

Report from Financial Management Services, Director

Date of Report: May 26, 2017

Date of Meeting: June 19, 2017

Report Number: FMS-B028-2017

File: 10.57.10

Subject: Capital Project Report to April 30, 2017

Recommendation

That the Budget Standing Committee (BSC) receive for information the capital project report to April 30, 2017.

Background

At the February 29, 2016 Council meeting, Council approved the following motion:

That staff report quarterly to Council on all completed infrastructure projects detailing budgeted costs, amounts the contract was awarded for, and the final project costs that are over \$100,000 in awarded costs.

The report on capital projects over \$100,000 completed will come forward to the BSC on a quarterly basis.

As the operating variance is being brought to the BSC for the period ending April 30, 2017 the capital variance report is being brought forward for the same time period.

Report

Capital projects are capital expenditures for the City's linear and non-linear assets and are funded by debentures, operating fund contributions, water and wastewater contributions, infrastructure levy, grants, reserves and donations. City staff expertise, market trends, industry and past experience, as well as various studies are used by staff to determine project budgets.

The purpose of this report is to provide information to the BSC and to Council of the capital projects over \$100,000 that have been completed in the first four months on 2017. If a project exceeds its approved budget amount, then a report is written to Council to explain why the project is more than estimated and to obtain approval on how the overage will be funded. This report will focus more on the projects that are completed within the approved budget. The details of the projects completed in the first four months of 2017 are attached as Appendix 1.

There were five capital projects completed in the first four months of 2017 and all were completed within their approved budget.

When capital projects are completed within their approved budget the following occurs with the unused budget dollars.

- Lower debenture amount is borrowed
- If funds were allocated from a reserve fund they are left in that reserve to fund future projects. In addition for the water/wastewater reserve, funds remain in the reserve to support the operation of the water and wastewater systems, and to assist in maintaining reasonable water and wastewater rates.
- Funds may be transferred to another project within the same infrastructure category that has an overage, with Council approval.
- If funds were from the operating budget, the funds remain in the operating budget and would be part of the year end surplus.

Therefore, the completion of these projects under the approved budget amount does not necessarily mean that there are additional funds available. When staff develop the annual capital budget for the City, they consider excess funds that have become available with projects that have been completed within the past year under the approved budget amount.

Financial Implications

There are no financial considerations associated with the preparation of the quarterly capital project report.

Relationship to Strategic Plan

Economic Sustainability is enhanced through regular quarterly reporting of capital projects completed, which leads to optimization of capital infrastructure through effective asset management and sustainable investment. This financial reporting assists in achieving the goal to be an affordable city for young people, families and retired older adults.

Conclusion

FMS and TES Staff have worked collaboratively to complete the capital project report for capital projects over \$100,000 for the first four months of 2017. It is recommended that BSC receive for information purposes the capital project report.

Prepared by:

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Submitted/Approved by:

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Attachment:

Appendix 1 – Projects completed in the first four months of 2017

City of St Catharines
 Completed Projects in excess of \$100,000
 to April 30, 2017

Location	Asset	Approved Budget	Final Project Cost	Construction Award	Final Construction Cost	Budget Variance	Comments
to April 30, 2017							
P16-164 Seymour Hannah Ice Pad Replacement - rinks 1 & 4	Recreation Facility	\$2,000,000.00	\$1,688,766.52	\$1,645,640.00	\$1,559,228.69	\$311,233.48	
P11-130 Montebello Pergola, Fencing and Walkway	Park	\$153,000.00	145,753.98	116,759.42	130,803.88	\$7,246.02	report to Council January 30, 20
P15-041 2015 New Sidewalk Program	Sidewalk	\$300,000.00	\$160,587.65	\$158,643.84	\$147,123.90	\$139,412.35	RN17-07 Tremont Dr sidewalk P17-065 Oakdale Avenue - Council report June 12, 2017 Dorchester Blvd Extension
P15-002 Clarendon/Ferndale/Lonsdale	water/sanitary/storm	\$841,000.00	\$768,919.65	\$680,781.46	\$689,232.09	\$72,080.35	report to Council February 13, 2
P16-080 2016 Resurfacing Part 2	roads	\$1,627,700.00	\$1,256,240.12	\$1,526,155.88	\$1,146,129.82	\$371,459.88	P17-065 Oakdale Avenue - Council report June 12, 2017