

DATE OF MEETING MARCH 20, 2024
 AUTHORED BY WENDY FULLA, DIRECTOR, FINANCE
 SUBJECT 2023 BUDGET CARRYFORWARDS

OVERVIEW

Purpose of Report:

To provide the Finance and Audit Committee with a summary of the 2023 budgets carried forward to 2024.

BACKGROUND

At the end of each year where a project is not completed, or where a project was delayed or not started, budgets are carried forward to the following year.

Unspent project budgets, that are not carried forward, as project was completed, substantially completed or cancelled that were funded from general revenue contribute to operating surplus and unspent project budgets funded from reserves are returned to reserves to fund future projects.

Projects that are delayed or not started at year-end and are not anticipated to be undertaken in the following year are not carried forward.

DISCUSSION

The total 2023 budget carried forward from 2023 to 2024 was \$95,163,716, \$94,010,402 for projects and \$1,153,314 for operating.

Breakdown of Significant Carryforwards:

Project	Amount	Project Status @ Dec 31, 2023
Midtown Gateway Transportation & Utility Project	12,484,558	In progress
Downtown Transit Exchange*	9,888,293	In progress
Midtown Water Supply & Utility Upgrade Project	9,559,751	In progress
Property Acquisition - 5 Projects	7,379,417	2 in progress, 1 not started, 2 substantially complete
Harewood Centennial Park: Artificial Turf Fields	3,941,549	In progress
Terminal Ave Phase 1 Upgrades	3,862,606	In progress
City Fleet - 23 Units	2,143,578	18 units in progress, 3 not started, 1 substantially complete
Police Operations Building: Renovation	1,891,990	In progress
First St Area WM & SS Project	1,872,946	In progress
Police Operations Building Expansion: Design	1,800,000	Not started
Total	54,824,688	

*Funded by partner organizations

A breakdown of all carryforwards is provided in the table below:

Division	Department/Area	2023 Budget	Total Cfwd	Project Status of Cfwd's by \$'s		
				Substantially Completed	In Progress	Delayed/Not Started
Administration	CAO Office	3	-	-	-	-
	Human Resource	23,650	-	-	-	-
	Legislative Services	90,500	-	-	-	-
	Total Administration	114,153	-	-	-	-
Community Services	Nanaimo Fire Rescue	3,690,673	1,891,923	129,980	1,569,243	192,700
	PRC: Facility & Park Ops	23,458,107	11,631,101	362,018	10,174,233	1,094,850
	PRC: Recreation & Culture	3,028,232	1,544,723	102,599	1,053,087	389,037
	Police Services	5,619,609	5,141,742	4,500	3,048,742	2,088,500
	Public Safety	5,624,800	1,857,958	6,182	1,846,076	5,700
	Total Community Services	41,421,421	22,067,447	605,279	17,691,381	3,770,787
Corporate Services	Corporate Civic Facilities	188,734	104,591	-	104,591	-
	Corporate & Business Dev.	12,552,251	8,626,162	49,539	3,633,249	4,943,374
	Finance	1,878,541	43,576	-	43,576	-
	Information Technology	5,204,930	2,773,545	-	2,646,445	127,100
	Total Corporate Services	19,824,456	11,547,874	49,539	6,427,861	5,070,474
Development Services	Support Services	14,871	-	-	-	-
	Community Development	1,095,681	640,258	12,100	613,158	15,000
	Development Approvals	992,335	561,401	-	211,401	350,000
Total Development Services	2,102,887	1,201,659	12,100	824,559	365,000	
ENG PW	ENG PW	55,526,273	36,930,921	591,733	34,798,365	1,540,823
	Sewer	11,904,045	4,807,217	146,472	3,255,114	1,405,631
	Water	50,130,355	17,455,284	194,693	16,293,341	967,250
	Total ENG PW	117,560,673	59,193,422	932,898	54,346,820	3,913,704
Total All		181,023,590	94,010,402	1,599,816	79,290,621	13,119,965
% of Total Carried Forward				2%	84%	14%

The reasons for projects being carried forward can vary year to year and may be impacted by a variety of factors including:

- Capacity constraints – internal staffing resource challenges including attraction of qualified staff for vacancies as well as vendor capacity (construction contractors).
- Delays in approvals – a variety of challenges may arise including community acceptance of project and regulatory or permitting approvals.
- Workplan changes - other priorities or opportunities may emerge during the year requiring staff to reprioritize work plans.
- Impact to services – minimize disruption to service to residents particularly facility projects that may impact facility users.
- Supply chain stability – while supply chain resilience has improved there continues to be disruptions due to inflationary pressures, labour shortages and the global environment.
- Cash flow timing – the timing of project expenditures may not align with the forecast at the time the project budget was approved.

Included with the report is an attachment, which provides a breakdown of project carryforwards by department with the funding source. |

CONCLUSION

The 2024 – 2028 Final Financial Plan Bylaw will reflect the revised 2024 budget amounts that include the 2023 budgets carried forward. |

SUMMARY POINTS

- Each year, budgets for projects that are still in progress or were delayed/not started are carried forward to the following year.
- Total carryforwards from 2023 to 2024 were \$95,163,716, \$94,010,402 for projects and \$1,153,314 for operating.

ATTACHMENTS

Attachment A – 2023 Carryforwards Analysis: Breakdown by Department with Funding Source. |

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