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Report 2024-143

Report Title: 2024 Transfer of Funds to Reserve

Committee Name: Finance and Audit

Committee Meeting Date: November 5, 2024

Prepared by: Kimberly O'Leary
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Finance

Reviewed by: Matthew Nitsch
Director of Finance/Treasurer
Finance

Approved by: Jennifer Moore, CAO

Council Meeting Date: Select Council Meeting Date

Strategic Plan Priorities: ☒ Innovate for Service Excellence
☐ Ignite Economic Opportunity
☐ Foster a Thriving Community
☐ Propel Sustainable Growth
☐ Champion a Vibrant Future

Recommendation

"**That** the Finance and Audit Committee, having considered Report 2024-143 '2024 Transfer of Funds to Reserve', recommend that County Council enact a by-law at the November 20, 2024 County Council meeting to approve the transfer of funds to reserve as identified in the attached By-law."

Purpose

To seek Council approval to enact a new By-law to permit various funds to be placed in reserve and carried forward for use in future years.

Background

Near the end of each fiscal year, staff review the status of projects funded in the budget and identify any funds that need to be carried forward to a future year when the project will be completed. Projects are occasionally deferred for a number of reasons including timing of

approvals, timing of design work, weather, workload, contractor delays, late delivery of supplies, etc.

Consultations

It has been the practice of the County for several years to transfer these funds into a reserve account until such time as the project moves forward and the funds are required. Consultations are held with each County department to establish funds that need to be identified for carryover into reserves for future years.

Legislative Authority / Risk Considerations

It has been the practice of the County for several years to transfer these funds into a reserve account until such time as the project moves forward and the funds are required. Consultations are held with each County department to establish funds that need to be identified for carryover into reserves for future years.

Discussion / Options

Historically the largest amounts carried over are related to transportation construction projects. This is mostly due to the size, complexity and length of these projects but it can also be impacted by contractor delays, availability of materials and the weather. It is fairly common to have a road or bridge construction project span multiple years.

The majority of the carry over amounts being requested for 2024 relate to transportation. In addition to the nature of these projects, it should be noted that in the beginning of the year there were a number of vacant positions in the engineering department. This lack of staff capacity has negatively impacted the progress on some of the transportation projects. The department has filled these positions now and is expected to catch up on projects going forward.

We continue to see delays in the delivery of large equipment and vehicles which is also contributing to the need to carry over funds.

In 2024, the renovation work at 310 Division Street was given top priority. This has meant that staff were pulled away from other projects in an effort to get the building ready. This has impacted the work on Facilities and NCHC projects and is resulting in the request to carry over funds for those departments.

In the area of Social Housing, our agreement with the Province require that we set aside any savings that are realized in the Non-profit mortgage program. This is estimated to be \$636K in 2024.

Financial Impact

The total amount identified in the by-law to be carried over to reserve is \$9,931,900. This amount includes:

- Finance request to carry forward with the Great Plains System Replacement Strategy.
- IT and Communications request to carry over funds for a Digital Strategy; Equity, Diversity and Inclusion Strategy; Communication Master Plan implementation and website redesign.

- Corporate Services request to carry over amounts for Employees Learning and Development program, Loyalist Managing and Leading program, LEAN, Indigenous Truth and Reconciliation training and Job Demands Analysis.
- Public Works requests include vehicle replacement funds for a distributor and 1 tonne truck. Specific projects further identified are County Road 64 phase II reconstruction, County Road 22 and 25 assessment and design, Welcome intersection construction, intersection improvements at Elgin Street & D'Arcy Street and Elgin Street & Brook Road, continuing design and acquisition work for the Campbellford bridge and several other unfinished roadworks, improvement projects and studies.
Corporate building projects include landscaping, plumbing fixtures and tile replacements at various locations as well as a boiler and generator replacement at 860 William. Additionally, funds have been requested for the Residual Waste Environmental Assessment and scale house replacement at the Brighton and Seymour CRCs.
- Paramedics request a continuance of the Advanced Care Paramedic training and vehicle replacement funds for two ambulances expected in the new year.
- Community and Social Services carry overs including surplus funds realized in the Housing Services Department as a result of funding savings primarily from lower mortgage rates attributed to not-for-profit housing providers. The County, as Housing Service Manager, is required to redirect these mortgage savings into a reserve specific to Housing under existing funding agreements. Additionally unutilized rent supplement amounts, Affordable Housing Strategy, Transition House Stabilization and treatment bed program funds have been requested. Construction debt servicing for 473 Ontario Street as a result of delays have been identified. Canada-Wide Early Learning and Child Care requests funds held for space expansion.
- Northumberland County Housing Corporation request to carry over various capital projects including siding, balconies, patios, walkways, parking lots and hot water tanks. Debt serving funds for Elgin Park phase I have also been included.
- Tourism request includes funds for website redesign, customer relationship management software and Digital Passport SaaS platform.

Member Municipality Impacts

The carryover of funds does not directly impact member municipalities other than to the extent that those projects are located within the member municipalities' boundaries.

Conclusion / Outcomes

Staff recommend that the by-law be approved to place unspent funds from the approved 2024 budget in reserves for future use.

Attachments

- 1) Report 2024-143 ATTACH 1 'By-law XX-2024 being a By-law to Authorize the Transfer of Funds into Reserve Accounts'