



COUNCIL REPORT

To: Paul Gipps, CAO

Date: December 14, 2021

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

Subject: **Amended 2022 Financial Plan Early Approval Requests**

RECOMMENDATION

THAT Council authorize staff to proceed with the capital expenditures, supplemental FTE's and supplemental requests as listed on attached Schedules A and B.

STRATEGIC AREA(S) OF FOCUS

Investment in Infrastructure and Economic Growth and Prosperity.

BACKGROUND

Capital Requests:

At the December 8, 2021 Council meeting, staff presented requests for early approvals on capital expenses that Council had deliberated on earlier in the day. Out of a total Capital Budget of \$25,447,694, \$22,477,225 was requested to be approved early. Although Council gave first reading to the 2022 – 2026 Financial Plan Bylaw but a comfort level didn't exist to early approval such a large value of capital projects prior to feedback from residents.

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. Past experience has also proven that pricing and availability of contractors for capital projects is much better in the first quarter of the year. Even though payments for the majority of these projects won't be until after the 2022-2026 Financial Plan is adopted, early approval is still needed for the procurement process to begin.

For vehicles and equipment, supply chain delays have become more of an issue, increasing the need for early approval on the equipment side. Delivery on some vehicles can take up to a year or longer, necessitating the need for early approval on these requests. Again, much of the funding for these projects would not be required until after the 2022 budget is adopted.

Supplemental and FTE Requests:

\$207,455 requested for early approval out of a total of \$252,542.

Requests for early supplemental approval are historically due to timing, where a delay would cause operational inefficiencies. 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 as the time frame to fill these positions is lengthy.

These requests will be incorporated into the Financial Plan as directed by Council at the December 8th meeting but still need early approval as the Financial Plan was only given 1st reading at this time.

FINANCIAL IMPLICATIONS

The financial impact of all items requested for early approval has 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.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
Dec 8, 2021	THAT Council postpone consideration of early approvals until December 14, 2021	C370/21

CONCLUSION

The 2022 Draft Budget has been posted to the OurWK.ca website with an invitation for feedback. The first round of comments need to be received by Wednesday, January 19th, 2022 and the results will be shared with Council at the January 25th, 2022 regular Council meeting.

Staff reviewed the capital projects that had been requested for early approval in the previously provided listing. Projects were assessed and divided as:

- Needing early approval at this time;
- Previously committed projects that are part of a larger project (i.e. Rose Valley Water Treatment Plant);
- Projects that will wait for early approval until after the first round of comments from the public have been received; and
- Items that have been removed from the early approval requests.

This breakdown has been attached to this report along with an amended Schedule A – 2022 Early Capital Approval Requests.

No changes have been made to Schedule B – 2022 Supplemental and FTE Approval Requests.

Alternate Motion:

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

#2 - THAT Council postpone consideration of early approvals until a later date.

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

PowerPoint: Yes ☐ No ☒

Attachments:

#1 – Breakdown of Early Capital Approval Requests

#2 – Schedule A – 2022 Early Capital Approval Requests

#3 – Schedule B – 2022 Early Supplemental Approval Requests