

## City of North Bay Report to Council

Report No: CORP-2025-036

Date: May 5, 2025

Originator: Blair Grant

Business Unit: Corporate Services

Department: Financial Services Department

Subject: Capital Variance Report as at December 31, 2024

Closed Session: yes ☐ no ☒

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### Recommendation

That Council:

1. Receive the Capital Variance Report as at December 31, 2024, Report to Council No. CORP 2025-036 dated May 5, 2025 from Blair Grant; and,
2. Authorize the reserve transfers and budget adjustments as detailed in Report to Council No. CORP 2025-036 dated May 5, 2025 from Blair Grant, inclusive of Appendix B and C.

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### Background

The purpose of the Capital Variance Report is to provide Council with a summary of capital projects and an update on individual budget to actual variances as well as to obtain Council authority to transfer budget funds to (from) reserves, to other open projects as at December 31, 2024, and to close completed projects.

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### Financial/Legal Implications

#### On-going 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:

- The contingency management section of the Purchasing By-Law, By-Law No. 2013-200.
- Budget and budget reporting prepared in accordance the City's Budget Policy which was approved on November 28, 2023 through Report to Council No. CORP 2023-147 – Long-Term Financial Plan Committee Recommendations.
- Capital Projects are to be managed in accordance with the City's Capital Project Management Process which was approved on November 28, 2023 through Report to Council No. CORP 2023-147 – Long-Term Financial Plan Committee Recommendations.

- 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, 2024**

Appendix B summarizes the 51 projects with a total combined net transfer to reserves in the estimated amount of \$2,583,463 recommended to be transferred to (from) the appropriate reserve accounts as at December 31, 2024.

Appendix C summarizes the 56 projects with estimated funds that are recommended to be transferred to other open projects as at December 31, 2024. Please refer to Appendix C for the rationalization of each transfer.

Projected transfers as detailed in Appendix B and C are subject to audit adjustments and any final year-end entries.

Appendix A summarizes the 285 open and active projects as at December 31, 2024. This appendix reconciles the Life to Date Approved Funding of the 285 open and active projects before and after the reserve transfers and budget adjustments as proposed through Appendix B and C of this report. Projects that will remain open are identified with a "O" and projects set to close are identified with a "C" on Appendix A.

Following the proposed reserve transfers and budget adjustments, the total unspent budget authority for all open and active projects is \$101,682,726. The unspent budget authority, defined as the difference between the approved budget and actual project expenditures, has decreased by \$26,444,836 from the \$128,127,562 in unspent budget authority reported in the Summary of Open and Active Capital Projects as at September 30, 2024. A significant amount of capital work was completed during the peak construction period and finalized in the time from September to December.

The \$101,682,726 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 works. As at December 31, 2024, \$20,603,756 in debenture authority has been carried forward to 2025. 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.

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 2025.

The following table summarizes the open projects that represent the majority of the unspent budget authority as at December 31, 2024 and where plans and commitments are in place:

<b>Project Description</b>	<b>Unspent Budget Authority</b>
<u>3801 – McKeown Ave. Widening – Gormanville to Cartier</u> The construction contract was awarded in May 2024 as per Report to Council No. 2024-041. Construction is anticipated to be completed in 2025.	8,976,861
<u>3818 – Premier Pumping Station Replacement</u> The Municipal Class EA has been completed. Request for Proposal for a consultant is expected to go out in 2025 with construction to start in 2026.	3,316,784
<u>3825SS – Wastewater Treatment Plant – Intake Chamber Replacement</u> The design contract was awarded in April 2022 as per Report to Council No. CORP 2022-054 and is anticipated to go out for tender in the summer of 2025 with construction in the fall of 2025.	11,117,091
<u>3912 – Integrated Software Solution</u> Identification of business process needs and future requirements is being finalized. This work is informing the development of the Request for Proposal for the Enterprise Resource Planning (ERP) software solution which is anticipated to be posted in the market by the fall of 2025.	4,771,097
<u>3931 – Ellendale Second Feed</u> The design contract was awarded in October 2024 as per Request for Proposal 2024-038 with construction anticipated to start in 2025/2026.	1,806,825
<u>4021TR – Construction of Sidewalks for Transit Routes</u> Report to Council No. CORP 2025-029 in February 2025 transferred the unspent budget authority to Project No. 4515TR – Construction of Sidewalks for Transit Routes – Phase 1 Stage 3 for the award of the construction contract for the Wallace Road and Commerce Crescent sidewalks.	2,297,297
<u>4025RD – Booth Road &amp; Lakeshore Drive Intersection Reconstruction</u> The construction contract was awarded in March 2025 as per Report to Council No. 2025-025. Construction is anticipated to start in spring 2025 and will be done in conjunction with Project No. 4510RF – Community and Recreation Centre.	1,414,805
<u>4040RF – Omischl Field C Rehabilitation</u> The Omischl Field C rehabilitation is anticipated to be done in 2025.	1,367,200
<u>4103SS – Wastewater Treatment Plant Expansion</u> Project is in the early planning stages for the expansion of the Wastewater Treatment Plant.	1,625,264
<u>4313 – Infrastructure Condition Assessments</u> The Request for Proposal for the infrastructure condition assessments is currently being drafted. Work is anticipated to be done in 2025.	1,714,020
<u>4330TR – Construction of Sidewalks for Transit Routes – Phase 2</u> The construction contract was awarded in February 2025 as per Report to Council No. CORP 2025-018. Work is anticipated to start in spring of 2025.	1,917,195

<u>4340ST – Laurentian Heights Stormwater Management Pond</u> A cost share agreement was executed in April 2024 as per Report to Council No. CSBU 2024-019. Construction is anticipated to be completed in the summer of 2025.	2,247,739
<u>4359 – Princess (Cassells to Fraser)</u> Design and construction of this project is being completed in-house. Public Works started construction in 2024 and is anticipated to be completed in 2025.	1,165,420
<u>4510RF – Community and Recreation Centre</u> The project development services for the progressive design build contract was awarded in May 2024 as per Report to Council No. CAO 2024-004. The execution of the change order for the Guaranteed Maximum Price was authorized in November 2024 through Report to Council No. CAO 2024-008. Project is anticipated to be completed in 2026.	23,306,094
<u>6483AA – Cassellholme Redevelopment</u> This project represents the City’s estimated share of annual financing costs associated with the Cassellholme Redevelopment.	5,697,270
<b>Total</b>	<b>\$72,740,962</b>

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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 Council:

1. Receive the Capital Variance Report as at December 31, 2024, Report to Council No. CORP 2025-036 dated May 5, 2025 from Blair Grant; and,
  2. authorize the reserve transfers and budget adjustments as detailed in Report to Council No. CORP 2025-036 dated May 5, 2025 from Blair Grant, inclusive of Appendix B and C.
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Respectfully submitted,

Name: Blair Grant, CPA, CA

Title: Coordinator, Financial Reports

**I concur with this report and recommendation**

Name: Laura Boissonneault, CPA, CGA, PCP

Title: Director, Financial Services / Deputy Treasurer

Name: Alan Korell, P.Eng.

Title: Interim City Engineer

Name: Jason Whiteley

Title: Fire Chief

Name: Ian Kilgour, MCIP, RPP

Title: Director, Community Services

Name: Shannon Saucier, CPA, CA

Title: Director, Strategic Initiatives

Name: Margaret Karpenko, CPA, CMA

Title: Chief Financial Officer /Treasurer

Name: John Severino, P.Eng., MBA

Title: Chief Administrative Officer

Personnel designated for continuance:

Name: Blair Grant, CPA, CA

Title: Coordinator, Financial Reports

Attachments: Appendix A – Summary of Open and Active Projects as at December 31, 2024

Appendix B – Transfer to (from) Reserve Funds

Appendix C – Transfer to Other Open Projects