

Subject: 2015 and Prior Capital Budget Amendments – Revised and New Project

APPROVALS:

Kola Oladimeji, Director
Elsie Hutton, Executive Director
Marcel Ulliac, Chief Administrative Officer

Administrative Recommendations:

1. THAT the 2015 and Prior Capital Budget be revised as summarized on Attachment 1 (2015 and Prior Capital Budget Amendments – Revised and New Project), dated May 19, 2015.
2. THAT the cash flow of Capital Projects be approved as summarized on Attachment 2 (2015 and Prior Capital Budget Amendment – Revised and New Project – Project Cash Flow Summary), dated May 19, 2015.

Summary:

One existing and one new capital project 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, capital budget amendments require Council approval.

This capital budget amendment will result in a total net increase in funding of \$1,800,000 for 2015, as outlined in the Budget Net Change Summary.

All of the amendments were reviewed and recommended by the Capital Projects Steering Committee on April 29, 2015.

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 includes one new capital project and one requiring additional funding due to an administration oversight during the 2015 Capital budget preparation.

Budget/Financial Implications:

The approval of the Capital Budget amendments identified will allow the design of Fort Chipewyan Water Treatment Plant to continue and proceed as scheduled and enable an existing south access off the former Highway 69 to be relocated due to safety concerns. The full budget impact of the amendments of \$1,800,000 included in this report has been incorporated in the

2015 Budget and is presented in Attachments 1-3 to be funded from Capital Infrastructure Reserve.

Attachment 1 shows the total cost of the existing and new projects recommended for approval. The first section of this attachment presents the original budget for the projects requesting approval; the second section presents the requested budget. The net increase in capital funding required as a result of amending this project is \$1,800,000.

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 2015 and prior, and 2016 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
2015 & Prior	-	-	-	1,800,000	-	-
2016 & Thereafter	-	-	-	-	-	-
Reconciled net change	-	-	-	1,800,000	-	-

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(s):

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 4-5).

Attachments:

- 1-2. 2015 and Prior Capital Budget Amendments – Revised and New Project
- 3. Cash Flow by Funding Sources, by Year
- 4-5. 2015 Capital Budget Amendment forms