

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 20, 2022

TO: STANDING COMMITTEE ON FINANCE AND AUDIT

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Investment Results for Year Ending December 31, 2021

ATTACHMENT(S): None

RECOMMENDATION(S):

That the Standing Committee of Finance and Audit RECEIVES FOR INFORMATION the report dated May 20, 2022 from the Finance Department entitled "Investment Results for Year Ending December 31, 2021".

PURPOSE:

This report is generated to provide information about the City of Prince George's investments; their composition, balances and earnings.

STRATEGIC PRIORITIES:

The *Community Charter* (section 183) places restrictions on investment options in order to ensure that municipal funds are as securely invested as can reasonably be expected. Investments are made in accordance with the *Community Charter* and the City of Prince George's Sustainable Finance Guideline Section 6. The City of Prince George invests funds that are in excess of current cash flow requirements.

As per Sustainable Finance Guideline 6.0, the City's investment portfolio was invested primarily with the Municipal Finance Authority (MFA) for the year 2021. We continue to rely largely on MFA investments due to competitive rates and ease of administration but we are ever watchful of opportunities that arise and still meet the stringent guidelines inherent in the *Community Charter*. Investment terms are structured in order to maximize the return yet still meet expected expenditures.

FINANCIAL RESULTS:

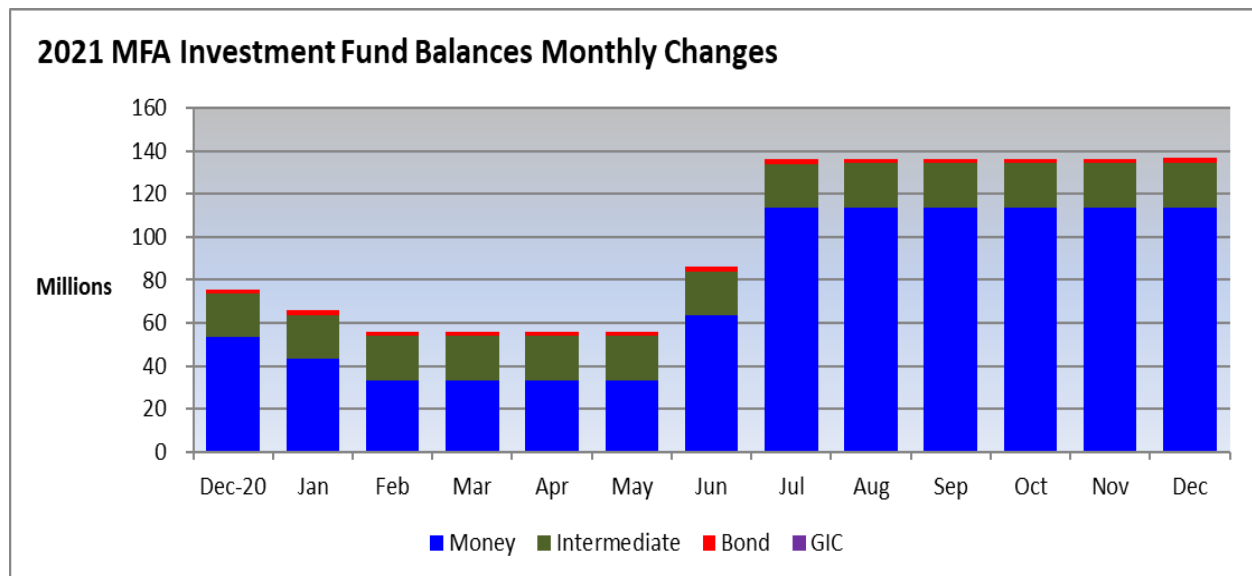
The return on MFA investments for the year ended December 31, 2021 was \$955,557, which was earned on monthly average investments of \$99.5M. The return on MFA investments for the year ended December 31, 2020 was \$1,347,178, which was earned on monthly average investments of \$89.8M. The average rate of return on MFA investments for 2021 was 1.05% compared to 1.38% in 2020. As per Public Sector Accounting Standards (PSAS), the bond fund is presented at cost. The market value of the bond fund at December 31, 2021 was \$55,481 less than cost and the market value of the MFA Ultra-Short Government Focused Bond (treasuries) was \$755,738 less than cost.

The tables and data below reflect the 2021 balances and results, as well as those of prior years:

Fund Performance (Recorded at cost as per PSAS for official reporting purposes)						
Fund Type	2021			2020		
	Average Monthly Investments	Rate of Return	Income/Dividends	Average Monthly Investments	Rate of Return	Income/Dividends
	\$ 99,488,484			\$ 89,814,552		
			Ratio			Ratio
MFA - Money Market	0.15%	\$ 46,473	5%	0.99%	\$ 98,673	7%
MFA - Ultra-Short Gov Focused Bond	2.62%	533,133	56%	2.08%	314,470	23%
MFA - Bond	2.01%	40,524	4%	1.47%	175,558	13%
MFA - PHISA CIBC	0.80%	137,916	14%	1.25%	669,624	50%
MFA - PHISA NBC	0.73%	197,511	21%	1.17%	88,854	7%
Totals	1.05%	\$ 955,557	100%	1.38%	\$ 1,347,178	100%

The average monthly rate of return for bonds exclude realized capital gains. The 2020 *income* for bonds includes capital gains of \$125,655.

City Fund Ending Balances	Dec 31, 2021	Ratio	Dec 31, 2020	Ratio
MFA - Money Market	\$ 38,830,880	28%	\$ 28,784,408	38%
MFA - Intermediate (Ultra-Short)	20,847,603	15%	20,314,470	27%
MFA - Bond	2,050,820	2%	2,010,296	3%
MFA - PHISA CIBC	19,632,160	14%	14,494,244	19%
MFA - PHISA NBC	55,290,452	40%	10,092,941	13%
Totals	\$ 136,651,916	100%	\$ 75,696,359	100%



The City records investment earnings by fund with the largest fund represented by the reserve and trust accounts. The following table provides investment earnings by fund for 2021 and 2020:

MFA Earnings by Fund		Dec 31, 2021	Ratio	Dec 31, 2020	Ratio
General Operating		\$ (31,810)	-3%	\$ 366,769	27%
Downtown District Energy		(13)	0%	494	0%
Sewer Operating		26,283	3%	24,444	2%
Water Operating		13,188	1%	14,021	1%
Reserves & Trusts		947,909	99%	941,450	70%
Total		\$ 955,557	100%	\$ 1,347,178	100%

Lastly, the City also earns interest on its general bank account. While this is not an MFA investment, the general bank account had realized earnings of \$412,341 in 2021 compared to 2020's earnings of \$130,264.

SUMMARY AND CONCLUSION:

The Municipal Finance Authority of British Columbia continues to strive to provide local governments and regional districts with investment tools they need and want to help manage their capital portfolios. Administration will monitor and take advantage of those tools and diversification alternatives as they become available.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, City Manager
Meeting date: May 30, 2022

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 24, 2022

TO: **STANDING COMMITTEE ON FINANCE AND AUDIT**

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Reserve Funds – Balances/Sources/Uses for 2019 through 2021

ATTACHMENT(S): None

RECOMMENDATION(S):

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated May 24, 2022 from the Director of Finance titled “Reserve Funds – Balances/Sources/Uses for 2019 through 2021.”

PURPOSE:

This report is provided annually for information as per Sustainable Finance Guideline 10.1.

STRATEGIC PRIORITIES:

Under the Community Charter (sections 188 and 189) of British Columbia, City Council may by bylaw establish Reserve Funds for specific purposes.

As per Sustainable Finance Guideline 10, the City establishes and maintains reserves to:

- Provide sources of funds for future capital expenditures
- Provide sources of funds for areas of expenditure that may fluctuate significantly from year to year
- Protect the City from uncontrollable or unexpected increases in expenditures (e.g. snow control) or decreases in revenues or a combination of both.

If the amount in a Reserve Fund is greater than required, City Council may, by bylaw, transfer all or part of the balance to another Reserve Fund. While their purpose can be for operating, reserve funds are typically used to accumulate funding for future capital purposes.

Sustainable Finance Guideline 10.0 states that money in a Reserve Fund and interest earned thereon must be used only for the purpose for which the reserve was established. Proposals to appropriate funds from reserves will include repayment plans. As per Sustainable Finance Guideline 10.1, reserves that are repealed will have their balance (if any) transferred to either the Endowment or the Capital Expenditure Reserve.

FINANCIAL CONSIDERATIONS:

Below please find a table concerning the City of Prince George Reserve Funds. There is a comparison between 2019, 2020 and 2021 uncommitted balances for all Reserves, not including Trusts. For relevant bylaw numbers as well as an explanation of the sources and uses of these funds, please see the Addendum at the end of this report.

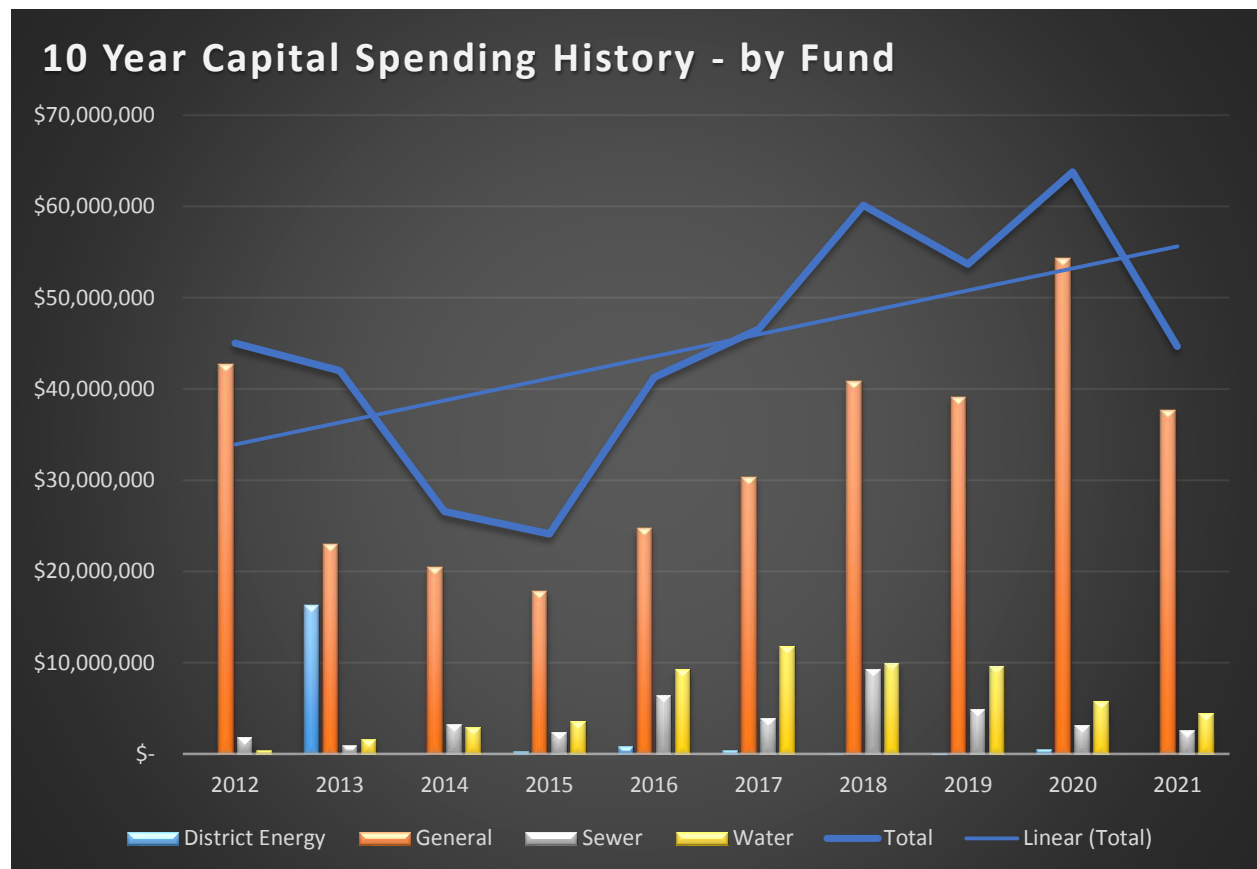
Fund	2019	2020	2021
Reserves			
Endowment	9,305,415	5,527,738	1,633,750
Capital Expenditure	1,283,898	835,542	3,058,267
Storm Drainage	7,346	7,461	7,538
Sewer Utility	424,698	8,771,639	7,404,918
Water Utility	3,547,499	6,531,573	8,213,895
FortisBC	534,437	0	28,285,863
Community Works Fund	6,368,066	8,386,331	9,400,609
Road Rehabilitation	419,290	618,073	2,001,283
Land Development	0	0	0
Mobile Equipment Replacement	2,028,583	2,617,210	3,044,792
Computer	314,846	141,690	162,174
Southwest Sector – College Heights	11,497	11,677	11,796
Southwest Sector – Peden Hill	5,555	5,642	5,699
Southwest Sector – South Fort George	788	801	809
Southwest Sector – Van Bien	5,837	5,929	5,989
Southwest Sector – Vanway	700	711	718
Parkland Acquisition	134,918	262,473	261,086
Downtown Off-Street Parking	927,759	2,445,941	5,382,422
General Infrastructure Reinvestment	3,362,380	55,524	1,099,863
Snow Control	0	0	2,301,412
Solid Waste Services	2,382,319	3,101,834	2,941,931
Northern Capital & Planning Grant	7,696,811	9,251,747	4,841,209
COVID-19 Safe Restart Grant	0	6,110,000	6,162,098
Performing Arts Centre	85,591	86,941	87,855
Climate Action	1,799,065	1,957,746	793,128
Transit Operating	0	0	1,727,534
Total Reserves	40,647,298	56,734,223	88,836,638
Development Cost Charges (DCCs)			
DCC Roads	965,541	960,877	1,383,203
DCC Parkland	367,926	377,063	453,420
DCC Drainage	368,024	404,736	525,692
DCC Sewer	2,381,553	2,477,122	2,067,249
DCC Water	980,235	728,586	1,003,098
Total D.C.C.'s	5,063,279	4,948,384	5,432,662
Regulated Reserve For Expenditures			
Major Events	277,244	66,387	(23,949)
Debt Reduction	867,561	953,751	979,398
Miscellaneous	521,204	367,530	469,594
Community Fibre Optic Network	0	0	53,859

Fund	2019	2020	2021
Extension Ospika/Marleau/St. Lawrence	225,946	229,512	231,924
EVP Crown Land Forest	230,785	234,428	153,090
Tyner Blvd Water Main Extension	0	0	0
Gaming	0	0	0
Total RRFE's	2,122,740	1,851,608	1,863,916
Deferred Revenue			
Valentina Goodwin Donation	13,526	13,737	13,877
Total Deferred Revenue	13,526	13,737	13,877
Total in Reserve	47,846,843	63,547,952	96,147,093

New sources of general capital program funds are currently funded by levy contributions or grants. Many categories of the City's operations and infrastructure have dedicated funding sources (Road Rehabilitation, Snow Control, Sewer, Water, Solid Waste, Off-Street Parking). Excluding those examples, the sources of funds the City consistently receives annually that can be allocated to general capital projects of almost any kind include:

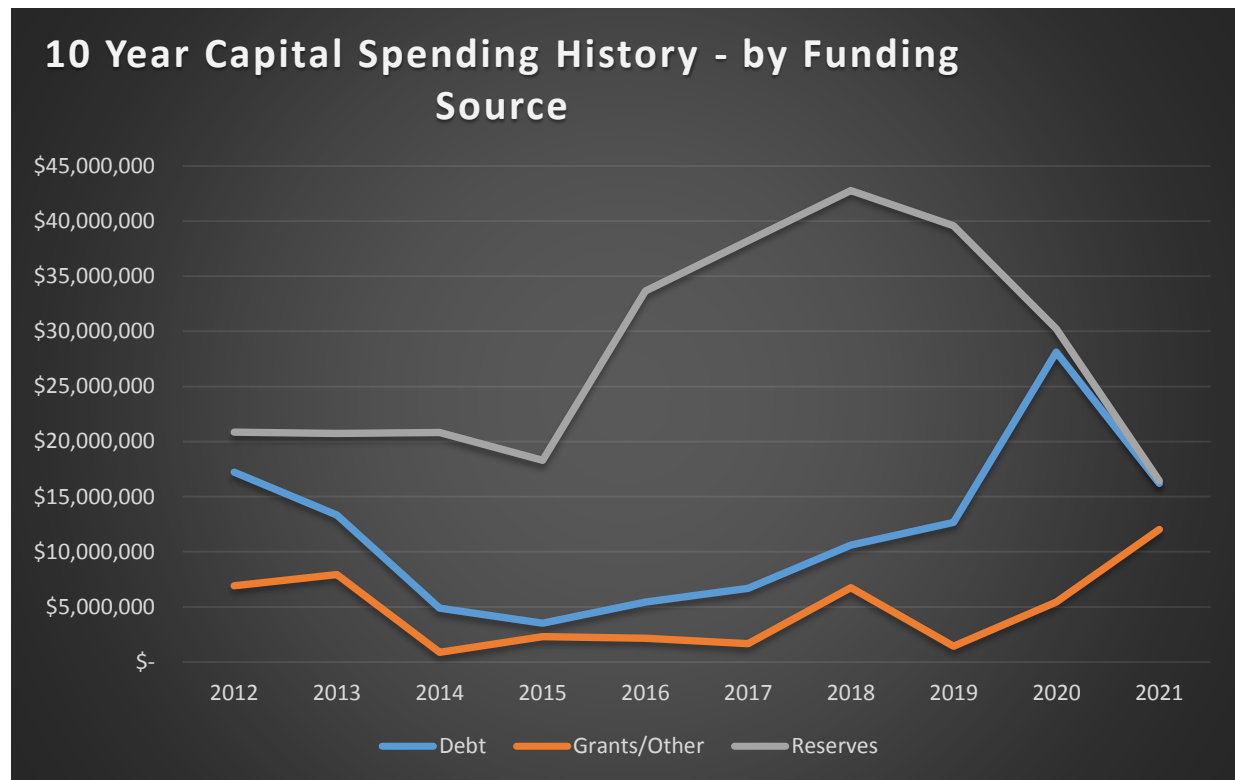
- Community Works (Canada Community-Building) funds of approximately \$3,300,000;
- General Infrastructure Reinvestment Fund Levy of \$2,800,000;
- Gaming contributions of \$2,600,000.

Gaming contributions were temporarily halted during the COVID-19 pandemic as casinos were closed from March of 2020 to June of 2021.



Capital investment in City infrastructure has historically trended upwards. However, in 2021, there was a decrease over prior year, with \$44.7 million spent including maintenance projects funded from reserve. Reserves continue to be heavily committed to current and future capital spending.

It is important to note that some of the increased spending from reserves seen in previous years has been a result of a “pay as you go” approach, as opposed to debt funding, that the City has applied in areas such as sewer, water and solid waste. The next graph illustrates that point.



SUMMARY AND CONCLUSION:

The uncommitted Reserve Fund balances increased by \$32.6 million in 2021. The primary reason for that increase was due to the termination of the Lease-In-Lease-Out agreement and subsequent payment received from FortisBC,

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, City Manager
Meeting date: May 30, 2022

ADDENDUM

Explanation of sources and appropriate uses of Reserve Funds

Fund	Bylaw (linked copy)	Source of Funds	Use of Funds
Reserves			
Endowment	6930	<ul style="list-style-type: none"> • Internal loan repayments of principal and interest from the general operating levy • Land sales surpluses 	<ul style="list-style-type: none"> • Interim funding for general projects awaiting debt proceeds • Long-term funding for unanticipated projects that have no other viable funding source • Interest earned on the fund is often transferred to the Capital Expenditure Reserve for use on projects
Capital Expenditure	6931	<ul style="list-style-type: none"> • Contribution from Gaming Revenue • Interest earnings transfer from the Endowment Fund 	<ul style="list-style-type: none"> • General capital projects
Storm Drainage	6932	<ul style="list-style-type: none"> • MFA Sinking Fund surpluses 	<ul style="list-style-type: none"> • Storm drainage capital projects
Sewer Utility	6933	<ul style="list-style-type: none"> • Sewer user rates • MFA Sinking Fund surpluses 	<ul style="list-style-type: none"> • Sewer capital projects
Water Utility	6935	<ul style="list-style-type: none"> • Water user rates • MFA Sinking Fund surpluses 	<ul style="list-style-type: none"> • Water capital projects
FortisBC (Terasen)	7745	<ul style="list-style-type: none"> • Lease proceeds from Fortis BC for the operation of the natural gas distribution system within Prince George as part of a 35 year Lease-in Lease-out agreement 	<ul style="list-style-type: none"> • Payment of long-term debt and capital lease payments associated with the purchase of Fortis BC's natural gas distribution system within Prince George • At the conclusion of this Lease-in Lease out agreement a large financial benefit will accrue to the City, the value of which will depend upon many factors
Community Works	7937	<ul style="list-style-type: none"> • Federal Gas Tax grants 	<ul style="list-style-type: none"> • Funds eligible infrastructure projects
Road Rehabilitation	7991	<ul style="list-style-type: none"> • Road Rehabilitation Levy 	<ul style="list-style-type: none"> • Road rehabilitation projects
Land Development	8457	<ul style="list-style-type: none"> • Proceeds from land sales 	<ul style="list-style-type: none"> • Repayment of prior land purchases covered by the Endowment Fund • Transfer to Capital Expenditure Reserve for use on projects

Mobile Equipment Replacement	8458	<ul style="list-style-type: none"> • Internal Lease principal and interest repayments • Equipment disposal proceeds 	<ul style="list-style-type: none"> • Interim equipment loans
Computer	8459	<ul style="list-style-type: none"> • Annual contribution from Capital Expenditure Reserve 	<ul style="list-style-type: none"> • Costs related to acquisition, replacement, betterment and maintenance of computer equipment and software
Southwest Sector – College Heights	8460	<ul style="list-style-type: none"> • Funded by Council Directive post amalgamation 	<ul style="list-style-type: none"> • Recreation related projects
Southwest Sector – Peden Hill	8460		
Southwest Sector – South Fort George	8460		
Southwest Sector – Van Bien	8460		
Southwest Sector – Vanway	8460		
Parkland Acquisition (Required by Community Charter)	8461	<ul style="list-style-type: none"> • Cash contributions received from developers in lieu of parkland dedications • Proceeds from sale of parkland 	<ul style="list-style-type: none"> • Acquisition of parkland
Downtown Off-Street Parking (Required by Community Charter)	8462	<ul style="list-style-type: none"> • Off-Street parking operating and maintenance surpluses 	<ul style="list-style-type: none"> • Off-Street parking facility projects
General Infrastructure Reinvestment	8505	<ul style="list-style-type: none"> • General Infrastructure Reinvestment Levy 	<ul style="list-style-type: none"> • General infrastructure reinvestment projects
Snow Control	8872	<ul style="list-style-type: none"> • Snow Control Levy 	<ul style="list-style-type: none"> • Snow and ice control • Winter sand cleanup • Other uses of a capital nature related to snow and ice control; land, facilities and site reclamation
Solid Waste Services	8954	<ul style="list-style-type: none"> • User Fees 	<ul style="list-style-type: none"> • Purchase and replacement of solid waste equipment
Northern Capital & Planning Grant	9036	<ul style="list-style-type: none"> • One-time grant from the province 	<ul style="list-style-type: none"> • Planning and infrastructure development
COVID-19 Safe Restart Grant	N/A	<ul style="list-style-type: none"> • One-time grant from the province 	<ul style="list-style-type: none"> • Addressing revenue shortfalls • Facility reopening and operating costs • Emergency planning and response costs • Bylaw enforcement and protective services • Computer and technology costs to improve connectivity and virtual communications • Services for vulnerable persons

Performing Arts Centre	9054	<ul style="list-style-type: none"> • One-time contribution from Initiatives Prince George from sale of ACS building • Contribution from Regional Performing Arts Centre Society 	<ul style="list-style-type: none"> • To be used to fund the development of a Performing Arts Centre
Climate Action Reserve Fund	9206	<ul style="list-style-type: none"> • Unspent and future funds from the Climate Action Revenue Incentive Program (CARIP) 	<ul style="list-style-type: none"> • Actions on climate change and reducing greenhouse gas emissions in the City
Transit Operating	9212	<ul style="list-style-type: none"> • Annual surpluses from the net Transit Operating Expenditures 	<ul style="list-style-type: none"> • To be used to fund Transit Operating Expenditures
Development Cost Charges (D.C.C.s)	Roads 8204 Parkland 8205 Drainage 8207 Sewer 8208 Water 8206	<ul style="list-style-type: none"> • Developers pay D.C.C.s on new developments because they place demands on municipal infrastructure • The Community Charter provides for five separate D.C.C. reserves: Roads, Parkland, Drainage, Sewer and Water 	<ul style="list-style-type: none"> • Capital projects that have been identified in the Capital Expenditure Plan as growth related
Regulated Reserve For Future Expenditures (RRFEs)			
Major Events	N/A	<ul style="list-style-type: none"> • Gaming revenue 	<ul style="list-style-type: none"> • Funds western, national, and international events of a sporting or cultural nature
Debt Reduction	N/A	<ul style="list-style-type: none"> • One-time consolidation of old RRFEs that were no longer required • MFA debt surpluses 	<ul style="list-style-type: none"> • Capital projects that would otherwise require the procurement of new debt
Miscellaneous	N/A	<ul style="list-style-type: none"> • Unused operating budgets for special programs and grants 	<ul style="list-style-type: none"> • Continuation of special operating programs
Community Fibre Optic Network	N/A	<ul style="list-style-type: none"> • Fibre optic revenues 	<ul style="list-style-type: none"> • Investment in fibre optic infrastructure
Extension Ospika/Marleau/St. Lawrence	N/A	<ul style="list-style-type: none"> • Developer contribution 	<ul style="list-style-type: none"> • Future widening of Ospika Boulevard from 2 lanes to 4
EVP Crown Land Forest	N/A	<ul style="list-style-type: none"> • Seeded by various government grants 	<ul style="list-style-type: none"> • Urban forestry management
Tyner Boulevard Water Main Extension	N/A	<ul style="list-style-type: none"> • Money to pay for this came from the Endowment Fund via the Land Development Reserve 	<ul style="list-style-type: none"> • Proceeds from lot sales in this area to repay the Endowment Fund loan over time
Gaming	N/A	<ul style="list-style-type: none"> • Gaming revenue from the provincial government which equals 10% of the Treasure Cove Casino's net profits 	<ul style="list-style-type: none"> • Utilized to fund general capital expenditure projects and major events
Deferred Revenue			
Valentina Goodwin Donation	N/A	<ul style="list-style-type: none"> • Donation from the Estate of Valentina Goodwin 	<ul style="list-style-type: none"> • To fund projects in and around the Hudson's Bay Wetlands area

Trusts (The balances of which are not included in the above report)			
Winter Games Legacy	N/A	<ul style="list-style-type: none"> • Grant from BC Winter Games Society (1982) 	<ul style="list-style-type: none"> • Interest earnings fund travel for individual and group sporting events
Cemetery Care (Established in accordance with the Cemeteries' Act)	N/A	<ul style="list-style-type: none"> • Cemetery plot fees 	<ul style="list-style-type: none"> • To pay for the upkeep and maintenance of facility upon its closure • Interest earnings on the Reserve are used to offset ongoing operating costs
Festival of the Arts/Discovery Place	N/A	<ul style="list-style-type: none"> • Legacy from hosting the Festival of the Arts 	<ul style="list-style-type: none"> • Public art installations
Elections BC Campaign Surplus (mandated by the provincial government)	N/A	<ul style="list-style-type: none"> • Local election surplus funds exceeding \$500, must be held in trust and accrue interest on behalf of the local candidate 	<ul style="list-style-type: none"> • If the candidate runs again in the next general election, the excess campaign funds plus any interest accrued thereon must be returned to the candidate's financial agent. If the candidate does not run again, the funds will be forfeited to the jurisdiction in which they're held to be used at the jurisdiction's discretion.

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 20, 2022

TO: **STANDING COMMITTEE ON FINANCE AND AUDIT**

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: 2021 Carry Forwards

ATTACHMENT(S): None

RECOMMENDATION(S):

That the Standing Committee on Finance and Audit RECEIVES FOR INFORMATION, the report dated May 20, 2022 from the Director of Finance titled “2021 Carry Forwards.”

PURPOSE:

This report is provided to inform the Committee of the 2021 unspent capital project budgets that were carried forward to 2022 as well as multi-year capital budgets that were approved in prior years.

STRATEGIC PRIORITIES:

This report has been prepared as a result of the November 23rd, 2020 amendment of the Sustainable Finance Guidelines. Effective January 1st, 2021, as per Sustainable Finance Guideline 8.4, the unspent amount of funding for an approved capital project may be carried forward to the following year's Financial Plan, if the project has begun. Every year, unspent capital funds for projects that have not begun will be brought forward to the Standing Committee on Finance and Audit for information and reviewed and considered for carry forward approval by the Senior Leadership Team.

FINANCIAL CONSIDERATIONS:

The table below details the names of the projects, as well as the budget amounts identified for carry forward into 2022.

Project No.	Project Title	2021 Final Budget	2021 Actuals	Carry Forward	
0311	Tree Planting	50,000	34,602	15,397	
0382	Nature Park Improvements	50,000	48,752	1,248	
0431	Mobile Equip Replacement	4,203,606	493,513	3,021,033	*
0609	Western Acres Water System UG	595,868	28,317	50,000	*
0715	IT Maintenance	201,451	71,824	129,627	
0720	IT Betterments	367,977	94,919	273,057	
0724	IT Replacements	399,392	251,662	147,730	
0727	IT New	604,000	504,689	99,311	
0728	Computerized Mtce Mgmt System	236,392	12,833	223,558	
1029	Catch Basin Replacement Progr	120,384	109,103	11,280	

Project No.	Project Title	2021 Final Budget	2021 Actuals	Carry Forward	
1031	Sanitary Sewer Rehab	449,890	313,562	136,328	
1034	PW623 Booster Pump	886,909	955	100,000	*
1097	Trails Rehabilitation	291,602	281,060	10,541	
1099	Library New Entrance	268,659	18,711	249,948	
1107	CN-Digital Road Sign	150,000	-	150,000	
1168	Mobile Equip Replacement-Sewer	466,273	244,019	62,500	*
1169	Mobile Equip Replacement-Water	401,273	244,019	62,500	*
1189	Off Leash Areas	25,000	15,047	9,952	
1278	CC-Replace Flooring	198,415	-	198,415	
1378	Playground Replacement Program	250,000	189,412	60,587	
1385	Park Washroom Refurbishment	500,000	48,202	451,798	
1391	Construction Tools and Equip	35,906	10,824	25,082	
1457	Fire Hall 1 Replacement	938,058	476,097	461,960	
1459	CH-Glazing Replacement Phase 2	530,000	-	530,000	
1467	Civic Facility Accessibility	174,833	162,836	11,997	
1491	Prepaving Upgrade - Sewer	166,753	146,677	20,076	
1492	Sanitary Liftstations U/G	332,409	123,238	209,170	
1500	Drainage Improvements	119,582	53,033	66,549	
1503	Off-Site Works	100,000	80,008	19,992	
1504	FSLP Replacement	25,783,667	17,898,098	7,885,569	
3101	Water Main Replacement	3,981,427	2,449,620	1,531,806	
3102	New Water Mains	1,303,657	494,209	809,448	
3108	AQC-Mech/Bldg Envelope Upgrade	8,580,000	74,295	8,505,705	
3143	Downtown Util Relocation-Gen	100,000	83,275	16,724	
3184	New Water Facilities	233,339	9,957	223,382	
3185	Water Facilities Renewal	1,787,968	243,741	1,544,227	
3188	CARIP - Energy/GHG Reduction	106,807	56,109	50,697	
3215	Churchill Rd Sidewalk	400,000	-	400,000	
3219	Pedestrn/Traffic Safety Improv	368,145	339,634	28,511	
3220	Storm Water System Rehab	270,212	163,728	106,484	
3221	WWTC Renewal	2,629,628	855,716	1,773,911	
3224	WWTC New Components	1,450,000	201,619	1,248,380	
3226	Fleet Shop Equipment	50,000	7,320	42,680	
3229	CH-Transformer Replacement	309,947	7,720	302,227	
3243	Civ Fac Roofs Replace 19 to 22	2,417,537	1,184,263	1,233,273	
3249	Traff Ctrl & Signal Opt Det UG	98,598	69,105	29,493	
3252	Crit St Lt/Traffic Signal Repl	2,804,684	611,684	2,193,000	
3254	AQC-Building Components Renew	1,035,889	215,765	820,123	
3284	Valve, Srv Conn, Hydrant Renew	542,394	524,551	17,843	
3285	PW660 Stage 2 Pump Upgrade	1,704,873	212,394	1,492,478	
3293	Prepaving Water Infrastructure	110,000	87,759	22,240	
3294	Prepaving Storm Water Infrastr	158,553	111,286	47,266	
3295	Parks Water Truck	360,000	-	360,000	

Project No.	Project Title	2021 Final Budget	2021 Actuals	Carry Forward	
3297	Varsity Creek Erosion Mitigati	1,900,000	176,351	1,723,649	
3306	Secur Gates at 2nd Ave Parkade	190,758	1,558	189,200	
3313	Neighbourhood Park Development	140,000	88,520	51,479	
3320	Shane Lake Dam Renewal	1,000,000	346,395	653,605	
3326	Vehicle Extrication Equipment	360,000	-	360,000	
3328	Sanitary Lagoon Re-Routing	400,000	5,878	394,122	
3329	Forcemain & Lift Stn Renewal	3,800,000	40,733	3,759,267	
3330	Water Facility Upgrade	250,000	89,122	160,877	
3332	Ball & Sport Field Renewal	200,000	189,840	10,159	
3333	Agriplex Upgrades	300,000	279,012	20,988	
3334	Storm Drain Pond Outfall Renew	500,000	318,645	181,355	
3336	7th Ave Streetscape Upgrade	750,000	127,364	622,635	
3338	CN Centre Fire Alarm Renewal	500,000	177,484	322,516	
3339	W. Acres in-kind services	115,000	46,377	68,623	
3341	1075 6th Daycare	4,000,292	3,760,208	240,083	
3343	W. Acres in-kind services	115,000	89,189	25,811	
3344	Fire Scene Trailer	50,000	-	50,000	
3345	Danson Lagoon Flow Diversion	805,000	308,348	496,652	
3348	Wildfire Mitigation - Fuel Rem	639,425	12,794	221,006	*
3350	Project Management Review	180,000	152,908	27,091	
3351	Playhouse Rigging Replacement	271,500	13,711	257,789	
3352	Malaspina Avenue Daycare	2,998,818	154,188	2,844,630	
3353	Dagg Road Daycare	2,392,686	635,529	1,757,157	
3362	Fire Hall No. 1 Demolition	1,345,000	8,691	1,336,309	
3363	FSLP Demolition	3,125,000	504,301	2,620,698	
3368	Kin Centre Refrigeration Upgra	4,445,000	-	4,445,000	
3374	Days Inn Land Acquisition/Demo	6,452,485	-	6,452,485	
3375	Ramada DES Design and Build	300,000	22,290	277,709	
	Total	107,227,921	37,509,195	67,065,998	

*remaining amounts were relinquished

The next table is separated out from other carryforwards and shows multi-year projects that already have future year budgets approved by Council.

Project No.	Project Title	Budget			
		2022	2023	2024	2025
0901	Blackburn Lagoon Syst Upgrades	-	-	1,200,000	1,000,000
1388	Aquatic Centre Parking Lot	100,000	-	-	-
3243	Civ Fac Roofs Replace 19 to 22	1,315,000	-	-	-
3252	Crit St Lt/Traffic Signal Repl	2,000,000	-	-	-
3332	Ball & Sport Field Renewal	200,000	200,000	-	-
3336	7th Ave Streetscape Upgrade	750,000	-	-	-
	Total	4,365,000	200,000	1,200,000	1,000,000

SUMMARY AND CONCLUSION:

This report has been prepared for the Committee's information and discussion.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, City Manager
Meeting date: May 30, 2022

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: May 20, 2022

TO: **STANDING COMMITTEE ON FINANCE AND AUDIT**

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: Financial Report on Significant Capital Projects

ATTACHMENT(S): 2021 Significant, Debt-Funded, & Endowment-Funded Capital Projects

RECOMMENDATION(S):

THAT the Standing Committee on Finance and Audit receive for information, the report dated May 20, 2022 from the Director of Finance titled “Financial Report on Significant Capital Projects”.

PURPOSE:

The purpose of this report is to update the Finance and Audit Committee on the progress of the City’s significant capital projects.

STRATEGIC PRIORITIES:

This report supports Council’s priorities of Sustainable Fiscal Management, Sustainable Infrastructure and Organizational Excellence.

BACKGROUND:

Attached to this report, Administration has prepared a list of active capital projects that have a budgeted or actual spending of \$1 million or more. This list also includes, with no applied threshold, any debt-funded projects; any spending in the “Emergency Infrastructure Reinvestment” capital projects; and any spending on projects with the Endowment Reserve Fund as a funding source, as per Council resolution.

SUMMARY AND CONCLUSION:

This report informs the Committee of the City’s budget-compared-to-actual performance for its major capital projects in 2021.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, City Manager
Meeting date: May 30, 2022

2021 Significant, Debt-Funded, & Endowment-Funded Capital Projects

Project No.	Project	Initial Approval Year	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
Debt-Funded													
0431	110443 - Mobile Equip Replacement *	Recurring	4,203,606	493,513	3,710,093	12%	In Progress	Purchase	On Plan	On Plan	n/a	Ongoing	2019 Purchases unit received in 2021: 1 Grader, 1 Truck, 1 Van 2021 Tender awarded for Fire Pumper Truck for 2022 delivery. 2021 Tender for 2 Garbage Packer and light fleet award with late delivery into 2022.
1072	115339 - 2nd Ave Parkade Upgrade	2016	4,453,380	4,428,914	24,466	99%	Completing	Close Out	On Plan	On Plan	Complete	Q4 2021	Project complete.
1437	115403 - Hart Ind-Storm Drain Treatment	2017	-	-	-	0%	Cancelled	Close Out				Q4 2018	Project cancelled and debt reduced \$1.47M at Council February 7, 2022. Project cancelled due to inability to acquire land since 2018.
1457	115426 - Fire Hall 1 Replacement	2017	17,005,000	16,543,039	461,961	97%	Completing	Close Out	On Plan	On Plan	Complete	Q2 2022	Project complete, closing out. Landscaping completed in Q3 2021, with deficiencies completing in Q2 2022.
1504	115409 - FSLP Replacement	2017	36,250,000	28,364,430	7,885,570	78%	In Progress	Build	On Plan	On Plan	Q3 2022	Q4 2023	Project is 84% complete with framing, tiling, NinjaCross, exterior cladding, and interior finishing underway. Remaining works will focus on interior finishing, aquatics, cladding, commissioning, exterior improvements, and Terry Fox statue relocation. Schedule on time for hand over late summer 2022, with opening to public planned for fall 2022. Council received project update and approved a \$2.876 budget amendment on May 9, 2022.
3303	210555 - FSLP Replacement-DES Connectn	2017	-	-									Separated out from 115409 for fund accounting purposes. Still funded though by 115409's budget.
3086	115470 - Mausoleum Expansion Phase 2	2019	1,399,999	1,308,964	91,036	93%	Complete	Close Out	On Plan	On Plan	Complete	Q1 2022	Project complete.
3108	115462 - AQC-Mech/Bldg Envelope Upgrade	2019	8,580,000	74,295	8,505,705	1%	In Progress	Planning	Under Review	On Plan	TBD	Q1 2026	Under review as grant application successful (\$6.3M). Grant includes condition to improve GHG Emissions requiring increase in project scope which will result in a budget amendment request coming to Council at the appropriate time. Procurement Q3 2022
3118	115464 - 14th Ave Upgrades - General	2019	1,270,944	1,084,717	186,227	85%	Complete	Close Out	On Plan	On Plan	Complete	Q4 2021	Project complete.
3119	115465 - Domano/St. Lawrence Signalizat	2019	535,400	529,669	5,731	99%	Complete	Close Out	On Plan	On Plan	Complete	Q4 2021	Project complete.
3204	115472 - Masich Stadm Amenities Refurb	2019	2,740,999	2,696,053	44,946	98%	Complete	Close Out	On Plan	On Plan	Complete	Q4 2021	Project complete. Budget amendment form ratified by Council July 26 2021 meeting
3208	115471 - Janitorial Eq-Repl Floor Scrub	Recurring	40,000	35,379	4,621	88%	Complete	Purchase	On Plan	On Plan	Q3 2021	Q4 2021	Purchase of equipment in Q3 2021
3213	115458 - Fire Srv-Breath Apparatus Repl	2019	671,000	619,833	51,167	92%	Complete	Purchase	On Plan	On Plan	Q3 2021	Q3 2021	Purchase complete
3218	115466 - Hwy16W Frontage-Heyer to Henry	2019	805,504	779,759	25,746	97%	Completing	Close Out	On Plan	On Plan	Complete	Q3 2022	Project complete, performance period and close out
3228	115473 - Ron Brent Pk Redevelop Ph 2&3	2019	1,751,000	1,739,757	11,243	99%	Complete	Close Out	On Plan	On Plan	Complete	Q4 2021	Project complete, closing out, remaining landscaping and warranty period to be completed. Budget amendment form ratified by Council July 26 2021 meeting.
3243	115474 - Civ Fac Roofs Replace 19 to 22	2019	4,670,450	2,122,175	2,548,275	45%	In Progress	Build	On Plan	On Plan	Q4 2021	Q4 2023	4 year Civic Facilities Roof Program including warranty period. Complete: Kin 2, Kin 3, SPCA, Search & Rescue, Sports Centre lower roof, 1310 3rd Ave (Farmers Market Building), Two Rivers Art Gallery, Agriplex, Exhibition Sports Centre, City Yard – Mechanical Bay, Civic Centre 2022 Underway: Seniors Activity Centre and CN Centre.
3244	115468 - Goose Country Rd Culvert Replc	2019	464,811	415,006	49,804	89%	Complete	Close Out	On Plan	On Plan	Complete	Q1 2021	Project complete.
3252	115469 - Crit St Lt/Traffic Signal Repl	2019	5,000,000	806,999	4,193,001	16%	Completing	Close Out	On Plan	On Plan	Q4 2021	Q4 2022	Program ongoing. 2021 Project Street Light replacement on 1st Avenue between Foothills and Tabor Blvd. Project complete, waiting for final connection from BC Hydro and final invoices, warranty period remaining
3254	115463 - AQC-Building Components Renew	2019	1,464,733	644,609	820,124	44%	In Progress	Build	On Plan	On Plan	Q4 2022	Q4 2022	Complete: Replacement of the audio system, starter blocks, diving boards, wave pool, hot tub and main pool filters, and UV equipment are complete. Variable Frequency Drives (VFDs) have been procured and will be installed in 2023. Water level controllers will be installed during 2022 shutdown.
3295	115494 - Parks Water Truck	2020	360,000	-	360,000	0%	Complete	Purchase	On Plan	On Plan	Q2 2022	Q2 2022	Received and put in service. Delivery delayed in 2021 due to supply chain interruption. Budget amendment form approved by Council August 30, 2021 due to supply chain increases and delays.
3344	115517 - Fire Scene Trailer	2021	50,000	-	50,000	0%	In Progress	Purchase	On Plan	Under Review	Q4 2022	Q4 2022	Project deferred to 2022; no quotes received during RFP. Under review due to supply chain limitations, may require change in purchase scope
Debt-Funded Total			91,716,825	62,687,109	29,029,716								

Project No.	Project	Initial Approval Year	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
Endowment-Funded													
1099	115272 - Library New Entrance	2014	4,350,000	4,100,052	249,948	94%	Completing	Close Out	On Plan	Behind Schedule	Complete	Q2 2022	Construction complete, warranty period complete Q4, deficiencies to be completed Q2 2022.
1457	115426 - Fire Hall 1 Replacement	Has both Debt and Endowment funding. See Debt-Funded section for information.											
3143	115420 - Downtown Util Relocation-Gen	2018	3,408,394	3,391,669	16,725	100%	In Progress	Build	On Plan	On Plan	Q4 2021	Q4 2022	Completed sidewalk on Queensway and between Daycare and surface parking. Landscape complete along Queensway and Patricia up to daycare construction access. Remaining works underway: walkway and walkway lighting between City Hall and Parkade, and sidewalk and curb on Patricia at daycare construction access.
3166	115425 - George St Parkade Construction	2017	22,587,339	22,577,129	10,209	100%	Complete	Close Out	On Plan	On Plan	Complete	Q1 2021	The Council Approved Amendment amount is made up of the retroactive approval of the original estimate of \$12,613,000 in 2019, as well as a \$4,574,767 ratification of delegated authority in 2020. Project is complete.
3362	115524 - Fire Hall No. 1 Demolition	2021	1,345,000	8,691	1,336,309	1%	In Progress	Planning	On Plan	On Plan	Q2 2023	Q3 2023	Construction office and 911 dispatch currently operating from building. Tendering fall 2022 with demolition planned potentially for spring 2023.
3363	115523 - FSLP Demolition	2021	3,125,000	504,301	2,620,699	16%	In Progress	Planning	On Plan	On Plan	Q3 2022	Q4 2022	Tender awarded, removal of hazardous material underway with demolition to occur mid summer.
3374	115525 - Days Inn Land Acquisition/Demo	2021	6,452,485	6,452,485	(0)	100%	Complete		On Plan	On Plan	Q4 2019	Q4 2019	Council ratified budget on October 18, 2021 to the 2021-2025 Financial Plan.
Endowment-Funded Total			41,268,217	37,034,327	4,233,890								

2021 Significant, Debt-Funded, & Endowment-Funded Capital Projects

Project No.	Project	Initial Approval Year	Total Budget	Total Actual	Variance	Percent Budget Used	Status	Phase	Budget Health	Schedule Health	Forecasted Construction (Substantial) Completion	Forecasted Project (Financial) Completion	Comments
Other Funding Sources													
0399	115190 - Road Rehabilitation	Recurring	5,000,000	4,733,294	266,706	95%	Complete	Close Out	On Plan	On Plan	Q4 2021	Q4 2021	2021 Road Rehabilitation is complete.
0512	314275 - BCR Gravity Sewer Upgrade	2013	4,652,815	4,529,445	123,370	97%	Completing	Close Out	On Plan	Behind Schedule	Complete	Q3 2021	Project closing out.Schedule delayed due to unexpected issues of supply, labour, and weather.
0609	411164 - Western Acres Water System UG	2014	6,334,998	5,767,447	567,551	91%	Completing	Close Out	On Plan	On Plan	Complete	Q2 2022	Project complete, system performance period achieved, finalizing landscaping, closing out.
1034	411161 - PW623 Booster Pump	2014	1,249,999	364,044	885,954	29%	In Progress	Build	On Plan	On Plan	Q4 2021	Q4 2022	Upper Patricia Blvd pump station: Initial construction complete, additional works underway for chlorine system.
1229	411157 - PW 660 New Pump Installation	2016	-	-	-	0%	Cancelled					Q4 2020	Council Amendment received to combine this project with 411199 below.
1318	314270 - Western Acre Lagoon Upgrade	2016	204,929	196,975	7,953	96%	Complete	Close Out	On Plan	On Plan		Q3 2021	New WSER regulation makes initial design insufficient to meet discharge requirements. Project will allow sanitary sewer to be conveyed to the existing sanitary sewer system and the Lansdowne WWTC for treatment. Project to be cancelled and handled through Sanitary Lagoon Rerouting project.
3101	411191 - Water Main Replacement	Recurring	3,776,000	2,449,620	1,326,380	65%	Complete	Build	On Plan	On Plan	Q4 2021	Q4 2021	Completed: Irwin Street, Lower Patricia Blvd 3rd to London, 7th Avenue, Ospika and Tabor Valve replacement, Chief Lake Road Phase 1. Initiated preliminary design 12th Ave Lethbridge St to Winnipeg. Design completed for 3rd Ave & Vancouver for replacement in 2022 program year.
3102	411192 - New Water Mains	Recurring	1,000,000	494,209	505,791	49%	Complete	Build	On Plan	On Plan	Q4 2021	Q4 2021	Patricia Boulevard completed with deficiencies into Q3 2022, Ontario St. 2nd Ave to 3rd Ave to be completed in 2022 program year.
3185	411195 - Water Facilities Renewal	Recurring	1,412,171	243,741	1,168,430	17%	Complete	Build	On Plan	On Plan	Ongoing	Q4 2021	Complete: Removal and rebuild of Pump #1 and column at PW660, Installation of HMI display for SCADA at PW602 In progress: Replacement of obsolete control valves and elimination of confined space at several Pressure Reducing Valve (PRV) stations Further work to occur in 2022 program year.
3221	314294 - WWTC Renewal	Recurring	2,543,793	855,716	1,688,077	34%	Complete	Build	On Plan	On Plan	Ongoing	Q4 2021	New substation and transmission line in operation, further planning works to occur in 2022 program year.
3224	314295 - WWTC New Components	Recurring	1,300,000	201,619	1,098,381	16%	Complete	Planning	On Plan	On Plan	Ongoing	Q4 2021	Planning works initiated, further to occur in 2022 program year.
3285	411199 - PW660 Stage 2 Pump Upgrade	2020	1,710,962	218,482	1,492,480	13%	In Progress	Build	On Plan	On Plan	Q3 2023	Q3 2024	Fishtrap Island well station: to upgrade electrical system and install new pumps to increase capacity up to full station buildout. Station will also be able to provide redundancy for PW605 (West end Wilson Park well). Design re-evaluated based on results of energy study. Equipment to be ordered 2022 with install in 2023 and warranty period into 2024.
3297	115506 - Varsity Creek Erosion Mitigati	2021	1,900,000	176,351	1,723,649	9%	In Progress	Build	On Plan	On Plan	Q1 2022	Q4 2022	Construction 95% complete. Creek diversion and channel restoration completed in Q1 2022, channel flow restored and slope vegetation completed, monitoring and performance period underway.
3320	115508 - Shane Lake Dam Renewal	2021	1,000,000	346,395	653,605	35%	In Progress	Build	On Plan	On Plan	Q2 2022	Q4 2022	Spillway construction is complete. Access Road and restoration underway in Q2 2022.
3323	115503 - Downtown Creative Arts Hub	2020	-	-	-	0%	Cancelled						Project cancelled. Application for grant funding unsuccessful, project was contingent on grant funds in order to proceed.
3329	314300 - Forcemain & Lift Stn Renewal	Recurring	3,800,000	40,733	3,759,267	1%	In Progress	Design	On Plan	On Plan	Q2 2023	Q2 2024	John Hart Bridge forcemain project initiating; pre-design completed, consulting contract awarded with investigations and detailed design underway.
3336	115514 - 7th Ave Streetscape Upgrade	2021	1,500,000	127,364	1,372,636	8%	In Progress	Build	On Plan	On Plan	Q3 2022	Q4 2023	Design in 2021, construction in 2022. The design is integrated with the pool on-site exterior design and construction works, to extend the City Hall streetscape improvements along 7th Avenue.
3337	115515 - Exib Park - Parking Lot Ph1	2021	1,000,000	-	1,000,000	0%	Cancelled						Application for grant funding unsuccessful, project was contingent on grant funds in order to proceed.
3341	115504 - 1075 6th Daycare	2020	4,047,065	3,806,981	240,084	94%	Completing	Close Out	On Plan	On Plan	Q1 2022	Q1 2023	YMCA daycare construction underway, project on track. UBCM and Province of BC New Space Funding Grants. Substantial completion December 2021, handed over to YMCA of Northern BC January 2022. Warranty period to January 2023.
3342	115505 - Emergency Infra Reinvest	2021	640,000	278,898	361,102	44%	Complete	Close Out	On Plan	On Plan	Q4 2021	Q4 2021	Complete: RCMP transfer switch (\$11k), city hall compressor replacement (\$15k), mail sorter replacement (\$19k), PG Playhouse exterior demo and rebuild of west wall (\$230k). 18th avenue fuel island system replacement (software) to be completed in 2022 program year.
3352	115520 - 8008 Malaspina Ave. Daycare	2021	2,998,818	154,188	2,844,630	5%	In Progress	Build	On Plan	On Plan	Q4 2022	Q4 2023	Project fully funded by grant from the ChildCareBC New Spaces Fund, 83 spaces. Project is underway, design and construction team retained, construction to start June 2022. Project update and budget amendment received and approved by Council March 14, 2022. Capital Budget Amendment July 12, 2021.
3353	115521 - Tsulhi' Cho Daycare (6776 Dagg Road)	2021	2,392,686	635,529	1,757,157	27%	In Progress	Build	On Plan	On Plan	Q3 2022	Q4 2022	ChildCare BC New Spaces Fund grant 60 spaces. Development and Construction Agreement between City and Prince George Native Friendship Centre (PGNFC) is in place. PGNFC is responsible for project delivery and funding reporting requirements. Site servicing was completed in the fall of 2021. Capital Budget Amendment July 12, 2021.
3368	115522 - Kin Centre Arenas Chiller Repl	2021	4,445,000		4,445,000	0%	In Progress	Design	On Plan	On Plan	Q4 2023	Q4 2024	Completing design work for construction in 2023, CleanBC Communities Fund grant under the Investing in Canada Infrastructure Program awarded \$3,259,518
Non-Debt Total			52,909,236	25,621,032	27,288,204								
Grand Total			185,894,278	125,342,468	60,551,810								

* Mobile equipment includes carry forward budget from 2020.