



Report to: General Committee

Meeting Date: July 6, 2020

SUBJECT: Status of Capital Projects as of April 30, 2020
PREPARED BY: Matthew Vetere – Manager, Budgeting (Ext. 2463)
Veronica Siu – Senior Financial Analyst (Ext. 2232)
Jemima Lee – Senior Financial Analyst (Ext. 2963)

RECOMMENDATION:

- 1) That the report dated July 6, 2020 titled “Status of Capital Projects as of April 30, 2020” be received; and,
- 2) That the Projects Completed within Scope with Surplus Funds and the Projects Completed within Scope without Surplus Funds as identified on Exhibit B be approved for closure and funds in the amount of \$3,469,003 be transferred to the original sources of funding as identified on Exhibit B; and,
- 3) That the Projects Closed and Deferred to a Future Year and the Projects Closed and Not Initiated as identified on Exhibit C be approved for closure and funds in the amount of \$1,310,027 be transferred to the original sources of funding as identified in Exhibit C; and,
- 4) That the surplus funds of \$7,230,071 from open capital projects be returned to the original sources of funding as identified on Exhibit D; and,
- 5) That the deferral of 28 projects as outlined on Exhibit E be approved; and,
- 6) That the Non-Development Charge Capital Contingency Project be topped up from the Life Cycle Replacement and Capital Reserve Fund by \$734,748 to the approved amount of \$250,000; and,
- 7) That the Engineering Capital Contingency Project be topped up from the City-Wide Hard Development Charges Reserve by \$46,461 to the approved amount of \$100,000; and,
- 8) That the Design Capital Contingency Project be topped up from the Development Charges Reserve by \$37,344 to the approved amount of \$100,000; and,
- 9) That the Waterworks Capital Contingency Project be topped up from the Waterworks Stabilization/Capital Reserve by \$174,717 to the approved amount of \$100,000; and,
- 10) That the Non-DC Capital Contingency funded amount of \$26,659 for infrastructure design within West Thornhill Phase 3 (Capital project 16211) be returned to the Life Cycle Replacement & Capital Reserve Fund and be replaced with funding from the Stormwater Fee Reserve Fund; and,

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- 11) That the funding sources for the East Markham Works Yard land (Capital project 19282) in the amount of \$12,736,000 be changed from Development Charges Reserves and the Non-DC Growth Reserve to the Land Acquisition Reserve; and,
 - 12) That the following new capital project, initiated subsequent to the approval of the 2020 capital budget, be received:
 - 20301 – Emergency Boardwalk Repairs at Unionville and Campbell Court – Budget of \$60,000 funded from the Non-DC Capital Contingency; and further,
 - 13) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

The Status of Capital Projects report is compiled based on a comprehensive analysis of all open capital projects and is split into the following nine categories:

Section I: Projects Completed Within Scope With/Without Surplus Funds

Exhibit B provides details of projects with surplus funds of more than 50% of the approved budget or in excess of \$100,000.

Section II: Projects Closed and Deferred to a Future Year

The top section of Exhibit C provides details of these projects.

Section III: Projects Closed and Not Initiated

The bottom section of Exhibit C provides details of these projects.

Section IV: Return of Surplus Funds from Open Capital Projects

Exhibit D provides details of open projects with surplus funds of more than 50% of the approved budget or in excess of \$100,000.

Section V: Deferral of Open Capital Projects

Exhibit E provides the list of open capital projects deferred to 2021.

Section VI: Capital Contingency Projects

This section details the projects and rationale for the draws from the capital contingency projects.

Section VII: Reallocation of Funding for West Thornhill Phase 3

This section details the recommendation to reallocate funding in project 16211.

Section VIII: Changes to Funding Sources for East Markham Works Yard Land

This section details the recommendation to change funding sources for the East Markham Works Yard Land.

Section IX: Status of Open Capital Projects

This section identifies that there are 667 open capital projects with a budget of \$697.6M (\$520.6M committed, \$177.0M uncommitted).

PURPOSE:

The purpose of this report is to provide an update on the status of capital projects as of April 30, 2020, and advise Council of the net transfer of funds to reserves.

OPTIONS/ DISCUSSION:

In an effort to promote timely closure of projects and the return of surplus funds, Staff conducted a status review of all open capital projects as of April 30, 2020.

A detailed listing of projects to be closed or deferred, and the funding amounts to be transferred are included in the following exhibits:

Exhibit A – Summary of surplus funds

Exhibit B – Projects completed within scope with/without surplus funds

Exhibit C – Projects closed and deferred/not initiated

Exhibit D – Return of surplus funds from open capital projects

Exhibit E – Capital projects deferred to 2021

SECTION I. PROJECTS COMPLETED WITHIN SCOPE WITH/WITHOUT SURPLUS FUNDS

172 capital projects completed within scope are listed in Exhibit B with/without return of surplus funds. 134 of the 172 projects have surplus funds remaining in the amount of \$3,469,003 and the remaining 38 projects were fully spent. The following section provides details of capital projects completed within scope with surplus funds of more than 50% of the approved budget or in excess of \$100,000 that will be returned to the applicable funding sources. The list is sorted by percentage of budget remaining.

a) Design

Project 17016 – Wismer McCowan Woodlot Park – Design and Construction - Budget of \$485,000 with remaining funds of \$444,044 (92% of project budget). This project has been replaced with project 20029 Wismer McCowan Woodlot Park - Design & Construction which was re-scoped as compared to the original 2017 request.

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- b) Design
Project 16013 – Berzcy Beckett NE parkette - Design – Budget of \$24,500 with remaining funds of \$21,539 (88% of project budget). The majority of the design work was charged to the Berzcy Beckett NE parkette construction project 16012.
 - c) Operations - Roads
Project 19173 – City Owned Entrance Feature Rehabilitation – Budget of \$161,800 with remaining funds of \$139,413 (86% of project budget). Staff were able to repairing the entrance features to avoid a full replacement.
 - d) ES - Stormwater
Project 19233 – Oil Grit Separators (OGS) Inspection – Budget of \$18,700 with remaining funds of \$13,926 (74% of project budget). One of the required inspections was carried out in conjunction with sediment cleaning through another project; therefore, only one inspection was carried out under this project.
 - e) Operations – Parks
Project 19190 - Fence (Tennis Courts) – Budget of \$70,800 with remaining funds of \$51,476 (73% of project budget). Majority of the budget was not required, as only fence mesh had to be replaced based on condition assessment.
 - f) Recreation
Project 19145 – Recreation AED program - Budget of \$18,100 with remaining funds of \$12,776 (71% of project budget). The replacement of AED units originally budgeted for were not required based on condition assessment.
 - g) Recreation
Project 19122 – Crosby CC Ceiling Tile – Budget of \$31,500 with remaining funds of \$21,568 (68% of project budget). The contract awarded was more favourable than originally budgeted.
 - h) ITS
Project 19061 – ITS – Additional Adobe Licenses – Budget of \$51,228 with remaining funds of \$33,963 (66% of project budget). These Licenses have been included as part of the ITS 2020 operating budget.
 - i) Design
Project 16011 – Berzcy Beckett East parkette - Design – Budget of \$31,448 with remaining funds of \$20,000 (64% of project budget). The contract award was lower than budget due to economies of scale, as the design was awarded for 3 Berzcy Beckett parkettes at the same time.
 - j) Operations - Parks
Project 19185 – Bridge Structure Preventative Maintenance – Budget of \$24,800 with remaining funds of \$15,799 (64% of project budget). The amount of work required for bridge preventative maintenance in the year was less than anticipated based on condition assessment.

- k) Recreation
Project 18172 – Rouge River CC Facility Painting – Budget of \$34,900 with remaining funds of \$22,335 (64% of project budget). The warranty period of this project is complete, and the remaining funds are not required.
- l) ITS
Project 18315 – Core IT Infrastructure Library 3M Hardware – Budget of \$108,884 with remaining funds of \$64,434 (59% of project budget). The contract awarded was more favourable than originally budgeted.
- m) SAM – Facility Assets
Project 19077 – Library Facility Improvements – Budget of \$81,700 with remaining funds of \$47,863 (59% of project budget). The de-icing cabling at Markham Village Library was incorporated in the roofing work and funded by the roofing replacement budget.
- n) Engineering
Project 15640 – 2015 Engineering-Sanitary Sewage Warranty – Budget of \$127,935 with remaining funds of \$73,517 (57% of project budget). The warranty period for the funds transferred in this project (remaining upon completion of construction work) are now expired.
- o) Recreation
Project 19155 – Rouge River Overhead Door and Exhaust Fan Replacement – Budget of \$58,900 with remaining funds of \$33,613 (57% of project budget). Both components of the project were completed by vendors who hold current service contracts, which resulted in favourable pricing.
- p) Recreation
Project 19108 – Angus Glen Tennis Centre Clubhouse Painting – Budget of \$18,400 with remaining funds of \$10,310 (56% of project budget). The contract awarded was more favourable than originally budgeted.
- q) Recreation
Project 19107 – Angus Glen CC Wayfinding Signage – Budget of \$41,800 with remaining funds of \$21,601 (52% of project budget). The contract awarded was more favourable than originally budgeted.
- r) SAM – Facility Assets
Project 17170 – 8100 Warden Facility Improvements – Budget of \$47,700 with remaining funds of \$24,222 (51% of project budget). Part of the improvements planned in this project were completed through internal resources, resulting in some savings. Furthermore, the contract awarded was more favourable than originally budgeted.

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- s) Engineering
Project 15639 – 2015 Engineering-Roads Warranty – Budget of \$907,975 with remaining funds of \$366,754 (40% of project budget). The warranty period for the funds transferred in this project (remaining upon completion of construction work) are now expired.
 - t) ES - Waterworks
Project 19246 – Curb Box Inspection and Replacement Program – Budget of \$392,200 with remaining funds of \$143,299 (37% of project budget). The quantity of curb box replacements was less than the budgeted based on condition assessment.
 - u) ES - Stormwater
Project 17194 – Erosion Restoration Program – Budget of \$808,653 with remaining funds of \$185,518 (23% of project budget). The asphalt work budgeted for this project was completed as part of Engineering’s erosion restoration program. Additionally, the use of contingency was not required.
 - v) Fire
Project 17072 – Fire Station Renos for Gender Diversity – Phase 2 of 2 – Budget of \$623,500 with remaining Facility Ramp-up funds of \$134,404 (22% of project budget). The use of contingency and provisional items was lower than anticipated.
 - w) ES – Waterworks
Project 19253 – Water Meters – Replacement Program – Budget of \$802,500 with remaining funds of \$134,316 (17% of project budget). The number of residential water meters replaced were less than budgeted.
 - x) ITS
Project 17064 – Core IT Infrastructure – Budget of \$1,516,320 with remaining funds of \$196,451 (13% of project budget). The contract awarded was more favourable than originally budgeted.

II. PROJECTS CLOSED AND DEFERRED TO A FUTURE YEAR

The following section provides details of 2 capital projects that are closed and to be deferred to a future year with a return of surplus funds in the amount of \$500,127 as listed in the top section of Exhibit C.

- a) Operations - Roads
Project 18212 – Parking Lots - Rehabilitation – Budget of \$383,500 with remaining funds of \$347,127 (91% of project budget). The majority of the funding was intended for parking lot rehabilitation at 75 Clegg Road (City owned property leased to tenants) and have been held pending legal cost sharing agreement with tenants on the parking lot rehabilitation work. The project will be re-requested in 2021 if there is agreement on costs sharing with tenants.

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- b) Operations - Parks
Project 18224 – Court Resurfacing/Reconstruction – Budget of \$275,310 with remaining funds of \$153,000 (56% of project budget). The rebuilding of four courts at Armadale Tennis Club was deferred based on the club’s request. The club shares 50% of the cost of resurfacing/reconstruction with the City.

III. PROJECTS CLOSED AND NOT INITIATED

The following section provides details of 3 capital projects that are closed and not initiated with a return of surplus funds in the amount of \$809,900 as listed in the bottom section of Exhibit C.

- a) ES – Waterworks
Project 20263 – Update of Wastewater System Hydraulic Model – Budget of \$213,700 with remaining funds of \$213,700 (100% of project budget). This project has been cancelled due to duplications with the City-wide wastewater modelling initiative being undertaken by Engineering Infrastructure in 2021 as part of the DC Background Study update.
- b) Museum
Project 19002 – Chapman House Community Kitchen – Budget of \$586,200 with remaining funds of \$586,200 (100% of project budget). This project is 60% funded through the Life Cycle Reserve and 40% funded through a Federal government grant. The Federal grant anticipated for this project has been cancelled. Project will be re-requested at a future date when funding becomes available.
- c) Recreation
Project 20167 – Thornhill CC Filter Spa Replacement – Budget of \$10,000 with remaining funds of \$10,000 (100% of project budget). The project was not initiated due to change in scope requirements. This project will be re-submitted as part of the 2021 Capital Budget with an updated scope.

Return of Funds to the Life Cycle Replacement & Capital Reserve Fund

In addition to the above list, contract awards greater than \$25,000 with surplus funds are returned to the original funding source(s) at time of award.

Since the last Status of Capital Projects report tabled at General Committee in December 2019, \$855,602 has been returned to the Life Cycle Replacement & Capital Reserve Fund from contract awards.

SECTION IV. RETURN OF SURPLUS FUNDS FROM OPEN CAPITAL PROJECTS

Departments identified 33 open projects that have \$7,230,071 of surplus funds available to return to original funding sources as listed in Exhibit D. The following section provides details of the open capital projects with return of surplus funds of more than 50% of the approved budget or in excess of \$100,000.

- a) Engineering
Project 10049 - Hagerman Diamond – Municipal Services Relocation – Budget of \$925,101 with return of funds of \$863,408 (93% of project budget). Original plans for alternative storm sewer system at Hagerman Diamond is no longer required.
- b) Design
Project 13011 - Kirkham Drive Park Phase 2 Construction - Budget of \$3,544,300 with return of funds of \$3,114,929 (88% of project budget). Project has been re-scoped since original request in 2013. Funds remaining in the account will be used for design work in 2020. A new request for park construction will be submitted in 2021 based on updated park amenities and design.
- c) Planning
Project 18028 – Unionville Core Area Streetscape Master Plan – Budget of \$76,300 with return of funds of \$60,493 (79% of project budget). Project was completed primarily with internal resources.
- d) Engineering
Project 13033 - Official Plan & Secondary Plan Engineering Studies – Budget of \$2,277,317 with return of funds of \$1,532,936 (67% of project budget). Project received external funding to complete the studies, resulting in additional City funds being returned to source.
- e) Operations – Roads
Project 19181 – Parking Lots-Rehabilitation – Budget of \$262,100 with remaining funds of \$142,100 (54% of project budget). Rehabilitation of Highgate Park parking lot was not completed as the City does not have legal ownership of the lot, and rehabilitation of the gravel lot at Huntington Park was not completed, as environmental concerns have been raised with using asphalt to pave over a gravel lot. The latter has been assessed to be in good condition and will be regraded using operating accounts if required. \$120,000 remaining in this project will be used to pave the parking lot at 160 Dudley.
- f) Operations – Parks
Project 20214 – Shade Structure Refurbishment – Budget of \$41,151 with return of funds of \$20,785 (51% of project budget). Millennium bandstand refurbishment deferred based on condition assessment and will be re-requested in a future year.

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- g) Design
Project 9350 - Kirkham Drive Park – Two Soccer Fields – Budget of \$1,025,300 with return of funds of \$484,875 (47% of project budget). Project has been re-scoped since original request in 2013. Funds remaining in the account will be used for design work in 2020. A new request for park construction will be submitted in 2021 based on updated park amenities and design.
- h) Engineering
Project 19044 – North Markham Transportation Needs Assessment – Budget of \$634,900 with return of funds of \$234,900 (37% of project budget). Budget was requested under the assumption that Markham would be fully funding the project. This is now a joint project that is tendered by York Region, with \$350K as Markham’s share of the project cost.
- i) ES – Waterworks
Project 17226 - Watermain Construction Design (Valancliffe Area) – Budget of \$589,200 with return of funds of \$136,115 (23% of budget). Staff expense recovered from unanticipated receipt of Clean Water and Wastewater Fund (CWWF) grant from Infrastructure Canada.
- j) Engineering
Project 12054 – Downstream Improvement Work Program – Budget of \$1,161,676 with return of funds of \$111,909 (10% of project budget). Construction has been completed, with two sites still under monitoring program. The construction cost was lower than originally anticipated.
- k) ITS
Project 16060 – Building – Electronic Plan Implementation (Phase 3 of 3) – Budget of \$1,390,664 with return of funds of \$140,323 (10% of project budget). Provisional items built into the budget were not required.

SECTION V. DEFERRAL OF OPEN PROJECTS

Departments undertook a review of all open capital projects and identified 28 projects that will be deferred to 2021 with budget remaining of \$7,551,709. The deferrals can be attributed to 3 major categories: 1) COVID, 2) Resource Constraint, and 3) Contingent on Other Activities. The project deferral list can be found in Exhibit E along with the corresponding deferral category and comments.

SECTION VI. CAPITAL CONTINGENCY PROJECTS

In accordance with the Capital Budget Control Policy, the five (5) capital contingency projects are topped up to the maximum approved funding amount through the semi-annual Status of Capital Projects Report to Council.

Non-DC Capital Contingency

The Non-DC Capital Contingency Project was approved to a maximum of \$250,000. Currently, the account has a negative balance of (\$484,748). Thereby a top-up of \$734,748 is required from the Life Cycle Replacement & Capital Reserve Fund.

For this period, Staff undertook two emergency repairs. Of the \$734,748 drawn from the Non-DC Capital Contingency Project, \$43,310 (6%) was related to the following emergency projects:

- a) Sustainability Asset Management – Facility Assets
Project 19296 – Thornhill CC Parking Poles - \$21,969 – Funding was required to replace a parking light pole that snapped in the in the parking lot.
- b) Fire Services
Project 19298 – Air Light 920 Compressor – \$21,341 – Funding was required to replace a damaged compressor on air light vehicle 920.

Further, use of the contingency account was necessitated by the following non-emergency projects:

- a) Theatre
Project 20011 – Theatre Stage Equipment & Maintenance - \$156,710 – Required purchase of additional radio bandwidth to comply with government regulations.
- b) Operations
Project 20080 – PVC Salt Dome Demolition – \$122,615 – Amount of soil removal was significantly higher due to poor soil conditions encountered during construction, and additional soil had to be removed in order to achieve the proper compaction and install pre-cast retaining structures.
- c) Operations - Roads
Project 19216 – German Mills Meadow – \$66,983 – Existing segment of header pipe installed in 2009 was found to be defective and required replacement.
- d) Engineering
Project 20301 – Emergency Boardwalk Repairs – \$60,000 – Flooding shifted boardwalks located at Unionville and Campbell Park which posed a hazard, and immediate repairs were required.
- e) Engineering
Project 15062 – Multi-use pathways – \$58,604 – Additional funds were required for the final property acquisition costs.
- f) Recreation
Project 19128 – Markham Village CC Refrigeration Room Construction – \$47,631 – due to unfavourable soil conditions, additional modifications to fencing were required to maintain a free and clear emergency exit gate.

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- g) Legal
Project 16291 – Land Acquisition of 55 Parkway Avenue – \$42,576 – Additional funds were required to complete sampling and testing of excess soil at Aileen Lewis Court as a possibility to replace contaminated soil at 55 Parkway Avenue.
 - h) Recreation
Project 19146 – Recreation Aquatics Equipment – \$20,356 - Additional funding required to support the purchase of new lane ropes for the Pan Am pool.
 - i) Recreation
Project 20107 – Centennial CC Sauna Replacement – \$15,651 – The contract awarded was higher than budget.
 - j) Recreation
Project 18151 – Milliken Mills Pool Changeroom Conversion Phase 1 of 2– \$14,731 – Funding required to pay for additional drawings and consultant site visits due to scope changes.
 - k) Recreation
Project 18180 – Thornhill CC Compressor Replacement – \$14,504 – Request for funding to support the installation of “Rink Seal Pro” product for the arenas at Thornhill C.C. to prevent further underfloor brine leak.
 - l) Recreation
Project 19137 – Milliken Mills CC Change Room Renovation Phase 2 of 2 - \$11,792 – Additional funding required to pay for change orders related to renovation work.

The remaining draws totaling \$59,285 were each under \$10,000.

Engineering DC Capital Contingency

The Engineering DC Capital Contingency Project was approved to a maximum of \$100,000. The project currently has a balance of \$53,539 thereby requiring a top up of \$46,461 from the City-Wide Hard DC Reserve.

The use of the contingency account was necessitated by the following projects:

- a) Engineering
Project 15062 –MUP - \$31,556 –Additional funds were required for the final property acquisition costs.
- b) Engineering
Project 17037 – Highway 404 North Collector Roads – Class Environmental Study - \$14,905 – Toronto Region Conservation Authority review fees were higher than originally budgeted.

Design DC Capital Contingency

The Design DC Capital Contingency Project was approved to a maximum of \$100,000. The project currently has a balance of \$62,656 thereby requiring a top up of \$37,344 from the Parks Development DC Reserve.

The use of the contingency account was necessitated by the following project:

a) Design

Project 13012 – Box Grove Community Park - Design - \$37,344 – Contract awarded was higher than budget. Project is 90% DCA and 10% Operating Budget; 10% draw from Non-DC Capital Contingency.

Planning DC Capital Contingency

The Planning DC Capital Contingency Project was approved to a maximum of \$50,000. It is currently at the maximum balance and as such, no top up is required at this time.

Waterworks Capital Contingency

The Waterworks Capital Contingency Project was approved to a maximum of \$100,000. The project currently has a balance of (\$74,717) therefore requiring a top up of \$174,717 from the Waterworks Stabilization/Capital Reserve.

The use of the contingency account was necessitated by the following project: ES – Waterworks

a) Project 18301 – Sanitary Sewers Syphons Structural Lining - \$148,058 –Additional funds required due to a revision in the scope of work which required pipe replacements with heavy duty HDPE pipes instead of the CIPP lining originally budgeted for.

b) ES – Waterworks

Project 16247– Watermain Construction Design for 2017 - \$26,659 – Additional infrastructure replacements identified in project scope. Increases include additional length of storm and sanitary sewer replacements, and by extension, additional road and sidewalk reconstruction.

SECTION VII. REALLOCATION OF FUNDING FOR WEST THORNHILL PHASE 3 CAPITAL PROJECT

In April 2020, an emergency draw in the amount of \$26,659 was required for West Thornhill Phase 3 Storm Sewer Upgrades and Watermain Replacement design (project 16211). During the detailed design, the scope of work increased to include additional infrastructure replacement identified through model refinement. In order to expedite the emergency work, funds were drawn from the Non-DC Capital Contingency account.

Staff recommend the additional funds of \$26,659, originally funded from the Non-DC Capital Contingency account, be returned to the Life Cycle Replacement & Capital Reserve Fund and be funded from the Stormwater Fee Reserve to be consistent with the funding source for the original land purchase.

SECTION VIII. CHANGES TO FUNDING SOURCES FOR EAST MARKHAM WORKS YARD LAND

In 2014, a report on the Status of Capital Projects as of April 30, 2014 was brought to Council which contained a recommendation to correct the funding sources of land to align to the City's Land Acquisition Funding Strategy. Part of the strategy is to utilize the Land Acquisition Reserve Fund for land purchases where the ultimate use of the land is uncertain or more than three years in the future.

In a similar vein, the funding source for the East Markham Works Yard Land (Capital Project 19282) is recommended to be changed to reclassify the funding to reflect the current use of the land. The total budget for the land was \$16,000,000, divided into a 10.41 acre front portion budgeted at \$3,264,000 (or 20.4% of budget), and 46.56 acre back portion budgeted at \$12,736,000 (or 79.6% of budget). The funding source for the 10.41 acre front portion of the land budgeted at \$3,264,000 will remain unchanged as that will begin to be developed this year.

Staff recommend that the funding source of the back portion of the East Works Yard land (46.56 developable acres) budgeted at \$12,736,000 be changed such that it is 100% funded from the Land Acquisition Reserve.

The following table summarizes the net impact to Reserves:

% split	Funding source	increase/(decrease)
(75.0%)	Public Works Development Charges	\$9,552,000
(22.5%)	Parks Development Charges	\$2,865,600
(2.5%)	Non-DC Growth Reserve	\$318,400
100.0%	Land Acquisition	(\$12,736,000)

SECTION IX. STATUS OF OPEN CAPITAL PROJECTS

After the closure of 177 projects, there are 667 open capital projects with a total budget of \$697.6M as of April 30, 2020. The remaining open capital projects include 28 projects to be deferred to 2021. The term "open" refers to approved projects that have not started, or are at various stages of project completion.

In comparison, the April 2019 status update, reported 650 open projects with a total budget of \$615.0M.

Of the 667 open capital projects as at April 30, 2020, 78% of the projects were approved in 2018 to 2020. (Refer to TABLE A).

TABLE A

Project approval year	# of open projects	% of open projects	Unencumbered \$ in M	% of Unencumbered \$
2020	284	43%	\$75.8	43%
2019	148	22%	\$50.5	29%
2018	84	13%	\$13.5	8%
2017	47	7%	\$11.8	7%
2016 and prior	104	15%	\$25.4	14%
	667	100%	\$177.0	100%

The following summarizes the status of open capital projects:

TABLE B

(in millions)	Q1 2020		Q1 2019	
Encumbered/Committed	\$ 520.6	75%	\$ 430.9	70%
Unencumbered/Uncommitted	\$ 177.0	25%	\$ 184.1	30%
Total Open Capital	\$ 697.6		\$ 615.0	

Encumbered/Committed

The total 2020 encumbered amount of \$520.6M includes expenditures of \$434.5M (83%) and commitments of \$86.1M (17%). (Expenditures refer to payments issued for goods/services received and commitments refer to purchase orders on file with the Procurement Department).

Unencumbered/Uncommitted

Major projects, defined as multi-year, one-time projects account for \$127.4M (72% of \$177.0M) of the total unencumbered amount which includes the following projects:

- Rodick Road Reconstruction and Extension – Miller to 14th Avenue
- Storm sewer, sanitary sewer and watermain construction and replacement
- Hwy 404 mid-block crossing, North of Hwy 7 and North of 16th Avenue
- West Thornhill flood control implementation
- Enterprise Asset Management and Digital Markham Strategic implementation

- East Markham Works Yard Construction
- Box Grove Community, Cornell Community, and Wismer Community park construction
- Sidewalk program, multi-use pathways and intersection improvements

FINANCIAL CONSIDERATIONS

The net amount of \$11,015,832 as summarized in the following table will be transferred to Reserves and Reserve Funds as a result of closing capital projects, return of surplus funds from open projects and top-up of capital contingency projects.

	Funding Returns from Closed Projects (A)	Funding Returns from Open Projects (B)	Contingency Projects Top up from Reserves (C)	Net Change to Reserves (D)=(A)+(B)+(C)
Lifecycle Replacement & Capital Reserve	\$2,764,291	\$1,196,844	(\$734,748)	\$3,226,387
Development Charge Reserves	\$1,107,438	\$4,844,997	(\$83,805)	\$5,868,630
Waterworks Stabilization / Capital Reserve	\$567,747	\$136,115	(\$174,717)	\$529,145
Other Reserves & Reserve Funds	\$339,555	\$1,052,115	-	\$1,391,670
Net Change to Reserves & Reserve Funds	\$4,779,031	\$7,230,071	(\$993,270)	\$11,015,832

Since the last Status of Capital Projects report tabled at General Committee in December 2019, \$855,602 has been returned to the Life Cycle Replacement & Capital Reserve Fund from contract awards.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

All business units managing capital projects have been consulted in the development of this report.

RECOMMENDED BY:

Joel Lustig
Treasurer

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Exhibit A – Summary of surplus funds

Exhibit B – Projects completed within scope with/without surplus funds

Exhibit C – Projects closed and deferred/not initiated

Exhibit D – Return of surplus funds from open capital projects

Exhibit E – Capital projects deferred to 2021