

DATE OF MEETING MARCH 20, 2019

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PLANNING

SUBJECT 2018 BUDGET CARRYFORWARDS

OVERVIEW

Purpose of Report

To provide the Finance and Audit Committee with a summary of the 2018 budgets carried forward to 2019.

Recommendation

That the 2018 Budget Carryforwards report dated 2019-MAR-20 be received for information.

DISCUSSION

At the end of each year where a capital or operating project has not been completed or where a project was delayed, budgets are carried forward to the following year.

Projects that were delayed or not started in 2018 and are not anticipated to be undertaken in 2019 are not carried forward. Unspent project funds contribute to operating surplus or are returned to reserves to fund future projects.

During the budget carryforward process some budgets were adjusted to reflect better information now available on the project. Highlights of significant changes include:

Waterfront Walkway

Several sections of the Waterfront Walkway were budgeted for design and/or construction in 2018. With funding from Payment in Lieu of Taxes (PILT's), Federal Gas-Tax Grant and the Community Works Fund Reserve.

As per the report to Council on 2019-FEB-04, the City was unable to meet the requirements for the grant by the March 31st deadline. As such, the budgets related to the grant funding were not carried forwarded. As well, due to the uncertainty of the future status of the project, costs incurred in 2018 were funded from general revenue rather than the Community Works Fund Reserve as design costs cannot be funded from the reserve unless construction is undertaken.

Funding of \$3,475,000 related to the project was carried forwarded to 2019 including:

- \$1,000,000 funded from the Strategic Infrastructure Reserve. As approved by Council on 2019-FEB-04, \$1,000,000 was reallocated from the Seaspan Right-of-Way at 1 Port Drive project that is under budget to the Waterfront Walkway: 1 Port Drive project. This section was originally funded from the Federal Gas-Tax Grant. The City has submitted a revised grant application to the Union of BC Municipalities for this section of the walkway.
- All the Community Works Funding (\$2,350,000) allocated to the project.

- \$125,000 in PILT's funding for design of the Waterfront Walkway: Nanaimo Yacht Club section.

Major Road Rehab

\$509,660 was reallocated from unallocated major road rehab to the Victoria Road Rehab: Esplanade to Farquhar project and carried forward to 2019. The Victoria Road Rehab project was originally budgeted in unallocated, as utility checks were required so the department was uncertain if the project would proceed in 2018. Utility checks have now been completed and the project will proceed in 2019.

DCC R99 Boxwood Connector

The Boxwood Connector has been included in the Financial Plan for a number of years as work begins on different phases of the project. This project was originally budgeted under "Roads Development Cost Charges Bylaw 2008 No 7065" as DCC R85 with 100% allocated to growth. The "Development Cost Charges Bylaw 2017 No 7252" adopted by Council in 2018 results in a change in the allocation of the project between existing residents and growth with 50% now allocated to growth. As such, the funding for the project was adjusted as part of the carry forward process to comply with the new bylaw. This has resulted in \$1,530,000 being funded from the General Asset Management Reserve for the portion of the project now allocated to existing residents that was previously funded from Road DCCs.

Total carryforwards from 2018 to 2019 were \$44,767,025 and breakdown by department as follows:

Summary of Carryforwards By Department

Department	Area	Budget	Project Status			Total Cfd
			Substantially Completed	In Progress	Delayed	
Community Development	Civic Properties	29,200	-	-	29,200	29,200
	Culture & Heritage	264,215	-	60,962	99,800	160,762
	Development/Real Estate	7,776,647	-	2,196,531	2,475,000	4,671,531
	Environment	329,870	-	174,538	-	174,538
	Planning	109,180	-	2,148	200,000	202,148
	Social Planning	492,180	-	218,952	145,000	363,952
Total Community Development		9,001,292	-	2,653,131	2,949,000	5,602,131
Corporate Services	Financial Services	67,118	-	7,425	5,000	12,425
	IT	924,968	91,324	163,105	7,505	261,934
	PoNC/VICC	88,700	-	88,700	-	88,700
	Total Corporate Services	1,080,786	91,324	259,230	12,505	363,059
ENG PW	ENG PW	23,759,869	219,496	7,455,773	4,856,991	12,532,260
	Sewer	9,204,279	60,125	7,051,089	482,000	7,593,214
	Water	19,543,019	311,155	5,246,720	6,325,683	11,883,558
Total ENG PW		52,507,167	590,776	19,753,582	11,664,674	32,009,032
Parks and Recreation	Aquatics	1,952,533	5,795	647,510	-	653,305
	Arenas	719,107	16,400	493,499	83,800	593,699
	Civic Properties	17,732	-	17,732	-	17,732
	Facilities	64,000	-	1,500	-	1,500
	Parks Ops	1,786,122	7,595	619,264	704,814	1,331,673
	Recreation	293,031	15,850	129,164	34,400	179,414
Total Parks and Recreation		4,832,525	45,640	1,908,669	823,014	2,777,323
Public Safety	Nanaimo Fire Rescue	3,626,236	5,276	3,455,875	-	3,461,151
	Parking	504,000	-	442,379	45,000	487,379
	Police Services	90,134	-	27,350	39,600	66,950
Total Public Safety		4,220,370	5,276	3,925,604	84,600	4,015,480
Total All		71,642,140	733,016	28,500,216	15,533,793	44,767,025
% of Total Carried Forward			2%	64%	35%	

Attached to this report are two appendices, one which provides a breakdown of carryforwards by department with funding source and one which provides a detailed breakdown of projects carried forward.

On Attachment A, please note that expenditures for Bylaw and Parking Internal Orders exceed budget. This is due to the costs incurred as a result of Tent City. The expenditures of \$598,101 include \$526,256 in direct costs related to Tent City including general costs, costs related to the Health Order, Clean Up and Outreach Costs as well as the additional services approved by Council 2018-OCT-01 related to the closure of Tent City.

SUMMARY POINTS

- Each year, budgets for projects that are still in progress or were not started are carried forward to the following year.

ATTACHMENTS

- Attachment A – 2018 Carryforward Breakdown by Department with Funding Source
- Attachment B – 2018 Carryforward Breakdown by Project

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