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Date November 15, 2023 **Report No.** 2023-613
To Chair and Members
Finance Committee
From Joelle Daniels
Commissioner of Corporate Services/City Treasurer

1.0 Type of Report

Consent Item
Item For Consideration

2.0 Topic Update on Capital Projects [Financial Impact – Net \$4,400,407 returned to reserves]

3.0 Recommendation

- A. THAT report 2023-613 entitled Update on Capital Projects BE RECEIVED;
and
- B. THAT the capital project funding allocations included in Table-1 of Section 10 BE APPROVED.

4.0 Executive Summary

The purpose of this report is to provide the Finance Committee with a status update on capital projects that have been completed as of September 2023. This report also provides an update on projects that have been closed without work being undertaken in accordance with Finance Policy 003 and to request additional funding for three projects, new funding for two projects and an amendment of scope for one project.

5.0 Purpose and Overview

The purpose of this report is to provide the Finance Committee with a status update on completed capital projects, request additional funding for three current projects, new funding for two projects and an amendment to the scope of one project, as well as, provide information on projects that were closed and the work was not undertaken.

6.0 Background

In 2021, Council approved an updated Finance Policy 003, which contains a more rigorous purpose, and provides clear definitions and responsibilities. Finance Policy 003 sets procedures and guidelines that authorizes the Finance department to transfer any net surplus funds back to the appropriate reserve/reserve fund or to fund a net deficit that is less than 10% of the gross expenditure budget (to a maximum of \$100,000 for projects under \$1million or a maximum of \$250,000 for projects over \$1million). The updated policy also includes the authority to close projects in consultation with staff that are not deemed complete and inform Council by way of a report. Council approval must be sought for any of the following situations:

- Changes to the approved funding is needed
- The scope of the project has changed
- The gross expenditures exceed the limits outlined in Finance Policy 003

The projects included in this report have been funded from a number of various sources including dedicated reserve or reserve funds (such as development charges or gas tax), user rates, or tax supported capital envelope dollars.

7.0 Corporate Policy Context

The recommendations in this report are in accordance with Finance Policy 003.

8.0 Input From Other Sources

All departments with outstanding capital were asked to review their current projects status and identify items to include in this report.

9.0 Analysis

9.1 Completed Capital Projects

In 2023, as of September, a total of 56 capital projects were completed across the City with an original budget value of \$31.8 Million. Of these projects, 43 were completed under budget resulting in surplus funds being returned to reserves, while 13 were completed over budget requiring additional funds from reserves to cover their deficits in accordance with Finance Policy 003.

The original budget value of the projects that were completed was \$31.8 Million. The surplus of funds that were returned to reserves is \$4,878,885, or 15.3% of the original budget value.

A summary of the projects completed as of September 2023 can be found in Appendix A.

9.2 Capital Projects Closed and Not Undertaken

Most capital projects take more than one year to complete. Section 4.1.3 of Finance Policy 003 states that the Treasurer has the authority to close Capital Projects that have had no financial activity for a period of 18 months. This section continues to state that these projects can be re-introduced in a future capital budget and that in the event the original project work was not undertaken; these projects will be included in a financial report.

Upon review of all projects that have had no spending for the last 18 months, 5 projects were identified by staff to be closed due to resourcing issues and re-introduced in a future capital budget or no longer being required, resulting in \$370,522 being returned to reserves.

A summary of these projects can be found in Appendix B.

9.3 Capital Projects Requiring Additional Funding

As noted above, most capital projects take more than one year to complete. For the purposes of this report, departments were asked to review all open capital projects and identify those that required an action by Council. The following two current projects require additional funding beyond staff's authority under our Finance Policy 3 as outlined in Section 6 of this report.

9.3.1 ST1701 – Reconstruction of Braneida Industrial Park VII Stormwater Management Pond

The City has retrofitted Braneida Stormwater Management Facility (SWMF) Industrial Park Area behind 90 Adams Blvd. An Environmental Assessment Report was completed as part of the project. GRCA expressed concerns regarding the downstream Channel of the pond that needed remediation and requested to be included in the Pond design and construction phases. Therefore, this new component of channel erosion remediation has been added to the SWMF construction project. The tender for the construction of Braneida SWMF, without the Channel, exceeded the available funds in the project account, and the construction of SWMF has proceeded with a budget deficit of \$200,000. An additional budget of \$250,000 was requested as part of the 2023 Capital Budget to cover the construction of the downstream Channel.

However, the approved additional budget in 2023 was needed for increased costs in the Pond construction. The remaining funds are insufficient for the construction of the downstream Channel, this request of \$250,000 will allow for the project scope to continue with the construction of the Channel works.

9.3.2 FD2302 – Replace Pumper/Rescue Vehicle (#107417)

The Brantford Fire Department closely follows the National Fire Protection Association (NFPA) Standards for fire apparatus maintenance and replacement. These standards represent the industry's best practices and guidelines to ensure that fire apparatus are excellent working condition, to provide fire protection service to the community. NFPA 1901: Standard for Automotive Fire Apparatus, 1911: Standard for the Inspection, Maintenance, Testing and Retirement of In-Service Emergency Vehicles and NFPA 1912 Standard for Fire Apparatus Refurbishing require that the authority having jurisdiction establishes and follows a replacement schedule for fire apparatus based on the needs and circumstances of their community. NFPA recommends that an apparatus with a pump, working as a frontline vehicle, has a maximum lifespan of 20 years with 15 years serving as a frontline apparatus, and five years serving in reserve. In recognition of this prevailing factor, along with the need to provide safe and mechanically reliable apparatuses, the 2022 the estimates committee approved the replacement of Pumper/Rescue.

The supply and demand of fire apparatus in North America has created a significant imbalance and is outpacing manufacturing capabilities. Raw materials and finished material supply chain delays, along with labour shortages, are preventing truck manufacturers from increasing production and meeting production costs: raw and finished materials have increased significantly and certain input costs such as shipping materials, have also seen significant increases. The Brantford Fire Department, along with all fire departments in Ontario, has seen a substantial, rapid, unexpected increase in the cost of apparatus and as such, the results of our cooperative purchasing agreement for our standard pumper/rescue has increased beyond our forecasted budget. Staff is requesting an increase of \$499,000 to the budget to account for these increased costs.

9.4 New Capital Projects Request

9.4.1 CCTV Replacement and Tee Box Relocation Projects at Wayne Gretzky Municipal Golf Course

The Milestone NVR server for the security camera system and two cameras at the Walter Gretzky Municipal Golf Course have failed and require replacement. For the safety of patrons and staff, four additional camera locations have been identified. Purchasing the necessary network cabling, server rack, software, UPS, and cameras has been priced at approximately \$60,000.

Several residences adjacent to the Golf Course along Carmichael Crescent and Lawren S. Harris Drive are experiencing significant hazard of injury and property damage due to wayward golf balls coming from the tees on hole 3. The affected residents have indicated their expectation the City will take action to keep them and their property safe. To mitigate the risk as much as possible, the tees must be relocated and large trees planted to shift trajectories and screen the balls. The cost for this work is priced at approximately \$40,000. This work must be completed this fall so it is ready for play in the spring.

To complete these two urgent projects and mitigate the City's liability and risk, staff are seeking approval to use up to \$100,000 from the Golf Operation Reserve (RF0499).

9.5 Capital Projects Requiring an Amendment to Scope

9.5.1 Security Camera at Various Housing Locations - Phase 3

Phase 3 of the Security Camera project for Housing locations was approved during 2023 Estimates for systems at Northland Gardens, Daleview Gardens, Eastdale Gardens and Stirton Ave.

Unfortunately, due to heating issues involved with the camera systems installed during Phase 2 at Lorne Towers, Brant Towers, and Winston Court, these building require air conditioning units to be installed in the server rooms to prevent the security systems from overheating.

Staff is recommending to amend the scope of SS2310 to include the installation of AC units at Lorne Towers, Brant Towers and Winston Court in order to complete this work before any system failures occur. No additional funding is being requested at this time to complete the original scope of the project.

10.0 Financial Implications

Through a review of all outstanding projects, four projects have not been undertaken and will be introduced in a future budget, three projects were identified as requiring additional funding, and one new project is being requested. Table-1 below outlines the summary of reserve transfers resulting from the recommendations as outlined in Sections 9.3 and 9.4 of this report.

Table 1 Summary of Reserve Transfers

Reserve Description	Recommended Funding Action	Project	Project Description	Amount to be funded/ (returned)
Canada Community Building Fund (RF0446)	Additional Funding Required for Project	ST1701	Reconstruct Braneida Stormwater Management Pond	\$250,000

Reserve Description	Recommended Funding Action	Project	Project Description	Amount to be funded/ (returned)
Capital Funding Envelope (RF0556)	Additional Funding Required for Project	FD2302	Replace Pumper/Rescue Vehicle	\$499,000
Golf Operation (RF0499)	Create New Project with noted funding	NEW	CCTV Replacement at WGGC	\$60,000
Golf Operation (RF0499)	Create New Project with noted funding	NEW	Tee Box Relocation at WGGC	\$40,000
Surplus Returned From Completed Projects as of September		See Appendix A for details		(\$4,878,885)
Funds Returned from 18 Months No Spend or that no longer require funding		See Appendix B for details		(\$370,522)
Total Funds Transferred From/ (To) Reserves				(\$4,400,407)

11.0 Climate and Environmental Implications

There are no climate and environmental implications associated with this report

12.0 Conclusion

The status of selected completed and outstanding capital projects that meet the criteria established have been provided in this report and additional funding is requested for nine projects and one new project.



Joelle Daniels
Commissioner of Corporate Services/City Treasurer

Prepared By:

Lucas Cracknell, Senior Financial Analyst
Anna Hietala, Manager of Financial Analysis

Attachments

Appendix A – 2023 Completed Projects as of September

Appendix B – Capital Projects with No Spending

Copy to:

In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required yes no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk yes no

Is the necessary by-law or agreement being sent concurrently to Council? yes no