

Report from: Financial Management Services, Corporate Asset Management

Report Date: February 28, 2020 **Meeting Date:** March 11, 2020

Report Number: FMS-B009-2020 **File:** 10.57.10

Subject: Capital Project Report for Fourth Quarter ended December 31, 2019

Recommendation

That Report FMS-B009-2020, regarding the Capital Project Report for the Fourth Quarter ending December 31, 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 Budget Standing Committee (BSC) on a quarterly basis.

Report

The purpose of this report is to provide information to BSC and to Council about capital projects over \$100,000 that have been completed during the fourth quarter of 2019. City staff expertise, market trends, industry and past experience, as well as various studies are used by staff to determine project budgets related to the City's linear and non-linear infrastructure.

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 ten capital projects completed during Q4 of 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 Q4 2019. It is recommended that BSC receive for information purposes the capital project report.

Prepared by:

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Submitted by:

Kristine Douglas, Director of Financial Management Services / City Treasurer

Approved by:

David Oakes, Deputy Chief Administrative Officer

Appendices:

Appendix 1 - Completed Projects in excess of \$100,000, Q4 2019.

Project #	Project Name	Asset	Total Project Budget	Final Project Cost	Construction Award	Final Construction Cost	Favourable Variance between Project Budget & Actual	Report Comments
P15-142	Renovations /Alterations to Lake Street Service Centre	Building	\$ 6,189,854	\$ 6,132,828	\$ 4,970,976	\$ 5,033,024	\$ 57,026	Increased construction costs were approved through change orders accommodated within the approved total budget. (As authorized by TES-226-2017) Related debenture funding will be reduced.
P13-067	Rivercrest Drive	Watermain, Sanitary Sewer and Road	\$ 1,992,599	\$ 1,468,051	\$ 1,373,391	\$ 1,190,115	\$ 524,548	Storm and Road debenture funding will be reduced. Unrequired watermain/sanitary sewer funding will remain in the Water/Wastewater Reserve.
P17-135 Part I	Oakhill Park/Yates Street Decorative Heritage Wall Phase I	Land Improvement	\$ 205,000	\$ 197,536	\$ 181,642	\$ 178,996	\$ 7,464	Facilities debenture funding will be reduced.
P15-090	LED Street Light Conversion	Streetlights	\$ 6,149,719	\$ 5,637,237	\$ 5,017,450	\$ 5,555,307	\$ 512,482	Increased construction costs were approved through change orders accommodated within the approved total budget. (As authorized by TES-226-2017) Gas tax funding will be reduced to match actual expenditures.
P14-067	Lorne Street Reconstruction	Road,Watermain, Sanitary and Storm Sewer	\$ 2,670,658	\$ 2,496,277	\$ 2,174,611	\$ 2,170,551	\$ 174,381	Road debenture funding will be reduced.Unrequired watermain/sanitary sewer funding will remain in the Water/Wastewater Reserve.
P16-004	Rodger/Sharon Storm Sewer	Storm Sewer	\$ 1,270,000	\$ 919,616	\$ 1,095,280	\$ 764,931	\$ 350,384	Storm sewer debenture funding will be reduced.
P18-080-1	2018 Resurfacing -Part 1	Road	\$ 1,171,682	\$ 1,155,970	\$ 1,143,019	\$ 1,132,863	\$ 15,712	Road debenture funding will be reduced.
P17-100	Briarsdale/ Glen Morris Watermain	Watermain	\$ 950,000	\$ 641,430	\$ 708,114	\$ 599,916	\$ 308,570	Unrequired watermain funding will remain in the Water/Wastewater Reserve.
P18-102	Smythe Street Watermain	Watermain	\$ 185,000	\$ 125,329	\$ 123,130	\$ 110,519	\$ 59,671	Gas tax funding will be reduced to match actual expenditures.
P17-105	Nancy / Rosemount Watermain	Watermain	\$ 865,000	\$ 599,951	\$ 516,859	\$ 487,946	\$ 265,049	Unrequired watermain funding will remain in the Water/Wastewater Reserve.