

Transportation & Construction Division Capital Project Budget Adjustments and Closures

ISSUE

The Transportation and Construction Division has completed various capital projects which require budget adjustments to close. As per policy C03-036 Multi-Year Business Plan and Budget, over-expenditures exceeding \$100,000 require City Council approval. This report provides information on the various capital projects which require approval to transfer funds from the identified reserves to close. The net result of the closures has no mill-rate impact.

RECOMMENDATION

That the Standing Policy Committee on Transportation recommend to City Council that:

1. \$176,861.50 from the Civic Vehicles and Equipment Replacement Reserve be allocated to Capital Project P.01361 – V&E Fuel Stations;
2. \$111,447.39 from the Transportation & Construction Corporate Capital Reserve be allocated to Capital Project P.02259 – PW Satellite Yards;
3. \$593,298.66 from the Traffic Safety Reserve be allocated to Capital Project P.02281 – Neighbourhood Traffic Reviews and Traffic Safety; and
4. \$249,858.19 from the Traffic Safety Reserve be allocated to Capital Project P.02282 – Roadside Safety Improvements.

BACKGROUND

An administrative review of capital programs has resulted in the closure of five capital projects which require City Council approval to transfer funds from various reserves to close the completed projects. Each capital project identified indicates the purpose of the project and the reasons for the overages.

DISCUSSION/ANALYSIS

Capital Project P.01361 – V&E Fuel Stations

This project was required for the replacement of the underground tanks which had reached the end of their useful life along with the replacement of the existing vending and tracking system and associated electrical and lighting infrastructure. The project funding was based on a planning estimate that considered all relevant information available at that time. The budget for the project was \$1,865,000.00. As the project was being executed to replace the tanks, inflationary pressures and broader economic trends escalated the costs of tank replacements. The full project spent was \$2,041,861.50 resulting in a \$176,861.50 deficit. There is sufficient funding available in the Civic Vehicles and Equipment Replacement Reserve to allocate towards Capital Project P.01361.

Capital Project P.02259 PW Satellite Yards

This project was initiated as the City Yards in downtown was outgrown due to increased operations such as emergency water and sewer operations and roadways maintenance activities. The budget for the project was \$583,000.00. After extensive research was done on a growth plan operational facility analysis, it was determined that a west material handling facility would alleviate the pressures in City Yards and allow for more effective and efficient material handling operations required for sustainable and responsive service delivery to residents. Land acquisition and site preparation costs, along with the costs of fencing and installation of a secure entry with signage were higher than initially estimated. The full project spend was \$694,447.39 resulting in a \$111,447.39 deficit. The Transportation & Construction Corporate Capital Reserve receives annual funding of \$191,300.00. This reserve is permitted under Bylaw No. 6774 The Capital Reserve Bylaw to go into a deficit position if it can be returned to a positive balance within five years and therefore will allocate funding towards Capital Project P.02259. When considering future capital needs, it is projected that this reserve will be in a deficit position for approximately four years, which the governing Bylaw allows.

Capital Project P.02281 Neighbourhood Traffic Reviews and Traffic Safety

This project was created as part of the Municipal Economic Enhancement Program (MEEP) to enhance the review and installation of City-wide neighbourhood traffic safety measures. This included signage, traffic calming measures such as concrete curb extensions and medians, pavement markings, accessibility ramps and sidewalks, and pedestrian crossing devices. The budget for this project was \$3,352,954.09. To leverage the maximum amount of MEEP funding available for all the City initiatives which were eligible for the program, as much work as possible was delivered. The full project spend was \$3,946,252.75 resulting in \$593,298.66 of ineligible expenses incurred to deliver the program. Allowances were held in the Traffic Safety Reserve under the assumption there would be some ineligible internal expenses, such as engineering, project management, detour design and installation, signage costs and signage installation costs, incurred to deliver the maximum program possible. There is sufficient funding available in the Traffic Safety Reserve to allocate towards Capital Project P.02281.

Capital Project P.02282 Roadside Safety Improvements

This project was created as part of the Municipal Economic Enhancement Program (MEEP) to introduce roadside safety improvements for the installation of a median barrier system along Idylwyld Drive, south of Sid Buckwold Bridge, and along Circle Drive, between Circle Drive North Bridge and College Drive. The budget for this project was \$1,970,086.74. To leverage the maximum amount of MEEP funding available for all the City initiatives which were eligible for the program, as much work as possible was delivered. The full project spend was \$2,219,944.93 resulting in \$249,858.19 of ineligible expenses incurred to deliver the program. Allowances were held in the Traffic Safety Reserve under the assumption that there would be some ineligible internal expenses, such as such as engineering, project management and detour design and installation, incurred to deliver the maximum program possible. There is sufficient

funding available in the Traffic Safety Reserve to allocate towards Capital Project P.02282.

FINANCIAL IMPLICATIONS

Administration is recommending a transfer of:

1. \$176,861.50 from the Civic Vehicles and Equipment Replacement Reserve be allocated to Capital Project P.01361 – V&E Fuel Stations;
2. \$111,447.39 from the Transportation & Construction Corporate Capital Reserve be allocated to Capital Project P.02259 – PW Satellite Yards;
3. \$593,298.66 from the Traffic Safety Reserve be allocated to Capital Project P.02281 – Neighbourhood Traffic Reviews and Traffic Safety; and
4. \$249,858.19 from the Traffic Safety Reserve be allocated to Capital Project P.02282 – Roadside Safety Improvements.

The net result of the closures has no mill-rate impact.

OTHER IMPLICATIONS

There are no privacy, legal, social or environmental implications.

NEXT STEPS

If approved, Administration will proceed with allocating the necessary funding to the various projects to close out the initiatives.

REPORT APPROVAL

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Jay Magus, Director of Transportation
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