



## City of North Bay Report to Council

Report No: CORP-2022-052

Date: April 6, 2022

Originator: Blair Grant

Business Unit:

Corporate Services

Department:

Financial Services Department

Subject: Summary of Open and Active Capital Projects as at December 31, 2021

Closed Session: yes ☐ no ☒

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### Recommendation

That the Summary of Open and Active Projects as at December 31, 2021, Report to Council No. CORP 2022-52 from the Chief Financial Officer be received.

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### Background

The purpose of the Summary of Open and Active Projects is to provide Council with an update on individual project budget to actual variances and to provide an estimate of the final projected surplus/deficit position.

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### Financial/Legal Implications

### Ongoing Project Management

Project managers are responsible for ensuring that their respective projects are progressing as planned and for the ongoing monitoring of the financial status of their projects in accordance with the following:

- Purchasing By-Law, By-Law No. 2013-200, outlines that any overage to an individual contract of 10% to 15%, and remains within the total approved project budget, must be approved by the CAO. Where the expenditure limit of an individual contract that required Council approval is expected to exceed the awarded amount by 15% or greater the matter is referred to Council for consideration.

- As best practices, business units will report any overall project deficits to the CAO or Council in accordance with criteria outlined in the Purchasing By-Law for individual contracts.
- Major Capital Projects are to be managed in accordance with the City's Capital Project Management Process (Report to Council No. CAO 2014-01) approved February 3, 2014.
- Periodic audits of active project activity listings are reviewed to assess whether expenditure and funding classification are reasonable. Large expenditures are validated, traced to original invoice or certificate of payments and projections are recalculated to test whether total projected actuals are reasonable.

### **Summary of Results as at December 31, 2021**

Appendix A summarizes the 198 open and active capital projects as at December 31, 2021. The total unspent budget authority for all open and active projects is \$51,399,343. The unspent budget authority, defined as the difference between the approved budget and actual project expenditures, has decreased by \$50,301,352 from the \$101,700,695 in unspent budget authority reported in the Summary of Open and Active Capital Projects as at June 30, 2021. A significant amount of capital work was completed during the peak construction period of June to December. Council also approved the cancellation of debt authority in the amount of \$4,293,070 through Report to Council No. CORP 2021-137. Due to the inherent nature of capital work, it is realistic to have some open and active projects remaining at the end of each year. Construction of some major projects will commence and/or continue into 2022.

The following table summarizes the open projects that represent the majority of the unspent budget authority as at December 31, 2021 and where plans and commitments are in place:

<b>Project Description</b>	<b>Unspent Budget Authority</b>
<b><u>Project 3618 – Wallace Pumping Station Replacement:</u></b> Electrical and construction contract was awarded in May 2021 as per Report to Council No. CORP 2021-48. Construction is underway and anticipated to be completed by December 31, 2022.	1,618,537
<b><u>Project 3711RF – City of North Bay Community and Recreation Centre:</u></b> The design contract was awarded in September 2019 as per Report to Council No. CORP 2019-113. The pre-qualification process is underway; however, the project will not proceed until further direction is received from Council regarding the tendering, construction and issuance of special debt.	4,980,059
<b><u>Project 3719SS – Digester Replacement:</u></b> The design contract was awarded in December 2020 as per Report to Council No. CORP 2020-117. Construction is anticipated to go out for tender in 2022.	2,794,736

<b>Project Description</b>	<b>Unspent Budget Authority</b>
<b><u>Project 3807WS – Ellendale Generator Replacement:</u></b> The contract for the electrical, HVAC, and building envelope upgrades was awarded in March 2022 as per Report to Council No. CORP 2022-032. Work is anticipated to begin in 2022.	1,397,018
<b><u>Project 3913 – Ivanhoe Drive Reconstruction – Sage to Rita:</u></b> Design work has been completed. The tender for construction was awarded in March 2022 as per Report to Council No. 2022-41. Work is anticipated to be completed in 2022.	4,230,263
<b><u>Project 3931 – Ellendale Second Feed:</u></b> Pre-engineering and design work to be completed in 2022 with construction anticipated to be completed by December 31, 2023.	1,127,809
<b><u>Project 4006RD – Trout Lake Road (Mountainview Drive to Lees Road)</u></b> The construction contract was awarded in February 2022 as per Report to Council No. CORP 2022-010. This project is 90% funded by the Ministry of Transportation through the Connecting Links Program. Construction is anticipated to start in 2022.	3,826,952
<b><u>Project 4021TR – Construction of Sidewalks for Transit Routes</u></b> The construction contract was awarded in August 2021 as per Report to Council No. CORP 2021-75. Construction is expected to continue in 2022. Projection has future anticipated budgets until 2025.	3,155,837
<b><u>Project 4029SS – Wastewater Treatment Plant – Raw Sewage Pumping Station:</u></b> Tender and replacement of two large pumps at the Wastewater Treatment Plant is expected to be completed in 2022.	1,053,648
<b><u>Project 6575PD – North Bay Police Services 2021 On-going:</u></b> Building repair engineering design has been completed. Expected to go to tender in 2022.	1,734,342
<b>Total</b>	<b>\$25,919,201</b>

The \$51,399,343 in unspent budget authority does not translate into an equal amount in excess cash in the City's bank account. The City uses a combination of the capital levy in the operating budget, debt, grants, and reserve funds (such as development charges) to finance capital projects. Effort is taken to align financing for projects with the expected timing of the capital work. As at December 31, 2021, \$12,385,824 in debenture authority has been carried forward to 2022. In addition, grants and certain cost sharing arrangements for projects are typically provided on a cost reimbursement basis so the City does not receive funding until the related project costs have been incurred.

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### **Corporate Strategic Plan**

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|---|--|
| <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

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## **Recommended Option**

That the Summary of Open and Active Projects as at December 31, 2021, Report to Council No. CORP 2022-52 from the Chief Financial Officer be received.

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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 – Summary of Open and Active Capital Projects