



Regional Board Report

TO: Regional Board

FROM: Marilyn Rilkoff
Director of Financial Services

DATE: January 24, 2020

SUBJECT: Additional 2019 Carryover Item for 1Q 2020 Project Spending.

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

Purpose: To provide information on project budget carryovers from 2019.

Executive Summary:

In January 2014, the Board directed the following via Board Resolution #19/14:

“THAT staff be directed to review further the draft Q1 purchasing commitments and expenditure policy to include consideration by the Board in the last quarter of the year, for the projects identified for early expenditure during the first quarter of the following year.”

In accordance with this resolution, staff brought forward the 1Q 2020 Project Spending report on December 9, 2019. An amending report for two additional items was presented January 16, 2019. Staff has advised that there are two additional items: 142 – Regional Parks -- \$75k for vehicle purchases and 401 – Westside Sewer System -- Wastewater Treatment Plant \$40k for vehicle purchase.

RECOMMENDATION:

THAT the Regional Board receive for information two additional Category 1 projects for 1Q 2020 Project Spending as per the report dated January 24, 2020.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "M. Rilkoff".

Marilyn Rilkoff
Director of Financial Services

Approved for Board's Consideration

A handwritten signature in black ink, appearing to read "Brian Reardon".

Brian Reardon, CAO

Implications of Recommendation:

Strategic Plan: Supports Sustainability and Growth Management

Policy: Board Resolution #19/14

Legal/Statutory Authority: Regional District of Central Okanagan 2019 – 2023 Financial Plan Bylaw 1432 and Amendments

Background:

In January 2014, staff requested the Board approve some expenditures on projects to occur in the first quarter of 2014 (before 2014 budget approval in late March). These projects were already in the 5-year Financial Plan approved by the Board. In providing that approval, it was agreed by the Board, that this request would be made each year in the fall, for expenditure in 1Q of the following year, via Board Resolution #19/14:

“THAT staff be directed to review further the draft Q1 purchasing commitments and expenditure policy to include consideration by the Board in the last quarter of the year, for the projects identified for early expenditure during the first quarter of the following year.”

In accordance with this direction staff has categorized carryover projects into 5 categories outlined in the table below:

Category	Year Project Was Budgeted	Project Status:	Approval Sought from the Board:
1	2019	Purchase already committed in 2019. Goods and services to be received, and payment made, in 2020.	None – for information only – 2019 commitment must be carried forward and re-budgeted for 2020. Appendix A.
2	2019	Purchase not yet committed. Seeking carryover of budget to 2020 with commitment in 1Q.	Approval to carry over budget and make purchase commitments in 1Q 2020. Projects listed below.
3	2019	Purchase not yet committed. Will seek carry over and re-approval of budget in 2020 with commitment in 2Q-4Q.	None -- for information only. Will be reviewed via 2020 budget process along with any new priorities. Appendix B.
4	2020 (in 5 Year Budget Plan)	Not started. Benefit in commencing in 1Q (before 2020 budget approval)	Approval to make these purchase commitments in 1Q 2020. Projects listed below.
5	Not budgeted in 5 Year Plan (unforeseen circumstance)	Not started. Benefit in commencing in 1Q (before 2020 budget approval)	If the Board agrees, a budget amendment will be made. Subject to approval of the bylaw amendment, purchase commitments could then be made in 1Q 2020, or as noted.

On December 9, 2019 the report for Board Approval for 1Q 2020 Project Spending was presented and approved. Additional items were presented for two categories on January 16, 2020.

Staff is advising the Board of two additional items that were missed.

Expenditures / Commitments for Board Approval:

In accordance with the categories above, the following detail on projects under each category is provided for the Board's review and approval (where requested):

Category 1

Year Budget Approved For:	2019
Status:	Purchase already committed in 2019, but goods and services to be received, and payment made, in 2020.
Approval Sought:	None - for information only -- 2019 commitment must be carried forward and re-budgeted for 2020.

* Budget carried into 2020 will not exceed the approved 2019 budget amount. Figure shown is the remaining budget amount as at December 31, 2019.

Project Name:	Cost Centre:	2019 Budget	Budget Carried into 2020:	Reason for Continuation into 2020:
Corporate Services:				
Regional Parks - Vehicles	142	\$77,000	\$75,000	RFP and PO issued and committed in November. Delivery in 2020.
WWTP – Vehicle	401	\$105,263	\$40,000	RFP issued and committed in 2019. Delivery 2020.

CATEGORY 1: Additional CARRYOVER	\$115,000
---	------------------

Alternative Recommendation:

There is no alternative recommendation as per the category criteria. The amount was already committed in 2019 and is to be carried forward to 2020. The requirement is to advise the Board of 2020 committed amounts.