



COMMITTEE OF THE WHOLE

CDR# 2023056

Date: April 17, 2023

TO: Mayor Kogon and Members of Council

SUBMITTED BY: Sarah Wilson, Director of Finance

DATE: April 17, 2023

SUBJECT: 2023/24 Capital Budget Carry Overs - Water Utility & General Capital

ORIGIN: 2023/24 budget preparations.

LEGISLATIVE AUTHORITY: Section 65 of the Municipal Government Act requires that council shall adopt an operating budget and a capital budget for each fiscal year.

RECOMMENDATION: That Council forward to the April 24, 2023 regular meeting approval of the inclusion of carry over projects to the Town of Amherst Water Utility and General Capital Budgets for the 2023/24 fiscal year. The capital budget spending authority for 2023/24 is amended by \$7,036,677 for the capital carry over projects (\$1,202,900 for the Water Utility and \$5,833,777 for General Capital).

BACKGROUND: During last year's Capital Budget, capital projects were presented to Council who provided approval for the 2022/23 fiscal year. Although most of these projects were completed through the year, staff were not able to complete some of them. There are various reasons for this such as long delivery timelines and resource limitations for example.

On February 27, 2023, Council approved new projects for the 2023/24 General and Water Capital Budgets as well as in principle the years 2-5 proposed Capital Budgets. We are simply looking to amend the year 1 Capital Budget to add the carry over projects (approved in the 2022/23 budget) to our Capital Budget to allow for spending authority during 2023/24.

DISCUSSION: During the Capital Budget presentation and discussion, we indicated to Council that we were uncertain of the projects that would require a carry over to the 2023/24 fiscal year and that once we were past year end we would come back to Council to obtain authority to add these to the Capital Budget to ensure we have spending authority in the current fiscal year.

As stated above, these projects have already been approved by Council and we are simply requesting that the spending authority be carried over into the current fiscal year, with two budget adjustments (detailed below). A list of the carry over projects is attached for Council's reference.

FINANCIAL IMPLICATIONS: There are two projects that required the budgets to be increased for 2023/24 from the prior year budget. The first is the dump truck in the Water Utility. The original budget was \$175,000 but with rising costs this budget isn't sufficient to purchase a dump truck. This budget has been increased to \$320,000 with the funding coming from the Water Deprecation fund. The second project is the Aerial Fire Truck. The original budget was



\$1,600,000 and the final cost came in at \$2,084,677. This budget has been increased and will be funded from the Capital Reserve.

There are three other carry over projects listed in the Fire Department that the overall funding for the three projects remains the same but the allocation to each project has been adjusted as final costs are known. The Air Compressor project was going to be under budget and the Fire Suppression Hose and the Fit Testing System were going to be over budget. So, the budgets have been adjusted to show a more accurate budget for each, while remaining within the same overall budgets.

The carry over projects were approved by Council and financing was set in place in last fiscal year, with the exception of the two budget increases noted above. The financial implication is simply to move the spending authority from fiscal 2022/23 to 2023/24.

The capital budget spending authority for 2023/24 would be amended by \$7,036,677 (\$1,202,900 for the Water Utility and \$5,833,777 for General Capital). The projects are itemized in the attached listing. These projects will be funded by:

Water Utility Capital:

Water Depreciation	\$ 601,301
Grant - Water Utility	<u>\$ 601,599</u>
	<u>\$1,202,900</u>

General Capital:

Operating Reserve	\$ 485,000
Capital Reserve	\$2,529,477
Grants – General Capital	\$2,220,932
Long Term Debt – General/Sewer	<u>\$ 598,368</u>
	<u>\$5,833,777</u>

COMMUNITY ENGAGEMENT: Information on the budget has been shared via social media as approvals occur. A budget report will be added to the website once the operating budget has been approved.

ENVIRONMENTAL IMPLICATIONS: None anticipated.

SOCIAL JUSTICE IMPLICATIONS: None anticipated.

ALTERNATIVES: Delay the decision on carry over projects to a future meeting.

ATTACHMENTS: Listing of Capital Project Carry Overs for 2023/24.