



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Chair and Members Capital Projects Work-in-Progress Review Sub-Committee
COMMITTEE DATE:	September 29, 2020
SUBJECT/REPORT NO:	Capital Project Closing Report as of June 30, 2020 FCS20079 (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tran Trang (905) 546-2424 Ext. 6151 Duncan Robertson (905) 546-2424 Ext. 4744
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the General Manager of Finance and Corporate Services be authorized to transfer \$1,324,905 to the Unallocated Capital Levy Reserve (108020) and \$5,309 from other sources as outlined in Appendix "A" to Report FCS20079;
- (b) That the General Manager of Finance and Corporate Services be directed to close the completed and / or cancelled capital projects listed in Appendix "B" to Report FCS20079 in accordance with the Capital Projects Closing and Monitoring Policy;
- (c) That Appendix "C" to Report FCS20079, Capital Projects Budget Appropriations for the period covering January 1, 2020 through June 30, 2020, be received for information;
- (d) That Appendix "D" to Report FCS20079, Capital Projects Budget Appropriations above \$250,000 and Reserve Transfers requiring Council authorization for the period covering January 1, 2020 through June 30, 2020 totalling \$1,324,412, be approved;

EXECUTIVE SUMMARY

Report FCS20079 presents the capital projects which have been completed or cancelled as of June 30, 2020.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Appendix “A” to Report FCS20079 summarizes net transfers to the Unallocated Capital Levy Reserve and other sources.

Appendix “B” to Report FCS20079 lists the individual projects to be closed. A total of 264 projects with a combined budget of \$243,595,436 is being recommended for closure and is summarized as follows:

- \$33,637,162 relating to completed projects funded from the Unallocated Capital Levy Reserve (108020), which have a net surplus of \$1,324,905;
- \$39,442,410 relating to completed projects funded from other program specific reserves, which require a net transfer of \$5,309 to close;
- \$1,388,000 relating to cancelled or delayed projects; and
- \$169,127,864 relating to projects completed on or under budget that do not impact reserves.

All capital projects listed for closure in Appendix “B” to Report FCS20079 have been reviewed and determined to be complete, with all revenue and expenditure transactions relating to these projects having been processed. Any funding adjustments necessary to close the projects in accordance with the Capital Projects Closing and Monitoring Policy (Report FCS05044, Report FCS07081(a) and Report FCS14031) are reflected in the amounts presented.

Appendix “C” to Report FCS20079 lists the appropriation of funds between capital projects totalling \$6,690,858 for the period covering January 1, 2020 through June 30, 2020 in accordance with the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy (Report FCS14031).

Appendix “D” to Report FCS20079 lists all the capital projects totalling \$1,324,412 requiring Council approval to transfer funds above \$250,000 from projects and reserve transfers for the period covering January 1, 2020 through June 30, 2020.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As outlined in Appendix “A” to Report FCS20079 and summarized in Table 1, a total of \$97,972 in funding is required from the Unallocated Capital Levy Reserve (108020) to offset projects in a negative position. These projects are offset by projects in a positive position totalling \$1,422,878, resulting in a net transfer to this Reserve of \$1,324,905.

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Table 1
City of Hamilton
Capital Project Closings
As of June 30, 2020

Unallocated Capital Levy Reserve (108020)			
Year Approved	ProjectID	Description	Surplus/ (Deficit)
Projects requiring funds			
2006	3620604600	Secondary plan -AEGD	\$ (6,443.29)
2010	4401056090	Johnson Tew Park	(12.58)
2013	3381355301	14 DC Study & '15-18 Intensification Study	(452.23)
2013	4401356541	Borers Creek Trail Link	(23.47)
2015	4411506102	Pier 4 Repair & Pier 8 Trail	(4,798.95)
2016	3541657001	Archibus-Facility Maintenance	(40.90)
2016	4031618355	Bridge 355 - White Church	(31,280.71)
2016	4031618385	Bridge 385 - Westover Rd	(16,383.00)
2016	7101654536	Program - Arena Retrofits	(537.14)
2017	4031718219	Structural Investigation & Rp	(38,000.00)
			\$ (97,972.27)
Projects returning funds			
2006	6180641100	Housing Energy Conserve - ECMP	\$ 3,096.15
2009	4030980984	Rymal-Up Centennial to Dartnal	27,315.33
2010	6181041001	Artists Live-Work Development	50,267.09
2014	3621459450	Pan Am Legacy Projects	5,819.00
2014	4031418426	Bridge 088 - Mill St	22,980.12
2014	4031418430	Bridge 344 - Concession 5W	117,222.20
2014	4031418436	Bridge 449 - Hwy 52	25,123.75
2014	4031418447	Bridge 447-Bell Rd	30,966.93
2015	2051549550	LRT Office & Related Works	12,064.15
2015	3381557502	Budget Operating System Upgrade	54.10
2015	4401556512	Glanbrook Hills Park	4,368.70
2016	4031680685	RHBP-Dartnall-Stone to Rymal	133,902.34
2017	4041710017	Street Lighting - Capital	47,284.98
2018	4041810017	Street Lighting - Capital	231,696.91
2018	4661820019	Annual Traffic Control RP 18	119,837.25
2018	4661820522	Traffic Eng - Signal Design	269,649.62
2018	4661820525	IPS - Intersection Ped Signal	42,500.03
2018	5121890200	Diversion Container Replacmnt	879.75
2018	7101854811	Hill Park Rec Cntr Renovation	608.00
2019	4031921350	Fleet Additions - Roads O&M	3,524.47
2019	4031921960	Fleet Addition - ES - Constrct	57,384.90
2019	4031955963	IoT & Smart Cities St Light	134,913.34
2019	4661920531	APS - Accessible Ped Signals	3,095.78
2019	5121992000	Closed Landfill Maint&Cap Imp	33.67
2019	5121994920	Env Services LegComplianceProg	28,288.98
2020	5122090700	PubSpace&SpecEvent Containers	50,000.00
			\$ 1,422,877.54
Net impact to the Unallocated Capital Levy Reserve			\$ 1,324,905.27

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As outlined in Appendix “A” to Report FCS20079 and summarized in Table 2, a net total of \$5,309 in funding is required from Other Sources (Program Specific Reserves and Unallocated Current Funds-Sanitary) to offset projects in a negative or deficit position that were submitted for closure.

Table 2
City of Hamilton
Capital Project Closings
As of June 30, 2020
Impacting Reserves and Capital Projects

Year Approved	ProjectID	Description	Surplus/ (Deficit)
Projects requiring funds			
2007	5160766711	Canadian Infra Renewal	\$ (119.78)
2012	4241209110	Banners on York Blvd	(23.70)
2013	4241309501	Veever's Estate Capital Grant	(0.50)
2014	4241409208	Old Beasley Ctre Kitchen Reno	(1,002.40)
2014	7901448402	Transit Centre EE Lighting	(8.44)
2016	5301683503	2016 Non-Rev Vehicle Replace	(1,656.60)
2018	6301851002	ML & WL Resident Care Equip	(1,617.14)
2019	4241909222	Shamrock Park N	(880.10)
Net impact to Other Program Specific Reserves			\$ (5,308.66)

Appendix “C” to Report FCS20079 details the appropriations between capital projects during the period covering January 1, 2020 to June 30, 2020. A total of \$6,690,858 was moved between capital projects in compliance with the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy (Report FCS14031), as summarized in Table 3.

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Table 3
City of Hamilton
Capital Project Appropriations
As of June 30, 2020
Transfers by Department

Department	Amount
Tax Supported Capital Budget	
Corporate Services	\$ 539,935.84
Corporate Projects	\$ 2,496.00
Planning & Development	495,256.27
Health & Safe Communities	0.00
Public Works - Tax Funded	3,349,258.93
	<u>\$ 4,386,947.04</u>
Rate Supported Capital Budget	
Public Works - Rate Funded	\$ 2,303,910.73
Total	<u>\$ 6,690,857.77</u>

Appendix “D” to Report FCS20079 lists all the capital projects (Street Lighting – Maintenance and PS H6B Upper Gage Trunk - Hold) requiring Council approval to transfer funds above \$250,000 from projects and reserve transfers for the period covering January 1, 2020 through June 30, 2020. The number of projects and the requested transfer amounts are summarized in Table 4.

Table 4
City of Hamilton
Capital Project to be Funded above \$250,000
As of June 30, 2020

Description	Projects From	Projects To	Amount
Public Works (Tax)			
Roads Division	1	1	\$ 420,000.00
Public Works (Rate)			
Roads Division	1	1	\$ 904,411.60
Total			<u>\$ 1,324,411.60</u>

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The Capital Status and Capital Project Closing reports are submitted to City Council three times a year at June 30, September 30 and December 31.

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 Committee on the status of the Capital Work-in-Progress projects be implemented. Standing Committee reporting commenced as of the June 30, 2013 reporting period. Reports are brought forward to the Standing Committee three times per reporting year at June 30, September 30 and December 31. This allows the Standing Committee to review the status of a fewer number of projects, in greater detail, applicable to their area of oversight.

The Capital Projects Closing Report has remained the responsibility of the Financial Planning, Administration and Policy Division to ensure suitable controls are maintained, projects are appropriately closed and to centralize the function.

On May 14, 2014, Council approved changes to the City's Capital Project Monitoring Policy (Report FCS14031) and Capital Project Closing Policy (Reports FCS05044 and FCS07081(a)). The amended Policy has staff submit the Capital Project Status Reports and Capital Project Closing Reports to the Capital Projects Work-in-Progress Sub-Committee.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The submission of the Capital Projects Closing Report is a requirement of the City's Capital Closing Policy Reports (Reports FCS05044 and FCS07081(a)) and Capital Projects Monitoring Policy Report (Report FCS14031).

The City's Capital Closing Policy (Reports FCS05044 / FCS07081(a)) states:

- i) That any approved Capital project, whose construction stage has not begun after three years, be closed and be re-submitted to Council for approval.
- ii) That any closing surplus or deficit be distributed as follows:
 1. Surplus:
 - a) If funded from a specific reserve, return funds to that reserve.
 - b) If funded from debentures, apply to reduce future debenture requirements.
 - c) If funded from current contribution, apply to the Unallocated Capital Levy Reserve or apply to reduce Outstanding Debt.

2. Deficit:
 - a) If funded from a specific reserve, fund from that reserve.
 - b) If funded from debentures, increase future debenture requirements only if no other source of financing is available.
 - c) If funded from current contribution, fund from the Unallocated Capital Levy Reserve.

The City's Capital Projects Monitoring Policy and Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy (Report FCS14031), as amended by Council on May 14, 2014, states:

- i) That a Capital Projects Status Report be submitted by departments to Capital Projects Work-in-Progress Sub Committee three times a year as of June 30, September 30 and December 31.
- ii) That a Capital Projects Closing Report be compiled by Corporate Services Department and submitted to the Capital Projects Work-in-Progress Sub-Committee three times a year as of June 30, September 30 and December 31.
- iii) That unfavourable project variances be funded according to the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy. If available funding cannot be found within the limits of the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy, a report explaining the variance and recommending a source of funding be submitted to the appropriate Committee of Council for approval.
- iv) Approval authority for the re-appropriation of funds in each financial year be at the same levels as the City's Procurement Policy:
 1. Council must approve re-appropriations of \$250,000 or greater
 2. City Manager or designate must approve appropriations greater than \$100,000 and less than \$250,000
 3. General Managers or delegated staff be authorized to approve appropriations up to \$100,000

RELEVANT CONSULTATION

Staff from the following departments, boards and / or agencies submitted the included capital projects for closure:

- Public Works Department
- Planning and Economic Development Department
- Corporate Services Department
- Healthy and Safe Communities Department

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

For each Capital Project Status Report, staff determines if projects can be closed (inactivated) and monitors the financial activity to ensure that Council is aware of any capital projects which deviate significantly from the approved budgeted amounts. Once projects have been determined to be complete or cancelled, they are submitted by departments to Financial Planning, Administration and Policy for inclusion in the Capital Projects Closing Report. These submissions are reviewed by Financial Planning, Administration and Policy to ensure transactions are finalized, all purchase orders cleared, and a funding source is identified, where necessary.

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.

Appendix “D” to Report FCS20079 includes appropriation requests requiring Council approval to transfer funds above \$250,000 from projects and / or reserves per the Capital Projects’ Budget Appropriation and Work-in-Progress Transfer Policy. There are two requests totalling \$1,324,412.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives as the Capital Projects Closing Report deals primarily with historical information and application of corporate policies.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20079 - Capital Project Closings as of June 30, 2020 -
Projects Impacting the Unallocated Capital Levy Reserve and Other Sources

Appendix “B” to Report FCS20079 - Capital Projects Closing Schedule as of
June 30, 2020

Appendix “C” to Report FCS20079 - Capital Projects Budget Appropriation Schedule for
the Period Covering January 1, 2020 through June 30, 2020

Appendix “D” to Report FCS20079 - Capital Projects to be Funded Above \$250,000 and
Reserve Transfers for the Period Covering January 1, 2020 through June 30, 2020

TT/DR/dt