

Report from Financial Management Services, Accounting

Date of Report: April 18, 2018

Date of Meeting: May 23, 2018

Report Number: FMS-B021-2018

File: 10.57.10

Subject: Capital Project Report for First quarter ending March 31, 2018

Recommendation

That the Budget Standing Committee (BSC) receive for information the capital project report for the first quarter ending March 31, 2018.

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 first three months of 2018. 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 quarter of 2018 are attached as Appendix 1.

There were three capital projects completed in the first quarter of 2018. All three projects were completed within the approved budgets. The West Park

washroom/splashpad construction cost was slightly higher than the award as revisions to the washroom were added by Council during the tender award. Donation funds, and funds from the Healthy Kids Community Challenge Grant and the Ontario Tire Stewardship were used to offset this overage.

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 have worked collaboratively to complete the capital project report for capital projects over \$100,000 for the first quarter of 2018. It is recommended that BSC receive for information purposes the capital project report.

Prepared by: M Kreuk, Manager, Budgets and Capital

Submitted/Approved by: Kristine Douglas, Director, FMS/Treasurer

City of St Catharines
 Completed Projects in excess of \$100,000
 2018

Location	Asset	Approved Budget	Final Project Cost	Construction Award	Final Construction Cost	Remaining Budget Variance	Comments
to March 31, 2018							
P16-062 Churchill Street	roads, storm sewer, sanitary sewer, watermain	\$1,321,000.00	\$1,021,671.66	\$1,120,826.36	\$966,580.40	\$299,328.34	the roads debenture will be reduced and the water/wastewater funds remain in the reserve for future projects
P13-066 Queenston St	roads, storm sewer, sanitary sewer, watermain	\$4,531,760.00	\$4,033,153.73	\$3,619,521.17	\$3,578,390.84	\$498,606.27	the storm sewer debenture will be reduced and the water/wastewater funds remain in the reserve for future projects
P14-137 West Park	washroom, splashpad, playground equipment	\$1,135,000.00	\$1,146,225.89	\$1,021,843.39	\$1,044,388.35	-\$11,225.89	Additional funds received from Healthy Kids Community Challenge Grant/Ontario Tire Stewardship and Donations