

For Information Only

2009 Committed Capital Year-End Position

Presented To:	Finance Committee
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Recommendation

For information only.

Background

Council has adopted a pay as you go capital financing strategy directly funding capital projects through the operating budget each year. The committed capital balance represents the unspent capital funding at the end of the year. The majority of the projects are underway and funding will be spent in 2010 or shortly thereafter.

Signed By

Report Prepared By

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Recommended by the Department

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Year End Balance

The 2009 year-end balance of Committed Capital was \$49.3 million, a decrease of \$1.7 million from the 2008 closing balance. Appendix A is a summary which shows the breakdown by major category as at December 31, 2009, with comparative figures for 2008. Also attached are explanatory notes which include a brief description of the projects underway at the end of 2009.

Included in the balance of \$49.3 million is unfinanced capital of \$22.1 million. These are projects approved by Council to be funded by future years capital envelopes, development charges and section 391 charges. Major projects include: Levack water supply (\$4.7M), South End Rock Tunnel (\$2.5M), Kingsway water project (\$2.0M), four Infrastructure Stimulus projects(\$3.6M) , two Recreation Infrastructure Canada Program projects (\$0.4M) and the Lionel E. Lalonde Centre (\$3.8M).

Closed Projects

Council requested more detailed variance reporting regarding capital expenditures. Provided in Appendix B is a list of projects that were closed and completed in 2009. To present a meaningful list to Council only projects greater than \$500,000 have been included.

The current Capital Policy, approved in 2001, indicates the following: "Since capital project budgets within the annual envelopes will be based on best estimates at the time the envelope spending is approved, it is inevitable that actual expenditures will vary upwards or downwards from the original estimates. In some instances a project may span many years of capital funding (e.g. major plant upgradings or road reconstruction projects). Inevitably the original project estimates are higher or lower than the actual costs incurred, thereby generating surpluses or deficits within annual envelope allocations. More specifically, By-law 2001-135F states that any final surplus in capital projects shall be used (1) firstly to fund any final project over-expenditures with the same envelope category of other years by re-allocating the funding between the years and closing the envelopes; and (2) any remaining surplus shall be transferred to the appropriate Capital Financing Reserve Fund for that envelope category. The By-law was followed and has given authority to staff to reallocate funds between projects as noted in Appendix B.

Staff are working on revising the policy and will be back to Council in the fall of 2010.

CITY OF GREATER SUDBURY
Committed Capital
as at December 31, 2009

	Year - End Balance 2009	Year - End Balance 2008
	\$	\$
(1) Administrative Services		
Administration	870,116	694,360
Information Technology	2,094,840	1,431,740
Human Resources & Org Dev	183,878	363,430
Other Projects	1,362,610	1,165,101
Subtotal-Administrative Services	4,511,444	3,654,631
(2) Growth & Development		
Economic Development	0	4,559
Planning	462,978	517,498
Community & Strategic Planning	52,834	74,187
Transit	(80,836)	0
Parking	466,619	409,203
Subtotal-Growth & Development	901,595	1,005,447
(3) Community Development		
Health & Social Services	(567,343)	2,274,056
Healthy Community	77,286	117,720
Leisure Services	1,537,300	1,615,152
Leisure Services - Facilities	298,449	703,999
Library Services	352,420	(45,017)
Cemetary Services	72,270	0
Subtotal-Community Development	1,770,382	4,665,910
(4) Infrastructure Services		
Water	11,501,201	14,502,590
Wastewater	21,294,698	18,041,905
Roadways	(604,987)	3,998,294
Facilities (a)	332,775	765,546
Equipment (a)	1,169,826	1,898,408
Solid Waste (a)	3,154,244	2,376,589
Drains and stormwater management	5,290,507	80,404
Subtotal-Infrastructure Services	42,138,264	41,663,736
(5) Emergency Services		
EMS	1,250,480	937,490
Emergency Planning	(3,758,668)	(3,897,278)
Subtotal-Emergency Services	(2,508,188)	(2,959,788)
(6) Fire Services	(747,850)	(98,746)
(7) Police Services	3,276,682	3,116,708
TOTAL - COMMITTED CAPITAL	49,342,329	51,047,898

(a) These areas have since been moved to Growth & Development.

(1) **Administration Services**

Administration

Document Management System, central mailing equipment and other various projects were not completed at year-end but it is anticipated that all of these projects will be finalized in 2010 and 2011.

Information Technology

The major projects still outstanding in this section are Microsoft office conversion, application system upgrades, Storage Area Network upgrades and some Hardware and Software costs.

Human Resources

This balance relates to ergonomic assessment equipment.

Other Projects

Other projects related to funds approved for the implementation of ERP applications, such as Chart of Accounts, new budget system and commitment control and other ERP projects. In accordance with the ERP roadmap, it is anticipated that the balance will be largely spent during 2010 to 2012.

(2) **Growth and Development**

Planning

The balance relates to the partial funding for the new zoning by-law and funding designated for the official plan.

Community & Strategic Planning

The balance represents funds for Connect Ontario and the “My Sudbury” initiative.

Transit

The balance represents the net of expended funds for improvements to bus shelters. Funding has been provided for this purchase in the 2010 capital budget.

Parking

The available funding in this section is mainly for completion of small projects including the gate arm / cash system for the Tom Davies Square parking garage, replacement of pay and display machines and signage. Once the downtown parking study is completed and recommendations identified, these monies will be spent.

(3) **Community Development**

Health and Social Services

The balance represents expended capital funds for the Pioneer Manor Boreal Redevelopment project which are funded in the 2010 and 2011 capital budgets.

Leisure Services

A number of projects remain outstanding throughout this section, including Neighbourhood Participation and Community Improvement allocations, park and playground upgrades, sports field development and miscellaneous equipment. The balance is reduced by projects funded in the 2010 budget such as the Laurentian Track, Grace Hartman Amphitheatre, Howard Armstrong Recreation Centre and the James Jerome Sports Complex.

Leisure Services - Facilities

A number of projects including roof, building shell repairs and various other upgrades remain outstanding.

Library Services

The balance represents the net of unexpended capital funds relating to the Archives project and some minor projects.

Cemetery Services

The balance represents unexpended funds for the Waters Cemetery expansion and the Civic Memorial exterior Columbarium.

(4) **Infrastructure**

Water

There are a number of ongoing projects which have been budgeted for and funded such as numerous water main replacements, mandated operating manuals and SCADA upgrades at facilities, work in the Ramsey Lake area, re-chlorination, tank inspections as well as work at the Wahnapiatae treatment plant. In addition, there are some ongoing major projects such as the Levack and Valley East water supply systems. These projects will be completed over the next few years.

Wastewater

Similar to water, there are a number of ongoing projects such as sewer replacements, sludge management, mandated operating manuals, upgrades at waste water facilities including work at the Sudbury and Lively WWTP, as well as necessary upgrades to a number of lift stations, including Charles St and master plans. Offsetting this are Kingsway expenditures which will be recovered from s. 391 charges.

Roadways

The City's share of the funding for the work completed as part of the Infrastructure Stimulus Fund for three road projects is only funded in the 2010 capital budget. This is mitigated in part by some work yet outstanding such as some land acquisition, bridge work, culverts and Maley Drive. This leaves the Roads division in a year end over expenditure of \$605,000.

Facilities

The balance here is from various mechanical, electrical and building shell projects that were not quite completed prior to year-end.

Equipment

Efforts have been made to reduce the time lag in receipt of the equipment budgeted for in 2008 and 2009, and it is expected that the equipment will be received in 2010.

Solid Waste

A number of projects remain open in this section; including Azilda site stormwater and pond, work at the Hanmer site, and the Solid Waste management facility.

Drains and storm water management

The balance outstanding is made up by the Lake Nepahwin Storm water Quality Control project, the Rockwood Drive upgrade, and various storm and trunk sewer projects. Also outstanding are various agricultural drains as the construction tends to span a number of years, from the initial planning stage to the completion and billing stage. Active projects at the end of 2009 were the Hope, Poitras, O'Bomsawin, Castonguay, Val Caron, Lavallee, Whitson Paquette, Joannette, Pilon and Pawlowicz drains.

(5) Emergency Services

Emergency Medical Services

The available funding in EMS, for the most part, relates to timing between when specialty equipment, such as electronic patient care records, is ordered and received. Also, in 2009 funds were set aside for some station development. It is anticipated that the balance of the funds will be spent during 2010.

Emergency Planning

The balance includes the expended capital funds for the Lionel E. Lalonde Centre, which will be recovered through envelope commitments until 2021.

Appendix A – Explanatory Notes – Committed Capital – December 31, 2009

(6) Fire Services

The balance represents the net funds committed in 2010 for the purchase of pumpers that occurred in 2009.

(7) Police Services

The capital balance relates to vehicle purchases and associated equipment, construction project to headquarters and leasehold improvements, document management systems, radio equipment replacement, security system upgrades, exchange server replacement, dictation system replacement and document management system implementation.

Appendix B

City of Greater Sudbury
2009 Completed Capital Projects over \$500,000

Division	Department	Project description	Started	Original budget	Final Cost	Variance	Notes
INFRASTRUCTURE	ROADS	MR55 (1 km to interchange)	2009	2,200,000.00	2,268,624.00	-68,624.00	
		Paris St (Walford to York)	2009	4,010,000.00	4,525,958.00		
		Sudbury Regional Hospital portion		611,339.00	704,207.00		
		Total		4,621,339.00	5,230,165.00	-608,826.00	1
		Minto St Bridge	2009	840,000.00	543,773.00	296,227.00	2
		Madison Ave	2009	1,200,000.00	746,708.00	453,292.00	1
		Garson-Coniston Road	2008	1,500,000.00			
		Council Approval		1,700,000.00			
		Total		3,200,000.00	2,736,588.00	463,412.00	5
		Lansing Avenue	2008	560,000.00	607,679.00	-47,679.00	3
		MR 55 (0.9 km west end Lively)	2008	1,250,000.00	1,289,740.00	-39,740.00	3
		Durham St Bridge	2008	535,000.00			
		Council Approval		271,440.00			
		Total		806,440.00	677,847.00	128,593.00	1
		Larch St Bridge	2008	390,000.00	553,984.00		
		Council Approval		196,560.00			
		NDCA contribution		493,645.00	484,844.00		
		Total		1,080,205.00	1,038,828.00	41,377.00	1
		Marcel St (Nesbitt to Martindale)	2008	1,800,000.00	1,298,561.00	501,439.00	3
		MR 15	2008	670,000.00	507,899.00	162,101.00	4
		2008 Capital Levy					
		Kingsway	2008	1,112,567.00	1,042,299.00	70,268.00	
		Kingsway water	2008	530,090.00	570,870.00	-40,780.00	
		Total		1,642,657.00	1,613,169.00	29,488.00	
		Notre Dame	2008	2,908,775.00	3,106,567.00	-197,792.00	3 / 4

City of Greater Sudbury

2009 Completed Capital Projects over \$500,000

Division	Department	Project description	Started	Original budget	Final Cost	Variance	Notes
		Marcel St Bouchard to Bend	2008	750,000.00	677,983.00	72,017.00	
		MR80 Valleyview to Donaldson	2008	4,607,000.00			
		2007 Budget		3,443,000.00			
		2008 Budget		2,760,000.00			
		Council Report Jan 2008					
		Total		10,810,000.00	10,745,020.00	64,980.00	
		Main St MR80 to Belisle	2008	600,000.00			
		2007 Budget		3,260,000.00			
		2008 Budget		2,290,000.00			
		Council Report May 2008		6,150,000.00	6,060,533.00	89,467.00	
	WATER	Total					
		Wanapitae WTP upgrade	2006	650,000.00			
			2008	42,711.00			
			2009	61,247.00			
				753,958.00	753,958.00	0.00	
		South End Rock Tunnel	2002	31,100,000.00	34,061,554.00	-2,961,554.00	7
		Sudbury WWTP	2007	154,806.00			
		2005 Budget		1,158,132.00			
		2006 Budget		1,800,000.00			
		2007 Budget		384,775.00			
	WASTE WATER	2008 Budget		450,000.00			
		Council Report		3,947,713.00	4,431,918.00	-484,205.00	6
COMMUNITY DEVELOPMENT	ASSETS	Azilda Library	2009	327,659.00			
		2009 Budget (envelope and reserves)		50,000.00			
		2009 Budget Option		134,703.00			
		Development Charges		512,362.00	536,848.00	-24,486.00	
		Total					

City of Greater Sudbury

2009 Completed Capital Projects over \$500,000

Division	Department	Project description	Started	Original budget	Final Cost	Variance	Notes
		McClelland Arena	2009				
		Insurance		1,781,903.00			
		Deductible		50,000.00			
		2009 Budget		250,000.00			
		Total		2,081,903.00	2,080,497.07	1,405.93	
	PIONEER MANOR	Regional Geriatrics	2008				
		NOHFC		534,200.00			
		LHIN		165,000.00			
		2008 Capital	(roofing)	142,016.00			
		Future Envelopes	(loan pmt)	121,499.00			
	Total		962,715.00	962,715.00	0.00		
EMERGENCY MANAGEMENT		Garage and Police Carport	2008	380,000.00			
		Police budget	2007	321,552.00			
				701,552.00	661,539.14	40,012.86	
FIRE SERVICES		Pumper	2009	500,000.00			
			2010	1,000,000.00			
				1,500,000.00	1,459,278.58	40,721.42	
GROWTH AND DEVELOPMENT		Bus purchases (5)	2009	2,375,000.00	2,298,850.00	76,150.00	
	TRANSIT	Stop Announcement System	2009				
		Council Report (Resolution 2009-101)		536,252.00	537,090.00	-838.00	
NOTES	For all projects above any under (over) expenditure has been funded from other completed (underspent) projects or from contingencies. Only variances greater than \$100,000 have been explained below.						
1	Underspending in the Larch/Durham Street Bridges and Madison Avenue projects were utilized to compensate for the overexpenditure in the Paris Street project.						
2	Funds have been transferred for the Desmarais Street bridge (a 2010 project)						
3	Underspending in the Marcel Street project was utilized to compensate for the overexpenditure in the MR 55, Lansing Avenue, Asphalt patching and Notre Dame projects.						

City of Greater Sudbury

2009 Completed Capital Projects over \$500,000

Division	Department	Project description	Started	Original budget	Final Cost	Variance	Notes
4	Underspending in the MR15 project was utilized to compensate for the overexpenditure in the Notre Dame project and will be utilized for the Desmarais Street bridge (a 2010 project).						
5	The underspending in this project will be kept for Phase II of the Garson Coniston Road scheduled to begin in 2012.						
6	Additional funding was transferred from lift station upgrades, scada upgrades and contingency accounts to fund overexpenditure.						
7	This project was completed in July 2009. As per the Council report presented on January 13, 2010, some cost overruns were incurred. A final report will be presented with a funding recommendation once the outstanding issues are resolved.						