

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, APRIL 10, 2019**

SUBJECT **Bylaw No. 4296: 2019 to 2023 Financial Plan, Amendment Bylaw No. 1, 2019**

ISSUE

The 2019–2023 Financial Plan was adopted on March 20, 2019. Amendments to the Financial Plan are required to authorize the revised operating and capital expenditures.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2019–2023 Financial Plan (Bylaw No. 4291) on March 20, 2019. Amendments are required in accordance with Section 374(2) of the *Local Government Act* (LGA), which states that the financial plan may be amended at any time by bylaw to incorporate changes in budget, for certainty.

As new information becomes available and pursuant with Section 374 of the LGA, the CRD Board may further revise the financial plan. The following amendments are proposed for 2019:

The following chart outlines amendments requested for the 2019–2023 five year financial plan

**Capital Plan Amendments
(\$ Millions)**

| ENVIRONMENTAL RESOURCE MANAGEMENT – Landfill Gas Utilization Project | | | | | | | |
|---|----------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Approval: Parks and Environmental Committee February 27, 2019 | | | | | | | |
| Description | Funding | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
| Original Budget | Capital Reserve Fund | \$0.750 | \$3.000 | \$5.000 | \$1.250 | - | \$10.000 |
| Amendment | Capital Reserve Fund | \$0.750 | \$4.594 | \$9.187 | \$9.187 | - | \$23.718 |
| Change increase/(decrease) | | - | \$1.594 | \$4.187 | \$7.937 | | \$13.718 |

| SEAPARC – Fitness Expansion Project | | | | | | | |
|--|-------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Approval: SEAPARC Commission March 21, 2019 | | | | | | | |
| Description | Funding | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
| Original Budget | Capital Reserve Funds / Grant | \$2.750 | - | - | - | - | \$2.750 |
| Amendment | Capital Reserve Funds | \$2.950 | \$0.400 | - | - | - | \$3.350 |
| | CRD Climate Action Grant | \$0.060 | - | - | - | - | \$0.060 |
| Change increase/(decrease) | | \$0.260 | \$0.400 | - | - | - | \$0.660 |

| JUAN DE FUCA (JDF) SEARCH AND RESCUE – Truck & Trailer | | | | | | | |
|---|----------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Approval: JDF Search and Rescue Society March 15, 2019 | | | | | | | |
| Description | Funding | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
| Original Budget | | - | - | - | - | - | - |
| Amendment | Donation | \$0.067 | - | - | - | - | \$0.067 |
| Change increase/(decrease) | | \$0.067 | - | - | - | - | \$0.067 |

The proposed Financial Plan amendment Bylaw No. 4296 is attached as Appendix A and an updated Schedule B, which has been adjusted for the amended capital expenditures, is attached as Appendix B.

ALTERNATIVES

Alternative 1

1. That Bylaw No. 4296, “2019 to 2023 Financial Plan, Amendment Bylaw No. 1, 2019” be introduced and read a first, second, and third time; and
2. That Bylaw No. 4296 be adopted.

Alternative 2

That Bylaw No. 4296 be deferred pending further analysis by CRD staff.

FINANCIAL IMPLICATIONS

Landfill Gas Utilization Project

On March 13, 2019, the CRD Board approved the inclusion of the Hartland Renewable Natural Gas project in the 2019-2023 Financial Plan. As the final budget material was being presented the following Wednesday on March 20, there was insufficient time to adjust the budget packages. The amended budget of \$23.7 million results in an increase of \$13.7 million spanning 2020 through 2022. There is no change to 2019.

SEAPARC Fitness Centre/Gym Expansion

The SEAPARC fitness expansion project is currently funded by a \$1.24 million grant and \$1.5 million in capital funds. The current budget is not sufficient to cover the project cost and deferring the project could jeopardize the grant funding; additional funding is required in order to move forward with this project.

As directed by the SEAPARC Commission on March 21, 2019, staff have amended the project budget by including possible additional funding subject to CRD Board approval. The following changes to the existing capital budget have been identified to access available funds:

- Reserve funds resulting from the 2018 operating budget surplus (\$165,000)
- Deferring capital projects scheduled to be completed in the SEAPARC 5 year plan:
 - Reprogram fitness equipment lease from capital to operating (approx. \$35,000 in 2019)
 - Bike parking project captured in expansion project (\$15,000 in 2019)
 - Defer building renewal from 2020 to 2023 (\$130,000)
 - Defer outdoor activity space development from 2020 to 2021 (\$140,000)
 - Defer skate park renewal from 2021 to 2023 (approx. \$250,000)
- Extending the project into 2020

The revised total project cost is \$3.41 million (including design, project administration and contingency).

Juan de Fuca Search and Rescue

The JDF Search and Rescue service requires a truck for the purpose of providing search and rescue services within the JDF area. Currently the service is leasing a vehicle, as the previous truck was decommissioned as it was beyond repair. An acceptable truck has been identified within the CRD and approved by the Society. The truck will need to be equipped with a custom canopy, code-3 lights, a bed-liner, and other accessories for search and rescue purposes.

In addition, the service currently has two All-Terrain Vehicles, to be transported to different sites as needed. A trailer is required to ensure that these ATVs are available for use when appropriate. Funds for the trailer, truck, and equipment have been donated by the Juan de Fuca Society for Ground Search and Rescue.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4296 records the changes required to the 2019 to 2023 Financial Plan Bylaw No. 4291 which the CRD Board approved in March 2019.

RECOMMENDATION

1. That Bylaw No. 4296, “2019 to 2023 Financial Plan, Amendment Bylaw No. 1, 2019” be introduced and read a first, second, and third time; and
2. That Bylaw No. 4296 be adopted.

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| Submitted by: | Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services |
| Concurrence: | Nelson Chan, MBA, CPA, CMA, Chief Financial Officer |
| Concurrence: | Robert Lapham, MCIP, RPP, Chief Administrative Officer |

AD:ngm

Attachments

Appendix A: Bylaw No. 4296

Appendix B: Bylaw No. 4296 Schedule B, 2019-2023 Capital Expenditure Plan