

Subject: 2021 First Quarter Capital Progress

Department: Corporate Services

Division: Finance

Report #: CPS-2021-038

Meeting Date: 2021-05-10

Recommendations

That report CPS-2021-038 regarding the 2021 First Quarter Capital Progress be received.

Background and Analysis

This progress report will provide Council with a summary of all capital projects outstanding as of March 31, 2021. This report provides a snapshot in time that compares actual expenditures to date with the approved budget per project. The analysis below was completed by Finance with input from Divisional project managers. As many capital projects span more than one year, all outstanding projects, regardless of the year approved, have been organized into three categories, either – Completed, In Progress or To Be Initiated.

The Tables in the Attachment to follow, list outstanding capital projects in chronological order by the year the project was approved. In addition, comments in the Authorization column have been provided by the project managers.

It is important to note that all figures are comprised of available information and do not include delayed invoices or other timing differences of that nature.

As of the first quarter of 2021, 1% of all approved outstanding capital projects were completed, 76% are in progress and 23% are yet to be initiated.

Table 1: Capital Projects Completed as of March 31, 2021 located in Attachment 1 – Capital Progress. Table 1 provides the actual capital results by project, for those that were completed as of March 31, 2021, relative to the approved budget. Overall, the financial performance of these projects was favourable with projects being completed

under budget by 12% or \$62,977. This favourable variance is driven by projects in the Public Works, Water and Facilities divisions.

Be advised that the favourable variance is not directly indicative of the Town's overall financial position, rather it compares the Town's actual expenses to the approved budget at a point in time. Figure 1 below depicts aggregate variance by Division for the completed projects in the first quarter of 2021.

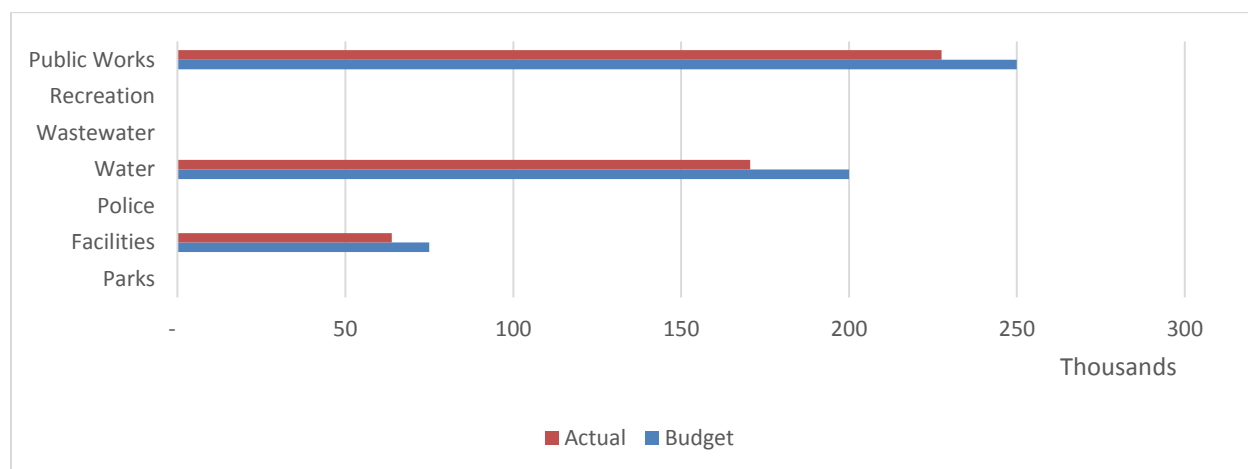


Figure 1: Aggregate Variance by Division of Completed Projects at March 31, 2021

Table 2: Capital Projects in Progress as of March 31, 2021 located in Attachment 1 – Capital Progress. Table 2 compares actual expenditures to budget for on-going projects as of the first quarter 2021. Variances due to timing arise with large capital projects for a variety of reasons. For example, some projects will go to tender as per the Town's procurement policy; or work is done in phases with billing of services done upon completion of a phase and not necessarily as work progresses; or engineering studies may be required prior to work commencing.

As at March 31, 2021 approximately 22% of the approved budget for on-going projects had been utilized. The major driver for this category is the Wastewater Division that has utilized 91% of its budget.

Figure 2 below depicts the year-to-date budget utilized by Division for on going projects as of March 31, 2021.

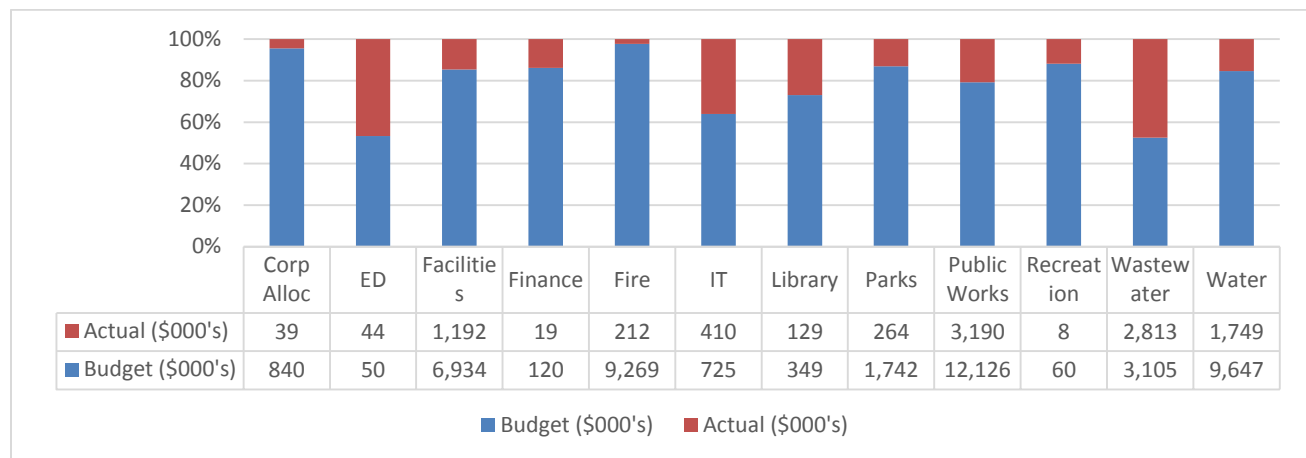


Figure 2: Budget Utilized by Division for Projects in Progress as of March 31, 2021

Table 3: Capital Projects To Be Initiated as of March 31, 2021 located in Attachment 1 – Capital Progress. Table 3 details the capital projects to be initiated as of March 31, 2021. In total, there were \$13.7 million dollars of capital projects approved but not yet started as of the first quarter of 2021. Of these projects, approximately 35% are from the 2021 approved capital budget.

Figure 3 below depicts the amount to be initiated by Division.

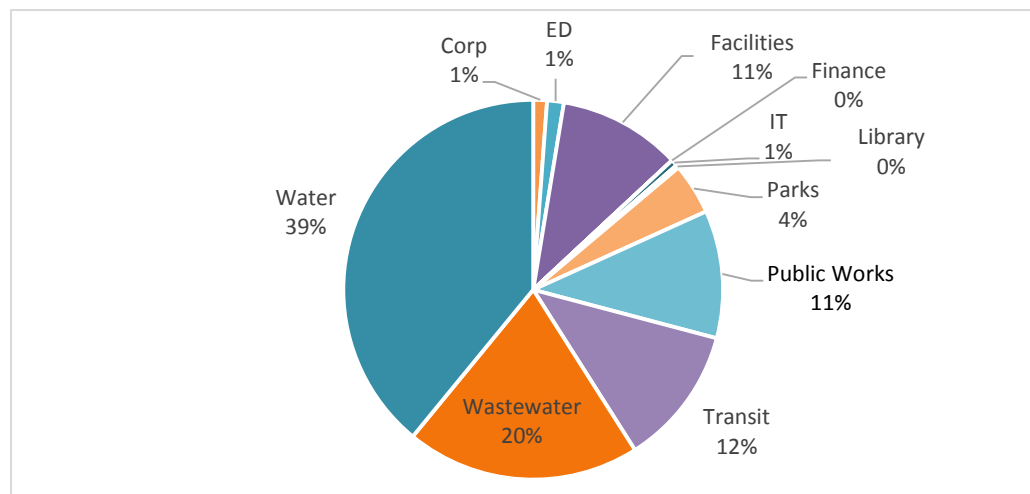


Figure 3: Projects to be initiated as of March 31, 2021 by Division

The first quarter progress report is subject to timing issues given the unprecedented current pandemic. The progress of capital projects may be effected by factors such as, but not limited to the impacts of COVID-19 and weather conditions.

Strategic Alignment

Orangeville Forward – Strategic Plan

Priority Area: Strong Governance

Objective: This report supports the Town's objective of financial responsibility

Sustainable Neighbourhood Action Plan

Theme: Corporate and Fiscal

Strategy: Encourage and support inter-departmental collaboration and communication to facilitate the adoption of sustainable practices in the municipality

Notice Provisions

Not applicable

Financial Impact

There is no immediate impact as a result of the first quarter capital progress report.

Respectfully submitted

Nandini Syed, CMM III, CPA, CMA
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Attachment(s): 1. Capital Progress