

The Capital Budget Policy states that the CFO will provide the Finance and Administration Committee or Council with a Capital Variance Report. This report is for the period of August 2019 through to June 2020.

In accordance with the Capital Budget Policy, this capital variance report includes two sections: **Part A** – Completed Capital Report; and **Part B** – Holding Account Reserves Activity.

Part A – Completed Capital Report

This section of the report identifies capital projects in excess of \$200,000 which have been completed for the period of August 1, 2019 to June 30, 2020, 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 – Table 1) as well as cancelled capital projects (Appendix A – Table 3).

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 adjustments column on Appendix A – Table 1 and Appendix A – Table 2 represent transfers completed prior to January 1, 2019 between capital projects under the previous Capital Budget Policy. The Capital Budget Policy (in effect up to December 31, 2018) 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.

Capital projects reported as completed on Appendix A – Table 1 may not have all surpluses or deficits transferred to the Holding Account Reserves as of this report. Any other transfers made will be reflected as transfers to/from the Holding Account Reserve in future capital variance reports.

Appendix A – Completed Capital contains:

1. Table 1 –

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

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

2. Table 2 –

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

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

3. Table 3 – Cancelled Capital Projects

This table provides a listing of all cancelled capital projects with variance explanations.

Part B – Holding Account Reserves Activity

The second part of this report provides the activity details of the three Holding Account Reserves.

Appendix B – Holding Account Reserves Activity for August 1, 2019 to December 31, 2019 contains the following information:

- 1. Capital General Holding Account Reserve – Tables 1-3**
- 2. Wastewater Holding Account Reserve – Tables 4-6**
- 3. Water Holding Account Reserve – Tables 7-9**

Appendix C – Tables 1-3 – Capital General Holding Account Reserve activity for January 1, 2020 to June 30, 2020 only as there were no transactions for the Wastewater or Water Holding Account Reserves for this period. This Appendix shows the funding from the Capital Financing Reserve Fund to replenish this account to \$4 million.

These three Holding Account Reserves were created in 2019 after Council approved the revised Capital Budget Policy and these reserves are to fund all project deficits (overspending) from other project surpluses (underspending).

The overall continuity schedule of the Holding Account Reserve details the transactions to and from, which highlight under and overspending.

Table 1 highlights the transactions from August 1st to December 31st, 2019, which include transfers due to over and underspending. Other transfers have been made with CAO and Council approvals, as well as transfers for emergency purchases as defined in the Purchasing By-law.

Table 2 highlights the surplus transfers to the Holding Account Reserve by project.

Table 3 shows the transfers from the Holding Account Reserve along with the corresponding explanations. It is to be noted that any project requiring more than \$100,000 from the Holding Account Reserve requires the approval of the CAO if it exceeds 10% of the original budget but is below \$250,000 total funding from the Holding Account Reserve. For projects that require more than \$250,000, Council approval is required as per the Capital Budget Policy.

Tables 4-6 provides information in the same format for the Wastewater Holding Account Reserve.

Tables 7-9 provides information in the same format for the Water Holding Account Reserve.