



## REPORT

**REPORT TO:** Mayor Bonnette and Members of Council

**REPORT FROM:** Duncan Robertson, CPA, CMA  
Budgets & Financial Reporting Supervisor

**DATE:** June 26, 2019

**REPORT NO.:** CORPSERV-2019-0005

**RE:** 2018 Completed Capital Projects

### RECOMMENDATION:

THAT Report No. CORPSERV-2019-0005 dated June 26, 2019 regarding 2018 Completed Capital Projects be received as information.

### BACKGROUND:

The purpose of this report is to provide information to Council on the projects that were completed in 2018. In addition, this report identifies any residual project funds that were returned to reserves or additional financing that was required for the completion of projects.

Appendix A provides a summary by department of completed capital projects as of December 31, 2018. Appendix B shows the individual project detail at the department level. Each appendix lists the reserves or development charges that financed the project or to which residual funds were returned.

All completed capital projects are managed in accordance with Town policy. The Town has a comprehensive Capital Budget Governance Policy for the management of capital projects that was approved through report CORPSERV-2019-0008. The policy establishes financial controls that maintain public accountability and transparency while allowing flexibility to alter projects as circumstances change. In accordance with the Capital Budget Governance Policy, the Town Treasurer may authorize gross expenditures where costs for a capital project exceed the original funding approval of the lessor of 10% or \$25,000. Projects requiring funding in excess of \$25,000 require Council approval. Appendix C notes the project funding authorized by the Treasurer through the Capital Budget Governance Policy (CORPSERV-2019-0008) and project funding approved by Council.

**COMMENTS:**

Through effective monitoring and strict adherence to purchasing policies, often times capital projects can finish with a positive variance to budget. These funds are then returned to the various reserves and reserve funds from which they originated. In 2018, a net total of \$2,097,626 was returned to the following reserves:

	<b>Net Funding Returned to Reserves</b>
Capital Replacement Reserve	(577,669)
Technology Replacement Reserve	(153,310)
Library Capital Reserve	(557)
Fire Services Reserve	(98,839)
Pavement Management Reserve	(10,503)
Equipment Reserve	(817,714)
Community Sustainability Reserve	(60,987)
Deferred Revenue - Canada Gas Tax	(4,035)
Deferred Revenue Parkland Cash-in-lieu	(90,737)
Development Charges	(283,273)
<b>Total</b>	<b>(2,097,626)</b>

Of the \$2,097,626 returned to reserves, a net amount of \$451,822 was allocated to various capital projects as approved by Council (refer to Appendix C). The amount remaining in reserves following the completion of capital projects is \$1,645,804. As noted in report CORPSERV-2019-0028, the Town had an additional inflow to reserves of \$366,452 from the operating surplus. When combined with the \$1,645,804 returning to reserves from capital projects, the total contribution to reserves is \$2,012,256. This is consistent with the Long Range Financial Plan assumptions as of December 31, 2018.

	<b>2018 Surplus</b>	<b>Net Transferred to Capital Fund</b>	<b>Recommended Transfers to Operating Fund</b>
Completed Capital Projects	(2,097,626)		
2018 Operating Budget	(1,644,939)		
Open Capital Projects		451,822	
Contract Carry-forward			106,887
2019 Contractual-staff			921,600
Affordable Housing Initiatives			250,000
<b>Total</b>	<b>(3,742,565)</b>	<b>451,822</b>	<b>1,278,487</b>
<b>Net Balance to Remain in Reserves</b>			<b>(2,012,256)</b>

**RELATIONSHIP TO STRATEGIC PLAN:**

This report supports the strategic objectives:

- Establish sustainable financing, asset management and master plans to acquire, operate, maintain, renew and replace infrastructure.
- Continue to provide timely and transparent communications with the Town's residents and business owners.

**FINANCIAL IMPACT:**

This report is for information only. The \$2,097,626 of net funding returned to reserves throughout 2018 was the result of recommendations previously approved during the year and through the application of the Capital Budget Governance Policy.

**CONSULTATION:**

All departments were consulted on the closing of capital projects.

**PUBLIC ENGAGEMENT:**

No public engagement required in reference to this report.

**SUSTAINABILITY IMPLICATIONS:**

The Sustainability Implications of the recommendations of this report were reviewed against the requirements of the Town's Sustainability Implications Worksheet. The Worksheet is completed for substantial non-administrative reports, major projects, studies, policies and initiatives that are relevant to advancing the Town's economic, cultural, environmental and social wellbeing, and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable.

**COMMUNICATIONS:**

There is no communications impact.

**CONCLUSION:**

The report on 2018 Completed Capital Projects is for information. Due to careful stewardship, a number of capital projects finished with a positive variance resulting in the return of \$2,097,626 to reserves, reserve funds and deferred revenue. Of the \$2,097,626, a net amount of \$451,822 was directed towards funding other capital

projects as approved by Council. The remaining \$1,645,804 when combined with the reserves contribution of \$366,452 from the operating surplus, amounts to a total return to reserves of \$2,012,256. The reserve balances as at December 31, 2018 were consistent with the Long Range Financial Plan assumptions.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "M. J. Leighton".

**Moya Jane Leighton, Manager of Accounting and Town Treasurer**

A handwritten signature in black ink, appearing to read "Jane Diamanti".

**Jane Diamanti, Commissioner of Corporate Services**

A handwritten signature in black ink, appearing to read "Brent Marshall".

**Brent Marshall, Chief Administrative Officer**