

# SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Finance Committee (Pre-Budget) – October 28 and 29, 2024

**AUTHOR:** Tina Perreault, Chief Administrative Officer / Chief Financial Officer

**SUBJECT:** 2025 PROPOSED PROJECTS

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## RECOMMENDATION(S)

- (1) THAT the report titled 2025 Proposed Projects be received for information;
- (2) AND THAT the Mandatory Projects as follows be approved and included into the 2025 Round 1 Budget:
  - Chief Administrative Officer Recruitment [110], \$60,000 funded from Operating Reserves;
  - Chapman Raw Water Pump Station Upgrades – Phase 2 [370], \$783,973 funded from Capital Reserves with a 0.14 FTE increase;
  - Chapman Intake Upgrades (Phase I) – Design, Engineering and Contract Administration [370], \$205,340 funded from Capital Reserves with a 0.08 FTE increase;
  - Soames Creek Compliance Monitoring [370], \$100,000 funded from Operating Reserves;
  - Confined Space Procedures and Documentation Upgrades [613, 365, 366, 370] \$105,000 funded through Taxation - \$30,000 for [613] and Operating Reserves \$75,000 for [365-370];
  - RCVFD Firefighter Boots and Helmets (cyclical - base budget) [212], \$52,000 funded through Capital Reserves;
  - Collective Agreement Impacts (Rest Intervals, Standby) [613] - Base Budget Lift, \$13,000 funded through Taxation;
  - Data Storage Expansion (PURE) [117], \$57,188 funded through Support Services with ongoing \$7,000 annually for fees subscriptions;
  - Eyewash Station at Pender Harbour Aquatic and Fitness Centre [625], \$35,000 funded from Capital Reserves;
  - Noxious Weed Removal John Daley Park (Ongoing Financial Implications) [650], \$63,100 funded through Taxation with an ongoing annual maintenance of \$33,000;

(3) **AND THAT the Committee provide recommendations on Base Budget-Related, Strategic Plan Focus Areas, Board Directed and / or Business Continuity and Discretionary projects to be brought forward to Finance Committee Round 1 Budget on November 25 and 26, 2024;**

(4) **AND FURTHER THAT Not Recommended Projects be deferred per the Board's direction.**

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## **BACKGROUND**

The Sunshine Coast Regional District (SCRD) financial planning process has been changed for 2025 due to the realignment of priorities and Strategic Plan Focus Areas.

The purpose of this report is to provide a guide to the discussion surrounding the prioritization and rationale for categorization of new 2025 proposed projects.

## **DISCUSSION**

### *Options and Analysis*

There are several levels of prioritization that the Senior Leadership Team has grouped 2025 proposed projects. These are shown in Attachments A-F. Projects have been further categorized into Extraordinary projects and Operating projects:

- Extraordinary – new initiatives that are outside of regular and ongoing work;
- Operating – work that is regular day-to-day, week-to-week, or annual that is expected of the position on an ongoing basis including administration and planned capital works.

### **Mandatory Projects (Attachment A)**

Projects in this category are viewed ones that must be completed to ensure business continuity and / or compliance:

- Imminent Asset Failure – there could potentially be a major shutdown
  - Regulatory Compliance – adherence and conformance to relevant laws, policies, guidelines, specifications and regulations
  - Safety and Health or Environmental Requirements - To prevent or remedy faults that could cause harm to persons or property if they are not corrected immediately.
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**Base Budget Related (Attachment B)**

For 2025 Budget the Senior Leadership Team categorized separately areas that require base budget lifts or financial plan adjustments between service areas. In some cases, not increasing base budgets will impact other areas of work planning.

**Strategic Plan Goals (Attachment C)**

Projects under Strategic Plan are directly related to the Board's Focus Areas of Water Stewardship and Solid Waste Solutions.

**Other – Board Directed and Business Continuity (Attachment D)**

The projects listed under these categories are ones that, though not mandatory, have been brought forward due to a Board Directed Resolution or that should be considered to support service level decisions.

**Other – Discretionary Projects (Attachment E)**

Discretionary Projects are similar to Business Continuity though the urgency to start the projects is lesser.

**Not Recommended for 2025 Budget (Attachment F)**

These projects have been brought forward for various reasons, staff have reviewed all the implications and have determined that they could potentially be deferred to 2026 or future years:

*Organizational Implications*

One of the key components for consideration through the decision-making process, involving the number of existing projects and 2025 proposed projects, is staff capacity.

*Options for the Committees' Consideration*

Staff propose the following:

- Mandatory Projects (Attachment A), be approved and incorporated into the 2025 Round 1 Budget;
  - Base Budget (Attachment B) and Strategic Plan (Attachment C) be brought forward to 2025 Round 1 Budget deliberations as Budget Proposals for the Board's consideration;
  - Board Directed and / or Business Continuity (Attachment D) and Discretionary (Attachment E), staff are seeking direction as to which projects the Board would like further information, to come forward to Finance Committee Round 1 Budget in November 25 and 26, 2024 as Budget Proposals;
  - Not Recommended Projects (Attachment F) staff recommend deferring these projects and would ask for the Board direction as to when these projects should be presented.
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Two projects were deferred to 2025 from 2024 as per the following resolutions (excerpts) – staff seek Board direction as to if these projects could be abandoned in 2025 or if the Board wishes to see 2025 Round 1 Budget Proposals:

039/24      **Recommendation No. 6**      *Final 2023 Project Carry-Forwards*

...AND THAT the Regional Water / South Pender Harbour / North Pender Harbour Feasibility Study Long-Term Surface Water Source projects be abandoned;

AND THAT the funds from the South Pender Harbour [366] and North Pender Harbour [365] Feasibility Study Long-Term Surface Water Source projects be returned to their respective Operating Reserves;

AND THAT \$75,355 from the Regional Water Feasibility Study Long-Term Surface Water Sources project be reallocated to the Feasibility Study Long-Term Ground Water Supply Sources project;

AND THAT staff prepare a budget proposal for a new **Feasibility Study Long-Term Surface Water Source project as part of the 2025 Budget process**;

**Recommendation No. 21**      *Water Services [365 / 366 / 370] - 2024 R2 Budget Proposal*

THAT following budget proposal be approved and incorporated into the 2024 Budget:

- Budget Proposal 5 – Senior Utility Technician (1.0 FTE), \$80,225 (prorated at 0.59 FTE for 2024), funded \$51,529 through Parcel Taxes and \$28,696 from User Fees (5% to [365], 10% to [366], 85% to [370]).

*NOTE: In 2024, a budget proposal was submitted for a Senior Water Technician position and a light-duty truck. While the FTE was approved by the Board, the request for the light-duty truck was deferred to the 2025 budget. While there is still a need for this vehicle, there is currently no longer parking space available at Field Road for this additional vehicle. As well a pending fleet review could result in some optimization of the use of existing vehicles. It's therefore recommended that this budget proposal be abandoned.*

## STRATEGIC PLAN AND RELATED POLICIES

There are several components to take into account for the 2025-2029 Financial Planning Process. The 2023-2027 Strategic Plan aligned projects with the Board's Focus Areas. Bylaws and Policies are related to rate setting and base budget proposals.

## CONCLUSION

The Sunshine Coast Regional District (SCRD) financial planning process has been changed for 2025 due to the realignment of priorities and Strategic Plan Focus Areas. The 2025 Proposed Projects are presented in categories of Mandatory, Base Budget Related, Strategic Plan Focus Areas, Board Directed and / or Business Continuity and Discretionary.

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The attachments are provided to give the Board a high level of what will come forward to Finance Committee Round 1 Budget in November 25 and 26, 2024 as Budget Proposals.

Attachments:

- A –Mandatory Projects
- B –Base Budget
- C – Strategic Plan
- D – Board Directed and / or Business Continuity
- E – Discretionary
- F – Not Recommended

Reviewed by:			
Manager		Finance	X - T-Crosby
GM		Legislative	
CAO		Other	