METRO VANCOUVER REGIONAL DISTRICT
ELECTORAL AREA COMMITTEE

REGULAR MEETING

Wednesday, June 10, 2020
9:00 a.m.
28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia

REVISED AGENDA

1. ADOPTION OF THE AGENDA
   1.1 June 10, 2020 Regular Meeting Agenda
       That the Electoral Area Committee adopt the agenda for its regular meeting
       scheduled for June 10, 2020 as circulated.

2. ADOPTION OF THE MINUTES
   2.1 February 5, 2020 Regular Meeting Minutes
       That the Electoral Area Committee adopt the minutes of its regular meeting held
       February 5, 2020 as circulated.

3. DELEGATIONS

4. INVITED PRESENTATIONS

5. REPORTS FROM COMMITTEE OR STAFF
   5.1 Electoral Area A COVID-19 Impacts and Responses
       Designated Speaker: Marcin Pachinski, Division Manager, Electoral Area and
       Environment, Regional Planning and Housing Services
       That the Electoral Area Committee receive for information the report dated
       May 22, 2020, titled “Electoral Area A COVID-19 Impacts and Responses”.

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1 Note: Recommendation is shown under each item, where applicable.
June 8, 2020

Electoral Area Committee
5.2 Electoral Area A Reserve Funds – Use of Discretionary Reserves  
Designated Speaker: Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services  
That the MVRD Board:  
a) receive for information the report dated May 22, 2020, titled “Electoral Area A Reserve Funds – Use of Discretionary Reserves”; and  
b) direct staff to consider maintaining sufficient Electoral Area A Discretionary Reserves to fund the Electoral Area Services function for a minimum of three years as part of the preparation of the Electoral Area Services five-year financial plan.

5.3 Manager’s Report  
Designated Speaker: Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services  
That the Electoral Area Committee receive for information the report dated May 22, 2020, titled “Manager’s Report”.

6. INFORMATION ITEMS

7. OTHER BUSINESS

8. BUSINESS ARISING FROM DELEGATIONS

9. RESOLUTION TO CLOSE MEETING  
Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

10. ADJOURNMENT/CONCLUSION
That the Electoral Area Committee adjourn/conclude its regular meeting of June 10, 2020.

Membership:
McCutcheon, Jen (C) - Electoral Area A
Hocking, David (VC) - Bowen Island
Belenkie, Neil – Belcarra

Hardwick, Colleen - Vancouver
Mandewo, Trish - Coquitlam
McLaughlin, Ron - Lions Bay

Patton, Allison – Surrey
Wang, James - Burnaby

Electoral Area Committee
Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Electoral Area Committee held at 9:03 a.m. on Wednesday, February 5, 2020 in the 28th Floor Committee Room, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:
Chair, Director Jen McCutcheon, Electoral Area A
Vice Chair, Councillor David Hocking, Bowen Island
Mayor Neil Belenkie, Belcarra
Councillor Trish Mandewo, Coquitlam (arrived at 9:26 a.m.)
Mayor Ron McLaughlin, Lions Bay
Councillor Allison Patton, Surrey
Councillor James Wang, Burnaby

MEMBERS ABSENT:
Councillor Colleen Hardwick, Vancouver

STAFF PRESENT:
Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services
Jerry W. Dobrovolny, Chief Administrative Officer
Janis Knaupp, Legislative Services Coordinator, Board and Information Services

1. ADOPTION OF THE AGENDA

1.1 February 5, 2020 Regular Meeting Agenda

It was MOVED and SECONDED That the Electoral Area Committee adopt the agenda for its regular meeting scheduled for February 5, 2020 as circulated.

CARRIED

2. ADOPTION OF THE MINUTES

2.1 October 15, 2019 Regular Meeting Minutes

It was MOVED and SECONDED That the Electoral Area Committee adopt the minutes of its regular meeting held October 15, 2019 as circulated.

CARRIED
3. **DELEGATIONS**
   No items presented.

4. **INVITED PRESENTATIONS**
   No items presented.

5. **REPORTS FROM COMMITTEE OR STAFF**

   5.1 **2020 Electoral Area Committee Priorities and Work Plan**
   Report dated January 17, 2020 from Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services, providing the Electoral Area Committee with the priorities and work plan for the year 2020.

   Members were provided an overview of Electoral Area A (EAA) communities, services provided by Metro Vancouver, budget, and the Electoral Area Committee priorities and work plan for the year 2020.

   In response to questions, members were informed about:
   - staff liaising with RCMP on an incident-reporting basis, as needed
   - some EAA communities having locally-based water systems under the Ministry of Health jurisdiction
   - the EAA tax requisition including provincial school tax

   **Request of Staff**
   Staff was requested to report back to the Electoral Area Committee with information on provincial tax assessments for Electoral Area A communities, including a comparison with other Metro Vancouver communities, particularly those represented on the Committee.

   Members commented on exploring funding opportunities to expand the scope of the fire assessment study for Howe Sound to include communities along Indian Arm.

   Presentation material titled “2020 Priorities & Work Plan” is retained with the February 5, 2020 agenda.

   **It was MOVED and SECONDED**
   That the Electoral Area Committee endorse the work plan as presented in the report dated January 17, 2020 titled “2020 Electoral Area Committee Priorities and Work Plan”.

   CARRIED

9:26 a.m. Councillor Mandewo arrived at the meeting.
5.2 Electoral Area A Zoning Bylaw Review – Public Consultation Update
Report dated January 17, 2020 from Tom Pearce, Planner, Regional Planning and Housing Services, updating the Electoral Area Committee on the public consultation undertaken to date as part of the review of the Electoral Area A Zoning Bylaw.

Presentation material titled “Electoral Area A Zoning Bylaw Review Public Consultation Update” is retained with the February 5, 2020 agenda.

It was MOVED and SECONDED
That the Electoral Area Committee receive for information the report dated January 17, 2020, titled “Electoral Area A Zoning Bylaw Review – Public Consultation Update”.

CARRIED

5.3 UBCM Emergency Preparedness Grant Applications for Electoral Area A (UBC/UEL)
Report dated January 17, 2020 from Rod Tulett, Emergency Preparedness and Security Coordinator, Security & Emergency Management, Corporate Services and Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services, seeking MVRD Board endorsement of two UBCM grant applications, totaling $41,836, to enhance emergency preparedness capacity in the Point Grey communities of Electoral Area A (EAA).

Members were provided an overview of the grant application. In response to questions, members were informed about operations and support services, communications with residents, staff resources and expertise, proposed technology, and the Electoral Area A Emergency Management Plan.

Discussion ensued about exploring technology opportunities to enhance, add to and standardize existing EAA communications infrastructure, including opportunities in adjacent Metro Vancouver municipalities.

Members were informed that staff will explore grant opportunities as they arise and through the regular budget process.

It was MOVED and SECONDED
That the MVRD Board endorse the applications for two grants totaling $41,836 from the Union of BC Municipalities to enhance emergency preparedness capacity in the Point Grey (UBC/UEL) communities of Electoral Area A.

CARRIED

5.4 Electoral Area A Building Administration Amendment Bylaw No. 1301, 2020
Report dated January 17, 2020 from Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services, seeking
approval of Electoral Area A Building Administration Amendment Bylaw No. 1301, 2020.

Comments were offered about the importance that permit fees cover building inspection function costs.

In response to questions, members were informed about the rationale supporting the proposed permit fee increase, regular fee reviews going forward, and future public consultation on other bylaw amendments to come forward for consideration.

It was MOVED and SECONDED
That the MVRD Board:
a) give first, second and third reading to Electoral Area A Building Administration Amendment Bylaw No. 1301, 2020; and
b) pass and finally adopt Electoral Area A Building Administration Amendment Bylaw No. 1301, 2020.

CARRIED

It was MOVED and SECONDED
That the Electoral Area Committee direct staff to undertake a review of permit fee schedules established in the Electoral Area A Building Administration Bylaw, as part of the Committee’s 2021 Work Plan, to ensure permit fees cover the cost of the building inspection function.

CARRIED

5.5 Manager’s Report
Report dated January 17, 2020 from Marcin Pachcinski, Division Manager, Electoral Area and Environment, Regional Planning and Housing Services, updating the Electoral Area Committee on the community engagement series for UBC and UEL residents.

It was MOVED and SECONDED
That the Electoral Area Committee receive for information the report dated January 17, 2020, titled “Manager’s Report”.

CARRIED

6. INFORMATION ITEMS
No items presented.

7. OTHER BUSINESS
No items presented.

8. BUSINESS ARISING FROM DELEGATIONS
No items presented.
9. RESOLUTION TO CLOSE MEETING
   No items presented.

10. ADJOURNMENT/CONCLUSION

   It was MOVED and SECONDED
   That the Electoral Area Committee conclude its regular meeting of February 5, 2020.

   CARRIED
   (Time: 10:13 a.m.)

   ______________________________   ____________________________
   Janis Knaupp,      Jen McCutcheon, Chair
   Legislative Services Coordinator
To: Electoral Area Committee

From: Marcin Pachcinski, Division Manager, Electoral Area and Environment Regional Planning and Housing Services

Date: May 22, 2020  Meeting Date: June 10, 2020

Subject: Electoral Area A COVID-19 Impacts and Responses

RECOMMENDATION
That the Electoral Area Committee receive for information the report dated May 22, 2020, titled “Electoral Area A COVID-19 Impacts and Responses”.

EXECUTIVE SUMMARY
Like other communities in the region, Electoral Area A is being impacted by the COVID-19 pandemic. Regarding service provision, Metro Vancouver has continued to provide regular local government services, including building inspection, throughout the pandemic, and staff will be resuming virtual public consultation on the review of the Electoral Area A Zoning Bylaw this summer. In rural communities, the main impact has been on Barnston Island with the temporary closure of Barnston Island Regional Park in response to concerns regarding the increased number of visitors and their impact on residents and the ferry crew, and which was done with the support of the Katzie First Nation and the Ministry of Transportation and Infrastructure. At UBC and the University Endowment Lands, the Electoral Area Director held two virtual town halls to allow residents to ask questions of community leaders about COVID-19 and to discuss how residents can support each other.

PURPOSE
This report provides the Electoral Area Committee with a summary of the main impacts from and responses to COVID-19 on Electoral Area A services and communities.

BACKGROUND
Since the Electoral Area Committee last met on February 5, 2020, COVID-19 has impacted many communities in the region, including Electoral Area A. This report provides summary information on key impacts and how staff and communities have responded to those impacts.

ELECTORAL AREA SERVICES
Electoral Area Services staff have continued to provide regular local government services throughout the pandemic, including responding to property information inquires and processing building permits. Staff have adapted by relying more on phone, email, and couriers (for documents) to interact with applicants, but service levels have not changed. No declines in either inquiries or building permit activities have been detected.

Regarding the review of the Electoral Area A Zoning Bylaw, following the two rounds of in-person public consultation meetings that were held in late 2019, additional public consultation was paused for spring 2020. Staff are working on materials for additional virtual consultation that will take place...
during the summer and will provide the Electoral Area Committee with an update on the review of the Electoral Area A Zoning Bylaw in the fall.

BARNSTON ISLAND
Barnston Island is a farming community located in the Fraser River and is only accessible by a ferry operated by a Ministry of Transportation and Infrastructure (MoTI) contractor. The 10 km Dyke Road that loops around the Island is popular with recreational cyclists, and Barnston island Regional Park, which is comprised of two sites (Robert Point and Mann Point) on either end of the Island, provides attractive rest areas for visitors from the mainland.

The onset of the COVID-19 pandemic reduced the number of leisure options across the region but also gave people more time to spend outdoors. This, along with the arrival of spring, resulted in increased numbers of visitors to Barnston Island, exacerbating ferry access issues for Island residents. In response to concerns voiced by both Island residents and the ferry crew, and with the support of the Katzie First Nation (which declared a state of emergency and closed reserve lands to visitors), and MoTI, Metro Vancouver temporarily closed Barnston Island Regional Park in early April to deter non-essential ferry use and visitors to the island.

Metro Vancouver staff have been working closely with MoTI to address any concerns from residents, ferry crew, and visitors regarding access to the Island. Staff will continue to work with the Katzie First Nation and MoTI to determine when it will be appropriate to reopen Barnston island Regional Park.

UBC AND UEL VIRTUAL TOWN HALL MEETINGS
On April 28, Electoral Area A Director Jen McCutcheon held a virtual town hall meeting for residents of UBC and the University Endowment Lands (UEL). Invited presenters included Federal Member of Parliament (MP) Joyce Murray, Provincial Member of the Legislative Assembly (MLA) David Eby, Vancouver Coastal Health Authority Chief Medical Officer Dr. Patricia Daly, UBC President Santa Ono, RCMP Staff Sargent Chuck Lan, University Neighbourhoods Association (UNA) Board Chair Richard Watson, and UEL Community Advisory Council Chair Claire Huxtable. The town hall provided residents with a chance ask questions about local and regional COVID-19 responses, and discuss how they could best support each other. Approximately 75 people participated in the virtual event. Specific to Metro Vancouver, several community members voiced support for maintaining Pacific Spirit Regional Park open during the pandemic.

On June 3, the Electoral Area Director organized a second virtual town hall to connect UBC and UEL residents. Approximately 60 people participated in the virtual event, including Provincial Member of the Legislative Assembly (MLA) David Eby, UBC President Santa Ono, and RCMP Staff Sargent Chuck Lan. This town hall focused on COVID-19 recovery efforts, ways residents could support fellow community members, and provided an opportunity for residents to ask questions on a number of community-specific topics.

ALTERNATIVES
This is an information report. No alternatives are presented.
FINANCIAL IMPLICATIONS
No direct financial implications are associated with this information report. At this time, no decrease in building permit applications has been detected, and the small annual volume of building permits (less than 10) makes it challenging to correlate reductions in building activity in rural parts of Electoral Area A to the COVID-19 pandemic. Permit fee revenue information will be provided to the Committee as part of the Electoral Area Services budget package in the fall.

CONCLUSION
The COVID-19 pandemic has not had significant impacts on the provision of local government services by Metro Vancouver to Electoral Area A communities. However, the diverse geography of the Electoral Area means each community has faced unique challenges. In particular, Barnston Island’s reliance on a ferry for access to essential services on the mainland has required close collaboration internally with Regional Parks staff and externally with the Ministry of Transportation and Infrastructure and the Katzie First Nation to address ferry-related concerns and to discourage visitors to the Island by temporarily closing Barnston Island Regional Park. In UBC and the UEL, where Metro Vancouver does not provide typical local government services, the Electoral Area Director, with technical support from staff, organized two virtual town halls to bring residents and community leaders together to discuss COVID-19 impacts and responses. Staff will continue to monitor potential impacts of COVID-19 on Electoral Area A services and communities and will update the Committee as appropriate.
RECOMMENDATION
That the MVRD Board:

a) receive for information the report dated May 22, 2020, titled “Electoral Area A Reserve Funds – Use of Discretionary Reserves”; and

b) direct staff to consider maintaining sufficient Electoral Area A Discretionary Reserves to fund the Electoral Area Services function for a minimum of three years as part of the preparation of the Electoral Area Services five-year financial plan.

EXECUTIVE SUMMARY
In accordance with the Operating, Statutory and Discretionary Reserves Board Policy, the Electoral Area Services function has all three types of reserves. This report focuses on Electoral Area A Discretionary Reserves, which stand at $1.8 million and can be an additional revenue source that reduces the need for revenue from tax requisition. In addition to continuing to use these reserves for one-time projects, they can be used to smooth future increases to the Electoral Area A property tax levy, and to act as a buffer in the event of future governance changes at the UEL or UBC, which could result in a substantial loss of the Electoral Area’s tax base. Maintaining sufficient Discretionary Reserves would allow time to transition the Electoral Area Services function to a smaller tax base if this were to occur. The recommendation would have staff consider this as part of the preparation of the five-year Electoral Area Services financial plan.

PURPOSE
This report provides background information regarding Electoral Area A Reserves and potential uses for the Discretionary Reserves to help inform Electoral Area Committee discussion and the preparation of the Electoral Area Services five-year financial plan.

BACKGROUND
Unlike municipalities, taxes in rural areas (including Electoral Area A) are collected by the BC Surveyor of Taxes. Each year, Metro Vancouver lets the province know how much money they need to provide services in the Electoral Area for the upcoming year. The BC Surveyor of Taxes then determines the tax rates needed to raise the funds to pay for each service and sends out property tax notices. The only Electoral Area service that is dependent on permit fees (versus property taxes) is the building inspection service.

Financial information regarding Electoral Area A reserves is included as part of the annual Electoral Area A budget package. The Board approved 2020 Electoral Area Services work plan identifies a
report on potential uses for the Electoral Area A discretionary reserve as a second quarter work item for the Electoral Area Committee. This report addresses the “Financial Plan for Electoral Area A Reserve – Report on Potential Uses” work plan item.

**ELECTORAL AREA A RESERVES**

In accordance with the *Operating, Statutory and Discretionary Reserves Board Policy* (Attachment), there are three separate reserves for Electoral Area Services, described below.

**Operating Reserves**

Operating Reserves serve as a measure of financial security should there be an unforeseen financial loss beyond the control of the organization. The annual target balance is equal to 5% of net operating expenditures, based on the prior year’s net operating expenditures, which represents approximately 0.5 month of operating costs. As of December 31, 2019, the Operating Reserves amount for Electoral Area Services was $20,662.

**Statutory Reserves**

Statutory Reserves are reserves set aside for a legal entity and statutory function for a specific purpose in accordance with the applicable terms and conditions within the establishing legal framework. Electoral Area Services has two Statutory Reserve accounts:

- *Community Works Reserve*, which contains funds received through the Community Works Fund and can only be used for eligible projects and expenditures and has annual reporting requirements. As of December 31, 2019, the Community Works Reserve amount for Electoral Area Services was $169,013.
- *Electoral Area Election Reserve*, which contains funds to pay for local government election costs for the Electoral Area A Director every four years. The 2020-2024 Financial Plan includes an annual contribution to this Reserve (approximately $30,000), and it is intended to be spent every four years to cover election costs (approximately $120,000).

**Discretionary Reserves**

Discretionary Reserves are established by the Board for legal entities and statutory functions as an appropriation of annual surplus to meet a known or anticipated future financial obligation. The usage of Discretionary Reserve balances will fund expenditures as an additional annual revenue source to support Metro Vancouver’s (in this case Electoral Area A) goals and priorities in reducing the need for revenue from rates, levies and tax requisitions. Any unused portion of the Regional District Basic Grant, which is an annual unconditional provincial grant of approximately $50,000, is held in this reserve. As of December 31, 2019, the Discretionary Reserves amount for Electoral Area Services was $1.8 million. This report focuses on potential uses of the Electoral Area A Discretionary Reserves.

**POTENTIAL USES OF DISCRETIONARY RESERVES**

To help inform the Electoral Area Committee discussion and feedback on potential uses of the Discretionary Reserves, descriptions of existing uses and options for future uses are provided below.

**One-time Projects**

Currently, Discretionary Reserves are primarily used to fund one-time projects in Electoral Area A. Over the last several years, all budgeted projects have been funded through the use of Discretionary...
Reserves (e.g. the 2019 Indian Arm barge clean-up event ($50,000)). The annual Regional District Basic Grant (approximately $50,000) acts to offset the total amount of Discretionary Reserves used to fund one-time projects. Staff recommend continued use of the Regional District Basic Grant and Discretionary Reserves to fund future one-time projects for Electoral Area A.

**Smoothing Increases to the Electoral Area A Levy**
In addition to funding one-time projects, the Discretionary Reserves can be used for rate stabilization to smooth changes in operating budget expenditures in the Electoral Area Services five-year financial plan. In the Board endorsed 2020-2024 Financial Plan, Electoral Area Discretionary Reserves are used to phase in the levy increases for the Electoral Area Election Reserve as well as changes in the administration and support allocation.

Using the Discretionary Reserves to eliminate or minimize levy increases is not a sustainable long-term approach because it would inevitably require a large increase at some point in the future. However, limited smoothing of levy increases may be appropriate to avoid a sudden increase from, for example, a new service being introduced or to address an unforeseen circumstance, like the Covid-19 pandemic. While it is too early to know what impacts Covid-19 will have on payment of property taxes to the BC Surveyor of Taxes, the use of the Discretionary Reserves to minimize increases to the Electoral Area A levy in response to the Covid-19 pandemic is an option that may be considered as part of the 2021 Electoral Area Services budget discussions in the fall.

**Maintaining Discretionary Reserves in the Event of UEL (or UBC) Governance Changes**
Based on 2018 property tax information, 96.9% of the revenues used to pay for Electoral Area Services came from UBC (48.6%; $184,897) and the University Endowment Lands (UEL) (48.3%; $183,676).

The UEL is unique as the only urban area in BC directly administered by the Province. Discussions between the community and the Province regarding this governance model have been occurring over many years. In late 2019, the Province put out a request for proposals (RFP) for a “UEL Services, Structure and Governance Study”. According to the RFP, the study will, among other things, “lay the groundwork for the Province to consider options for the future state of the UEL, such as potentially shifting to a new structure for service provision and jurisdiction that is not based in the Province’s direct administration.” Of interest, the background information in the RFP notes that “two previous restructure studies (done in 1990 and 1995) considered UEL and UBC campus neighbourhoods together and included options to join Vancouver. The incorporation vote in 1995 was defeated. Current demographics in the UEL have changed dramatically since, along with the complexity of provincial interests.” Consultant work on the UEL Services, Structure and Governance Study is expected to be completed in fall 2021.

For the purposes of considering uses of the Discretionary Reserves, the main relevance of the UEL governance study is that one of the (long-term) outcomes might be that the UEL is no longer part of Electoral Area A (if it joined the City of Vancouver or incorporated, for example). This would result in the Electoral Area Services budget losing close to 50% of its tax base. One option is to maintain sufficient Discretionary Reserves to offset this potential loss for a number of years (e.g. 3 years) to allow time to transition the Electoral Area Services function to a smaller tax base.
Regarding UBC, while internal governance matters have been a recent topic at the University Neighbourhoods Association (UNA) Board, staff are not aware of any discussions occurring that might result in either or both UBC or the UNA changing their relationship with the MVRD. However, given that UBC represents a similar percentage of the tax base as the UEL for the Electoral Area Services budget, the option above is applicable if governance changes were to be proposed for UBC in the future.

Staff recommend maintaining sufficient Discretionary Reserves to fund the Electoral Area Services function for a minimum of three years, in the event that governance changes at UEL or UBC result in a substantial loss to the Electoral Area A tax base. This would allow time to transition the Electoral Area Services function to a smaller tax base.

**ALTERNATIVES**

1. That the MVRD Board:
   a) receive for information the report dated May 22, 2020, titled “Electoral Area A Reserve Funds – Use of Discretionary Reserves”; and
   b) direct staff to consider maintaining sufficient Electoral Area A Discretionary Reserves to fund the Electoral Area Services function for a minimum of three years as part of the preparation of the Electoral Area Services five-year financial plan.

2. That the Electoral Area Committee receive for information the report dated May 22, 2020, titled “Electoral Area A Reserve Funds – Use of Discretionary Reserves” and provide alternative direction to staff.

**FINANCIAL IMPLICATIONS**

This report presents information regarding Electoral Area A Reserves and potential uses for the Discretionary Reserves. While the report does not have any direct financial implications, feedback provided from the Committee will be used to inform the preparation of the Electoral Area Services five-year financial plan. Given that Electoral Area A Reserves are limited to Metro Vancouver’s relatively small function as a local government to Electoral Area A, decisions related to their use are not anticipated to impact other Metro Vancouver financial plans or services.

**CONCLUSION**

This report provides background information regarding Electoral Area A Reserves and potential uses for the Discretionary Reserves. There are three types of reserves for Electoral Area Services: Operating Reserves, Statutory Reserves, and Discretionary Reserves. No changes or recommendations are proposed to either the Operating Reserves or the Statutory Reserves. Discretionary Reserves serve as an additional revenue source to fund Electoral Area A goals and priorities, and their potential uses are described (continuing funding of one time projects, smoothing increases to the Electoral Area A levy, and buffering for a potential loss of tax base) to inform Committee discussion. Feedback from the Committee will be used to the prepare the Electoral Area Services five-year financial plan, which will be brought back to the Committee in fall 2020 for consideration. Staff recommend Alternative 1.

**Attachment:**
Operating, Statutory and Discretionary Reserves Board Policy
OPERATING, STATUTORY AND DISCRETIONARY RESERVES

Effective Date: April 27, 2018
Approved By: MVRD/MVHC/GVWD/GVS&DD Boards

PURPOSE
To outline principles and requirements that guide the establishment, use and management of Metro Vancouver reserves.

DEFINITIONS
“Annual Surplus” means excess of revenues over expenditures for the current year;

“Legal Entity” means Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage and Drainage District (GVS&DD), which includes the legal functions of Liquid Waste and Solid Waste, Metro Vancouver Housing Corporation (MVHC) and Metro Vancouver Regional District (MVRD); and

“Statutory Functions” mean functions related to the Metro Vancouver Regional District, which include: Affordable Housing, Air Quality, Electoral Area, General Government, Labour Relations, Regional Global Positioning System (GPS), Regional Parks, Regional Planning, E911 Emergency Telephone Service, Regional Emergency Management and Sasamat Fire Protection Service.

POLICY
Reserves are funds that are appropriated as a means of providing financial security against an unforeseen financial loss, such as a revenue shortfall and unexpected expenditures, or for meeting future financial obligations. They are a key element of Metro Vancouver’s long term financial sustainability and they provide a mechanism to ensure a strong financial position. Metro Vancouver reserves are categorized as Operating, Statutory or Discretionary.

Metro Vancouver’s Reserves Policy supports the following principles:
• Financial stability, security and sustainability
• Consistent with long term financial plans, Board and Corporate strategic goals
• In accordance with legal requirements under applicable legislation

In addition to these guiding principles, reserves shall be established and managed in accordance with the following:
• All reserve contributions and applications must be approved by the Board
• All reserve balances will earn interest at a rate based on Metro Vancouver’s average return on investments
• All reserves exclusively belong to a specific legal entity or statutory function and can only be applied to fund business activities of that legal entity or statutory function.
• Financial Services is responsible for the stewardship and oversight of all Metro Vancouver reserves.

1. OPERATING RESERVES

Operating Reserves are established for each legal entity and statutory function to serve as a measure of financial security should there be an unforeseen financial loss beyond the control of the organization.

A legal entity or statutory function’s inherent risk of experiencing an unforeseen financial loss increases both with the level of business activity as well as the nature of that business activity. Operating expenditures serve as a measure of an entity or function’s level of business activity; therefore, the greater the business activity the greater the risk of an unforeseen financial event. Risk of an unforeseen financial loss also increases with volatility associated with the business activity.

Minimum Reserve. The minimum required Operating Reserve amount for a legal entity or statutory function shall be determined as a percentage of the legal entity or statutory function’s prior year operating expenditures net of reserve contributions, contributions to capital and debt service costs and is based on the inherent risk of incurring a financial loss. As noted above, the higher the level of inherent risk, the higher the required reserve minimum balance.

Operating Reserve balances must be maintained at the established minimum amounts in order to ensure security against unforeseen financial impacts as this financial security is paramount to financial sustainability. Should the Operating Reserve balance fall below the established minimum, the Operating Reserve must be replenished to the minimum level within two budget years.

Contributions to Reserve. Contributions to Operating Reserves are made through the appropriation of annual surpluses generated from operations within a legal entity and statutory function.

Usage of Reserve. The usage of Operating Reserve balances will only be contemplated for the funding of unforeseen revenue shortfalls or expenditures obligations where other sources of funding is not available.

a) Greater Vancouver Water District (GVWD) Operating Reserve

The required Operating Reserve for the Water Services function is equal to 15% of net operating expenditures representing approximately two months of operating costs.

The GVWD is an entity whose primary revenue source is the sale of water based on a unit rate per cubic metre of water consumed within the region. The unit rate is set at a rate to cover annual expenditures and based on an estimated volume of overall regional consumption. The
actual level of consumption, however, may vary from expectation due to many factors including weather, effectiveness of conservation measures and the implementation of watering restrictions. This potential volatility in consumption and that the majority of expenditures are not variable with the level of consumption and cannot easily be adjusted should there be a drop in consumption, results in the GVWD having a higher relative level of inherent risk associated with their business activities.

b) Greater Vancouver Sewerage and Drainage District (GVS&DD) – Solid Waste
The required Operating Reserve for the Solid Waste function is equal to 15% of net operating expenditures representing approximately two months of operating costs.
Solid Waste is a function whose primary revenue source is Tipping Fee revenue based on a unit rate per cubic tonne of waste disposed of within the region. The unit rate is set to cover annual expenditures and is based on an estimated volume of overall regional waste tonnage. The actual level of waste tonnage, however, may vary from expectation due to many factors including level of construction and demolition, effectiveness of waste diversion activities and waste migration. While some expenditures in Solid Waste are somewhat variable with waste volumes, many are fixed. This along with the potential volatility in waste volumes leads to Solid Waste having a higher relative level of inherent risk associated with their business activities.

c) Greater Vancouver Sewerage and Drainage District (GVS&DD) – Liquid Waste
The required Operating Reserve for the Liquid Waste function is equal to 10% of net operating expenditures representing approximately one month of operating costs.
Liquid Waste is a function whose primary revenue source is an annual sewer levy collected from member jurisdictions and as a result are low risk in terms of collection. While the majority of revenues in Liquid waste carry a high level of certainty, the nature of the business of collecting and treating sewage has operating risks including weather related overflows, impacts from power interruption and infrastructure failure. As a result, Liquid Waste has a moderate relative level of inherent risk associated with their business activities.

d) Metro Vancouver Housing Corporation (MVHC)
The required Operating Reserve for the Housing Corporation function is equal to 10% of net operating expenditures representing approximately one month of operating costs.
The MVHC is reliant on tenant rents to support the annual expenditures to provide affordable housing. The level of rental revenue has some inherent risk of volatility due to factors including vacancy rates, tenant turnover and rental losses caused by required repairs and maintenance activities. The nature of the housing complexes being of wood construction, include a level of risk of unforeseen significant maintenance requirements. As a result, the MVHC has a moderate relative level of inherent risk associated with their business activities.
e) Metro Vancouver Regional District (MVRD)

The required Operating Reserve for each MVRD Statutory function is equal to 5% of net operating expenditures representing approximately one half of one month of operating costs.

The statutory functions of the MVRD are reliant on tax requisition collected from member jurisdictions and therefore, have low risk in terms of revenue collection. In addition, the MVRD statutory function’s operating expenditures are relatively consistent annually and quite predictable. As a result, the MVRD statutory functions have a low relative level of inherent risk associated with their business activities.

<table>
<thead>
<tr>
<th>Legal Entity/Statutory Function</th>
<th>Operating Reserve Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Vancouver Water District</td>
<td>15% of prior year’s net operating expenditures (approximately 2 months of operating costs)</td>
</tr>
<tr>
<td>Greater Vancouver Sewerage and Drainage District</td>
<td>15% of prior year’s net operating expenditures (approximately 2 months of operating costs)</td>
</tr>
<tr>
<td>Solid Waste</td>
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<tr>
<td>Greater Vancouver Sewerage and Drainage District</td>
<td>10% of prior year’s net operating expenditures (approximately 1 month of operating costs)</td>
</tr>
<tr>
<td>Liquid Waste</td>
<td></td>
</tr>
<tr>
<td>Greater Vancouver Housing Corporation</td>
<td>10% of prior year’s net operating expenditures (approximately 1 month of operating costs)</td>
</tr>
<tr>
<td>Metro Vancouver Regional District</td>
<td>5% of prior year’s net operating expenditures (approximately 0.5 month of operating costs)</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td></td>
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<tr>
<td>Air Quality</td>
<td></td>
</tr>
<tr>
<td>E911 Emergency Telephone Service</td>
<td></td>
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<tr>
<td>Electoral Area Service</td>
<td></td>
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<tr>
<td>General Government</td>
<td></td>
</tr>
<tr>
<td>Labour Relations</td>
<td></td>
</tr>
<tr>
<td>Regional Emergency Management</td>
<td></td>
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<tr>
<td>Regional Global Positioning System</td>
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<tr>
<td>Regional Parks</td>
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<tr>
<td>Regional Planning</td>
<td></td>
</tr>
<tr>
<td>Sasamat Fire Protection Service</td>
<td></td>
</tr>
</tbody>
</table>

2. STATUTORY RESERVES

Statutory Reserves are established where reserves are required within a legal framework which governs their composition and application. Statutory Reserves are reserves set aside for a legal entity and statutory function for a specific purpose in accordance with the applicable terms and conditions within the establishing legal framework as follows:
• Legal statute
• Board approved bylaw
• Governing agreement with another level of government or entity

Examples of Statutory Reserves include Liquid Waste Development Cost Charges, Cultural Grants and Park Land Acquisition.

**Contributions to Reserve.** Contributions to Statutory Reserves are made through annual budget contributions and the appropriation of the annual surplus generated from operations in accordance with legal statute, Board approved bylaw, or governing agreement.

**Usage of Reserves.** The usage of Statutory Reserve balances will only be authorized for the purpose designated by the Statutory Reserve and must be withdrawn in accordance with legal statute, Board approved bylaw, or governing agreement.

3. **DISCRETIONARY RESERVES**

Discretionary Reserves are established by the Board for legal entities and statutory functions as an appropriation of annual surplus to meet a known or anticipated future financial obligation.

**Contributions to Reserve.** Contributions to Discretionary Reserves are made through the appropriation of the annual surplus generated from operations for a known or anticipated future financial obligation, or for general future usage in accordance with the priority sequence as outlined under “Appropriation of Annual Surplus.”

**Usage of Reserves.** The usage of Discretionary Reserve balances will fund expenditures as an additional annual revenue source to support Metro Vancouver’s goals and priorities in reducing the need for revenue from rates, levies and tax requisitions. The usage of Discretionary Reserves will be included, where applicable, within the five-year financial plan.

4. **APPROPRIATION OF ANNUAL SURPLUS**

After ensuring that all Operating Reserves meet the minimum balances as established under this Policy and that all requirements for Statutory Reserves and Discretionary Reserves are met, any annual surplus remaining will be utilized in accordance with the following priority sequence:

i. **Fund capital expenditures or pay down existing debt.** This is consistent with debt avoidance and the mitigation of future financial obligations

ii. **Fund one-time expenditures.** This includes but is not limited to funding equipment purchases and consulting initiatives and projects.

iii. **Rate stabilization for a legal entity or statutory function.** This involves smoothing out utility rates, levies or tax requisitions resulting from operating budget expenditures.
Usage of reserves for rate stabilization is only used in circumstances where priorities 1) and 2) are not applicable, or have been met. This application is discretionary and may not be applicable. If not applicable, then move to priority 4.

iv. **Maintain as a Statutory or Discretionary Reserve.** This can represent an addition to an existing Statutory or Discretionary Reserve or the establishment of a new Discretionary Reserve based on new information regarding a future financial obligation.

**Management of Reserves**

When the Board has approved the use of reserves to fund expenditures, the funding must be spent for the intended purpose within the year of approval, or the following budget year.

Although reserves are to only be used for their intended purpose, there may be instances when short-term internal borrowing from reserves is financially beneficial or required. Internal borrowing is permitted to temporarily finance funding requirements to avoid external temporary borrowing or to fund emergencies as required, in accordance with the applicable legislation. If money from one reserve is used for temporary financing purposes, there must be repayment of the amount used to the reserve, plus interest within five years of borrowing.

Internal borrowing and transferring of funds from Reserves must be approved by the Board.
To: Electoral Area Committee

From: Marcin Pachcinski, Division Manager, Electoral Area and Environment
Regional Planning and Housing Services

Date: May 22, 2020

Subject: Manager’s Report

RECOMMENDATION
That the Electoral Area Committee receive for information the report dated May 22, 2020, titled “Manager’s Report”.

PORT OF VANCOUVER’S NEW RECREATIONAL DOCK GUIDELINES
The Vancouver Fraser Port Authority has developed new recreational dock guidelines and updated the dock licence program, which will apply to residents of Indian Arm, including Boulder Island and Carraholly Point. The new guidelines provide clarity on recreational dock permit application requirements for new dock applications and for repairs, maintenance and upgrades to existing docks. The new guidelines were designed to establish and provide a fair and consistent process for all applicants, minimize the impact that recreational docks have on the marine environment, and to ensure that recreational dock use does not negatively affect the environment, navigational safety or the community.

On May 28, 2020, the Port Authority hosted an information webinar to present the new guidelines and answer questions, which was shared with Electoral Area A residents of Indian Arm. The new guidelines and associated information can be accessed here: www.portvancouver.com/RecDockInformation.

EMERGENCY SUPPORT SERVICES TRAINING GRANT APPLICATION
At its February 5, 2020, meeting, the Electoral Area Committee supported two emergency preparedness grant applications to the Community Emergency Preparedness Fund (CEPF), which is funded through the Union of BC Municipalities to support members in increasing emergency preparedness and emergency response capacity.

One of the applications was for $25,000 to provide training to emergency support services volunteers to build capacity to respond to emergencies that cause the displacement of residents of the Point Grey area of Electoral Area A (UBC/UEL). In late April, UBCM advised that this application was not selected for funding as the CEPF program was oversubscribed and did not score high enough relative to other projects based on the program’s criteria.

No decision has been communicated to staff on the second grant application for VOIP telephones and their associated infrastructure in the amount of $16,836. Staff will monitor future intake opportunities and will update and bring future grant applications to the Electoral Area Committee, as appropriate.
Attachment

1. Electoral Area Committee 2020 Work Plan
# Electoral Area Committee 2020 Work Plan

**Report Date:** June 10, 2020

## Priorities

<table>
<thead>
<tr>
<th>1st Quarter</th>
<th>Status</th>
</tr>
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<tbody>
<tr>
<td>2020 Electoral Area A Committee Work Plan</td>
<td>Complete</td>
</tr>
<tr>
<td>Electoral Area A Zoning Bylaw Review – Public Consultation Update</td>
<td>Complete</td>
</tr>
<tr>
<td>Electoral Area A Building Administration Bylaw – Consideration of Bylaw Amendments</td>
<td>Complete</td>
</tr>
<tr>
<td>UBCM Emergency Preparedness Grant Application</td>
<td>Complete</td>
</tr>
<tr>
<td>Liquor licence, development variance permit, and rezoning applications, as applicable</td>
<td>Complete</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2nd Quarter</th>
<th></th>
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<tbody>
<tr>
<td>Electoral Area A Zoning Bylaw Review – Consideration of Bylaw Amendments</td>
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<tr>
<td>Electoral Area A Building Administration Bylaw – Status Update</td>
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<tr>
<td>Liquor licence, development variance permit, and rezoning applications, as applicable</td>
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<thead>
<tr>
<th>3rd Quarter</th>
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<tbody>
<tr>
<td>Electoral Area A Zoning Bylaw Review – Status Update</td>
<td>Pending</td>
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<tr>
<td>Fire Service Options and Costs Study for Howe Sound and Barnston Island</td>
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<tr>
<td>Barnston Island Flood Construction Level Study</td>
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<td>Liquor licence, development variance permit, and rezoning applications, as applicable</td>
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<table>
<thead>
<tr>
<th>4th Quarter</th>
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<tbody>
<tr>
<td>2020 Electoral Area A Annual Budget and Work Plan</td>
<td>Pending</td>
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<tr>
<td>Pitt Lake Clean-up – Post-Event Report</td>
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<tr>
<td>Liquor licence, development variance permit, and rezoning applications, as applicable</td>
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