



Legislation Details (With Text)

File #: AR-19-110 **Version:** 1 **Name:**
Type: Agenda Reports **Status:** Agenda Ready
File created: 1/24/2019 **In control:** City Council
On agenda: 2/19/2019 **Final action:**
Title: Capital Carry Forwards & Completed Projects
Presented by: Anne Victoor, Manager Financial Services

Sponsors:

Indexes:

Code sections:

Attachments: 1. Municipal Capital Projects - Carry Forward, 2. Municipal Capital Projects - Closed, 3. Utility Capital Projects - Carry Forward, 4. Utility Capital Projects - Closed

Date	Ver.	Action By	Action	Result
2/19/2019	1	City Council	approved	Pass

TAMRMS#: B06

Capital Carry Forwards & Completed Projects

Presented by: Anne Victoor, Manager Financial Services

RECOMMENDATION(S)

1. That the 2018 Municipal Capital Carry Forward amount of \$103.6 million, which includes a \$391 thousand net budget increase, as detailed in the document entitled "*Municipal Capital Projects - Carry Forward*", provided as an attachment to the February 19, 2019 agenda report entitled "Capital Carry Forwards & Completed Projects", be approved.
2. That the residual balance remaining in the 2018 Municipal Capital closed projects in the amount of \$19.5 million as detailed in the document entitled "*Municipal Capital Projects - Closed*", provided as an attachment to the February 19, 2019 agenda report entitled "Capital Carry Forwards & Completed Projects", be uncommitted within their respective funding source.
3. That the 2018 Utility Capital Carry Forward amount of \$84.6 million, which includes a \$70 thousand budget increase, as detailed in the document entitled "*Utility Capital Projects - Carry Forward*", provided as an attachment to the February 19, 2019 agenda report entitled "Capital Carry Forwards & Completed Projects", be approved.
4. That the residual balance remaining in the 2018 Utility Capital completed projects in the amount of \$45 thousand as detailed in the document entitled "*Utility Capital Projects - Closed*", provided as an attachment to the February 19, 2019 agenda report entitled "Capital Carry Forwards & Completed Projects", be uncommitted within their respective funding source.

PURPOSE OF REPORT

This report provides Council with an overview of the 2018 Municipal and Utility Capital Carry Forwards and Closed Projects for consideration.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

N/A

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

N/A

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

As per Council Policy C-FS-11, Operating and Capital Carry Forwards Policy:

Any operational or capital project that has not been completed during its budgeted fiscal year shall be brought forward for consideration as part of Administration's report on proposed year end transfers, and all projects shall be subject to a maximum carry-forward deadline.

Any operating or capital project that is fully completed within the fiscal year shall be brought forward for consideration as part of Administration's report on proposed year end transfers, and all projects with a surplus shall have that surplus directed back to its original funding source if feasible.

BACKGROUND AND DISCUSSION

The purpose of a capital carry forward is to ensure that there is adequate funding available to complete Council approved capital projects overlapping budget years.

Municipal Capital Carry Forwards and Closed Projects

In 2018, the City had a total of 173 Municipal Capital Projects, of which:

- 113 projects to be carried forward of \$103.6 million
- 60 projects to be closed with project surplus of \$19.5 million.

One project budget has changed due to additional costs required and a new project has been set up to fund projects being closed but still in maintenance. As such, the net impact is an overall increase of the project budgets of \$391 thousand, and a request of \$103.6 million is recommended to be carried forward to 2019.

A total of 60 projects are being recommended to be closed with a total budget of \$67.0 million. Of the total budget, \$47.5 million of actual expenditures was incurred resulting in a \$19.5 million realized net surplus, which includes the \$17.5 million debenture not exercised. It is recommended that these funds be uncommitted within their respective funding source for allocation to future Council approved projects.

Utility Capital Carry Forwards and Closed Projects

In 2018, the City had a total of 62 Utility Capital Projects, of which:

- 50 projects to be carried forward of \$84.6 million
- 12 projects to be closed of \$13.3 million with project surplus of \$45 thousand.

There are 50 utility capital projects that remain in progress at the end of 2018 with an approved budget of \$84.5 million. An increase of \$70 thousand is recommended on projects costs higher than anticipated. As a result, a request of \$84.6 million is recommended to be carried forward to 2019.

A total of 12 utility capital projects are being recommended to be closed with a total project budget of \$13.3 million. Total expenditures equated to \$13.3 million, resulting in a net realizable savings of \$45 thousand from project costs lower than expected. It is recommended that these funds be uncommitted within their respective funding source for allocation to future Council approved projects.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- Approval to carry forward budgets for Municipal Capital and Utility Capital will ensure that Administration can complete Council approved projects.
- Approval to un-commit within or transfer to appropriate reserves the realized net savings from closed projects ensures that dollars will be available for future capital needs which represents prudent financial planning.

Legal / Risk:

- None

Program or Service:

- If funds recommended to be carried forward are not approved, projects/programs still in progress will not have the appropriate funds to complete.

Organizational:

- None

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If Council does not wish to support the recommendation, the following alternatives could be considered:

- Specific projects should be identified by Council for completion and appropriate funds be carried over.
- Specific projects should be identified by Council to not proceed and the appropriate funds be withdrawn and no other expenditures be incurred, and the funds returned to funding sources,

as per Council Policy.

Report Date: February 19, 2019
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Committee/Department: Finance & Assessment Department
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