

Subject: 2019 Q1 Capital Budget Fiscal Amendments Update**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the 2019 Q1 Capital Budget Fiscal Amendments update, as summarized on Attachment #1 (2019 Capital Budget Fiscal Amendments, dated March 31, 2019), be accepted as information.

Summary:

This report provides a summary of capital budget amendments implemented by Administration within the provisions of the Fiscal Responsibility Policy (FIN-160) for the first quarter ending March 31, 2019.

There were six (6) capital projects amended in the first quarter of 2019 as listed on Attachment #1, resulting in a net increase of \$101,760 to the capital budget.

There were no additions or cancellations for these amended projects.

These amendments were reviewed and recommended by the Capital Projects Steering Committee.

Background:

The six capital project amendments included one project requiring additional funding, four projects changing cash flow requirements and one funding change.

One project required additional funding

- 2016 Heavy Equipment Replacements; the price of the equipment increased due to chassis cost and new steel tariffs.

Four projects required cashflow changes

- Clearwater Drive, Phase 3
- Confederation Way Sanitary Sewer Phase 2

- Fort Chipewyan Water and Sanitary Sewer - Predesign & Design
- Fort McMurray WWTP Process Improvement - Construction

One project required a funding change

- Saline Creek Drive and Bridge; redistribution of Community Development Plan grant funds.

Within the Fiscal Responsibility Policy (FIN-160), Administration is authorized to re-allocate capital budget funds provided that:

- The change will result in efficient administrative and project delivery process;
- The change will not result in addition or cancellation of the capital project;
- The underlying scope change does not alter the nature and type of capital project, where additional funding is required, funds available from a combination of savings from fully tendered projects, other uncommitted sources such as grants and offsite levies, and cash flow management with other capital projects will be utilized; and
- Council set debt and debt service limits are not exceeded.

Budget/Financial Implications:

Attachment 1 shows the net budget impact of these amendments. The original approved budget and the revised budget are presented with the net budget impact by project and funding source.

Attachment 2 summarizes the impact of cash flows and the source of funding from the proposed amendments by years.

Rationale for Recommendation:

The first quarter 2019 Capital Budget Fiscal Amendments satisfy all the above conditions as stated in the Fiscal Responsibility Policy (FIN-160) with a net increase of \$101,760 to the 2019 approved capital budget and prior capital budgets approved by Council.

Strategic Priorities:

Responsible Government

Attachments:

1 - 2. Q1 2019 Capital Budget Fiscal Update

3 - 8. Fiscal Amendment Forms