



**Mike Mayes, Director  
Financial Services/Treasurer**

TOWN OF NEWMARKET  
395 Mulock Drive  
P.O. Box 328  
Newmarket, ON L3Y 4X7

www.newmarket.ca  
mmayes@newmarket.ca  
905.895.5193 ext. 2102

November 21, 2014

**JOINT DEVELOPMENT & INFRASTRUCTURE SERVICES - PUBLIC WORKS SERVICES AND  
CORPORATE SERVICES REPORT - FINANCIAL SERVICES - 2014-40**

TO: Mayor Tony Van Bynen and Members of Council  
Committee of the Whole

SUBJECT: 2015 Interim Appropriations

ORIGIN: Director, Financial Services/Treasurer

---

**RECOMMENDATIONS**

**THAT Joint Development & Infrastructure Services - Public Works Services and Corporate Services Report - Financial Services - 2014-40 dated November 21, 2014 regarding 2015 Interim Appropriations be received and the following recommendations be adopted:**

- 1. THAT Council provide pre-budget approval for the replacement of the vehicles and equipment in the attached list (Appendix A).**
- 2. AND THAT staff be authorized and directed to do all things necessary to give effect to these recommendations.**

**COMMENTS**

**Purpose**

Interim appropriations are required to fund operating and capital spending in 2015, as the budget will not be approved until after December 31, 2014. Spending authority for operating expenditures has been previously delegated to staff and is being sought for specific capital expenditures.

**Budget Impact**

Operating budget – expenditures will be limited to items that are included in the base budget. There will be no new expenditures, no enhancements or new spending prior to Council approval of the 2015 operating budget.

Capital budget – the listed vehicles and equipment to be replaced, for a total of \$1,393,200, will be included in the 2015 Capital Budget request and can be funded by the Asset Replacement Fund.

## **Background**

For the last three years, operating and capital budgets have been approved in December, prior to the commencement of the new fiscal period.

Authority is required to approve payments for 2015 capital spending prior to Council adoption of the 2015 budget. At this time, it is projected that the budget will not be finalized until April of 2015.

Council has approved the Operating and Capital Financial Policy (FIN 2-01) which provides for these circumstances and delegates authority for operational spending.

In section C., Operating Budget Financial Controls:

6. *No expenditure will be incurred until the budget for the current fiscal year has been approved by Council unless:*
- a) *An appropriation for a similar item existed in the previous year's Operating Budget and the expenditure does not exceed 50% of the amount appropriated in the previous year's Operating Budget;*
  - b) *Approval was granted by Council through a report outside the budget process;*
  - c) *An emergency occurred requiring expenditures and the Chief Administrative Officer approved such expenditures. Where such authorization is given, a subsequent report detailing the emergency will be prepared for Council's information by the Chief Administrative Officer.*

7. *All operating expenditures in accordance with 6 above will be included in and be part of the Operating budget.*

Similarly, in section B., Capital Budget Financial Controls:

5. *Until the Capital Budget has been approved by Council, no department will commence any Capital project that was not authorized in prior years unless:*
- a) *Approval was granted by Council through a report outside the budget process;*
  - b) *An emergency occurred requiring capital expenditures and the Chief Administrative Officer approved such expenditures. Where such authorization is given, a subsequent report detailing the emergency and the financing of such will be prepared for Council's information by the Chief Administrative Officer.*

*Procedures for obtaining services/materials for the above will be in accordance with the Town's Purchasing Bylaw.*

6. *All capital projects in accordance with 5 above will be included in and be part of the Capital Budget.*

Pre-budget approval means Council is authorizing the expenditures, but it is not formal budget approval, which requires appropriate public notice.

## Analysis & Options

### **Interim appropriations for operating expenditures**

The 2015 interim appropriations of \$53,163,504 for operations are 50% of the 2014 budgeted operating expenditures.

	Approved 2014 expenditures	2015 appropriation
Town portion (excluding areas listed below)	\$56,975,206	\$28,487,603
Newmarket Downtown Development Business Area (BIA)	\$30,000	\$15,000
Newmarket Public Library	\$3,668,618	\$1,834,309
Central York Fire Services (Newmarket's share)	\$14,560,013	\$7,280,006
Water and Wastewater Rate Groups	\$31,093,172	\$15,546,586
<b>Total operating budget</b>	<b>\$106,327,009</b>	<b>\$53,163,504</b>

In compliance with Operating and Capital Financial Policy (FIN 2-01):

- the interim expenditures will be included in the 2015 Operating budget request
- expenditures will be limited to items that are included in the base budget
- there will be no new expenditures, no enhancements or new spending prior to Council approval of the 2015 operating budget, unless specific Council approval is given

### **Interim appropriations for capital expenditures**

The vehicles and equipment in the attached list are used for roads, water and wastewater, facilities, and parks maintenance and are due to be replaced in 2015. These replacement requests total \$1,393,200 (Appendix A) and will be included as part of the formal 2015 Capital Budget submission.

In general, early approval of a portion of the 2015 Capital Budget, to accommodate these requested fleet and equipment orders, is essential. This allows for some equipment to be ordered as soon as possible to receive delivery in a timely way for seasonal needs (e.g., spring/summer sod maintenance), and for equipment with a longer lead time to acquire (e.g., Zamboni). It reduces the possible risk of the replacement machine becoming inoperative.

As these vehicles and equipment are replacements, they should be funded from the Asset Replacement Fund (ARF).

The 2014 Capital budget included \$23,730,863 in new requests and \$27,683,262 in items carried over from previous years, for a total budget of \$51,414,125. Contributions to the Asset Replacement Fund in 2014 were budgeted to be \$13,921,388. The request outlined in this report represents 2.71% of the total 2014 capital budget and 10.01% of the 2014 budget for ARF contributions.

In compliance with Operating and Capital Financial Policy (FIN 2-01):

- the interim expenditures will be included in the 2015 Capital budget request
- expenditures will be limited to items that are included on the attached list (Appendix A)

### **BUSINESS PLAN AND STRATEGIC PLAN LINKAGES**

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

### **CONSULTATION**

Capital requests were provided by the Director of the Public Works Services who confirmed the urgency of the need.

### **HUMAN RESOURCE CONSIDERATIONS**

Not applicable to this report.

### **BUDGET IMPACT**

The Town's usual practice is to adopt its budgets prior to the start of the fiscal year. When this has not been possible, the Town, similar to most municipalities, works within an interim appropriation. Council has approved the Operating and Capital Financial Policy (FIN 2-01) which provides for these circumstances.

All expenditures approved as part of the Interim Appropriation will be included in the 2015 operating and capital budget requests.

#### **Operating Budget (Current and Future)**

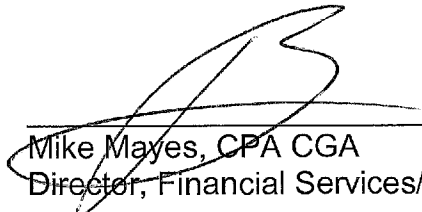
Operating budget – expenditures will be limited to items that are included in the base budget. There will be no new expenditures, no enhancements or new spending prior to Council approval of the 2015 operating budget.

## Capital Budget

Capital budget – the vehicles and equipment to be replaced (per Appendix A), for a total of \$1,368,200, will be included in the 2015 Capital Budget request and can be funded by the Asset Replacement Fund.

## CONTACT

For more information on this report, contact Mike Mayes at 905-953-5300, ext. 2102, or via email at [mmayes@newmarket.ca](mailto:mmayes@newmarket.ca) or Chris Kalimootoo, Director, Public Works Services at 905-953-5300 ext. 2551 or via email at [ckalimootoo@newmarket.ca](mailto:ckalimootoo@newmarket.ca)



---

Mike Mayes, CPA CGA  
Director, Financial Services/Treasurer




---

Anita Moore, AMCT  
Commissioner, Corporate Services



---

Peter Noehammer  
Commissioner, DIS Services



---

Chris Kalimootoo  
Director, Public Works Services

MM/nh  
Attachment

1. 2015 Capital Budget Items (Appendix A – 1 pg.)

**Appendix A**  
**2015 CAPITAL BUDGET ITEMS**

Unit #	Dept	Description	Unit Cost	Notes
05-10	Facilities	Van	\$ 34,000	2015
05-19	Parks Dept	Sidewalk Tractor (Trackless)	\$ 137,600	2015
03-21	Parks Dept	Field Sweeper 77-100-BH	\$ 33,900	2015
09-05	Parks Dept	2500 Pickup White 4x4 with Plow	\$ 43,000	2015
09-06	Parks Dept	3500 Pickup White 4Door	\$ 67,000	2015
08-12	Parks Dept	2 Ton Dump F350 White	\$ 61,000	2015
08-19	Parks Dept	Ton Dump Truck White Plow/Sander	\$ 92,500	2015
	Parks Dept	Fairy Lake Fountain	\$ 33,000	
8-26	Parks Dept	Jacobson Tri King 1900D Mower	\$ 25,000	2015
94-01	Road/Water/Waste	Culvert Steamer	\$ 19,000	2015
99-35	Road/Water/Waste	Olympian Cat Generator D30p1	\$ 49,000	2015
05-20	Road/Water/Waste	924G CAT Loader	\$ 193,000	2015
01-36	Roads Dept	Trailer	\$ 3,500	2015
08-13	Roads Dept	F350 Superduty	\$ 72,500	2015
08-18	Roads Dept	3 Ton Dump Truck White/Plow	\$ 67,500	2015
08-21	Roads Dept	1 Ton Cube Van	\$ 48,750	2015
06-06	Parks Dept	16 ft. Mower	\$ 78,700	Slope/H/S
11-19	Parks Dept	10' Rotary Mower-R311T	\$ 60,000	Health & Safety Issues with current Equipment
11-20	Parks Dept	10' Rotary Mower-R311T	\$ 60,000	Health & Safety Issues with current Equipment
11-21	Parks Dept	10' Rotary Mower-R311T	\$ 60,000	Health & Safety Issues with current Equipment
07-15	Water Dept	Water Meter Van	\$ 32,250	High mileage, poor condition
07-12	Facilities	UtilityTruck \Spray Applicator	\$ 38,000	
06-04	Facilities	Zamboni 520	\$ 84,000	1 year build/to supply
<b>ARF Funding Request Total</b>			<b>\$ 1,393,200</b>	