

Report from Financial Management Services, Accounting

Date of Report: January 28, 2019

Date of Meeting: April 24, 2019

Report Number: FMS-B002-2019

File: 10.57.10

Subject: Capital Project Report for Fourth Quarter Ending December 31, 2018

Recommendation

That Report FMS-B002-2019 be received for information.

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 about the capital projects over \$100,000 that have been completed in the final 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 fourth quarter of 2018 are attached as Appendix 1.

There were seven capital projects completed in the fourth quarter of 2018. All seven projects were completed within the approved budgets.

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 funds 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

Financial Management Services and Transportation and Environmental Services staff have worked collaboratively to complete the capital project report for capital projects over \$100,000 for the fourth quarter of 2018. It is recommended that BSC receive for information purposes the capital project report.

Prepared by:

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Submitted and Approved by:

K Douglas
Director, Financial Management Services / 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 December 31, 2018							
P17-172 Russell Ave Community Centre upgrade	Facility - washroom Facility - underpinning	\$470,000.00	\$447,859.88	\$258,887.62	\$357,475.91	\$22,140.12	the amount debentured for this project will be less than budgeted
P16-064 Ridgewood Rd	road/sanitary sewer/storm sewer/watermain	\$796,000.00	\$666,639.39	\$656,933.05	\$589,991.70	\$129,360.61	the roads debenture for this project will be less than budgeted
P17-001 Leeper/McDonald	watermain/ storm sewer/sanitary sewer	\$3,355,000.00	\$2,988,775.36	\$2,985,670.96	\$2,754,504.83	\$366,224.64	the storm sewer debenture for this project will be less than budgeted
P16-149 Market Square Roof replacement	Facility - roof	\$350,000.00	\$349,274.19	\$262,559.12	\$329,444.50	\$725.81	funds will remain in the infrastructure levy reserve
P17-178 Bogart St splashpad/Lancaster washrooms/pool demolitions	Facility - splashpad/updated washrooms/removal of outdoor pools	\$1,225,000.00	\$1,214,906.99	\$1,045,531.49	\$1,049,745.93	\$10,093.01	the debenture for the additional funds approved in 2018 can be reduced
P17-100 Briarsdale/Glen Morris	Watermain Replacement	\$950,000.00	\$635,256.91	\$708,113.65	\$599,350.61	\$314,743.09	funds will remain in the water budget for future projects
P15-003 Tunis Street/Valley Road	Watermain/Storm Sewer	\$588,000.00	\$463,002.74	\$497,245.15	\$439,426.38	\$124,997.26	the storm sewer debenture for this project will be less than budgeted