

**REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 6, 2017**

SUBJECT Bylaw No. 4203: 2017 to 2021 Financial Plan, Amendment Bylaw No. 2, 2017

ISSUE

The 2017-2021 Financial Plan was adopted on March 22, 2017, and was amended on June 14, 2017. Additional amendments to the Financial Plan are required to authorize the revised operating and capital expenditures.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2017-2021 Financial Plan (Bylaw No. 4173) on March 22, 2017, and amended on June 14, 2017 (Bylaw No. 4192). In accordance with Section 374(2) of the *Local Government Act (LGA)*, the Financial Plan must be amended by bylaw to incorporate the proposed change in the budget before monies can be expended as part of the proposed new initiative.

As new information becomes available and pursuant with Section 374 of the *LGA*, the CRD Board may further revise the Financial Plan. Consistent with past practice, some of the service areas have recommended new capital expenditures for inclusion in the 2017-2021 Financial Plan. These changes have been vetted by their respective Commission and or Committee. These capital amendments relate to a routine review of service activities and service demands requiring reallocation or additional resources. The following amendments are proposed:

| SERVICE | DESCRIPTION | BUDGET | FUNDING | NET IMPACT |
|------------------------------|--|---------|------------------------------------|------------|
| Mayne Island Community Parks | Surface Replacement (tractor purchase) | Capital | Community Works Funds | \$27,000 |
| Regional Parks | Vehicle replacement | Capital | Equip Replace Fund | \$45,000 |
| McPherson Playhouse | Handrail | Capital | 3 rd Party Contribution | \$13,000 |
| SEAPARC | Pool roof, arena roof & golf course house deck repairs | Capital | Capital Res Fund | \$159,600 |
| Core Area Wastewater Debt | Leasehold improvement at 836 Viewfield Rd property | Capital | Cap Funds on Hand | \$200,000 |
| Northeast Trunk | Emergency manhole replacement | Capital | Cap Funds on Hand | \$32,400 |
| Facilities Management | Boiler leak at Peninsula Health Unit | Capital | Capital Res Fund | \$100,000 |
| Facilities Management | Replace Format Plotter | Capital | Equipment Replace Fund | \$35,000 |

The proposed Financial Plan amendment Bylaw No. 4203, attached as Appendix A, includes an updated Schedule B which has been adjusted for the amended capital expenditures.

ALTERNATIVES

Alternative 1

That it be recommended to the Capital Regional District Board:

That Bylaw 4203, cited as “2017 to 2021 Financial Plan, Amendment Bylaw No. 2, 2017” be introduced and read a first and second time; read a third time; and adopted.

Alternative 2

That Bylaw 4203 be deferred pending further analysis by CRD staff.

FINANCIAL IMPLICATIONS

Mayne Island Community Parks

Allocation from the Southern Gulf Islands Community Works Funds for a resurfacing project (tractor purchase) in Mayne Island parks was approved by the CRD Board on July 12, 2017.

Regional Parks

A vehicle that had been scheduled for replacement in 2019 was damaged in an accident. Therefore it will have to be replaced in 2017.

McPherson Playhouse

A handrail is required to reduce the risk of injury to children.

SEAPARC

A contingency of \$50,000 is required to be added to the pool roof repair project. \$97,600 for the arena roof repair project will need to move forward to 2017 from 2020. \$12,000 is required to replace the deck at the golf clubhouse.

Core Area Wastewater Debt

Leasehold improvements are required for a new tenant at the 836 Viewfield Road property.

Northeast Trunk

Emergency replacement of a manhole is required

Facilities Management

Recently a boiler leak was discovered in the Peninsula Health Unit. The leak has resulted in mold being present in the building and has caused some damage to the roof. The request of \$100,000 will cover infectious control protocols, drywall, roof repairs and the replacement of boiler seals.

Due to ongoing technical problems with the large format plotter that is used by the GIS/Drafting division, a new plotter is required. Favorable input about a specific model which will cost approximately \$35,000 has been received from a member municipality.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4203 records the changes required to the 2017 to 2021 Financial Plan Bylaw No. 4173 which the CRD Board approved in March 2017.

RECOMMENDATION

That it be recommended to the Capital Regional District Board:

That Bylaw 4203, cited as “2017 to 2021 Financial Plan, Amendment Bylaw No. 2, 2017” be introduced and read a first and second time; read a third time; and adopted.

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| Submitted by: | Amber Donaldson, MA, CPA, CMA, A/Chief Financial Officer |
| Concurrence: | Larisa Hutcheson, P.Eng, A/Chief Administrative Officer |

PD:ngm

Attachment: Appendix A – Bylaw 4203