



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

<b>TO:</b>	Chair and Members Capital Projects Work-in-Progress Review Sub-Committee
<b>COMMITTEE DATE:</b>	May 26, 2022
<b>SUBJECT/REPORT NO:</b>	Capital Project Closing Report as of December 31, 2021 (FCS21080(b)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Matt Hilson (905) 546-2424 Ext. 1444 Duncan Robertson (905) 546-2424 Ext. 4744
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That the General Manager, Finance and Corporate Services, be authorized to transfer a net amount of \$314,962 to the Unallocated Capital Levy Reserve (108020) and draw \$8,052 from other reserves as outlined in Appendix "A" to Report FCS21080(b);
- (b) That the General Manager, Finance and Corporate Services, be directed to close the completed and / or cancelled capital projects listed in Appendix "B" to Report FCS21080(b) in accordance with the Capital Projects Closing and Monitoring Policy;
- (c) That Appendix "C" to Report FCS21080(b), Capital Projects Budget Appropriations for the period covering October 1, 2021 through December 31, 2021, be received as information;
- (d) That Appendix "D" to Report FCS21080(b), Capital Projects Budget Appropriations of \$250,000 or greater and Capital Project Reserve Funding Requiring Council Approval, be approved;
- (e) That Appendix "E" to Report FCS21080(b), Capital Projects Requiring a Budget Adjustment, be approved.

## **EXECUTIVE SUMMARY**

Report FCS21080(b) presents the capital projects, which have been completed or cancelled as of December 31, 2021.

Appendix “A” to Report FCS21080(b) summarizes net transfers to and from reserves as a result of completed or cancelled projects for the period covering October 1, 2021 through December 31, 2021, as well as, highlights the net impact on the Unallocated Capital Levy Reserve.

Appendix “B” to Report FCS21080(b) lists the individual projects to be closed. A total of 188 projects with a combined budget of \$251,123,319 are being recommended for closure and is summarized as follows:

- \$236,081,779 relating to projects completed on or under budget that do not impact reserves;
- \$14,335,540 relating to completed projects funded from the Capital Levy in a net surplus position, which result in a net amount of \$314,962 being returned to the Unallocated Capital Levy Reserve (108020);
- \$500,000 relating to completed projects funded from other program specific reserves in a deficit position, which require a net transfer of \$8,052 to close; and
- \$206,000 relating to cancelled or delayed projects;

All capital projects listed for closure in Appendix “B” to Report FCS21080(b) 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 FCS21080(b) lists the appropriation of funds between capital projects, totalling \$2,775,774, for the period covering October 1, 2021 through December 31, 2021 in accordance with the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy (Report FCS14031).

Appendix “D” to Report FCS21080(b) lists all the capital projects budget appropriations of \$250,000 or greater and work-in-progress capital projects requiring funding from reserves that require Council approval.

Appendix “E” to Report FCS21080(b) lists all the capital projects that require a budget adjustment. The budget adjustments, totalling \$4,490,068, are for additional revenues received against the project that were previously unaccounted for in the project budget.

## **Alternatives for Consideration – Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: As outlined in Appendix “A” to Report FCS21080(b) and summarized in Table 1, a total of \$79,235 in funding is required from the Unallocated Capital Levy Reserve (108020) to offset projects in a negative position. The required funding has been offset by projects in a positive position totalling \$394,197 resulting in a net transfer to the Unallocated Capital Levy Reserve of \$314,962. The Unallocated Capital Levy Reserve (108020) will have a projected year-end (2022) uncommitted balance of \$16,746,142 once the transfers are completed.

Table 1  
City of Hamilton  
Capital Project Closings  
As of December 31, 2021  
Unallocated Capital Levy Reserve (108020)

Year Approved	ProjectID	Description	Surplus/ (Deficit)
<b>Projects requiring funds</b>			
2008	4140846106	Parkside Hills - Phase 1A	\$ (62,389.26)
2017	7101758002	Alexander Park Spraypad	(4,469.34)
2018	3541841123	Ancaster Tennis Bubble	(3,640.56)
2018	6731841822	Riverdale HUB	(19.95)
2019	3541955001	Program Yard Capital Renewal	(8,715.39)
			<b>\$ (79,234.50)</b>
<b>Projects returning funds</b>			
2015	4031555215	Highway 403 Ramp Studies	\$ 888.25
2015	4401556506	Vincent Massey Park Development	44,179.41
2016	7101654610	Carlisle & Beverly Arena Accessibility Upgrades & Expansion	7,068.61
2017	3541741013	Program - Firestations Facility Upgrade	7,454.23
2017	7101741701	Program - Community Halls Retrofits	5,371.11
2018	4401856815	Caterini Park (Binbrook)	13,556.36
2018	7101854806	Dundas Lawn Bowling Club Imprv	21,041.26
2018	7101854815	Westoby Parking Resurfacing	41,359.64
2019	3501957001	Corp Trunk Radio Upgrade	163,645.84
2019	7401941603	Multi Agency Training Centre - Facility Upgrades	35,488.89
2020	4032020048	Durable Pavement Markings	3,069.79
2020	4032041042	District West - Dundas Changeroom & Meeting Room Improvements	4,257.39
2020	4032058001	Consultation and Accommodation	2,046.22
2020	4032080001	Creekside Drive Developer Road	8,036.81
2020	4452053444	Tree Planting Program	1,979.89
2020	4662016102	Traffic Calming	13,351.32
2021	4662120140	New bump-outs at Barton & Lottridge and Barton & Barnesdale	21,401.79
			<b>\$ 394,196.81</b>
Net impact to the Unallocated Capital Levy Reserve			<b>\$ 314,962.31</b>

As outlined in Appendix “A” to Report FCS21080(b) and summarized in Table 2, a net total of \$8,052 in funding is required from other sources to offset projects in a negative or deficit position that were submitted for closure.

**SUBJECT: Capital Project Closing Report as of December 31, 2021 (FCS21080(b))  
(City Wide) – Page 4 of 9**

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Table 2  
City of Hamilton  
Capital Project Closings  
As of December 31, 2021  
Impacting Reserves and Capital Projects

Year Approved	ProjectID	Description	Surplus/ (Deficit)
Projects requiring funds 2021	7642151102	Automated CPR Units	(8,052.25)
Net impact to Other Program Specific Reserves			<u>\$ (8,052.25)</u>

Appendix “C” to Report FCS21080(b) details the appropriations between capital projects during the period covering October 1, 2021 to December 31, 2021. A total of \$2,775,774 was moved between capital projects in compliance with the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy, as summarized in Table 3.

Table 3  
City of Hamilton  
Capital Project Appropriations  
As of December 31, 2021  
Transfers by Department

Department	Amount
Tax Supported Capital Budget	
Healthy & Safe Communities	\$ 2,099,360.00
Planning & Economic Development	\$ 110,414.17
Public Works - Tax Funded	\$ 112,000.00
	<u>\$ 2,321,774.17</u>
Rate Supported Capital Budget	
Public Works - Rate Funded	\$ 454,000.00
Total	<u>\$ 2,775,774.17</u>

Appendix “D” to Report FCS21080(b) lists all the capital projects requiring Council approval to transfer funds from other capital projects of \$250,000 or greater or fund from reserves. The number of projects and the requested transfer amounts are summarized in Table 4.

**SUBJECT: Capital Project Closing Report as of December 31, 2021 (FCS21080(b))  
(City Wide) – Page 5 of 9**

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Table 4  
City of Hamilton  
Capital Projects Budget Appropriation Transfers  
of \$250,000 or greater and Reserve Funding

Description	Projects/ Transfers From	Projects/ Transfers To	Amount
<b>Healthy &amp; Safe Communities</b>			
Housing Services	1	1	\$ 300,000.00
<b>Planning &amp; Economic Development (Tax)</b>			
Tourism & Culture	2	2	\$ 2,675,148.20
<b>Planning &amp; Economic Development (Rate)</b>			
Growth Management Program	3	3	\$ 1,006,074.37
Total			<u>\$ 3,981,222.57</u>

Appendix “E” to Report FCS21080(b) seeks approval to increase the budget for all the listed projects. The increases are required as the projects have received additional revenues that were previously unaccounted for. The requested increases are summarized in Table 5.

Table 5  
City of Hamilton  
Capital Project Budget Increases  
As of December 31, 2021  
Increases by Department

Department	Amount
<b>Tax Supported Capital Budget</b>	
Healthy & Safe Communities	\$ 1,010,595.13
Planning & Economic Development	\$ 411,741.59
Public Works - Tax Funded	\$ 1,825,490.10
	<u>\$ 3,247,826.82</u>
<b>Rate Supported Capital Budget</b>	
Public Works - Rate Funded	\$ 1,242,241.44
Total	<u>\$ 4,490,068.26</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 May 14, 2014, Council approved the City's Capital Project Monitoring Policy (Report FCS14031) and Capital Project Closing Policy (Reports FCS05044 and FCS07081(a)). The Policy has staff submit the Capital Project Status Reports and Capital Project Closing Reports to the Capital Projects Work-in-Progress Sub-Committee.

Preparation of the Capital Projects Closing Report is the responsibility of the Financial Planning, Administration and Policy Division with the objective of ensuring suitable controls are maintained, projects are appropriately closed and to centralize the function.

## **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 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 that 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 are closed, 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 FCS21080(b) includes capital project budget appropriation requests to transfer funds of \$250,000 or greater from other projects and funding from reserves requiring Council approval as per the Capital Projects’ Budget Appropriation and Work-in-Progress Transfer Policy and Reserve Policies. The requests total \$3,981,223.

### **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.

### **APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS21080(b) - Capital Project Closings as of December 31, 2021 - Projects Impacting the Unallocated Capital Levy Reserve and Other Sources

Appendix “B” to Report FCS21080(b) - Capital Projects Closing Schedule as of December 31, 2021



**SUBJECT: Capital Project Closing Report as of December 31, 2021 (FCS21080(b))  
(City Wide) – Page 9 of 9**

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Appendix “C” to Report FCS21080(b) - Capital Projects Budget Appropriation Schedule for the Period Covering October 1, 2021 through December 31, 2021

Appendix “D” to Report FCS21080(b) - Capital Projects Budget Appropriations of \$250,000 or greater and Capital Project Reserve Funding Requiring Council Approval

Appendix “E” to Report FCS21080(b) - Capital Projects Requiring a Budget Adjustment

MH/dt