
REPORT TITLE: 2021 Capital Budget Pre-Approvals

FROM: Stephen Van Ofwegen, Commissioner of Finance and Chief Financial Officer

RECOMMENDATION

That the following four proposed 2021 Capital projects be approved and authorized to proceed, in accordance with the Budget Policy (F10-04.3.a.i.1):

- **GovGrants Project 18-0305 for \$3,253,000 funded from R0230 Capital Financing Stabilization – General Government Reserves;**
- **Clarkson Wastewater Treatment Plant – Co-Generation Facility Expansion Project 20-2992 for \$2,250,000 funded from R0242 Capital Financing Stabilization – Wastewater Reserve;**
- **Salt Storage Facility Replacement: Copper Yard Project 18-9070 for \$1,600,000 funded from the following sources:**
 - **\$1,392,000 from R0210 Capital Financing Stabilization – Roads Reserve**
 - **\$128,000 from R1972 Public Works – Engineering Services Wolf Road Major Maintenance Reserve**
 - **\$64,000 from R1970 Public Works – Engineering Services Copper Road Major Maintenance Reserve**
 - **\$16,000 from R1951 Public Works - Operations Yard Facilities Reserve;**
- **Facilities Revitalization Project (Police) 21-8300 for \$6,597,000 funded from R2221 Land and Facilities Reserve.**

REPORT HIGHLIGHTS

- The Capital Budget will be presented to Regional Council at its meeting on January 28, 2021 with budget deliberations scheduled to continue into February.
 - Pre-approval of four capital projects is being recommended prior to the approval of the 2021 budget in order to allow the work to begin as early as possible in January 2021.
 - The four capital projects have a total value of \$13,700,000 and are funded by available uncommitted capital reserves.
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DISCUSSION

1. 2021 Budget

In years where the approval of the capital budget is expected to be significantly after January 1 of the budget year, pre-approval of a capital project is sometimes required to enable the work to begin as soon as possible in order to meet tight timelines or if the work is of an urgent nature.

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The 2021 budget will be presented to Council in 2021 on January 28 and February 4 followed by additional meetings as required on February 11 and 18. Within the 2021 budget are four capital projects that require approval to commence early in 2021.

The status of the early approvals will be reported through the first Triannual Financial Performance report (as at April 30, 2021) presented to Council in Spring 2021.

2. Pre-Approval Requests

Early approval is being requested for the following four capital projects:

a) GovGrants (18-0305)

GovGrants 18-0305: The project is to acquire a cloud-based Salesforce application that offers capabilities through out-of-box plug and play modules to administer end to end grants life cycle.

The GovGrants application enables Regional staff to administer Early Years and Child Care Funding programs as well as have access to both data on early years and childcare providers and a system level dashboard. To complete the modernization of the service delivery and to achieve the intended efficiencies of the technology, the next phase of the project will be started in 2021 to build Early Years and Child Care remaining funding programs.

Pre-approval of this capital project will ensure continuity, avoid any unnecessary pauses or redeployments of critical vendor staff to other projects, enhance service to our external stakeholders and help the Early Years and Child Care Services division manage anticipated reductions to provincial administrative funding cuts by ensuring contract management and funding application functionality is fully automated for over 200 additional funding contracts by fall 2021.

Pre-approval of the capital project in the amount of \$3,253,000 funded from R0230 Capital Financing Stabilization – General Government Reserve is requested.

b) Clarkson Wastewater Treatment Plant – Co-Generation Facility Expansion (20-2992)

The project will involve twinning of the Co-Generation facility at the Clarkson Wastewater Treatment Plant. The Request for Proposal for this project for the purpose of Strategic Energy Outcomes has been issued with a plan on issuing an award in January 2021.

Pre-approval of the capital project in the amount of \$2,250,000 funded from R0242 Capital Financing Stabilization – Wastewater Reserve is requested.

c) Salt Storage Facility Replacement Copper Yard (18-9070)

The project will involve the demolition of existing, and construction of new salt storage facility at Copper Yard that meets the current and future salt storage requirements as well as environmental standards.

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Construction on this project is occurring on an accelerated schedule in order to meet operational needs and tight timelines. It is expected that the remaining existing budget will be fully spent by December 2020. The additional funds included in the 2021 budget will be required in early January 2021, in order to meet prompt payment obligations.

Pre-approval of the capital project in the amount of \$1,600,000 funded from the following sub-reserves is requested:

- \$1,392,000 from R0210 Capital Financing Stabilization – Roads Reserve,
- \$128,000 from R1972 Public Works - Engineering Services Wolf Road Major Maintenance Reserve
- \$64,000 from R1970 Public Works – Engineering Services Copper Road Major Maintenance Reserve
- \$16,000 from R1951 Public Works - Operations Yard Facilities Reserve

d) Facilities Revitalization (Police) (21-8300)

The project will entail the undertaking of ongoing maintenance, renovations, and expansion of police facilities. Pre-approval of the capital project will ensure procurement required will start immediately in 2021 in order to meet the project deadlines.

Pre-approval of the capital project in the amount of \$6,597,000 funded from R2221 Land and Facilities Reserve is requested.

3. Next Steps

Upon early approval of the projects identified, these four projects will be created and the remainder of the 2021 capital projects will proceed through the 2021 Business Planning Process for consideration by Council in January 2021.

RISK CONSIDERATIONS

Without the pre-approval of the four listed 2021 capital projects mentioned above, risks include, but are not limited to: delayed work, payment obligations or loss of Awarded Request for Proposal due to lack of budget.

FINANCIAL IMPLICATIONS

The draft 2021 capital budget proposes \$998.9 million in requests for capital projects. Pre-approval of four projects with a total value of \$13,700,000 (1.4 per cent of the 2021 capital projects) funded from internal capital reserves is being requested.

CONCLUSION

Early approval of the four capital projects will enable the achievement of key project timelines and outcomes.

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For further information regarding this report, please contact Norman Lum @ extension 3567 or via email at Norman.Lum@Peelregion.ca.

Reviewed and/or approved in workflow by:

Department Commissioner and Division Director.

Final approval is by the Chief Administrative Officer.

A handwritten signature in black ink, appearing to read "J. Baker". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

J. Baker, Chief Administrative Officer