

	THE CORPORATION OF THE TOWN OF GRAVENHURST	
	To:	Committee of the Whole
	From:	Ross Jeffery, Director of Financial Services / Treasurer
	Date:	April 18, 2023
	Subject:	2022 Capital Year End Report No. FIN 2023-07

RECOMMENDATIONS

The Director of Financial Services / Treasurer recommends:

THAT Report No. FIN 2023-07 re: 2022 Capital Year End be received for information;

AND THAT Administration continues to pro-actively manage capital spending in 2023 within the funding envelope approved by Council through the capital budget.

PURPOSE

The purpose of the 2022 Capital Year End Report is to provide Committee with an update on the status of the Town of Gravenhurst Capital Program as of December 21, 2022.

BACKGROUND

Each year Council approves a Capital Budget and Multi-Year plan. This program is intended to maintain, and where possible, extend the useful lifecycle of core Town asset; minimize long term asset degradation; and ensure continuity of access and service delivery to the community. The program is actively managed to ensure value for money and timely project completion. However, for a variety of reasons, it is not uncommon for projects to extend beyond the budget year. In these instances, the funding approved by Council is set aside to allow the project to progress until completed.

With so many variables it is not usual for some projects to come in under budget while others exceed their budget. Where necessary, and in accordance with existing financial control policies and practices, appropriate reporting and recommendations are brought forward to Council to ensure these projects are appropriately funded within the funding envelope approved by Council.

A Mid-Year Capital update and a Year-End Capital update are brought forward each year to keep Council apprised of progress.

ANALYSIS

The Town of Gravenhurst Capital Program total projected costs are within the 2022 budget. Total expenditures, which include carry-forward amounts for on-going projects, are approximately 5% under budget as detailed in Attachment A.

Following are a few comments on the Capital Program:

- **The Town Capital Program continues to improve the Town asset base and service delivery.** This year the capital program was hindered not by COVID but by the resulting supply chain issues still being experienced. Some projects were put out to tender with no responses or with responses that were well over budget and therefore we were sent back to the drawing board. Even with these challenges we were again able to invest more in our capital program in 2022 compared to our annual amortization, the amount that we expense assets over their estimated useful life. Projects that were successfully completed include:
 - Implementation of our Asset Management software;
 - Installation of our new phone system;
 - Improvements to a number of boat launches throughout the municipality;
 - Renovations to the Opera House interior;
 - Receipt of the aerial fire truck;
 - Design and build of a state-of-the-art training facility at Fire Headquarters;
 - Installation of security cameras at Gull Lake and the Centennial Centre;
 - Investment of \$2.8 million in road rehabilitation;
 - Installation of EV stations around the municipality.

- **There were 110 (128- 2021) active projects in 2022** and at year end 70 (46 – 2021) of them were completed or closed. Completed projects are projects deemed substantially complete by the respective Project Manager. In some cases, the warranty period is on-going or invoices for completed work are still pending; however, for our purposes these projects are considered complete and accessible to the public.

- **Changes in project costs.** In 2022 some projects ran over budget due to unforeseen circumstances encountered during the course of the capital work. Conversely, there were several projects that were under budget due to bids coming in lower than expected. Any budget overages in the 2022 capital program can be offset by savings in other capital projects throughout the year. Where these overages are material, appropriate recommendations will be made to Council upon completion of the project.

- **Projects closed / on hold in 2022** – A number of projects were closed in 2022. The downtown washroom project was closed due to the fact that the application for grant funding was not successful. The James St project was put on hold in order to provide time to the District of Muskoka to evaluate future sanitary improvements in the area. This budget was then redirected to another road as reported to the Committee of the Whole [INF 2022-14](#). The other projects were closed due to a change in project plan or scope resulting in either the closure of the project or the need to re-budget in future years with a different plan.

- **Projects not yet started** – There are a number of projects that need to be re-tendered and a few projects that have been tendered and awarded but we are waiting for delivery of the goods.

- **There are 79 on-going projects** from the 2022 Capital Program and prior. Many capital projects are completed within 12-18 months of being initiated by staff. However, delays may occur for several reasons including change in scope and delays in delivery or completion of projects. As well, in some cases additional approvals or external factors, e.g., negotiations with other parties can impact on timely project completion. Some examples of on-going projects are:
 - 2021 & 2022 Group Roads projects, these roads project are 18 – 24 months from beginning to end to capture all of the costs and to cover the warranty period;
 - Council Live Streaming project, this project has been riddled with hurdles from supply chain issues and cost of equipment;
 - Maintenance Management software, implementation is underway and testing will begin in the first quarter of 2023;
 - The Recreation, Parks and Trails Master Plan and the Opera House Strategic Business Plan will both be presented to Council in 2023 with recommendations for future capital works;
 - The pop-up village at the Wharf has begun to take shape and should be open for business in 2023;
 - Environmental assessments have taken place in a number of areas to assist us in managing our storm water system and to guide us in the planning for future capital works.

CONSULTATION

The following individuals / community groups were consulted:

- SLT Members
- Manager of Operations
- Manager of Facilities
- Manager of Economic Development
- Pahapill and Associates Chartered Accountants Professional Corporation

CORPORATE FINANCIAL IMPACT

The Capital Program is within the funding envelope approved by Council.

COMMUNICATIONS

N/A

FUTURE CONSULTATIONS

N/A

CONCLUSIONS

Administration concludes that the Town Capital spending program is proactively managed, and at this time, all completed and on-going capital projects are fully funded within the overall funding envelope approved by Council.

CLIMATE CHANGE IMPLICATIONS

This Report does not directly contribute to meeting the intentions of the Climate Change Declaration, though this is always a consideration in the funding and management of municipal assets.

RELATION TO STRATEGIC PLAN

This Report advances and supports the following elements of the Town of Gravenhurst Strategic Plan by:

Goal 5: Provide Better Municipal Service

5B: Exceptional municipal management and operational excellence

RELATION TO OTHER MUNICIPAL REPORTS, PLANS OR APPLICABLE LEGISLATION

This Report related to other municipal reports, plans or applicable legislation including:

1. 2022 Capital Budget and Multi-Year Plan
2. Prior Year Capital Budgets (for multi-year projects carried forward)
3. Town Asset Management and Long-Term Sustainability Plan

ATTACHMENTS

1. Attachment A – 2022 – Year End Summary of Capital Projects

RESPECTFULLY SUBMITTED BY:

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Approved by: Ross Jeffery, Director of Financial Services / Treasurer

Approved by: Scott Lucas, Chief Administrative Officer