

25 SEPTEMBER 2019

<p>1. CAPITAL ADJUSTMENTS AND CLOSING OF PROJECTS – TRANSIT COMMISSION</p> <p>AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CESSATION DE PROJETS – TRANSPORT EN COMMUN</p>
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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 required) for the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:**
 - a. Capital Reserves: \$349,652;**
 - b. Debt Authority: \$141,025.**

RECOMMANDATIONS DE LA COMMISSION

Que le Conseil :

- 1. approuve la clôture des projets d'immobilisation énumérés dans le document 1;**
- 2. approuve les ajustements budgétaires décrits dans le document 2;**
- 3. permette que les projets mentionnés dans le document 3 qui se qualifient pour une clôture restent ouverts; et**
- 4. approuve le remboursement des soldes de financement ou (financement requis) suivants et l'élimination du pouvoir**

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d'endettement, en raison de la clôture des projets et des ajustements budgétaires :

a. Fonds de réserve financés: 349 652 \$;

b. Pouvoir d'endettement : 141 025 \$.

DOCUMENTATION / DOCUMENTATION

1. Deputy City Treasurer, Corporate Finance, Finance Services Department report, dated 9 September 2019.
(ACS2019-FSD-FIN-0005)

Rapport de la Trésorière municipale adjointe, Finances municipales, Direction générale des services des finances, daté le 9 septembre 2019.
(ACS2019-FSD-FIN-0005).

2. Extract of Draft Transit Commission Minute, 18 September 2019.

Extrait de l'ébauche du procès-verbal de la Commission du transport en commun, le 18 septembre 2019.

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**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
18 September 2019 / 18 septembre 2019**

**and Council
et au Conseil
25 September 2019 / 25 septembre 2019**

**Submitted on September 9, 2019
Soumis le 9 septembre 2019**

**Submitted by
Soumis par:**

**Isabelle Jasmin, Deputy City Treasurer, Corporate Finance, Finance Services
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2019-FSD-FIN-0005

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

**OBJET: AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CESSATION
DE PROJETS – 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 required) for the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:**
 - c. Capital Reserves: \$349,652;**
 - d. Debt Authority: \$141,025.**

RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun recommande au Conseil :

- 1. d'approuver la clôture des projets d'immobilisation énumérés dans le document 1;**
- 2. d'approuver les ajustements budgétaires décrits dans le document 2;**
- 3. de permettre que les projets mentionnés dans le document 3 qui se qualifient pour une clôture restent ouverts; et**
- 4. d'approuver le remboursement des soldes de financement ou (financement requis) suivants et l'élimination du pouvoir d'endettement, en raison de la clôture des projets et des ajustements budgétaires :**
 - e. Fonds de réserve financés: 349 652 \$;**
 - f. Pouvoir d'endettement : 141 025 \$.**

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

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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 Delegation of Authority By-law 2018-397. 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;
- 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.

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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 \$490,677 in previously approved capital budget authority, return \$349,652 to capital reserves and will eliminate \$141,025 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 \$80.7 million in net approved budget authority have been completed and are recommended for closure. Actual funding required is \$490,677 less than budget which will result in \$349,652 being returned to the Capital Reserves and a reduction of \$141,025 of debt authority that is not needed to fund these projects.

Budget Adjustments Requiring Council Approval

Document 2 separates the budget adjustments requested by project managers (departmental requests) from those that are administrative adjustments.

Unlike those requested by departments, administrative adjustments do not have an impact on the scope or the nature of work, nor do they involve transfers between projects. Generally, they revise the financing of a project and require Council approval because they either involve debt financing or exceed the City Treasurer's delegated authority limits.

The overall impact of the departmental budget adjustments is a net zero for the projects listed in Document 2.

Capital Projects Requiring Council Approval to Remain Open

Capital projects will be considered for closure in 2019 if the stated completion date as

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established by the project manager is 2018.

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 2018 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. The net impact of these closures and budget adjustments will reduce the debt financing requirement on Transit related projects by \$141,025.

Table 1: Net Impact of Closures and Adjustments

Transit Tax & Rate 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)
Capital Discretionary Reserves			
City Wide Capital Reserve	12,579	-	12,579
Transit Capital	105,451	-	105,451
Total Capital Discretionary Reserves	118,030	-	118,030
Combined Operating & Capital Reserves			
Water Capital Reserve	2,101	-	2,101
Total Combined Operating & Capital Reserves	2,101	-	2,101
Restricted Reserves			
Federal Gas Tax	262,928	-	262,928

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Transit Tax & Rate 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)
Provincial Gas Tax	(33,407)	-	(33,407)
Total Restricted Reserves	229,521	-	229,521
Total Capital Supported Reserves	349,652	-	349,652
Debt Financing			
Transit Debt	141,025	-	141,025
Total Debt Financing	141,025	-	141,025
Grand Total	490,677	-	490,677

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.

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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

The recommendations in this report support the Term of Council priorities (FS2 “Maintain and enhance the City’s financial position”).

SUPPORTING DOCUMENTATION *(Held on file with the City Clerk)*

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.