

Public Consultation Memo

Five Year Financial Plan (2021 – 2025) Amendment

The City's Five Year Financial Plan (2021 – 2025) Bylaw No. 4030, 2021 was adopted on February 22, 2021. Throughout the year, several unexpected events happened as well as adjustments to carry forward projects, making it necessary to amend the Five Year Financial Plan to reflect spending changes throughout 2021.

The attached schedules summarize the proposed changes to the City of Cranbrook's Five Year Financial Plan (2021 – 2025) Bylaw No. 4030, 2021.

Prior to amendment of the Financial Plan, the City must undertake a process of public consultation. The public is hereby invited to review and comment on the above proposed amendments to the Financial Plan (2021 – 2025). Written comments will be accepted by Charlotte Osborne, CFO until 4:30pm on December 3rd, 2021, and will be reviewed by Council at the December 6th Regular Council Meeting.

For more information, please contact Charlene Courtney, Deputy Director Finance at Charlene.Courtney@cranbrook.ca or (250)-489-0203.

2021 – 2025 Five Year Financial Plan Amendment

- Upgrades to City Hall South Wing - \$1,511,716 added to Five Year Financial Plan, funded from grants

The City successfully secured grant funding from both the Government of Canada and the Province of BC, for upgrades and renovations to the third floor of Cranbrook City Hall.

A total of \$1.51 million in project grant funds are coming from the Government of Canada and the Province of British Columbia through Investing in Canada Infrastructure Program's (ICIP) – COVID-19 Resilience Infrastructure Stream.

- Cranbrook Economic Recovery Project - \$999,850 removed from Five Year Financial Plan

This project was to be funded from Grant Revenue. The City applied for but was unsuccessful at securing grant funding for this project. Project has been eliminated from Five Year Financial Plan.

- Confederation Park Master Plan Upgrades - \$998,820 removed from Five Year Financial Plan

This project was to be funded from Grant Revenue. The City applied for but was unsuccessful at securing grant funding for this project. Project has been scaled down to \$261,500 to provide for some upgrades to trails and infrastructure and will be included in the 2022-2026 Five Year Financial Plan.

- Gold Creek Dam - \$585,000 changed from grant funded to reserve funded

This project was budgeted to be 90% funded from grant revenue and 10% funded from reserves. Total project was estimated to cost \$5,853,900, with \$650,000 budgeted in 2021 year to fund the initial design. The City was unsuccessful at securing grant funding, therefore the project was moved to 2022 for the initial design funded from reserves, with the balance in 2023 of \$5,203,900 funded from borrowing.

- Mount Royal Estates Rehabilitation Program - \$1,750,000 added to Five Year Financial Plan, funded by legal settlement monies

The City of Cranbrook filed a suit to recover incurred and anticipated future costs associated with repairing the infrastructure at the site of Mount Royal Phases 1 & 3 residential developments. The suit was settled for \$1,750,000.

- PRV #8 (Wildstone Entrance) Leak Repair - \$550,000 added to Five Year Financial Plan, funded from reserves

In April 2021 a leak detection company determined that there was a water leak close to PRV #8 building due to a failing pipe. Immediate leak repair was deemed necessary to prevent a full failure to development areas and to address the undersized pipe issue, based on Water Source Master Plan.

- Shadow Mountain Offsite Sanitary Sewer Design - \$200,000 added to Five Year Financial Plan, funded from the development securities.

This project was in the budget for \$200,000 but due to additional structural and mechanical design, the design costs were actually closer to \$400,000.

- Spray Irrigation – Replace Intake Screens- \$114,860 added to Five Year Financial Plan, funded from reserves

In April 2021 a dive team located the screens in the ponds and completed an inspection. It was found that the screens needed to be replaced to prevent additional vegetation from entering and damaging the spray irrigation system..

- Downtown Revitalization Master Plan - \$250,000 added to Five Year Financial Plan, funded from reserves

Project was in the budget for \$50,000. Staff reached out to other communities and based on information received revised estimate to \$300,000 to match the standards and detail achieved on other similar reports performed by outside expertise.

- McPhee & Theatre Road Rail Crossing - \$125,000 added to Five Year Financial Plan, \$100,000 additional grant funding and \$25,000 funded from surplus.

The project was in the budget at \$500,000 with \$400,000 grant funded. The project was selected for the 2021-2022 Rail Safety Improvement funding from the federal government. The grant maximum is \$500,000 to cover up to 80% of eligible project costs. The total cost of the project is \$625,000.

- Airport Covid Relief Funding - \$720,000 grant received

In March 2021, the Airport received Airport Covid Relief Funding from the Province of BC. The one time operating grant to airports is to maintain essential services and to ensure ongoing airport operations. In the current Five Year Plan the City was covering the airport's projected operating deficit of \$525,245 from the Municipal's Covid Restart grant.

- Federal Gas Tax Grant – Additional \$899,344 received in 2021

In March 2021, the Government of Canada announced its intention to top-up the federal Gas Tax Fund allocation provided to BC effectively doubling the allocation for 2021.

- FireSmart Economic Recovery - \$66,230 added to Five Year Financial Plan, grant funded

The City received a grant from the Province to increase wildfire resiliency inside of City limits. These projects will be strategically located in three different sectors of the City to stimulate FireSmart engagement at the homeowner level.

- Other Revenue - \$1,033,000 – changed to transfer from accumulated surplus

In 2020 the City sold property for proceeds of \$6,000,000, with \$835,000 received upfront and the balance received in 5 equal annual payments of \$1,033,000 plus interest. The payments to be transferred to the Land Sales Reserve as they are received. Currently the budget is showing the payment has other revenue, changed to be a transfer from accumulated surplus into the Land Sales Reserve.

- Reductions to Carry Forward Projects and other insignificant projects added to budget nets in a decrease to the total budget expenditures of \$652,139.