

**Report from** Financial Management Services, Corporate Asset Management

**Date of Report:** September 5, 2019

**Date of Meeting:** September 16, 2019

**Report Number:** FMS-B032-2019

**File:** 10.57.10

**Subject:** Capital Project Report for Second Quarter ended June 30, 2019

## Recommendation

That the Budget Standing Committee receive the capital projects report for the second quarter ending June 30, 2019 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 half of 2019. Where project costs exceed approved budget amounts, in accordance with the Delegation Bylaw 2019-163, authorized senior management can approve the transfer of additional budget from capital projects addressing similar needs. Alternatively, 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. The details of the six capital projects completed in the first half of 2019 are attached as Appendix 1. All projects except P16-105 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, in compliance with the Delegation Bylaw 2019-163 or 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, other than those discussed within the report and related appendix.

## **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 half of 2019. It is recommended that BSC receive for information purposes the capital project report.

### **Prepared and Submitted by:**

A Tourigny  
Corporate Asset Manager

### **Approved by:**

K.Douglas  
Director, Financial Management Services / City Treasurer

### **Appendices:**

Appendix 1 Q2 2019, Completed Projects in excess of \$100,000.

City of St Catharines  
Completed Projects in excess of \$100,000  
6 months ended June 30 2019

APPENDIX 1

| Project Number | Location  | Asset                                    | Approved Budget | Final Project Cost | Construction Award | Final Construction Cost | Remaining Budget Variance | Comments  |
|----------------|---|--|-----------------|--------------------|--------------------|-------------------------|---------------------------|---|
| P13-180        | Victoria Lawn Cemetery Administration Building  | Administration building upgrades/renewal | 1,850,000.00    | \$1,812,841.15     | \$1,623,900.00     | \$1,617,369.89          | 37,158.85                 | Unrequired funding will be transferred to other cemetery project/s  |
| P16-063        | St.George St.                                   | Road, storm/sanitary sewer               | 1,054,500.00    | 989,676.52         | 812,724.27         | 863,842.59              | 64,823.48                 | Storm debenture issuance will be reduced. Unrequired water/wastewater funding will remain in the Water/Wastewater Reserve |
| P16-101        | Clover/Haywood/Sandy Cove Watermain Replacement | Watermain replacement                    | 766,000.00      | \$504,555.39       | \$594,206.83       | \$449,661.19            | 261,444.61                | Unrequired water/wastewater funding will remain in the Water/Wastewater Reserve   |
| P16-103        | Glendale Ave. Watermain Replacement             | Watermain replacement                    | 1,779,000.00    | 1,730,108.47       | 1,802,796.95       | 1,605,291.21            | 48,891.53                 | Unrequired water/wastewater funding will remain in the Water/Wastewater Reserve   |
| P16-105        | Wakil Dr. Watermain Replacement                 | Watermain replacement                    | \$630,000.00    | 662,161.87         | 524,018.21         | 586,338.19              | -\$32,161.87              | Budget transfer of \$32,161.87 from P17-007 completed to balance budget and project costs.(Per Bylaw 2019-163)            |
| P18-122        | 2018 Structural Maintenance Contract            | Bridge renewal                           | 410,000.00      | \$380,859.99       | \$358,001.86       | \$334,072.99            | 29,140.01                 | Unrequired funding will be transferred to other bridge project/s  |