CAPITAL REGIONAL DISTRICT

2026 BUDGET

Information Technology

COMMITTEE REVIEW

October 2025

Service: 1.022   Information Technology   **Committee: Governance Committee & Finance Committee**

DEFINITION:

Support services to the departments of the Capital Regional District.

SERVICE DESCRIPTION:

Corporate information system development and support, telecommunications & phone systems, desktop support, networking, 911 systems, data communications, emergency systems, radio systems design & support, corporate web site, social media, application analysis & development, data management, Geographic Information Systems, web mapping, geospatial services, mapping and property information.

PARTICIPATION:

All municipalities and electoral areas.

MAXIMUM LEVY:

N/A

MAXIMUM CAPITAL DEBT:

N/A

COMMITTEE:

Governance Committee and Finance Committee

FUNDING:

Requisition and internal recoveries

Change in Budget 2025 to 2026
Service: 1.022 Information Technology   **Total Expenditure**   **Comments**

2025 Budget   15,392,770

Change in Wages & Benefits:

Base wages & benefits change	258,504	Inclusive of estimated collective agreement changes
Annualization of 2025 positions	295,242	
Step increase/paygrade change	134,134	
Overtime and standby	23,330	Normalizing budget for actual trends for standby pay and resulting overtime
Total Change in Wages & Benefits	711,210	

Other Changes:

Software Licences & Computer Maintenance	256,632	Inflationary increase to ongoing IT-managed software licence subscriptions including SAP; Crowdstrike; Palo Alto; and VMWare
	180,000	Vendor increase to annual software licencing for ESRI
	13,000	2025 IBC: 13a-3.2 SAP S4HANA Enhancements
Consulting	25,000	2025 IBC: 13a-5.1 Project Service Management Platform
Transfer to ERP Projects Reserve	8,690	
One-time initiatives	(232,500)	Successful completion of one-time 2025 reserve-funded initiatives
Other Costs	(53,175)	
Total Other Changes	197,647	

2026 Budget   16,301,627

Summary of % Expense Increase

2026 Base salary and step increases	2.6%
Annualization of 2025 positions	1.9%
Software licences	1.8%
Completion of one-time initiatives	-1.5%
Balance of increase	1.2%
% expense increase from 2025:	**5.9%**
% Requisition increase from 2025 (if applicable):	**3.0%** *Requisition funding is 18% of service revenue*

Overall 2025 Budget Performance
(expected variance to budget and surplus treatment)

There is an estimated one-time favourable variance of $21,430 (0.14%) due mainly to vacant positions offset by software licencing costs. This variance will be moved to ERP Projects Reserve, which has an expected year end balance of $4,123,925 before this transfer.

1.022 INFORMATION TECHNOLOGY

	2025 BOARD BUDGET	2025 ESTIMATED ACTUAL	BUDGET REQUEST 2026 CORE BUDGET	ONGOING	ONE-TIME	TOTAL	FUTURE PROJECTIONS 2027	2028	2029	2030
OPERATING COSTS:										
Salaries and Wages	7,997,638	7,656,469	8,708,848	-	-	8,708,848	9,414,123	9,759,907	9,991,961	10,229,362
Allocations	685,282	671,292	711,844	-	3,604	715,448	759,798	794,044	787,112	797,610
Consulting	267,430	74,930	50,310	-	217,500	267,810	288,720	924,270	91,321	80,061
Contract for Services	800,370	716,200	717,980	-	100,000	817,980	732,330	1,096,970	760,420	774,110
Software Licenses & Computer Mtce	3,523,380	3,561,500	3,073,190	395,562	211,500	3,680,252	4,374,543	5,430,360	5,689,642	5,963,269
Other Operating Expenses	763,200	552,370	667,410	-	120,500	787,910	831,187	825,239	706,119	719,590
TOTAL OPERATING COSTS	**14,037,300**	**13,232,761**	**13,929,582**	**395,562**	**653,104**	**14,978,248**	**16,400,701**	**18,830,791**	**18,026,575**	**18,564,002**
*Percentage Increase over prior year			-0.8%	2.8%	4.7%	6.7%	9.5%	14.8%	-4.3%	3.0%
CAPITAL / RESERVE										
Transfer to ERP Projects Fund	482,630	504,060	491,320	-	-	491,320	557,326	568,470	578,700	589,120
Transfer to S/4 Hana Project Fund	872,840	872,840	832,059	-	-	832,059	-	-	-	-
Transfer to Equipment Replacement Fund	-	-	-	-	-	-	45,000	53,970	54,950	55,940
TOTAL CAPITAL / RESERVES	**1,355,470**	**1,376,900**	**1,323,379**	**-**	**-**	**1,323,379**	**602,326**	**622,440**	**633,650**	**645,060**
TOTAL COSTS	**15,392,770**	**14,609,661**	**15,252,961**	**395,562**	**653,104**	**16,301,627**	**17,003,027**	**19,453,231**	**18,660,225**	**19,209,062**
*Percentage increase over prior year Total Costs			-0.9%	2.6%	4.2%	5.9%	4.3%	14.4%	-4.1%	2.9%
Funding from Capital Fund	(475,531)	(309,839)	(328,623)	-	-	(328,623)	-	-	-	-
Funding from Operating Reserve	(857,000)	(232,500)	-	-	(624,500)	(624,500)	-	-	-	-
TOTAL COSTS LESS INTERNAL RECOVERIES	**14,060,239**	**14,067,322**	**14,924,339**	**395,562**	**28,604**	**15,348,505**	**17,003,027**	**19,453,231**	**18,660,225**	**19,209,062**
Service Fees	(40,000)	(45,000)	(40,000)	-	-	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Other Income	-	(2,083)	-	-	-	-	-	-	-	-
TOTAL REVENUES	**(40,000)**	**(47,083)**	**(40,000)**	**-**	**-**	**(40,000)**	**(40,000)**	**(40,000)**	**(40,000)**	**(40,000)**
NET COSTS	**14,020,239**	**14,020,239**	**14,884,339**	**395,562**	**28,604**	**15,308,505**	**16,963,027**	**19,413,231**	**18,620,225**	**19,169,062**
*Percentage increase over prior year Net Costs			6.2%	2.8%	0.2%	9.2%	10.8%	14.4%	-4.1%	2.9%
AUTHORIZED POSITIONS:										
Salaried	51.77	51.77	51.50			51.50	57.50	58.00	58.00	58.00
Term	3.0	3.0	3.0			3.0	-	-	-	-

CAPITAL REGIONAL DISTRICT

FIVE YEAR CAPITAL EXPENDITURE PLAN SUMMARY - 2026 to 2030

Service No. 1.022 Information Technology	Carry Forward from 2025	2026	2027	2028	2029	2030	TOTAL
EXPENDITURE							
Buildings	$30,000	$25,000	$20,000	$0	$0	$0	$45,000
Equipment	$1,537,898	$4,899,311	$791,333	$560,430	$100,628	$47,059	$6,398,761
Land	$0	$0	$0	$0	$0	$0	$0
Engineered Structures	$0	$0	$0	$0	$0	$0	$0
Vehicles	$120,000	$120,000	$0	$0	$0	$0	$120,000
	$1,687,898	**$5,044,311**	**$811,333**	**$560,430**	**$100,628**	**$47,059**	**$6,563,761**
SOURCE OF FUNDS							
Capital Funds on Hand	$1,517,898	$4,766,898	$740,000	$495,000	$60,000	$0	$6,061,898
Debenture Debt (New Debt Only)	$0	$0	$0	$0	$0	$0	$0
Equipment Replacement Fund	$170,000	$277,413	$71,333	$65,430	$40,628	$47,059	$501,863
Grants (Federal, Provincial)	$0	$0	$0	$0	$0	$0	$0
Donations / Third Party Funding	$0	$0	$0	$0	$0	$0	$0
Reserve Fund	$0	$0	$0	$0	$0	$0	$0
	$1,687,898	**$5,044,311**	**$811,333**	**$560,430**	**$100,628**	**$47,059**	**$6,563,761**

Definitions for the 5-year Capital Plan

Asset Class	Asset class is used to classify assets for financial reporting in accordance with the Public Sector Accounting Board (PSAB) 3150. **L** - Land **S** - Engineering Structure **B** - Buildings **V** - Vehicles **E** - Equipment
Capital Expenditure Type	Capital expenditure type is used for reporting on asset investments and may be used to justify operational needs for a service. **Study** - Expenditure for feasibility and business case report. **New** - Expenditure for new asset only **Renewal** - Expenditure upgrades an existing asset and extends the service ability or enhances technology in delivering that service **Replacement** - Expenditure replaces an existing asset
Carryforward	Represents the carryforward amount from the prior year capital plan that is remaining to be spent. Forecast this spending over the next 5 years.
Funding Source	**Debt** - Debenture Debt (new debt only) **ERF** - Equipment Replacement Fund **Grant** - Grants (Federal, Provincial) **Cap** - Capital Funds on Hand **Other** - Donations / Third Party Funding **Res** - Reserve Fund **WU** - Water Utility If there is more than one funding source, additional rows are shown for the project.

Service #:	1.022
Service Name:	Information Technology

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
20-02	Replacement	Data Centre Replacements	Virtual Server Hosts Capacity Upgrade	$ 550,000	E	Cap	$ 100,000.00	$ 100,000	$ 450,000	$ -	$ -	$ -	$ 550,000
20-03	Replacement	Data Centre Replacements	Application Load Balancer Upgrade	$ 65,000	E	Cap	$ -	$ -	$ 65,000	$ -	$ -	$ -	$ 65,000
20-05	Replacement	Data Centre Replacements	Uninterruptible Power Supply Upgrades (multiple CRD buildings in IT Communication Closets). Data centre / server room (MDF): racks or rows feeding servers, storage/SAN, hypervisors, core firewalls, load balancers, management/OOB gear, backup systems. Network closets (IDFs): distribution/access switches (especially PoE switches powering phones, APs, cameras), edge firewalls, routers. Voice/Collaboration: SBCs, gateways/ATAs, call queues/IVR hardware, Teams Rooms controllers. OT/SCADA & field sites: PLC/RTU panels, industrial switches, telemetry radios/microwave, plant/lift/pump stations, reservoirs; keeps control/telemetry alive until generator pickup. Security/Building systems: access control panels, NVRs, critical sensors/alarms (for controlled egress and recording continuity). Critical workstations/consoles: dispatch, operations, and NOC seats where a desktop outage is high-impact.	$ 150,000	E	Cap	$ 10,000.00	$ 20,000	$ 10,000	$ 60,000	$ 60,000	$ -	$ 150,000
20-06	Replacement	Data Centre Replacements	Upgrade of Phone switches and servers (625 Fisgard Data Centre). Core components: Call control: Cisco Unified Communications Manager (CUCM) cluster (publisher/subscribers) providing extensions, dial plan, policies, and device registration. Messaging/IVR: Cisco Unity Connection for voicemail; auto-attendants/menus (Unity or UCCX, if used). Gateways/SBC: ISR/ASR routers with CUBE for SIP trunking and/or PRIs/analog; MGCP/SIP control; FXS/FXO for legacy endpoints (elevators, alarms, fax, paging). Survivability: SRST on branch gateways to maintain local calling during WAN outages. Endpoints: Cisco IP phones/softphones powered via PoE switches; optional analog sets via FXS.	$ 430,000	E	Cap	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ 30,000
18-07	Replacement	Data Centre Replacements	Replacement of legacy server Infrastructure supporinhg corporate applications located at (625 Fisgard Data Centre)	$ 75,000	E	Cap	$ 75,000.00	$ -	$ 75,000	$ -	$ -	$ -	$ 75,000
20-07	Replacement	Meeting Room Equipment Replacement	Upgrade of legacy A/V technology to MS Teams Rooms (625 Fisgard) 6th Floor Training Room.	$ 185,000	E	ERF	$ 50,000.00	$ 125,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 205,000
23-01	Replacement	2023 IBC 15f-1.9 SAP Lifecycle Replacement	SAP platform upgrade from ECC to S4 HANA (Upgrade of server hardware, software, supporting infrastructure) (625 Fisgard Data Centre).	$ 8,709,000	E	Cap	$ 292,898.00	$ 1,241,898	$ -	$ -	$ -	$ -	$ 1,241,898
24-03	New	Radio Truck Equipment	Provide, install, and certify complete tool and safety packages for two new crew trucks, including tool storage systems, first-aid kits, fire extinguishers, traffic control devices, and PPE (as per standards)	$ 70,000	E	Cap	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ 30,000
24-05	New	Physical Security	Installation of new Access Card Readers for all IT Communication closets at 625 Fisgard including the Data Center Entry as well as communication closets located 2nd Floor Douglas street location.	$ 100,000	E	Cap	$ 100,000.00	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000
24-06	Replacement	Brightsign replacements	Replace and standardize BrightSign digital players to current standards to drive three-monitor display systems for IT operations. (625 Fisgard 2nd floor IT Area). BrightSign is a line of purpose-built, solid-state digital signage media players that deliver reliable 24/7 playback to monitors, kiosks, and video walls. They're centrally managed (e.g., via BrightSign Cloud/BrightAuthor) to schedule content, push updates, and support interactive features (GPIO/serial/USB), synchronized multi-screen playback, and 4K/HDR output on supported models.	$ 10,000	E	Cap	$ 10,000.00	$ 10,000	$ -	$ -	$ -	$ -	$ 10,000
24-18	Replacement	VDI system upgrades	Scale the Virtual Desktop Infrastructure (VDI) — increase compute, storage, and GPU — to improve performance, increase resiliency, and support peak concurrency and high-performance workloads. Virtual Desktop Infrastructure (VDI) delivers Windows desktops and apps from centralized servers (data centre or cloud) to any endpoint. A connection broker authenticates the user (e.g., with MFA), assigns a virtual machine from a pool, and applies policies. Apps, profiles, and data stay in the data centre/cloud—improving security, manageability, and continuity while letting staff work from anywhere.	$ 50,000	E	Cap	$ 50,000.00	$ 50,000	$ -	$ -	$ -	$ -	$ 50,000
24-19	New	New Workstations and Office Densification	Purchase of new computers, peripherals, equipment to support 3 new employees in IT (approved through IBC's)	$ 70,000	B	Cap	$ 30,000.00	$ 25,000	$ 20,000	$ -	$ -	$ -	$ 45,000
25-02	Replacement	Service Van vehicle replacment	Replace the IT service van and professionally upfit it with modular shelving and lockable bins for organized, secure tool and parts storage.	$ 120,000	V	ERF	$ 120,000.00	$ 120,000	$ -	$ -	$ -	$ -	$ 120,000

Service #:	1.022
Service Name:	Information Technology

PROJECT DESCRIPTION				PROJECT BUDGET & SCHEDULE									
Project Number	Capital Expenditure Type	Capital Project Title	Capital Project Description	Total Project Budget	Asset Class	Funding Source	Carryforward from 2025	2026	2027	2028	2029	2030	5 - Year Total
25-03	Renewal	2025 IBC 13a-3.2 - SAP S4HANA Enhancements	Post-ECC→S/4HANA follow-on work to optimize system performance and stability, simplify and standardize processes, expand embedded analytics and reporting, enable workflow/RPA automation, and harden scalability and security; includes Fiori UX improvements, modernized backup/DR, and uplifted integrations with SAP and non-SAP applications. Deliver post-conversion enhancements for S/4HANA covering performance tuning, process simplification, embedded analytics, workflow/RPA automation, scalability and security hardening, Fiori UX upgrades, backup/disaster-recovery modernization, and integration remediation/expansion across SAP and third-party systems.	$ 2,610,000	E	Cap	$ 750,000.00	$ 2,550,000	$ -	$ -	$ -	$ -	$ 2,550,000
26-01	Replacement	Computer Equipment Upgrades	IT Staff device refresh: upgrade/replace end-of-life laptops/desktops with standardized, enterprise-managed hardware to enhance reliability, security, and user experience.Modernize staff endpoints by transitioning to current-generation, Windows 11–ready hardware with approved docks, monitors, and accessories, aligned to corporate standards.	$ 176,863	E	ERF	$ -	$ 32,413	$ 51,333	$ 45,430	$ 20,628	$ 27,059	$ 176,863
26-02	Replacement	2025 IBC 13a-3.3 - Communications Infrastructure Improvements	Upgrade core, distribution, and access networks and enhance cellular (LTE/5G) availability to ensure reliable, secure connectivity for critical operations.Upgrade supporting facility networks with increased backhaul capacity, improved Wi-Fi and cellular coverage, and security controls to support always-on services.	$ 160,000	E	Cap	$ -	$ 160,000	$ -	$ -	$ -	$ -	$ 160,000
26-03	Replacement	2025 IBC 13a-4.3 - Cyber Security Network Improvements	Upgrade and/or replace CRD cybersecurity by replacing legacy firewalls, routers, and VPN gateways with next-gen platforms; upgrading endpoint protection to EDR/XDR; enforcing Identity Management, MFA, and PAM; implementing Zero Trust segmentation/micro-segmentation; consolidating detection/response with SIEM/SOAR; and strengthening encryption, backup/DR (immutable + tested), CSPM/CNAPP, DevSecOps, incident response plans, third-party risk, and user awareness training.	$ 200,000	E	Cap	$ -	$ 200,000	$ -	$ -	$ -	$ -	$ 200,000
25-07	Replacement	Data Centre Backup and Storage Replacements	Upgrade end-of-life backup servers and repositories to a scale-out, immutable backup platform supporting VM/database/file workloads, cloud/object storage, and rapid recovery.Refresh backup/media servers and storage with an enterprise platform featuring immutability, encryption, MFA/RBAC hardening, and automated recovery testing.	$ 350,000	E	Cap	$ 100,000.00	$ 100,000		$ -	$ -	$ -	$ 100,000
26-04	New	Radio Truck Procurement	Purchase of 3rd field service vehicle truck to support transportation to 300+ radio sites across the CRD - replaces leased vehicle being funded by Hartland	$ 150,000	E	Cap	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
27-02	Replacement	2025 IBC 13a-4.5 - Alternate Data Centre	Build a backup Data Center a (location TBC) by 2027 to support CRD's critical applications and services. This will include backup technology, storage, compute power, virtual servers, security, network, UPS, and power systems.	$ 315,000	E	Cap	$ -	$ -	$ -	$ 315,000	$ -	$ -	$ 315,000
27-03	Replacement	13a-3.6 CRD Legacy Voice Replacem circuits.	Replace legacy voice systems across CRD with Teams Phone and Carrier Services to unify calling, improve reliability, and simplify operations.Migrate all sites from on-prem PBXs or legacy Cisco platforms to Microsoft Teams Voice with certified carriers, including number porting, dial plans, and decommissioning of legacy	$ 240,000	E	Cap	$ -	$ -	$ 120,000	$ 120,000	$ -	$ -	$ 240,000
			Grand Total	$ 14,785,863			$ 1,687,898	$ 5,044,311	$ 811,333	$ 560,430	$ 100,628	$ 47,059	$ 6,563,761

Equipment Reserve Schedule

Equipment Reserve Fund: 1.022 Information Technology

Equipment Reserve Cash Flow

Fund: 1022 Fund Center: 101421	Estimated	Budget				
ERF Group: INFOTECH.ERF (ITG.ERF)	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Beginning Balance	363,858	340,650	188,237	181,904	190,444	224,766
Actual Purchases						
Planned Purchases (Based on Capital Plan	(25,348)	(152,413)	(51,333)	(45,430)	(20,628)	(27,059)
Transfer from Operating Budget	-	-	45,000	53,970	54,950	55,940
Interest Income	2,140					
Ending Balance $	**340,650**	**188,237**	**181,904**	**190,444**	**224,766**	**253,647**

Assumptions/Background:

Planned purchases include computer equipment replacements for staff (2026-2030) and replacement of one vehicle in 2026.

Equipment Reserve Schedule

Reserve Fund: 1.022 Fisgard Meeting Room ERF

Fisgard Meeting Room Technology - Funding for replacement of IT equipment and infrastructure in the various meeting rooms at the 625 Fisgard St location.

Equipment Reserve Cash Flow

Fund: 1022 Fund Center: 102217	Estimated	Budget				
ERF Group: ITMTGROOM.ERF (ITG.ERF)	2025	2026	2027	2028	2029	2030
Beginning Balance	121,458	142,073	37,073	37,073	37,073	37,073
Actual Purchases						
Planned Purchases (Based on Capital Plan)	-	(125,000)	(20,000)	(20,000)	(20,000)	(20,000)
Transfer from Operating Budget	20,000	20,000	20,000	20,000	20,000	20,000
Interest Income	615					
Ending Balance $	142,073	37,073	37,073	37,073	37,073	37,073

Assumptions/Background:

Replacement of meeting room audio/video components.