



Staff Report for Budget Committee of the Whole Meeting

Date of Meeting: November 23, 2021

Report Number: SRCFS.21.047

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.21.047 – Capital Project Financial Status Report**

Purpose:

In accordance with Financial Control By-law #114-16 and the Capital Budget Financial Monitoring Policy, the purpose of this report is to provide an overview of the status of existing capital projects, to propose budget and funding adjustments, and to recommend closure of capital projects that have been completed for the purpose of allocating surplus funds back to source.

Recommendation(s):

- a) That all capital projects listed in Appendix “A”;
 - i. Be closed;
 - ii. Projects with unexpended funds be returned to source(s) as identified; and
 - iii. Projects with overspent funds be funded as identified.
- b) That Budget and Funding Adjustments, as noted in Appendix “B”, be approved; and
- c) That the Status of Capital Projects List in Appendix “E” be received.

Contact Person:

Diana Selicean, Financial Management Advisor Capital and Reserve Funds, Ext 6427

Gigi Li, Manager of Fiscal Planning and Strategy, Ext 6435

Report Approval:

Submitted by: Sherry Adams, Commissioner of Corporate and Financial Services

Approved by: Mary-Anne Dempster, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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Background:

The Capital Project Financial Status Report is prepared in consultation with staff responsible for managing departmental capital projects. This report provides a status update of all existing capital projects, as well as recommendations for budget adjustments, consolidations, and project closures with any unspent funds being returned to their original funding sources. For the purpose of this report the capital projects amount spent is as at October 31, 2021.

It is normal business that the life of a capital project may span over a number of years. Due to the on-going and/or grant funding nature of some capital initiatives or timing constraints for projects done in conjunction with the Region, some projects may remain open for a longer period of time. Following the adjustments recommended in this report, the table below summarizes the total number of projects and outstanding commitments as of October 31, 2021. Further project details are located in Appendix “E” of the report.

Period	Number of Projects	Unspent Commitments (millions)
2016 and prior	36	11.79
2017	36	13.22
2018	53	10.27
2019	82	20.46
2020	83	20.47
2021	116	30.18
Total	406	106.39

There are five appendices to this report, which provide an overview, status and recommended adjustments of all capital projects. These appendices are:

- **Appendix ‘A’, Capital Projects Closing** - lists 106 capital projects that staff have reviewed and recommend for closure as of December 31, 2021. The net unspent funds of approximately \$30.38 million will be returned to their original funding sources with any shortfalls also funded from the original funding sources.
- **Appendix “B”, Project Consolidations, Budget and Funding Adjustments** - lists 15 capital project accounts that require budget adjustments, 22 capital project accounts to be consolidated into existing or new accounts by closing the related accounts and 6 capital project accounts requiring funding adjustments with no financial impact. The net unspent funds of approximately \$0.43 million will be returned to their original funding sources and the \$1.34 million shortfall funded from the original funding sources (\$0.64 million) and from the ICIP Covid Recovery Grant (0.70 million).
- **Appendix “C”, Impact on Reserves and Reserve Funds** - provides a summary of funding returned to or withdrawn from the specific Reserves and Reserve Funds.

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- **Appendix “D”, Summary of Capital Closures and Budget Adjustments -** summarizes the results arising from the various project closures and budget/funding adjustments as outlined in Appendix “A” and “B” by Departments and Divisions.
- **Appendix “E”, Status of Ongoing Capital Projects by Department -** outlines all remaining active projects as of December 31, 2021, and their respective status

Financial/Staffing/Other Implications:

Before any adjustments, the City has 505 open capital projects with total funding received of \$342.54 million of which, as of October 31, 2021, there is \$135.87 million unspent. Staff are recommending the closure of 106 capital projects, consolidation of 22 capital projects with similar scope and budget adjustments of 15 capital projects.

The closure of these projects as identified in Appendix “A” and the adjustments recommended in Appendix “B”, will yield a net surplus of \$29.48 million that will be returned to their original sources of funding.

The impact of Capital Closures and Budget adjustments on the Reserves and Reserve Funds is outlined in Appendix “C”.

After these projects have been closed and budget and/or funding adjustments completed as listed on Appendix “A” and “B”, there will be a total of 406 open capital projects with a combined funding received of \$280.78 million of which \$106.39 million is unspent. See details in Appendix “E”.

I. Status of Capital Projects

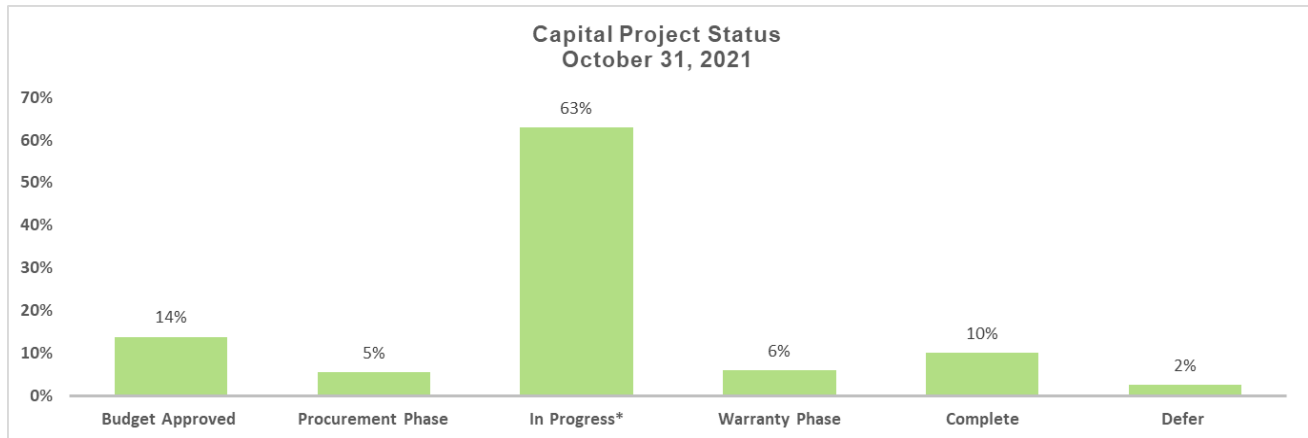
Capital projects have been reviewed by staff to assess their progress in one of the following established categories: Budget Approved, Procurement Phase, Contingency, In Progress, Warranty, Complete, Defer, and Closing.

After all budget adjustments and closures are completed, there will be \$106.39 million in unspent commitments in the various categories listed below:

Project Status	Unspent Commitments (millions)
Budget Approved	\$15.79
Procurement Phase	\$4.56
In Progress	\$63.86
Warranty	\$8.31
Complete	\$6.91
Defer	\$6.96
Total	\$106.39

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The graph below illustrates the status of capital projects as of October 31, 2021 after all budget adjustments and closures are completed.



*In Progress includes Environmental Assessment in Progress, Design in Progress, Construction in Progress and In Progress Purchases and Consulting

II. Capital Projects to be Closed

As identified in Appendix “A”, staff have reviewed and recommend closure of 106 capital projects. The net unspent funds of \$30.38 million will be returned back to their original funding sources with any shortfalls also funded from the original funding sources. Some of the significant capital projects to be closed include:

- Civic Precinct \$24.67 million
- UMESP Projects – Future City Contributions \$2.06 million

III. Project Funding and Budget Adjustment

Appendix “B” lists a total of 22 capital projects that are recommended to be consolidated, 15 projects that require budget adjustments and 6 capital projects that require funding adjustments with no financial impact. The consolidation of 22 projects, budget and funding adjustments for 15 projects will result in \$0.43 million being returned to original funding sources and \$1.34 million net shortfall to be funded from original funding sources and grants.

In-Year Capital project budget adjustments were approved in accordance with the Capital Budget Financial Monitoring Policy and are listed in detail in Appendix “B” and also summarized in the table below:

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In-Year Capital Requests	Amount
Grants – City Funding Share less than \$500,000	\$697,498
Phillips Park Improvements	\$355,075
Humber Flats Mallard Mash Play	\$342,423
Emergency Projects	\$358,000
ORCC North Wall Replacement	\$308,000
Laurentian Park - Repairs	\$50,000
New- Unforeseen Project	\$191,000
SWM Rate Structure	\$100,000
Leslie Street Lights Relocations – Major Mackenzie to Elgin Mills	\$51,000
Yonge St - Traffic Cabinet Conversion	\$40,000
Existing Projects	\$92,197
Relocation of Watermain – 950 Bethesda SR	\$75,000
MacLeod's Landing Trail Connection	\$6,512
Building Surveillance System – Elgin Barrow Arena	\$5,685
Wayfinding Strategy	\$5,000

Amongst the funding adjustments there is a total of \$165,724 in recoveries from third parties from sale of assets and \$93,695 from unbudgeted grants that are returned to the original funding sources of the corresponding projects.

Appendix “E” provides details of each ongoing capital project.

Relationship to Council Strategic Priorities 2020 to 2022:

Presentation of the Capital Project Status Report demonstrates responsible municipal management in which the following objectives are being met:

Stronger connections in Richmond Hill to improve access to local information and services; and wise management of resources in Richmond Hill to serve as a role model for municipal management.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

This report identifies capital projects to be closed, consolidated, or adjusted, and will return a net total of \$29.48 million to original sources of funding.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format, please call the contact person listed in this document.

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- Appendix A: Capital Projects Closing
- Appendix B: Project Consolidations, Budget and Funding Adjustments
- Appendix C: Impact on Reserves and Reserve Funds
- Appendix D: Summary of Capital Closures and Budget Adjustments
- Appendix E: Status of Ongoing Capital Projects by Departments

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Report Approval Details

Document Title:	SRCFS.21.047 Capital Project Financial Status Report.docx
Attachments:	<ul style="list-style-type: none">- SRCFS.21.047 Appendix A -Capital Projects Closing.pdf- SRCFS.21.047 Appendix B - Project Consolidations, Budget and Funding Adjustments.pdf- SRCFS.21.047 Appendix C - Impact on Reserve and Reserve Funds.pdf- SRCFS.21.047 Appendix D - Summary of the Capital Closures and Budget Adjustments.pdf- SRCFS.21.047 Appendix E - Status of Ongoing Capital Projects by Department.pdf
Final Approval Date:	Nov 17, 2021

This report and all of its attachments were approved and signed as outlined below:

David Dexter - Nov 16, 2021 - 6:59 AM

Sherry Adams - Nov 16, 2021 - 1:49 PM

MaryAnne Dempster - Nov 17, 2021 - 9:41 AM