

DATE OF MEETING | December 12, 2018 |

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**SUBJECT | CAPITAL PROJECT RESULTS FOR THE NINE MONTHS ENDING
2018-SEP-30 |**

OVERVIEW

Purpose of Report

To present the Finance and Audit Committee with a summary of the capital project results for the nine months ending 2018-SEP-30.

Recommendation

That the Capital Project Results for the Nine Months Ending 2018-SEP-30 report dated, 2018-DEC-12, be received for information.

DISCUSSION

Projects that satisfy specific requirements as outlined in the City's Capital Asset Policy are classified as capital expenditures and are accounted for in the City's capital funds. There are three (3) Capital funds: General Capital, Sewer Capital and Water Capital funds. Projects that are smaller in scope and below specific capitalization thresholds are classified as "operating projects" and are accounted for in the City's operating funds.

Funding for project expenditures comes from a number of sources including general tax revenues, operating and statutory reserves, grants and borrowing. Statutory reserve funding sources include Development Cost Charges, Equipment Replacement Reserve, Asset Management Reserve, Community Works Reserve and the Facility Development Reserve.

Unfinished projects at the end of the year are usually carried forward to be completed in the following year. Due to this, capital fund variances usually do not impact the operating surplus value.

Attached to this report is Attachment 2 which outlines the summary of the capital project results by project type for the nine months ending 2018-SEP-30. The summary is divided into two sections: Concurrent projects (i.e.: projects undertaken together to minimize disruption and maximize cost and service efficiencies) and all other capital projects.

Each section has been broken out into the following categories; which are defined as follows:

Status	Description
Completed	Project is fully complete and no additional costs are expected
Substantially Complete	Project is almost fully complete but there are a few minor costs still remaining to be incurred
In Progress	Project is currently underway
Not Started	Project has not been started but is anticipated to start by the end of the year
Delayed	Project has not been started or halted
Other	Project that does not fit into the categories above

For projects that have a 'Completed' status and come in under budget, the unused funds that are not transferred to other capital projects are transferred back to general reserves and/or other initial funding sources as appropriate to fund future projects.

Attachment 1 provides a brief explanation for individual projects with a budget variance in excess of \$1 million dollars.

Attachment 2 lists the total year-to-date expenditures for each project. This listing illustrates at a glance the status of individual projects as at 2018-SEP-30 compared to the budget for the year.

The City of Nanaimo has a capital budget of \$81.1 million for 2018, which includes \$26.0 million of carry-forwards from 2017. This is represented by 276 projects: 78 projects are now complete; 130 projects are in progress; 42 projects have not started and 26 have been delayed or other; 47% of the 2018 budget has either been spent to-date or committed.

Summary by Project Status as at 2018-SEP-30:

<i>Project Status</i>	<i># of Projects</i>	<i>% of Total Budget</i>	<i>Annual Budget</i>	<i>Actual & Committed Costs to Sep 30</i>	<i>Available Funds</i>
Completed / Substantially Complete	78	27%	\$ 22,109,548	\$ 18,575,781	\$ 3,533,767
In Progress	130	59%	47,753,955	18,626,188	29,127,767
Not Started	42	11%	9,019,645	613,667	8,405,978
Delayed / Other	<u>26</u>	3%	<u>2,189,454</u>	<u>297,285</u>	<u>1,892,169</u>
Total	<u>276</u>		<u>\$ 81,072,602</u>	<u>\$ 38,112,921</u>	<u>\$ 42,959,681</u>

SUMMARY POINTS

- \$ 38,112,291 of the \$81,072,602 capital budget has been spent or committed as at 2018-SEP-30

ATTACHMENTS

- Attachment 1: Variance Analysis of the summary of Capital Results for the Nine Months Ending 2018-SEP-30.
- Attachment 2: Summary of Capital Results for the Nine Months Ending 2018-SEP-30.

Submitted by:

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