

**Report from** Financial Management Services, Accounting

**Date of Report:** October 17, 2018

**Date of Meeting:** November 19, 2018

**Report Number:** FMS-B027-2018

**File:** 10.57.10

**Subject:** Capital project report for 3<sup>rd</sup> quarter ending September 30, 2018

## Recommendation

That the Budget Standing Committee (BSC) receive for information the capital project report for the third quarter ending September 30, 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 third quarter 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 third quarter of 2018 are attached as Appendix 1.

There were four capital projects completed in the third quarter of 2018. Three projects were completed within budget, and the fourth was the subject of a report to Council requesting additional funding and the tender award stage.

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 third 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/City 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 Sept 30, 2018							
P17-065 Oakdale Avenue Reconstruction	sidewalk/roads/storm sewers/sanitary/watermain	\$3,257,000.00	\$2,837,909.10	\$2,988,462.24	\$2,780,968.00	\$419,090.90	the sidewalk debentures will be reduced and the wastewater funds remain in the reserve for future projects
P17-130 Centennial Gardens Improvements	park/stairs/retaining wall	\$1,311,000.00	\$1,256,988.63	\$703,807.78	\$650,127.11	\$54,011.37	being used towards brush clearing to maintain site lines
P13-062 St Paul Street/Carlisle Street streetscaping - phase 1 and 2	roads	\$2,823,000.00	\$3,331,851.55	\$2,514,737.89	\$2,563,834.84	-\$508,851.55	as per TES report 122-2017 funds to be transferred from the Downtown Street Systems Conversion Program to accommodate the project costs
P17-131 Roehampton Park Upgrades	playground equipment/basketball court	\$178,000.00	\$160,653.67	\$157,639.34	\$156,197.46	\$17,346.33	remaining funds to stay in the infrastructure levy reserve for future infrastructure projects