

To: Regional and Corporate Services Committee
From: Mike Veenbaas, Director of Financial Services

Date: 2020-02-13
File No: 1720-20

Subject: 2020 Financial Plan – proposed changes from Electoral Area Services Committee

RECOMMENDATION

THAT the Regional and Corporate Services Committee direct staff to amend the draft 2020 Financial Plan for the following items as supported by the Electoral Area Services Committee:

- Change the corporate restructure funding allocation to be 75% funded by Regional Administration and 25% funded by Electoral Area Administration;
- Remove the proposed Procurement and Risk Specialist position.

STRATEGIC AREA(S) OF FOCUS

Provide Responsive & Effective Public Services

BACKGROUND

Upon completion of the various financial planning sessions in 2019, consolidated residential tax impact information was provided to the Electoral Area Directors. With this information there were requests for additional follow up and discussion that led Chair Dickey to call a special meeting of the Electoral Area Services Committee on January 28th.

DISCUSSION

At the special EASC meeting staff provided a presentation on the financial plan, with a specific focus on the service areas that were resulting in the highest proposed taxation impact for electoral areas. These services included Regional Administration, Regional Fire Dispatch, Regional Mosquito Control, Electoral Area Administration and Electoral Area Emergency Management. As regional services are allocated based on assessment and the majority of assessment lies within the municipal member boundaries, EASC discussed options for budget reductions in Electoral Area Wide services. After discussing options, the following motion was passed:

THAT the Electoral Area Services Committee support the following options to be incorporated into the 2020 Draft Financial Plan:

- Change corporate restructure allocation to be 75% funded by regional administration
- Cut Procurement/Risk position
- Increase Building Permit revenue budget
- Eliminate Electoral Area Admin “communications” fund

As the first two options involve changes to regional services, the motion is being brought to RACS for discussion.

Option 1 would be to change how the corporate restructure funding is allocated between Regional Administration and Electoral Area Administration. The proposed financial plan used a 50/50 allocation and EASC is requesting a 75/25 model where 75% is covered from the Regional Administration service. Such a request would add \$49,000 to the Regional Administration service budget.

Option 2 would see the proposed Procurement/Risk Specialist position put on hold for 2020. Given the need to balance program requests and taxation impacts, staff suggested this option to EASC. In addition, with the departure of the Chief Financial Officer, it provides an opportunity to consider what functions are performed directly by this role. Removing this request from the 2020 budget will reduce the financial plan in Regional Services by \$51,130 and Electoral Area related services by \$43,850.

The net impact to Regional Services would be an overall reduction of \$2,130.

COST

If the motion from EASC is supported by RACS, the financial plan will be updated for the changes and they will be reflected in the financial plan bylaw that Staff will be presenting at the February Board meeting.

CONCLUSION

Following a Special EASC meeting, a proposal for changes to the financial plan is being brought before RACS for discussion. Direction to Staff will be incorporated into the Financial Plan Bylaw coming to the February Board meeting.

COMMENTS BY:

Jennifer Kinneman, Acting Chief Administrative Officer: Reviewed and supported.