



**REPORT TO SOUTHERN GULF ISLANDS HARBOURS COMMISSION  
MEETING OF TUESDAY, DECEMBER 22, 2020**

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**SUBJECT**     **Revised 2021 5-Year Operating and Capital Plan**

**ISSUE SUMMARY**

To present the Southern Gulf Islands Harbours Commission with a revised 5-year operating and capital budget for 2021 to reflect changes to the capital plan and financing strategy.

**BACKGROUND**

At its November 27<sup>th</sup>, 2020 meeting, the Southern Gulf Islands Harbours Commission requested that staff prepare and present additional amortization term options and implications for the upcoming long term borrowing required to fund the 2021 - 2025 capital plan. A change in the amortization term from 15 years (as presented in the original 2021 budget) will result in a final budget amendment.

The proposed 2021 5-year capital plan is funded by a combination of Capital Reserve Funds, Capital Funds on hand from projects closing, and borrowing funds. As per the November 27<sup>th</sup>, 2020 meeting, an alternative approval process (AAP) was recommended by staff to seek voter assent to borrow funds.

In addition, since the Commission meeting in November, the Miner's Bay Float Realignment project that is currently underway, has encountered unexpected ground conditions during construction requiring additional funds. The 2021 budget presented at the November 27<sup>th</sup>, 2020 meeting indicated that \$105,000 would be returned from CX.124 (Dock Infrastructure – Piers, Miners and Lyall), however, due to the issues at Miner's Bay no capital surpluses are anticipated. This reduces the estimated 2020 year-end balance of Capital Reserve Fund.

Staff have reviewed 5-year capital plan (2021-2025) presented at the November 27<sup>th</sup>, 2020 meeting and are recommending the following changes. The changes reflect the requirement to complete the Anson Road project as part of the Spanish Hills and Horton Bay divestiture agreements by minimizing the debt funding portion and maximizing the current available funding of capital reserve fund and capital fund on hand. Additionally, the Inspections Update project (21-02) previously planned for 2023 has been revised for 2024.





























