

Request for Decision



To: Regular Meeting
From: Chief Financial Officer
Date: September 4, 2018
Subject: 2018-2022 Financial Plan Amendment Bylaw, No 2045-A1
Recommendation: **THAT Council gives first three readings to 2018-2022 Financial Plan Amendment Bylaw, No. 2045-A1.**

Background

Since the adoption of the five year financial plan on April 9th, Council has passed various resolutions to approve additional expenditures for capital projects and requests for community support. An amendment to the financial plan is required to include these costs, as well as those emergency expenditures which have been incurred as a result of the flood, and anticipated future additional expenses and revenue shortfalls. There are also some further adjustments which staff has made for capital projects.

This Bylaw was introduced to the COTW on August 20, 2018 and, as mentioned then, additional revenues and expenses of \$700,000 have been added here to account for flood related expenses paid by the City which will be reimbursed by our insurers. An adjustment has also been made to the 2019 to 2022 expenses for parks, recreation and cultural service to reduce these amounts back down to what was in the original financial plan. The increase in these expenses should have been a non-recurring item for 2018 only, and not carried forward into future years.

Following are the details of changes incorporated into this amendment, along with the Council resolution number, as applicable:

Revenues

| | |
|---|-------------|
| - Grants for airport water main/flood plain risk management | (2,126,300) |
| - DFA - funding for dike repairs | 2,724,000 |
| - EOC - recoverable expenses/recovery team | 230,000 |
| - DFA and insurance recoveries - expenses | 270,000 |
| - Insurance recoveries - capital items | 50,000 |
| - Slag sales - revised due to transportation issues | (65,000) |
| - Campground - flood related loss of use | (35,000) |
| - Water and sewer revenues - flood billing adjustments | (65,000) |
| - Gas tax and small communities grants - adjusted to actual | 16,452 |
| - * Insurance proceeds (added since bylaw introduction) | 700,000 |

Expenses

| | |
|---|-----------|
| - General government - additional personnel and IT | 38,000 |
| - Parks, recreation & cultural - Community Centre study and Fall Fair Society donation; R208/18/07/19 & R225/18/07/23 | 5,365 |
| - Protective services - costs for recovery team and fire department personnel changes | 78,100 |
| - Protective services - EOC costs | 200,000 |
| - Transportation and public works - dike repairs | 1,000,000 |
| - Planning & development - personnel changes | (18,500) |
| - Facilities - flood damage recoverable by insurance/DFA | 300,000 |
| - *Facilities - flood damage expenses (added since bylaw introduction) | 700,000 |

Capital Projects

| | |
|---|-------------|
| - Flood plain risk management project; R214/18/07/19 | \$ 225,700 |
| - Airport water main - grant approved | 128,000 |
| - Airport water main - removed | (2,480,000) |
| - 22 nd Street - additional works; R215/18/07/19 | 50,000 |
| - Voltage conversion - outage rescheduling; R122/18/04/09 | 10,000 |
| - Annual water and sewer emergency repair fund | 50,000 |
| - Waste water treatment plant upgrades - additional costs | 454,000 |
| - Dike upgrades to current requirements | 2,406,000 |
| - City Hall HVAC | 7,500 |
| - Campground upgrades | 50,000 |
| - MWR discharge requirements | (400,000) |

The net result of the above adjustments is an increase in revenues of \$1,699,152, an increase in expenses of \$2,302,965, and an increase in capital expenditures of \$501,200.

The annual water and sewer emergency repair fund has been increased by \$50,000 in order to comply with PSAB accounting rules for recording capital items replaced by insurance. The net cash impact of this is zero, as there will be revenue to offset this amount.

The additional funding of \$803,500 which is required from reserves is for the following capital projects:

| | |
|----------------------------|------------|
| Dike reconstruction | \$ 682,000 |
| Voltage conversion | 10,000 |
| WWTP upgrades | 454,000 |
| MWR discharge requirements | (400,000) |
| City Hall HVAC | 7,500 |
| Campground upgrades | 50,000 |

Benefits or Impacts

General

Amending the Financial Plan ensures that the City's additional expenditures are properly authorized and in compliance with provisions of the *Community Charter*.

Strategic Impact



Fiscal Responsibility

- These financial plan amendments will reduce the 2018 surplus by \$585,423 and increase the net transfer out of reserves and surplus by \$1,055,013.

Policy/Legislation

Section 165 (2) of the *Community Charter*

Attachments

2018-2022 Financial Plan Amendment Bylaw, No. 2045-A1

Recommendation

THAT Council gives first three readings to 2018-2022 Financial Plan Amendment Bylaw, No. 2045-A1.

Options

1. RESOLVED THAT Council accepts the recommendation.
2. RESOLVED THAT Council does not accept the recommendation.
3. RESOLVED THAT Council refers the matter back to staff for further information.

Report Approval Details

| | |
|----------------------|---|
| Document Title: | By2045-A1 Financial Plan 3 readings.docx |
| Attachments: | - By2045-A1 - Five Year Financial Plan Amendment 2018-2022.docx |
| Final Approval Date: | Aug 23, 2018 |

This report and all of its attachments were approved and signed as outlined below:

Diane Heinrich - Aug 23, 2018 - 2:06 PM