

DATE OF MEETING | December 18, 2019 |

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**SUBJECT | CAPITAL PROJECT RESULTS FOR THE NINE MONTHS ENDING
2019-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 2019-SEP-30.

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 come 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.

Attachment B outlines the summary of the capital project results by project type for the nine months ending 2019-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 Completed	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, any unused funds are transferred back to general reserves and/or other appropriate funding sources to fund future projects.

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

Attachment B lists the total year-to-date expenditures for each project. This listing illustrates at a glance the status of individual projects as at 2019-SEP-30 compared to the budget for the year.

The City of Nanaimo has a capital budget of \$86.3 million for 2019, which includes \$40.6 million of carry-forwards from 2018. This is represented by 257 projects: 63 projects are now complete; 122 projects are in progress; 43 projects have not started and 29 have been delayed or other; 62% of the 2019 budget has either been spent to-date or committed.

Summary by Project Status as at 2019-SEP-30:

Project Status	# of Projects	% of Total Budget	Annual Budget	Actual & Committed Costs to Sep 30	Available Funds
Completed / Substantially Complete	63	11%	\$ 9,452,663	\$ 8,352,857	\$ 1,099,806
In Progress	122	82%	70,642,743	45,403,943	25,238,800
Not Started	43	4%	3,566,944	-	3,566,944
Delayed / Other	<u>29</u>	3%	<u>2,631,743</u>	<u>170,000</u>	<u>2,461,743</u>
Total	<u>257</u>		<u>\$ 86,294,093</u>	<u>\$ 53,926,800</u>	<u>\$ 32,367,293</u>

SUMMARY POINTS

- \$53,926,800 of the \$86,294,093 capital budget has been spent or committed as at 2019-SEP-30.

ATTACHMENTS

- Attachment A: Variance Analysis of the summary of Capital Results for the Nine Months Ending 2019-SEP-30
- Attachment B: Summary of Capital Results for the Nine Months Ending 2019-SEP-30

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