To: All Regional District Financial Administrators

Re: Regional District Budgeting, Requisition, and Financial Reporting During Covid-19

The Ministry recognizes that the current Covid-19 situation creates questions and concerns about regional finance issues and may place administrative burdens on local governments. This circular sets out some things that the Ministry is doing in response, and some suggestions for what you can do right now.

We support your focus right now on the budget and tax requisition cycle because collection of tax revenue is imperative for continuity of regional operations. When considering regional operations and capital for the remainder of the year, I encourage you to practice good financial management, including: maintaining a strong level of cash assets, prioritizing core regional operations, and possibly deferring non-essential capital expenditures until this event passes.

To help you in this focus, this year the ministry will not be enforcing the statutory deadlines for audited financial statements and Local Government Data Entry (LGDE) forms, which are normally due on or before May 14 of each year. If you need to, you can defer these reports until later in the summer. If your regional district does have the resources to complete the submission on time, that would be helpful – but again, focus should be first on the budget and requisition cycle.

If the Covid-19 situation has impaired your normal budgeting process, please remember that you can adopt your 2020-24 financial plan based on year-two of your previous year’s plan, with whatever alterations you deem appropriate for the upcoming year.

As some of you may be aware, the Federal Government recently launched the “COVID-19 Economic Response Plan”, which provides certain forms of relief to residents and businesses in your community. For more information on this plan, please go to https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html.
The Province also recently announced a $5 billion suite of actions in the near term called the “Covid-19 Action Plan”. Including, “Business and light and major industry property classes will see their school property tax cut in half for the 2020 tax year, providing $500 million in relief for business that own their property and for tenants on triple-net leases.” And, “Payments for Provincial Sales Tax (PST), employer health tax, municipal and regional district tax (hotel tax), carbon tax, motor fuel tax and tobacco tax are also deferred.” For more information on this plan, please go to https://news.gov.bc.ca/releases/2020PREM0013-000545.

As you are likely aware, on March 26, the Honourable Mike Farnworth the Minister of Public Safety and Solicitor General issued Ministerial Order (Order M083) under the Emergency Program Act to support the Provincial Health Officer and ensure joint, coordinated efforts among all governments in responding to the COVID-19 pandemic. Order M083 enables local governments to hold meetings electronically and without the public present and provides flexibility to adopt bylaws in one day. The full text of Order M083 can be found online at: http://www.bclaws.ca/civix/document/id/mo/mo/2020_m083.

Should you require further information, please contact you provincial analyst at https://contacts.localgovernmentinformationsystem.gov.bc.ca/lgics.aspx.

Also, I am encouraging all local governments, where possible, to submit their bylaws and LGDE reports electronically. We can still receive manual submissions (through mail), but the processing of mailed documents will take longer. Financial reports can be emailed to LGDE@gov.bc.ca and bylaws to LGgovernance@gov.bc.ca.

This is an initial circular to all regional districts. We are already planning for how the financial impacts of Covid could continue to unfold for local governments and their financial situations and we will be sharing additional follow up circulars.

I understand that these are difficult times, but please keep in mind that this is all temporary. If we all logically plan and cooperate collectively with one another, including cooperating with other local governments on expertise and experience, we can get through this while maintaining the local government finance system and critical services that system supports.

Sincerely,

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