



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: Nov 4, 2019

SUBJECT: 2019 3rd Quarter Financial Update

Voting Entitlement: All Directors Unweighted Corporate Vote – Simple Majority – LGA 208.1

Purpose: To provide the Board with the third quarter financial update.

Executive Summary:

For the quarter ending September 30, 2019, staff is pleased to report that the Operational Revenue and Expenses are on target and expected to be within budget for most functions. Staff is expecting some deficits in the below noted functions and is monitoring closely. Any deficits are carried forward to 2020 and incorporated into the budget.

- Alarm Control – (\$14k)
- Economic Development Commission – (\$25k)
- Trepanier Water System - (\$4k)

Staff is working to complete Capital Projects. A list of major projects with a value exceeding \$250,000 that will be carried forward to the 2020-2024 Financial Plan for completion is listed under the Background Section of this report. On December 9, 2019 the Board will be provided a detailed listing of all projects to be carried forward to Quarter 1, 2020.

RECOMMENDATION:

THAT the Board receive for information the 2019 3rd Quarter Financial report.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff", is written over a light blue horizontal line.

M. Rilkoff, Director of Financial Services

Prepared by: C. Teschner Financial Manager

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "M. Rilkoff", is written over a light blue horizontal line.

Marilyn Rilkoff, Deputy CAO

Implications of Recommendation:

Strategic Plan:	Good Governance -- operate in an accountable and fiscally responsible manner.
General:	The 2019-2023 Financial Plan was approved March 2019. The Q3 Highlights report is provided to the Board to communicate actual results for the year to date.
Organizational:	Ensure that staff is monitoring revenues and expenses effectively and communicating with the Board.
Financial:	Ensure that staff is recording revenue and expenses as required by the Local Government and Account Standards (PSAB).
Legal/Statutory Authority:	Regional District of Central Okanagan 2019-2023 Financial Plan Bylaw 1432, 2019 and 2019-2023 Financial Amendment Bylaw 1445, 2019.

Background:

The 2019-2023 Financial Plan Bylaw was adopted in March 2019. Staff monitor the actual expenses throughout the year and recommends amendments as necessary. It is staff's responsibility to inform the Board of any material variance throughout the year.

The Quarterly Financial Update is provided to communicate the actual results for the year to date.

For the quarter ending September 30, 2019, staff is pleased to report that Operational Revenue and Expenses are on target and expected to be within budget for most functions. There are a few functions that have projected year end deficits, which staff is monitoring closely. Any deficits would be carried forward to 2020 and incorporated into the budget.

- Alarm Control - \$14k deficit expected, higher than budgeted costs associated with the Alarm Management System
- Economic Development Commission - \$25k deficit expected, higher than budgeted payroll costs associated with a leave.
- Trepanier Water System - \$4k deficit expected, higher than budgeted equipment replacements costs due to a contractor breaking the water line inside pump house which caused damage. The contractor's insurance company is negotiating a settlement with the Regional District.

Staff is working diligently to complete the Capital Projects. A list of projects with values exceeding \$250,000 that will be carried forward to the 2020-2024 Financial Plan are listed in the table below. The Board will be provided with a detailed report of all projects to be carried forward to Quarter 1, 2020 on December 9, 2019.

Function and Project	Total 2019 Project Budget	Unspent Portion Carry Forward to 2020
301 – Killiney Beach – Intake Replacement	\$ 420,201	\$ 420,201
142 – Regional Parks – Land Acquisition	\$ 1,113,000	\$1,113,000
030 – Regional Rescue – Hazmat Vehicle	\$ 250,000	\$ 250,000

Financial Considerations:

As outlined in the Executive Summary, staff will be monitoring those functions that are likely to have deficits for the 2019 financial year end.

Any deficits are carried forward for recovery in the following year. Surpluses are carried forward and are incorporated into the budget the following year. They may be transferred to reserves or used to reduce tax requisitions for the services to which they belong.

Organizational Issues:

Monthly financial statements are issued to Department Heads for monitoring of costs and projects for which they are responsible. Department Heads and Managers have direct access to detailed costing information to monitor their budgets.

External Implications:

As with any local government, the financial implications ultimately affect external taxpayers. Any projects that are deferred may affect service levels.

Considerations not applicable to this report:

- *Policy*
- *Alternative Recommendations.*

Attachment(s): None