88,688 to construct ActNow BC Fitness Equipment (Seniors Park) in the Sportsplex. The park opened on July 23, 2009. The total site preparation cost of \$9,329 was split 50/50 between Municipality of North Cowichan and the Sportsplex. The Sportsplex incurred \$4,665 for site preparation.

11. Economic dependence

The Society is economically dependent on funding from local governments.

12. Financial instruments

The Society's financial instruments consist of cash and short term deposits, accounts receivable, investment and accounts payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Risk management policy

The Society has no formal risk management policy to mitigate risk as the risk is considered minimal.

Credit risk

Credit risk is the risk assumed by the lender that the borrower will fail to fully honour its financial obligation. Financial instruments that potentially subject the Society to concentrations of credit risk consist of accounts receivable. The maximum credit risk exposure is \$80,000 (2008 - \$59,505). Accounts receivable from Cowichan Valley Regional District represents 68% of the total receivable (2008 - NAIG Games 2008 – Cowichan and Province of British Columbia for 30% and 23%, respectively). The Society believes that there is minimal credit risk associated with the collection of these amounts.

Fair value of financial instruments

The carrying amount of cash and short term deposits, accounts receivable, investment and accounts payable approximate their fair value due to the short term maturities of these items.

Fair value estimates are made at a specific point in time, based on available relevant market information and details of the financial instrument. However, in cases where they may not be fully supported by observable market prices or rates, assumptions may be subjective, and fair value cannot be estimated with precision.

Financial instruments (continued from previous page)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the cash flow risks resulting from interest rate fluctuations, the Society mitigates exposure by obtaining fixed rate investments. The Society is exposed to price risk through mutual fund and equity investments.

13. Capital management

The Society's objectives when managing capital is to safeguard its ability to operate as a going concern, so that it can continue to provide the community with access to sports facilities. Management and the directors also manage capital to ensure adequate funds are available for repairs, maintenance and replacement of playing fields at the facility.

The Society manages the capital structure and makes changes to it in light of changes to economic conditions as well as with consideration of externally imposed capital requirements.

The society manages the following as capital:

	2009	2008
Cash	144,162	172,100
Property and equipment	5,147,202	5,027,331
Externally restricted cash and investments	390,616	477,577
	5,681,980	5,677,008

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.



5SR8

STAFF REPORT

REGIONAL SERVICES COMMITTEE MEETING OF JUNE 23, 2010

DATE: May 21, 2010

FILE NO:

FROM: Administrator

BYLAW NO:

SUBJECT: Regional Recreation

Recommendation:

That this report be received for information.

Background:

At its April 28, 2010 meeting, the Regional Services Committee requested that the issue of Regional Recreation be brought back for discussion. Attached to this report for information are:

1. Copy of the "yellow" funding model previously discussed by the Board.
2. Copy of a July 6, 2009 report entitled "Ongoing Recreation Funding Discussion"
3. Copy of Nanaimo Regional District's Request for Proposal for recreation facility user statistics.
4. Copy of the May 13, 2009 CVRD Board minutes and resolution recommending that a committee be struck to examine moving forward with the "yellow" funding model.

Submitted by,



Warren Jones

WJ/ann

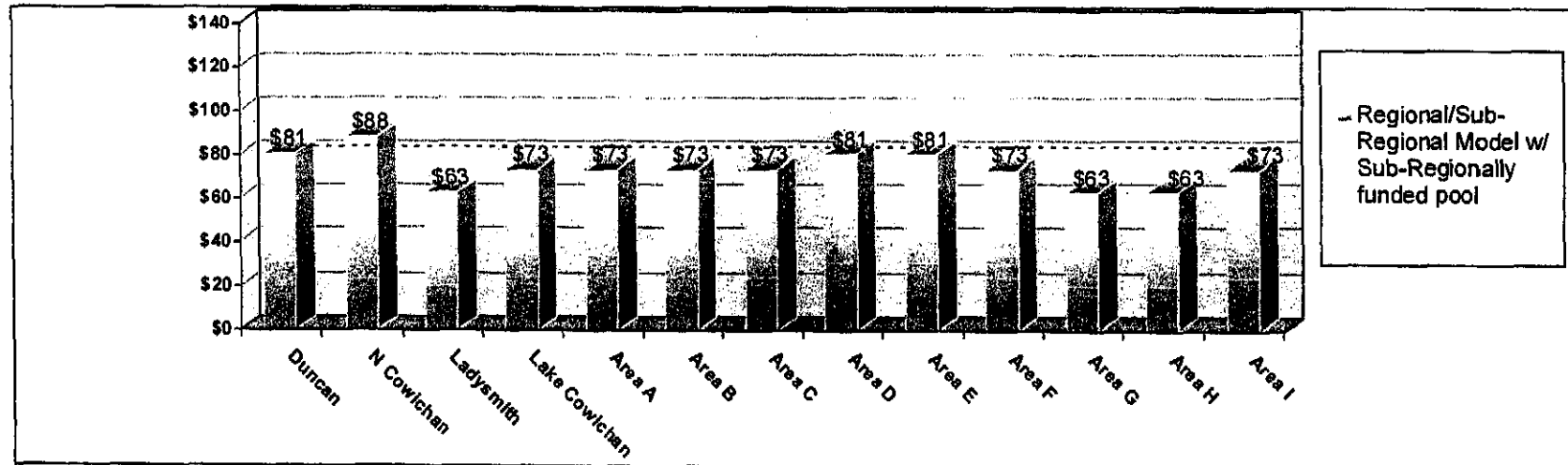
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**REGIONAL/SUB-REGIONAL
Recreation Funding Model**
with Sub-Regionally funded Cowichan Aquatic Centre

Concept: The *Regional/Sub-Regional Recreation Funding Model* groups recreation facilities into one of four sub-regional funding areas. Here, the Island Savings Centre and Cowichan Aquatic Centre are sub-regionally funded. This Model leaves only two regionally funded facilities:

1. Cowichan Theatre, and
2. Cowichan Sportsplex

REGIONAL/SUB-REGIONAL Recreation Funding Model *with Sub-Regionally Funded Cowichan Aquatic Centre*



Participating Area	Recreation Costs per \$100,000	Equal Share Recreation Costs	Cost Breakdown
Duncan	\$80.54	\$77.60 per \$100,000 in assessed value	36.00 ISC + 4.83 Theatre + 1.43 CSP + 38.28 CAC = 80.54
North Cowichan	\$86.84		36.00 ISC + 4.83 Theatre + 7.56 FLA + 1.43 CSP + 38.28 CAC = 88.1
Ladysmith	\$62.81		48.99 FJCC + 4.83 Theatre + 7.56 FLA + 1.43 CSP = 62.81
Lake Cowichan	\$73.23		66.97 CLRC + 4.83 Theatre + 1.43 CSP = 73.23
Area A	\$73.17		13.29 SLCC + 53.62 KPRC + 4.83 Theatre + 1.43 CSP = 73.17
Area B	\$73.17		13.29 SLCC + 53.62 KPRC + 4.83 Theatre + 1.43 CSP = 73.17
Area C	\$73.17		13.29 SLCC + 53.62 KPRC + 4.83 Theatre + 1.43 CSP = 73.17
Area D	\$80.54		36.00 ISC + 4.83 Theatre + 1.43 CSP + 38.28 CAC = 80.54
Area E	\$80.54		36.00 ISC + 4.83 Theatre + 1.43 CSP + 38.28 CAC = 80.54
Area F	\$73.23		66.97 CLRC + 4.83 Theatre + 1.43 CSP = 73.23
Area G	\$62.81		48.99 FJCC + 4.83 Theatre + 7.56 FLA + 1.43 CSP = 62.81
Area H	\$62.81		48.99 FJCC + 4.83 Theatre + 7.56 FLA + 1.43 CSP = 62.81
Area I	\$73.23		66.97 CLRC + 4.83 Theatre + 1.43 CSP = 73.23

REGIONAL/SUB-REGIONAL FUNDING MODEL						
<u>with Sub-Regionally Funded CAC</u>						
Costs, Budgets, & Tax Requisition						
Facility	Function	2008 Budget	2008 Requisition	Participants	Cost Per \$100,000 in assessed value	
Island Savings Centre	423 - Arena	\$1,095,294	\$473,498	Duncan, NC, D, E	\$6.95	\$36.00
	421 - Human Potential Wing	\$444,097	\$254,013		\$3.73	
	422 - Administration	\$1,457,607	\$939,575		\$13.80	
	424 - Multi-Purpose Hall	\$336,082	\$181,012		\$2.66	
	425 - Food/Beverage Service	\$591,418	\$211,567		\$3.11	
	427 - Library	\$361,151	\$136,261		\$2.00	
	428 - Heritage Hall	\$126,716	\$105,305		\$1.55	
	430 - Aquannis Centre**	\$150,000**	\$150,000**		\$2.20	
Fuller Lake Arena	Municipal	\$778,377	\$544,925	NC, Ladysmith, G and H	\$7.56	
Cowichan Lake Sports Arena	405 - Cowichan Lake Recreation*	\$1,897,144	\$1,183,451	Town of Lake Cowichan, F, I	\$66.97	
Shawnigan Lake Community Centre	464 - Recreation, Shawnigan Lake Community	\$1,381,006	\$440,000	A, B, C	\$13.29	
Kerry Park Recreation Centre	411 - Administration	\$1,072,303	\$808,022	A, B, C	\$24.41	\$53.62
	412 - Food & Beverage	\$365,339	\$145,633		\$4.40	
	413 - Curling Arena	\$214,988	\$203,391		\$6.14	
	415 - Ice Arena	\$977,260	\$617,930		\$18.67	
Frank Jameson Recreation Centre	Municipal	\$1,794,996	\$1,142,912	Ladysmith, G, H	\$48.99	
Cowichan Sportsplex	Municipal	\$598,911	\$203,824	Regional (All Areas)	\$1.43	
Theatre	426 - Theatre	\$1,098,301	\$421,267	Regional (All Areas)	\$4.83	
	429 - Theatre Capital Loan	\$53,020	\$41,730			
	435 - 439 - Grants	\$224,250	\$224,250			
Cowichan Aquatic Centre	Municipal	\$3,780,760	\$2,606,463	North Cowichan Duncan, D, E	\$38.28	
GRAND TOTAL		\$18,799,020	\$11,035,029	Equal Share	\$77.60	

* Estimate based on CLSA amounting to 85% of total Cowichan Lake Recreation costs

** Not actual 2008 cost. This is a projection of the operating cost only. Does not include major capital expenditures.

Notes: All figures based from 2008 budget and assessment. Tax rates vary in Municipalities, so these numbers do not necessarily represent the residential tax burden in incorporated areas.

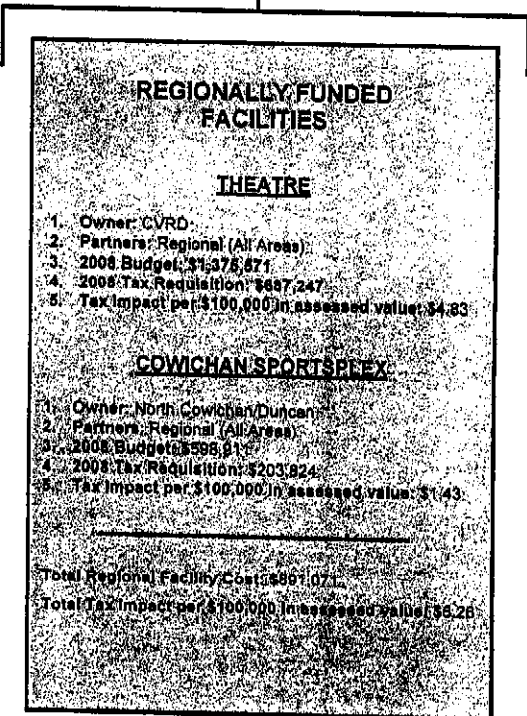
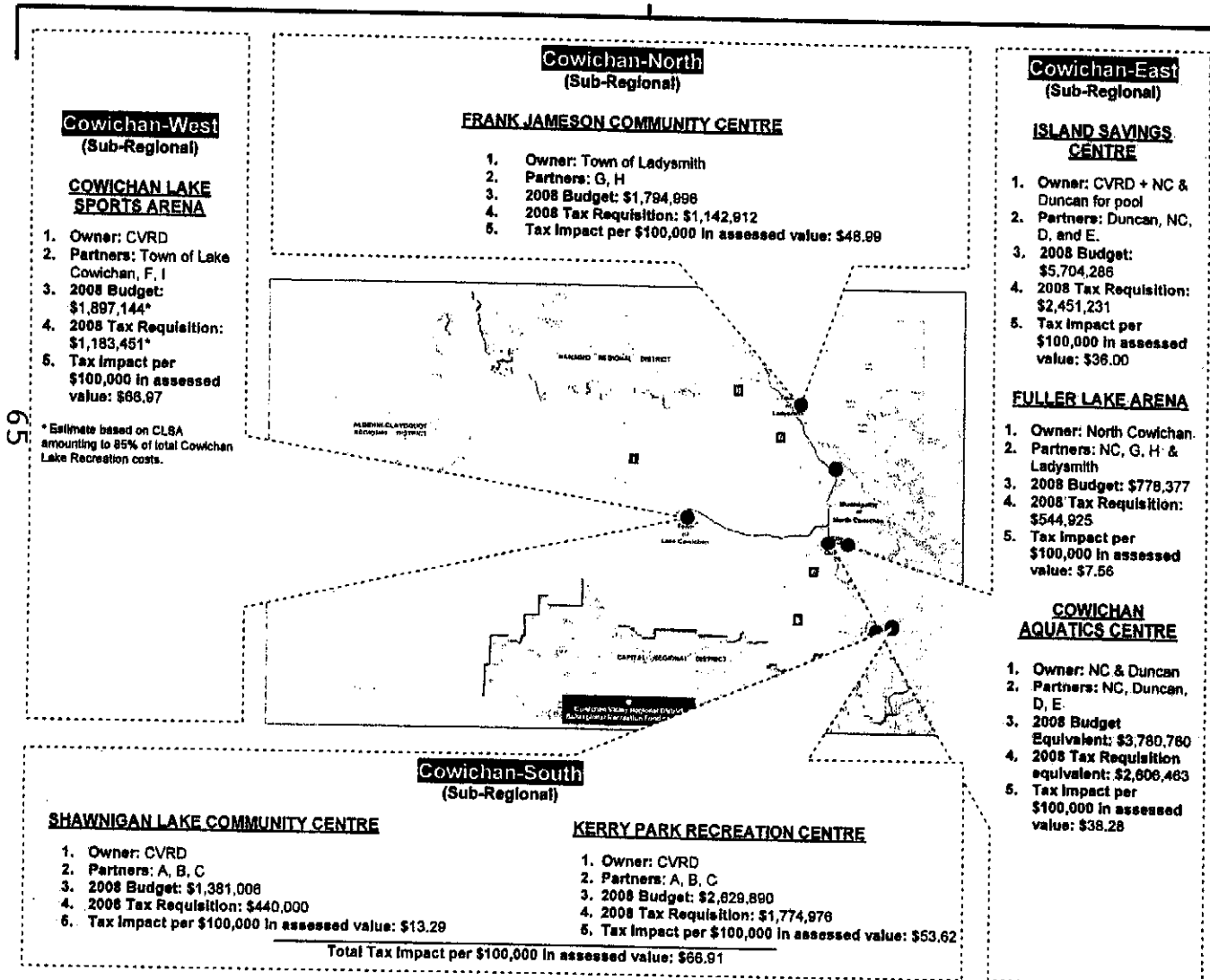
Acronyms: ISC - Island Savings Centre; **ISC Arena** - Island Savings Centre Arena; AC - Aquannis Centre; CSP - Cowichan Sportsplex; FLA - Fuller Lake Arena; CLSA - Cowichan Lake Sports Arena; SLCC - Shawnigan Lake Community Centre; KPRC - Kerry Park Recreation Centre; FJCC - Frank Jameson Community Centre.

REGIONAL/SUB-REGIONAL RECREATION FUNDING MODEL with Sub-Regionally Funded Cowichan Aquatic Centre

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SUB-REGIONAL RECREATION

REGIONAL RECREATION





STAFF REPORT
RECREATION FUNDING WORKING GROUP MEETING
OF JULY 8, 2009

DATE: July 6, 2009
FROM: Jacob Ellis, Manager, Corporate Planning
SUBJECT: Ongoing Recreation Funding Discussion

Recommendation:

For information.

Purpose:

This report provides an overview of options for moving forward with a discussion on Recreation Funding in the Cowichan Valley. Specifically, this report deals with the following issues:

1. Referendum Timing: "Yellow" Model Approval and Areas A, B, & C's Fall Referendum
2. User Data Collection
3. Phasing of Recreation Cost Adjustments
4. Principles for Progress
5. Voting Mechanism
6. Parcel Tax Approach to Funding
7. Governance

Discussion

1. Referendum Timing: "Yellow" Model Approval and Areas A, B, & C's Fall Referendum

The South Cowichan Areas of A, B and C are moving ahead with a Fall 2009 referendum on the question of borrowing the funds necessary to "repair, upgrade and improve the Kerry Park facility plus add a new pool." Fall 2009 has also been discussed as a possible target to hold a referendum on the "yellow" recreation funding model. As such, a decision needs to be made regarding the best timing for a potential referendum on the 'yellow' recreation funding model.

The group may want to consider whether holding two referendums dealing with funding recreation at the same time poses challenges in terms of maintaining two distinct public education campaigns, confusing the public, and jeopardizing the success of either referendum.

2. User Data

An interest has been expressed for initiating a process to collect user data from the different recreation centers in the region. Initial discussions with recreation centre staff indicate that user data can be collected, and a fairly good idea of geographic usership can be determined, although should the Board seek to tie funding to usage, a more accurate system would need to be developed to ensure greater accuracy of the figures collected.

Currently the Cowichan Theatre is capable of producing a usage report based off information gathered from ticket sales. The Cowichan Sportsplex also tracks user data for many of its programs. Other recreation functions can use the CLASS system to generate information on use through registered programs. However, there is currently no system in place to track drop in user stats at any of the recreation centres in the valley.

3. Phasing of Recreation cost adjustments

As identified in the Administrators report of January 20, 2009, phasing in increased costs to some areas as a result of implementing the "Yellow" recreation funding model is an available option to the Board. Where implementing the new model means a significant cost increase to certain areas, a phased implementation over a number of years may be warranted, and is available as a tool to help mitigate the impact of moving to a new funding model.

4. Principles for Progress

This group may wish to establish a short set of ground rules for moving forward, in an effort to better support a productive, respectful dialogue on how to best address the recreation funding issue. Some of these principles may include, but are not limited to the following:

- a. **Respect:** We will demonstrate respect for each other in the way we talk and the words we use.
- b. **Focus on the future (not the past):** In an effort to reach consensus on a way forward, we will focus on the future, and will refrain from discussing past mistakes, shortcomings or other issues that don't focus on the future and how to move forward.
- c. **One Issue at a Time.** We will identify and discuss one issue at a time, and then move on to the next issue. Where a new issue arises that is tangential to the first, and can be separated, that issue will be "parked" and dealt with separately.
- d. **Facts Only.** We will base our discussions and debates on facts. When the information necessary to an informed dialogue is unavailable, we will get it before carrying on discussions based on speculation, incomplete information or anecdotal evidence.

5. Voting Mechanism

An attached memo details the process that would be followed to move the approval process forward. In summary, the memo indicates that a referendum would be the appropriate public approval mechanism to formalize the "Yellow" recreation funding model. The costs associated

with the process would be approximately \$100,000 and would need to be budgeted in the 2010 budget if the Board wished to hold a spring 2010 referendum. As described in the attached memo "there is no cookie cutter approach to this potential Regional/Sub Regional Recreation Referendum Process." "There are a number of existing service establishment bylaws; potentially 13 partners; and, if approved by the public, there will be a critical timeline to establish/repeal existing bylaws."

As the Province is the ultimate approving authority for this process, they will need to understand the project that is being undertaken. The recommendation of the Corporate Secretary is that once this process move to the point of getting preliminary Board approval, staff should meet with the Provincial Ministry in Victoria to obtain "pre-approval" for the proposed process.

6. Parcel Tax Approach to Funding

At the August 2006 Regional Services meeting, a staff report was presented on the creation of a parcel tax policy. At that meeting it was moved and seconded that the draft policy be endorsed, finalized and forwarded to the Board for consideration and adoption. For unknown reasons however, the policy was never adopted. The final position of this draft policy however was that parcel tax is not recommended as a form of cost recovery except for limited utility services. The report is attached to provide further discussion of the topic.

7. Governance

Questions remain regarding what kind of a governance structure would be used for recreation funding partners where were a facility is owned by one partner, but other areas pay into that facility as full partners. Currently there are two main options being used in the Valley, although Board members may have suggestions on other concepts that may also be explored:

1. Independent Society: The Cowichan Sportsplex is currently managed and run by an independent sports society. The benefits include ensuring all partners have a voice on financial and management decisions. The disadvantages remain that local governments exercise less direct control over the affairs of facilities or lands owned by the local government.
2. Recreation Commission: Currently, most recreation facilities in the Cowichan Valley are run through recreation commissions. The advantage of these is that they provide the opportunity for all funding partners and in some cases community members through appointments, to provide input into the management of recreation services. The primary disadvantage to commissions is that they serve as advisory bodies only, and do not have final decision making authority on financial and management matters – this authority rests with the municipal council or regional board.

Submitted by,

Jacob Ellis, Manager
Corporate Planning



MEMORANDUM

DATE: June 12, 2009

TO: Jacob Ellis
Manager, Corporate Planning

FROM: Joe Barry
Corporate Secretary

SUBJECT: Potential Regional/Sub-Regional Recreation Referendum Process

A number of years ago, the Cowichan Valley Regional District combined a number of water systems in Electoral Area I – Youbou/Meade Creek. The process was complex owing to the need to deal with various service establishment bylaws; the appropriate public approval processes that would be required; and the critical timeline that would be needed to ensure that the merger of the systems was completed in the proper legal order. As a result, CVRD staff had a number of meetings with Provincial Ministry staff to agree on the project implementation process.

I raise this since there is no cookie cutter approach to this potential Regional/Sub Regional Recreation Referendum Process. There are a number of existing service establishment bylaws; potentially 13 partners; and, if approved by the public, there will be a critical timeline to establish/repeal existing bylaws. The Province is the ultimate approving authority for this process so they will need to completely understand the project that the CVRD is undertaking.

Therefore, I recommend that once this process begins to move along following preliminary Board approval, that the CVRD meet with Provincial Ministry staff in Victoria to obtain “pre-approval” for the proposed process. This will be a high profile, costly process and it has to be completed to the Province’s satisfaction.

Referendum Process

I propose moving forward with the establishment of an entirely new recreation service bylaw entitled Regional/Sub-Regional Recreation. This umbrella bylaw would cover all the proposed recreation facilities but would specify different participants for different facilities. This would create the desired result of specified jurisdictions only paying for specified facilities. This is based on the same concept that is used in the existing Transit Service Establishment Bylaw which has been approved by the Province and allows different areas to pay for different things.

For illustrative purposes, a draft bylaw has been prepared. Regional/Sub-Regional Recreation Service Establishment Bylaw No. 8888 has been drafted to distinguish between regional and sub-

regional facilities and to detail which jurisdictions are participating partners for each facility. This concept also allows future facilities to be added to the bylaw if so desired.

If this process is approved by the Province, it would result in one referendum question being asked in all jurisdictions, namely "Are you in favour of the Board of the Cowichan Valley Regional District adopting "CVRD Bylaw No. 8888 – Regional/Sub-Regional Recreation Service Establishment Bylaw, 2010" to establish a recreation service and to provide for the funding of specified recreation facilities within the Cowichan Valley Regional District"?

The impact on each individual area for each facility would be explained through the extensive public awareness process. The referendum question for Bylaw No. 8888 would simply be asking the public if they approve of the concept described in the bylaw.

This would eliminate the confusion and the costs associated with asking up to 13 separate referendum questions.

If this process is pre-approved by the Province and supported by the Board, the following steps would be followed:

- Board gives first three readings to Bylaw No. 8888
- Consent letters are received from the participating Electoral Area Directors
- Council resolutions are received from the participating municipalities
- Province officially approves Bylaw No. 8888
- Referendum question taken to the public

Cost of Referendum

A region wide referendum with one question will cost approximately \$100,000. The initial cost of the region wide referendum for the Regional Parkland Acquisition Fund was budgeted at \$87,000. Since the referendum was held in conjunction with the 2008 Local Government Elections, the actual cost was \$64,000. Numerous costs were covered by the election process where possible in the electoral areas and municipalities. However, since this would be a stand alone referendum, the costs would be higher than the \$87,000 forecast in 2008.

This \$100,000 cost includes the cost of holding the referendum plus the public awareness costs prior to the referendum that will be required.

2010 Budget

In order to facilitate an election in 2010, \$100,000 will have to be approved by the Board for inclusion in the 2010 budget.



DRAFT

COWICHAN VALLEY REGIONAL DISTRICT

BYLAW NO. 8888

A Bylaw To Establish A Regional/Sub-Regional Recreation Service Within The Cowichan Valley Regional District.

WHEREAS the Cowichan Valley Regional District desires to offer recreation programs and services that:

- (i) have the most potential to affect the social, emotional and physical development of individual members of the community;
- (ii) have the most potential to effect the positive identity, culture and spirit of the community;
- (iii) recognize the efforts of individuals and groups in the provision of quality leisure experiences;

and in addition thereto and without limiting the Regional District to -

- (i) ensure the provision of a balanced, diverse and quality offering of recreational, educational, social, cultural and athletic programs and services within the community through community co-sponsored and departmental programs;
- (ii) foster and encourage community leadership through involvement and participation;
- (iii) encourage co-ordination and co-operation amongst community organizations and agencies and other departments involved in the delivery of leisure services including education, cultural, social recreation and athletic activities.

AND WHEREAS the Board of Directors of the Cowichan Valley Regional District deems it desirable and expedient to establish and operate recreation services on a regional and sub-regional basis with the City of Duncan, District of North Cowichan, Town of Lake Cowichan, Town of Ladysmith and Electoral Areas A, B, C, D, E, F, G, H and I as participating areas;

NOW THEREFORE the Board of Directors of the Cowichan Valley Regional District, enacts as follows:

1. CITATION

This Bylaw may be cited for all purposes as "CVRD Bylaw No. 8888 – Regional/Sub-Regional Recreation Service Establishment Bylaw, 2010".

REGIONAL RECREATION FACILITIES

2. COWICHAN THEATRE / COWICHAN SPORTSPLEX

- a) A Regional Recreation Service is hereby established at the Cowichan Theatre and Cowichan Sportsplex with the City of Duncan, Town of Lake Cowichan, District of North Cowichan, Town of Ladysmith and Electoral Areas A – Mill Bay/Malahat, B – Shawnigan Lake, C – Cobble Hill, D – Cowichan Bay, E – Cowichan Station/Sahtlam/Glenora, F – Cowichan Lake South/Skutz Falls, G – Saltair/Gulf Islands, H- North Oyster/Diamond and I – Youbou/Meade Creek as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 2(a) of this Bylaw shall be the greater of \$ _____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 2(a) of this Bylaw shall be recovered by one or more of the following:
 - i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

SUB-REGIONAL RECREATION FACILITIES

3. ISLAND SAVINGS CENTRE

- a) A Regional Recreation Service is hereby established at the Island Savings Centre with the City of Duncan, District of North Cowichan and Electoral Areas D – Cowichan Bay and E – Cowichan Station/Sahtlam/Glenora as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 3(a) of this Bylaw shall be the greater of \$ _____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 3(a) of this Bylaw shall be recovered by one or more of the following:
 - i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or

Community Charter.

4. FULLER LAKE ARENA

- a) A Regional Recreation Service is hereby established at the Fuller Lake Arena with the District of North Cowichan, Town of Ladysmith and Electoral Areas G – Saltair/Gulf Islands, and H- North Oyster/Diamond as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 4(a) of this Bylaw shall be the greater of \$_____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 4(a) of this Bylaw shall be recovered by one or more of the following:
 - i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

5. COWICHAN LAKE SPORTS ARENA

- a) A Regional Recreation Service is hereby established at the Cowichan Lake Sports Arena with the Town of Lake Cowichan, and Electoral Areas F – Cowichan Lake South/Skutz Falls and I – Youbou/Meade Creek as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 5(a) of this Bylaw shall be the greater of \$_____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 5(a) of this Bylaw shall be recovered by one or more of the following:
 - i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

6. SHAWNIGAN LAKE COMMUNITY CENTRE

- a) A Regional Recreation Service is hereby established at the Shawnigan Lake Community Centre with Electoral Areas A – Mill Bay/Malahat, B – Shawnigan Lake, and C – Cobble Hill as participating areas.

- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 6(a) of this Bylaw shall be the greater of \$ _____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 6(a) of this Bylaw shall be recovered by one or more of the following:
 - i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

7. KERRY PARK RECREATION CENTRE

- a) A Regional Recreation Service is hereby established at the Kerry Park Recreation Centre with Electoral Areas A – Mill Bay/Malahat, B – Shawnigan Lake, and C – Cobble Hill as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 7(a) of this Bylaw shall be the greater of \$ _____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 7(a) of this Bylaw shall be recovered by one or more of the following:
 - i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

8. FRANK JAMESON RECREATION CENTRE

- a) A Regional Recreation Service is hereby established at the Frank Jameson Recreation Centre with the Town of Ladysmith and Electoral Areas G – Saltair/Gulf Islands and H – North Oyster/Diamond as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 8(a) of this Bylaw shall be the greater of \$ _____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the

service area.

- c) The annual costs for the service established under Section 8(a) of this Bylaw shall be recovered by one or more of the following:
- i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

9. COWICHAN AQUATIC CENTRE

- a) A Regional Recreation Service is hereby established at the Cowichan Aquatic Centre with the City of Duncan, District of North Cowichan and Electoral Areas D – Cowichan Bay and E – Cowichan Station/Sahtlam/Glenora as participating areas.
- b) The maximum amount of money that may be requisitioned annually in support of the service established under Section 9(a) of this Bylaw shall be the greater of \$_____ or an amount that equals the amount raised by applying a property value tax rate of _____ per \$1,000 to the net taxable value of land and improvements in the service area.
- c) The annual costs for the service established under Section 9(a) of this Bylaw shall be recovered by one or more of the following:
- i) the requisition of money to be collected by a property value tax to be levied and collected on the net taxable value of land and improvements within the service area;
 - ii) the imposition of fees that may be fixed by separate bylaw;
 - iii) revenues raised by other means authorized by the *Local Government Act* and/or *Community Charter*.

READ A FIRST TIME this _____ day of _____, 2010.

READ A SECOND TIME this _____ day of _____, 2010.

READ A THIRD TIME this _____ day of _____, 2010.

Certified a true and correct copy of Bylaw No. 8888 as given Third Reading on the _____ day of _____, 2010.

Date

Corporate Secretary

APPROVED BY THE INSPECTOR OF MUNICIPALITIES this _____ day
of _____, 2010.

ADOPTED this _____ day of _____, 2010.

Chairperson

Corporate Secretary



STAFF REPORT

REGIONAL SERVICES MEETING OF AUGUST 23, 2006 (Deferred from July 26, 2006 meeting)

DATE: July 19, 2006 **FILE NO:** 1970-00

FROM: Saila Hull, Special Projects Coordinator
Mark Kueber, Treasurer/Manager, Financial Services

SUBJECT: Setting a policy on parcel taxes

Purpose: As referred from the May 26, 2006 Regional Services Committee, this report is to provide information on the usage of parcel taxes (flat tax).

Background: At the March 22, 2006 Regional Services Committee it was proposed that staff look at different models for creation of a policy on parcel tax use and report back to the Regional Services Committee. The impetus for setting a policy is derived from recent requests to fund services other than sewer and water installations by way of a parcel tax. A policy with established criteria could aid the Board in its decision-making when cost recovery issues arise. To provide sufficient background on this topic, the current legislation, along with standard practices, and agency and society impacts of shifting to parcel taxes will be reviewed. It should be noted that by definition a parcel tax can be recovered on the basis of three methods: (1) a single amount for each parcel; (2) the taxable area of a parcel; or (3) the taxable frontage of a parcel. Using the frontage method is suited toward linear services such as certain water and sewer projects, and the area method is extremely rare in the province and is justified in limited cases. Therefore, this report is referring to the first type of parcel tax, known as a flat tax.

Legislation

Previously, regional districts could only apply parcel taxes to a restricted number of services. With the bringing into force of amendments to the *Local Government Act* in 2000, regional districts have been provided with broad powers to provide services, and the option of cost recovery by parcel tax has been broadened. Section 803.1 of the Act states that a regional district may recover the costs of its services by one or more methods including parcel taxes. The only exception is that parcel taxes may not be used to recover all or part of the costs of a regulatory service. Regulatory services are defined in Section 797.1 of the Act as building inspection, animal control, control of the deposit and removal of soil, control of pollution, nuisances, pests, noxious weeds etc., regulation of fire alarm systems and security alarm systems, and building numbering. Therefore, the legislation allows for the usage of parcel taxes for most services.

Standard practice

The majority of services within the CVRD are currently funded through property value taxes, except for sewer and water facilities. At its meeting held April 12th 2006, the CVRD Board endorsed the recommendation from the Electoral Area Services Committee that a flat rate parcel tax method be implemented for the Thetis Island Wharf. However, this change has yet to be implemented.

An informal survey of regional districts revealed that very few, if any, RDs have formal policies on the usage of parcel taxes. Most only use parcel taxes for sewer and water services. However, some do apply flat taxes to community parks, drainage control, docks, community halls, and regional parks. These circumstances have typically arisen from requests from the taxpayers or from directors where a uniform tax amount is preferred over a value-based tax.

The use of value-based property taxes has occurred for centuries¹. For many centuries, land was the main form of wealth and reflected a citizen's income and ability-to-pay. In more recent times, dissenters of the property value tax have argued that it is no longer based on ability-to-pay and does not always coincide with benefits received. It is sometimes suggested that owning a higher valued property does not automatically translate into the ability to pay higher property taxes. However, this is not the majority of cases. Provinces also provide relief from property taxation for those on low or fixed incomes. In British Columbia, the Ministry of Small Business and Revenue implements a property tax deferment program, which is a loan program that allows property owners 60 years or older that qualify to defer their annual property taxes to future years (such as with the sale of the property).

Another argument is that the relationship between the benefits that accrue to local property owners and certain people-related services is indirect and difficult to determine (such as parks, recreation centres, schools, subsidized rental housing). However, it has been shown that properties are in fact affected by these services, and that what is important is the balance of the taxation burden among all types of taxes in relation to all types of benefits².

It is the opinion of BC Assessment that the current property assessment/taxation system meets most of the criteria of an ideal taxation system, which are: simple and efficient administration, accountability, understandability, neutrality (economically efficient), fairness, and provision of a stable tax base³.

Implications

A shift to the use of more parcel taxes will increase the workload of staff at the CVRD. While there will be a slight impact on Administrative Services to prepare establishment or amendment bylaws, the burden will be heaviest on Financial Services, as it becomes the CVRD's responsibility to create and maintain a parcel tax roll for each separate service. Currently, BC

¹ Source: Hughes, C. (1992) Real Property Tax 101. British Columbia Assessment Authority: Victoria, BC.

² Ibid

³ Source: Turner, B. (1992) Real Property Taxation: A Summary of 3 Alternative Systems. British Columbia Assessment Authority: Victoria, BC.

Assessment maintains an assessment roll, which is then forwarded to the Surveyor of Taxes. With a parcel tax, the CVRD must prepare the roll, which sets out the parcels on which the tax is to be imposed and the name and address of the owner of each parcel. This roll must be authenticated by a parcel tax roll review panel (Court of Revision), and a notice mailed to the owner of every parcel of land in the service area. It must be updated and reviewed on an annual basis with notices posted in the newspaper. Currently the task of maintaining parcel tax rolls for sewer and water services is aided by the Engineering department, which keeps updated files on property owners through user fee billings. The Finance department would have to maintain a database of property owners for each service that uses a parcel tax. Discussions with other regional districts revealed that this creates a heavy administrative burden on the organization. The costs of undertaking this activity would be charged to each service. Additional staff time (regular part-time/ full-time) would be required. Advice from other regional districts is not to expand our usage of parcel tax due to the administrative burden it causes.

A shift to the use of parcel taxes could result in economic impacts on society. Firstly, the assessment-based tax system uses eight classes of property, which are taxed at different rates. Residential properties are used as a baseline, and utilities, industry, business, and managed forest land are taxed at higher rates. Under the flat tax system, all property classes would pay the same amount per parcel, which could result in a heavier tax burden on residential properties (depending on the land uses in an area). Secondly, value-based taxes are taxes on wealth and by having all parcels pay the same amount, the majority of property owners would see an increase in the amount of taxes paid. This would negatively impact those with the lowest-valued properties, and positively impact those with the highest-valued properties. This seems to run counter to a society that endorses the redistribution of wealth. Throughout history all cultures have recognized the advantages of sharing wealth so that everyone benefits⁴.

Policy Criteria: Despite the aforementioned implications of switching to parcel taxes, the Regional Services Committee may want to consider some criteria for policy development. Local government taxation is based on several different principles depending on the service. Some examples include user benefit, public benefit, equity, ability to pay, income redistribution and voter preference. The use of parcel unit taxes may best fit scenarios where there is an overall benefit to everyone that pays for it and it is deemed equitable that each parcel contributes the same amount. Example criteria for applying parcel taxes may include:

- Service area with a large majority of residential properties (i.e. relatively homogeneous)
- Small area involved
- Tax requisition for the service is below a certain threshold (or cost to average household is below a certain threshold)
- Percentage of the parcel tax burden is low when compared to other methods of funding a specific service (e.g. below 20%)
- Everyone that pays for the service has access to it and has direct benefit
- Financial impact for the average property is minimal (below a certain percentage)
- Can be applied where it seems fair to have everyone paying the same amount

⁴ Source: Hughes, C. (1992) Real Property Tax 101. British Columbia Assessment Authority: Victoria, BC.

- Taxpayers consent to it once all implications are explained

Recommendation: That it be recommended to the Board that the CVRD continue with its current practice of only funding sewer and water services through parcel taxes.

Submitted by,

Saila Hull
Special Projects Coordinator
Administrative Services

Mark Kueber
Treasurer/ Manager
Financial Services



Request for Consultant Services

Sportfields & Recreation Facilities 2010 Usage Survey

The Regional District of Nanaimo is seeking the services of a consultant;

To collect a statistically valid sample of facility usage via drop in surveys that determine residential addresses of patrons attending a varied sampling of public sessions at aquatic facilities in both City of Nanaimo and Town of Qualicum Beach.

To collect a statistically valid sample of arenas and sportfields usage from membership lists from organized leagues and associations located in the City of Nanaimo, Town of Qualicum Beach, City of Parksville, District of Lantzville and Regional District of Nanaimo (RDN) Electoral Areas A, B, C, E, F, G, H. Membership lists will be provided by staff at the Regional District of Nanaimo and the City of Nanaimo.

To tabulate and interpret the residential address data collected from drop in surveys, sport team membership list, and recreation program registration systems at the City of Nanaimo and the Regional District of Nanaimo to identify the number and percentages of patrons from the following jurisdictions; Regional District of Nanaimo Electoral Areas A, B, C, E, F, G, H, City of Parksville, Town of Qualicum Beach, City of Nanaimo and District of Lantzville.

Proposals clearly marked ***Consultant Services Sportfields and Recreation Facilities 2010 Usage Survey*** will be received until 15:00 hours on April 16, 2010 and should be addressed and delivered to:

Attention: Dean Banman, MBA
Manager of Recreation Services
Phone (250) 248-3252, fax (250) 248-3159
recparks@rdn.bc.ca


For all information regarding this solicitation including a detailed terms of reference, contact Dean Banman at (250) 248-3252 or 1-888-828-2069 or recparks@rdn.bc.ca

REPORT OF THE CHAIR Chair Giles reported on the Environment Commission session with the consultant that formulated the workplan for the Commission for the next year.

INFORMATION

IN1 Minutes of the South Cowichan Services & Governance meeting held April 22, 2009 were received as information.

IN2 An update from Director Brian Harrison re: Kerry Park Redevelopment Project was provided.

09-260  **It was moved and seconded that a Committee of the Board be struck to examine moving forward with the Regional/Sub-Regional (yellow) Funding Model as described in the January 2009 Staff Report.**

Opposed: Directors Duncan, Morrison and Marcotte

MOTION CARRIED

8:28 pm The Committee recessed from 8:28 pm until 8:40 pm.

COMMITTEE REPORTS

CR1 The report and recommendations of the Electoral Area Services Committee meeting of April 21, 2009 listing ten items were considered.

09-261 **It was moved and seconded:**

1. 1. That the Board Chair and Corporate Secretary be authorized to sign the necessary documents with the Island Corridor Foundation (ICF) and Ministry of Transportation to permit improvements upon ICF lands and within existing road rights of way around the Cobble Hill Train Station as part of the Cobble Hill Train Station "Trees for Tomorrow" Revitalization Project.
2. That a reserve fund expenditure bylaw be prepared authorizing the expenditure of no more than \$60,000 from the Community Parks General Reserve Fund (Area C – Cobble Hill) for the purpose of completing the Cobble Hill Train Station "Trees for Tomorrow" Revitalization Capital Project; and that the bylaw be forwarded to the Board for consideration of three readings an adoption.