



WHISTLER

REPORT | ADMINISTRATIVE REPORT TO COUNCIL

PRESENTED: May 5, 2020

REPORT: 20-045

FROM: Corporate and Community Services

FILE: 4350

SUBJECT: FIVE-YEAR FINANCIAL PLAN 2020-2024 AMENDMENT BYLAW NO. 2281, 2020

COMMENT/RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Corporate and Community Services be endorsed.

RECOMMENDATION

That Council consider giving first, second, third and final readings to the “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2281, 2020”.

REFERENCES

Appendix “A” – Schedule A of “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2281, 2020”

Appendix “B” – Schedule B of “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2281, 2020”

Appendix “C” – Proposed Project Funding Revisions

PURPOSE OF REPORT

This Report seeks adoption of the “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2281, 2020”, a bylaw to amend “Five-Year Financial Plan 2020-2024 Bylaw No. 2266, 2020” for the purposes discussed below.

DISCUSSION

COVID-19 Financial Impact

COVID-19 has significantly disrupted everyday life across our whole community. There have been extensive disruptions to the regular operations of the municipality and huge impacts to the business community. These are unprecedented economic times and there are individuals and businesses within the community that are struggling. The planning context that existed at the time Council adopted “Five Year Financial Plan 2020 – 2024 Amendment Bylaw 2266, 2020” has changed considerably, and the plan itself must necessarily be adjusted to consider the realities of this new environment.

The RMOW has had to adjust to the COVID-19 crisis in several areas. Many of these affect the budget. While the situation continues to evolve, the RMOW seeks to amend the existing Financial Plan in order to reflect the information currently in hand and the organization’s best current estimate for the impact of the crisis on municipal finances in 2020 and the coming years. The RMOW fully expects that further amendments may indeed be likely and will update the plan again, when necessary.

A thorough review was undertaken by staff and presented in workshop format to Council that detailed anticipated changes to incoming revenue for the year, as well as concurrent adjustments to operating expenses and to project plans both in scope and schedule. While not exhaustive, the list of criteria used to evaluate spending in the context of the current economic environment noted above included:

- Degree of risk to essential services
- Degree of risk to community safety
- Significance to environmental priorities
- Financial health of the municipality
- Consideration to supporting /sustaining underlying economic activity at this time
- Readiness to respond to the restart of the tourism economy

In total, 96 of the 164 projects described in Appendix “A” of 2020 Budget Guidelines (Administrative Report 19-156) are proposed for amendment. The total 2020 proposed project spending has been reduced by \$12.7 million (\$33.7 million versus \$46.3 million –included within the current Financial Plan). Many 2020 projects have been deferred to 2021; these projects will be reviewed again as part of the 2021 budget process when we expect to have a better understanding of the total financial impact of the COVID-19 crisis.

Adjustments to planned revenue and expenditures consider that 11 weeks of the year had progressed under mostly normal conditions, before changes in response to the COVID-19 crisis, including the closure of municipal facilities, was deemed prudent. These closures and the fact that the local tourism economy has come to a virtual standstill are expected to have between a \$6 and \$11 million negative effect on the municipality’s 2020 non-tax revenues.

In response, the RMOW has made changes to its operating structure where possible and prudent. These include the layoff of 224 casual and auxiliary staff, reducing the number and duration of term positions in 2020, and a commitment to leaving vacant positions unfilled wherever possible. In addition, there have been reductions to non-payroll operating expenses where possible and where contracts allow. While it cannot be known for certain at this time to what extent a return to normal operations might be possible during the fiscal year, it is necessary to build a Financial Plan based on prudent assumptions. These assumptions have been applied consistently across the organization.

Preparation of the revised 2020 budget remains guided by a wide range of plans and policies, including in particular the RMOW Corporate Plan, and is further informed by information gathered throughout the year through committees as well as ongoing surveys and studies. Some example contributors include the Transportation Advisory Group (TAG), Mayor’s Task Force on Resident Housing, as well as input associated with the Official Community Plan and Vision Update.

OTHER POLICY CONSIDERATION

Section 165 of the *Community Charter* requires municipalities to prepare a five-year financial plan to be adopted annually by bylaw. Once adopted, the plan is in effect until it is amended, and may be amended by bylaw at any time.

BUDGET CONSIDERATIONS

The five-year financial plan sets the budget for the next five years, and is prepared annually. It can be revised at any time by bylaw, and is being revised to reflect proposed changes. The budgeting process is premised on a longer term outlook in order to maintain relatively stable year to year fluctuations in fee and tax rate changes.

COMMUNITY ENGAGEMENT

The “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2281, 2020” is being presented at a Regular Council Meeting. Consistent with *Community Charter* requirements.

SUMMARY

This Bylaw, the “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2281, 2020” is to amend “Five-Year Financial Plan 2020-2024 Bylaw No. 2266”, in order to reflect changes in the proposed operational and project spending plans in light of the COVID-19 crisis.

Respectfully submitted,

Carlee Price
DIRECTOR OF FINANCE

for
Ted Battiston
GENERAL MANAGER OF CORPORATE AND COMMUNITY SERVICES