



Legislation Text

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6.1

Review of 2018 and Prior Incomplete Capital Projects

Presented by: Diane McMordie, Director, Financial Services & Information Technology/CFO

RECOMMENDED MOTIONS

That Community Growth & Infrastructure Standing Committee recommend to Council that...

1. Seven Municipal Capital projects be closed and the residual balance of \$350,244 as detailed in the document entitled *"2018 and Prior Incomplete Capital Projects"*, provided as an attachment to the June 14, 2021 agenda report be uncommitted within their respective funding sources.
2. Two Utility Capital projects be closed and the residual balance of \$3,483 as detailed in the document entitled *"2018 and Prior Incomplete Capital Projects"*, provided as an attachment to the June 14, 2021 agenda report be uncommitted within their respective funding sources.

PURPOSE OF REPORT

To provide Committee members with an updated status relating to 2018 and prior incomplete Capital projects.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

Strategic Priority #4: Infrastructure Investment: Identify and build needed capital assets.

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

N/A.

ALIGNMENT TO COUNCIL (OR COMMITTEE) DIRECTION OR MANDATORY STATUTORY PROVISION

N/A.

At the February 16, 2021 CC meeting council mentioned to Administration to bring forward capital

projects that are incomplete.

BACKGROUND AND DISCUSSION

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.

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.

At the February 16, 2021 meeting Council approved:

- 123 Municipal Capital projects to be carried forward of \$195.3 million
- 47 Utility Capital projects to be carried forward of \$48.7 million

At this meeting Council raised concerns over the number of capital projects that have been carried over for several years and asked Administration to provide a status of capital projects approved in 2018 and earlier.

Subsequently Administration has reviewed all 46 Municipal and 26 Utility capital projects that fall into this category to determine which projects are in progress and which can be closed. The detailed project briefs and a summary are provided in the attachment titled *"2018 and Prior Incomplete Capital Projects."*

Of the 46 Municipal Projects relating to 2018 and prior:

- 7 projects are recommended to be closed with a project surplus of \$350 thousand
- 39 projects in the amount of \$22.6 million are still in progress and are required to remain open.

The \$350 thousand realized net surplus on the closed projects are recommended to be uncommitted within their respective funding source for allocation to future Council approved projects.

Of the 26 Utility Projects relating to 2018 and prior:

- 2 projects are recommended to be closed with a project surplus of \$3 thousand
- 24 projects in the amount of \$28.4 million are still in progress and are required to remain open.

The \$3 thousand realized net surplus on the closed projects are recommended to be uncommitted within their respective funding source for allocation to future Council approved projects.

Of the projects remaining open, status updates will be provided to Council through the quarterly reports in addition to the annual year end Capital Carry Forward and Closed Project agenda report.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

- 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 at this time

Program or Service:

None at this time

Organizational:

None at this time

ALTERNATIVES AND IMPLICATIONS CONSIDERED

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

- Specific projects can be identified by Council for completion and appropriate funds be carried over.
- Specific projects can 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.

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