

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. CS-2018-0004

**FOR THE CONSIDERATION OF
COUNCIL
JANUARY 17, 2018**

SUBJECT: CAPITAL CARRY FORWARD POLICY

1. RECOMMENDATION:

- 1. That Council receive Report No. CS-2018-0004 prepared by the Office of the Treasurer, Corporate Services Department dated January 17, 2018 respecting the new Capital Carry Forward Policy;**
- 2. That Council authorize the Treasurer to provide a funding timeframe of a maximum of two years for new capital projects, and for the Treasurer to report annually on the status of projects that were not completed within the two year time frame;**
- 3. That Council authorize the Treasurer to carry forward into 2018 the capital projects and related funding as described in Attachment 1, and for the funding for these carry forward projects to expire on December 31, 2018;**
- 4. That Council cancel the below capital projects and authorize the Treasurer to remove the related funding commitment from the funding source and contribute any tax levy dollars to the Corporate Capital/New Infrastructure Reserve.**
 - 1. 14-ROC-4: ROC Ladder Remediation**
 - 2. 15-PWK-8: Egypt Yard Storage Building**
 - 3. 15-PWK-13: French Drains**
 - 4. 15-HAL-5: Civic Centre Customer Service/Security**
 - 5. 16-PRK-2: Waterfront Minor Capital**
 - 6. 17-PRK-2: Sheppard Dock Repair**
 - 7. 17-HAL-1: Exterior Stair and Handrail Repairs**

2. PURPOSE:

The purpose of this report is to create a Capital Carry Forward Policy, to provide the status of capital projects being carried forward into 2018, and to cancel previously approved capital projects.

3. BACKGROUND:

In the 2017 Budget, the Town of Georgina approved 25.8M in capital projects, of which 13.0M were carry forward projects from previous fiscal years. When a capital project is approved through the budget process a funding source is applied to cover the expenditure. Funding sources have included tax levy, discretionary reserves, federal gas tax, federal and provincial grants, long term debt, development charges, and other revenue. Once the project is approved, the Treasurer commits the funding source to ensure the funds are available when the project is completed. In the past, there has been no policy to state how long the funds should remain committed, and as a result, there are funds committed for incomplete projects dating back to 2014. Implementing the proposed funding timeframe will ensure that capital projects are completed within two years, or the funding source will be returned and staff will be required to report to Council as to why the project was not completed.

4. ANALYSIS:

Starting in 2018, staff are requesting that capital projects have a maximum funding timeframe of two fiscal years. The funding for new capital projects approved in the 2018 budget would expire on December 31, 2019. Although two fiscal years will be available, staff will make every effort to complete the proposed projects in the year they were requested.

Staff are requesting that Council authorize to carry forward into 2018 the capital projects and related funding listed in Attachment 1, and for the funding for these projects to expire on December 31, 2018. Please refer to Attachment 1 for the current status of these projects. Some projects on the list have already been completed as of January 17, 2018, however, it is still necessary to carry the funding over into 2018 as they were not complete, or payment was not complete as of December 31, 2017.

During the preparation of the 2018 Draft Budget, staff spent a considerable amount of time doing a comprehensive review of all outstanding capital projects. The result of this review has led staff to recommend cancelling the capital projects listed below. The funding source is listed beside each project.

1. 14-ROC-4: ROC Ladder Remediation: \$27,000 (Tax Levy)

Recommendation: Cancel capital project and contribute the \$27,000 to the Corporate Capital reserve.

Reason for Cancellation: This capital project is no longer required. A new approach was taken in 2017 with the approval of 17-ROC-1: Snow Gun Fall Arrest. The business case in 2017 outlined that making the snow guns portable is a better investment.

2. 15-PWK-8: Egypt Yard Storage Building: \$156,070 (Tax Levy)

Recommendation: Cancel capital project and contribute the \$156,070 to the Corporate Capital reserve.

Reason for Cancellation: Council deferred project in 2015 pending LT study.

3. 15-PWK-13: French Drains: \$200,000 (\$67,500 Parks Repair & Replacement Reserve and \$132,500 Federal Gas Tax)

Recommendation: Cancel capital project and un-commit the \$67,500 from reserves and \$132,500 from Federal Gas Tax.

Reason for Cancellation: Prior to completing these works, the Town's Stormwater Management Master Plan required completion. This plan was submitted to Council in the fall of 2017. The next step in the program is the establishment of the supporting maintenance program (see 15-ENG-4). Once the maintenance program is established in 2018 staff will report in 2019 with recommended field work.

4. 15-HAL-5: Civic Centre Customer Service/ Security: \$300,000 (Provincial Grant Reserve)

Recommendation: Cancel capital project and un-commit the \$300,000 from reserves.

Reason for Cancellation: In lieu of pursuing project, a 2016 Functional Analysis Study was undertaken to address long term view versus short term solution.

5. 16-PRK-2: Waterfront Minor Capital: \$25,530 (Tax Levy)

Recommendation: Cancel capital project and contribute the \$25,530 to the Corporate Capital reserve.

Reason for Cancellation: All work planned that was achievable has been completed. Additional project did not proceed as a result of permitting costs as well as an underestimate of the additional costs required.

6. 17-PRK-2: Sheppard Dock Repair: \$65,000 (Tax Levy)

Recommendation: Cancel capital project and contribute the \$65,000 to the Corporate Capital reserve.

Reason for Cancellation: Various damaged deck boards will be replaced. Substantial investment in this capital project should not occur at this time. Based on rental income the payback period for this project is 23 years. Therefore, project has been cancelled until a more thorough analysis can be done for all marine infrastructure across the Town.

7. 17-HAL-1: Exterior Stair and Handrail Repairs: \$30,500 (Facility Repair & Replacement Reserve)

Recommendation: Cancel capital project and un-commit the \$30,500 from reserves.

Reason for Cancellation: After review of applicable codes and standards, this project is not required.

5. RELATIONSHIP WITH CORPORATE STRATEGIC PLAN:

This report supports the following Strategic Goals:

Goal 3: "Engage Our Community & Build Partnerships" – Communication, Engagement, Collaborations & Partnerships.

- Informed community.

Goal 4: "Provide Exceptional Municipal Service" – Organizational and Operational Excellence.

- Open, accountable, and responsive government.
- Proactive financial and municipal asset management.

- Progressive organizational practices.
- Engaged and collaborative leadership.

6. FINANCIAL AND BUDGETARY IMPACT:

With the cancellation of the above requested projects there will be \$132,500 un-committed from federal gas tax, \$398,000 un-committed from discretionary reserves, and \$273,600 contributed to the Corporate Capital/New Infrastructure reserve.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

There are no public consultation or notices required for the recommendations requested in this report.

8. CONCLUSION:

The implementation of a two year funding timeframe for new capital projects will ensure that staff are held accountable by being required to complete all capital projects within a reasonable timeframe. It will provide for better financial planning by having funding sources only committed for two years.

Prepared by:

Recommended by:

Rob Wheeler, CPA, CA
Treasurer

Dave Reddon
Director of Corporate Services/
Deputy CAO

Approved by:

Winanne Grant, B.A., AMCT, CEMC
Chief Administrative Officer

Attachment: Capital Carry Forward Status Update

2018 Budget - Capital Carry Forward Status Update

Carry Forward Capital Investment	Dec 31, 2017		Remaining Budget	Status	Estimated Completion Date
	Estimated Spent to Date	Estimated Budget			
Operations & Infrastructure					
15-PWK-17 Asphalt Hot Box	-	15,000		Tender originally over budget, topped up for 2018 procurement	Q2 2018
16-PWK-6 Queensway Culvert	10,400	289,600		To be completed in coordination with the servicing of new Development	TBD
17-PWK-5 Roads Yards: Diesel Generator/Tank	-	11,000		Tender to close January 18	Q2 2018
17-PWK-6 Bridge and Culvert Rehabilitation	-	264,000		To be completed in 2018	Q4 2018
17-PWK-9 Truck: Crew Cab	-	67,000		Scheduled to be delivered March 2018	Q2 2018
15-PRK-11 Vehicle Replacement	-	55,000		Oversight. Will be included in 2018 tenders	Q3 2018
17-PRK-5 Tree Inventory	37,100	4,100		Remaining funds will be included in 2018 scope of work	Q3 2018
17-PRK-6 EAB Removal and Stumping	167,130	82,870		Remaining funds will be included in 2018 scope of work	Q3 2018
17-PRK-7 Tree Planting	11,810	88,190		Remaining funds will be included in 2018 scope of work	Q3 2018
17-PRK-8 Mill Pond Park & Wharf Renovations	-	15,000		Project completed	Complete
17-PRK-9 Streetscape Design Standards	-	100,000		New funding source of \$100,000 from the Corporate Capital/New Infrastructure Reserve is proposed.	Q4 2018
NA Mossington Wharf Rehabilitation	-	770,000		To be completed in 2018. Funded by grant.	2018
17-HAL-8 Diesel Generators Exhaust/Tank	-	45,000		Tender closes January 18, 2018. Council report February 14, 2018	Q4 2018
17-HAL-11 Backflow Preventers	-	100,000		RFP being developed	Q3 2018
17-ICE-4 Green Pad Seating	-	12,000		Proposed original scope can be achieved within budget (countertop). Increased scope as requested by AAC requires additional funding. Report to Council forthcoming	TBD
17-LNK-1 The Link - Exterior Sign, Parking Lot Lighti	-	125,200		Pending outcome of 2018 budget deliberations	TBD
17-LNK-2 The Link Phase 2 & 3 Completion	-	880,000		Cost estimate updated, \$880K to be carried forward to incorporate with consideration of additional funds in 2018 (see 18-LNK-1)	TBD
17-CEM-2 Pond/Pump House	-	20,000		Cemetery Board chose to defer this work until topo survey (17-CEM-3) complete (Q2) and approved Master Plan updated.	Q4 2018
17-REC-1 MURC Design	-	2,000,000		Ongoing. To be completed in 2018.	Q4 2018
	226,440	4,943,960			
Recreation and Culture					
15-ENG-6 Maskinonge River Pedestrian Bridge	24,380	1,875,620		Construction on hold - land acquisition to be included in 2018 budget	TBD
16-REC-2 CIP 150 Funding - PIP - Roof Enclosure	28,420	757,810		In progress, to be coordinated with 2018 budget request for additional funding source	Q1 2018
16-REC-3 CIP 150 Funding - DLS Park Accessibility	215,430	111,270		In progress, substantial completion in 2017, final inspection in Q1 2018	Q1 2018
17-REC-2 Maskinonge River Ped. Bridge - Waterfron	-	112,000		Pending, land negotiation and budget discussions	TBD
NA MTO Grant: Community Transportation	25,000	25,000		Carry over of funding received in 2017	Q1 2018
	293,230	2,881,700			

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2018 Budget - Capital Carry Forward Status Update

Carry Forward Capital Investment	Dec 31, 2017		Remaining Budget	Status	Estimated Completion Date
	Estimated Spent to Date	Budget			
Fire & Emergency Services					
17-FIR-1 Replacement of E142	-	597,800	Awarded to Carrier Nov 1st/17 - currently being built		Q4 2018
17-FIR-8 New Fire Station 1-8	-	240,000	Thomas Brown Architects awarded design contract in September 2017 - design being finalized - Tender pending		Q2 2018
		837,800			
Development Services					
15-ENG-3 Sidewalk Master Plan	-	50,000	Current inventory assessment being undertaken in house by O&I Study of future sidewalk needs to be undertaken by Engineering when staffing resources allow		2018
15-ENG-3 Storm Drainage Improvements	-	50,000	Step 1 - Stormwater Management Master Plan received by Council in Fall of 2017. Step 2 - development of 10 year maintenance program in support of the Master Plan (see 15-ENG-4). Step 3 - commence field improvements		Q4 2018
15-ENG-4 Stormwater Management Master Plan	101,630	73,370	Step 1 - Stormwater Management Master Plan received by Council in Fall of 2017. Step 2 - development of 10 year maintenance program in support of the Master Plan (see 15-ENG-4). Step 3 - commence field improvements		Q3 2018
17-EDC-1 Community & Way Finding Signage	2,510	37,490	Willow Beach complete. Balance of 2017 program to be completed in 2018		Q4 2018
NA Investment Attraction Strategy Expansion f	-	15,000	Ongoing		Q3 2018
	104,140	225,860			
Human Resources					
17-HMR-1 Online Applicant Tracking	-	20,000	Capital dollars to support NI-ITS-1		Q3 2018
		20,000			
Corporate Services					
17-TRS-1 Disposal of Unsold Tax Sale Properties	-	10,000	In progress		Q3 2018
17-TRS-2 Customer Service Hub - Audit	-	5,000	To follow complete transition of Recreation Facility Booking/Programming to the Hub		Q2 2018
17-TRS-3 Customer Service Strategy	108,410	41,590	1st Floor Hub completed, 3rd Floor Hub pending.		Q4 2018
15-ITS-5 Enterprise Resource Planning Software	591,500	158,500	In progress - Vadim OPEN and electronic purchasing requisitions and timesheet entry remain outstanding pending available resources and time. Portal/website integration ongoing.		2018
17-ITS-4 Minor Capital	-	2,000	To be transferred to CAO's Dept for Service Delivery Excellence position		Q1 2018
17-ITS-5 Wireless Broadband Infrastructure	29,590	10,410	Ongoing - Equipment ordered; awaiting installation with third-party contractors		Q3 2018

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2018 Budget - Capital Carry Forward Status Update

Carry Forward Capital Investment	Dec 31, 2017		Remaining Budget	Status	Estimated Completion Date
	Estimated Spent to Date	Estimated Budget			
17-ITS-6	-	120,000		Bid document development in progress	Q3 2018
17-MLE-1	-	7,000		To be completed with capital project 18-MLE-2 Animal Shelter Lobby Renovations	Q3 2018
Chief Administrative Officer					
16-CAO-1	729,500	354,500		Program development continues	Q4 2018
Library					
17-LIB-2	55,770	49,230		Core samples completed. Scope determined. Contract awarded.	Q2 2018
	55,770	49,230			
	-	30,000			
	-	30,000			
TOTAL CARRY FORWARD CAPITAL	1,409,080	9,343,050			
Water and Wastewater (Operations & Infrastructure)					
16-WAT-1	5,500,000	500,000		Restoration work will resume in the Spring	Q2 2018
17-WAT-1	-	120,350		Contractor completing notification schedules Jan '18, customer contact Feb '18	Q2 2018
17-WAT-2	1,800,000	1,346,030		Restoration of above ground and pump upgrades to be completed 2018	Q3 2018
17-WAT-4	-	15,800		Tender closes January 18, 2018. Council report February 14, 2018	Q4 2018
15-SEW-1	6,410	53,590		This project will be incorporated into 17-WAT-2 to be completed 2018	Q3 2018
17-SEW-1	-	217,080		Included in the 17-WAT-4 project. Tender closes Jan. 18, 2018 with the report to council for February 14, 2018.	Q4 2018
TOTAL CARRY FORWARD: WATER/WASTEWATER	7,306,410	2,252,850			
TOTAL CARRY FORWARD - TOWN OF GEORGINA	8,715,490	11,595,900			