

The Corporation of the
CITY OF WHITE ROCK



Finance and Audit Committee
AGENDA

Monday, February 7, 2022, 6:00 p.m.

City Hall Council Chambers

15322 Buena Vista Avenue, White Rock, BC, V4B 1Y6

***Live Streaming/Telecast:** Please note that all Committees, Task Forces, Council Meetings, and Public Hearings held in the Council Chamber are being recorded and broadcasted as well included on the City's website at: www.whiterockcity.ca
T. Arthur, Director of Corporate Administration

	Pages
1. CALL TO ORDER Councillor Chesney, Chairperson	
2. ADOPTION OF AGENDA RECOMMENDATION THAT the Finance and Audit Committee adopt the agenda for February 7, 2022 as circulated.	
3. ADOPTION OF MINUTES RECOMMENDATION THAT the Finance and Audit Committee adopt the January 24, 2022 meeting minutes as presented.	3
4. CITY OF WHITE ROCK 2022 BUDGET - REQUEST FOR CAPITAL BUDGET CARRY FORWARD INFORMATION Corporate report dated February 7, 2022 from the Acting Director of Financial Services and P. Murray, Consultant titled "City of White Rock - Request for Capital Budget Carry Forward Information". RECOMMENDATION THAT the Finance and Audit Committee receive for information the February 7, 2022, Corporate Report from the Acting Director of Finance, titled "City of White Rock 2022 Budget – Request for Capital Budget Carry Forward Information".	7

5. CITY OF WHITE ROCK 2022 BUDGET - POSSIBLE REDUCTIONS AND EFFECTS IF IMPLEMENTED

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Corporate report dated February 7, 2022 from the Acting Director of Financial Services and P. Murray, Consultant titled "City of White Rock 2022 Budget - Possible Reductions and Effects if Implemented".

RECOMMENDATION

THAT the Finance and Audit Committee receive the February 7, 2022, Corporate Report from the Acting Director of Finance, titled "City of White Rock Proposed 2022 Financial Plan – Possible 2022 Reductions and Effects if Implemented" and defer consideration until after the department presentations are completed.

6. CONCLUSION OF THE FEBRUARY 7, 2022 FINANCE AND AUDIT COMMITTEE MEETING



Finance and Audit Committee

Minutes

January 24, 2022, 5:30 p.m.

City Hall Council Chambers

15322 Buena Vista Avenue, White Rock, BC, V4B 1Y6

PRESENT: Mayor Walker
Councillor Chesney
Councillor Johanson
Councillor Kristjanson (via electronic means at 5:32 p.m.)
Councillor Manning
Councillor Trevelyan

ABSENT: Councillor Fathers

STAFF: Guillermo Ferrero, Chief Administrative Officer
Tracey Arthur, Director of Corporate Administration
Joe Calenda, Acting Director of Planning and Development Services
Shannon Johnstone, Acting Director of Financial Services
Jim Gordon, Director of Engineering and Municipal Operations
Eric Stepura, Director of Recreation and Culture (via electronic means)
Ed Wolfe, Fire Chief (via electronic means)
Debbie Johnstone, Deputy Corporate Officer

GUEST: Paul Murray, Consultant for City – Budget

1. CALL TO ORDER

Councillor Chesney, Chairperson

The meeting was called to order at 5:30 p.m.

2. **ADOPTION OF AGENDA**

Motion Number: 2022-F&A-001 It was MOVED and SECONDED

THAT the Finance and Audit Committee adopt the agenda for January 24, 2022, as circulated.

Absent (2): Councillor Fathers, and Councillor Kristjanson

Motion CARRIED (5 to 0)

3. **ADOPTION OF MINUTES**

Motion Number: 2022-F&A-002 It was MOVED and SECONDED

THAT the Finance and Audit Committee adopt the following meeting minutes as presented:

- **December 13, 2021; and**
- **December 14, 2021.**

Absent (2): Councillor Fathers, and Councillor Kristjanson

Motion CARRIED (5 to 0)

4. **City of White Rock 2022 Budget – Referral for Public Comment**

Corporate report dated January 24, 2022, from the Acting Director of Financial Services and P. Murray, Consultant, titled "City of White Rock 2022 Budget - Referral for Public Comment".

Councillor Kristjanson arrived at the meeting 5:32 p.m. (via electronic means)

Mr. Murray gave an overview of the corporate report. The document is in a Draft stage at this time. There will be an opportunity for public comments on the draft document starting January 25, 2022, through "Talk White Rock" (Guest Book component) where the public may leave comment(s) on the various areas within the Draft Budget document.

A series of departmental budget presentations will be held early March 2022.

The following discussion points were noted:

- The previous budget format, it would be useful to include with the new document so comparisons can be made

- It was noted that more detail would be helpful, what is presented in the summary (would like to see more information as to how the summary figures were arrived at)
- Request for information in regard to financial impact as to how White Rock has been impacted by Surrey's RCMP transition to a municipal police force
- May consider using post cards to inform the public about the Financial Plan and public comment opportunity

Motion Number: 2022-F&A-003 It was MOVED and SECONDED

THAT the Finance and Audit Committee requests the budget document include a concise list with a breakdown of the carry forward items that make up the amount of over \$40 million with the figures noting 2021 vs. 2022.

Absent (1): Councillor Fathers

Motion CARRIED (6 to 0)

Motion Number: 2022-F& A-004 It was MOVED and SECONDED

THAT the Finance and Audit Committee requests staff to report back on options to bring the tax increase to be no more than 3%.

Voted in the Negative (2): Mayor Walker, and Councillor Chesney

Absent (1): Councillor Fathers

Motion CARRIED (4 to 2)

Motion Number: 2022-F&A-005 It was MOVED and SECONDED

THAT the Finance and Audit Committee direct there be no out of province travel for Council for 2022.

Voted in the Negative (4): Mayor Walker, Councillor Chesney, Councillor Johanson, and Councillor Kristjanson

Absent (1): Councillor Fathers

Motion DEFEATED (2 to 4)

Motion Number: 2022-F&A-006 It was MOVED and SECONDED

THAT the Finance and Audit and Committee direct the proposed budget document does not go to the public for comment at this time until after the department presentations are complete.

Voted in the Negative (4): Mayor Walker, Councillor Chesney, Councillor Manning, and Councillor Trevelyan

Absent (1): Councillor Fathers

Motion DEFEATED (2 to 4)

Motion Number: 2022-F&A-007 It was MOVED and SECONDED

THAT the Finance and Audit Committee:

1. **Receive the January 24, 2022, Corporate Report from the Acting Director of Finance, titled “City of White Rock 2022 Budget – Referral for Public Comment”; and**
2. **Direct staff to refer the 2022 budget document for public comment.**

Voted in the Negative (2): Councillor Johanson, and Councillor Kristjanson

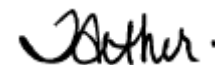
Absent (1): Councillor Fathers

Motion CARRIED (4 to 2)

5. **CONCLUSION OF THE JANUARY 24, 2022, FINANCE AND AUDIT COMMITTEE MEETING**

The meeting was concluded at 6:38 p.m.

Councillor Chesney, Chairperson



Tracey Arthur, Director of Corporate Administration

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: February 7, 2022

TO: Finance and Audit Committee

FROM: Shannon Johnstone, Acting Director of Finance,
Paul Murray, Consultant

SUBJECT: City of White Rock 2022 Budget – Request for Capital Budget Carry Forward Information

RECOMMENDATION

THAT the Finance and Audit Committee receive for information the February 7, 2022, Corporate Report from the Acting Director of Finance, titled “City of White Rock 2022 Budget – Request for Capital Budget Carry Forward Information.”

EXECUTIVE SUMMARY

The purpose of this report is to provide a detailed list of the capital budgets that were carried forward and included in the 2021 budget approved by Council last year, and the capital budget carry forwards that may be included in the 2022 budget.

At the Finance and Audit Committee meeting of January 24, 2022, the Committee referenced the significant change in the consolidated capital budget for 2021 of \$60,219,000 and 2022 of \$14,323,000 on page 26 of the City of White Rock Proposed 2022 Financial Plan“ budget document.”

It was noted that a significant component of the difference is from projects in progress or carried forward that are traditionally added to the current budget near the end of the budget presentation process. The projects currently listed in the budget document for years 2022 through 2026 are the next projects in the Asset Improvement program for which Council approval is sought through the budget process. Once the year-end financial process is completed and final figures are determined for 2021 capital projects, the ones that are still progress will be added to the Asset Improvement budget and listed specifically in that section of the budget document.

Projects carried forward are all projects that have been previously approved by Council and that are either started but not completed, are included for grant application purposes or where construction has yet to begin.

The Finance and Audit Committee requested a breakdown of the 2021 project carry forwards and information about the projects that could be expected to be added in 2022.

PREVIOUS COUNCIL DIRECTION

Motion # & Meeting Date	Motion Details
2022-F&A-003 January 24, 2021	THAT the Finance and Audit Committee requests the budget document include a concise list with a breakdown of the carry forward items that make up the amount of over \$40 million with the figures noting 2021 vs. 2022.

INTRODUCTION/BACKGROUND

At the Finance and Audit Committee meeting of January 24, 2022, the Committee referenced the significant change in the consolidated capital budget for 2021 of \$60,219,000 and 2022 of \$14,323,000 as shown on page 26 of the budget document. The Committee requested a breakdown of the 2021 project carry forwards and information about the projects that could be expected to be added in 2022.

It was noted that a significant component of the difference at this point in the budget presentation process comes from projects that are in progress or being carried forward that are traditionally added to the current budget near the end of the budget presentation process. The projects currently listed in the budget document on page 26 for years 2022 through 2026 are the next projects in the Asset Improvement program for which Council approval is being sought through the budget process. *(Once the year-end financial process is completed and final figures are determined for 2021 capital projects, the ones that are still progress or carried forward can be added to the Asset Improvement budget and listed specifically in that section of the budget document).*

The projects carried forward are all projects that have been previously approved by Council and that are either started but not completed, are included for grant application purposes or where construction has yet to begin.

For 2021 the consolidated \$60,213,000 Asset Improvement (Capital) Program included over \$32M in projects in progress that were carried forward from the prior year. This list is attached as Appendix A:

- \$13.4M are projects subject to grant approval as no decisions have been made on grant funding to date.
- Solid Waste vehicles purchases of \$1.9M were subject to ordering and shipping schedule delays and those were carried forward and expected for delivery in 2021.
- Capital projects in progress in the general fund, solid waste, sewer, drainage, and water funds make up the balance.

For 2022 a higher level of work in progress can be expected to be carried forward from 2021 and added during the budget presentation process, once year-end financial work is completed:

- \$21.4M are projects still subject to grant approval as no decisions have been made on grant funding to date.
- An Affordable Housing project was added and will be carried forward \$4M.
- Projects in progress in the general fund, solid waste, sewer, drainage and water funds make up the balance.

From a very high level, preliminary basis, this can be expected to increase the 2022 consolidated capital budget by \$51M to slightly higher than in 2021 or to \$65M.

	2021	2022	
General Fund			
Projects Subject to grant approval	13,395,000	11,000,000	Pier restoration completion
Projects in Progress	9,252,000	15,500,000	Regular program work in progress and Johnston Road Phase 2
Affordable Housing	-	4,000,000	
Solid Waste	1,951,000	1,950,000	Vehicles not shipped yet
Sewer	1,828,000	2,000,000	Regular program work in progress
Drainage			
Projects in progress	3,412,000	4,500,000	Regular program work in progress
Projects Subject to grant approval	-	10,400,000	Habgood/Keil Street Pump Station and drainage works
Water	2,203,000	1,500,000	Regular program work in progress
	<u>32,041,000</u>	<u>50,850,000</u>	

Much of local government asset improvement work is by nature a multiyear process from initial concept to initial project funding approval, design, contract award and construction. The carry forward of work in progress and of projects that are subject to grant approvals is a feature of regular capital program project management and can be expected to ebb and flow as the cycle of the asset improvement program moves forward.

The timing of capital project construction does not directly impact property taxation and is a means to manage risk and smooth funding from year to year. Deferring projects does not remove the need for the project and in fact will simply increase risk and the cost over time as inflation continues to effect pricing.

The level of smaller capital projects in the pipeline has been somewhat higher in recent years as the Engineering and Municipal and Operations department has not operated at full capacity for some time. As full staffing returns it can be expected that this level of small capital projects in progress will gradually reduce over the next three to five years.

Given that the Finance and Audit Committee has not had the benefit of departmental presentations to date, it is recommended that the reduction summary be received for information at this time and individual reductions be considered during each of the departmental budget presentations beginning in March.

FINANCIAL IMPLICATIONS

Project carry forward budgets are provided for information. No specific budget implication. Projects added for 2022 will be funded from reserves and do not directly impact the property tax for 2022 under consideration.

LEGAL IMPLICATIONS

No specific legal implications to note, bylaw approval required to authorize the budget and property tax rates.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

Budget material is currently available on the municipal website “Talk White Rock” platform where public comments are encouraged using the guest book.

OPTIONS / RISKS / ALTERNATIVES

No specific alternative scenarios are proposed at this time. The purpose of this report is to provide background material as directed by the Finance and Audit Committee.

CONCLUSION

The attached summary of capital budget carry forward information has been prepared as directed by the Finance and Audit Committee.

It is recommended that the Finance and Audit Committee receive this information as background for consideration during the Asset Improvement and Utility departmental budget presentations scheduled for March 2022.

Respectfully submitted,



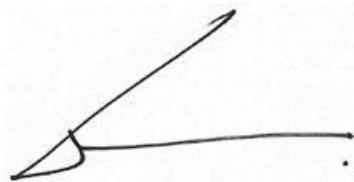
Shannon Johnston
Acting Director, Finance



Paul Murray
Consultant

Comments from the Chief Administrative Officer

This corporate report is provided for information purposes.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: Summary – 2021 Capital Budget carry forward project information

THE CITY OF WHITE ROCK
INCOMPLETE 2020 GENERAL FUND ASSET IMPROVEMENT PROJECTS CARRIED OVER TO 2021

PROJECT	Amount	Capital Works Reserve	Equipment Replace. Reserve	Statutory Community Amenity Reserve	Highway DCC's	Parkland DCC's	Incomplete Asset Improv. Reserve	Other Reserves	Contributions	Grants
Municipal Engineering & Operations										
Pavement Overlays	508,000						508,000			
Roadworks - Marine - High to Bishop	39,000						7,800	31,200 ^{1/4}		
Marine & Nichol Intersection Improvements	96,000						96,000			
Roadworks - Thrift - Johnston to Vidal	498,000						131,500	366,500 ¹		
North Bluff & Oxford Intersection Improvements	73,000						73,000			
Roadworks - Columbia - Parker to Stayte	186,000						24,200	161,800 ⁴		
Roadworks - Columbia - Habgood to Parker	200,000						155,000	45,000 ¹		
Roadworks - Habgood - Pacific to Columbia	618,000				87,100		122,400	408,500 ¹		
Roadworks - Pacific - Habgood to Ewson	100,000						17,100	82,900 ¹		
Roadworks - Blackburn Crescent - Archibald to High	205,000							205,000 ¹		
Roadworks - Prospect - Foster to Johnston	44,000						44,000			
Development Coordinated Works	24,000						24,000			
North Bluff Sidewalk Replacement - Centennial Oval	70,000						70,000			
Marine Drive Hump Micro Pile Installation	107,000						43,000	64,000 ^{4/6}		
Semiahmoo Retaining Wall Replacement	180,000						96,900	83,100 ⁴		
DCC Bylaw Review	20,000				10,000	10,000				
Traffic Safety Review	28,000						28,000			
Street Lighting Program	336,000						33,000	303,000 ⁴		
Town Centre Parking Stalls	240,000			240,000						
Strategic Transportation Plan Update	102,000						102,000			
Strategic Transportation Plan Implementation	490,000				121,300		186,100	182,600 ⁶		
Miscellaneous Road/Pedestrian Improvements not in STP	51,000						51,000			
New Vehicle Fleet & Equipment Replacements										
Public Works Sterling Street Sweeper Unit #140	415,000		275,000				140,000			
Facilities										
Autoscrubber Replacements	12,000						12,000			
Arena Interior Signage Replacement	11,000	11,000								
Arena Hall Curtains Replacement	20,000	20,000								
Centre for Active Living Washroom Barrier Updates	15,000	15,000								
Centre for Active Living Washroom Improvements	10,000	10,000								
Centre for Active Living Cardio Equipment Replacement	24,000						24,000			
Centre for Active Living Audio System Replacement	10,000	10,000								
WR Community Centre Chair Replacements	11,000	11,000								
WR Community Centre Kitchen Equipment Replacement	10,000	10,000								

PROJECT	Amount	Capital Works Reserve	Equipment Replace. Reserve	Statutory Community Amenity Reserve	Highway DCC's	Parkland DCC's	Incomplete Asset Improv. Reserve	Other Reserves	Contributions	Grants
KSAC Exterior Siding Replacement	350,000	350,000								
KSAC Driveway and Patio Replacement	50,000						50,000			
KSAC Washroom Upgrades	100,000	100,000								
KSAC Retaining Wall Replacement	15,000						15,000			
KSAC Kitchen Ramp Replacement	10,000	10,000								
KSAC Computer Lab Computer Upgrades	10,000								10,000	
Museum Exterior Painting	14,000	14,000								
Library Ceiling Tile Replacement	10,000	10,000								
Library Interior Painting	15,000	15,000								
Library New Intrusion, Fire and Elevator Alarms	11,000	6,000					5,000			
Library Washroom Upgrade	25,000	25,000								
City Hall Office Upgrades	100,000	100,000								
Operations Yard Master Plan/Space Plan	50,000						50,000			
Facilities Masterplan Update	115,000	115,000								
Evergreen Daycare Window Replacement	10,000	10,000								
Arts Building Window & Exterior Door Upgrades	17,000	17,000								
Arts Building Washroom Upgrades	20,000	20,000								
Oxford Storage Building Repairs	15,000	15,000								
Emergency Measures Earthquake Mitigation Projects	21,000						21,000			
City Facility Accessibility Improvements	50,000	50,000								
Fall Protection Equipment	74,000						74,000			
Parks										
Centennial Park North of Oval Landscaping & Retaining Wall Improvements	178,000						118,500	59,500 ⁴		
Centennial Park Tennis Court & Lacrosse Box Resurfacing	24,000						24,000			
Memorial Park Upgrade	26,000			20,000			800	5,200 ^{4/6}		
Pier Immediate Repairs	107,000			37,000				70,000 ^{4/9}		
Pier Restoration Completion	10,978,000			978,000					2,000,000	8,000,000
Terry Parr Plaza Upgrade	20,000								20,000	
Surface Protection of the "White Rock"	30,000						30,000			
Bay Street Beach Access Ramp	157,000						112,300	44,700 ⁴		
Marine Drive Irrigation (Marine Drive West of Anderson)	20,000						20,000			
Centre Street Walkway Improvements	20,000						20,000			
Buena Vista & Martin Walkway Improvements	69,000						69,000			
Garbage Can Replacements	23,000						23,000			
MacCaud Park Upgrade	250,000			250,000						
Boulevard Improvements Near Roper Reservoir	25,000						25,000			
Emerson Park Playground Upgrade	160,000							160,000 ⁴		
Ruth Johnston Park East Ravine Restoration	480,000						153,000	125,000 ⁴		202,000

PROJECT	Amount	Capital Works Reserve	Equipment Replace. Reserve	Statutory Community Amenity Reserve	Highway DCC's	Parkland DCC's	Incomplete Asset Improv. Reserve	Other Reserves	Contributions	Grants
Coldicutt Ravine Slope Stabilization	1,937,000							437,000 ⁴		1,500,000
Community Public Art Projects	100,000			87,000				13,000 ³		
Johnston/Thrift Public Art	200,000							200,000 ³		
Tree Lights for Johnston Road & Five Corners	50,000						50,000			
Tree Removal and Replacement	61,000								61,000	
Tree Management Inventory and Program	50,000						50,000			
Parkland Acquisition	1,000,000			700,000				300,000 ⁶		
Police Department										
Front Entrance Upgrades	100,000	91,300						8,700 ⁵		
Interior Painting	15,000	15,000								
Fire Department										
Overhead Door Operator Replacement	10,000	10,000								
Flat Roof Replacement	97,000	97,000								
Furnace Replacement	17,000	17,000								
Information Technology										
Microsoft SQL Update	17,000						400	16,600 ²		
Document Management System Implementation	32,000						32,000			
Council Agenda / Corporate Report Software	-								⁴	
E-Comm Data Management Projects	23,000						23,000			
City Facility CCTV System	39,000						39,000			
Mass Notification Software	13,000						13,000			
Bylaw Enforcement Mobile System	25,000						25,000			
Tempest Additional Modules & Functionality	-									
Tempest Ad-hoc Modifications	13,000						11,800	1,200 ⁴		
Parking										
Parking Lot Paving Overlays	82,000						82,000			
Accessible Parking Space Upgrades	28,000						28,000			
Parking Permit/License Plate Recognition System	120,000							120,000 ⁷		
Parking Electric Vehicle Charging Station	34,000						4,000	20,000 ⁸	10,000	
Waterfront Parking Facility	51,000			48,100				2,900 ^{6/7}		
Small Asset Improvement Projects under \$10,000	131,000	42,000					66,500	13,500 ^{2/5/8}	9,000	
Grand Total	22,647,000	1,216,300	275,000	2,360,100	218,400	10,000	3,224,300	3,530,900	2,110,000	9,702,000

(1) Roadworks Reserve

(2) PC Reserve

(3) Non Statutory Community Amenity Contribution Reserve

(4) Infrastructure Reserve

(5) Traffic Fine Revenue Sharing Reserve

(6) Secondary Suite Service Fee Reserve

(7) Parking Reserve

(8) Climate Action Revenue Incentive Program Reserve

(9) Pier Reserve

THE CITY OF WHITE ROCK
INCOMPLETE 2020 SOLD WASTE FUND ASSET IMPROVEMENT PROJECTS CARRIED OVER TO 2021

PROJECT	Amount	Equipment Replace. Reserve	Solid Waste Infrastructure Reserve
Garbage, Recycling & Green Waste - Vehicle Replacements			
Garbage Sterling Haul All	377,000	95,000	282,000
Garbage Ford F550 Haul All	377,000	146,000	231,000
Garbage Ford F550 Rollins Haul All	377,000	377,000	
Peterbilt Recycler	410,000	410,000	
Peterbilt Recycler	410,000	410,000	
Grand Total	1,951,000	1,438,000	513,000

THE CITY OF WHITE ROCK
INCOMPLETE 2020 SANITARY SEWER FUND ASSET IMPROVEMENT PROJECTS CARRIED OVER TO 2021

PROJECT	Amount	Sanitary DCC's	Incomplete Asset Improv. Reserve	Sanitary Infrastructure Reserve
Roadworks Columbia - Parker to Stayte	435,000			435,000
Roadworks Johnston - Russell to Thrift	9,000		9,000	
Roadworks Blackburn Crescent - Archibald to high	216,000		216,000	
Development Coordinated Works	20,000		15,000	5,000
Sanitary I & I Reduction Program	594,000		456,800	137,200
Sanitary CCTV Inspections	40,000		32,900	7,100
Sanitary Pump Station Capacity Review	75,000			75,000
Sewer Master Plan Update	14,000			14,000
DCC Bylaw Review	10,000	10,000		
Sanitary Sewer Rehab Columbia - Maple to Finlay	130,000			130,000
Sanitary Sewer Rehab Finlay - Goggs to Oxenham	285,000			285,000
Grand Total	1,828,000	10,000	729,700	1,088,300

THE CITY OF WHITE ROCK
INCOMPLETE 2020 DRAINAGE FUND ASSET IMPROVEMENT PROJECTS CARRIED OVER TO 2021

PROJECT	Amount	Drainage DCC's	Incomplete Asset Improv. Reserve	Drainage Infrastructure Reserve	Grants
Roadworks Johnston - Russell to Thrift	13,000	3,200	9,800		
Roadworks - Columbia - Habgood to Parker	350,000		205,800	144,200	
Roadworks - Habgood - Pacific to Columbia	400,000	84,700	264,900	50,400	
Roadworks - Prospect - Foster to Johnston	10,000		10,000		
Roadworks - Blackburn Crescent - Archibald to high	266,000		219,200	46,800	
Duprez Ravine Storm Recovery - East	471,000			402,600	68,400
Development Coordinated Works	20,000		15,000	5,000	
Condition Assessment	13,000		12,300	700	
Renew & Replacement Program	277,000		277,000		
Storm Water Monitoring Program	13,000		13,000		
Thrift Storm Sewer - Vidal to Martin	445,000	107,800	306,000	31,200	
14239 Marine Drive Culvert/Storm Main	432,000			432,000	
Royal Storm Sewer - Centre to Cypress	452,000	106,200	341,400	4,400	
Weatherby Lane Storm Sewer - Russell to Vine	68,000		47,200	20,800	
Marine Drive Storm Sewer - Habgood to Keil	20,000		20,000		
Marine Drive Forcemain - Habgood to Finlay	20,000		20,000		
Habgood / Keil St Pump Station	33,000			33,000	
Coldicutt Outfall & Main to Marine	85,000		85,000		
Sewer Master Plan Update	14,000			14,000	
DCC Bylaw Review	10,000	10,000			
Grand Total	3,412,000	311,900	1,846,600	1,185,100	68,400

THE CITY OF WHITE ROCK
INCOMPLETE 2020 WATER FUND ASSET IMPROVEMENT PROJECTS CARRIED OVER TO 2021

PROJECT	Amount	Long Term Debt	Water DCC's	Water Infrastructure Reserve
Roadworks - Johnston - Russell to Thrift	10,000			10,000
Oxford Arsenic/Manganese Treatment Plant	22,000	4,900		17,100
Water Main Upgrade - Goggs Ave Oxford to Overall	231,000			231,000
Water Main Upgrade - Surrey Emergency Connection	150,000			150,000
Water Main Upgrade - Chestnut Blackburn to North Bluff	289,000			289,000
Water Main Upgrade - Royal Easement - Cypress to Balsam	736,000			736,000
Water Main Upgrade - 1500 Blk Stevens	399,000			399,000
Water Main Upgrade - 1500 Habgood	161,000			161,000
Water Main Tie-In - Prospect & Oxford	50,000			50,000
Well Upgrades	47,000			47,000
Brearily St and North Bluff Looping	87,000			87,000
DCC Bylaw Review	10,000		10,000	
Small Asset Improvement Projects under \$10,000	11,000			11,000
Grand Total	2,203,000	4,900	10,000	2,188,100

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: February 7, 2022

TO: Finance and Audit Committee

FROM: Shannon Johnston, Acting Director, Finance
Paul Murray, Consultant

SUBJECT: City of White Rock Proposed 2022 Financial Plan – Possible 2022 Reductions and Effects if Implemented

RECOMMENDATION

THAT the Finance and Audit Committee receive the February 7, 2022, Corporate Report from the Acting Director of Finance, titled “City of White Rock Proposed 2022 Financial Plan – Possible 2022 Reductions and Effects if Implemented” and defer consideration until after the department presentations are completed.

EXECUTIVE SUMMARY

The purpose of this report is to provide a summary of possible 2022 expenditure reductions for the Committee’s consideration upon completion of the department presentations beginning March 4, 2022.

Following the Finance and Audit Committee meetings of September 22 and November 22, 2021, and its unanimous approval and endorsement of the use of the GFOA Distinguished Budget format and public consultation delivery through the “Talk White Rock” platform, staff began its work on the new 2022-2026 Proposed Financial Plan (“Plan”) format.

At the Finance and Audit Committee meeting on January 24, staff presented the Plan proposing a 6.1% property tax increase, following which the Committee directed staff to provide a summary of possible 2022 expenditure reductions for consideration that would bring municipal taxation to no more than 3%. At that meeting, Council resolved to provide operating funding of \$80,000 in 2022 for the delivery of a warming shelter, which added an additional .3% increase in the proposed 2022 property taxes.

A summary of possible expense reductions has been prepared and presented by staff factoring in the least impact it will have on service delivery and grouped into the three categories to give some sense of relative effect:

- Category 1 – some service level effects and/or risks to financial sustainability
- Category 2 – moderate service level effects and/or risks to financial sustainability
- Category 3 – significant service level effects and/or risks to financial sustainability

PREVIOUS COUNCIL DIRECTION

Motion # & Meeting Date	Motion Details
2021-F&A-068 September 22, 2021	<p>THAT the Finance and Audit Committee endorse:</p> <ol style="list-style-type: none"> 1. The proposed budget format for 2022 based on the GFOA Distinguished Budget Presentation Award Program; and 2. The 2022 budget presentation schedule and approximate timeline of meetings.
2021-F&A-071 November 22, 2021	<p>THAT the Finance and Audit Committee endorses the 2022 budget format for use as the basis for preparation of the full 2022 budget document and presentations, as illustrated in the Fire Rescue draft budget pages presented November 22, 2021.</p>
2021-F&A-072 November 22, 2021	<p>THAT the Finance and Audit Committee approves a “LetsTalk” 2022 budget survey component for release in January 2022 as part of the 2022 budget process.</p>
2022-010 January 24, 2022	<p>THAT Council:</p> <ol style="list-style-type: none"> 1. Approve funding in the amount of \$160,000 to operate a daytime warming shelter in a modular office trailer to be located in the parking lot located adjacent to the baseball concession/washroom facility at Centennial Park from January 28, 2022 to March 15, 2022; however 2. Operation (opening) of the warming shelter would only be in conjunction with the opening of the evening shelter at Mt. Olive. <p>Note: Funding in the amount of \$160,000 will be required to accommodate the program. The City of Surrey has agreed to fund 50% of this expense, therefore, the actual cost to the City of White Rock will be \$80,000.</p>
2022-F&A-004 January 24, 2022	<p>THAT the Finance and Audit Committee requests staff to report back on options to bring the tax increase to be no more than 3%.</p>

INTRODUCTION/BACKGROUND

At the Finance and Audit Committee meetings of September 22, 2021 and November 22, 2021, the Committee unanimously approved and endorsed the use of the GFOA Distinguished Budget format and the delivery of an initial public consultation through the “Talk White Rock” online platform prior to department budget presentations in 2022. The Plan format was also used for presentation of the Water Utility to set 2022’s water rates.

Based on the positive feedback and direction received by all members of the Committee on November 22, staff began working on the new Plan document for the 2022-2026 term. The new document, that aligned with the Committee’s direction in the fall, was presented to the Finance and Audit Committee on January 24 and staff received direction to gather public comments utilizing the “Talk White Rock” platform until February 18.

At the Council meeting of January 24, 2022, Council resolved to provide operating funding of \$80,000 in 2022 to deliver a warming shelter. This has the effect of increasing the proposed 2022

property tax increase by .3% to 6.4% from the 6.1% that was originally proposed by staff and was not included in the Plan.

At the Finance & Audit Committee meeting on January 24, 2022 when the Plan for 2022-2026 was introduced, the Committee reviewed and discussed the Plan and directed staff to prepare a summary of budget reductions for consideration to potentially reduce the property tax increase from 6.4% to a maximum of 3% and outline the effects of those reductions for the Committee's consideration at a later meeting.

A summary of possible expense reductions totaling \$850,000 has been prepared on a subjective least impact basis and grouped into three categories to give some sense of relative effect:

- **Category 1** – some service level effects and/or risks to financial sustainability
- **Category 2** – moderate service level effects and/or risks to financial sustainability
- **Category 3** – significant service level effects and/or risks to financial sustainability

While considering these reductions it should also be noted that the expenditure Plan for 2022 as presented has already been held generally at 2% inflation, or less, however, with inflation at 4% plus, some loss in purchasing power and service impact will likely be experienced even without implementing any of the reductions noted in this report.

Four regular full-time positions are included in the Plan presented on January 24: A Firefighter, RCMP Constable, Purchasing Specialist and Building Inspector. Deferring these positions would achieve a 1.3% tax reduction in 2022 but create an increased cost pressure again in the 2023 Plan. The positions would need to be eliminated to achieve ongoing cost savings. This would also bring a total of eight positions identified as capacity pinch points in the Workforce Plan summary for the organization included in the Plan.

All the potential reductions presented have some level of community and/or organization effect. All are ongoing expenditures that will mean the reductions and effects will continue unless the funding is reinstated at some point in the future and potentially adding increased financial pressure in future years to recuperate.

Given that the Finance and Audit Committee has not had the benefit of the Plan's departmental presentations to date, it is recommended that the reduction summary be received for information at this time and individual reductions be considered following each of the departmental plan presentations beginning March 4.

FINANCIAL IMPLICATIONS

Plan reductions provided for information. All reductions will have some level of effect on service levels, organizational wellbeing and financial sustainability.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

Plan materials are currently available on the municipal website "Talk White Rock" platform where public comments are encouraged to participate until February 18.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

All departments participated in development of the reduction summary. Specific implications to individual departments will depend on the individual reductions being considered.

ALIGNMENT WITH STRATEGIC PRIORITIES

The proposed Plan is linked and aligns with the Strategic Plan and Council Strategic Priorities. Specific analysis of the reductions from a Strategic Plan perspective has not been completed as part of this financial report.

OPTIONS / RISKS / ALTERNATIVES

Staff recommend Council defer consideration of potential reductions following each of the departmental Plan presentations on March 4, as reductions without the full understanding of services impacted may have unintended consequences.

CONCLUSION

The attached summary of possible cost reductions needed to reach a maximum 3% property tax increase for 2022, and the effect of implementing these reductions in service and/or human resources has been prepared as directed by the Finance and Audit Committee.

The potential reductions have some level of community and/or organization effect. All are ongoing expenditures that will mean the reductions and effects will continue unless funding is reinstated at some point in the future.

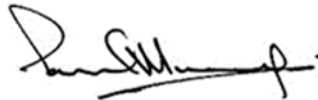
Given that the Finance and Audit Committee has not had the benefit of departmental presentations to date, it is recommended that the reduction summary be received for information at this time and considered as each department makes their budget presentation beginning in March.

Receipt of this report for information is recommended.

Respectfully submitted,



Shannon Johnston
Acting Director, Finance

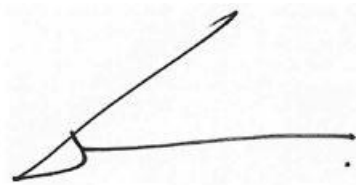


Paul Murray
Consultant

Comments from the Chief Administrative Officer

I recommend that Council consider the information provided in this report following the presentations by the Directors of each department, taking place starting March 4. This will provide Council and residents with a full understanding of services currently provided and the impacts that any reductions could have on service levels.

Consideration should also include that the full impacts are often revealed or felt more by a community once the changes are implemented. It is a delicate balance between being cost effective, providing adequate levels of service that are expected and enjoyed by a community and ensuring that the future needs of the community are planned for. Many of the reductions presented could have a direct impact on services that the community has come to expect as well as on asset improvements/maintenance. This may also reduce the City of White Rock's ability to attract and retain qualified staff.

A handwritten signature in black ink, appearing to read 'Guillermo Ferrero', with a stylized, sweeping stroke.

Guillermo Ferrero
Chief Administrative Officer

Appendix A: Summary - Possible 2022 Budget Reductions and Effects if Implemented

Draft 2022 to 2026 Financial Plan
General Fund Operating Budget Options to Reduce Property Taxes (and Impacts)

Department	Description	Amount	Tax Decrease	Category Level	Effect
Finance	Maintain current approach to purchasing. Defer hiring of Purchasing Specialist position until 2023	103,300	0.41%	1	Will delay implementation of the finance city wide purchasing program, efficiencies and cost savings. Property tax increase in 2023 unless position eliminated.
General Fund Consulting Budget	Reduce combined operating consulting budgets by 10%	17,800	0.07%	2	Reduced organizational flexibility to deliver services. Specialized assistance and extra short term capacity is needed from time and this will be effected.
Chief Administrators Office	Reduce the budget for staff events	8,700	0.03%	2	Reduce the budget for the annual summer BBQ, Christmas lunch event, staff service awards lunch event and retirement gifts budget. This is a substantial risk consideration and will effect the organizations ability to recruit and retain staff, staff morale and ability to build positive working relationships between staff and with unions.
Human Resources	Reduce the training budget for all City-sponsored training	5,000	0.02%	2	Eliminating provision of lunches/refreshments. Reduced number of corporate courses offered. This is counter to ongoing feedback for increased individual training to upgrade skills needed to perform their current roles or future roles within the City. Potential negative impact on employee attraction and retention.
Human Resources	Eliminate lunches and refreshments for all City-sponsored health & safety training	5,000	0.02%	2	Eliminate provision of lunches/refreshments. Shift courses to be provided virtually. If courses shift back in future to in person, costs will increase.
Council	Reduce the budget for conference registration & expenses	8,700	0.03%	2	Limit conference registration and travel expenses to two members of Council from three attending UBCM/FCM/LMLGA and High Ground Civic Forum. Similar effect to reduced training and conference budgets for staff. Reduced opportunity for Council to engage and network with other local government members and ability to govern more effectively.
General Fund Conference Budget	Reduce all combined conference budgets by 10%	8,500	0.03%	2	Will reduce staff capacity to attend professional development conferences. Reduced opportunity for employees to engage, network and learn with other local governments. Staff morale, recruitment and retention issue.
Parks	Maintain funding at 2021 level for the Bright Walk on White Rock	25,000	0.10%	2	Maintain the current status and rely on funding from other organizations for any increase in service. An additional \$25,000 was originally budgeted to enhance the display with additional lighting components which would be removed with this option.
Parks	Reduce parks temporary full time wages	15,000	0.06%	2	Fewer landscape planting improvement projects. In 2021, TFT contracts were extended to support major landscape planting improvements in the City. This would return back to pre 2021 levels.
Parks	Reduce parks workshops.	10,000	0.04%	2	Reduction in the number of invasive plant removal workshops with Green Teams of Canada from 6 to 2.

Department	Description	Amount	Tax Decrease	Category Level	Effect
Fire	Defer hiring the additional firefighter position from 2022 to 2023.	102,300	0.41%	2	The additional staffing position would enable Fire to maintain current service levels while making some modest gains in Fire prevention initiatives. Call volumes are expected to increase again in 2022 and beyond (estimate min. 10% in 2022). if we do not increase firefighter staffing, service levels will be impacted and crew deployment times will rise. Property tax impact in 2023 unless position is eliminated.
General Fund Grant Budget	Reduce the portion of the general fund grant budget funded by taxes by 5%.	19,200	0.08%	3	This includes grants to the Museum, Chamber of Commerce, Tourism White Rock and the youth grant to Alexandra House as well as the grants in aid budget and some other small miscellaneous items.
Recreation and Culture	Reduce the number of hard copy Recreation Guide by 50%.	15,000	0.06%	3	Fewer Recreation guides available at various distributing locations, which may result in some complaints from seniors who don't have access to online recreation guides.
Roads	Reduce contracted roads maintenance.	70,000	0.28%	3	Reduced capacity to complete pavement overlays, fix potholes and street maintenance such as line painting and sidewalk repair.
Recreation and Culture	Eliminate rec attendant hours at the Centre for Active Living.	35,700	0.14%	3	There will no longer be evening facility supervision/security, and no drop in fitness programs at this facility.
Recreation and Culture	Reduce Special Events Program for 2022. Defer the hiring of the Special Events Assistant to 2023	45,100	0.18%	3	This cut would require reducing the number of special events that the City can produce, co-produce or provide planning and/or equipment support to.
Fiscal Services	Reduce the annual transfer to the Capital Works Reserve	100,000	0.40%	3	Reduction in the capital program. Less infrastructure replaced. Over the 5 years of this Financial Plan the cumulative reduction is \$500,000.
Building	Reduce capacity in Building Inspections for 2022. Defer hiring of the vacant Building Official 1 position	100,100	0.40%	3	Increased time to process existing building permits from 8 months to 11 months in the short term, longer period to clear current backlog and reduced ability to shorten that time frame in future. Significant staff morale and retention risk. Requires property tax increase in 2023 unless position eliminated.
RCMP	Eliminate the Community Response Team Constable member and associated costs	155,600	0.62%	3	The CRT Constable position is responsible for resolving ongoing community issues, addressing problem areas/homes, school liaison, community engagement, media relations, and assisting the serious crime section. The elimination of this position will not immediately affect public safety but it will decrease the detachments response to on going community issues, problem properties, communication with the community, and connections with community partners. The reduction of overall officer positions will also be counterproductive to the imminent future demands on policing due to expected increases in population, where a broad metric for White Rock should see one police officer for every 800-1000 new residents. Existing position - reduction will be achieved through reassignment and attrition.
Total Reductions		<u>850,000</u>	<u>3.4%</u>		