

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2016 November 16

FROM: DIRECTOR FINANCE

FILE: 32000-05

SUBJECT: 2016 ANNUAL CAPITAL PROGRAM – ENGINEERING

PURPOSE: To request Council approval of reallocations within Engineering's 2016 Annual Capital Plan Budget.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve reallocations within Engineering's 2016 Annual Capital Plan to support additional work requirements in Major Roads, Waterworks and Sanitary Sewer as outlined in this report.

REPORT

1.0 2016 ANNUAL CAPITAL PLAN – ENGINEERING

Some active projects in 2016 are anticipated to require additional budget authorization in support of work commitments that are expected to be completed before the end of 2016. Surplus project funds remaining from completed project closures are available in the appropriate Engineering program categories to fund all budget reallocation expenditures. The Director Finance recommends that surplus funding, available within each of the Engineering Program categories, be used to fund the increased approved budget expenditures where needed and the remaining surplus funds be returned to their respective reserves.

2.0 2016 PLAN ROOM – ENGINEERING

Not all Engineering project work in the 2016 Annual Financial Plan will be carried out as planned. Budget room is therefore available within the adopted Engineering 2016 Capital Plan to provide for the recommended reallocations between major Engineering categories based on Engineering Project Management's estimate of work that will be completed by 2016 December 31.

The 2016 Capital Plan Reallocation column in Table 1 shows the recommended changes to 2016 Plan Budget categories, the overall Engineering 2016 Plan remains the same. As noted above, sufficient surplus funds are available within each category from closed projects, to fund these budget expenditures and all projects and contract awards over \$250,000 have been authorized by Council through contract award and funding authorization reports. This reallocation is similar to the City's past practice of providing a recast budget to Council in the Fall.

Table 1 – Engineering 2016 Capital Plan Budget Reallocation

Department	2016 Annual Financial Plan	Period 9 Remaining Plan	2016 Capital Plan Reallocation
Engineering			
Roads (Various)	14,203,500	8,733,897	(2,200,000)
Traffic Management	4,772,310	3,782,723	
Major Roads	10,760,000	7,658,021	1,500,000
Waterworks	13,905,000	6,294,087	2,050,000
Sanitary Sewer	12,959,600	5,547,934	2,050,000
Storm Sewer	8,398,880	6,362,018	(1,800,000)
Vehicles and Equipment	5,729,460	4,679,915	
Local Area Services	1,580,000	1,222,336	
City Buildings & Energy Programs	11,220,140	9,062,354	(1,600,000)
Total Engineering	83,528,890	53,343,285	-

The total, after reallocations of Engineering’s 2016 Capital Plan between project categories, remains the same at \$83,528,890. No additional Capital Reserve bylaws are required to fund the reallocations.

3.0 RECOMMENDATION

Given that significant surplus funds remain from the closure of completed Engineering projects within each of the budget reallocation Engineering Plan categories (Major Roads, Waterworks and Sanitary Sewer), it is proposed to utilize these surplus funds to finance the changes to the Engineering Plan without drawing further bylaws.

It is recommended that Financial Management Committee recommend Council approve reallocations within Engineering’s 2016 Annual Capital Plan to support additional work requirements in Major Roads, Waterworks and Sanitary Sewer as outlined in this report.



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DIRECTOR FINANCE

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Director Engineering