



## City of North Bay Report to Council

Report No: CORP-2024-097

Date: November 12, 2024

Originator: Sara Gage

Business Unit: Corporate Services

Department: Financial Services Department

Subject: Summary of Open and Active Capital Projects as at September 30, 2024

Closed Session: yes  no

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### Recommendation

That Council receive, for information purposes, the Summary of Open and Active Projects as at September 30, 2024, as set out in Report to Council No. CORP 2024-097, dated November 12, 2024 from Sara Gage.

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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 to monitor the ongoing 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.
- Capital Projects are to be managed in accordance with the City's Capital Project Management Process (Report to Council No. CORP 2023-147) approved November 14, 2023.
- Periodic audits of active project activity listings are reviewed to assess whether expenditure and funding classifications 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 September 30, 2024

Appendix A summarizes the 248 open and active projects as at September 30, 2024. The total unspent budget authority for all open and active projects is \$128,127,562. The full amount of the current unspent budget authority is not anticipated to be spent by year end as some major projects will continue into 2025.

The \$128,127,562 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 General Operating and Water and Wastewater budgets, 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, 2023, \$16,470,561 in debenture authority from 2023 was available to be carried forward to 2024. There was \$1,092,807 in debt authority cancelled through closing projects as set out in Report to Council No. CORP 2024-062 - Capital Variance as at December 31, 2023; therefore, \$15,377,754 in debenture authority from 2023 was carried forward to 2024. 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.

### 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.

As part of the 2025 Budget process, Senior Management will review all on-going projects with pre-2023 budgets to identify those projects that have unspent budget dollars and have no definitive plans. The review will identify unspent capital budget dollars recommended for cancellation or to be transferred to an appropriate reserve and the results of the review will form part of the December 31, 2024 Capital Variance Report.

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### Corporate Strategic Plan

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| <input checked="" 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 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 Council receive, for information purposes, the Summary of Open and Active Projects as at September 30, 2024, as set out in Report to Council No. CORP 2024-097, dated November 12, 2024 from Sara Gage.

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Respectfully submitted,

Name: Sara Gage, CPA

Title: Coordinator, Financial Reports

**I concur with this report and recommendation**

Name Shannon Saucier, CPA, CA

Title: Director, Strategic Initiatives

Name Ian Kilgour, MCIP, RPP

Title: Director, Community Services

Name Alan Korell P.Eng.

Title: Interim City Engineer

Name Jason Whiteley

Title: Fire Chief

Name Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Sara Gage, CPA

Coordinator, Financial Reports

Attachments: Appendix A – Summary of Open and Active Capital Projects