

**24 JUNE 2020**

**1. CAPITAL ADJUSTMENTS AND CLOSING OF PROJECTS – TRANSIT  
COMMISSION**

**AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CLÔTURE DE  
PROJETS – COMMISSION DU TRANSPORT EN COMMUN**

**COMMISSION RECOMMENDATIONS**

**That Council:**

- 1. Authorize the closing of capital projects listed in Document 1;**
- 2. Approve the budget adjustments as detailed in Document 2;**
- 3. Permit those projects in Document 3 that qualify for closure, to remain open; and**
- 4. Approve the return to source or (funding draw) for the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:**
  - a) Transit Capital Supported Reserve: \$6,438,668;**
  - b) Provincial Gas Tax Reserve: \$2,078**
  - c) Development Charge Reserve: \$1,510,426**
  - d) Debt Authority: \$123,719.**

**RECOMMANDATIONS DE LA COMMISSION**

**Que le Conseil :**

- 1. autorise la clôture des projets d'immobilisations qui figurent au document 1;**
- 2. approuve les ajustements budgétaires décrits dans le document 2;**

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3. autorise le maintien des projets du document 3 qui remplissent les critères de clôture; et,
4. approuve le remboursement des soldes ou (financement requis) suivants et d'éliminer le pouvoir d'endettement qui résulte de la clôture des projets et des ajustements budgétaires :
  - a) Fonds de réserve financé par les immobilisations du transport en commun : 6 438 668 \$;
  - b) Fonds de réserve de la taxe provinciale sur l'essence : 2 078 \$;
  - c) Fonds de réserve des redevances d'aménagement : 1 510 426 \$;
  - d) Pouvoir d'endettement : 123 719 \$.

#### DOCUMENTATION / DOCUMENTATION

1. Deputy City Treasurer's report, Corporate Finance, Finance Services Department dated 8 June 2020 (ACS2020-FSD-FIN-0014).  
  
Rapport de la Trésorière municipale adjointe, Finances municipales, Direction générale des services des finances, daté le 8 juin 2020 (ACS2020-FSD-FIN-0014).
2. Extract of draft Minutes, Transit Commission, 17 June 2020.  
  
Extrait de l'ébauche du procès-verbal, Commission du transport en commun, le 17 juin 2020.

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**Report to  
Rapport au:**

**Transit Commission  
Commission du transport en commun  
17 June 2020 / 17 juin 2020**

**and Council  
et au Conseil  
24 June 2020 / 24 juin 2020**

**Submitted on June 8, 2020  
Soumis le 8 juin 2020**

**Submitted by  
Soumis par:**

**Isabelle Jasmin, Deputy City Treasurer, Corporate Finance, Finance Services  
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**Contact Person**

**Personne ressource:**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2020-FSD-FIN-0014**

**SUBJECT: CAPITAL ADJUSTMENTS AND CLOSING OF PROJECTS – TRANSIT  
COMMISSION**

**OBJET: AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CLÔTURE  
DE PROJETS – COMMISSION DU TRANSPORT EN COMMUN**

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## **REPORT RECOMMENDATIONS**

**That the Transit Commission recommends Council:**

- 1. Authorize the closing of capital projects listed in Document 1;**
- 2. Approve the budget adjustments as detailed in Document 2;**
- 3. Permit those projects in Document 3 that qualify for closure, to remain open;  
and**
- 4. Approve the return to source or (funding draw) for the following funding  
balances and eliminate debt authority resulting from the closing of projects  
and budget adjustments:**
  - a) Transit Capital Supported Reserve: \$6,438,668;**
  - b) Provincial Gas Tax Reserve: \$2,078**
  - c) Development Charge Reserve: \$1,510,426**
  - d) Debt Authority: \$123,719.**

## **RECOMMANDATIONS DU RAPPORT**

**Que la Commission du transport en commun recommande au Conseil :**

- 1. d'autoriser la clôture des projets d'immobilisations qui figurent au  
document 1;**
- 2. d'approuver les ajustements budgétaires décrits dans le document 2;**
- 3. d'autoriser le maintien des projets du document 3 qui remplissent les critères  
de clôture; et,**
- 4. d'approuver le remboursement des soldes ou (financement requis) suivants et  
d'éliminer le pouvoir d'endettement qui résulte de la clôture des projets et des  
ajustements budgétaires :**
  - a) Fonds de réserve financé par les immobilisations du transport en  
commun : 6 438 668 \$;**
  - b) Fonds de réserve de la taxe provinciale sur l'essence : 2 078 \$;**
  - c) Fonds de réserve des redevances d'aménagement : 1 510 426 \$;**

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**d) Pouvoir d'endettement : 123 719 \$.**

## **BACKGROUND**

Each year, staff prepare separate capital budget adjustments and closure reports for the Transit Commission (Commission) and for the Finance and Economic Development Committee (FEDCo). Each report contains recommendations on projects that fall within the respective mandates of the Commission or FEDCo.

When a capital project is approved by Council, a projected year of completion date is established for the project. Projects are to be closed the year following the projected year of completion and require Council approval in order to be closed.

Capital projects that are recommended to be closed are listed in Document 1. In closing these projects, surplus capital reserve funds are first applied to those projects being closed that are in deficit and the remaining net surplus is returned to source. Additional reserve funds may also be used to refinance projects to reduce previously approved debt authority.

Budget adjustments involving capital projects can be processed under the limits established by Council as contained in the Delegated Authority By-law. Those adjustments that exceed these limits require Council approval.

Generally, budget adjustments to capital projects are required to:

- Adjust for increases or decreases in project costs;
- Consolidate similar accounts to facilitate issuing of contracts;
- Create separate accounts to facilitate project tracking;
- Account for the receipt of revenues not previously anticipated or for the over/underestimation of revenues, and Adjust project financing.

The Delegation of Authority By-law 2018-397, as amended, specifies those parameters in which budget adjustments may be made if authorized by the City Treasurer. Those capital budget adjustment requests that do not meet the delegated authority limits of the City Treasurer require the approval of City Council. Generally, Council authority is required for those capital budget adjustments involving:

- Transfers between programs or internal orders in excess of 10% or \$100,000 whichever is the lesser;

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- Transfers of debt authority between programs with previously approved debt authority, regardless of amount;
- Establishment of new projects outside the budget process;
- A reduction of or increase in funding authority; and
- Project closures.

This report includes those capital budget adjustments that require specific Council approval as per the details contained in Document 2. Document 3 lists the projects that qualify for closure but are recommended to remain open based on the rationale provided by the project managers.

## **DISCUSSION**

The recommendations as proposed in this report to the Transit Commission and Council will result in the reduction of \$8.1 million in previously approved capital budget authority, return \$6.4 million to capital reserves, \$2 thousand to provincial gas tax reserve, \$1.5 million to Transit development charge reserve and will eliminate \$123 thousand of debt financing. Additional information on each recommendation is provided below.

### **Capital Projects Recommended for Closure**

All capital projects recommended for closure are listed in Document 1. It also shows the net budget authority established for these projects, the actual spending incurred to deliver and complete the project and any resulting surplus or deficit.

Projects totalling \$118.5 million in net approved budget authority have been completed and are recommended for closure. Actual funding required is \$1.62 million less than budget which will result in \$1.62 million being returned to the funding sources identified in Document 1.

### **Budget Adjustments Requiring Council Approval**

Document 2 request the budget adjustments requiring Council Approval.

The overall impact of the departmental budget adjustments is a reduction in previously approved authority of \$6.45 million. Actual funding required is \$6.45 million less than budget and will be returned to the Transit Capital reserve.

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### Capital Projects Requiring Council Approval to Remain Open

Capital projects will be considered for closure in 2020 if the stated completion date as established by the project manager is 2019.

Capital projects that qualify for closure but are recommended to remain open based on the rationale provided by the project managers are listed in Document 3. Upon Council approval of this recommendation, the year of completion for these projects will be revised from a completion date of 2019 to its new completion date accordingly.

### Closing of Capital Projects and Budget Adjustments

The impact of the closing of capital projects recommended in Document 1 and budget adjustments in Document 2 are summarized in the table below.

**Table 1: Net Impact of Closures and Adjustments**

Transit Financial Implications	Document 1 Closures Return to Source / (Funding Required)	Document 2 Budget Adjustments Return to Source / (Funding Required)	Total Returned to Source / (Funding Required)
<b>Capital Discretionary Reserves</b>			
Transit Capital Reserve	(9832)	6,448,500	6,438,668
<b>Total Capital Discretionary Reserves</b>	(9832)	6,448,500	6,438,668
<b>Restricted Reserves</b>			
Provincial Gas Tax	2,078	-	2,078
<b>Total Restricted Reserves</b>	2,078	-	2,078
<b>Total Capital Supported Reserves</b>	<b>(7,754)</b>	<b>6,448,500</b>	<b>6,440,746</b>
<b>Development Charge</b>	<b>1,510,426</b>	-	<b>1,510,426</b>

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<b>Debt Financing</b>			
City Wide Debt	10,921	-	10,921
PTIF Transit Debt	8,070	-	8,070
Transit Debt	104,728	-	104,728
<b>Total Debt Financing</b>	<b>123,719</b>	<b>-</b>	<b>123,719</b>
<b>Grand Total</b>	<b>1,626,392</b>	<b>6,448,500</b>	<b>8,074,891</b>

**RURAL IMPLICATIONS**

There are no rural implications associated with this report.

**CONSULTATION**

This is an administrative report and consultation is not applicable.

**COMMENTS BY THE WARD COUNCILLOR(S)**

This is a city wide report and councillor comments are not applicable.

**ADVISORY COMMITTEE(S) COMMENTS**

Not applicable.

**LEGAL IMPLICATIONS**

There are no legal impediments to approving the recommendations in this report.

**RISK MANAGEMENT IMPLICATIONS**

There are no risk impediments to implementing the recommendations in this report.

**FINANCIAL IMPLICATIONS**

The financial implications are outlined in this report

**ACCESSIBILITY IMPACTS**

There are no accessibility impact implications with this report.



## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

## **TERM OF COUNCIL PRIORITIES**

This report supports the City's on-going commitment to financial sustainability and transparency.

## **SUPPORTING DOCUMENTATION**

Document 1 – Capital Projects Recommended for Closure

Document 2 – Budget Adjustments Requiring Council Approval

Document 3 – Projects Requiring Council Approval to Remain Open

Document 4 – Budget Adjustments Processed Under Delegated Authority

Document 5 – Transit Reserve Fund Status

## **DISPOSITION**

Upon approval of this report, Corporate Finance will process the necessary closures and adjustments.