



**Mike Mayes, Director
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April 29, 2014

CORPORATE SERVICES REPORT - FINANCIAL SERVICES-2014-18

TO: Mayor Tony Van Bynen and Members of Council
Committee of the Whole

SUBJECT: 2013 Capital Carryovers Report

ORIGIN: Senior Financial Analyst

RECOMMENDATION

THAT Corporate Services Report – Financial Services 2014-18 dated April 29, 2014 regarding the 2013 Capital Carryovers be received and the following recommendation be adopted:

THAT \$272,046 of the 2013 cancelled amounts funded from Asset Replacement Fund be applied to the program *Engineering for 2015 Projects*, which was not included in the 2014 budget.

COMMENTS

Purpose

This report is to advise on the 2013 capital carryovers to 2014.

Budget Impact

A total amount of \$27,683,262 is to be carried over into 2014. Funding is available for these carryovers according to the original budget. As a result of this recommendation, a further \$272,046 would be carried over for *Engineering for 2015 Projects*.

Summary

The 2013 capital expenditures budget totaled \$41,200,388. The actual expenditures were \$14,875,506, including approved but non-budgeted amounts of approximately \$1.8 million for streetlight retrofit, solar panel installation, redevelopment ready and York Region broad band assessment projects. A total amount of \$27,683,262 is to be carried over into 2014, plus \$272,046 allocated to *Engineering for 2015 Projects*. A net amount of \$213,292 is not being carried over due to cancelled projects, project savings, and the recommendation above.

Background

The 2013 capital expenditures totaled \$14,875,506, including approved but non-budgeted amounts of approximately \$1.8 million for streetlight retrofit, solar panel installation, redevelopment ready and York Region broad band assessment projects. These projects will be funded either by recovery or from future savings. A total amount of \$27,683,262 is to be carried over into 2014, plus \$272,046 allocated to *Engineering for 2015 Projects*.

Typically the annual capital budget request includes a provision to initiate engineering planning and design for the following year's projects. Such an allowance was not included in the 2014 request. The savings from Asset Replacement Fund (ARF) funding in 2013 provide an opportunity to remedy this. The net amount attributable to Town projects (excluding Central York Fire Services) is \$272,046.

Carryovers are the transfer of the unspent portion of capital budgets, to the following year. As such, the expenditures and financing already have Council approval. The budget amounts carried over are combined with the "new" budget amounts and are reported on the financial statements.

Capital projects may be incomplete for a number of reasons, such as:

- 1) A multi-year project may have all of its budget allocated to one year
- 2) There can be delays in getting approvals, external funding, or in awarding tenders
- 3) Re-prioritization

Major carryover projects include:

- Old Town Hall restoration - \$3,666,532;
- Road pavement, rehabilitation, and reconstruction projects - \$3,650,904;
- Property acquisition and extension of trail along the Holland River - \$3,099,080;
- Watermain at Wilstead Drive & Yonge Street - \$998,647;
- SWM Pond maintenance program - \$872,110;
- Tom Taylor Trail – Davis Drive Underpass - \$800,765;
- Community Centre Land project - \$719,367;
- Fire truck replacement - \$634,773;
- Library building maintenance/upgrades - \$410,190

NEXT STEPS

Further to recommendations included in Hemson's report on our Capital Financing Sustainability Strategy, our procedures and practices for capital budgeting and carryovers will be reviewed.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to Newmarket's key strategic directions in being Well Managed through fiscal responsibility.

CONSULTATION

The 2013 capital carryover amounts are proposed by the departments that have capital projects.

BUDGET IMPACT

Operating Budget (Current and Future)

Not Applicable.

Capital Budget

A total amount of \$27,683,262 is to be carried over into 2014. Funding is available for these carryovers according to the original budget. An additional \$272,046, from amounts cancelled that were funded by ARF, is recommended to be applied to *Engineering for 2015 Projects*. Any additional funding will have to be found from 2014.

CONTACT

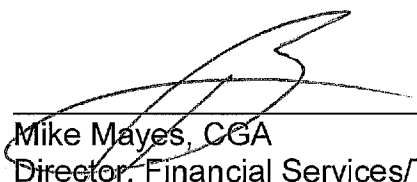
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FW/nh
Attachment

2013 Capital Variances & Carry-overs Summary

Commission / Department / Area	Budget (\$)	Actual (\$)	Variance(\$)	Amount Cancelled / (Offset by other project savings)	Amount To Be Funded by Recovery or Future Savings	Carry-over Amount (\$)
<u>General Government</u>						
	3,436,561	76,045	3,360,516	6,392	-	3,354,124
Total	3,436,561	76,045	3,360,516	6,392	-	3,354,124
<u>Corporate Services</u>						
Information Technology	1,902,044	467,028	1,435,016	35,943	(109,970)	1,509,043
Legislative Services	53,591	47,369	6,222	-	-	6,222
Total	1,955,635	514,397	1,441,238	35,943	(109,970)	1,515,265
<u>Community Services</u>						
Recreation & Culture Services	311,132	37,398	273,734	-	-	273,734
Total	311,132	37,398	273,734	-	-	273,734
<u>Development & Infrastructure Services</u>						
Planning & Building	687,698	234,839	452,859	(11,295)	-	464,154
Roads	14,889,801	7,969,628	6,920,173	(206,950)	(267,215)	7,394,338
Water	1,741,642	1,353	1,740,289	-	-	1,740,289
Sewer	1,084,731	179,467	905,264	66,008	-	839,256
Facilities	6,821,781	2,055,488	4,766,293	157,268	(279,057)	4,888,082
Parks	2,008,540	734,910	1,273,630	78,152	-	1,195,478
Trails	1,558,219	235,610	1,322,609	136,285	-	1,186,324
Other	1,638,624	1,187,476	451,148	144,156	(1,187,476)	1,494,468
Total	30,431,036	12,598,771	17,832,265	363,624	(1,733,748)	19,202,389
<u>Library Services</u>						
	1,352,549	173,418	1,179,131	-	-	1,179,131
Total	1,352,549	173,418	1,179,131	-	-	1,179,131
<u>Central York Fire Services</u>						
	3,713,475	1,475,477	2,237,998	79,379	-	2,158,619
Total	3,713,475	1,475,477	2,237,998	79,379	-	2,158,619
GRAND TOTAL	41,200,388	14,875,506	26,324,882	485,338	(1,843,718)	27,683,262
Amount Applied to <i>Engineering for 2015 Projects</i>	-	-	-	(272,046)	-	272,046
TOTAL	41,200,388	14,875,506	26,324,882	213,292	(1,843,718)	27,955,308