



REQUEST FOR DECISION

MEETING DATE: March 13, 2023

TITLE: 2022 Operating Carry Forward Requests

DIVISION: Corporate Services

SUMMARY:

Council approval is required for 2022 Operating Carry Forward Requests.

PROPOSED MOTION:

THAT the 2022 operating carry forward requests be approved, as detailed in the attached schedules.

THAT the 2023 operating budget be amended by the approved operating carry forward requests, as follows:

- 2023 Operating Expenses of \$832,000
- 2023 Transfer from Reserves of \$832,000

BACKGROUND / ANALYSIS:

The purpose of a carry forward is to provide funds for programs and projects not completed by year-end (December 31, 2022) and to ensure funding is available for future completion of those same delayed programs and projects.

Carry forwards will not impact the tax rate as these represent budgeted amounts for which Council has previously approved, and the carry forward allows the previously identified funding sources to be utilized.

The 2022 Operating Carry Forward Requests include four categories of operating carry forwards:

1. Proposed Municipal 2022 Carry Forwards Funded from 2022 Operating Budget
2. Prior Year (2021) Carry Forwards from Municipal Reserve
3. One Time Reserve Transfers in 2022
4. Business Cases - One Time in 2022

The first category, *Proposed Municipal 2022 Carry Forwards Funded from 2022 Operating Budget*, represents municipal operating projects and programs that were approved as part of the 2022 budget and not fully complete at the end of 2022. The work was not completed by year-end due to several reasons, including supply chain issues that have delayed the delivery of some of these items. The carry forward of these funds ensure that the projects can be completed in 2023 without impacting the tax rate for 2023. For this category, these amounts total \$1,087,000.

The second category, *Prior Year (2021) Carry Forwards from Municipal Reserve*, represents an item that Council approved as a carry forward in 2021 (Security upgrades at City Hall) that has been deferred to 2023 as part of the First Floor Renovations that are scheduled to be completed by April 2023.

The third category, *One Time Reserve Transfers in 2022*, represents the unspent portion of work that Council approved in 2022 to be funded from reserves (Municipal Operating Support Transfer (MOST) and unrestricted reserves). Council approval will allow the unspent portion to be transferred from reserve as a funding source to complete the work in 2023.

The fourth category, *Business Cases - One Time in 2022*, represents the balance of funds remaining from one-time 2022 business cases that were approved to be funded from unrestricted reserves. The work was not completed in 2022 and with Council approval, the unspent portion will be transferred from reserve as a funding source to complete the work in 2023.

OPTIONS / ALTERNATIVES:

Council could choose to make changes to any of the items included on the attached 2022 Operating Carry Forward Requests schedule.

Council could choose not to approve amounts included in the schedule.

CONSULTATION / ENGAGEMENT:

The identification of carry forward requests included all Department Directors and a detailed review by the Corporate Leadership Team.

IMPLEMENTATION / COMMUNICATION:

Upon Council's approval, all approved 2022 operating carry forward requests will be added to the City's approved 2023 budget.

IMPACTS:

The impacts of this decision will allow for operating carry forward amounts from 2022 budget to be used in 2023 to fund operating programs and projects not completed by December 31, 2022.

FINANCIAL IMPLICATIONS:

Reserves and carry forwards are part of a sound financial practice for any municipality. As the City continues to tighten its year-end position, positive reserve balances become even more important. Also, as resource constraints continue to affect Administration's ability to complete all desired projects, carry forwards will continue to be a necessary activity at year-end.

Operating carry forwards are considered for approved operating projects that have not been completed, or were not completed by December 31, 2022, but are expected to be completed by December 31, 2023. This differs from the City's annual accrual process, as accruals are made for anticipated expenses to be incurred by the end of the year that have not yet been invoiced or paid by December 31, 2022.