

Report to Council



Date: March 10, 2025
To: Council
From: City Manager
Subject: 2025 Financial Plan – Carryover Budget – Volume 2
Department: Financial Planning

Recommendation:

THAT the 2025 Financial Plan be increased by \$4,918,600 for operating carryover projects and \$43,508,000 for capital carryover projects as summarized in the 2025 Financial Plan – Carryover Budget – Volume 2.

Purpose:

To present the 2025 Financial Plan – Carryover Budget – Volume 2 to Council for approval and inclusion into the 2025 Financial Plan.

Background:

The operating and capital projects listed in the 2025 Financial Plan – Carryover Budget – Volume 2 represent projects that were not completed in 2024 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 2025. Funding sources for these projects include reserves, debt, utility, and other contributions, including grants.

The City is in the process of transitioning from full project budgeting to cash flow budgeting. Cash flow budgeting focuses on the timing of cash inflows and outflows, ensuring that an organization has the liquidity to meet its financial obligations as they arise, and aligns annual property tax collection with anticipated spending. As this new methodology is adopted, it is expected that the number of carryover projects will be significantly reduced.

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 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 2025, the carryover criteria Multi-Year makes up 40 per cent of the overall carryover counts, representing projects previously approved to be completed over multiple years. With respect to the remainder of the projects, 33 per cent are projects delayed by unanticipated external events including contractor delays, 23 per cent were delayed due to internal scheduling challenges, 3 per cent caused by design delays, and 1 per cent are Council approved or have a policy that direct the carryover of remaining budget.

Considerations applicable to this report:

Financial/Budgetary Considerations:

A consolidated 2025-2029 Five-Year Financial Plan will be brought to Council for adoption by bylaw at Final Budget on April 28, 2025. This will precede adoption of the 2025 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:

M. Antunes, CPA, Financial Planning Manager

Approved for inclusion: J. Sass, CPA, CA, General Manager Corporate Services

Attachments:

Attachment A: 2025 Financial Plan – Carryover Budget – Volume 2

Attachment B: 2025 Financial Plan – Carryover Budget – Volume 2 Presentation