

23 JUNE 2021

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

**AJUSTEMENT DU BUDGET DES IMMOBILISATIONS ET CESSATION DE  
PROJETS – 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. Return to source the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:
  - Transit Capital Supported Reserve: \$1,449,522
  - Development Charge Reserve: \$187,646
  - Debt Authority: \$63,000
4. Permit those projects in Document 3 that qualify for closure to remain open;
5. Receive the budget adjustments in Document 4 undertaken in accordance with the *Delegation of Authority By-law* (By-law No. 2020-360), as amended, as they pertain to capital works; and
6. Authorize staff to perform the necessary financial adjustments as detailed in Documents 1 and 2.

### **RECOMMANDATIONS DE LA COMMISSION**

Que le Conseil :

1. autorise la clôture des projets d'immobilisation énumérés dans le document 1;
2. approuve les ajustements budgétaires présentés dans le document 2;
3. retourne à leur source les fonds restants suivants et de retirer le pouvoir d'endettement à la suite de la clôture des projets et des ajustements budgétaires :
  - fonds de réserve pour les immobilisations du transport en commun : 1 449 522 \$
  - fonds de réserve des redevances d'aménagement : 187 646 \$
  - pouvoir d'endettement : 63 000 \$
4. permet de garder ouverts les projets pouvant être clos qui sont indiqués dans le document 3;
5. prend connaissance des ajustements budgétaires présentés dans le document 4, apportés conformément au *Règlement municipal sur la délégation de pouvoirs* (Règlement n° 2020-360), dans sa dernière version, lesquels ont trait aux travaux d'immobilisations; et
6. autorise le personnel à appliquer les rajustements financiers nécessaires indiqués dans les documents 1 et 2.

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Documentation/Documentation

1. Deputy City Treasurer's report, Corporate Finance, Finance Services dated June 7, 2021 (ACS2021-FSD-FIN-0015)

Rapport de la Trésorière municipale adjointe, Finances municipales, Directrice générale des services des finances, daté le 7 juin 2021 (ACS2021-FSD-FIN-0015)

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**Report to  
Rapport au:**

**Transit Commission  
Commission du transport en commun  
16 June 2021 / 16 juin 2021**

**and Council  
et au Conseil  
23 June 2021 / 23 juin 2021**

**Submitted on June 7, 2021  
Soumis le 7 juin 2021**

**Submitted by  
Soumis par:**

**Isabelle Jasmin, Deputy City Treasurer, Corporate Finance, Finance Services/  
Trésorière municipale adjointe, Finances municipales, Direction générale des  
services des finances**

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**Personne ressource:**

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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2021-FSD-FIN-0015**

**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 recommend that Council:

1. Authorize the closing of capital projects listed in Document 1;
2. Approve the budget adjustments as detailed in Document 2;
3. Return to source the following funding balances and eliminate debt authority resulting from the closing of projects and budget adjustments:
  - Transit Capital Supported Reserve: \$1,449,522
  - Development Charge Reserve: \$187,646
  - Debt Authority: \$63,000
4. Permit those projects in Document 3 that qualify for closure to remain open;
5. Receive the budget adjustments in Document 4 undertaken in accordance with the *Delegation of Authority By-law* (By-law No. 2020-360), as amended, as they pertain to capital works; and
6. Authorize staff to perform the necessary financial adjustments as detailed in Documents 1 and 2.

## RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun recommande au Conseil :

1. d'autoriser la clôture des projets d'immobilisation énumérés dans le document 1;
2. d'approuver les ajustements budgétaires présentés dans le document 2;
3. de retourner à leur source les fonds restants suivants et de retirer le pouvoir d'endettement à la suite de la clôture des projets et des ajustements budgétaires :
  - fonds de réserve pour les immobilisations du transport en commun :  
1 449 522 \$

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- fonds de réserve des redevances d'aménagement : 187 646 \$
  - pouvoir d'endettement : 63 000 \$
4. de permettre de garder ouverts les projets pouvant être clos qui sont indiqués dans le document 3;
  5. de prendre connaissance des ajustements budgétaires présentés dans le document 4, apportés conformément au *Règlement municipal sur la délégation de pouvoirs* (Règlement n° 2020-360), dans sa dernière version, lesquels ont trait aux travaux d'immobilisations; et
  6. d'autoriser le personnel à appliquer les rajustements financiers nécessaires indiqués dans les documents 1 et 2.

## BACKGROUND

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

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 under the purview of the Transit Commission 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.

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

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- create separate accounts to facilitate project tracking
- account for the receipt of revenues not previously anticipated or for the over/underestimation of revenues
- adjust project financing

The *Delegation of Authority By-law* (By-law No. 2020-360), as amended, specifies those parameters in which budget adjustments may be made if authorized by the Chief Financial Officer/Treasurer. Those capital budget adjustment requests that do not meet the delegated authority limits of the Chief Financial Officer/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 \$200,000 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
- project closures

This report includes those capital budget adjustments that require specific Council approval (Document 2) as well as those that have been made as a result of delegated authority provisions (Document 4). The latter is provided for the information of the Transit Commission and Council, while adjustments in the former document are being recommended for approval.

## **DISCUSSION**

The recommendations proposed in this report to the Transit Commission and Council will result in the reduction of \$1.7 million in previously approved capital budget authority, return \$1.450 million to capital reserves, \$187,646 to the Transit development charge reserve, and will eliminate \$63,000 of debt financing. Additional information on each recommendation is provided below.

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**Recommendation 1 - Capital Projects Recommended for Closure**

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

Projects totalling \$63.705 million in net approved budget authority have been completed and are recommended for closure. Actual funding required is \$62.004 million less than budget which will result in \$1.7 million being returned to the funding sources identified in Document 1.

**Recommendation 2 - Budget Adjustments Requiring Council Approval**

Document 2 depicts the budget adjustments requiring Council Approval. There is a net zero budget impact resulting from the departmental budget adjustments. Funding adjustments in Document 2 are transfers from one project to another of like funding sources, however, these require Council approval as they exceed the delegated authority limits as set out in the *Delegation of Authority By-law* (By-law No. 2020-360).

**Recommendation 3 – Return to Source Funding or (Funding Required)**

The details of the return to source funding or (funding required) are outlined in Table 1.

Table 1: Return to Source Funding

<b>Transit Financial Implications</b>	<b>Document 1 Closures Return to Source / (Funding Required)</b>	<b>Document 2 Budget Adjustments Return to Source / (Funding Required)</b>	<b>Total Returned to Source / (Funding Required)</b>
<b>Capital Discretionary Reserves</b>			
Transit Capital Reserve	1,449,522	-	1,449,522
<b>Total Capital Discretionary Reserves</b>	<b>1,449,522</b>	<b>-</b>	<b>1,449,522</b>
<b>Restricted Reserves</b>			
Provincial Gas Tax	-	-	-
Federal Gas Tax	-	-	-
<b>Total Restricted Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>



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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>Total Capital Supported Reserves</b>	<b>1,449,522</b>	-	<b>1,449,522</b>
<b>Development Charge</b>	<b>187,646</b>	-	<b>187,646</b>
<b>Debt Financing</b>			
City Wide Debt	63,000	-	63,000
<b>Total Debt Financing</b>	<b>63,000</b>	-	<b>63,000</b>
<b>Grand Total</b>	<b>1,700,168</b>	-	<b>1,700,168</b>

#### **Recommendation 4 - Capital Projects Requiring Council Approval to Remain Open**

Capital projects will be considered for closure in 2021 if the stated completion date as established by the project manager is 2020.

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 2020 to its new completion date accordingly.

#### **Recommendation 5 - Capital Budget Adjustments Processed Under Delegated Authority**

Those capital budget adjustments processed between June 17, 2020 to May 10, 2021 under the authority delegated to the Chief Financial Officer/Treasurer as per the *Delegation of Authority By-law* are provided in Document 4 for the information of the Transit Commission and Council.

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## **Document 5 – Reserve Fund Status**

Document 5 Reserve Fund Status presents a continuity schedule of the Transit related reserves and reserve funds. The schedule reflects the impact on reserve balances of the recommendations as presented in this report and the Capital Budget Adjustment and Closing of Projects – City Tax and Rate Supported report ACS2021-FSD-FIN-0011.

### **RURAL IMPLICATIONS**

There are no rural implications associated with this report.

### **CONSULTATION**

Not applicable

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

This is a city-wide report.

### **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 impacts associated with this report.

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## **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**

Following Council approval of this report, Corporate Finance will process the necessary capital budget closures and adjustments.