



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division

TO:	Chair and Members Public Works Committee
COMMITTEE DATE:	February 2, 2015
SUBJECT/REPORT NO:	Capital Projects Status Report as of September 30, 2014 (PW15005) - (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Murray (905) 546-2424, Extension 4479
SUBMITTED BY:	Gerry Davis, CMA General Manager Public Works Department
SIGNATURE:	

RECOMMENDATION

- (a) That Appendix A attached to Report (PW15005) respecting the "Tax Supported Capital Status of each Project by Program" be approved;
- (b) That Appendix B attached to Report (PW15005) respecting the "Rate Supported Capital Status of each Project by Program" be approved.

EXECUTIVE SUMMARY

This report presents the capital projects' status for the Tax and the Rate Supported capital budgets and is based on forecasted and committed expenditures to September 30, 2014.

Appendix A to Report PW15005 reflects the Tax Supported capital status of each project by program in Public Works and consists of projects totalling \$1.260 billion (587 projects), of which \$1.060 billion or 84.1% is spent or committed as of September 30, 2014. Appendix B to Report PW15005 reflects the Rate Supported capital status of each project by program in Public Works and consists of projects totalling \$956.0 million (299 projects), of which \$716.8 million or 75.0% is spent or committed as of September 30, 2014.

The following table shows the trends, over the last four years, in project completion percentage:

Percentage of Completion as at September 30, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Supported Program	84.1%	81.7%	81.0%	75.9%
Rate Supported Program	75.0%	70.1%	71.5%	71.1%

The percentage of completion, as of September 30, 2014, has remained fairly consistent for Tax Supported and Rate Supported projects over the same period in 2013, both achieving a slightly greater completion rate. This is aligned with historical trends of project completion as of September 30th and within expectations.

Alternatives for Consideration - Not Applicable

FINANCIAL - STAFFING - LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The Capital Status and Capital Project Closing reports were submitted to City Council three times a year as of June 30th, September 30th and December 31st.

On December 14, 2011, Council approved Report FCS11073(a), which directed staff to review the Capital Projects Status and Closing process and that a process where Departments report to their respective Standing Committees on the status of the Capital Work-in-Progress projects be implemented. Finance has finalized a procedure and has provided departments with templates to commence Standing Committee reporting for the June 30th 2013 reporting period. Reports will be brought forth to Standing Committees three times per reporting year, as of June 30th, September 30th and December 31st. This will allow Standing Committees to review the status of a fewer number of projects, in greater detail, applicable to their area of oversight.

The Project Closing Report will remain with the Capital Budgets section of the Financial Planning and Policy Division in order to ensure suitable controls are maintained, projects are appropriately closed and to centralize the function. The report will continue to be presented to the General Issues Committee (GIC) so that all Councillors can review projects which are being closed. The Closing Report will be presented to GIC as of June 30th, September 30th and December 31st in order to align with status reporting by departments to Standing Committees. This reporting frequency is appropriate as department staff will be reviewing the status of their projects to report to Standing Committees and will be able to identify projects which can be closed.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Capital Project Monitoring

That a Capital Status report be submitted to Public Works Committee three times a year as of June 30th, September 30th and December 31st.

RELEVANT CONSULTATION

All Capital Project managers within Public Works have been consulted on the status of their projects. Staffs within Hamilton Water were also consulted regarding the operating costs of their capital programs.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

Council approved that capital projects are reviewed in accordance with the City's approved Capital Budget Variance and Closure Policy. For each variance/closure report, staff determines if projects can be closed (inactivated) and also monitor financial activity to ensure that Council is aware of any capital projects which deviate significantly from approved budgeted amounts.

Inactivating completed projects helps to keep the number of capital projects, in the financial system, to a manageable size and eliminates redundant data from reports. More importantly it ensures that projects which are complete and/or no longer required do not unnecessarily tie up budget resources that could be re-directed to other needs\capital projects.

The financial information in this report is based on spending to September 30, 2014.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2012 - 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base.
- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES AND SCHEDULES ATTACHED

Appendix A Reflects the Tax Supported Capital Status of each Project by Department and by Program

Appendix B Reflects the Rate Supported Capital Status of each Project by Program