



Township of Scugog Staff Report

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Report Number: FIN-2024-028

Prepared by: Catherine Nguyen, Accounting Analyst

Department: Finance

Report To: Council

Date: June 24, 2024

Reference: Strategic Direction 2: Sustainability: Improve sustainability through financial management, innovative funding and efficient and effective delivery of services

SD2 Objective 2: Ensure service effectiveness and efficiency

FIN-2024-017 – 2024 Capital Closing Report – 24A – March 31st, 2024

Report Title: **2024 Capital Project Status Report – May 31st, 2024**

Recommendations:

1. **THAT** Report FIN-2024-028, Capital Project Status Report – May 31st, 2024 be received for information.

1. Background:

The objective of capital projects is to develop the infrastructure necessary to sustain new growth, while also replacing and maintaining existing infrastructure. The purpose of this report is to provide Council with a high-level status update on all outstanding capital projects currently open at the Township of Scugog. This also supports the additional reporting identified when the Procurement By-law 41-21 was approved. The report is designed to keep Council informed on the use of the Township's financial resources to date and the progress of each approved project. This information report is updated semi-annually; the ending dates are May 31st and September 30th, prior to the Capital Budget Presentation.

2. Discussion:

Every year, a capital budget is prepared with the intention that projects are to be completed within the year they were approved, with some exceptions for projects that may take 2 to 3 years to complete. Potential unforeseen issues can arise from time to time resulting in projects being delayed, put on hold, or postponed. In addition, certain projects are approved conditional on approval of outside funding. If the project does not receive funding or the funding approval is delayed, the project potentially could be closed or put on hold.

The statuses of capital projects are reviewed regularly throughout the year. When projects are completed and ready to be closed, a capital closing report that lists the projects is prepared. If projects are under budget, the closing report will list the amounts that will be uncommitted from the reserves and/or reserve funds. These funds will then be available to finance future projects. If the completed project is over budget, staff will recommend the additional financing come from a reserve or reserve fund to cover the shortfall.

The 2024 Capital Project Status – May 31st, 2024 - (Attachment 1) lists all 157 open capital projects, their total funding, amount spent up to May 31, 2024, and the current status of the project. The total amount of approved funding for all 157 projects is \$38,527,586.09 of which \$12,093,652.94 is to be contributed from others and from Federal and Provincial programs and grants, and the remaining \$26,433,933.15 is to be funded by the Township's Reserves and Reserve Funds.

In contrast, during the same timeframe in 2023, there were a total of 141 open capital projects, with the total amount of approved funding of \$34,251,185.75 of which \$12,691,995.84 was contributed from others and from Federal and Provincial programs and grants and \$21,559,189.91 funded by the Township's Reserves and Reserve Funds, as indicated in the Capital Project Status as of May 31, 2023 – FIN-2023-026 report. This information highlights the increase in ongoing projects in 2024 and the financial resources allocated to them, suggesting a progression in capital projects compared to the prior year.

Staff capacity has been a challenge over the last couple of years, and a capital projects position is scheduled in the last half of 2024 to assist in managing the increasing capital program. This position will be funded by the capital projects.

It is normal to have a significant number of projects in progress at this time of year. The 2024 capital budget was approved late in December 2023, and staff are in the process of issuing RFP's for completion of projects. The RFP process can take a few weeks or several months depending on the complexity of the procurement and once a contract is awarded, delivery could take months for products or must be scheduled into a

construction season. Finance staff attempt to provide a status for each approved capital project based on discussions with the project manager. These details can be brief, and it is recommended that additional details be obtained by discussing the project with the department.

Future reports to update the status of projects may be expanded further to provide additional comparisons to prior reports prepared for the same time period in the previous year. This is done to provide Council with a better idea of the year over year change in activity. This report does not reflect any projects that have been previously closed.

The budget numbers in this report are based on the estimates provided when the budget was drafted. Once the draft budget is approved by Council the estimates are not adjusted. It is important to note that with the significant inflationary increases in input costs experienced over the last few years, many projects have the potential to be overbudget. Minor increases in project completion costs will be reported as part of the regular capital closing reports presented to Council as the work is done. Major increases will be reported to Council by the department responsible for the project before the project proceeds.

3. Financial Implications:

The following represents committed funding from various sources for the open projects:

Township Funded

Summary	
Reserve	Total Budgeted
Debenture	1,938,196.00
Reserve - Enviromental / Solar	165,000.00
Reserve - Municipal Projects	2,308,149.62
Reserve - Museum Donations	116,270.00
Reserve - Self Insurance	205,000.00
Reserve - System & Securities Contingency	421,000.00
Reserve Fund - Building & Facility	3,747,143.42
Reserve Fund - Canada Community - Building	2,611,877.83
Reserve Fund - Development Charges - Animal Control	15,555.00
Reserve Fund - Development Charges - Development Services	13,500.00
Reserve Fund - Development Charges - Engineering	3,705,800.00
Reserve Fund - Development Charges - Fire	1,960,000.00
Reserve Fund - Development Charges - General Government	127,750.00
Reserve Fund - Development Charges - Parks & Recreation	1,188,599.00
Reserve Fund - Development Charges - Public Works	105,454.00
Reverse Fund - Major Facilities	450,000.00
Reverse Fund - Parkland	181,000.00
Reserve Fund - Roads	5,193,138.28
Reserve Fund - Vehicle & Equipment	1,980,500.00
Subtotal	26,433,933.15

Externally Funded

Summary	
Reserve	Total Budgeted
Caesarea Hall Board	3,500.00
Central Counties Partnership Funding	10,000.00
Confidential Funding	1,000,000.00
Holland Homes	30,000.00
Kawartha Conservation	678,734.00
Multiple Developers	6,500.00
Municipal Grant - Region of Durham	25,000.00
Mississaugas of Scugog Island First Nations	1,525,000.00
Oxnard Development Inc	373,801.21
Region of Durham	2,871,166.70
Scugog Lake Stewards	102,000.00
Contribution from Others	175,808.14
Federal Grant - Federation of Canadian Municipalities (FCM)	50,000.00
Federal Grant - Small Communities (SCF)	1,530,902.00
Federal Grant - Tourism Relief Fund Grant	245,000.00
Provincial Grant - Investing in Canadian Infrastructure (ICIP)	254,800.00
Provincial Grant - Municipal Modernization Program	97,500.00
Provincial Grant - Ontario Community Infrastructure Fund (OCIF)	1,544,554.50
Provincial Grant - Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)	12,434.39
Provincial Grant - Rural Economic Development (RED)	26,050.00
Provincial Grant - Small Communities Fund (SCF)	1,530,902.00
Subtotal	12,093,652.94
Total	<u>38,527,586.09</u>

4. Communication Considerations:

N/A

5. Conclusion:

It is recommended that Council receive the Capital Project Report – May 31st, 2024 for information purposes.

Respectfully Submitted by:

Catherine Nguyen
Accounting Analyst

Reviewed By:

Laura E. Barta, CPA, CMA
Director of Finance/Treasurer

Attachments:

Attachment 1: Capital Project Status Report – May 31st, 2024

Report Approval Details

Document Title:	Capital Projects Status Report - May 31, 2024 - FIN-2024-028.docx
Attachments:	- Attachment 1 - Capital Project Status - May 31 2024.pdf
Final Approval Date:	Jun 19, 2024

This report and all of its attachments were approved and signed as outlined below:



Kenneth Nix