



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE

Subject: 2019 Year End Capital Review

Report Number: Treasury-2020-03

Meeting Date: Monday, April 6, 2020

Recommendation: That Council authorize the reserve and reserve fund transfers as per the attached 2019 Summary of Reserve and Reserve Fund Transfers schedule.

Date to be considered by Council: Monday, April 6, 2020

Report Summary:

The purpose of this report is to obtain Council's authorization to execute the additional transfers from reserve funds for 2019 capital projects that exceeded budget. The overall net result was a cost savings of \$58,088 for capital projects completed in 2019. The additional reserve and reserve fund transfers amount to \$168,393.

Origin: By-Law No. 2019 - 026 (Budget By-Law)

Existing Policy: GG.2.21 Reserve and Reserve Fund Policy

Background/Analysis: A review of the 2019 Capital Budget has been performed and summarized in the attached spreadsheet. In order to finalize the 2019 year end, Council is requested to authorize certain transfers from reserves and reserve funds for projects that exceeded budget.

Project Summary:

- 20 projects completed under budget by \$226,481
- 11 projects completed over budget by \$169,393
- 29 projects that are ongoing and carried forward to 2020

While several projects exceeded budget, there are a few projects that make up the majority of the variance:

- 1) **Marina Washrooms:** The total budget for this project was \$208,717 with actual costs amounting to \$262,344, resulting in a cost overage of \$53,627 (26%) and representing 32% of the total cost overage for all projects. This is due to engineering fees that were not included in the budgetary figure. Approval has been obtained from the Kincardine Yacht Club to fund the cost overage from the Marina Reserve Fund.
- 2) **Culvert Repairs:** The total budget for culvert repairs was \$70,000, with actual costs amounting to \$106,289, resulting in a cost overage of \$36,289 (52%) and representing 21% of the total cost overage for all projects. This is due to an unplanned culvert failure on Sideroad 10 which required replacement in order to re-open the road. This cost overage will be funded from the Lifecycle Reserve Fund.
- 3) **Broadway St. (2018):** This project required surface paving in 2019. Due to additional works on a watermain and cleaning up underground servicing, this project was over budget by \$55,772. This cost overage will be funded from the Lifecycle Reserve Fund.

Combined, the 3 projects above amounted to a total cost overage of \$145,688 and represent 86% of the total projects that exceeded budget. The attached 2019 Capital Analysis spreadsheet contains additional details on the individual project cost overages and savings.

The majority of capital projects were below budget and resulted in cost savings of \$226,481 overall.

Community Plan and Integrated Community Sustainability Plan (ICSP) Considerations:

Financial Implications: As contained within this report.

Attachments: 2019 Capital Analysis; 2019 Summary of Reserve Fund Transfers