

Report from Financial Management Services, Corporate Asset Management

Date of Report: November 7, 2019

Date of Meeting: November 20, 2019

Report Number: FMS-B053-2019

File: 10.57.10

Subject: Capital Project Report for Third Quarter ended September 30, 2019

Recommendation

That Report FMS-B053-2019, regarding the Capital Project Report for the third quarter ending September 30, 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 completed capital projects over \$100,000 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's 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 third quarter 2019 (Q3). 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 seven capital projects completed during Q3 2019 are attached as Appendix 1. All projects were completed within the approved budgets.

When capital projects costs are lower than the approved budget:

- Funding requirements may be reduced, and consistent with the original funding sources, debt or reserve funding may be reduced. For example, 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.

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

Regular reporting of capital activity compared to budget demonstrates accountability and transparency. This financial control supports the City's commitment to building and growing a diverse and resilient economy through fiscal responsibility, urban regeneration and collaborative partnerships.

Conclusion

FMS and EFES staff have worked collaboratively to complete the capital project report for capital projects over \$100,000 for Q3 2019. It is recommended that BSC receive for information purposes the capital project report.

Prepared and Submitted by:

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Approved by:

Kristine Douglas, Director, Financial Management Services / City Treasurer

Appendices:

- Appendix 1 - Completed Projects in excess of \$100,000, Q3 2019.

City of St. Catharines
 Completed Capital Projects in excess of \$100,000
 Third Quarter, ended September 30, 2019

1

Project #	Project Name	Asset	Total Project Budget	Final Project Cost	Construction Award	Final Construction Cost	Favourable Variance between Project Budget & Actual	Comments
P17-104	LAKESHORE / SEWAY HAULAGE WATERMAIN	Watermain	\$ 1,153,000	\$ 659,647	\$ 619,282	\$ 617,383	\$ 493,353	Unrequired watermain funding will remain in the Water/Wastewater Reserve.
P16-061	GREENWOOD / BEATRICE	Sanitary Sewer & Road	\$ 1,065,000	\$ 1,048,501	\$ 1,191,122	\$ 953,038	\$ 16,499	Roads debenture funding will be reduced and unrequired sanitary sewer funding will remain in the Water/Wastewater Reserve.
P16-140	CITY HALL CHILLER REPLACEMENT	City Hall Building	\$ 220,000	\$ 181,634	\$ 177,995	\$ 164,965	\$ 38,366	Facilities debenture funding will be reduced.
P16-104	PARK AVENUE WATERMAIN REPLACEMENT	Watermain and Storm Sewers	\$ 1,703,000	\$ 935,796	\$ 1,210,877	\$ 871,747	\$ 767,204	Unrequired watermain funding will remain in the Water/Wastewater Reserve and storm sewer debenture funding will be reduced.
P17-007	BESSBOROUGH	Watermain, Sanitary and Storm Sewers	\$ 2,818,000	\$ 1,768,619	\$ 2,414,547	\$ 1,551,146	\$ 1,049,381	Unrequired watermain/sanitary sewer funding will remain in the Water/Wastewater Reserve.
P17-172	RUSSELL AVENUE COMMUNITY CENTRE - WASHROOM	Community Centre renewal	\$ 455,000	\$ 447,860	\$ 258,888	\$ 357,476	\$ 7,140	Facilities debenture funding will be reduced.
P18-166/ P19-165	BILL BURGOYNE ARENA - REFRIGERATION PLANT REPLACEMENT	Arena - Renewal	\$ 915,000	\$ 898,760	\$ 929,549	\$ 842,140	\$ 16,240	Facilities debenture funding will be reduced.