



REPORT

To: Mayor and Council

Date: June 15, 2022

From: Lorraine Hilton
Chief Administrative Officer

File: 1835.02

To Council
June 20, 2022

Re: **Asset Management/Reserves and Surplus Policy Updates**

PURPOSE:

To request Council approval for updates to the Asset Management Policy and the Reserves and Surplus Policy.

BACKGROUND:

As part of the overall asset management strategy, Asset Management and Reserves and Surplus Policies were developed, and were approved by Council. Each of those policies contemplated a review. Accordingly, following review of the policies, updates are presented for Council's consideration.

OPTIONS:

The following options are for Council's consideration:

1. That the Asset Management Policy update, as attached to the report from the Chief Administrative Officer dated June 15, 2022, be adopted.
2. That the Reserves and Surplus Policy update, as attached to the report from the Chief Administrative Officer dated June 15, 2022, be adopted.
3. That staff be directed to bring forward an amendment to the Reserve Funds Bylaw, 415, 2019 to align with the Reserves and Surplus Policy update.
4. That alternate direction be provided to staff.

DISCUSSION:

The Asset Management and Reserves and Surplus policies were both scheduled for review. That review has been undertaken by Brentwood Advisory Group. Please refer to the attachments from Brentwood Advisory Group regarding the reviews and an overview of the recommended amendments, along with the updated policies for consideration.

As noted in the attachments, the Reserves and Surplus Policy has been amended to include a Climate Resiliency Reserve Fund, as directed by Council. It is worth mentioning that the Province of BC will be implementing a new Local Government Climate Action Program (LGCAP), which replaces the CARIP Program, that will provide funding for local climate action (see attached letter to staff). If the new reserve fund is established, it is expected that the funds from LGCAP would be placed into the reserve with funding used for planned projects through the annual financial plan process including funding applicable Council Strategic Priorities. Further information is still being gathered by staff regarding the LGCAP; therefore, at this point, it is being raised for awareness.

Should the updated Reserves and Surplus Policy be adopted, minor changes to the Reserve Funds Bylaw to align with the updated policy should be brought forward for formal consideration.

CONCLUSION:

Consistent with the asset management strategy, the related Council policies are before Council for proposed updates as outlined in this report and the attachments from Brentwood Advisory Group.

RECOMMENDATION:

1. That the Asset Management Policy update, as attached to the report from the Chief Administrative Officer dated June 15, 2022, be adopted.
2. That the Reserves and Surplus Policy update, as attached to the report from the Chief Administrative Officer dated June 15, 2022, be adopted.
3. That staff be directed to bring forward an amendment to the Reserve Funds Bylaw, 415, 2019 to align with the Reserves and Surplus Policy update.

Respectfully submitted,



Lorraine Hilton
Chief Administrative Officer

Attachments

Brentwood

Advisory Group

June 15th, 2022

Mayor Williams and Council
District of Highlands
1980 Millstream Road
Victoria, BC V9B 6H1

Dear Mayor Williams and Councilors,

Thank you for the opportunity to assist Council with this regularly scheduled update of your Asset Management Policy.

The District made the introduction of an Asset Management Strategy and the process of incorporating natural assets into that framework a priority in 2017. A first Asset Management Plan was approved in 2018, updated in 2019 and again in 2021 to incorporate new drainage inventory, pavement management information, updated values and integrate again with the Long-Term Financial Plan.

At that time, it was noted that the Asset Management and Reserves and Surplus policies would be brought forward to Council in 2022 for minor updating.

Recap of current approach:

The approach used by the District continues to be based on the Asset Management British Columbia Framework. This framework was developed by Asset Management BC and establishes a high-level, systematic approach that supports local governments in moving toward service, asset and financial sustainability through an asset management process. The framework reflects current leading practices and aligns with internationally accepted approaches such as the [International Infrastructure Management Manual](#) and the [ISO 55000 Standard for Asset Management](#).

'The District of Highlands assets will be managed through a coordinated approach that ensures financial sustainability following recognised asset management principles guided by the Districts Strategic Plan and Asset Management Plan.'

Proposed Updates for 2022:

The current policy is working well, and no significant changes are proposed for 2022. A variety of grammatical adjustments have been made throughout the document including the vision/purpose

statement. The objectives section has also been updated for clarity, with the addition of three bullets that reflect current practice:

- *Ensuring that the Asset Management Plan is aligned with the District's Five Year Financial Plan and Long Term Financial Plan;*
- *Maintaining a Tangible Capital Assets Policy, Reserves and Surplus Policy and Taxation Policy that are aligned with the Asset Management Plan and Long Term Financial Plan;*
- *Managing risk, through well informed decision making processes which minimise the probability of failure and manage the consequences of failure with regards to safety, environmental protection, levels of service and cost impacts.*

Summary

The District's Asset Management Policy is working well and requires no significant changes as a result of this scheduled review. Minor grammatical changes and clarifications have been proposed as needed.

The next scheduled review is planned for 2027.

Sincerely,



Paul Murray
Brentwood Advisory Group

TITLE:	ASSET MANAGEMENT		
SECTION:	Operational Services	POLICY No. V-3702	
Adopted:	February 19, 2018	Resolution:	41/ 2018
Amended:	XXX,2022	Resolution:	XX/2022

1. VISION AND PURPOSE

The District of Highlands assets will be managed through a coordinated approach that ensures financial sustainability following recognised asset management principles guided by the Districts Strategic Plan and Asset Management Plan.

The vision for the community includes providing a safe, livable, and sustainable community with well managed and maintained infrastructure assets. These assets include engineered assets such as drainage systems, transportation networks, public safety vehicles and equipment, information technology systems, and accessible parks, community and civic facilities. The District also recognizes the significant contribution made by natural assets such the Wark-Colquitz Aquifer in the delivery of service to the community.

The purpose of this policy is to set clear guidelines for consistent asset management processes to enable a consistent, coordinated, and affordable approach to provide the services required to meet community expectations.

2. TERMS

The following terms are used within this policy and are defined as follows:

Asset Management: an integrated, lifecycle approach to effective stewardship of infrastructure assets to maximize benefits, manage risk and provide satisfactory levels of service to the public in a sustainable manner.

Engineered Assets: assets that have been constructed and are owned by the District (e.g. roads, buildings and vehicles), land that is owned by the District and supports assets (e.g., land under roads or buildings), or land that is undeveloped and owned by the District. These assets must be operated, maintained, managed, and, apart from land, ultimately replaced as they wear out.

Natural Assets: naturally occurring land or subsurface features which perform or support service delivery to the District (e.g., the Wark-Colquitz Aquifer which filters and stores water, woodlands and the creeks which convey and treat storm water run-off). This category also includes artificial features that mimic naturally occurring features (e.g., ditches, ponds and wetlands). If these assets did not exist, Engineered Assets would be required to provide these services. Natural Assets must be operated and maintained but, if managed appropriately, require no replacement.

Risk: analysis of the 'likelihood' and the 'consequences' of a given event. Establishing the risk associated with lower infrastructure performance due to levels of service or postponement of asset replacement will identify system vulnerabilities and assist in

prioritizing work. For example, puddles on a gravel walkway may have a high likelihood of occurring but the consequences are not significant. In comparison, an ageing bridge structure may have a high likelihood of failure and the consequences may be significant.

Sustainable: meeting the needs of the present without compromising the ability of future generations to meet their own needs. In relation to Asset Management a sustainable approach takes into consideration the current and future benefits and costs of existing and new assets or services.

Level of Service: the service level delivered to the public by the District. This can take the form of the selection of services that are provided (e.g., bike lanes, doggie bags, or a new community hall), the standard of infrastructure in place (e.g., concrete sidewalks versus gravel paths), or the standard to which an asset is maintained (e.g., the frequency of scheduled road sweeping or line painting). The desire of Council or the public for a particular Level of Service will directly affect taxation.

3. OBJECTIVES

To ensure adequate provision is made for operations, maintenance, and long-term replacement of major engineered and natural assets by:

- Maintaining assets in the most natural, energy-efficient, and reliable manner that costs the least to operate over the life cycle of the asset;
- Maintaining an Asset Management Plan;
- Ensuring that the Asset Management Plan is aligned with the District's Five Year Financial Plan and Long Term Financial Plan;
- Maintaining a Tangible Capital Assets Policy, Reserves and Surplus Policy and Taxation Policy that are aligned with the Asset Management Plan and Long Term Financial Plan;
- Managing risk, through well informed decision making processes which minimise the probability of failure and manage the consequences of failure with regards to safety, environmental protection, levels of service and cost impacts.
- Fostering an environment where all District of Highlands employees take an integral part in overall management of the District's assets
- Creating and sustaining Asset Management awareness through staff training and development;
- Continually seeking opportunities for improving efficiencies in operations, maintenance and asset replacement practices;
- Demonstrating transparent and responsible Asset Management processes that align with established best practices; reporting out on performance annually through the budget process and annual reports; and
- Meeting legislative requirements for Asset Management.

4. PRINCIPLES

To ensure adequate provision is made for operations, maintenance, and long-term replacement of major engineered and natural assets by:

- A consistent Asset Management Strategy will be used for implementing systematic Asset Management leading practices;
- Natural Assets are recognized by Council as performing essential service delivery and will be identified and managed in a similar manner as Engineered Assets;
- Asset Management plans will be developed and maintained for major service/asset categories. The plans will be informed by community consultation and financial planning and reporting;
- An inspection and condition assessment regime will be used to ensure community service levels are maintained and to identify asset renewal priorities;
- Asset renewals and levels of service will form the basis of annual budget estimates;
- Training in asset and financial management will be provided for relevant staff.

5. SCOPE

This policy applies to all District of Highlands activities.

6. LEGISLATION

All aspects of Asset Management within the District shall be conducted in accordance with applicable legislation.

7. RELATED DOCUMENTS

Asset Management Strategy, Asset Management Plan, Long Term Financial Plan, Integrated Community Sustainability Plan, Official Community Plan, Reserves and Surplus Policy, Tangible Capital Assets Policy.

8. RESPONSIBILITIES

Asset Management is a corporate responsibility that involves all staff and members of Council in the effective implementation of sustainable service delivery.

8.1. Council is responsible for:

- adopting this Asset Management Policy and future updates;
- allocation of resources;
- providing high level oversight of the delivery of the District's Asset Management Strategy; and

8.2. The Chief Administrative Officer is responsible for:

- developing Asset Management strategies, plans, and procedures;
- reporting to Council and updating the community regularly on the status, effectiveness, and performance of work related to the implementation of this Asset Management Policy;
- establishing financial plans for consideration by Council that will ensure stable, long-term funding for replacement, renewal and/or disposal of assets;
- ensuring that the most up to date information on the District's Natural and

Engineered Assets is gathered and maintained;

- using industry standard unit costs and service lives for all infrastructure components, considering variations due to unique local conditions;
- planning financially for the appropriate level of maintenance for assets to deliver established Levels of Service with the goal to extend the useful life of District assets; and
- valuing and depreciating assets in accordance with appropriate best practices.

9. REVIEW DATE

This policy has a life of 5 years. It will be reviewed in 2027.

Brentwood

Advisory Group

June 15th, 2022

Mayor Williams and Council
District of Highlands
1980 Millstream Road
Victoria, BC V9B 6H1

Dear Mayor Williams and Councilors,

Thank you again for the opportunity to assist Council with this regularly scheduled update of your Reserves and Surplus Policy. Council has also asked that the Reserves and Surplus Policy incorporates a new Climate Resiliency Reserve Fund.

Recap of current approach:

Healthy reserves and surplus levels are important in achieving community goals such as financial health and stability. The current policy was implemented in 2019 and has been used to guide financial planning and the annual budget process since that time; providing consistent direction for the establishment, maintenance and use of Reserves and Surplus in meeting the District's short-term and long-term financial goals. The framework is focused on providing:

- Long-term Financial Stability,
- Predictable Tax Levies,
- Contingencies for Operating Emergencies,
- Safeguard and Maintain Existing Assets, and
- Finance New Capital Assets

Using four fundamental principles:

- Being proactive in terms of financial health and stability;
- Ensuring reserves and surplus goals are consistent with The District's Long Term Financial Plan and Asset Management Plan;
- Benchmarking of reserves and surplus balances on an ongoing basis, to gauge how financial health is being achieved, and
- Annual disclosure of reserves and surplus (The Scorecard).

Three Areas of Reserves and Surplus are used:

1. Operating (Working) Capital

This is an Unappropriated Surplus balance in the General Operating Fund held for working capital purposes, i.e., to provide for operating expenditures before property taxes and/or user fees are collected.

2. Operating Reserve Funds (for Contingencies and Projects)

These three contingency reserves are held in case of major emergent operating issues and one-time and intermittent projects; Financial Stabilization Reserve Fund, Winter Contingency Reserve Fund and Westshore Recreation Reserve Fund

3. Statutory Reserve Funds (For Infrastructure and Land)

These are reserves held for the planned replacement of District assets, the purchase of land and a general capital reserve for future new capital priorities of Council.

Most are held at target levels aligned with the Districts Asset Management Plan with annual contributions determined during the budget process each year.

Proposed Updates for 2022:

One change is proposed to the current approach, the addition of a new Community Climate Resiliency Reserve Fund (Section 5.2 attached). A fund target of \$100,000 over 10 years will be established for the annual financial planning process, as per Council resolution, and can be reviewed during that time.

A variety of minor grammatical updates have been made throughout the document and a new scorecard example inserted in Appendix A. The *'Winter Snow Reserve'* has been retitled as *'Winter Weather Reserve'* and the *'Community Gas Tax Reserve'* has been retitled *'Canada Community Building Reserve Fund'* to match the current agreement terminology. The next regular review of this policy is scheduled for 2027.

Summary

With the addition of a new Community Climate Resiliency Fund, the current Reserves and Surplus Policy requires no other significant changes and aligns well with the District's work toward Sustainable Asset Management. This good reserves management practice will continue to bring focus and a longer-term perspective to the management of natural and built assets in the municipality and provide for contingencies should unforeseen events occur.

Sincerely,



Paul Murray
Brentwood Advisory Group

DISTRICT OF HIGHLANDS

POLICY AND PROCEDURES

TITLE:	RESERVES AND SURPLUS POLICY		
SECTION:	CORPORATE SERVICES	POLICY No. III-1720	
Adopted:	March 18, 2019	Resolution:	087/2019
Amended:	June XX,2022	Resolution:	XXX/2022

1. PURPOSE

This Reserve and Surplus Policy provides for the establishment of Reserves and Unappropriated Surplus Funds, and their use in meeting short-term and long-term financial goals of the District. The aim of the framework is to maintain a level of financial resources sufficient enough to protect against reductions in service levels or raising of property taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.

2. PRINCIPLES

Healthy reserves and surplus levels are important in achieving community goals including financial health and stability. The District will strive to be proactive in terms of financial health and stability by ensuring that;

- Actual reserves and surplus balances will be benchmarked with other jurisdictions and with pre-determined targets on an ongoing basis to gauge whether financial health is being achieved;
- Reserves and surplus goals will be consistent with The District's Long Term Financial Plan and Asset Management Plan;
- The District will avoid the use of funds for recurring operating expenditures. If the use of a reserve fund balance to pay for operating expenditures is necessary to maintain the quality or level of current services, an explanation of the circumstances of the use of the fund balance and the strategy to eliminate the future use of the fund balance will be disclosed during the annual financial planning process.

3. TERMS

This policy refers to the Community Charter, the Local Government Act, Community Building Fund Administrative Agreement, Generally Accepted Accounting Principles (GAAP) and Public Sector Accounting Board (PSAB). The following terms are used within this policy and are defined as follows:

Accumulated Surplus means the accumulated excess of revenues over expenditures from prior years which has not been set aside for specific purposes.

Annual Surplus means the accumulated excess of revenues over expenditures for the current year.

Reserve Funds means funds that are set aside for a specified purpose by Council pursuant to subsection 188 (1) of the *Community Charter*. These reserves are established via District bylaws and are discretionary on the part of Council.

Reserves means all of the District's Reserve Funds and Statutory Reserve Funds.

Statutory Reserve Funds means funds set aside for specified purposes as required by and pursuant to specific legislation. These Reserves are established via District bylaws and are non-discretionary on the part of Council.

Unappropriated Surplus means the accumulated surplus built up in the District's various operating funds that has not been designated for specific uses.

4. OPERATING (WORKING) CAPITAL

The District will maintain an Unappropriated Surplus balance in its General Operating Fund for working capital purposes, i.e. to provide for operating expenditures before property taxes and/or user fees are collected. Maintaining minimum working capital levels eliminates or reduces the need to borrow externally and/or internally for operations. Given the relative stability of revenues and moderate financial risk this has been set at a level equal to six months revenues.

5. RESERVES - OPERATING AND CAPITAL RESERVE FUNDS

Pursuant to subsection 188 (1) of the *Community Charter*, Council may, by bylaw, establish a reserve fund for a specified purpose and direct that money be placed to the credit of the reserve fund. Operating Reserves will be replenished usually within one to three years.

The following reserve funds have been established for specific operating and capital purposes and do not require an establishing bylaw:

5.1. Financial Stabilization Reserve Fund

The Financial Stabilization Reserve has been established for the following purposes:

For Major Emergent Operating Issues - the District is exposed to major non-reoccurring costs from various emergency events or situations, e.g., inclement weather, environmental hazards, etc. These emergent situations cannot be anticipated, and it is not feasible to absorb the cost of such events in other budget areas in any given year.

For One-Time and Intermittent Projects - the District undertakes one-time and/or intermittent projects that are larger in cost. If these projects were funded from property taxation, annual spikes and subsequent declines in taxation would result; therefore, it is not prudent to fund these projects from on-going property taxation revenue.

5.2. Community Climate Resiliency Reserve Fund

The Community Climate Resiliency Reserve has been established to provide funds for community climate resiliency, adaptation and mitigation actions.

5.3. Winter Weather Contingency Reserve Fund

The Winter Weather Contingency Reserve Fund has been established to specifically offset the cost of significant unplanned winter weather events.

5.4. Westshore Recreation Reserve Fund

The Westshore Recreation Reserve has been established to assist with the District's share of any replacement or construction of new facilities at Westshore Recreation.

If used, these operating reserves will be replenished usually within one to three years.

6. STATUTORY RESERVE FUNDS

If monies are received from specific sources, certain Reserve Funds must be established for administering these funds, as per specific legislation. These Reserve Funds are termed by the District to be Statutory Reserve Funds as noted below.

6.1. Canada Community Building Reserve Fund

The Canada Community Building Reserve has been established to account for funds received and used pursuant to the Canada Community Building Fund Administrative Agreement. Funds in this reserve are required to be used for eligible projects under that agreement.

6.2. Fire Buildings, Vehicles and Equipment Replacement Reserve Fund

The Fire Buildings, Vehicles and Equipment Replacement Reserve has been established to replace the existing East and West Fire Halls, fire vehicles and equipment used by the District's Fire Service. (Asset Management Plan funding guideline).

6.3. Municipal Buildings, Vehicles and Equipment Replacement Reserve Fund

The Municipal Buildings, Vehicles and Equipment Replacement Reserve has been established to replace the District Office, municipal vehicles and equipment used by the District's general operations. (Asset Management Plan funding guideline).

6.4. Heritage Structures Capital Replacement Reserve Fund

The Heritage Structures Replacement Reserve has been established to assist in the replacement of heritage structures such as the Caleb Pike Dairy, Schoolhouse, Teacherage, Museum, and Caretakers Residence from time to time. (Asset Management Plan funding guideline).

6.5. Community Hall Replacement Reserve Fund

The Community Hall Replacement Reserve has been established to replace the Community Hall. (Asset Management Plan funding guideline).

6.6. Park Facilities Replacement Reserve Fund

The Park Facilities Replacement Reserve Fund has been established to replace existing facilities at Twinflower Park and Eagles Lake. (Asset Management Plan funding guideline).

6.7. Roads Replacement Capital Reserve Fund

The Roads Replacement Capital Reserve has been established for capital road projects, as the District has a major road network that needs to be renewed on an ongoing basis. This will be the primary source of funding for the District's Pavement Management Plan.

6.8. Bridge Replacement Capital Reserve Fund

The Bridge Replacement Capital Reserve has been established for replacement of the District's road network bridges that need to be renewed on an ongoing basis. (Asset Management Plan funding guideline).

6.9. Groundwater and Drainage Reserve Fund

The Groundwater and Drainage Reserve has been established for major drainage projects, as the District has a significant natural groundwater and drainage network that needs to be renewed on an ongoing basis. (Asset Management Plan funding guideline).

6.10. General Capital Reserve Fund

The General Capital Reserve has been established to fund new infrastructure that is not specifically funded from other established reserves.

6.11. Parkland Acquisition Reserve Fund

Per subsection 188 (2) (b) of the *Community Charter*, funds received from the sale or disposal of parkland as well as funds received pursuant to section 941 of the *Local Government Act* (parkland funds received upon subdivision) must be set aside in a Reserve and be used exclusively to purchase parkland. The Parkland Acquisition Reserve has been established for accumulating and expending monies as per this requirement. (No specific funding level is established).

6.12. Land Sale Reserve Fund

Per subsection 188 (2) (e) of the *Community Charter*, funds received from the sale of land and improvements must be set aside for paying any debt remaining in relation to the property and for acquiring land, improvements and other assets of a capital nature. The Land Sale Reserve has been established for accumulating and expending monies as per this requirement. (No specific funding level is established).

7. ADMINISTRATION

Reserves management is a corporate responsibility that involves senior staff and members of Council in the effective implementation of sustainable service delivery.

7.1. Responsibilities

Council is responsible for:

- adopting this Reserves and Surplus Policy and future updates;
- allocation of resources;
- providing high level oversight of the organization's reserves management; and

The District's Chief Administrative Officer (Financial Officer) is responsible for:

- Recommending the necessary contributions and transfers so that the District's Operating/Capital Reserve Funds, Unappropriated Surpluses and Statutory Reserve Funds are maintained in accordance with this Policy;
- Conducting an annual review of all Operating/Capital Reserve Fund, Unappropriated Surplus and Statutory Reserve Fund balances and reporting the results of such a review to Council during the annual budget/financial planning/financial reporting process;

- Recommending changes to the minimum and optimal balance guidelines shown in this Policy; and,
- Recommending any revisions or amendments to this Policy, as may be required from time to time, as a result of changes in applicable statutes, accounting standards or economic conditions.

7.2. Reserve Contributions

Annual and/or periodic contributions to Reserve Funds shall be specific to each Reserve, as approved by Council through the District's annual financial planning/budgeting process.

7.3. Minimum and Optimal Reserve Balances

Minimum and optimal fund balance guidelines have been set for some of the District's Operating and Capital Reserves Funds, Unappropriated Surpluses and Statutory Reserve Funds as shown in attached example Appendix "A". The purpose and sources of funding applicable to each fund are also shown in this Appendix. The minimum balances ensure that the respective reserves are not depleted to the degree that they are no longer able to serve their intended purpose.

The optimal balances ensure that the District's guiding principles are achieved and that the reserves do not grow beyond their intended purpose and create idle assets that could be otherwise used for other priorities.

A comparative review of actual, minimum and optimal fund balances shall be undertaken annually.

7.4. Internal Borrowing

Internal borrowing from specific Reserve Fund, Unappropriated Surplus and Statutory Reserve Fund balances shall be permissible as allowed for by legislation, if a clearly defined and attainable payback plan, including payment of foregone interest, is in place, as internal borrowing allows for more flexibility in terms of payback amounts and loan duration than that of external borrowing. Paybacks shall be executed according to plan.

7.5. Interest

Operating/Capital Reserve Funds and Statutory Reserve Funds shall be allocated interest based on balances and the District's average rate of return on investments.

7.6. Guide and Transition

The minimum and optimal fund balance guidelines shown in this Policy serve as a guide in moving the District towards the financial goals or targets it wishes to attain.

8. SCOPE

This policy applies to all District of Highlands activities.

9. LEGISLATION

Reserves and surplus appropriations will conform to the statutory/legal requirements of the Local Government Act and the Community Charter, generally accepted accounting principles (GAAP) and Public Sector Accounting Board (PSAB) recommendations.

10. RELATED DOCUMENTS

Strategic Plan, Asset Management Plan, Long Term Financial Plan, and Five-Year Financial Plan.

11. REVIEW DATE

This policy has a life of 5 years. It will be reviewed in 2027.

Appendix A – Reserves Scorecard Example from 2022

2022 to 2026 Reserves Scorecard										Long Term Plan				
	Policy Target		Balance	Balance	Balance	Balance	Balance	Balance	Status	Status	Balance	Balance	Balance	Balance
	Minimum	Preferred	2021	2022	2023	2024	2025	2026	2021	2026	2027	2028	2029	2030
WORKING CAPITAL														
Operating (Accumulated) Surplus	3 months Revenue	6Months Revenues												
	\$740,000	\$1,473,000	1,533,800	1,536,900	1,540,000	1,543,100	1,546,100	1,549,200	Good	Good	1,552,300	1,555,400	1,558,600	1,561,700
GENERAL FUND (Reserve Accounts)														
Financial Stabilization Reserve	1 Month Revenue	2 Months Revenue												
	\$250,000	\$490,000	391,700	324,500	295,100	265,700	266,300	266,800	Good	Low	267,300	267,900	268,400	268,900
Community Climate Resiliency	\$100,000	\$100,000	-	-	-	-	-	-	TBA	TBA	-	-	-	-
Winter Weather Contingency Reserve	Min \$100,000	\$150,000	123,000	123,300	123,500	123,800	124,000	124,300	Good	Good	124,500	124,800	125,000	125,300
West Shore Parks and Recreation Reserve	No Minimum	As Received	16,200	-	-	-	-	-	-	-	-	-	-	-
COVID19 Safe Restart	No Minimum	As Received	668,200	348,700	256,900	202,600	178,300	179,000	-	-	179,000	179,000	179,000	179,000
GENERAL FUND (Shared Reserves)														
Westshore Parks and Recreation Reserve (Society Share)	No Minimum	As Received	60,700	60,700	60,700	60,700	60,700	60,700	Good	Good	60,700	60,700	60,700	60,700
Library Major Asset Maintenance (GVP)	No Minimum	As Received	12,300	15,300	18,300	21,300	24,300	27,300	Good	Good	30,300	33,300	36,300	39,300
RESERVE FUND (Statutory Reserves)														
Canada Community Building	No Minimum	As received	303,300	112,900	12,100	12,200	12,200	22,200	Good	Good	32,300	42,300	52,400	62,500
Fire Buildings, Vehicles and Equipment Replacement	Min \$100,000	Per AMP	756,400	807,600	1,119,300	1,441,100	1,769,000	2,111,000	Good	Good	1,741,600	2,009,600	1,508,600	1,790,400
Municipal Buildings, Vehicles and Equipment Replacement	Min \$100,000	Per AMP	311,400	322,000	332,700	343,300	354,000	366,700	Low	Low	380,500	395,200	410,000	425,800
Heritage Structures	No Minimum	Per AMP	58,400	66,600	74,700	83,800	98,000	111,200	Good	Good	126,400	142,700	160,000	178,300
Community Hall Replacement	Min \$100,000	Per AMP	153,300	139,100	157,400	178,700	203,100	230,500	Low	Low	260,900	294,500	331,000	370,700
Park Facilities Replacement	Min \$100,000	Per AMP	92,700	101,300	113,500	127,800	144,000	162,300	Low	Low	187,600	214,000	241,400	269,900
Road Replacement	Min \$250,000	Per AMP	1,219,400	1,033,700	1,046,100	1,051,500	1,062,900	1,079,300	Good	Good	1,110,800	1,152,300	1,208,900	1,280,600
Bridge Replacement	Min \$100,000	Per AMP	44,300	49,400	59,500	74,600	92,800	116,400	Low	Low	140,700	165,500	190,800	216,700
Groundwater and Drainage Replacement	No Minimum	Per AMP	101,400	131,600	116,900	117,100	102,300	77,500	Low	Low	127,700	188,000	258,300	338,800
General Capital	Min \$100,000	\$250,000	210,100	229,700	248,400	267,100	285,800	304,600	Good	Good	325,200	347,800	372,500	399,300
Parkland Acquisition and Development	No Minimum	As received	22,300	30,300	42,900	57,000	73,100	91,300	-	-	109,900	129,200	148,500	169,200
Land Sale	No Minimum	As received	100	100	100	100	100	100	-	-	100	100	100	100
OVERALL RESERVES	1,940,000	TBD	4,545,200	3,897,200	4,077,100	4,430,400	4,850,900	5,331,200			5,205,500	5,746,900	5,552,300	6,175,500



Dear Lorraine Hilton,

I am writing to follow up on the announcement made by the Honourable George Heyman, Minister of Environment and Climate Change Strategy and the Honourable Nathan Cullen, Minister of Municipal Affairs, on the new Local Government Climate Action Program (LGCAP). The program will provide predictable, annual, long-term funding for local climate action to help reach [legislated climate targets](#) and prepare communities for the impacts of a changing climate.

The program will provide \$59,082 to Highlands to support local climate initiatives aligned with the [CleanBC Roadmap](#) and the draft [Climate Preparedness and Adaptation Strategy](#). Local governments and Modern Treaty Nations will be required to report on their actions to reduce emissions and prepare for climate impacts.

There are several program supports available to you:

- Please visit the [LGCAP website](#) for program details
- The LGCAP website includes the Program Guide and Survey Template, which can be used to prepare for required online reporting.
- Webinars will be held throughout May 2022 to provide program information and answer any questions you may have. Registration details can be found [here](#).

In June, you will receive an email with instructions on how to access the online reporting tool.

The Province is requesting one point of contact from your community for ongoing communications regarding the use and reporting of LGCAP funding. Please confirm the name and position of your community contact to LGCAP@gov.bc.ca

Let me close by saying the Province is excited about the LGCAP and the opportunities it provides to continue collaboration with local governments and Modern Treaty Nations on climate action.

Sincerely,
Jeremy Hewitt
Associate Deputy Minister
Climate Action Secretariat
Ministry of Environment and Climate Change Strategy