

## **Background**

The capital fund balance represents the capital funding approved by previous Councils for capital projects that are unspent at the end of the year. The committed and unspent funding is for capital projects that have not commenced and/or are in progress. The majority of the projects are underway and funding will be spent within the next few years depending on the extent/timing of individual capital projects.

This report includes the following:

1. Capital Projects in Progress as of December 31, 2016 (which includes committed capital / unspent capital envelopes year end balance as well as committed reserve funds for capital projects).
2. Completed Capital Projects from October 2016 to March 2017.

### **1. Capital Projects in Progress as of December 31, 2016**

The overall balance of funds previously approved for capital projects is approximately \$186.5 million which will be spent in the coming years based on the timing and extent of the capital projects. For example, some water and wastewater plant projects and road projects require several years for completion. In addition, this balance also includes committed obligatory reserves funds including Federal and Provincial Gas Taxes as well as other development related deposits.

Appendix A is a summary which shows the breakdown of the unspent capital funds/committed reserve funds previously approved by department/division and Appendix B provides a list of those significant capital projects as of December 31, 2016. There are some projects with an amount in brackets under "unspent capital envelopes" column, as these are repaid from future envelopes as explained below for internally debt financed projects.

### **Committed Capital (= Unspent Capital Envelopes)**

The Committed Capital (unspent capital envelopes) balance as of December 31, 2015 was \$112 million which represents funds approved but not yet spent as projects have not commenced and/or are in progress. There are internal borrowings of \$20 million resulting in a capital fund balance of \$92 million.

The internally debt financed expenditures of \$20 million will be repaid to the Capital Fund with interest (charged at 1% above the average investment rate at the time the internal financing is approved in accordance with the City's Investment Policy) and funded in future years from capital envelopes, development charges and Section 391 charges. This balance consist of the following capital projects approved by Council: Levack Water Supply, South End Rock Tunnel, Kingsway water and wastewater project, Gerry McCrory - Countryside Sports Complex, South Branch Library, Mausoleum Phase 5 at Civic Cemetery, 1160 Lorne Street, Communications Infrastructure and the Lionel E. Lalonde Centre.

## **Committed Reserve Funds**

As of December 31, 2016, the balance in the committed reserve funds for capital projects is approximately \$64 million with another \$10 million included within obligatory reserve funds.

The committed reserve funds are set aside when approved by Council and transferred out of the reserve fund when the costs have been incurred. The funds within obligatory reserve funds are set aside to be spent for specific areas/projects in accordance with various agreements and contracts (ie. Federal Gas Tax).

## **2. Completed Capital Projects from October 2016 to March 2017**

Also included in this report are the completed capital projects in excess of \$200,000 as per the Capital Budget Policy.

The Capital Budget Policy was followed and has given authority to staff to reallocate funds between capital projects or transferred to the respective Capital Financing Reserve Fund.

Appendix C is a summary of all completed capital projects over \$200,000 and cancelled capital projects from the period of October 2016 to March 2017 including explanations for variances greater than \$50,000.