

The Corporation of the City of Kawartha Lakes

Committee of the Whole Report

Report Number CORP2020-009

Date: November 5, 2020

Time: 1:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Title: 2020 Q2 Capital Close

Author and Title: Nicole Esper, Junior Accountant

Recommendation(s):

That Report CORP2020-009, **2020 Q2Capital Close**, be received;

That the capital projects identified in Attachment A to Report CORP2020-009 be approved to be closed due to completion;

That the balances in the table below as per Attachment A be transferred to or from the corresponding reserves;

Reserve	Report Closing Balance
Capital Contingency Reserve	\$316,626.73
Victoria Manor Capital Reserve	\$22,856.17
Public Works Fleet Reserve	\$221,368.81
Police Reserves	\$27,049.68
Sewer Infrastructure Reserve	\$15,851.90

That the following projects be granted an extension to December 31, 2020:

- 950151801 - ***Logie Park
- 950153301 - ***Shoreline Restoration
- 928171901 - ***P&R Software
- 932172201 - ***Coboconk Fire Hall Upgrades
- 983191001 – 2019 Streetlighting

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

- 983191301 – 2019 Municipal Drains
- 997190201 – 2019 Lindsay Landfill Electricity System
- 928190100 – 2019 IT Systems
- 938190300 – 2019 Paramedic Equipment
- 998190400 – 2019 WWW Study & Special Projects
- 983181400 – 2018 Gravel Road Rehabilitation
- 983190100 – 2019 Bridges
- 983190300 – 2019 Urban/Rural Reconstruction
- 983190400 – 2019 Urban/Rural Resurfacing
- 983190500 – 2019 Rural Resurfacing
- 983190700 – 2019 Road Lifecycle Extension
- 983191100 – 2019 Traffic Systems
- 983191400 – 2019 Parking Lots
- 997190100 – 2019 Landfill Siteworks
- 998190100 – 2019 Water Treatment Program
- 998190200 – 2019 Wastewater Treatment
- 998190300 – 2019 Water Distribution & Wastewater Collection

That the following projects be granted an extension to June 30, 2021:

- 987180100 - ***2018 Airport Siteworks
- 987190100 - ***2019 Airport Siteworks
- 987190200 - ***GPS Approach Signals

That the following projects be granted an extension to December 31, 2021:

- 928151500 - ***ERP System
- 987190301 - ***Airport Capital Plan
- 999190101 – ***Record Document Management System
- 987200100 - ***2020 Airport Siteworks

That the following projects be reclassified as Multi-year projects:

- 950190201 – Centennial Park Washrooms
- 953180119 – Old Gaol Wall
- 969190101 – Victoria Manor Concept Design

That project 953200501 – M/Y City Hall Systems be closed and combined with 953180101 – M/Y City Hall HVAC Systems

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

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 of June 30, 2020 in accordance with the Capital Close and Administration Policy.

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 completed and 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 December 31, 2020 or are on target to be completed by their current completion date. The project numbers with three 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 active projects that are seeking Council Resolution to extend the current completion date.

Remaining open projects total \$204 Million in budget. The spending to date is approximately \$85 Million. There is currently \$119 Million of capital spending still to be incurred and of that total, 77% of the projects are on track and have the capacity and resources to be completed on schedule. The remaining 21% of projects have been delayed for various reasons and are requesting extensions.

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

Reserve Funds

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

Reserve	Report Closing Balance
Capital Contingency Reserve	\$316,626.73
Victoria Manor Capital Reserve	\$22,856.17
Public Works Fleet Reserve	\$221,368.81
Police Reserves	\$27,049.68
Sewer Infrastructure Reserve	\$15,851.90

Obligatory Funds

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

Obligatory Reserves and Development Charge Reserve	Report Closing Balance
Gas Tax Reserve – Transit	\$42,280.78
Provincial Grants Receivables	\$42,047.21
Federal Grants Receivables	\$55,121.39
Development Charges	\$326,572.65

Debenture Proceeds

The debenture debt will be decreased by \$506,115.08 due to the closure of various capital projects that already had debenture funding from previous capital budgets.

Debenture Proceeds	Report Closing Balance
998170300 – 2017 Water Distribution & Waste Water Collection	\$184,082.76
983190200 - 2019 Culverts	\$322,032.32

In summary, a total of \$1,575,890.40 is recommended to be closed and returned to the original budget funding sources. There are currently 143 projects and staff recommend closing 18 projects, leaving a remaining 125 projects open at the end of June.

There have been numerous discussions with Council in recent weeks' capital projects carrying forward to 2021. Those discussions related to a forecast of the capital position at year end, whereas this report is reflecting actual results as of June 30.

Relationship of Recommendation(s) To The 2020-2023 Strategic Plan:

This recommendation matches our Vision, Mission, Guiding Principles and Values. This recommendation assists in achieving the Strategic Priorities; A Vibrant and Growing Economy and Good Government. This Capital Close enables Council and the public to see that the projects that are being done to improve services within our growing community and are being closed within budget and in a timely manner.

Consultations:

Directors, Managers and Executive Assistants

Attachments:



Appendix A -
Closing Projects.xlsx



Attachment B - On
Target Projects.xlsx



Attachment C -
Projects Requesting

Attachment A: Completed projects.

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

Attachment C: Projects requesting an extension.

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Department Head: Jennifer Stover