



City of North Bay Report to Council

Report No: CORP 2021-27

Date: April 30, 2021

Originator: Monique Seguin-Russell

Business Unit:

Department:

Corporate Services

Financial Services Department

Subject: Capital Variance Report as at December 31, 2020

Closed Session: yes ☐ no ☒

Recommendation

- 1) That the Capital Variance Report as at December 31, 2020, Report to Council No. CORP 2021-27 be received; and
- 2) That Council authorize the reserve transfers and budget adjustments as detailed in Report to Council No. CORP 2021-27 inclusive of Appendix A, B and C.

Background

The purpose of the Capital Variance Report is to provide Council with a listing of projects that have been completed or substantially completed during the reporting period and that are recommended to be closed.

Financial/Legal Implications

Long-Term Capital Funding Policy

The City's Long-Term Capital Funding Policy stipulates that projects must begin incurring substantial costs within a two year period. To the extent that a project does not incur substantial costs within the two-year period, the project shall be considered cancelled and will need to be reconsidered as part of the allocation of the capital expenditure limit in subsequent years. A review of all open and ongoing projects was completed as part of the 2021 Capital Budget review.

As part of the approval of the 2021 Capital Budget, Council approved budget cancellations and reserve transfers for open capital projects. These changes were approved through Council Resolution No. 2021-43 and were detailed in Appendix B to Report to Council No. CORP 2020-120 dated November 13, 2020.

Projects identified to be closed and/or cancelled are denoted with an asterisk in Appendix A, B and C.

Summary of Year End Capital Results

Appendix A summarizes the 31 projects that are now complete or substantially complete at year end and can be closed as at December 31, 2020. Projects that are substantially complete with only minimal work to be completed in the spring have been recommended to be closed if the work remaining is low risk and can be reasonably estimated. The estimated cost to finalize these projects has been included in the projected surplus (deficit) amounts. The total net surplus related to the projects to be closed at December 31, 2020 is estimated at \$78,424 and the net surplus is recommended to be transferred to (from) the appropriate reserve accounts as noted on Appendix A.

Any completed projects with unresolved statements of claims are recommended to be closed with any unspent budget authority going to reserve or cancelled as appropriate. Upon resolution of the claims, the appropriate Completed Capital Project Reserve Fund will be used to fund the additional costs as required. Any known claim costs have been factored into the projected surplus/deficit balances in the Appendices.

Appendix B summarizes the 9 projects with estimated surplus funds that are recommended to be transferred to other open projects as at December 31, 2020. Please refer to Appendix B for the rationalization of each transfer.

Appendix C summarizes the 6 projects with estimated surplus funds that are unfunded and it is recommended that the excess budget authority in the amount of \$568,366 be cancelled.

Projected final surplus/deficit amounts in Appendix A, B and C are subject to audit adjustments and any final year-end entries.

3603FD - Fire Department Training Facilities – 99550R

The Fire Department has partnered with Canadore College to install a fire training facility at the Commerce Court Campus. Council approved the award of the training facility construction as per Report to Council Number CORP 2017-86. This contract includes the construction of two training buildings. Currently, the first training building is on site. Prior to completing the second building additional engineering costs are required for the construction of a foundation not included in the original scope of the project. Therefore, it is recommended that additional funding up to \$30,000 be

transferred from Reserve No. 99550R – Fire Training and Equipment Reserve to Project 3603FD to fund the balance of the project costs.

Corporate Strategic Plan

- | | |
|---|--|
| <input type="checkbox"/> Natural North and Near | <input type="checkbox"/> Economic Prosperity |
| <input checked="" type="checkbox"/> Affordable Balanced Growth | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government | |

Specific Objectives

- Maintain infrastructure across the city in a good state of repair
- Maximize funding opportunities with other governments

Recommended Option

- 1) That the Capital Variance Report as at December 31, 2020, Report to Council from the Chief Financial Officer be received; and
- 2) That Council authorize the Chief Financial Officer to complete the reserve transfers and budget adjustments as detailed in Report to Council CORP 2021 – 27 inclusive of Appendix A, B, and C.

Respectfully submitted,

Monique Seguin-Russell, CPA, CA
Financial Reports Coordinator

We concur with the above noted recommendation.

Ian Kilgour
Director, Community Development & Growth

John Severino, P.Eng., MBA
City Engineer, Infrastructure & Operations

Domenic Schiavone
Director of Public Works and Parks

Jason Whiteley
Fire Chief

Margaret Karpenko, CPA, CMA
Chief Financial Officer/Treasurer

David Euler, P.Eng., PMP
Chief Administrative Officer

Personnel designated for continuance: Financial Reports Coordinators

Attachments: Appendix A – Transfer to (from) Reserve Funds and Close
Appendix B – Transfer to Other Open Projects
Appendix C – Cancel Funding Authority and Close