

**Snow and Ice Control Budget Options Assessment to Fund Mobility Infrastructure Repairs**

Option	Summary
<p>Approve a Motion at annual Budget Deliberations to fund mobility infrastructure assets by set budget amount.</p> <p><u>Example:</u> Motion approved by Council to fund investments on a one-time or permanent basis.</p>	<p>If there are on-going needs associated with the level of funding for street repairs / mobility related investments, it would be more appropriate to consider those within the overall Budget Deliberations process. Council is able to prioritize infrastructure/street repairs as part of the allocation of Fiscal Stability Reserve (FSR) funds at any time and this would be in the context of an overall corporate perspective rather than a pre-committed amount. This allows for a holistic view of corporate/emerging needs that do not pre-commit available funds. Council has utilized this process historically to fund needs when available budgets have been in place.</p> <p>From an operational perspective, confirmation of available budgets prior to future maintenance seasons would allow for more advance notice to prepare procurement activities and resourcing.</p>
<p>Amend SNIC Reserve to permit surplus winter operations budgets to go into SNIC Reserve over the \$15M limit to fund alternative maintenance activities.</p> <p><u>Example:</u> In any year where the \$15M reserve capacity is reached, any surplus winter operations funds (up to \$5M) would go into reserve and could be spent in the following budget year.</p>	<p>The Corporate Budget Office does not recommend this option due to concerns regarding the use of reserves and the treatment of operating variances. While the SNIC reserve falls within a beneficial purpose to manage year-to-year volatility due to weather, infrastructure/street repairs do not have the same unpredictable driver and therefore do not fall within the same purpose. This creates the risk of becoming a segregated business unit reserve rather than focusing more on Corporate level reserves that the Administrative Review Committee for the Triennial Reserves Report has directed be examined more.</p> <p>Actioning this would prioritize street repairs for the use of some favorable variances that would potentially be part of a Corporate surplus and transferred to the Fiscal Stability Reserve. Council could at any point prioritize street repairs as part of the allocation of FSR funds, but this would be in the context of an overall corporate perspective rather than pre-committed. There are some associated concerns about tying further contributions to the reserve to variances of sub-Business Unit budgets which are not corporately controlled.</p> <p>From an operational perspective the timing is less advantageous to leverage surplus budgets and deliver street repair investments as the SNIC Reserve variance is not finalized until March/April of each following year due to contributions from various business units and year-end financial activities.</p>

Option	Summary
<p>Update purpose and conditions of SNIC Reserve to fund other activities.</p> <p><u>Example:</u> Additional maintenance activities permitted outside of snow and ice control such as street repairs.</p>	<p>The Corporate Budget Office does not recommend this option due to concerns regarding the use of reserves and the treatment of operating variances outside of intended purposes of the existing reserve.</p> <p>For additional context, if the SNIC reserve has reached its designated ceiling of \$15M, a contribution to the Street Repairs segment of the reserve could be made and utilized in the following year. The existing reserve would have to be renamed along with approving amendments to the conditions. Due to the importance of infrastructure associated with the Streets Service Line, relying on potentially variable seasonal budgets may result in longer-term funding risks. It is recommended to identify either increased base funding or allocation through the Budget Deliberation process for these investments.</p>
<p>Separately identify winter operations surpluses that are not required for the SNIC Reserve due to reserve being at its designated ceiling of \$15M and contribute the surplus to the FSR.</p>	<p>This process will involve contributing anticipated positive/favorable variances to the FSR prior to the end of a fiscal year. Additional efforts would be needed to ensure forecasted variances were accurate and would not overestimate available surplus or be needed for operations. In the following year Street/Mobility repairs could be considered as a potential candidate for FSR funding for Council Approval, weighed against other budget requests.</p> <p>Due to the additional efforts to sustain this process and drawbacks, it is not recommended by the Corporate Budget Office.</p>
<p>Increase SNIC Reserve ceiling from \$15M to \$20M.</p>	<p>Based on historical budget performance, the \$15M reserve ceiling has been sufficient to address annual operating budget variations. This option is not recommended.</p> <p>Increasing the SNIC Reserve capacity may create opportunities to undertake more short-term trials, service enhancements, pilots or to fund emerging needs associated with winter maintenance. This would not have an operational impact but potentially decrease the availability of FSR funds.</p>