

Report from: Financial Management Services, Corporate Asset Management

Report Date: March 4, 2022

Meeting Date: March 21, 2022

Report Number: FMS-B006-2022

File: 10.57.10

Subject: Capital Project Report for the Fourth Quarter ended December 31, 2021

Recommendation

That Report FMS-B006-2022, regarding the Capital Project Report for the fourth quarter ending December 31, 2021, be received for information.

Summary

This report provides the list of projects substantially completed for the fourth quarter (Q4) ending December 31, 2021, as well as overall activity for the year.

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 2021. 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. The details of the 8 capital projects completed during Q4 of 2021 are attached as Appendix 1.

Where expected project costs exceed approved budget amounts, in accordance with the Delegation By-law 2020-156, authorized senior management can approve the transfer of additional budget from capital projects addressing similar needs. During 2021, 30 budget transfers moving \$2.2 million between capital projects of the same type of asset were approved through delegated authority. During 2021, Directors approved 23

project fund transfers up to \$100,000 (with an average value of \$41,252). The CAO approved seven transfers up to \$250,000 (with an average transfer value of \$174,045). Budget overages in excess of \$250,000 require Council approval to fund the overage with details to explain why the project is more than budgeted.

All eight projects shown in Appendix 1 were completed within approved budgets (which included approved budget transfers as identified). When capital project costs are lower than the approved budget:

- Funding requirements are reduced, consistent with the original funding sources.
 - Debt funding is reduced, which in turn, impacts future debt capacity forecasts.
 - Reserve funding is reduced. For example, the excess water / wastewater reserve funding is returned to 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 By-law 2020-156 or with Council approval.
- If funds were provided 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.

Conclusion

Financial Management Services and Engineering, Facilities and Environmental Services staff have worked collaboratively to complete the capital project report for capital projects over \$100,000 for Q4 2021.

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Approved by

David Oakes, CAO

Appendices

Appendix 1: Completed Capital Projects in excess of \$100,000, Q4 2021

Completed Capital Projects over \$100,000, Q4, 2021

Project Name	Asset	Total Project Budget	Budget Transfers In/(Out) Approved by Delegated Authority	Final Project Cost	Construction Award	Final Construction Cost	Favourable Variance between Project Budget & Actual	Comments
GLENWOOD AVE./ SOUTH DR./ HIGHLAND AVE. RECONSTRUCTION AND PARK DEVELOPMENT	ROAD, SIDEWALKS, STORM SEWER, SANITARY SEWER, WATERMAIN, PARK	\$3,398,405	\$10,000	\$2,729,671	\$2,733,990	\$2,543,508	\$668,734	Road debenture funding will be reduced and unrequired sewer and watermain funding will be transferred to the Water/Wastewater Reserves
2020 RESURFACING PROGRAM	ROADS	\$1,487,000		\$963,512	\$1,181,461	\$874,378	\$523,488	Roads future debenture funding will be reduced
HAPPY ROLPH'S - PLAYGROUND EQUIPMENT	PLAYGROUND EQUIPMENT	\$509,000		\$507,804	\$441,740	\$441,740	\$1,196	Unrequired Infrastructure Levy remains in the reserve for future use
CEMETERY - ROOFING AND STRUCTURAL REPAIRS	BUILDING	\$164,550		\$153,600	\$104,000	\$101,500	\$10,950	Building project debenture funding will be reduced
BRIDGE REHABILITATION - THIRD AVE. LOUTH BRIDGE	BRIDGE	\$890,000		\$832,636	\$681,563	\$676,687	\$57,364	Bridge project debenture funding will be reduced
SHORELINE PROTECTION - WESTGATE PARK	SHORELINE PROTECTION	\$1,824,756	(\$5,244)	\$1,185,721	\$1,706,525	\$1,139,854	\$639,035	Shoreline Protection future debenture funding will be reduced
VALLEY ROAD SANITARY SEWER	SANITARY SEWER	\$910,000		\$668,337	\$823,192	\$626,813	\$241,663	Unrequired sanitary sewer funding will be transferred to the Wastewater Reserve
POLLUTION CONTROL - BURLEIGH HILL DR./ GLENDALE AVE.	ROAD, SIDEWALKS,SANITARY SEWER, WATERMAIN	\$12,084,115	\$47,610	\$11,296,799	\$11,475,492	\$11,134,618	\$787,315	Pollution Control project debenture funding will be reduced