

Background

This report provides the transparency and accountability by providing a summary of cancelled/closed projects with no activity for at least 24 months as of December 31, 2019. The analysis for cancelled/closed capital projects that were identified as part of the June 2, 2020 COVID report were decisions made during 2020 and does not relate to this report.

Oversight requirements exist that call for project status to be regularly reported. Regular information about the progress of capital projects is important so that adjustments or changes to planned activities, where required, can be made in a timely fashion. When certain triggering events occur, such as 24 months passing with no activity on an approved project, the policy calls for staff to further review the project and the reasons for inactivity.

Analysis

The Capital Budget Policy aligns capital budgeting practices with the principles described in the Asset Management Strategy and the long-term perspective anticipated by the Long-Term Financial Plan.

The Policy encourages timely project completion. Prior to 2019, it was possible for a project to remain inactive for several periods after Council approval. This occurred when staff resources were not available to support the project, new priorities were introduced that require resources to be redirected, or conditions affecting the specific project changed and required plans to be reassessed. Since 2019, the policy calls for approved projects that experience 24 months of inactivity to be closed and funds returned to the Holding Account. If the project is still required, it would re-enter the prioritization process and be considered along with other capital project priorities.

This manages the risk that scarce capital funds are sitting idle when they could be redeployed to fund other work that achieves Council's priorities and meets recognized community needs. The Capital Budget Policy states:

If a Capital Project has not had any activity for 24 months the project will be closed and the remaining capital project funds will be transferred to the Holding Account or relevant capital financing reserve fund where applicable. The ELT member can request that the CAO approve an extension in exceptional circumstances.

This report describes the transfers completed of capital projects that did not have activity in the last 24 months.

Appendix A and B provides details about each closed project. It is important to note that where these projects are still required, they will be subject to review and prioritization in future capital budgets.

Appendix A represents tax levy funded closed capital projects (excluding water/wastewater) and provides details of the 26 projects that were identified as complete or canceled and resulted in \$1.2 million transferred to the Capital Holding Account Reserve as well as \$278,000 that was transferred to the 199 Larch Street Reserve Fund.

Appendix B represents water and wastewater closed capital projects and provides details of four Water projects that were identified as complete or canceled with a total of \$64,000 transferred to the Water Holding Reserve. A total of nine Wastewater projects were identified as complete or canceled with a total of \$470,000 transferred to the Wastewater Holding Reserve.