



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Customer Service and POA Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	May 2, 2024
SUBJECT/REPORT NO:	Capital Project Closing Report as of September 30, 2023 (FCS23095(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Irfan Tanvir (905) 546-2424 Ext. 4090
SUBMITTED BY:	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the General Manager, Finance and Corporate Services, be authorized to fund a net amount of \$80,805.96 from the Unallocated Capital Levy Reserve (108020) and transfer a net amount of \$2,795,802.34 to other reserves as outlined in Appendix "A" to Report FCS23095(a);
- (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 FCS23095(a) in accordance with the Capital Projects Closing and Monitoring Policy;
- (c) That Appendix "C" to Report FCS23095(a), Capital Projects Budget Appropriations for the period covering July 1, 2023 through September 30, 2023, be received as information; and
- (d) That Appendix "D" to Report FCS23095(a), Capital Projects Budget Appropriations of \$250,000 or greater and Capital Project Reserve Funding Requiring Council Approval, be approved.

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.

EXECUTIVE SUMMARY

Report FCS23095(a) presents and recommends closure of the capital projects that have been completed or cancelled as of September 30, 2023. In addition, Report FCS23095(a) provides historical information for capital budget appropriations in accordance with the Capital Projects Monitoring Policy and Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy (Report FCS14031).

Appendix “A” to Report FCS23095(a) summarizes net transfers to and from reserves as a result of completed or cancelled projects for the period covering July 1, 2023 through September 30, 2023, as well as, highlights the net impact on the Unallocated Capital Levy Reserve and other capital reserves.

Appendix “B” to Report FCS23095(a) lists the individual projects to be closed. A total of 78 projects with a combined budget of \$110,782,929 are being recommended for closure and are summarized as follows:

- \$12,089,456 relating to 16 completed projects funded from the Capital Levy which result in a net deficit amount of \$80,806 to be contributed from the Unallocated Capital Levy Reserve (108020);
- \$17,393,874 relating to 23 completed projects funded from other program specific reserves in a net surplus position of \$1,150,802;
- \$81,299,599 relating to 36 projects completed on or under budget that do not impact reserves; and
- There are also three projects in Appendix “B” to Report FCS23095(a) that are being closed as a result of a process to consolidate annual program projects and better utilize funds through perpetual Project IDs. This has assisted with general equipment purchases while bringing efficiencies in managing multiple annual projects.

All capital projects listed for closure in Appendix “B” to Report FCS23095(a) 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 FCS23095(a) lists the appropriation of funds between capital projects, totaling \$1,417,741 for the period covering July 1, 2023 through September 30, 2023 in accordance with the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy (Report FCS14031).

Appendix “D” to Report FCS23095(a) lists the capital project(s) budget appropriations of \$250,000 or greater and work-in-progress capital projects requiring funding from

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reserves that require Council approval.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: As outlined in Appendix “A” to Report FCS23095(a) and summarized in Table 1, a total net deficit of \$80,805.96 is recommended to be funded from the Unallocated Capital Levy Reserve as a result of capital project shortfalls.

Table 1 City of Hamilton Capital Project Closings As of September 30, 2023 Unallocated Capital Levy Reserve (108020)			
Year Approved	ProjectID	Description	Surplus/ (Deficit)
Projects requiring funds			
2017	5301785708	Customer Service Software	(85,244.87)
2016	5301784710	Automated Passenger Counters	(44,276.44)
2016	5301785700	Bus Wash Rack Replacement	(35,848.14)
2011	2051255204	Neighbourhood Strategy	(23,682.94)
2022	4662220541	Traffic Signal Modernization - Queenston & Kenora & Greenford	(8,453.99)
2022	4662220211	Wilson & Shaver - Pedestrian Crossovers (4 x Type C and 4 x Type D)	(3,661.82)
			\$ (201,168.20)
Projects returning funds			
2017	4031755333	Butternuts on Beckett	30,317.57
2018	3501957906	IT Strategy - Strategic Theme IT Optimization	22,572.63
2018	3501857806	Data Centre HVAC	21,573.79
2016	3541941013	Program - Firestations Facility Upgrade	20,066.85
2011	3381857501	Capital Budget System Upgrade	9,850.00
2018	4031818444	Bridge 444 - Guyatt Rd - 200m w.o. Hendershot Rd	6,295.46
2021	3502157210	PeopleSoft Finance Tools Upgrade	4,713.01
2019	4661920001	ATMS – Advanced Traffic Management System	2,538.70
2020	4032049040	District South - Outside Yard Electrical Upgrades	2,273.67
2020	4042010017	Street Lighting Capital Program	160.56
			\$ 120,362.24
Net impact to the Unallocated Capital Levy Reserve			\$ (80,805.96)

* Acronyms: AAF - Audit and Accountability Fund; IPS - Intersection Pedestrian Signals; AEGD - Airport Employment Growth District; P/W or PW= Public Works; SCBA - Self Contained Breathing Apparatus; W= Ward (i.e., W1 Ward 1).

As outlined in Appendix “A” to Report FCS23095(a) and summarized in Table 2, a net total surplus of \$2,795,802.34 in funding will be returned to other reserves for projects that were submitted for closure in a surplus position.

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Table 2 City of Hamilton Capital Project Closings As of September 30, 2023 Impacting Reserves and Capital Projects			
Year Approved	Reserve	Description	Surplus/ (Deficit)
Projects requiring funds			
2008	5160867751	Annual Wastewater Outstation - Asset Management	(30,056.33)
2014	7901448406	Ice Plant Optimization Arenas	(62,498.63)
2020	7902049002	2020 Hamilton City Hall Lighting Upgrade to LEDs	(20,999.50)
			\$ (113,554.46)
Projects returning funds			
2017	5141767420	Carlisle Well Stations System Enhancements	813,310.97
2020	5142061310	Woodward Greenhill Transmission Main Pipeline repair on Summercrest	454,540.68
2015	5181510501	Mathers Drive Bank Erosion Control and Slope Stabilization	330,343.91
2021	7402151100	Annual Equipment Replacement	252,805.95
2020	7902049001	2020 Lighting Upgrade to LEDs at Various Recreation Facilities	227,758.92
2020	7402051100	Annual Equipment Replacement	118,996.45
2016	5141667420	Ben Nevis & Dewitt (HD08A) Water Pumping Station Upgrades	118,602.13
2012	3302009300	Ward 3 Capital Reinvestment	100,000.00
2012	3302009200	Ward 2 Capital Reinvestment	96,771.45
2021	4242109806	Buchanan Pathway Lighting	70,534.56
2021	4242009407	McQuesten Farm Walkway	67,448.26
2015	4241509209	Durand Traffic Calming	60,000.00
2015	4241509210	Bike Rack Sculptures	55,000.00
2016	7901641609	Macassa BAS Upgrade	54,413.37
2021	5142171074	Contingency for Unscheduled Works Program	35,625.57
2019	4942051001	Shop Equipment Replacement	23,253.36
2021	4402156002	Ryckman's Park Pathway	17,502.55
2018	4241809205	George St Pedestrian Proj	6,484.87
2023	4242309804	Ward 8 William Bethune Park	3,764.64
2018	5161966612	Woodward WWTP - South Secondary Clarifiers	2,199.16
			\$ 2,909,356.80
Net impact to Other Program Specific Reserves			\$ 2,795,802.34

Appendix “C” to Report FCS23095(a) details the appropriations between capital projects that have been processed during the period covering July 1, 2023 through September 30, 2023. The list includes transfers that are below \$250,000 and have been approved by either the General Manager (up to \$100,000) or the City Manager (up to \$250,000) or that had been previously approved by Council for amounts over \$250,000.

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A total of \$1,417,740.57 was moved between capital projects in compliance with the Capital Projects Budget Appropriation and Work-in-Progress Transfer Policy. This includes \$1,000,000 for the Brownfield Pilot project to fund future grants under the Environmental Remediation and Site Enhancement (ERASE) Affordable Housing Grant Program approved via PED23076. Table 3 provides a summary of the transfers.

Table 3 City of Hamilton Capital Project Appropriations As of September 30, 2023 Transfers by Department	
Tax Supported Capital Budget	Amount
Planning & Economic Development	1,000,000.00
Public Works - Tax Funded	417,740.57
	\$ 1,417,740.57
Total	\$ 1,417,740.57

Appendix “D” to FCS23095(a) lists all the capital projects requiring Council approval to transfer funds from other capital projects of \$250,000 or greater. The number of projects and the requested transfer amounts are summarized in Table 4.

Table 4 City of Hamilton Capital Projects Budget Appropriation Transfers of \$250,000 or greater requiring approval and Reserve Funding			
Description	Projects/ Transfers From	Projects/ Transfers To	Amount
Healthy & Safe Communities (Tax Funded)	2	2	\$ 1,224,221.19
Public Works (Tax Funded)	2	3	\$ 2,327,416.95
Public Works (Rate Funded)	1	1	\$ 2,729,000.00
Total			\$ 6,280,638.14

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The Capital Project Closing reports are submitted to City Council regularly (normally three times a year) with information and recommendations related to the closure of completed or cancelled capital projects and transfers to and from reserves in

accordance with City policies.

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 FCS05044 and FCS07081(a)) and Capital Projects Monitoring Policy (Report FCS14031).

The City's Capital Closing Policy 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, as amended by Council on May 14, 2014, states:

- i) That a Capital Projects Status Report be submitted by departments 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 Audit, Finance and Administration 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:

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

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

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 active capital projects to a manageable size and eliminates redundant data from reports. More importantly, it ensures that projects that are complete do not unnecessarily tie up budget resources that could be re-directed to other needs / capital projects.

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Appendix “D” to Report FCS23095(a) 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 request totals \$6,280,638.14 relating to various projects across Healthy and Safe Communities and Public Works Departments.

ALTERNATIVES FOR CONSIDERATION

N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS23095(a) – Capital Project Closings as of September 30, 2023 – Projects Impacting the Unallocated Capital Levy Reserve and Other Sources

Appendix “B” to Report FCS23095(a) – Capital Projects Closing Schedule as of September 30, 2023

Appendix “C” to Report FCS23095(a) – Capital Projects Budget Appropriation Schedule for the Period Covering July 1, 2023 through September 30, 2023

Appendix “D” to Report FCS23095(a) – Capital Projects Budget Appropriations of \$250,000 or greater and Capital Project Reserve Funding Requiring Council Approval for the Period Covering July 1, 2023 through September 30, 2023

IT/dt