



WHISTLER

REPORT | ADMINISTRATIVE REPORT TO COUNCIL

PRESENTED: October 20, 2020

REPORT: 20-108

FROM: Corporate and Community Services

FILE: 4350

SUBJECT: FIVE-YEAR FINANCIAL PLAN 2020-2024 AMENDMENT BYLAW NO. 2294, 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 and third readings to the “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2294, 2020”.

REFERENCES

Appendix “A” – Schedule A of “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2294, 2020”

Appendix “B” – Schedule B of “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2294, 2020”

PURPOSE OF REPORT

This Report seeks first three readings of the “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2294, 2020” to amend “Five-Year Financial Plan 2020-2024 Bylaw No.2258, 2019” for the purposes discussed below.

DISCUSSION

Project C067 Day Lot Operating Committee Capital Project Fund

The project includes installation of 28 new electric vehicle (EV) charging stations and upgrades of civil and electrical infrastructure for Day Lots 1, 2, and 4 as well as the Conference Centre Lot A surface parking lot. The project work was completed and opened for public use on Thursday, September 10, 2020.

Total cost to complete the project exceeded the intended budget by \$60,000. These overruns were due to the following:

- Additional landscaping required
- Charging station protection bollards
- Additional paving around charging stations
- EV charger torch-on decals and ribbon cutting event planning.

The additional \$60,000 would be funded from the General Capital reserve.

Project X126 Municipal Hall Air Conditioning

The 2020 Municipal Hall Air Conditioning project consists of the supply and installation of a new air conditioning system for the main floor of Municipal Hall. The work included the installation of two condensers on the exterior of the building which pipe to multiple interior air conditioning units. Individual offices serviced by the air conditioners required additional work to balance air between the offices and the corridor. Upgrades to the building's electrical distribution system were completed to facilitate the new equipment.

Total cost to complete the project exceeds the intended budget by \$25,000. These overruns were due to the following:

- Unforeseen cost for carpentry for the modifications required to install duct work and piping.
- Unexpected cost for overtime hours to complete phases of the work outside of regular business hours.
- Incremental cost to address electrical upgrades for temperature control and to the distribution.

Some of the additional work that was done was made necessary by this project but ultimately amounts to an upgrade to the building asset. It is proposed to amend X126 project budget to address the incremental cost of \$25,000 and reduce X135 Building Asset Replacement by \$25,000. Both projects are funded from the General Capital reserve so the net impact will be nil.

Project P079 Energy & Climate Program

Project P079 was created for the 2020 budget to consolidate existing energy efficiency and rebate programs. As the Big Moves strategy was not advanced enough to identify individual projects for 2020, staff did not enter budget for the sub-project (P079 03) at that time. In March 2020 these projects were identified for consideration for CARIP (Climate Action Rebate Incentive Program) funding using *Council Policy A-32: Carbon Tax Rebate (CARIP) Policy*.

The Finance Director and project manager have since identified that despite the fact that source funds are available in deferred CARIP contributions, the budget for these latter initiatives were not adequately identified in the financial plan.

As a result cost overruns totalling up to \$84,600 by year end may be incurred. This budget amendment will increase the budget allocation to P079 by \$84,600 with all funds to be sourced from existing CARIP contributions in the General Operating reserve.

The problem will not occur again as all P079 projects going forward will be entered into the accounting software system and the Five-Year Financial Plan during the regular budget planning cycle.

Project E205 Water Main Upgrades

The Alta Vista services upgrade project includes upgrades to water and sanitary services, storm water drainage, road and valley trail infrastructure. The water main upgrades are one component of the project budget for this large multi-service upgrade.

The water main work is necessary to minimize the risk of failure of aging pipes and reduce water loss from leakage. This project is currently planned to take place over three years from 2020 to 2022. Each phase will take place in the warmer months from April to November.

Total cost to complete the 2020 project work is expected to exceed the currently budgeted amount for 2020 by \$500,000, however, the total cost of the project over its five-year planning horizon has not increased. The additional costs relate to the following:

- Additional landscaping and tree removal required due to damage during water main and service connection installation work.

- Additional rock removal required for water main installation on Tyrol Crescent and St. Anton Way for approximately 400 m in pipe length. Rock removal was anticipated in the contract, but the actual quantity far exceeded the amount estimated
- Final road paving on Tyrol Crescent was originally planned for 2021. Damage to the road was sustained during the water main upgrade. The added cost that would be incurred to repair this damage only to replace the surface the following year was deemed uneconomic and instead the full surface replacement was pulled forward from 2021 into 2020. The paving work will wrap-up all the planned upgrades on Tyrol Crescent and no further construction will be required in 2021 on this street.

The impact of this budget change reduces the 2020 yearend balance of the Water Capital reserve but by reducing the budgeted 2021 expenditures increases the 2021 by the same amount, for no net change at the end of 2021.

Project E404 WWTP Solids Handling Upgrades **Project E402 WWTP Fermenter Upgrades**

This request to move \$130,000 of unused budget from E404 WWTP Solids Handling Upgrades to E402 WWTP Fermenter Upgrades to offset the deficit in the WWTP Operating Budget for additional chemicals required due to the effects of COVID19 on the WWTP operation. Were the fermenter operational, it would provide the required carbon/nutrient source to the bioreactor at this time; instead those chemicals are being purchased. Staff believe it is appropriate to charge the extra costs to the E402 capital project.

During the first months of the COVID-19 Pandemic shutdown (late March through May of 2020), flowrates at the wastewater treatment plant were 40 per cent lower than the design criteria, and 20 per cent lower than the observed average dry weather flow of 2018 and 2019. The low flowrates resulted from the significant and rapid decline in the number of visitors in Whistler and caused a significant decrease in carbon and nutrient load entering the bioreactors.

As prescribed by our engineering consultant, the WWTP had to dose large amounts of carbon/nutrients in the form of acetic acid, to ensure the effluent at the discharge met Provincial Regulations. In following the prescription from the engineer, it was found that operating the plant as a Biological Nutrient Removal System (per design) with the use of an additional carbon/nutrient source created a stable and predictable operation. It has been communicated to the Ministry of Environment that the WWTP will continue to operate this way until an upgrade to the existing fermenter can be completed.

The WWTP tried to recoup the additional expenditures from the Ministry of Public Safety and Solicitor General Provincial Emergency Program in the form of an EOC Expenditure Authorization Form but both the request, and the appeal were rejected.

The WWTP has incorporated the cost for the addition of acetic acid into the 2021 capital plan, in addition to work that was already anticipated to study and design an upgrade to the fermenter. Following the upgrade, the need and cost for the additional carbon/nutrient source will no longer be required.

Shifting the existing unspent budget from E404 to E402 to cover the operating deficit described above has no effect on forecasted Utility reserves in 2020 or beyond.

Project E410 WWTP Operating Capital

In 2020 the WWTP Operating Capital project is expected to exceed the budgeted expenditures of \$97,000 by approximately \$10,000. Project E410 includes the liquid waste management report, Cheakamus River Monitoring Report, WWTP Asset Management Planning, Confined Space Entry Program Update, and DES Planning.

Cost overruns totalling \$10,000 were incurred to the DES Planning Subproject due an ongoing leak investigation and the associated reporting. Beginning in 2021, an increase in the annual budget for DES Planning work will decrease the likelihood of overruns going forward.

Project E410 is funded by the Sewer Operating reserve, and the net impact of this change will be that the year end reserve level will be \$10,000 lower than previously budgeted.

OTHER POLICY CONSIDERATIONS

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.

COMMUNITY ENGAGEMENT

The “Five-Year Financial Plan 2020-2024 Amendment Bylaw No. 2294, 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. 2294, 2020” is to amend “Five-Year Financial Plan 2020-2024 Bylaw No. 2258, 2019” in order to increase the 2020 capital budget allocation to several projects. The result of these changes is an increase in the transfers from the General Operating, General Capital, Water Capital and the Sewer Operating reserves as detailed on Schedule “B” of the Five-Year Financial Plan 2020-2024.

Respectfully submitted,

Carlee Price
DIRECTOR OF FINANCE

for
Ted Battiston
GENERAL MANAGER OF CORPORATE AND COMMUNITY SERVICES