

# Information Report

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| Service Area | Corporate Services                               |
| Date         | Friday, October 23, 2020                         |
| Subject      | <b>2020 Tri-annual 2 Capital Variance Report</b> |

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## Executive Summary

### Purpose of Report

This report provides a summary of the 2020 capital spending for the period ended August 31, 2020, and highlights significant capital project activity and milestones.

This report also serves to notify of any deviations from the approved capital plan.

### Key Findings

On an annual basis, the City approves the capital budget. The 2020 capital budget is the City's plan to take care of its assets and plan for future growth while also focusing on the community's health and safety and meeting legislative requirements all while balancing affordability for our citizens and businesses.

For 2020, City Council approved a capital budget of \$151.6 million and as of August 31, 2020, had approved an additional \$3.3 million through special motions and/or due to receipt of additional funding (Attachment-1). This is in addition to the carry-over budget amount from 2019 unspent capital of \$157.2 million.

This report reflects the Tri-annual 2 (T2) spending that totals \$41.1 million, that for comparison is a decrease in spending from August 2019 of \$14.3 million. This is partially the result of pausing projects earlier in 2020 because of the pandemic. It is estimated that not only were staff grappling with what was legislatively allowed to proceed, there were also decisions made to mitigate financial impacts in 2020 including temporary reductions in staffing levels who managed and supported projects and pausing of non-essential initiatives. It is also partially attributable to significant spending in 2019 on Tier-1 projects that are now complete or nearing completion including Police Headquarters, Market Parkade and the City-wide LED upgrades.

This lower than normal spending for the year is estimated to result in 2020 capital spending of between \$75-80 million (or 20-25% less than the annual three-year average), resulting in a potential carry-over of approved budget of \$231-236 million. Of this carry-over, approximately \$130 million can be attributed to planned multi-year projects with the balance being a combination of projects deferred because of COVID-19 work plan adjustments, projects deferred because of contract project manager staffing challenges and other related factors like awaiting provincial/ministerial decisions.

Below is the capital activity for 2020, all numbers are in thousands.  
Details are provided in Attachment-2.

| <b>Capital variance</b>            | <b>Tri-annual 2<br/>August 31</b> | <b>Tri-annual 1<br/>April 30</b> |
|------------------------------------|-----------------------------------|----------------------------------|
| 2019 carry-over budget             | 157,208                           | 157,208 <sup>1</sup>             |
| 2020 capital budget, approved      | 151,590                           | 151,590                          |
| 2020 additional approved funding   | 3,315                             | 2,699                            |
| Available capital funding for 2020 | <b>312,113</b>                    | <b>311,497</b>                   |
| 2020 capital spending              | 41,066                            | 21,389                           |
| Open purchase orders (PO)          | 57,295                            | 48,904                           |
| Projects closed                    | 0                                 | 0                                |
| Total spending and commitments     | <b>98,361</b>                     | <b>70,293</b>                    |
| Uncommitted approved budget        | <b>213,752</b>                    | <b>241,204</b>                   |

## **Financial Implications**

Moving into Tri-annual 3 (T3) there is an uncommitted approved budget of \$213.8 million. Staff have been working diligently to re-start and move forward projects that were paused, delayed or deferred in T1 due to COVID-19 restrictions, however it is anticipated that 2020 will see a substantial carry-over into 2021. As part of the planning for the 2021 capital budget these carry-overs were considered and incorporated into work plans. Further, staff are developing a plan to address the growing concern of an increasingly larger capital plan without proportionate investment in the people resources needed to execute that plan. This will also address the previously raised concerns regarding annual uncommitted capital budget.

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## **Report**

### **Details**

Staff is reporting on a tri-annual basis to ensure timely, transparent and meaningful reporting. This report provides a summary of the capital spending as of August 31, 2020, and highlights significant capital project activity and milestones.

The budget carried over from 2019 was \$157.2 million, Council approved a 2020 capital budget of \$151.6 million in November 2019 and capital budget additions of

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<sup>1</sup> 2019 Year-end Capital Variance Report 2020-25 dated May 25, 2020 reported a carry-over budget of 157,311 however two journal entries were subsequently posted.

\$3.3 million have been made since that time (the details are provided in Attachment-1). This provides for a total available budget in 2020 of \$312.1 million.

The total capital spending to the end of T2 is \$41.1 million, which is \$14.3 million less than T2 2019 (see Table 1). To provide some context to this decrease, there were several large Tier-1 projects that drove the higher than historical average spending levels in 2019 such as Police Headquarters, Market Parkade and the City-wide LED upgrades. Further, delays and deferrals in the City's capital projects at the start of the pandemic has also contributed to the lower spending to the end of T2. In T2, staff have been working to get projects re-started, however it is likely that to the end of 2020 the spending levels will remain lower than 2019. Forecasts to year-end project that spending for the year will total between \$75-80 million (or 20-25% less than the annual three-year average), resulting in a potential carry-over of approved budget of \$231-236 million.

Outstanding PO commitments total \$57.3 million as of August 31, 2020, which is \$1.7 million less than August 31, 2019 (see Table 1). This data suggests that while actual spending is lower than prior year, staff have rebounded in terms of work-in-progress compared to the same period in 2019.

**Table 1 - Year over Year Comparisons**

|                       |      | <b>T1 (April)</b> | <b>T2 (August)</b> | <b>T3 (December)</b> |
|-----------------------|------|-------------------|--------------------|----------------------|
| PO Commitments        | 2020 | 48,904            | 57,295             | n/a                  |
| PO Commitments        | 2019 | 56,881            | 59,018             | 43,336               |
| <b>Change</b>         |      | <b>(7,977)</b>    | <b>(1,723)</b>     | <b>n/a</b>           |
| Spending (cumulative) | 2020 | 21,389            | 41,066             | n/a                  |
| Spending (cumulative) | 2019 | 19,303            | 55,402             | 102,239              |
| <b>Change</b>         |      | <b>2,086</b>      | <b>(14,336)</b>    | <b>n/a</b>           |

Recent analysis on historical spending and uncommitted capital budget carry-over is identifying that the City's capacity to increase the volume of project work beyond that currently being delivered is not achievable with current staffing resources. While we have been increasing our capital plan in accordance with the project needs being identified through the Asset Management Plan and new growth development, the City's people resources are not keeping pace. Further, the Project Management Office has developed robust documentation and reporting requirements to ensure the City delivers projects in accordance with accredited Project Management methodology thus reducing financial and legal risk to the City. Through this developing function in the City, it is now known the approximate project capacity of each Project Manager on staff.

Currently, the City has 12 contract project management positions on staff, delivering a large part of this capital plan and given these are not permanent positions, they are subject to turnover over about once or twice per year on

average. Without a strategy to address this growing trend, unspent capital budgets will continue to increase and the risk of asset failure will grow as the capital plan is not executed at the time it was intended. Staff will be reporting back to Council in 2021 with more information and a recommended plan to address this situation.

## **Program of Work Summaries**

**(all figures reported in thousands unless otherwise noted)**

As in the previous tri-annual capital variance reports, this report follows the Program of Work (Program) format that was used during the 2020 budget.

Each Program provides a summary of available funding, spending year-to-date and outstanding PO commitments in the purchasing system. A summary of key projects, and any significant differences from the approved capital budget are included.

For further information on the City's current Tier-1 projects, please visit the [City's City projects webpage](#).

## **Contaminated Sites**

This Program is focused on managing the City's contaminated site liabilities in order to: protect the City's drinking water, reduce public health and safety risks, invest in land for potential divestiture or redevelopment, revitalize neighbourhoods, and be compliant with the Ministry of the Environment, Conservation and Parks (MECP) guidelines.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 5,174               | 5,174               |
| 2020 capital budget, approved      | 3,750               | 3,750               |
| 2020 additional approved funding   | 240                 | 0                   |
| Available capital funding for 2020 | <b>9,164</b>        | <b>8,924</b>        |
| 2020 capital spending              | 582                 | 275                 |
| Open POs                           | 1,362               | 835                 |
| Projects closed                    | 0                   | 0                   |
| Total spending and commitments     | <b>1,944</b>        | <b>1,110</b>        |
| Uncommitted approved budget        | <b>7,220</b>        | <b>7,814</b>        |

Work on historical landfill investigations is expected to be tendered in T3 of 2020 at a value of approximately \$1.5 million. This work had been previously delayed during T1 due to COVID-19.

Environmental monitoring and/or remediation is ongoing at several locations in the city including at the Beverley Street and Baker Street sites; these are multi-year

monitoring projects and contribute to the uncommitted approved budget. At the Fountain Street Parking Lot (former Guelph Coal Gasification Plant/Former Guelph Gas Works) soil vapour monitoring is taking place as part of the environmental investigation performed by request from the MECP.

### Corporate Projects

This Program is focused on ensuring the overall administrative operations of the corporation are able to effectively deliver service and guidance to the City's external facing service delivery areas. Providing corporate standards ensure that citizens experience a consistent look and feel in their interactions with the corporation.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 17,307              | 17,307              |
| 2020 capital budget, approved      | 17,188              | 17,188              |
| 2020 additional approved funding   | 166                 | (45)                |
| Available capital funding for 2020 | <b>34,661</b>       | <b>34,450</b>       |
| 2020 capital spending              | 8,332               | 4,430               |
| Open POs                           | 6,915               | 8,164               |
| Closed projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>15,247</b>       | <b>12,594</b>       |
| Uncommitted approved budget        | <b>19,414</b>       | <b>21,856</b>       |

Corporate Information Technology (IT) projects such as software upgrades and annual lifecycle renewals are well underway. The transition to the latest version of JD Edwards was completed in mid-September. The IT Master Plan was completed and has informed the 2021 capital budget and forecast.

2020 planned fleet replacements for Operations are over 90% complete, with vehicles either received or on order.

Facilities renewal work continues with significant work done to stabilize the Drill Hall, minor upgrades at the Guelph Provincial Offences Court and other administrative facilities along with lifecycle replacements of security infrastructure. T2 work on the Delhi Street facility included emergency exit lighting and engineering design.

Several asset condition and inventory assessments have been done in T1 and T2 to gather information for the Asset Management Plan (AMP) update. This update will allow asset management decisions to be improved based on more condition data rather than asset age. Accurate information on the City's assets is critical to informing budget decisions on when and what to replace. The AMP update is part of the November Committee of the Whole agenda.

Baker District Redevelopment in year spending to the end of T2 is \$1,640, more information on this redevelopment project can be found on the [City's Baker District Redevelopment webpage](#).

Significant projects included in the \$19,400 of uncommitted budget includes \$4,900 for the Operations Campus planning which is now underway but was delayed by COVID. The multi-year implementation of a Corporate Asset Management System with a budget of \$3,000 will be awarded during T3 2020. Finally, also slightly delayed due to staffing impacts resulting from COVID, the first phase of the City Fibre project will be awarded in T3 2020 as well.

### **Emergency Services**

This Program is ensuring that our emergency service providers have the vehicles, equipment and facilities required to effectively deliver critical community services. This requires that their assets are in working and reliable condition and are replaced at the right time. Projects in this Program are directed by industry best practice and service-specific legislation.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 4,904               | 4,904               |
| 2020 capital budget, approved      | 5,399               | 5,399               |
| 2020 additional approved funding   | 681                 | 399                 |
| Available capital funding for 2020 | <b>10,984</b>       | <b>10,702</b>       |
| 2020 capital spending              | 3,343               | 2,445               |
| Open POs                           | 2,609               | 1,906               |
| Closed projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>5,952</b>        | <b>4,351</b>        |
| Uncommitted approved budget        | <b>5,032</b>        | <b>6,351</b>        |

Lifecycle replacements that provide essential equipment to support first responders makes up the majority of the annual spending in this program of work.

Within Fire, spending has focused on replacement of bunker gear and helmets. Facility work has also been completed including an assessment and design of the roof replacement at the Main Fire Hall on Wyndham Street.

Lifecycle replacement of 22 field computers for Paramedics is also underway.

The majority of spending within Police aside from the renovations of Police Headquarters has been on lifecycle replacements such as vehicle and vehicle technology outfitting. However, a significant portion of planned replacements such as IT hardware and furniture replacements are being coordinated around specific construction milestones and may carry-over to 2021.

As reported to Council through the [second quarterly Tier-1 Project Portfolio report](#), staff caution that the Police Headquarter project could see a budget overage of up to three per cent. City staff are working with the project consultant and bonding company to complete the balance of work per the existing contract. Through this process, staff will continue to mitigate costs where possible and recover costs where appropriate while ensuring the expected outcome is achieved.

### **Open Spaces, Recreation, Culture and Library**

Leisure and active living play a critical role in providing Guelph residents and visitors options to support their quality of life, health and well-being. Social, cultural and recreational infrastructure is a key indicator for quality of life and serves as visitor destinations, which stimulates the local economy.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 12,590              | 12,590              |
| 2020 capital budget, approved      | 12,005              | 12,005              |
| 2020 additional approved funding   | 234                 | 45                  |
| Available capital funding for 2020 | <b>24,829</b>       | <b>24,640</b>       |
| 2020 capital spending              | 4,718               | 1,700               |
| Open POs                           | 4,513               | 3,347               |
| Closed projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>9,231</b>        | <b>5,047</b>        |
| Uncommitted approved budget        | <b>15,598</b>       | <b>19,593</b>       |

T2 spending on cultural facilities was focused on the replacement of the roof surfaces at the Farmers' Market and River Run Centre as they met the end of their useful lives. The Farmers' Market roof is underway with anticipated completion in T3. The roof replacement at River Run Centre is approximately 70% complete with anticipated completion in October. Also repaired at the River Run Centre were damaged areas of the external insulation finish system.

Numerous minor recreation facility renewal projects have been completed including work at the West End Community Centre. The filter for the Therapy Pool was replaced as well as three boilers. These boilers provide heating for the pools and hot water service for the centre. Upcoming equipment renewals include upgrades to an electric Zamboni, kiln replacement at the Pottery Centre and lifecycle replacement of facility tables and seating.

Construction of recreational trails within the Dallan subdivision at the southeast corner of Clair Road and Gordon Street have been completed. This included work to complete grading, drainage, trail surfaces, benches, planting and seeding.

Several new playground equipment and amenities have been installed, which include both lifecycle replacement as well new growth. Most notably, work to install a new playground at Eastview Community Park located on Watson Parkway North has begun. This will include a large multi-user play structure, swing set area and new mini soccer fields.

This program of work was affected by COVID work plan deferrals with approximately \$3,200 of park and cultural facility renewal projects determined to be non-essential through that period. There were also project delays related to the Downtown Pedestrian Bridge and other trail connectivity work that is awaiting certain development milestones to be reached.

### **Solid Waste Services**

This Program provides for continued customer service, growth, site compliance and maintenance of critical infrastructure required to maintain diversion of waste from landfill. It minimizes landfill disposal costs while reducing the environmental footprint of waste management operations in the City.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 7,381               | 7,381               |
| 2020 capital budget, approved      | 2,213               | 2,213               |
| 2020 additional approved funding   | 274                 | 300                 |
| Available capital funding for 2020 | <b>9,868</b>        | <b>9,894</b>        |
| 2020 capital spending              | 523                 | 123                 |
| Open POs                           | 2,752               | 2,505               |
| Closed projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>3,275</b>        | <b>2,628</b>        |
| Uncommitted approved budget        | <b>6,593</b>        | <b>7,266</b>        |

An update to the 2014 Solid Waste Management Master Plan is underway to provide strategic direction for the next 25 years. Public engagement is currently ongoing with implementation of recommendations from the plan starting in Q2 of 2021.

At the Waste Resources Innovation Centre, staff is in the final design stage of the upgrades to Gate 1 scale area and minor upgrades to the Public Drop Off area. These upgrades will provide better access and egress to the site to manage traffic volumes. This is a planned multi-year project contributing to \$2,000 of the uncommitted budget.

Vehicles and equipment on order account for over \$1,000 of outstanding POs for this period.

Staffing reductions due to COVID as well as challenges with vacant project management positions resulted in approximately \$2,000 of projects being deferred. In addition, the planning and design totaling \$1,000 for the Collections Centre has been delayed and will now be incorporated into the larger Operations Campus planning.

### **Stormwater Services**

This Program involves constructing, operating, maintaining and improving the City's existing stormwater management infrastructure for the purpose of providing flood and erosion control, water quality treatment and environmental protection.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 9,229               | 9,229               |
| 2020 capital budget, approved      | 7,768               | 7,630               |
| 2020 additional approved funding   | (1,046)             | 0                   |
| Available capital funding for 2020 | <b>15,951</b>       | <b>16,859</b>       |
| 2020 capital spending              | 1,228               | 851                 |
| Open POs                           | 3,484               | 1,805               |
| Closed projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>4,712</b>        | <b>2,656</b>        |
| Uncommitted approved budget        | <b>11,239</b>       | <b>14,203</b>       |

The Stormwater Master Plan, Cost of Service Study, Water and Wastewater Servicing Master Plan, Pond Monitoring and Rehabilitation are all underway. Combined these projects account for \$2,800 of the uncommitted approved budget.

2020 Stormwater Sewer Investigations were paused due to COVID-19 (\$1,100 of the uncommitted approved budget), however will now be moving forward with awarding of the 2020 contract anticipated to be complete in T3. This work will involve cleaning and Closed Caption Television (CCTV) investigations to obtain condition assessments of the infrastructure, which will allow for proactive maintenance and replacement prioritization.

Stormwater Services portion of linear infrastructure work through the Transportation, Wastewater and Water programs of work account for approximately \$4,000 of uncommitted approved budget.

### **Transportation Services**

This Program captures the network of services and assets that enable the flow of people and goods throughout the city, including: transit, parking, traffic management and infrastructure development both above and below ground, and in the road and right-of-way.

The Program provides for the rehabilitation, renewal, replacement and construction of assets ranging from road surfaces and traffic signals to buses and bus shelters, as well as active transportation routes and parking facilities.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 16,848              | 16,848              |
| 2020 capital budget, approved      | 26,593              | 25,948              |
| 2020 additional approved funding   | 3,572               | 2,000               |
| Available capital funding for 2020 | <b>47,013</b>       | <b>44,796</b>       |
| 2020 capital spending              | 8,537               | 4,509               |
| Open POs                           | 10,061              | 8,578               |
| Closed Projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>18,598</b>       | <b>13,087</b>       |
| Uncommitted approved budget        | <b>28,415</b>       | <b>31,709</b>       |

The road restoration and resurfacing program is well underway with work being completed at locations on the following roads as part of the annual program: Paisley Road, Imperial Road South, Eramosa Road, Wellington Street East, Keats Crescent and many more.

The reconstruction of Bagot Street from Drew Street to Mercer Street is now complete. It included upgrading and upsizing the existing water mains and reconstruction of sanitary and storm sewers.

Reconstruction of Speedvale Avenue East between Woolwich to Metcalfe is underway with utilities being relocated before construction of Phase 1 can proceed. This project will include full reconstruction of the bridge, road, storm, wastewater and water infrastructure.

Installation of LED street lighting throughout the city is over 95% complete with the remaining to be completed by year-end.

Traffic safety work to the end of T2 included the installation of nine new pedestrian crossovers and a pedestrian signal at the intersection of Stone Road East at Evergreen Drive/University of Guelph entrance. Additional traffic signals were installed at Gordon Street at Gosling Gardens and Paisley Road at Stephanie Drive. This is in addition to the annual lifecycle replacements and technology improvements of traffic signal infrastructure.

Replacement of in-ground vehicle hoists at the Operations and Transit garages are now complete. The replacement of these hoists will allow for safe repair of the City's transit fleet. Funding for this project utilized Public Transit Infrastructure Funds (PTIF).

Multi-year projects of \$18,500 are included in the uncommitted budget, including \$5,700 for the Transit Operations building funded from the Investing in Canada Infrastructure Program (ICIP) and \$1,600 for Active Transportation initiatives. Approximately \$6,900 of projects were delayed due to COVID work plan impacts and/or challenges with continuity of contract project managers. These delayed projects include Environmental Assessments for Wyndham Street, MacDonnell Bridge and Allan's Structure, the bridge and structure rehabilitation and sanitary sewer investigation programs, and certain road reconstruction projects.

## Wastewater Services

City staff continue to focus on the maintenance of critical infrastructure to avoid the risk of non-compliance and the higher costs of unplanned maintenance. Further benefits of this Program include: optimizing and increasing capacities of existing systems, reducing infiltration, protecting the natural environment, enhancing asset management, and ensuring wastewater can be conveyed in a manner to satisfy capacity requirements for the City's Wastewater Treatment Plant.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 30,760              | 30,760              |
| 2020 capital budget, approved      | 26,910              | 27,692              |
| 2020 additional approved funding   | (3,067)             | 0                   |
| Available capital funding for 2020 | <b>54,603</b>       | <b>58,452</b>       |
| 2020 capital spending              | 7,372               | 3,798               |
| Open POs                           | 10,608              | 7,066               |
| Closed projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>17,980</b>       | <b>10,864</b>       |
| Uncommitted approved budget        | <b>36,623</b>       | <b>47,588</b>       |

At the Wastewater Treatment Plant, upgrades to the sodium hypochlorite system (part of the disinfection process) are underway. This includes replacement of existing mechanical equipment and instrumentation for SCADA monitoring.

Digester structural repair and gas proofing on digester 3 has continued. It is anticipated that it will be completed by year-end, at which time the digester cleaning program can begin on digester 4.

Design of plant energy efficiency initiatives are being designed and will begin in T3 with significant spending in 2021.

On the linear side, work has continued in T2 on Arthur Trunk Sewer Phase 4 between Cross Street and MacDonnell. This is a full-scale reconstruction, which includes replacement of watermain, sanitary sewer, storm sewer, curb and gutter, sidewalk and roadway.

Approximately \$28,000 of projects are considered multi-year projects with POs forthcoming in latter stages of the project including plant and equipment replacement, and SCADA system upgrades as well as linear projects including York Road and Stevenson Street reconstruction. An estimated \$6,000 of projects were impacted by COVID and staffing reduction challenges including sewer investigation and relining.

## Water Services

By proactively creating additional supply and renewing our existing systems, the City is focused on ensuring a safe and reliable source of water for existing customers and to meet the needs of growth.

| <b>Capital variance</b>            | <b>Tri-annual 2</b> | <b>Tri-annual 1</b> |
|------------------------------------|---------------------|---------------------|
| 2019 carry-over budget             | 53,015              | 53,015              |
| 2020 capital budget, approved      | 49,765              | 49,765              |
| 2020 additional approved funding   | 2,262               | 0                   |
| Available capital funding for 2020 | <b>105,042</b>      | <b>102,780</b>      |
| 2020 capital spending              | 6,430               | 3,257               |
| Open POs                           | 14,990              | 14,697              |
| Closed Projects                    | 0                   | 0                   |
| Total spending and commitments     | <b>21,420</b>       | <b>17,954</b>       |
| Uncommitted approved budget        | <b>83,622</b>       | <b>84,826</b>       |

FM Woods Station Upgrade is ongoing and accounts for \$26,300 of the uncommitted budget. Currently work is being completed on the Heritage building as the first step in this multi-staged multi-year project, which will continue into 2021. Up to 80 per cent of the City's water supply flows to, is treated, stored and pumped into the distribution system at this facility.

The design phase of the Membro Well House facility upgrades is expected to be completed by year-end 2020. This project will expand the existing pump house and include replacement of the well, addition of all pumps, piping, valves and instrumentation to bring it into operation. Membro well will support growth as identified in the Water Supply Master Plan.

Under the source water protection project, Water Services is working with Fleet Services to retrofit three snowplowing trucks with new winter material spreading equipment. This will allow operators to have better control to ensure the proper amount of material is being spread when and where it is needed. This has an environmental benefit of helping to protect Guelph's ground water supply from contamination from salt run-off and infiltration.

The meter replacement program that was initiated in 2019 to replace water meters past their deemed lifecycle restarted in T2 and is expected to be operating at full capacity in T3.

As indicated through the project comments, there are a number of significant multi-year projects ongoing that will see POs issued against the uncommitted budget of approximately \$69,000. In addition, COVID and project management staffing impacts account for \$5,000 of deferred project work mostly related to linear improvements.

### **Financial Implications**

Ongoing monitoring of capital spending ensures that projects are delivered as intended and that any financial impacts are addressed proactively.

### **Consultations**

Corporate Management Team

### **Strategic Plan Alignment**

Reporting tri-annually on the progress of the City's capital program supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

### **Attachments**

Attachment-1: 2020 Additional Approved Capital Funding

Attachment-2: 2020 Capital Spending as of August 31, 2020

### **Departmental Approval**

Greg Clark, CPA, CMA Manager, Financial Strategy & Long-Term Planning

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