

Staff Report for Decision

DATE OF MEETING FEBRUARY 22, 2021

AUTHORED BY WENDY FULLA, MANAGER, BUSINESS, ASSET AND FINANCIAL PLANNING

SUBJECT **2020 – 2024 FINANCIAL PLAN AMENDMENT BYLAW**

OVERVIEW

Purpose of Report

To introduce “Financial Plan Amendment Bylaw 2021 No. 7307.02” for first, second and third readings, for changes that have occurred since the bylaw was last amended on 2020-MAY-11.

Recommendation

1. That “Financial Plan Amendment Bylaw 2021 No. 7307.02” (To amend the 2020 – 2024 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2021 No. 7307.02” pass second reading; and,
3. That “Financial Plan Amendment Bylaw 2021 No. 7307.02” pass third reading.

BACKGROUND

The *Community Charter*, Section 165 (1) mandates that the City must adopt a financial plan, by bylaw annually. Further, *Community Charter*, Section 165 (2) provides that the financial plan may be amended from time to time, by bylaw. Budget bylaw amendments are required where new expenditures require additional sources of funding, or when budgets are transferred between operating and capital funds. |

DISCUSSION

A number of revisions to the 2020 – 2024 Financial Plan were undertaken since the adoption of the final budget on 2020-MAY-11. Details of the revisions are as follows:

- Wellness and Harm Reduction Grant – Expenditure budget of \$50,000 added, funded by a Community Action Initiative Grant. Report to Council 2019-OCT-28.
- Property Acquisition: 431 Dunsmuir & 424 Wesley St – Expenditure budget of \$1,197,000 added for property purchase and additional fencing, funded by Property Acquisition Reserve. Report to Council 2019-DEC-16.
- Property Acquisition: 3646 Cottlevue Drive – Expenditure budget of \$675,000 added funded by Parkland Dedication Reserve. Report to Council 2020-MAR-02.
- Emergency Operations Centre Equipment – Expenditure budget increased by \$25,000 for the purchase of additional equipment, funded by a grant from UBCM Community Emergency Preparedness Fund. Report to Council 2020-MAR-02.

- Trans Canada Trail Signage – Expenditure budget of \$5,000 added, funded by a private contribution from Canada Trail. An additional \$5,297 was added to the budget through a budget transfer to bring the total budget for the project to \$10,297.
- Maffeo Sutton Playground – Expenditure budget increased by \$27,901, funded by Tire Stewardship BC grant. Report to Finance & Audit 2020-MAR-18
- Community Clean Team Pilot Extension – Expenditure budget of \$187,000 added, funded from Special Initiatives Reserve. Report to Council 2020-MAY-25.
- Fire Station #1 – Expenditure budget increased by \$3,000,000 in 2022 funded by \$1.5 M from the General Asset Management Reserve Fund and \$1.5 M from General Capital Reserve. Revised total project budget \$19.9 M. Report to Finance and Audit 2020-JUN-17.
- Nanaimo Fire Rescue Zodiac Motor – Expenditure budget of \$7,800 added, funded by trade in of old motor for \$7,800. An additional \$5,297 was added to the budget through a budget transfer to bring the total budget for the project to \$13,525.
- NAC Lap Pool Lighting – Expenditure budget increased from \$43,325 to \$68,050 funded by a \$19,385 private contribution from BC Hydro and \$5,340 from the Sustainability Reserve Fund.
- Harewood Youth Park – Expenditure budget increased by \$30,000 funded by a private contribution from Mid Island Co-op.
- Community Connect Pilot – Expenditure budget added for a \$136,500 grant to the Old City Quarter Association, funded from the Strategic Infrastructure Reserve Fund. Report to Council 2020-JUN-22.
- Water Supply Strategic Plan – Expenditure budget increased from \$300,900 to \$310,900, funded from Province of BC Local Government Infrastructure Planning Grant. Report to Finance and Audit Committee 2020-JUN-17.
- Rent Bank – Expenditure budget of \$90,603 added, funded by the Housing Legacy Reserve Fund (Online Accommodation Tax portion). Report to Health & Housing Task Force 2020-JUN-22, approved by Council 2020-JUL-07.
- Beban Pool HVAC – Expenditure budget of \$48,336 added to increase budget from \$210,224 to \$258,560 for City's share of project to support grant application, funded from Emission Reduction Reserve Fund. Report to Council 2020-OCT-05.
- Facilities/Parks Condition Assessment – Expenditure budget increased from \$371,916 to \$421,916 and \$50,000 expenditure budget in 2021 removed, funded by accelerating \$50,000 in grant funding from UBCM Strategic Priorities Fund from 2021 to 2020. Report to Finance and Audit Committee 2020-OCT-21.
- Cambie Park PIP – Expenditure budget increased from \$21,466 to \$24,166, funded by private contributions.
- Mountain Bike Skills Park – Expenditure budget of \$10,000 added, funded by a developer contribution. An additional \$13,156 was added to the budget through a budget transfer to bring the total budget for the project to \$23,156.
- Rent Supplement Program – Expenditure budget of \$35,000 added, funded by Housing Legacy Reserve Fund. Report to Finance and Audit Committee 2020-NOV-18.
- DCC WD55 Bowen Rd – Expenditure budget of \$67,880 added, funded from City Wide Water Distribution DCC Reserve Fund. An additional \$47,170 was added to the budget through a budget transfer to bring the total budget to \$898,430. Report to Finance and Audit Committee 2020-DEC-16.

The revisions due to budget transfers between operating and capital expenditures are summarized in Attachment A. |

OPTIONS

1. That “Financial Plan Amendment Bylaw 2021 No. 7307.02” (To amend the 2020 – 2024 Financial Plan) pass first reading;

That “Financial Plan Bylaw Amendment 2021 No. 7307.02” pass second reading; and,

That “Financial Plan Amendment Bylaw 2021 No. 7307.02” pass third reading.
 - The advantages of this option: Amending the 2020 – 2024 Financial Plan Bylaw ensures that spending is within legal limits.
 - Financial Implications: The net effect of the changes is to increase the 2020 expenditures budget by \$2,680,445 reduce the 2021 expenditures budget by \$50,000 and increase the 2022 expenditures budget by \$3,000,000.
2. That Council table the report and request more information from Staff. |

SUMMARY POINTS

- The “Financial Plan Amendment Bylaw 2021 No. 7307.02” captures budget changes with additional funding sources and budget transfers between operating and capital funds identified to the end of 2020.

ATTACHMENTS:

- Attachment A: Budget Transfers |
- “Financial Plan Amendment Bylaw 2021 No. 7307.02”

Submitted by:

Wendy Fulla
Manager, Business, Asset and Financial
Planning |

Concurrence by:

Laura Mercer
Director, Finance

Shelley Legin
General Manager, Corporate Services |