

DATE OF MEETING February 6, 2023

AUTHORED BY Wendy Fulla, Deputy Director, Finance

SUBJECT 2022 – 2026 Financial Plan Amendment Bylaw

OVERVIEW

Purpose of Report

To introduce “Financial Plan Amendment Bylaw 2023 No 7337.02” for first, second and third readings, for changes that have occurred since the bylaw was last amended on 2022-MAY-09. |

Recommendation

1. That “Financial Plan Amendment Bylaw 2023 No. 7337.02” (To amend the 2022 – 2026 Financial Plan), pass first reading;
2. That “Financial Plan Amendment Bylaw 2023 No. 7337.02” pass second reading; and
3. That “Financial Plan Amendment Bylaw 2023 No. 7337.02” 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 2022 – 2026 Financial Plan were undertaken since the adoption of the final budget on 2022-MAY-09.

Details of the revisions that increased/decreased the overall City expenditure budget or provided new sources of funding are detailed below. Amounts do not necessarily reflect the final budget for the project as the project may have had an original budget and/or also received funding through a budget transfer(s).

- NAC: Mechanical – Revised project budget to reflect grant application submission. Added expenditure budget of \$200,000 in 2023 funded by \$146,660 grant and \$53,340 Climate Action Reserve Fund. Increase expenditure budget in 2025 by \$5,274,900 funded by

\$3,959,820 grant, \$968,420 Facility Development Reserve Fund and \$346,660 Climate Action Reserve Fund. Removed expenditure budget of \$674,100 in 2025. Report to Council 2022-MAY-16.

- Midtown Gateway Project – Expenditure budget increased \$659,093, funded by \$586,593 from Water Reserve and \$72,500 from Drainage DCC Reserve Fund. Report to Council 2022-JUL-4.
- Midtown Water Supply Project – Expenditure budget increased \$4,236,869, funded by \$1,192,264 from Water Supply DCC Reserve Fund, \$1,192,263 from Water Asset Management Reserve Fund and \$1,852,342 from Water Reserve. Report to Council 2022-JUL-4.
- Metral Drive Complete St Ph. 2 – Expenditure budget increased \$1,400,000, funded by \$875,000 from Community Works Fund, \$35,000 from Sewer Reserve and \$490,000 from Water Reserve. Report to Finance and Audit Committee 2022-JUL-20.
- North End Sanitary Sewer Routing Study – Expenditure budget of \$30,307 added, funded by Regional District of Nanaimo for cost sharing study with City (City portion funded by budget transfer).
- Third Street Cost Share – Expenditure budget of \$70,900 added, funded by developer contributions for cost share with City (City portion funded by budget transfer).
- Neck Point Park: Washroom – Expenditure budget increased \$85,040, funded from Parks DCC Reserve Fund. Report to Finance and Audit Committee 2022-MAY-18.
- CleanBC Better Homes Rebate Program – Expenditure budget increased \$100,000 funded from Climate Action Reserve Fund. Report to Finance and Audit Committee 2022-MAY-18.
- Burn It Smart Woodstove Exchange Program – Expenditure budget increased \$7,901, funded by grant from Regional District of Nanaimo.
- Police Operations Building Space Issue Resolution Ph. 1 – Expenditure budget of \$4,050,000 added for four projects funded by \$1,400,000 from RCMP Contract Reserve, \$300,000 from Special Initiatives Reserve, \$200,000 from Strategic Partnership Reserve and \$2,150,000 from General Capital Reserve. Report to Council 2022-MAY-30.
- Lenhart Pedestrian Bridge – Expenditure budget increased \$188,000, funded from Community Works Reserve Fund. Report to Finance and Audit Committee 2022-JUN-15.
- NOC: Conceptual Design – Expenditure budget of \$120,000 added, funded from General Capital Reserve. Report to Council 2022-JUN-20.
- Mary Ellen Dr Complete Street Project – Expenditure budget increased \$10,382, funded by developer contribution.
- Tourism Services – Expenditure budget increased \$306,016, funded by Business Events and Conferences Restart funding and Destination BC funding.
- Property Acquisitions – Expenditure budget of \$1,273,528 added, for various property purchases, funded by the Property Sales Reserve Fund and Parkland Dedication Reserve Fund. Report to Council 2022-JUL-4, report to Finance and Audit Committee 2022-NOV-16.
- Port Theatre: Mechanical – Expenditure budget increased \$30,000 for additional work requested and funded by Port Theatre Society.
- 2021 Strengthening Communities' Services – Expenditure budget increased \$99,800 to adjust budgets to reflect reallocation of program activities approved by UBCM that allowed City to use grant funds remaining from completed activities that were under budget.
- DCC SD66: Citywide Drainage Studies – Expenditure budget increased \$377, funded from Drainage DCC Reserve Fund.
- 2022 Strengthening Communities' Services – Expenditure budget of \$625,000 added, for successful grant application to UBCM.

- Energy Step Code Program – Expenditure budget increased \$4,000, funded from the Climate Action Reserve Fund. Report to Council 2022-SEP-21
- Buttertubs Marsh SS Lateral Routing Study – Expenditure budget of \$150,000 added, funded from Sewer Reserve. Report to Council 2022-SEP-21.
- Richardson Area WM – Expenditure budget increased \$200,000 funded by Water Asset Management Reserve Fund. Report to Finance and Audit Committee 2022-DEC-14.
- Other Grant (CatNap Society) – Expenditure budget increased \$13,000, funded from the Strategic Infrastructure Reserve Fund. Report to Council 2022-SEP-21.
- Extreme Heat Risk Mapping – Expenditure budget of \$30,000 added, for successful grant application to UBCM.
- Building Safer Communities Grant – Expenditure budget of \$185,332 added, for year 1 of 3 year grant program to address gun and gang prevalence, funded by Ministry of Public Safety and Emergency Preparedness.
- Maffeo Sutton Playground Ph 2 – Expenditure budget increased \$413,300, funded from successful grant application to Canada Community Revitalization Fund. Report to Finance and Audit Committee 2022-NOV-16.
- Other Grant (Growing Opportunities) – Expenditure budget increased \$10,000, funded from the Strategic Infrastructure Reserve Fund. Report to Finance and Audit Committee 2022-NOV-16.
- Community Safety Officers Vehicle – Expenditure budget of \$58,200 moved from 2023 to 2022, funded from Special Initiatives Reserve. Report to Finance and Audit Committee 2022-NOV-16.
- Deep Energy Building Retrofit Study – Expenditure budget of \$196,850 added, funded by successful grant application of \$175,000 from the FCM Green Municipal Fund and \$21,850 from the Regional District of Nanaimo who is cost sharing remaining cost of study with City (City portion funded by budget transfer).
- NAC: Mechanical – Expenditure budget of \$326,820 added, funded by \$163,410 from Facility Development Reserve Fund and \$163,410 from General Asset Management Reserve Fund. Report to Finance and Audit Committee 2022-DEC-14.

Revisions due to budget transfers between operating and capital expenditures are summarized in Attachment A.

OPTIONS

1. That “Financial Plan Amendment Bylaw 2023 No. 7337.02” (To amend the 2022 – 2026 Financial Plan) pass first reading;

That “Financial Plan Bylaw Amendment 2023 No. 7337.02” pass second reading; and

That “Financial Plan Amendment Bylaw 2023 No. 7337.02” pass third reading.

- The advantages of this option: Amending the 2022 – 2026 Financial Plan Bylaw ensures that spending is within legal limits.
- Financial Implications: The net effect of the changes is to increase the 2022 expenditures budget by \$14,880,795, increase the 2023 expenditure budget by \$141,800, increase the 2024 expenditure budget by \$5,274,900 and decrease the 2025 expenditure budget by \$674,100.

2. That Council table the report and request more information from Staff. |

SUMMARY POINTS

- The “Financial Plan Amendment Bylaw 2023 No. 7337.02” captures budget changes with additional funding sources and budget transfers between operating and capital funds identified to the end of 2022.

ATTACHMENTS:

- Attachment A: Budget Transfers
- “Financial Plan Amendment Bylaw 2023 No. 7337.02” |

Submitted by:

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Concurrence by:

Laura Mercer
Director, Finance |