

City of North Bay Report to Council

Report No: CORP-2022-051

Date: April 6, 2022

Originator: Blair Grant

Business Unit:

Corporate Services

Department:

Financial Services Department

Subject: Capital Variance Report as at December 31, 2021

Closed Session: yes ☐ no ☒

Recommendation

- 1) That the Capital Variance Report as at December 31, 2021, Report to Council No. CORP 2022-051 be received; and
- 2) That Council authorize the reserve transfers and budget adjustments as detailed in Report to Council No. CORP 2022-051 inclusive of Appendix A and B.

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 2022 Capital Budget review. The recommended changes were approved through Council Resolution No. 2021-482 and were detailed in Appendix A and B to Report to Council No. CORP 2021-137 dated November 16, 2021.

Summary of Year End Capital Results

Appendix A summarizes the 29 projects that are now complete or substantially complete at year end and can be closed as at December 31, 2021. 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, 2021 is estimated at \$1,826,584 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 13 projects with estimated surplus funds that are recommended to be transferred to other open projects as at December 31, 2021. Please refer to Appendix B for the rationalization of each transfer.

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

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, 2021, Report to Council No. CORP-2022-051 be received; and
- 2) That Council authorize the reserve transfers and budget adjustments as detailed in Report to Council CORP-2022-051 inclusive of Appendix A and B.

Respectfully submitted,

Name: Blair Grant, CPA, CA

Title: Coordinator, Financial Reports

I concur with this report and recommendation

Name Ian Kilgour, MCIP, RPP

Title: Director, Community Development and Growth

Name John Severino, P.Eng., MBA

Title: City Engineer – Infrastructure and Operations

Name Domenic Schiavone

Title: Director Public Works and Parks

Name Jason Whiteley

Title: Fire Chief

Name Steven W. Melnichuk

Title: Director, Information Systems

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name David Euler, P.Eng., PMP

Title: Chief Administrative Officer

Personnel designated for continuance:

Blair Grant, CPA, CA

Coordinator, Financial Reports

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