

Report from Financial Management Services, Director

Date of Report: February 22, 2018

Date of Meeting: March 21, 2018

Report Number: FMS-B012-2018

File: 10.57.10

Subject: Capital Project Report for 4th quarter ending December 31, 2017

Recommendation

That the Budget Standing Committee (BSC) receive for information the capital project report for the fourth quarter ending December 31, 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.

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 final three months of 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 third quarter of 2017 are attached as Appendix 1.

There were eight capital projects completed in the fourth quarter of 2017. Two of the projects were subjects of reports to Council as the construction award and/or the final

construction costs exceeded the approved budget. The other six projects were completed within the 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 fourth quarter of 2017. It is recommended that BSC receive for information purposes the capital project report.

Prepared by:

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Submitted/Approved by:

K Douglas, Director, Financial Management Services, City Treasurer

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

Location	Asset	Approved Budget	Final Project Cost	Construction Award	Final Construction Cost	Remaining Budget Variance	Comments
P17-004 Strada Easement Sewer Repair	sanitary sewer	\$566,000.00	\$495,487.94	\$496,313.03	\$476,010.69	\$70,512.06	Funds remain in the Water/Wastewater reserve
P17-132 Emergency Shoreline Protection Repairs	shoreline	\$240,000.00	\$271,581.55	\$141,299.87	\$233,381.33	-\$31,581.55	Report to Council September 11, 2017 additional funds from watercourse rehabilitation P17-129
P15-001 Ontario Street	water, sanitary sewer, storm sewer	\$1,736,000.00	\$1,632,391.22	\$1,391,908.13	\$1,479,817.13	\$103,608.78	Report to Council June 13, 2016 due to the Final Construction Cost was greater than the original tender amount. See details in Council Report.
P13-020 Michigan Ave CSO control	sewage tank	\$410,000.00	\$408,752.18	\$297,525.89	\$285,559.46	\$1,247.82	
P17-080-2 2017 Resurfacing - Part 2	Roads	\$832,000.00	\$554,083.76	\$638,419.85	\$472,360.29	\$277,916.24	Funds purposed to resurface Townline Rd and St Paul/Carlisle in 2018
RN16-06 Lakeshore Road Phase 3	water/sidewalks/storm	\$1,840,000.00	\$1,435,491.11		\$1,400,281.90	\$404,508.89	Project is cost shared with Region. The unspent funds for water portion remain in the water/wastewater reserve and the sidewalk and storm costs will not need to be debentured. Project was also partially funded with FGT.
RN17-07 Glendale Avenue	water/sidewalks	\$969,978.00	\$936,524.49		\$920,568.20	\$33,453.51	Project is cost shared with Region and they completed the tender for the project. The unspent funds for water portion will remain in the water/wastewater reserve.
P16-122 Ball Avenue West new culvert	culvert	\$280,000.00	\$177,336.23	\$154,774.92	\$126,097.17	\$102,663.77	Unspent funds will remain in the FGT reserve.