

**The Corporation of the City of Kawartha Lakes**  
**Council Report**

**Report Number CORP2018-004**

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**Date:** May 8, 2018  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier:** All

**Title:** 2017 Q4 Capital Close

**Description:**

**Author and Title:** Nicole Owens, Junior Accountant

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**Recommendation(s):**

**THAT** Report CORP2018-004, **2017 Q4 Capital Close**, be received;

**THAT** the capital projects identified in Attachment A to Report CORP2018-004 be approved to be closed due to completion;

**THAT** the balances in the table below be transferred to or from the corresponding reserves;

<b>Reserve</b>	<b>Report Closing Balance</b>
Capital Projects Reserve	(\$254,192.41)
Capital Projects Reserve – Victoria Manor	(\$150,390.44)
Public Works Fleet Reserve	\$173,212.22
K.L. Police Services Contingency Reserve	\$32,331.02
Water Infrastructure Reserve	\$23,929.38
Sewer Infrastructure Reserve	\$30,501.28

**THAT** an additional \$241,094.80 of debenture debt be allocated to project 9711401 – Energy Saving Performance Control to fund the project deficit and bring the project balance to zero;

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

**THAT** an additional \$39,102.51 of debenture debt be allocated to project 9981302 – Birch Point Estates Drinking Water to fund the project deficit and bring the project balance to zero;

**THAT** an additional \$326,000.00 of debenture debt be allocated to project 9981603 – Thornhill Reservoir, Venting to fund the project deficit and bring the project balance to zero;

**THAT** an additional \$6,764.76 of debenture debt be allocated to project 9981506 – Mariposa Estates WDS, Construction to fund the project deficit and bring the project balance to zero;

**THAT** an additional \$21,307.09 of City Development Charges be allocated to project 9121501 – RD1401 Rural Resurfacing to fund the project deficit and bring the project balance to zero;

**THAT** an additional \$47,528.02 of City Development Charges be allocated to project 9981606 – Mill Street Watermain to fund the project deficit and bring the project balance to zero;

**THAT** an additional \$15,000.00 of City Development Charges be allocated to project 9981621 – St David Street Sewer Interconnect to fund the project deficit and bring the project balance to zero;

**THAT** an additional \$449.30 of City Parkland Reserve be allocated to project 9501604 – Picnic Table & Bench Replacement to fund the project deficit and bring the balance to zero upon project closure;

**THAT** an additional \$2,145.98 of City Parkland Reserve be allocated to project 9501610 – Sports Field Improvements to fund the project deficit and bring the balance to zero upon project closure;

**THAT** the following projects be granted an extension to June 30, 2018:

932161401 - Fire Station Capital Repairs
932170701 - Communication Equipment
932170801 - Extrication Equipment
938170200 - Paramedic Equipment
938170301 - Replace Light Duty Vehicle
938170401 - Replacement Ambulance
950160700 - Ice Plant/System Equip Replace
950162200 – Arena &Pool Syst & Equip Upgrades
953150300 - HVAC Replacements
983161400 - Traffic Improvements
994152501 - Transit - Calling of Stops
983150100 - Bridge Recon, Rehab and Design

983160100 - Bridge Reconstruction
983161800 - Roads Portion of WWWW Projects
998151001 - Huron Street Watermain Replace
998160701 - East St N Watermain Replace

**THAT** the following projects be granted an extension to December 31, 2018:

932170201 - Bethany Firehall
983150600 - Urban/Rural Recon Projects
983160600 - Urban/Rural Reconstruct Projects
983170300 - Urban /Rural Reconstruction
983170800 - Road Restoration WWWW Projects
983171001 - Streetlights
997131000 - Landfills - Cell Construction
997141000 - Landfills - Cell Construction
997161201 - Eldon Landfill Const - Phase 3
997170200 - Landfill Site Works
998151201 - Lindsay WPCP Upgrade
998151501 - Lindsay WPCP Septage Receiving
998151601 - Fenelon Falls Ellice St SPS Up
998152200 - GlenelgStE Watermain Repl-Dsgn
998160501 - Pinewood Production Well
998160800 - Fenelon Falls Watermain Upgrade
998161401 - Kings Bay - RBC Units Upg/Repl
998162001 - Adelaide St N Sewer
991150300 - Depot/Sand/Salt Build Rep-East
991150400 - Depot/Sand/Salt Build Rep-West

**THAT project** 998110100 – Omemee WPC Plant Upgrades completion date be extended to December 31, 2019;

**That** project 938180202 – Ambulance Remount be closed and the remaining budget of \$165,000.00 be transferred and combined with 938180203 – Ambulance Remount;

**That** projects 953180107 Basement Interiors City Hall with a balance of \$19,004.29, 953180108 – Flooring City Hall with a balance of \$40,000.00, and 953180110 – Cabinet & Fixtures City Hall with a balance of \$24,741.76 be closed and remaining budgets transferred to 953180106 – Electrical Systems City Hall with a balance of \$29,789.96;

**That** \$25,000 be transferred from the budget of project 953180111 – Various Accessibility Retrofits to project 953180120 – Lindsay Service Centre Reconfiguration to commit the funds to retrofits made within the Lindsay Service

Centre and;

**That** \$114,346 of surpluses left in WW0882, C0885 and C0151 and the Fenelon Water Plant be transferred to the Capital Reserve.

## **Background:**

This report is provided to advise Council on each capital project's actual costs versus its approved budget and to close projects that are complete as at December 31, 2017 in accordance with the Capital Close and Administration Policy.

Through the conversion to JDE, a number of projects had resolutions in multiple reports which effected their funding. This report allows us to clear out old projects with deficits and surplus' as well as completing the year end capital close. A surplus of \$460,176.90 is being returned to it's original funding sources after all the projects have be analyzed.

## **Rationale:**

The expectation of a capital close report is to bring completed capital projects to a zero balance by recommending provisions for any shortfalls and disposition of surplus amounts. When projects are closed with a surplus, the surplus is typically transferred to the Capital Projects Reserve. There are some exceptions to this practice. If the project being closed was funded from a source other than the general tax levy then the surplus is returned to that source of funding.

Please see below a list of attachments

Attachment A - Lists all projects recommended to be closed identifying the amount that will be returned to the reserves listed. There are projects that are closing with a zero balance as the funding has been returned to the original funding source and does not require Council approval to do so.

Attachment B – Lists all projects that will be complete as of June 30, 2018 or are on target to be completed by their current completion date. The project numbers with two asterisks (\*\*) are multi year projects that will have additional funding over multiple years and will be using the same project number until the project is completed.

Attachment C – Lists the projects that are seeking Council Resolution to extend the current completion date.

Attachment D - Lists all of the current municipal drain projects. All of the municipal drain projects are currently showing as negative amounts because the landowner is billed for his/her share and the City applies for funding from the province, once the project is complete.

## Other Alternatives Considered:

Council may choose an alternative direction with respect to where the over and under expenditures should be transferred. Staff's recommendations are in accordance with the Capital Close and Administration Policy C 187 FIN 018.

## Financial/Operation Impacts:

The status of each project has been reviewed by Directors and appropriate management staff. The below detailed tables show the balances to the affected Reserves and Deferred Revenue, of the projects being closed.

### Attachment A: Completed Projects

The table below is a listing of the reserves that require Council approval to transfer funds to and from.

<b>Reserve</b>	<b>Report Closing Balance</b>
Capital Projects Reserve	(\$139,845.49)
Capital Projects Reserve – Victoria Manor	(\$150,390.44)
Public Works Fleet Reserve	\$173,212.22
K.L. Police Services Contingency Reserve	\$32,331.02
Water Infrastructure Reserve	\$23,929.38
Sewer Infrastructure Reserve	\$30,501.28

### Obligatory Funds

Below is a table listing the obligatory funds for which the return of funding does not require Council approval, all deficits require Council approval and are included in the Council resolutions.

<b>Obligatory Reserves &amp; Development Charge Reserve</b>	<b>Report Closing Balance</b>
City Development Charge Reserve	(\$80,396.77)
Parkland 5%	\$4,925.84
Gas Tax Reserve	\$220,387.07

### Debenture Proceeds

The debenture debt will be decreased by \$338,885.62 due to the closure of various capital projects that already had debenture funding from previous capital budgets.

<b>Debenture Proceeds</b>	<b>Report Closing Balance</b>
9981501 – Lindsay Verulam Tower Relining	\$10,367.72
9981502 – Bobcaygeon WTP Filter Rehab	\$38,951.03

<b>Debenture Proceeds</b>	<b>Report Closing Balance</b>
9981604 – Lindsay WTP Chemical Bulk Tank Rehab	\$69,036.40
9981612 – Elgin St W&S D&C Phase 1	\$99,761.22
9981625 – Bond St WW&S D&C	\$347,416.76
9981609 – Vimy St W&S Main Replacement	\$171,023.14
9981612 – Water Tower – Exterior Coating System	\$91,651.42
9711401 – Energy Savings Performance	(\$241,094.80)
9981302 – Birch Point Estates Drinking Water	(\$39,102.51)
9981603 – Thornhill Reservoir – Venting	(\$326,000.00)
9981610 – Russell St W Watermain-Replace/Construction	\$119,833.54
9981506 – Mariposa Estates WDS – Construction	(\$6,764.76)
9981508 – Regent St Reconstruction	\$3,806.46

In summary, a total of \$460,176.90 is recommended to be closed and returned to the original budget funding sources. There are currently 191 projects and staff recommend closing 54 projects, leaving a remaining 137 projects open.

### **Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:**

This recommendation assists in achieving the Strategic Enabler goal. This Capital Close enables Council and the public to see that the projects that have been approved are being closed within budget and in a timely manner. This illustrates responsible fiscal resource management.

### **Consultations:**

Directors, Managers and Staff

### **Attachments:**



Attachment A.xlsx



Attachment B.xlsx



Attachment C.xlsx



Attachment D.xlsx

Attachment A: Completed projects.

Attachment B: Projects on target to be closed by current completion date.

Attachment C: Projects requesting an extension.

Attachment D: Municipal Drains

**Department Head E-Mail: [jstover@kawarthalakes.ca](mailto:jstover@kawarthalakes.ca)**

**Department Head: Jennifer Stover**