

**REPORT TO THE FINANCE COMMITTEE
MEETING OF WEDNESDAY, MARCH 7, 2018**

SUBJECT **Bylaw 4232: 2017 to 2021 Financial Plan, Amendment Bylaw No. 4, 2018**

ISSUE

The 2017–2021 Financial Plan was adopted on March 22, 2017, and was amended on June 14, 2017, September 13, 2017, and November 1, 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 the plan on June 14, 2017 (Bylaw No. 4192), on September 13, 2017 (Bylaw No. 4203), and November 1, 2017 (Bylaw No. 4212). These amendments were in accordance with Section 374(2) of the *Local Government Act (LGA)* which states that the financial plan may be amended 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:

SERVICE	DESCRIPTION	BUDGET	FUNDING	NET IMPACT
Facilities and Risk	Lighting Upgrades – Headquarters Building	Capital	Capital Reserve	\$475,000

The proposed Financial Plan amendment Bylaw No. 4232 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

That the Finance Committee recommend to the Capital Regional District Board:

That Bylaw 4232, cited as “2017 to 2021 Financial Plan, Amendment Bylaw No. 4, 2018” be introduced and read a first and second time; read a third time; and adopted.

Alternative 2

That Bylaw 4232 be deferred pending further analysis by CRD staff.

FINANCIAL IMPLICATIONS

Headquarters Building

The main office lighting fixtures at the Headquarters building are being replaced with more energy efficient fixtures to reduce the consumption of electricity and carbon footprint for the building. However, as the project got underway, it became apparent that a second series of originally

installed light fixtures, referred to as “Ergo” lights, were experiencing significant failures with no ability to repair as they have been discontinued by the manufacturer. This has resulted in the need to replace all of the lights and fixtures in the building, causing the total project costs to be higher than originally planned. The funding source for the additional costs will be the facilities capital reserve, which will have a projected balance of \$5.8 million after the additional funds are disbursed.

CONCLUSION

In compliance with the *Local Government Act*, the proposed amending Bylaw No. 4232 records the changes required to the 2017 to 2021 Financial Plan Bylaw No. 4173 which the CRD Board approved in March 2017.

RECOMMENDATION

That the Finance Committee recommend to the Capital Regional District Board:

That Bylaw 4232, cited as “2017 to 2021 Financial Plan, Amendment Bylaw No. 4, 2018” be introduced and read a first and second time; read a third time; and adopted.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, CPA, CMA, Chief Financial Officer and Acting Chief Administrative Officer

RL:ngm

Attachments

Appendix A: Bylaw 4232

Appendix B: Bylaw 4232 Schedule B, 2017–2021 Capital Expenditure Plan