

Council Report

Report Number: CORP2021-015
Meeting Date: September 21, 2021
Title: 2021 Q2 Capital Close
Description:
Author and Title: Logan Watson, Junior Accountant

Recommendation(s):

That Report CORP2021-015, 2021 Q2 Capital Close, be received;

That the capital projects identified in Attachment A to Report CORP2021-015 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	\$1,132,241.00
Kawartha Lakes Police Contingency Reserve	\$80,244.02
Sewer Infrastructure Reserve	\$34,141.60
Water Infrastructure Reserve	\$114,168.90

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

- 928171900 - ***M/Y Purchase Parks & Rec Software (2017)
- 997200100 - Landfill Siteworks (2020)
- 950200400 – Parks & Recreation Equipment (2020)

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

- 983200500 - Rural Resurfacing (2020)
- 969200100 - Victoria Manor (2020)
- 998200100 - Water Treatment (2020)
- 938200201 - Ambulance Remount (2020)
- 953170501 - Development 68 Lindsay St N (2017)
- 928200100 - IT Systems (2020)
- 983201101 - Traffic Light Component (2020)
- 983200400 - Urban/Arterial Resurfacing (2020)
- 969190101 - Victoria Manor (2019)
- 983201201 - William St Parking Lot (2020)
- 998200400 - WWW Studies/Special Projects (2020)

That the following projects be granted an extension to June 30, 2022:

- 999190100 - ***M/Y Document & Record Management System (2019)
- 932200100 - Fire Facilities (2020)
- 928190100 - IT Systems (2019)
- 932200300 - Fire Equipment (2020)
- 932200200 - Fire Fleet (2020)
- 928151500 - ERP System (2015)
- 983210101 - Mill Pond Bridge (Replacement) (2021)
- 994200101 - Transit Stops (2020)
- 950151801 - ***M/Y Logie Park Improvements (2015)

That the following projects be granted an extension to December 31, 2022:

- 983200100 – Bridges (2020)
- 983200300 - Urban/Rural Reconstruction (2020)
- 998200300 - Water Distribution & Wastewater Collection (2020)
- 994210100 - Transit Siteworks (2021)
- 983210300 - Urban/Rural Reconstruction (2021)
- 994200200 - Fleet (2020)
- 998110100 - Omemee WPC Plant Upgrades (2011)
- 983180300 - Urban/Rural Reconstruction (2018)
- 983190300 - Urban/Rural Reconstruction (2019)
- 983170300 - Urban/Rural Reconstruction
- 998200200 - Wastewater Treatment (2020)
- 998180300 – Water Distribution & Wastewater Collection (2018)

That the following projects be granted an extension to June 30, 2023:

- 994210200 - Fleet Equipment (2021)

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, 2021 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 Contingency 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 funding source indicated.

Attachment B – Lists all projects that will be complete as of December 31, 2021 or are on target to be completed by their current completion date. The project numbers with three asterisks (***) are multiyear 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 \$186 Million in budget. The spending to date is approximately \$115.8 Million. There is currently \$70.2 Million of capital spending still to be incurred and of that total, 69% of the projects are on track and have the capacity and resources to be completed on schedule. The remaining 31% 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 Policy CP2021-015.

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 Accounts, 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.

Reserve	Report Closing Balance
Capital Contingency Reserve	\$1,132,241.00
Kawartha Lakes Police Contingency Reserve	\$80,244.02
Sewer Infrastructure Reserve	\$34,141.60
Water Infrastructure Reserve	\$114,168.90

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.

Obligatory Reserves and Development Charge Reserve	Report Closing Balance
Development Charge Reserve	\$282,839.38

Debenture Proceeds

The debenture debt will be decreased by \$740,867.88 due to the closure of various capital projects that already had debenture funding from previous capital budgets.

Debenture Proceeds	Report Closing Balance
Arenas & Pools Program (2018)	\$12,113.46
Bridges (2017)	\$353,446.23
Wastewater Treatment (2017)	\$292,750.19
Water Treatment Program (2018)	\$41,279.00
Wastewater Treatment (2018)	\$41,279.00
TOTAL	\$740,867.88

In summary, a total of \$3,151,885.08 is recommended to be closed and returned to the original budget funding sources. There are currently 145 projects and staff recommend closing 30 projects, leaving a remaining 115 projects open.

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 report 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:

Attachment A: Completed projects



Attachment A -
Closing Projects.xlsx

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



Attachment B - On
Target Projects .xlsx

Attachment C: Projects requesting an extension



Attachment C -
Projects Requesting

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Department Head: Jennifer Stover

Department File: