

Report to Council



Date: March 18, 2024
To: Council
From: City Manager
Subject: 2024 Financial Plan – Carryover Budget - Volume 2
Department: Financial Planning

Recommendation:

THAT the 2024 Financial Plan be increased by \$8,774,400 for operating carryover projects and \$269,930,200 for capital carryover projects as summarized in the 2024 Financial Plan – Carryover Budget – Volume 2.

Purpose:

To present the 2024 Financial Plan – Carryover Budget - Volume 2 to Council for approval and inclusion into the 2024 Financial Plan.

Background:

The operating and capital projects listed in the 2024 Financial Plan – Carryover Budget – Volume 2 represents projects that were not completed in 2023 or were originally planned to be completed over multiple years. These projects were previously approved by Council, and therefore do not add to the taxation demand for 2024. Funding sources for these projects include reserves, debt, utility, and other contributions, including grants.

Corporate financial policy and guidelines were established in 2021 to provide a consistent framework for an incomplete operating and/or capital project budget to be considered for carryover into the following budget year, where funding is available. This policy applies to all operating and capital budget items whose underspending in a budget year is a result of timing, scope change, or is a multi-year undertaking and is requiring a carryover to the following budget year in order to complete the project. This underspending, if not carried forward into the following budget year, would not allow for the completion of the project and the lapsed funding would flow into the City’s annual surplus.

To be eligible for budget carryover a request must be justified and meet one of the following criteria:

- Design Option: A one-time operating or capital project that is waiting for a design decision or is being re-scoped due to a change in circumstances.
- External Event: A one-time operating or capital project that is delayed due to an unanticipated external event.

- Multi-Year: A one-time operating or capital project that is planned over multiple years and has been identified as such in the original budget request.
- Scheduling: A one-time operating or capital project that is delayed due to internal scheduling conflicts.
- Awaiting Grant Information: A one-time operating or capital project that is on hold pending grant approval.
- Program: An operating or capital project that is part of a larger annual program that has a list of projects that exceed the annual budget.
- Council Approved: An operating project with a base budget that has been approved by Council to be used as funding for a project on a one-time basis.
- Policy: An operating project with a base budget that has a Council-endorsed policy to support a carryover.

For 2024, the carryover criteria External Event makes up for 29% of the overall carryover counts. This is largely due to supply chain issues and pending decisions from outside stakeholders, which slowed the progress on many projects in 2023. With respect to the remainder of the projects, 23% were previously approved as multiyear, 22% are projects which were delayed due to internal scheduling challenges, 13% for continued annual programming, 12% caused by design delays, and 1% are Council approved or have a policy that direct the carryover of remaining budget.

A detailed discussion of projects included in this volume is not planned. Should Council have questions regarding any specific carryover and would like it discussed at the March 18, 2024, meeting, please advise the City Manager in advance and he will arrange for a division representative to attend the Council meeting.

Considerations applicable to this report:

Financial/Budgetary Considerations:

A consolidated 2024-2028 Five-Year Financial Plan will be brought to Council for adoption by bylaw at Final Budget on April 22, 2024. This will precede adoption of the 2024 property tax bylaw, in accordance with Section 165 of the Community Charter.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Consultation and Engagement:

Communications Comments:

Submitted by:

Melanie Antunes, CPA, Financial Planning Manager

Approved for inclusion: J. Sass, CPA, CA Director Financial Services

Attachment:

- 1: 2024 Financial Plan – Carryover Budget - Volume 2
- 2: 2024 Financial Plan – Carryover Budget - Volume 2 Presentation