



**STANDING COMMITTEE ON FINANCE AND AUDIT  
REVISED AGENDA**

June 25, 2025, 12:00 p.m.  
Council Chambers of City Hall  
1100 Patricia Boulevard, Prince George, BC

*We respectfully acknowledge the unceded ancestral lands of the Lheidli T'enneh,  
on whose land we live, work, and play.*

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Pages

**A. COMMENCEMENT**

**B. ADOPTION OF THE AGENDA**

**RECOMMENDATION:**

That the agenda for the June 25, 2025 Standing Committee on Finance and Audit meeting,  
BE ADOPTED.

**C. ADOPTION OF MINUTES**

**C.1 Minutes of the Finance and Audit Committee Meeting held May 7, 2025**

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**RECOMMENDATION:**

That the minutes of the Standing Committee on Finance and Audit meeting held  
May 7, 2025 be adopted as read on this day and that such minutes as read set out  
all the business before the committee at that meeting and fully and properly record  
all of the resolutions passed by the committee at that meeting.

**D. REPORTS**

**D.1 Investment Results for Year Ending December 31, 2024**

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**RECOMMENDATION:**

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION  
the report dated June 13, 2025 from the Director of Finance and IT Services titled  
"Investment Results for Year Ending December 31, 2024".

**D.2 2024 Carry Forwards**

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**RECOMMENDATION:**

**That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the report dated June 13, 2025 from the Director of Finance and IT Services titled "2024 Carry Forwards".**

**D.3 2024 Internal Debt Summary**

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**RECOMMENDATION:**

**That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the report dated June 13, 2025 from the Director of Finance and IT Services titled "2024 Internal Debt Summary".**

**D.4 Financial Report on Significant Capital Projects**

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**RECOMMENDATION:**

**That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the report dated June 13, 2025 from the Director of Finance and IT Services titled "Financial Report on Significant Capital Projects".**

**D.5 Sustainable Finance Policy 8.3**

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**RECOMMENDATION:**

**That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the report dated June 6, 2025 from the Director of Finance and IT Services titled "Sustainable Finance Policy 8.3."**

**D.6 Standing Committee on Finance and Audit - Work Plan Year 2025**

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**RECOMMENDATION:**

**That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the 2025 Work Plan as attached to the June 25, 2025 meeting agenda.**

**\*D.7 Budget Survey [Verbal Report]**

**E. ADJOURNMENT**

**RECOMMENDATION:**

**That there being no further business, the meeting of the Standing Committee on Finance and Audit BE ADJOURNED.**



## MINUTES OF THE STANDING COMMITTEE ON FINANCE AND AUDIT

May 7, 2025

12:00 pm

Council Chambers of City Hall

1100 Patricia Boulevard, Prince George, BC

*We respectfully acknowledge the unceded ancestral lands of the Lheidli T'enneh, on whose land we live, work, and play.*

**PRESENT:** Councillor Cori Ramsay <Chair>  
Councillor Tim Bennett  
Councillor Trudy Klassen  
Councillor Ron Polillo

**IN ATTENDANCE:** Walter Babicz, City Manager  
Kris Dalio, Director of Finance and IT Services  
Ethan Anderson, Manager of Legislative Services/Corporate Officer  
Leslie Kellett, Deputy Corporate Officer  
Karen Greenfield, Legislative Services Assistant

### A. COMMENCEMENT

The Standing Committee on Finance and Audit meeting was called to order at 12:01 p.m.

### B. ADOPTION OF THE AGENDA

**Moved By** Councillor Bennett  
**Seconded By** Councillor Klassen

*That the agenda for the May 7, 2025 Standing Committee on Finance and Audit meeting, BE ADOPTED.*

**Carried Unanimously**

### C. ADOPTION OF MINUTES

#### C.1 Minutes of the Finance and Audit Committee Meeting held February 26, 2025

**Moved By** Councillor Bennett  
**Seconded By** Councillor Polillo

*That the minutes of the Standing Committee on Finance and Audit meeting held February 26, 2025, BE ADOPTED as read on this day and that such minutes as read*

*set out all of the business before the Committee at that meeting and fully and properly record all of the resolutions passed by the Committee at that meeting.*

**Carried Unanimously**

**D. REPORTS**

**D.1 2024 Financial Statements and Audit**

Corey Naphtali, Audit Engagement Partner for KPMG, provided a presentation regarding the City of Prince George Financial Statements for the Year Ended December 31, 2024.

**Moved By** Councillor Polillo

**Seconded By** Councillor Bennett

*That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the presentation from KPMG LLP with respect to the 2024 Financial Statements.*

**Carried Unanimously**

**Moved By** Councillor Bennett

**Seconded By** Councillor Polillo

*That the Standing Committee on Finance and Audit ACCEPTS the 2024 Financial Statements as attached to the report dated May 1, 2025 from the Director of Finance and IT Services titled, “2024 Financial Statements and Audit”.*

**Carried Unanimously**

**D.2 Prince George Public Library Financial Statements, Year Ended December 31, 2024**

Corey Naphtali, Audit Engagement Partner for KPMG, provided a presentation regarding the Prince George Public Library Financial Statements for the Year Ended December 31, 2024.

**Moved By** Councillor Bennett

**Seconded By** Councillor Klassen

*That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the presentation regarding the 2024 Financial Statements for the Prince George Public Library.*

**Carried Unanimously**

**D.3 Tourism Prince George Society Financial Statements, Year Ended December 31, 2024**

Lorna Wendling, Partner, MNP, provided a presentation regarding the Tourism Prince George Society Financial Statements for the Year Ended December 31, 2024.

**Moved By** Councillor Ramsay

**Seconded By** Councillor Polillo

*That the Standing Committee on Finance and Audit AMENDS the agenda to add a new PowerPoint presentation to agenda item D.3 - "Tourism Prince George Society Financial Statements, Year Ended December 31, 2024".*

**Carried Unanimously**

**Moved By** Councillor Bennett  
**Seconded By** Councillor Polillo

*That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the presentation regarding the 2024 Financial Statements for the Tourism Prince George Society.*

**Carried Unanimously**

**D.4 Standing Committee on Finance and Audit - Work Plan Year 2025**

**Moved By** Councillor Klassen  
**Seconded By** Councillor Polillo

*That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the 2025 Committee Work Plan as attached to the May 7, 2025 committee meeting agenda.*

**Carried Unanimously**

**E. ADJOURNMENT**

**Moved By** Councillor Klassen  
**Seconded By** Councillor Polillo

*That there being no further business, the meeting of the Standing Committee on Finance and Audit BE ADJOURNED.*

**Carried Unanimously**

The meeting adjourned at 1:09 p.m.

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Councillor Cori Ramsay, Chair

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Certified Correct

Date: June 13, 2025

To: **Standing Committee on Finance and Audit**

Name and title: Kris Dalio, Director of Finance and IT Services

Subject: Investment Results for Year Ending December 31, 2024

Attachment(s): None

## Recommendation(s):

That the Standing Committee of Finance and Audit RECEIVES FOR INFORMATION the report dated June 13, 2025 from the Director of Finance and IT Services titled "Investment Results for Year Ending December 31, 2024".

## Purpose:

This report is to provide information about the City of Prince George's investments; their composition, balances and earnings.

## Strategic Priorities:

The *Community Charter* (section 183) places restrictions on investment options in order to ensure that municipal funds are as securely invested as can reasonably be expected. Investments are made in accordance with the *Community Charter* and the City of Prince George's Sustainable Finance Policy Section 6. The City of Prince George invests funds that are in excess of current cash flow requirements.

As per Sustainable Finance Policy 6.0, the City's investment portfolio was invested primarily with the Municipal Finance Authority (MFA). We continue to rely largely on MFA investments due to competitive rates and ease of administration but we are ever watchful of opportunities that arise and still meet the stringent guidelines inherent in the *Community Charter*. Investment terms are structured in order to maximize the return yet still meet expected expenditures.

## Financial Considerations:

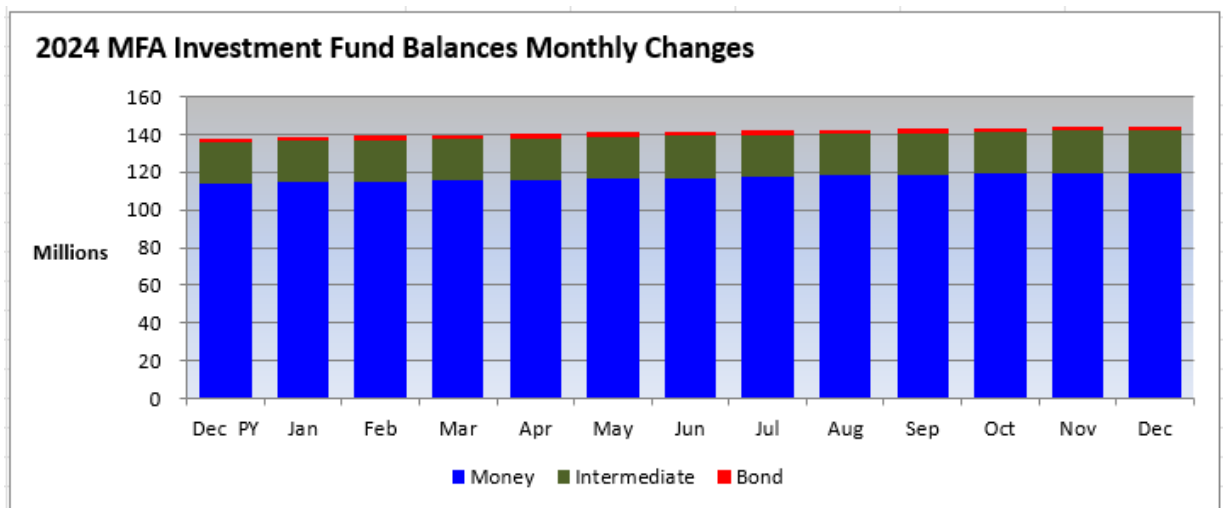
The return on MFA investments for the year ended December 31, 2024 was \$6,457,972, which was earned on monthly average investments of \$141.7M. The return on MFA investments for the year ended December 31, 2023 was \$6,360,336, which was earned on monthly average investments of \$135.0M. The average rate of return on MFA investments for 2024 was 4.67% compared to 4.82%

in 2023. As per Public Sector Accounting Standards (PSAS), the bond fund is presented at cost. The market value of the bond fund at December 31, 2024 was \$93,301 less than cost and the market value of the MFA Ultra-Short Government Focused Bond (treasuries) was \$300,397 less than cost.

The tables and data below reflect the 2024 balances and results, as well as those of prior years:

Fund Performance (Recorded at cost as per PSAS for official reporting purposes)						
Fund Type	2024			2023		
	Average Monthly Investments	Rate of Return	Income/Dividends	Average Monthly Investments	Rate of Return	Income/Dividends
	\$ 141,652,207			\$ 135,018,123		
Fund Type	Rate of Return	Income/Dividends	Ratio	Rate of Return	Income/Dividends	Ratio
MFA - Money Market	4.81%	1,588,420	25%	5.06%	\$ 1,589,269	25%
MFA - Ultra-Short Gov Focused Bond	2.45%	537,291	8%	2.51%	542,134	9%
MFA - Bond	3.01%	65,417	1%	3.14%	66,742	1%
MFA - PHISA CIBC	5.23%	1,109,152	17%	5.42%	1,090,750	17%
MFA - PHISA NBC	5.29%	3,157,692	49%	5.42%	3,071,441	48%
<b>Totals</b>	<b>4.67%</b>	<b>6,457,972</b>	<b>100%</b>	<b>4.82%</b>	<b>\$ 6,360,336</b>	<b>100%</b>

City Fund Ending Balances	Dec 31, 2024	Ratio	Dec 31, 2023	Ratio
MFA - Money Market	\$ 34,609,902	24%	\$ 33,021,482	24%
MFA - Intermediate (Ultra-Short)	22,442,181	16%	21,904,891	16%
MFA - Bond	2,232,621	2%	2,167,204	2%
MFA - PHISA CIBC	22,325,555	15%	21,216,404	15%
MFA - PHISA NBC	62,888,160	44%	59,730,469	43%
<b>Totals</b>	<b>\$ 144,498,420</b>	<b>100%</b>	<b>\$ 138,040,449</b>	<b>100%</b>



The City records investment earnings by fund with the largest fund represented by the reserve and trust accounts. The following table provides investment earnings by fund for 2024 and 2023:

<b>MFA Earnings by Fund</b>	<b>Dec 31, 2024</b>	<b>Ratio</b>	<b>Dec 31, 2023</b>	<b>Ratio</b>
General Operating	\$ (3,414,313)	-53%	\$ (2,968,215)	-47%
Downtown District Energy	10,654	0%	1,613	0%
Sewer Operating	92,729	1%	126,848	2%
Water Operating	51,601	1%	72,721	1%
Reserves & Trusts	9,717,301	150%	9,127,369	144%
<b>Total</b>	<b>\$ 6,457,972</b>	<b>100%</b>	<b>\$ 6,360,336</b>	<b>100%</b>

Lastly, the City also earns interest on its general bank account. While this is not an MFA investment, the general bank account had realized earnings of \$6,978,650 in 2024 compared to 2023's earnings of \$6,058,341.

#### Summary and conclusion:

The Municipal Finance Authority of British Columbia continues to strive to provide local governments and regional districts with investment tools they need and want to help manage their capital portfolios. Administration will monitor and take advantage of those tools and diversification alternatives as they become available.

#### Respectfully submitted:

Kris Dalio, Director of Finance and IT Services

#### Approved:

Walter Babicz, City Manager

Meeting date: [2025/06/25]



Date: June 13, 2025

To: **Standing Committee on Finance and Audit**

Name and title: Kris Dalio, Director of Finance and IT Services

Subject: 2024 Carry Forwards

Attachment(s): None

## Recommendation(s):

That the Standing Committee of Finance and Audit RECEIVES FOR INFORMATION the report dated June 13, 2025 from the Director of Finance and IT Services titled “2024 Carry Forwards”.

## Purpose:

This report is provided to inform the Committee of the 2024 unspent capital project budgets that were carried forward to 2025 as well as multi-year capital budgets that were approved in prior years.

## Strategic Priorities:

As per Sustainable Finance Policy 8.4, the unspent amount of funding for an approved capital project may be carried forward to the following year’s Financial Plan, if the project has begun. Every year, unspent capital funds for projects that have not begun will be brought forward to the Standing Committee on Finance and Audit for information and reviewed and considered for carry forward approval by the Senior Leadership Team.

## Financial Considerations:

The table below details the names of the projects, as well as the budget amounts identified for carry forward into 2025.

Project No.	Project Title	Initial Approval Year	2024 Final Budget	2024 Actuals	Carry Forward	
3377	Studio 2880 Building Improvements	2022	190,515	51,130	139,385	
0431	Mobile Equipment Replacement	Recurring	7,128,856	3,731,932	3,091,371	*
0727	IT New	Recurring	955,000	347,974	250,000	*

0724	IT Renewal	Recurring	930,000	307,504	250,000	*
0720	IT Upgrades	Recurring	800,000	225,775	130,000	*
1504	FSLP Replacement	2017	670,059	92,241	577,818	
1503	Off-Site Works	Recurring	140,000	56,722	83,277	
3116	Street Light Renewal	Recurring	589,712	427,978	161,733	
3219	Pedestrian/Traffic Safety Upgrades	Recurring	486,858	143,374	343,483	
3188	Climate Action Initiatives	Recurring	250,697	20,300	230,397	
3108	AQC-Mech/Bldg Envelope Upgrade	2020	36,751,425	541,233	36,210,191	
3254	AQC-Building Components Renewal	2019	812,207	-	812,207	
3252	Critical Street Light and Traffic Signal Replacement	2019	4,050,758	84,021	3,966,737	
1385	Park Washroom Renewal	Recurring	964,815	718,647	246,167	
1278	CC-Replace Flooring	2020	196,047	84,289	111,758	
3215	Churchill Rd Sidewalk	2020	381,173	-	381,173	
3229	CH-Transformer Replacement	2020	951,782	562,575	389,206	
3313	Neighbourhood Park Development New	Recurring	51,479	-	51,479	
3332	Ball Diamond and Sport Field Renewal	Recurring	1,370,000	665,254	704,744	*
3336	7th Ave Streetscape Upgrade	2021	372,807	(287,117)	659,923	
3368	Kin Centre Refrigeration Upgrades	2021	2,876,229	2,808,259	67,970	
3363	Four Seasons Leisure Pool Demolition	2021	1,000,000	114,362	125,000	*
3362	Former Fire Hall #1 Demolition	2021	200,000	107,990	92,009	
0251	Connaught Park Enhancement	2022	386,546	125,394	261,151	
0815	Rainbow Park Irrigation	2022	11,272	-	11,272	
3321	Stormwater System Renewal	Recurring	2,672,623	1,733,224	939,399	
3360	7th Ave and Dominion St Signalization	2022	301,135	154,260	146,874	
3361	CPG Welcome Highway Signs	2022	92,587	-	92,587	
3388	Fire Services Rapid Deployment Tents	2023	43,500	21,165	22,335	

3398	Kin Centre #1 - Add Dehumidification	2023	1,624,327	853,647	200,000	*
3397	Replace 18th Ave Yard Parks Trailer	2023	852,862	66,403	786,458	
3385	Terminal Blvd CN Rail Crossing Modification	2023	35,000	10,683	24,317	
3394	CN Centre-Audio System Renewal	2023	912,288	646,197	50,000	*
1117	Ferry to Range Storm Sewer Upgrade	2024	75,000	2,088	72,911	
1303	Connaught Youth Centre-Ext Wall Finishes Replacement	2024	270,000	209,723	10,000	*
3276	Carrie Jane Gray Park Upgrade	2024	300,000	146,840	153,159	
3405	Fire Services Thermal Cameras	2024	125,000	-	125,000	
3406	Fire Services Hose Renewal	Recurring	52,000	23,572	28,427	
3407	Fire Services Convert Fire Unit 8552 - S11 to Medical Unit	2024	39,000	-	39,000	
3408	Transit Spruceland Exchange Upgrade	2024	660,000	35,617	624,382	
3411	Stormwater System Upgrade	Recurring	230,000	130,466	99,534	
3412	Stormwater System New	Recurring	150,000	41,329	108,671	
3420	Kopar Memorial Arena Chiller Replacement	2024	550,000	266,599	10,000	*
3421	Elksentre Electrical Upgrades	2024	500,000	24,105	475,894	
3422	CN Centre Suites Renewal	2024	270,000	1,518	268,481	
3424	Elksentre Refrigeration Upgrades	2024	2,150,000	117,039	2,032,960	
3426	Facility Maintenance Fleet Van New	2024	100,000	-	100,000	
3429	City Hall Second Floor East Lighting Upgrade	2024	335,500	-	335,500	
3430	Fire Services Apparatus Pumper Truck New	2024	1,400,000	-	1,400,000	
3431	Single Axle Automated Garbage Truck	2024	480,000	-	480,000	
3448	Structure Protection Unit Trailer New	2024	225,000	166,265	58,734	
3460	Sentinel Irrigation System Upgrades	2024	110,000	61,823	48,176	
1500	Drainage Upgrades	Recurring	215,000	1,264	20,000	*
3348	Wildfire Mitigation - Fuel Removal	2021	292,978	248,840	44,138	
1168	Mobile Equipment Replacement - Sewer	Recurring	1,399,371	333,551	1,062,550	*

1031	Sanitary Collection System Renewal	Recurring	1,009,927	662,122	347,804	
1492	Sanitary Forcemain and Liftstations Upgrade	Recurring	1,193,445	254,407	739,037	*
3221	Wastewater Treatment Plant Renewal	Recurring	1,400,000	699,400	150,000	*
3224	Wastewater Treatment Plant Components New	Recurring	650,000	134,359	515,641	
3328	Sanitary Lagoon Re-Routing New	Recurring	6,401,821	3,086,770	3,315,051	
3329	Sanitary Forcemain and Liftstation Renewal	Recurring	6,688,954	3,507,521	3,181,432	
3345	Danson Lagoon Flow Diversion	2021	60,717	-	60,717	
3393	Lagoon Components Renewal	Recurring	500,000	67,673	432,327	
3222	PW101 Victoria & Milburn Sanitary Liftstation Renewal	2024	500,000	-	500,000	
1491	Prepaving Sewer Infrastructure	Recurring	110,485	-	110,485	
1169	Mobile Equipment Replacement - Water	Recurring	628,632	256,323	369,038	*
1109	Central Hart Water New	2015	200,000	4,240	195,760	
3184	Water Facilities New	Recurring	499,669	445,609	54,059	
3285	PW660 Stage 2 Pump Upgrade	2020	1,071,919	747,315	324,604	
3380	Boundary Road Reservoir (PW849)	2023	2,866,942	2,410,177	456,764	
<b>Total</b>			<b>102,763,918</b>	<b>28,501,974</b>	<b>69,960,657</b>	

\* Remaining amounts were relinquished.

### Summary and conclusion:

This report has been prepared for the Committee's information and discussion.

### Respectfully submitted:

Kris Dalio, Director of Finance and IT Services

### Approved:

Walter Babicz, City Manager

Meeting date: [2025/06/25]

Date: June 13, 2025

To: **Standing Committee on Finance and Audit**

Name and title: Kris Dalio, Director of Finance and IT Services

Subject: 2024 Internal Debt Summary

Attachment(s): None

## Recommendation(s):

That the Standing Committee of Finance and Audit RECEIVES FOR INFORMATION the report dated June 13, 2025 from the Director of Finance and IT Services titled “2024 Internal Debt Summary”.

## Purpose:

This report is provided to inform the Committee of the projects, outstanding amounts and annual repayment of the City’s internal debt program.

## Strategic Priorities:

Sustainable Finance Policy 11 states “The City operates the Endowment Reserve as a “revolving fund”. Appropriations from this reserve are referred to as “internal debt” and the monies borrowed are repaid with interest from the General Operating Fund.”

## Financial Considerations:

The table below details principal balances at Dec 31, 2024, as well as principal and interest payments made during the year. Interest is calculated at 3% per year.

Project Title	Date of Issue	Date of Maturity	Principal Outstanding Dec. 31, 2023	Principal Payment	Interest Payment	Total Payment	Principal Outstanding Dec. 31, 2024
Library Circulation Desk	20-Jul	30-Jul	299,455	299,455	12,921	312,376	-
Library Entrance	20-Jul	Jul-40	3,525,314	161,997	105,759	267,757	3,363,317
Purchase of Days Inn Hotel parcel	18-Jul	Jul-38	3,630,936	195,223	108,928	304,151	3,435,713
George St. Parkade (2018-2020 Spending)	20-Jul	Jul-40	19,980,608	918,159	599,418	1,517,578	19,062,449
Airport Drainage Project	20-Jul	Jul-40	1,127,173	51,796	33,815	85,612	1,075,377
New Fire Hall 1 Overage	21-Jul	Jul-41	1,507,285	64,374	45,219	109,593	1,442,911
Downtown Utilities Relocation General (George St. Parkade)	20-Jul	Jul-40	2,873,857	132,061	86,216	218,277	2,741,796
Days Inn Hotel Site Demolition	21-Jul	Jul-41	2,601,324	111,099	78,040	189,139	2,490,225
Fire Hall No. 1 Demolition	21-Jul	Jul-41	153,150	23,221	6,812	30,033	129,929
Fire Hall No. 1 Demolition	23-Dec	Jul-43	395,218	14,708	11,857	26,565	380,510
FSLP Demo/ Firehall#1demo	24-Dec	Dec-44	-	-	-	-	306,020
<b>Total Endowment Fund – Internal Loans</b>			<b>36,094,320</b>	<b>1,972,095</b>	<b>1,088,985</b>	<b>3,061,079</b>	<b>34,428,245</b>

Summary and conclusion:

This report has been prepared for the Committee's information and discussion.

Respectfully submitted:

Kris Dalio, Director of Finance and IT Services

Approved:

Walter Babicz, City Manager

Meeting date: [2025/06/25]

**Date:** June 13, 2025

**To:** **Standing Committee on Finance and Audit**

**Name and title:** Kris Dalio, Director of Finance and IT Services

**Subject:** Financial Report on Significant Capital Projects

**Attachment(s):** 2024 Significant, Debt-Funded, & Endowment-Funded Capital Projects

## Recommendation(s):

THAT the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated June 13, 2025 from the Director of Finance and IT Services titled “Financial Report on Significant Capital Projects”.

## Purpose:

The purpose of this report is to update the Finance and Audit Committee on the progress of the City’s significant capital projects

## Strategic Priorities:

This report supports Council’s priorities of Sustainable Fiscal Management, Sustainable Infrastructure and Organizational Excellence.

## Background:

As per Sustainable Finance Policy 8.5, Administration has prepared a list of active capital projects that have a budgeted or actual spending of \$1 million or more. This list also includes, with no applied threshold, any debt-funded projects; any spending in the “Emergency Infrastructure Reinvestment” capital projects; and any spending on projects with the Endowment Reserve Fund as a funding source, as per Council resolution.

## Summary and conclusion:

This report informs the Committee of the City’s budget-compared-to-actual performance for its major capital projects in 2024.



Respectfully submitted:

Kris Dalio, Director of Finance and IT Services

Approved:

Walter Babicz, City Manager

Meeting date: [2025/06/25]

2024 Significant, Debt-Funded, & Endowment-Funded Capital Projects as at Dec 31, 2024

Debt-Funded																	
Project No.	Project Name	Initial Approval Year	Original Budget	Council Amendments	2024 & Prior Delegated Authority	Budget Reinquishments and Project Adjustments	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
0431	Mobile Equipment Replacement	Recurring	7,087,951	-	40,905	-	7,128,856	3,731,932	3,396,924	52.3%	In progress	Purchase	On Plan	On Plan	n/a	Ongoing	Fleet units received in 2024 include backlog units from 2022-2023 tenders received to date: 1 Pickup Truck, 1 Fire Pumper Unit, 5 Parks Mowers, 1 Sweeper, 2 Garbage Trucks. 2024 Purchases received to date includes 3 Sidewalk spreaders, 4 Pickup trucks, and 1 Loader. Remaining mowers to be received early 2025. Tenders in 2024 for 1 Sweeper and Zamboni Ice Resurfacer expecting delivery date Q2- 2025. 1 Fire truck on order delivery early 2026.
1504	FSLP Replacement	2017	35,000,000	4,126,000	-	-	39,126,000	38,548,181	577,819	98.5%	In progress	Close Out	On Plan	Behind Schedule	Q4 2022	Q3 2026	Pool has been open since November 2022. The one year warranty review occurred in Q4 2023, warranty and deficiency work continues. Seasonal works are scheduled for completion in Spring 2025. There are other issues being identified and investigated. To date, the project remains on budget and is behind schedule due to labour shortages and deficiencies.
3108	AQC-Mech/Bldg Envelope Upgrade	2020	8,580,000	28,450,000	-	-	37,030,000	819,807	36,210,193	2.2%	In progress	Build	On Plan	On Plan	Q3 2027	Q4 2027	Project in design. Pre-Qualification for Contractor currently underway. On schedule for construction tender in January 2025. Grant funding awarded in 2020 for up to \$6.3M from Investing in Canada Infrastructure Program - British Columbia - Green Infrastructure - Climate Change Mitigation - CleanBC Communities Fund successful and includes condition to improve GHG Emissions and reduce energy.
3208	Janitorial Equip-Replace Floor Scrubbers	Recurring	42,000	-	230	-	42,230	42,229	1	100.0%	Complete	Purchase	On Plan	On Plan	Q1 2024	Q1 2024	2024 equipment purchased and in use Q1 2024.
3243	Civic Facility Roofs Replacements 2019 to 2022	2019	4,670,450	-	-	(858,886)	3,811,564	3,719,382	92,182	97.6%	Completing	Close Out	On Plan	Behind Schedule	Q3 2024	Q4 2024	Finalization of Kin 2 completed and CN Centre Roof are the last active projects in this program and has been completed. This program replaced roofs on various civic facilities from 2019 to 2024, including: SPCA, Search & Rescue, Sports Centre lower roof, 1310 3rd Ave, City Yard mechanical bay, Kin 2, Kin 3, Two Rivers Gallery, Agriplex, Civic Centre, Seniors' Activity Centre, and CN Centre. Program overall behind schedule due to pandemic shutdowns, otherwise projects in program remained on track.
3252	Critical Street Light and Traffic Signal Replacement	2019	5,000,000	-	-	-	5,000,000	1,033,261	3,966,739	20.7%	In progress	Build	On Plan	Behind Schedule	Q4 2028	Q1 2029	Program ongoing, proceeding with the Tabor Blvd design between 15th Avenue and 1st Avenue. Overall program identified as behind schedule to 1st Ave project resource availability and losses during the pandemic, remaining projects on-track.
3254	AQC-Building Components Renewal	2019	1,385,500	60,195	-	19,038	1,464,733	652,524	812,209	44.5%	In progress	Build	On Plan	On Plan	Q3 2027	Q4 2027	The surge level controller has been postponed. Replacement of the audio system, starter blocks, diving boards, wave pool, UV's, variable frequency drives, hot tub and main pool filters are complete. The remaining items will be implemented with the Aquatic Centre Building Envelope and Mechanical Upgrade Project #3108 AQC - Mech/Bldg Envelope Upgrade in alignment with those project works. Construction is expected to begin for that project in 2025.
3321	Stormwater System Renewal	Recurring	2,672,623	-	-	-	2,672,623	1,733,224	939,399	64.9%	Completing	Close Out	On Plan	On Plan	Q4 2024	Q2 2025	Accomplishments in 2024 include: Flushed and CCTV'd 4,500m of storm main. Relined 2,914m of storm main. Replaced 15 catch basins. 353 catch basins cleaned and inspected. Replaced 66m of storm main. Majority of works for the 1st Ave storm pump project completed and will be finalized in 2025 and operational.
3388	Fire Services Rapid Deployment Tents	2023	94,500	-	-	(20,371)	74,129	51,793	22,335	69.9%	Completing	Purchase	On Plan	On Plan	Q4 2024	Q1 2025	The purchase of the second tent is complete with testing taking place by Fire Rescue this winter 2024/2025.
3389	Fire Srv - Emergency Program - New Light Fleet	2023	85,000	-	-	-	85,000	83,716	1,284	98.5%	Complete	Purchase	On Plan	On Plan	Q4 2023	Q1 2024	New Pickup arrived and in-service. Project completed.
3390	Fire Srv - Training Captain - New light fleet	2023	85,000	-	-	-	85,000	84,904	96	99.9%	Complete	Purchase	On Plan	On Plan	Q4 2023	Q1 2024	New Pickup arrived and in-service. Project completed.
3405	Fire Services Thermal Cameras	2024	125,000	-	-	-	125,000	-	125,000	0.0%	In progress	Purchase	On Plan	Behind Schedule	Q4 2025	Q1 2026	Initiating tender process to be completed by Q4 2024 and purchase in 2025. Delay due to limited availability for cameras suitable for Fire Services operations.
3406	Fire Services Hose Renewal	Recurring	52,000	-	-	-	52,000	23,572	28,428	45.3%	Complete	Purchase	On Plan	On Plan	Q2 2025	Q4 2025	Approximately half of hoses purchased and in service to replace damaged ones, remainder to be purchased in 2025.
3426	Facility Maintenance Fleet Van New	2024	100,000	-	-	-	100,000	-	100,000	0.0%	In progress	Purchase	On Plan	On Plan	Q1 2025	Q1 2025	Tender in progress, anticipate delivery Q1 2025.
3430	Fire Services Apparatus Pumper Truck New	2024	1,400,000	-	-	-	1,400,000	-	1,400,000	0.0%	In progress	Purchase	On Plan	On Plan	Q4 2027	Q1 2028	Tender in progress for supplier, truck to be manufactured. Estimated delivery time of three (3) years.
Debt-Funded Total			66,380,024	32,636,195	41,135	(860,220)	98,197,134	50,524,525	47,672,609								

2024 Significant, Debt-Funded, & Endowment-Funded Capital Projects as at Dec 31, 2024

Endowment-Funded																	
Project No.	Project Name	Initial Approval Year	Original Budget	Council Amendments	2024 & Prior Delegated Authority	Budget Relinquishments and Project Adjustments	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
3362	Former Fire Hall #1 Demolition	2021	-	1,345,000	-	(584,116)	760,884	668,874	92,010	87.9%	Completing	Close Out	On Plan	On Plan	Q4 2023	Q1 2025	The demolition of the fire hall was completed in late 2023. Electrical lighting design completed and to advance to tender. The old stairs have been removed between City Hall and the Old Fire Hall site and are expected to be reconstructed late summer 2024.
3363	Four Seasons Leisure Pool Demolition	2021	-	3,101,791	-	(1,151,794)	1,949,997	1,064,359	885,639	54.6%	Completing	Close Out	On Plan	Behind Schedule	Q3 2023	Q4 2025	The demolition is complete. The temporary asphalt millings parking lot underway with the addition of RV Parking for the Tourism PG relocation. Landscaping and lighting to be completed fall 2024. Schedule behind due to labour shortages.
Endowment-Funded Total			-	4,446,791	-	(1,735,911)	2,710,881	1,733,232	977,649								

2024 Significant, Debt-Funded, & Endowment-Funded Capital Projects as at Dec 31, 2024

Other Funding Sources

Project No.	Project Name	Initial Approval Year	Original Budget	Council Amendments	2024 & Prior Delegated Authority	Budget Relinquishments and Project Adjustments	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
0399	Road Rehabilitation	Recurring	6,700,000	-	-	-	6,700,000	6,679,809	20,191	99.7%	Complete	Close Out	On Plan	On Plan	Q4 2024	Q4 2024	In 2024 52.3 lane kilometres of road surface were rehabilitated and included the following surface rehabilitation work: 9.79 lane kms of overlay, 15.86 lane kms of mill and overlay, and 26.60 lane kms of curb relief mill and overlay.
1031	Sanitary Collection System Renewal	Recurring	1,009,927	-	-	-	1,009,927	662,122	347,805	65.6%	Complete	Close Out	On Plan	On Plan	Q4 2024	Q4 2024	Sanitary sewer relining contract is complete and hold back has been released.
1093	Sidewalk and Walkway Renewal	Recurring	1,500,000	-	-	-	1,500,000	1,429,164	70,836	95.3%	Complete	Close Out	On Plan	On Plan	Q4 2024	Q4 2024	In 2024, 2313 metres of concrete and 3244 m of asphalt sidewalk hard surfaces were rehabilitated. Key sidewalk rehabilitation projects include: Concrete sidewalks rehabilitated: Carney St, 1st Ave, Austin Rd West, Strathcona Ave, 2nd Ave N, 2nd Ave S, 3rd Ave S, 3rd Ave (both sides). Asphalt sidewalks rehabilitated: Foothills Blvd, Ospika Blvd, Domano Blvd.
1109	Central Hart Water New	2015	3,400,000	-	-	-	3,400,000	4,240	3,395,760	0.1%	In Progress	Planning	On Plan	On Plan	TBD	TBD	Objective of this phase is to secure the SRoW's required along the watermain alignment prior to the final design and construction phase which is currently scheduled in the 5 year Capital plan. The project upon completion will not only improve fire flows but also provides redundancy to the Hart water system between Pressure zone 11 and Pressure zone 12 which is currently connected by old infrastructure along the Highway corridor.
1117	Ferry to Range Storm Sewer Upgrade	2024	1,575,000	-	-	-	1,575,000	2,088	1,572,912	0.1%	In Progress	Planning	On Plan	On Plan	TBD	TBD	In Planning phase: CCTV condition assessment of the storm trunk completed. Flow monitoring has been installed and is currently collecting data. Geotechnical investigation to inform design into 2025 to inform future finalized capital budget, construction timing to be determined.
1168	Mobile Equipment Replacement - Sewer	Recurring	1,399,371	-	-	-	1,399,371	333,551	1,065,820	23.8%	In progress	Purchase	On Plan	On Plan	n/a	Ongoing	2024 Units received 1 Loader, 1 Pickup truck, 1 Wheel Loader. Units ordered and expected to arrive in 2025: 2 Dump trucks for Wastewater Treatment Centre and 1 Excavator.
1492	Sanitary Forcemain and Liftstations Upgrade	Recurring	1,193,445	-	-	-	1,193,445	254,407	939,038	21.3%	In Progress	Build	On Plan	On Plan	Q4 2024	Q4 2025	Completed PW107 pump re-build kit and install, and SCADA renewals with some sub-stations completed and to continue into 2025. A number of supplies purchased and installed in 2024 and into 2025. Sub-station assessments initiated.
3221	Wastewater Treatment Plant Renewal	Recurring	1,400,000	-	-	-	1,400,000	699,400	700,600	50.0%	In Progress	Build	On Plan	On Plan	Q4 2024	Q4 2025	Completed: Wemco pumps have been installed and operational. SCADA upgrade, Grit SCADA controls. Centrifuge software, BFI/BFE actuators have been purchased and installed. Make up air replacement in planning stage. Replacing air reliefs, have been purchased, installing as resources become available. WWTC re-roofing phase 1 has been completed. Phase 2 to take place in 2025 for the remainder of the roof. WWTC masterplan consulting RFP released.
3222	PW101 Victorie & Milburn Sanitary Liftstation Renewal	2024	6,500,000	-	-	-	6,500,000	-	6,500,000	0.0%	Not Started	Planning			Q4 2026	Q4 2027	Station replacement project on hold due to limited available resources, to re-initiate winter 2026/2027.
3229	CH-Transformer Replacement	2020	310,000	890,000	-	-	1,200,000	810,793	389,207	67.6%	In progress	Build	On Plan	On Plan	Q3 2025	Q4 2025	70% complete with civil works 95% complete. Kiosk base, connection, and Hydro inspection to be completed. Delay has arisen with electrical equipment supply seeking alternate BC Hydro design and approvals.
3285	PW660 Stage 2 Pump Upgrade	2020	1,500,000	210,962	-	-	1,710,962	1,386,356	324,606	81.0%	In progress	Build	Under Review	Behind Schedule	Q4 2025	Q4 2025	Pumps, motors, and drives supplies received (8 months) waiting to confirm installation details. Electrical RFP to take place Q4 2024 with works into 2025. Older budget under review to confirm escalation in costs with consultant.
3297	Varsity Creek Erosion Mitigation	2021	1,900,000	-	-	(594,519)	1,305,481	1,155,481	150,000	88.5%	Complete	Close Out	On Plan	On Plan	Q1 2022	Q4 2024	Project construction complete in 2022. The project included stabilization of the eroded natural streambed and slopes to convey storm drainage through Varsity Creek, downstream of Simon Fraser Ave.
3328	Sanitary Lagoon Re-Routing New	Recurring	6,401,821	-	-	-	6,401,821	3,086,770	3,315,051	48.2%	In progress	Build	Under Review	Behind Schedule	Q4 2025	Q4 2026	Program allocated to Western Acres Pump Station & Forcemain project over multiple years 2021-2026. Gravity, forcemain, and siphon sections were installed between 2021 and 2024, with a small section of gravity main that requires finalizing land acquisition. Next steps include Lift Station RFP into 2025, and construction anticipated for 2026. Schedule delay due to permitting and resource limitations. Closely monitoring budget.
3329	Sanitary Forcemain and Liftstation Renewal	Recurring	6,688,954	-	-	-	6,688,954	3,507,521	3,181,433	52.4%	In progress	Build	On Plan	Behind Schedule	Q2 2025	Q4 2025	Program allocated to John Hart Bridge forcemain project over multiple years 2021-2025. In 2024, pipe was installed in Hammond lane, across the John Hart bridge, and between the north end of the bridge and the liftstation in 2024. Tie-ins to station and existing line to take place 2025. Schedule delays associated to permitting requirements in previous years.

2024 Significant, Debt-Funded, & Endowment-Funded Capital Projects as at Dec 31, 2024

Other Funding Sources																	
Project No.	Project Name	Initial Approval Year	Original Budget	Council Amendments	2024 & Prior Delegated Authority	Budget Reinquishments and Project Adjustments	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
3332	Ball Diamond and Sport Field Renewal	Recurring	1,370,000	-	-	-	1,370,000	665,254	704,746	48.6%	In Progress	Build	On Plan	Behind Schedule	Q3 2025	Q4 2024	Completed demolition of dugouts and bleachers at Harry Loder Field, construction of ball diamond dugouts at Freeman Park and Gyro Park, near completion for design for sanitary system at Ron Wiley Field at Carrie Jane Gray Park, concrete pads for bleachers and dugout at Harry Loder Field, Freeman Park and Ron Wiley. Delay in supply of bleachers and will occur within 2025 tender. Spruce City field lights at Carrie Jane Gray park planned to utilize 2025 year to install.
3336	7th Ave Streetscape Upgrade	2021	1,500,000	-	-	-	1,500,000	840,076	659,924	56.0%	In progress	Build	On Plan	Behind Schedule	Q3 2025	Q3 2026	Works completed included sidewalks and street lighting, street trees and concrete filter strips. Schedule delay due to project dependency on new pool build project # 1504 seasonal deficiencies. Seasonal works are scheduled for completion in Spring 2025 and all outstanding deficiencies by Summer 2026.
3342	Emergency Infrastructure Reinvestment - General	Recurring	500,000	-	-	-	500,000	22,046	477,954	4.4%	Complete	Close Out	On Plan	On Plan	Q4 2024	Q4 2024	Completed Two Rivers Art Gallery AC compressor replacement in Q2 2024. Program is to be used in emergency situation only.
3353	Dagg Road Daycare	2021	-	2,581,493	15,750	(30,286)	2,566,957	2,566,956	0	100.0%	Complete	Close Out	On Plan	Behind Schedule	Q4 2023	Q4 2024	Project completed in 2023, financial close-out reporting to granting agency complete. As per a Development & Construction Agreement, Prince George Native Friendship Centre as project manager for the 60 space childcare development, funded by the Province of BC. Council approved amendment to the Capital Plan January 2023 to increase this project budget and re-allocate this amount from the Malaspina Daycare project #3352 budget as approved by grant funders.
3365	Foothills - 18th Ave Roundabout	2022	1,600,000	-	-	(159,286)	1,440,714	1,415,360	25,354	98.2%	Complete	Close Out	On Plan	On Plan	Q3 2023	Q4 2024	Project complete and open for use September 29th 2023 with project deficiencies and financials in 2024. Project funded in part through ICBC Grant and developer contribution.
3368	Kin Centre Refrigeration Upgrades	2021	-	4,695,000	-	-	4,695,000	4,627,030	67,970	98.6%	Completing	Build	On Plan	On Plan	Q4 2024	Q2 2025	Design, supply, and install of the Kin Centre Arenas refrigeration plant system with new ammonia chillers, cooling tower, and a heat recovery system to replace aging infrastructure, achieve energy efficiencies, and meet current safety regulations. The refrigeration portion of this project was completed in 2023 with heat recovery portions now complete with only minor deficiencies to correct in 2025.  This project is 73% funded through Clean BC Communities Fund grant received under the Investing in Canada Infrastructure Program and to receive funding from BC Hydro allocated towards the heat recovery portion of works.
3372	Emergency Infrastructure Reinvestment - Sewer	Recurring	500,000	-	-	-	500,000	141,406	358,594	28.3%	Complete	Close Out	On Plan	On Plan	Q3 2024	Q4 2024	Program is to be used in emergency situation only. Repaired leaking joint in sanitary forcemain. Costs included environmental cleanup and bypass pumping in addition to joint repair.
3373	Emergency Infrastructure Reinvestment - Water	Recurring	500,000	-	-	-	500,000	-	500,000	0.0%	Not Started					Q4 2024	Program is to be used in emergency situation only, not used.
3380	Boundary Road Reservoir (PW849)	2023	6,660,000	-	-	-	6,660,000	6,203,235	456,765	93.1%	Completing	Build	On Plan	On Plan	Q4 2024	Q3 2025	Construction of the new reservoir (PW849) is complete and final commissioning (SCADA programming) is in progress. After final commissioning of PW849, PW823 (Gunn Rd.) will then be taken offline to complete piping reconfiguration that will allow the two reservoirs to operate in tandem. Piping expected to be completed in 2025.
3398	Kin Centre #1 - Add Dehumidification	2023	1,750,000	-	-	-	1,750,000	979,319	770,681	56.0%	In Progress	Build	On Plan	Behind Schedule	Q3 2024	Q4 2025	The Kin 1 Dehumidification project is near completion. The unit is working as intended with engineering walkthrough by year end to identify any minor works to finalize. Delay of dehumidifier equipment production (4 month supply chain delay) causing two-month delay of project.
3415	Water Distribution System Renewal	Recurring	2,000,000	-	-	-	2,000,000	1,905,951	94,049	95.3%	Complete	Close Out	On Plan	On Plan	Q4 2024	Q4 2024	In 2024 replaced a valve on Burden St, replaced 75m of watermain along 7th Ave, replaced 100m of pipe along 3rd Ave, completed 51 service connections, 8 valve replacements, 9 hydrant replacements and review Southridge watermain drawings.
3416	Water Distribution System New	Recurring	1,200,000	-	-	-	1,200,000	1,197,774	2,226	99.8%	Complete	Close Out	On Plan	On Plan	Q4 2024	Q4 2024	Works completed in 2024 includes: 270m of new watermain installed along Ontario St, 95m of new watermain installed along 7th Ave, Giscome Rd materials, new hydrant install and Ottawa street design review.
3424	Elksentre Refrigeration Upgrades	2024	2,150,000	-	-	-	2,150,000	117,039	2,032,961	5.4%	In Progress	Design	On Plan	On Plan	Q3 2025	Q4 2025	Issued for Tender drawings in progress. Procurement to be rolled out in conjunction with Elksentre Electrical Upgrades project in 2025.
Other Funding Sources Total			61,208,518	8,377,455	15,750	(784,091)	68,817,631	40,693,146	28,124,485								
Grand Total			127,588,542	45,460,441	56,885	(3,380,221)	169,725,646	92,950,903	76,774,743								

\* Project 1109 is excluding 2015-2018 Phase 1 project budget and costs

Date: June 6, 2025

To: **Standing Committee on Finance and Audit**

Name and title: Kris Dalio, Director of Finance and IT Services

Subject: Sustainable Finance Policy 8.3

Attachment(s): None

## Recommendation(s):

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION the report dated June 6, 2025 from the Director of Finance and IT Services titled "Sustainable Finance Policy 8.3."

## Purpose:

To provide the Finance and Audit Committee with background information and context around the establishment of Sustainable Finance Policy (SFP) 8.3.

## Strategic Priorities:

The City of Prince George's Sustainable Finance Policy supports Council's Priority to "Build a strong foundation for growth."

## Policy/Regulatory Analysis:

City of Prince George SFP 8.3 states: "Each capital funding request will clearly indicate the initial cost, the future operating and replacement costs, and the estimated service life of the project and will identify the sources of sustainable funding for those costs."

The Terms of Reference for the Standing Committee of Finance and Audit include reviewing and making recommendations to Council concerning the SFP.

## Background:

Council reviews and updates the SFP every term. SFP 8.3 has been part of this policy for a very long time. Our oldest records show it has been part of the policy since at least 2010, but it is likely much older. However, the City has never been able to fully meet the life cycle costing piece of the policy. In previous discussions with the Committee, it was recognized that it was good aspirational language to have in the policy but there was an understanding that we weren't there yet. Broader asset category information has been provided to Council in other forms by the Asset Management division including infrastructure report cards in the Financial Plan that describe the infrastructure funding gap, as well as regular reports on progress with our Asset Management Strategy. In the interest of taking a fresh

look at it with the current Committee's perspective, this report is to provide a forum of discussion to see what the Committee wishes to do going forward.

There are challenges with meeting the "life cycle costing" part of Sustainable Finance Policy 8.3 in connection with available staff resources. The future operating and replacement costs and estimated service life are part of a life cycle costing exercise that if performed on every individual capital project would stretch the City's resources for project managers, asset management and finance to the point where less projects would be completed with the overall available staff time in a year. If the current language of the policy is problematic to not achieve, the direction regarding the objectives of SFP 8.3 should be looked at through the lens of available resources.

### Other Considerations:

Administration has prepared options for the Committee to consider:

#### **Option 1 – Remove the aspirational language for the life cycle costing component of SFP 8.3 and keep the parts of the policy that can be met with existing resources**

While there has been an understanding from Council for many years that SFP 8.3 was a good goal to work towards, the resources required to meet that goal have always been balanced against trying to deliver services in a way that keep tax increases low. This option has been prepared to maintain that balance and choose to keep resourcing at the same level. Option 1 proposes removing the language related to the life cycle costing component of SFP 8.3 to no longer reflect aspirational language and only reflect what we are currently doing. A small revision would also be made to remove the word "sustainable" from the requirement as there are many examples of non-sustainable sources that fund projects such as one-time grants (BC Growing Communities Fund, Northern Capital Planning Grant and other project specific grants that are applied for) or the lease-in-lease-out legacy funds reserve. The revised SFP 8.3 under this option would read:

"Each capital funding request will clearly indicate the initial cost and will identify the sources of funding for those costs."

This option changes the language of the policy to reflect how capital plans are currently being compiled. Removing SFP 8.3 completely is not a recommendable option as costs and funding sources are required to meet the legislated requirement of building a 5-Year Financial Plan Bylaw.

#### **Option 2 – Direct Administration to include the additional resources required to deliver SFP 8.3 in its entirety in the form of increased capital project budgets and/or service enhancements in the 2026 budget considerations**

This option would result in increased costs for capital projects. Examples of costs could include additional staffing and/or software to deliver the information. While we are able to do some lifecycle costing in-house, lifecycle costing requirements may also be pushed onto consultants if resources are not available. This option would also require redirecting current efforts to research and quantify what resources are necessary and will impact the amount of capital projects that can be managed and delivered in 2025.

There are other challenges to this option. It is Administration's opinion that there are many examples of capital projects that would not benefit from producing the information, such as routine

rehabilitation (eg. Roads) or renewal programs where there is no change in level of service (electrical, HVAC, roof, plumbing). Administration does not recommend this option as it is an “all-or-nothing” option that does not consider the wide variety of all types of capital projects and would create additional costs for the organization with little or no benefit.

**Option 3 – Amend SFP 8.3 to only perform the life cycle costing component on significant new capital projects (over \$1M)**

The proposed new language in this option would read:

“Each capital funding request will clearly indicate the initial cost and will identify the sources of funding for those costs. For new projects over \$1 million, the future operating and replacement costs, and the estimated service life of the project will also be provided.”

This option represents a compromise between Option 1 and Option 2. Life cycle costing can be a great informational tool to use when making decisions regarding capital projects - especially when comparing the “all-in cost” of different products or services to achieve the outcome that is desired; or when you need to know the full cost of a project beyond just the initial purchase price (operational costs, end of life disposal, etc.) to determine value for money. However, generating information also costs money, and producing information that is not being used in decision making is costly as well. Option 3 hopes to achieve a balance where the information required to produce matches well against the information required to make capital decisions.

The large majority of capital projects at the City require us to maintain existing service levels and reinvest in our current infrastructure to deliver services to the public. Producing full life cycle costing information on rehabilitating paved roads, repairing sewer and water pipes, replacing an end-of-life fire truck, or renewing the HVAC of the police station may not be necessary information if we know that the projects simply need to be completed to maintain basic public health and safety requirements. However, for new projects, such as the recent example of the Megapark, when a service level is being proposed to increase, life cycle costing can be performed to better help Council understand the impacts of the decision and properly measure value for dollar before adjusting the service level. Administration could try to deliver this option with existing resources and report back if any additional resources are required.

**Summary and conclusion:**

This report has been prepared for the Committee’s consideration. Selecting one of the available options in the report will assist Administration in understanding the desired service level for capital project information that is expected from Council.

**Respectfully submitted:**

Kris Dalio, Director of Finance and IT Services

**Approved:**

Walter Babicz, City Manager

**Meeting date:** [2025/06/25]



**Standing Committee on Finance and Audit  
Work Plan  
Year 2025**

<b>Date</b>	<b>Agenda Item Description</b>
Wednesday, February 26 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Review 2024 Year End Audit Plan – KPMG LLP representatives to attend</li> <li>• Tax rate setting background information and options</li> </ul>
Wednesday, May 7 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Presentation by KPMG LLP of City of Prince George 2024 Financial Statements</li> <li>• Presentation of Other Controlled Entities 2024 Financial Statements (Public Library and Tourism PG)</li> </ul>
Wednesday, June 25 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Report on Year 2024 investment results</li> <li>• Report on 2024 Carry forwards</li> <li>• Report on Internal Debt</li> <li>• Progress and Financial Report on Significant Capital Projects as of December 31, 2024 (Council has directed two of these reports to occur every year. The second report will go to Council and show projects as of July 31, 2025)</li> <li>• Sustainable Finance Policy 8.3</li> </ul>
Wednesday, July 16 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Placeholder – no defined agenda</li> </ul>
Wednesday, August 20 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Report on 2026 Budget Consultation Approach</li> <li>• Report on Reserve Funds</li> <li>• Report on 2026 Recommended Permissive Tax Exemptions</li> </ul>
Wednesday, December 3 <sup>rd</sup>	<ul style="list-style-type: none"> <li>• Report on 2026 Budget Community Engagement Results</li> <li>• Report on 2026 - 2028 Operating Budget Guidelines</li> <li>• Draft Year 2026 Capital Expenditure Plan</li> <li>• Draft 2026 Committee Work Plan</li> </ul>