



City of North Bay Report to Council

Report No: CORP-2024-100

Date: November 14, 2024

Originator: Sara Gage

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: Approval of 50% of the Prior Year's Capital Funding Envelope

Closed Session: yes no

Recommendation

1. That City Council approves spending up to \$12,264,393 being an amount equal to 50% of the 2024 General Capital Funding Envelope and representing a preliminary funding allotment to the 2025 General Capital Budget.
2. That City Council approves spending up to \$7,465,667 being an amount equal to 50% of the 2024 Water and Wastewater Capital Funding Envelope and representing a preliminary funding allotment to the 2025 Water and Wastewater Capital Budget.

Background

Procurement of goods and services must be done in compliance with the City's Purchasing By-law, By-Law No. 2013-200. It is the City's practice to wait until budget approval has been granted before commencing the procurement process for capital projects. Since approval of the City's 2025 Capital Budgets is not expected to occur until March, it is recommended that Council approve spending up to 50% of the prior year's funding limits in advance of completion of the 2025 capital budget process. This approach supports achievement of the following objectives:

1. Enables tenders and RFPs to be issued well in advance of the prime construction period and at a time when contractors are less likely to have already committed to other projects. Thus, maximizing the number of competitive bids received and reducing the overall project cost to the municipality.

2. Construction can be completed under optimal weather conditions during the prime construction period of June to October thereby reducing construction time costs.

This recommendation gives staff the opportunity to gain an early start on key capital projects while also giving Council the opportunity to see the complete capital budget before granting final approval of the full expenditure limit.

Financial/Legal Implications

Approval of spending up to 50% of the prior year's capital funding envelope will ensure that the procurement process and timing of infrastructure projects is not delayed while Council and staff work through the 2025 capital budget process. Projects to which the preliminary funding authority has been allocated to will be tracked and identified to Council during 2025 capital budget deliberations.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Ensure the efficient and effective operations of the city, with particular consideration to the impact of decisions on the property tax rate
- Maintain infrastructure across the city in a good state of repair
- Ensure Council and staff have a shared perception and goals

Options Analysis

Option 1: Approve spending up to 50% of the prior year's General and Water and Wastewater Capital Budgets. This option is recommended as it will enable staff to commence procurement for key infrastructure projects in advance of the prime construction period.

Option 2: Do not approve spending up to 50% of the prior year's General and Water and Wastewater Capital Budgets. If pre-approval does not occur, then 2025 capital projects will not be tendered until after the Capital Budget is approved in late Spring. This option is not recommended.

Recommended Option

1. That City Council approves spending up to \$12,264,393 being an amount equal to 50% of the 2024 General Capital Funding Envelope and representing a preliminary funding allotment to the 2025 General Capital Budget.

2. That City Council approves spending up to \$7,465,667 being an amount equal to 50% of the 2024 Water and Wastewater Capital Funding Envelope and representing a preliminary funding allotment to the 2025 Water and Wastewater Capital Budget.

Respectfully submitted,

Name: Sara Gage, CPA

Title: Coordinator, Financial Reports

I concur with this report and recommendation

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Sara Gage, CPA

Coordinator, Financial Reports