



STAFF REPORT

Meeting Date: May 9, 2022

Title: 2022 Budget Amendment – May 2022

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Department: Finance

Report Number: Finance-2022-016

Recommendation:

THAT Council approves an amendment to the 2022 Budget.

Background:

In accordance with S. 290 of the Municipal Act, Council adopted the 2022 Budget back on February 28, 2022 (By-Law 2022-10).

Any amendments to that budget must be approved by Council.

Discussion:

Capital Plan Changes

The following are the recommended amendments to the 2022 Capital Plan:

1. Recreation Centre Mechanical Retrofit - ICIP Application Phase 1
 - When the 2022 Capital Plan was originally developed, it was communicated that only the Pool Roof component of Phase 1 would be deferred to 2022.
 - After the 2022 Budget approval, it was identified that the Boiler Installation and Dehumidifier Installation would also be deferred to 2022.
 - Phase 1 of this project is funded by external sources (ICIP Grant) and reserves (Land Sale Reserve), so no impact to the 2022 Capital Plan or funding requirements out of Operations.

2. Traffic Signal System Replacement

- As communicated by the PW Manager in March, the costs associated with this project are beyond the original budget estimates.
- The recommendation in March was to utilize \$475.5K in Gas Tax Funds (now called the Canada Community-Building Fund) to cover the overage and maintain the original scope of the project.
- Council supported that direction and were notified that the budget amendment would come.
- With the cost overage funded by Gas Tax Funds, there is no impact to the 2022 Capital Plan or funding requirements out of Operations.

3. Maintenance Shop Heater Replacements - Upgrade to Natural Gas

- 2021 Capital Project deferred to 2022.
- Originally, in 2021, the full costs associated with this project were to be funded by Reserves.
- In March 2022, post 2022 budget approval, the City was notified that our NOHFC application was successful.
- The maintenance shop heater replacements were a component of our NOHFC application (Dryden Regional Airport Critical Infrastructure Upgrades and Enhancements).
- 2022 Project costs are estimated to be \$40K with NOHFC funding \$30K (75%) and only \$10K (25%) being required from Reserves.

4. Airport Terminal Improvements - Upgrades to Seating

- New 2022 Project.
- In March 2022, post 2022 budget approval, the City was notified that our NOHFC application was successful.
- The upgrades to seating at the airport terminal were a component of our NOHFC application (Dryden Regional Airport Critical Infrastructure Upgrades and Enhancements).
- 2022 Project costs are estimated to be \$28.7K with NOHFC funding \$21.5K (75%) and only \$7.2K (25%) being required from Reserves.

5. Airport Parking Lot Security and Gate Access System

- New 2022 Project.
- In March 2022, post 2022 budget approval, the City was notified that our NOHFC application was successful.
- The airport parking lot security and gate access system were components of our NOHFC application (Dryden Regional Airport Critical Infrastructure Upgrades and Enhancements).
- 2022 Project costs are estimated to be \$256.5K with NOHFC funding \$192.4K (75%) and only \$64.1K (25%) being required from Reserves.

6. Airport Maintenance Shop Roof Replacement

- 2021 Capital Project.
- After the 2022 Budget approval, it was identified that not all costs associated with the airport maintenance shop roof replacement had occurred in 2021.
- In March 2022, post 2022 budget approval, the City was notified that our NOHFC application was successful.
- The airport maintenance shop roof replacement was a component of our NOHFC application (Dryden Regional Airport Critical Infrastructure Upgrades and Enhancements).
- 2022 Project costs are estimated to be \$11.5K with NOHFC funding \$8.6K (75%) and only \$2.9K (25%) being required from Reserves.

7. Airport HVAC - Building Automation System Replacement

- Updated cost estimated.
- Ainsworth, who were contracted to complete our Building Automation System upgrade at the airport, identified that the VAV-4 (Variable Air Valve) in the main terminal area was broken and needs replacement.
- The VAV controls the air flow into the building and ensures that the temperature is controlled smoothly and evenly.
- This project is funded by Gas Tax Funds, there is no impact to the 2022 Capital Plan or funding requirements out of Operations.

8. Hwy 17 Asphalt Rehab

- Updated project scope.
- The original scope of this project called for \$250K in planned spending.
 - \$179.5K in NORDS funding
 - \$70.5K in Gas Tax Funds
- With the significant deterioration of Hwy 17, it is recommended that the scope of this project change significantly.
- Recommended scope of this project is to replace the asphalt (curb to yellow line) from the underpass (King St. & Hwy. 17 intersection) to the Tim Hortons access road, along with a few other deteriorated areas on the highway.
- Updated cost estimate is \$850K.
 - \$179.5K in NORDS funding
 - \$670.5K in OCIF Funds
- This project is funded by external sources, there is no impact to the 2022 Capital Plan or funding requirements out of Operations.

9. Museum Vestibule

- Remove project from the 2022 Capital Plan.
- With the City undertaking a Facilities Master Plan (FMP) initiative, it was determined best to hold off on this project until the FMP was completed.
- \$30K in net City costs freed up to be utilized in 2022.

10. Splash Park

- New 2022 Project.
- \$260K in estimated costs
 - \$230K donated from the Beyak Automotive Group
 - \$30K in City funds (originally earmarked for the Museum Vestibule project)

Operating Budget Changes

After the 2022 Operating Budget was approved, the City has received additional information that impacts the 2022 budget.

The amendment to the 2022 Operating Budget includes:

1. Dryden Police Services Uniformed Police Disbandment
 - Original estimated Uniformed Police disbandment was \$1,737,252.
 - Fully funded from an allocation from the Legacy Reserve Fund.
 - Updated estimated Uniformed Police disbandment is \$2,140,379
 - \$2,023,379 funded from an allocation from the Legacy Reserve Fund.
 - \$117,050 funded from an allocation from the General Operating Reserve.
 - No impact to the net bottom line, but an increase draw from Reserves.
2. Other Minor Departmental adjustments (Finance, Roads, and Waste Management) that net to zero.

Financial Implications:

- Financial implications noted above.

Attachments (Reference Material):

- Revised 2022 Budget Schedule A
- Revised 2022 Budget Schedule B