



COUNCIL REPORT

To: Paul Gipps, CAO

Date: January 31, 2023

From: Lisa Siavashi, Financial Services Manager
Warren Everton, Director of Finance/CFO

Subject: **2023 Financial Plan Early Approval Requests**

RECOMMENDATION

THAT Council consider and resolve to authorize staff to proceed with the capital expenditures and supplemental FTE staffing requests on the attached Schedules A and B.

BACKGROUND

This report presents capital and supplemental FTE items that staff request Council to consider giving early approval to proceed prior to the adoption of the Financial Plan:

Schedule A – 2023 Capital Early Approval Requests

Schedule B – 2023 FTE Approval Requests

Capital Requests:

For many of the capital requests, the procurement process needs to occur within the first quarter of the year for work to start in the second quarter or later. Out of the total Capital Budget of \$33,916,437, early approval is requested for projects totalling \$10,330,334.

Contained in the early request listing is \$2,424,000 is for vehicles and equipment. These early approval requests from the Fleet Department are directly related to the ongoing supply chain issues. What started with the onset of COVID remains post-COVID and if anything has worsened. The Fleet Manager reports that when acquiring large to medium sized equipment there are significant challenges and timelines for deliveries are very long. As an example, none of the light duty pickups ordered in January 2022 have arrived and no timeline has been given for 2023 deliveries. The vendor in this example has changed their dealership allocation standards and quotes are no longer valid given new market adjustment fees applied at the factory. A second example involves a ride-on lawn mower ordered in January 2022, which was delayed until December 2022, then further delayed until May 2024. The order was therefore cancelled by staff to find another solution. New

fire truck buildouts are also an issue now with 850 days required after ordering, which is more than double the pre-COVID time.

This situation in the automotive and equipment manufacturing industry will have staff reviewing replacement plans to ensure the fleet is operating within its useful life timelines and not affecting levels of service. One of the areas within our control is identifying all vehicles and equipment in the early approvals list and then ordering as soon as possible. Additionally, the relationships staff have made with dealers will become more important as we maneuver to get in the queue quickly.

FTE Requests:

\$715,499 requested for early approval out of a total of \$784,510.

Requests for early supplemental approval are historically due to timing, where a delay would cause operational inefficiencies. Post COVID, the recruitment process is taking much longer, usually requiring three months or more until a suitable candidate is hired. FTE requests that are not planned to start until after the budget is adopted are not included. The RCMP members are included in the early approval request due to the lengthy process in filling these positions. Half of the request for the Paid-on-Call (POC) firefighters that relates to the increase in wages is requested at this time to accommodate the current POCs. The request for the additional POCs will wait until budget adoption as the hiring for these additional members will not occur until the second half of 2023.

FINANCIAL IMPLICATIONS

The financial impact of all items requested for early approval have been included in the budget. Capital requests are funded from reserves, DCCs, grants and/or debt and do not affect the budgeted amount of property taxes.

Alternate Motions:

#1 - THAT Council grant approval of an amended number of priority Capital and Supplemental FTEs.

#2 - THAT Council postpone consideration of early approvals.

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

PowerPoint: Yes ☐ No ☒

Attachments: Schedule A – 2023 Early Capital Approval Requests
Schedule B - 2023 Supplemental and FTE Early Approvals