

In accordance with the Capital Budget Policy, approved by City Council in January 2019, this capital variance report identifies capital projects in excess of \$200,000 which have been completed for the period of April 1, 2018 to December 31, 2018, as well as the cancelled projects for the same period. Variance explanations are included for variances over \$100,000 on completed capital projects (Appendix A) as well as cancelled capital projects (Appendix C).

For the capital projects with variances over \$100,000, the collective variance amount that were over budget totaled \$7.1 million, while the capital projects that were under budget had a variance of \$13.2 million. Appendix A provides explanations of the variances as well as how the capital project surpluses/deficits were handled. The variances were as a result of tender pricing or relating to site conditions/scope changes. Most of the capital projects have achieved their approved scope.

The Capital Budget Policy in effect when these projects were completed enabled staff to reallocate funds when projects were projected to exceed the approved budgets due to tender pricing or site conditions/scope changes in order to ensure completion of the approved scope of the project. These reallocations would have been from surpluses from other projects, or where lower priority projects were cancelled and would be reprioritized in future capital budgets.

The report includes three appendices as listed below:

1. Appendix A –

Completed Capital Projects over \$200,000 with variances over \$100,000

This appendix provides a listing of all completed capital projects over \$200,000 with explanations of variances over \$100,000.

2. Appendix B –

Completed Capital Projects over \$200,000 with variances below \$100,000

This appendix provides a listing of all completed capital projects over \$200,000 with variances below the threshold of \$100,000.

3. Appendix C – Cancelled Capital Projects

This appendix provides a listing of all cancelled capital projects with variance explanations. It does not include any cancelled projects (those with no activity in past 24 months) that were previously provided in the Capital Status Update Report to the Finance & Administration Committee at the April 16, 2019 meeting.

At the Finance & Administration Committee meeting on April 16, 2019, the Committee approved the creation and funding of the three Holding Account Reserves (Capital General, Water and Wastewater) that will be used to fund all project deficits from other project surpluses contributed to these reserves. As a result, there are no capital projects that were completed for the period of January 1, 2019 to March 31, 2019 and no activity in the related Holding Accounts.