



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: July 24, 2019

SUBJECT: RDCO 2019 – 2023 Financial Plan Amendment Bylaw No. 1445, 2019

Voting Entitlement: *All Directors – Weighted Corporate Vote – (2/3 Majority to Adopt at 3rd Reading - LGA 210.2/228)*

Purpose: To amend the RDCO 2019 – 2023 Financial Plan Bylaw No. 1432, 2019 with additional information received (copies of original budget pages attached to report).

Executive Summary:

Amendments are being proposed to authorize changes to 11 services' budgets as described later in the report:

- 401 – Westside Sewer System: Wastewater Treatment Plant: Capital
- 092 – SWM: Westside Waste Disposal & Recycling Centre: Operating
- 021 – Ellison Fire Department: Capital
- 023 – North Westside Rd. Fire Rescue Department: Capital
- 024 – Wilson's Landing Fire Rescue Department: Capital
- 030 – Regional Rescue: Operating & Capital
- 110 – Regional Planning: Operating
- 042 – Crime Prevention & Alarm Control: Operating
- 142 – Regional Parks: Operating
- 003 – Finance: Capital
- DCC – Development Cost Charges: Reserve Balances
-

The capital changes are being funded through the use of reserves and sale proceeds. Operating changes are funded primarily through grant revenues or a reduction of other expenses.

RECOMMENDATION:

THAT Regional District of Central Okanagan 2019 – 2023 Financial Plan Amendment Bylaw No. 1445, 2019 be given first, second and third readings and adopted.

Respectfully Submitted:

Marilyn Rilkoff
Director of Financial Services

Approved for Board's Consideration

Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan:	Ensure Asset, Service, and Financial Sustainability Nurture Responsible Growth and Development Protect and Promote our Environment and Lifestyle
Financial:	Budget amendments as noted in bylaw amendment
Legal/Statutory Authority:	Regional District of Central Okanagan 2019 – 2023 Financial Plan Bylaw 1432, 2019

Background:

Additional information has been received which has resulted in the proposed amendments to the 2019 – 2023 Financial Plan.

Page 21 – 401 Westside Sewer System: Wastewater Treatment Plant:**Capital Changes:**

- Sold biosolids trailers for \$83,000. Proceeds shown, and used to fund vehicle purchase instead of reserves. Affects Equipment Reserve Balance.
- Increased Engineering and Design for Thickened Waste Activated Sludge (TWAS) Project from \$60,500 to \$130,500:
 - Reduced Outfall project from \$20,000 to 0 (and accompanying DCC funding of \$19,800 reduced to nil. Used Facility Reserves instead -- affects both reserve balances.)
 - Reduced Headworks Pumps by \$50,000 for concrete project.

Several options for the TWAS project are being examined and more information is required before total costs can be budgeted. That will come from further design and engineering work. Currently, it is estimated that the project may cost \$1.2 to \$1.33 million. Further work needs to be done to determine how this project will be funded.

Page 27 – 092 SWM: Westside Waste Disposal & Recycling Centre:

Proposal to reallocate \$25,000 of operating expenses from Drywall Recycling (which is under budget) to Security to solve vandalism and theft problems.

Page 34 – 021 Ellison Fire Department:

Capital: Add \$9,908 carry-forward from 2018 for turnout gear. Funded by reserves.

Page 36 – 023 North Westside Fire Rescue Department:**Capital:**

- Add \$9,025 carry-forward from 2018 for turnout gear. Funded by reserves.
- Add \$9,995 to Paving Project, funded by reserves. Error in budgeting – the cost net of insurance proceeds was budgeted instead of the total project amount.

Page 37 – 024 Wilson's Landing Fire Department:

Capital: Add \$12,030 carry-forward from 2018 for turnout gear. Funded by reserves.

Page 40 – 030 Regional Rescue:

Transfer \$5k of UBCM Grant for Emergency Social Services from Operating to Capital. Signage under budget, utilize additional funds for larger ESS trailer. Approved by UBCM.

Page 46 – 110 Regional Planning:

Operating: Increased grant revenue and related expenses:

- Provincial Okanagan lakes Protections Strategy \$10k for consulting costs.
- IHA Community Food Action Initiative Grant \$15k for additional staffing.

Page 52 – 042 Crime Prevention & Alarm Control:

Operating: Add \$20k for Cry Wolf Alarm Control software integration programming, testing, and migration to new Microsoft Server Platform re: Vadim transition.

Page 57 – 142 Regional Parks:

Operating: \$94,638 reduction to Grant revenue and related expenses

- Community Resiliency Initiative (CRI) grant to update Community Wildfire Protection Plan for Regional Parks reduced from \$60k to \$30k. Forest Health Expenses reduced accordingly.
- 2015 Strategic Wildfire Prevention Initiative (SWPI) grant for Mill Creek cancelled by UBCM due to flooding in 2017 and 2018 and closure for repairs in 2019. SWPI has been discontinued and replaced with CRI program in 2019. Corresponding Forest Health Expenses reduced.

Page 61 – 003 Finance:

Capital: The financial system has historically been looked after by staff in the Finance Department. The staff person has announced their retirement and migration to the IT Department has begun. The server is nearing end of life, and in order to test all applications, it is necessary to move and upgrade the system to a test environment and migrate it into production. The set-up is being simultaneously upgraded and reviewed. IT staff have put together a preliminary plan and estimated costs of \$80k (\$60k in 2019 and \$20k in 2020) to mirror a test system and do some upgrades, and review the possibility of migrating the system to a virtual environment as part of the normal server replacement program. As more is learned, the estimates will be fine-tuned, and may change. This project estimate is to allow the IT department to proceed with the work. The project will be funded from reserves. Related Costs of \$20k have also been proposed in cc 042 for Alarm Control to support integration of the CryWolf Software into the Financial System.

Page 75 – DCC – Development Cost Charges:

Changes to Sewer Plant DCC Reserve Balances due to changes in cc 401—Westside Sewer System: Wastewater Treatment Plant Capital Budget.

Financial Considerations: Budget amendments as noted above.

Alternative Recommendation:

The Board could choose to approve only portions of the bylaw amendment and staff would amend accordingly.

Considerations not applicable to this report:

- General
- Organizational
- Policy
- Organizational Issues
- External Implications

Attachment(s):

- RDCO 2019-2023 Financial Plan Amendment Bylaw No. 1445
- Current Budget Bylaw Pages prior to amendment