

Subject: 2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects**APPROVALS:**

Kola Oladimeji, Acting Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendations:

1. THAT the 2014 and Prior Capital Budget Amendments as summarized on Attachment 1 (2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects) dated September 2, 2014 be recommended to Council for approval.
2. THAT the cash flow of Capital Projects as summarized on Attachment 2 (2014 and Prior Capital Budget Amendment – Revised, New and Cancelled Projects – Project Cash Flow Summary), dated September 2, 2014 be recommended to Council for approval.

Summary:

Ten existing and one new Capital Projects identified by Administration are hereby submitted for amendment and approval. Since Council is the approving authority for the Capital Budget, subject to provisions of the Council Policy (FIN-160), Fiscal Responsibility Policy, some Capital Budget Amendments require Council approval.

This Capital Budget amendment will result in a net decrease in funding of (\$3,383,746) for 2013 and prior, (\$9,100,000) for 2014, (\$8,416,254) for 2015, and a net increase of \$40,973,100 for 2016 and thereafter. The total net increase is **\$20,073,100** as outlined in the Budget Net Change Summary below.

All the amendments have been reviewed and recommended by the Capital Projects Steering Committee.

Background:

Capital Budget amendments are an ongoing process. Some amendments are identified and presented to Council on an individual basis due to the specific nature and timing of the request. The Capital Budget amendments addressed in this report include one new capital project, those requiring additional funding and scope changes, and one cancellation.

In addition, there are a number of projects proposed for deferral. Projects to be deferred will be brought back to Council for approval in the applicable year for approval. Projects deferred cannot proceed until future budget approval is provided.

Budget/Financial Implications:

The approval of the Capital Budget amendments identified will allow the projects to proceed as scheduled. The full budget impact of the amendments included in this report has been incorporated in the proposed amended 2014 Budget and is presented in Attachments 1-3.

Attachment 1 shows the total cost of the projects recommended for amendment. The first section of this attachment presents the original budget for the projects requesting revision; the second section presents the revised budget. The net increase in capital funding required as a result of amending these projects is \$20,073,100.

Attachment 2 shows changes in cash flow of Capital Projects by budget year. Since multi-year projects are pre-approved for future years by Council in order to proceed seamlessly, amendments in cash flows of these projects require pre-budget approval by Council.

Attachment 3 shows the impact of cash flows and source of funding from this proposed amendment by years 2014 and prior, and 2015 and thereafter, as reflected below in the Budget Net Change Summary.

Budget Net Change Summary

	Total Project Cost (Accumulative)	Federal Grants	Provincial Grants	Reserves	Other Sources	Debenture
2014 & Prior	(12,483,746)	–	–	(9,983,746)	–	(2,500,000)
2015 & thereafter	32,556,846	–	–	27,956,846	–	4,600,000
Reconciled net change	20,073,100	–	–	17,973,100	–	2,100,000

Part of the review process considered the opportunity cost of funding tied to projects that due to changes in strategic direction will not be implemented in the near future, thus releasing such funds to provide funding for current strategic priorities.

Rationale for Recommendation:

The rationale for amendment of each capital project is included in the attached individual Capital Budget Amendment Forms as prepared by the individual departments responsible (Attachments 4 - 14). Additional funding is required to enable the previously approved projects to be completed.

Attachments:

- 1-2. 2014 and Prior Capital Budget Amendments – Revised, New and Cancelled Projects
- 3. Cash Flow, by Funding Source, by Year
- 4-14. 2014 Capital Budget Amendment forms