



Committee Report

To: Warden Chris Peabody and
Members of the Corporate Services Committee

From: Edward Henley
Director of Corporate Services

Date: January 19, 2023

Re: 2023 Pre-Budget Capital Project Approval

Staff Recommendation:

That approval be given, in advance of the 2023 capital budget approval, to expend funds on Social Housing capital replacements for \$950,000; museum heating, ventilation, and air conditioning (HVAC) system capital replacements for \$74,200; and Museum Exterior Deck and Rooftop Ladder replacement for \$44,592.

Background:

In recent years the County of Bruce has presented and approved the annual budget in advance of the budget year, allowing for staff to immediately proceed with budgeted spending in January.

Section 289 (1.1) of the [Municipal Act](#) requires that,

“a budget for a year immediately following a year in which a regular election is held, may only be adopted in the year to which the budget applies.”

2023 Budget discussions commenced January 12, 2023 and are scheduled to continue over the coming weeks, with final budget approval expected by early March.

The County purchasing policy requires that sufficient funds be budgeted in order for a purchase to proceed. For operating expenditures, it is assumed that regular recurring expenses on average will be maintained at a minimum of the prior year budget and thus the County allows up to 25% of the prior year operating budget to be expended prior to budget approval.

The capital budget is a project-based budget and initiatives vary from year to year. Thus it is important to identify specific initiatives that may need to proceed in advance of full budget approval. At the end of 2022 reports were brought forward requesting committee pre-approval for purchases in Paramedic Service and Transportation & Environmental Services due to the long lead time on delivery of products, and potential efficiencies in coordinating with local municipalities. Other reasons to request a pre-approval for a Capital expenditure include contractor scheduling, health and safety concerns, seasonal factors, and workload management for county staff.

In addition to the purchases of ambulances, snowplows, and the pedestrian crosswalk in Walkerton, which have already been approved, the following capital expenditures are requested to be approved to commence the purchasing process.

Capital Project	Budgeted Cost	Impact of Delay
Housing Facilities Capital Replacement	\$950,000 (approximately 1/3 of 2023 Capital expense)	Housing Facilities is budgeted to spend over \$2.8 million in 2023 on regular capital asset replacement and repair, comparable to prior years capital spending. Due to the large volume of capital work that is completed on an annual basis and the need to schedule contractors it is important for staff to make progress on the project list in the first quarter of the year. Thus pre-approval of 1/3 rd of the proposed budget is requested.
Museum HVAC Units	\$74,200	Original units installed in 2005 and due for replacement. Lead times for HVAC units are 24-30 weeks. Anticipated timing of the project is fall. Delays to the purchasing process could push the project to 2024.
Museum Deck and Rooftop Ladder	\$44,592	Originally installed in 2005 the decking needs repair and could pose a health and safety issue. Expected lead time is 8-12 weeks. Project needs to be confirmed in January to allow for installation prior to the busy summer season. The rooftop ladder is a custom build with similar scheduling concerns.

Financial/Staffing/Legal/IT Considerations:

The financial, staffing, legal or IT considerations associated with this report are included in the proposed budget and the report.

Interdepartmental Consultation:

The Senior Management Team was requested to provide input on capital projects requiring pre-approval to inform the creation of the report.

Link to Strategic Goals and Elements:

None identified.

Report Author:

Lynn Hatten, Deputy Treasurer

Departmental Approval:

Edward Henley, Director of Corporate Services

Approved for Submission:

Derrick Thomson

Chief Administrative Officer