

MEETING TYPE AND DATE: SPECIAL COUNCIL MEETING JANUARY 4, 2022
AUTHOR: CHIEF FINANCIAL OFFICER
SUBJECT: **2022 EARLY APPROVAL OF CAPITAL AND STAFF REQUESTS**

KEY ISSUE AND ESSENTIAL QUESTION:

To request that Council provide approval to expend funds for specific capital projects and staff positions prior to the adoption of the 2022-2026 Financial Plan. Does advancing projects prior to the adoption of plan provide benefit to the organization and the community?

OPTIONS:

- A. THAT the following Capital Projects and new staff position be given early approval to allow expenditure prior to adoption of the 2022-2026 Financial Plan:
- | | |
|---|-------------|
| a. 2022-07 Asset Management Software | \$25,000 |
| b. 2022-08 Facility Renewal & Replacement – Construction | \$310,000 |
| c. 2022-10 Major Sport and Recreation Needs Assessment – Planning | \$60,000 |
| d. 2022-16 Trail Mapping, Signage, and Wayfinding – Design & Construction | \$98,050 |
| e. 2022-19 Okanagan Centre Park Improvements – Construction | \$350,000 |
| f. 2022-24 Davidson Rd (Camp – McGowan) – Construction | \$1,100,000 |
| g. 2022-27 Bottom Wood Lake Road Construction – Nexus to Beaver Lake Rd | \$312,000 |
| h. 2022-28 Bottom Wood Lake Road Construction – Swalwell to Berry Rd | \$375,000 |
| i. 2022-49 Woodsdale Lift Station Improvements | \$300,000 |
| j. 2022-53 WWTP – Roof Safety Improvements | \$50,000 |
| k. 2022-56 Hare Road Watermain Extension | \$1,100,000 |
| l. 2022-62 Mainline Valve Improvements | \$300,000 |
| m. 2022-69 Okanagan Lake Pump House Motor | \$50,000 |
| n. Building Inspector | \$80,681 |
| o. Building-Planning Clerk | \$65,136 |
| p. Land Agent | \$100,000 |
| q. Legislative Clerk | \$65,000 |
| r. Utilities Operator | \$92,514 |
| s. Development Manager | \$148,781 |
- B. THAT an amended list of capital projects and new staff positions be given early approval to allow expenditure prior to adoption of the 2022-2026 Financial Plan.
- C. THAT no expenditures for Capital Projects or new staff positions be approved prior to the adoption of the 2022-2026 Financial Plan.

EXECUTIVE SUMMARY:

Key Information:

Some projects require early approval to achieve competitive pricing, meet operational needs or align with other projects.

Some staff positions can be filled earlier than the adoption to address challenges being faced or to coincide with projects being undertaken. The staff positions being presented for early approval are all funded through sources other than taxation.

All items with reasoning as to why early approval is requested is contained in Schedule A.

Relevant Observations:

Each year as the list of capital projects is considered, the timing of those projects is also considered. Some projects require early tendering to maximize the number of potential submissions and most competitive bids. Some purchases require extensive lead time to receive the items such as Fire equipment and apparatus. Early approval for staffing positions funded through sources other than taxation allows Human Resources to start the recruiting process earlier and maximize the chance of hiring the best possible candidate rather than hiring all positions at once and in a short window after adoption of the financial plan.

Strategic Questions:

What are the efficiencies or values for the District that are obtained from approving individual items prior to adoption of the financial plan?

Strategic Relevance & Community Sustainability:

The community can achieve better value for money if some items are purchased or tendered earlier in the fiscal year.

Key Result:

That the best efficiency and value is obtained in the purchase of capital projects and equipment and operation efficiencies are created.

Desired Benefit of Key Result:

To maintain and improve operational efficiency and ensure the best value for taxpayer money is achieved.

Requisites:

All items have passed first reading of the Financial Plan bylaw.

Unintended Outcomes:

No unintended outcomes.

BACKGROUND/HISTORY

DISCUSSION/ANALYSIS

Legislation & Applicable Policies

Under section 173 of the *Community Charter*, a municipality can only make expenditures that are included in its financial plan. Annually, requests are made to Council to ask to expend certain capital and salaries for new positions prior to the adoption of the plan. Existing operations may continue without approval as those expenditures were approved with the prior 5-year financial plan in 2021.

Technical Considerations:

- Impact on Infrastructure and Other Municipal Services**
 Early approval of some capital allows for opportunities for better pricing or timing to align with other projects.
- Impact on Staff Capacity and Financial Resources (Cost/Benefit Analysis)**
 All projects have an impact on staff capacity and by approving some projects early, the workload can be better spread over the year. Approving the positions funded through sources other than taxation early assists in removing a bottleneck for Human Resources and helps ensure we hire the best possible candidates.

Comments from Other Government Agencies, Council Committees and Relevant Stakeholders:

N/A

Consultation, Public Feedback, and Communication to and from the Public and the Applicant:

N/A

Respectfully Submitted,

Trevor James, CPA, CA
 Chief Financial Officer
 Administration & Finance

This report has been prepared with the collaboration of the following individuals:

COLLABORATORS	
TITLE	NAME
Chief Administrative officer	Tanya Garost
Director of Utilities	Greg Buchholz
Director of Engineering & Environmental Services	Matthew Salmon
Director of Protective Services	Steve Windsor
Director of Parks, Recreation & Culture	Matt Vader
Director of Corporate Services	Reyna Seabrook
Information Manager	Dave Philp

This report has been prepared in consultation with the following departments:

CONCURRENCES	
DEPARTMENT	NAME
Chief Administrative Officer	Tanya Garost

ATTACHMENTS: Schedule A – Capital list for Early Approval



DISTRICT OF LAKE COUNTRY

REQUEST FOR COUNCIL DECISION

Schedule A – Capital List for Early Approval

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2022	REASON
2022-07	Asset Management	Admin	IT Infrastructure	75,000	IT Reserve	25,000	Staff would like to expand its use of asset management software as soon as possible in order to maximize the benefits from a consolidated asset database, including streamlined scheduled maintenance task assignments and asset maintenance history.
2022-08	Facility Renewal & Replacement - Construction	Facilities	Building	310,000	Facility Reserve	310,000	This project is made up of several priority renewal and replacement projects and delay increases risk of failure due to certain assets being at the end of their service life.
2022-10	Major Sport and Recreation Needs Assessment - Planning	Parks	Land Improv	60,000	Capital Works Reserve	60,000	Staff would like to start this project as soon as possible to determine the community's sport and recreation infrastructure needs. Starting project early allows maximize community involvement and potentially shift future capital plans if necessary.
2022-16	Trail Mapping, Signage and Wayfinding - Design & Construction	Parks	Land Improv	98,050	Grant Funded	98,050	This project is grant funded and ready to commence as the funding has already been received.
2022-19	Okanagan Centre Park Improvements - Construction	Parks	Land Improv	350,000	Capital Works Reserve	94,500	Hope to have construction materials ordered and delivered early in the year so that project can be completed by Fall 2022.
	Okanagan Centre Park Improvements - Construction	Parks	Land Improv		Gas Tax	94,500	
	Okanagan Centre Park Improvements - Construction	Parks	Land Improv		Parks Dev DCC	161,000	

CAPITAL NUMBER	PROJECT	DEPARTMENT	CATEGORY	TOTAL PROJECT COST	FUNDING	2022	REASON
2022-24	Davidson Rd (Camp - McGowan) - Construction	Transportation	Engineering Structures	1,100,000	Road Reserve	291,500	The design work is nearly complete and the project will be ready for tender early in the year. Tendering early allows for more competitive costing and helps with timing of the project.
	Davidson Rd (Camp - McGowan) - Construction	Transportation	Engineering Structures		Gas Tax	291,500	
	Davidson Rd (Camp - McGowan) - Construction	Transportation	Engineering Structures		Road DCC	517,000	
2022-27	Bottom Wood Lake Road Construction - Nexus to Beaver Lake Rd	Transportation	Engineering Structures	312,000	Grant Funded	312,000	This project is grant funded and ready to complete as the funding has already been received
2022-28	Bottom Wood Lake Road Construction - Swalwell - Berry Rd	Transportation	Engineering Structures	375,000	Road Reserve	375,000	This project has suffered numerous delays and cost escalations and the longer the project goes on, the greater risk that these delays and costs will increase further. The sooner the project is completed the sooner the benefit to the community can be realized.
2022-49	Woodsdale Lift Station Improvements	Sewer Infrastructure	Sewer System	300,000	Sewer Capital Reserve	300,000	Tendering early allows for more competitive costing and more control of the timing of the project.
2022-53	WWTP- Roof Safety Improvements	Sewer Infrastructure	Sewer System	50,000	Sewer Capital Reserve	25,250	As this project relates to safety would like to proceed as soon as possible.
	WWTP- Roof Safety Improvements	Sewer Infrastructure	Sewer System		Sewer WWTP DCC Reserve	24,750	
2022-56	Hare Road Watermain Extension	Water Infrastructure	Water system	1,100,000	Water Capital Reserve	1,100,000	Tendering early allows for more competitive costing and more control of the timing of the project.
2022-62	Mainline Valve Improvements	Water Infrastructure	Water system	300,000	Water Capital Reserve	300,000	Any delay increases risks of additional watermain failures, would like to proceed as soon as possible.
2022-69	Okanagan Lake Pump House Motor	Water Infrastructure	Water system	50,000	Water Capital Reserve	50,000	Immediate need due to recently discovered leaking. While the severity of the failure is still being assessed would like to proceed as soon as possible to ensure continued operation and use of the motors.