

**To:** COUNCIL

**Meeting Date:** 11/7/2023

**Subject:** Capital Status and Forecast – August 2023 Update

**Submitted By:** Yogesh Shah, Deputy City Manager Infrastructure Services  
Sheryl Ayres, Chief Financial Officer

**Prepared By:** Mary Kennedy, Project Management Office Analyst

**Report No.:** 23-032-IFS

**File No.:** C11

**Wards Affected:** All Wards

**RECOMMENDATION(S):**

THAT Report 23-032-IFS Capital Projects Status and Forecast – August 2023 Update be received;

AND THAT the creation of capital projects identified in report 23-032-IFS be approved.

**EXECUTIVE SUMMARY:**

**Purpose**

- To inform Council of the status and performance of the capital portfolio through August 31, 2023, including:
  - New projects to be created
  - Status of key projects
- As per the City's Budget Control By-Law, Council is to be provided updates related to capital forecast and status twice a year.

**Key Findings**

As of August 31, 2023 there are 283 open projects. This includes:

- 213 active projects underway (Approved, In Progress, Delayed)
- 50 projects where work is substantially complete (In Maintenance, Project work complete)

- 20 projects ready for closure. These projects will be held in this status until year end, when complete financial reporting will be provided to Council.

Since 2020, the City of Cambridge has approved 316 capital projects with an original approved community investment of \$262 million to maintain existing infrastructure and build new infrastructure. In this reporting period, 2 new projects are proposed for creation outside of the annual budget process, resulting in a total of 318 projects.

Based on current forecast (as of August 31, 2023) the estimated cost to implement the approved 2020 – 2023 capital program is \$278 million. This current forecast is 6.4% higher than the original approved budget.

### **Financial Implications**

The portfolio analysis in this report includes forecast changes approved by Council between April 30, 2023 and August 31, 2023. A full reporting on reserve balances will be provided at year-end.

### **STRATEGIC ALIGNMENT:**

☐ Strategic Action

**Objective(s):** Choose an Objective

**Strategic Action:** Choose a Strategic Action

**OR**

☒ Core Service

**Program: Project Management Services**

**Core Service:** Project Management Governance and Leadership

Regular status reports provide an update on capital project status to Council and the community. This update is in addition to the project specific communication being provided to Council by various project managers through the project life-cycle.

### **BACKGROUND:**

The purpose of the capital investment program is to replace and maintain existing infrastructure and build new infrastructure required to support growth and intensification.

Infrastructure built and maintained through the capital investment program supports and improves existing services provided by the City. Each year Council provides approval to fund a portfolio of projects and reviews a nine-year forecast for future projects.

It is the mandate of the Project Management Office (PMO) to keep Cambridge's management team and the project management community informed. This is achieved by providing a variety of regular updates ranging from monthly status of projects to an annual report on the organization's progress at institutionalizing project management. Further, the PMO seeks to deliver successful capital projects by providing project management mentoring and coaching, and oversight for capital projects.

To enable project managers to operate efficiently and effectively while remaining accountable and transparent, the Budget Control By-Law (By-Law 152-14) identifies policies pertaining to budget control, including the requirement for status and forecast change updates to Council.

## **ANALYSIS:**

### **New Projects**

In this reporting period, two (2) new projects are proposed for creation and funding outside of the annual budget process. These projects are listed below:

Project Number	Project Name	Budget	Approval mechanism
A/01472-40	Library Window System Replacement – Design	\$50,000	Appendix A : Project Request Form
A/01539-40	Bowman Room Technology Retrofit	\$100,000	Appendix B: Project Request Form

The Library Window System Replacement – Design project is to evaluate, select, and design suitable window replacements for the original 1968 single glazed aluminum framed windows on the first and second floor of the Queen Square library. Two of the glass panes have cracked. A structural engineer has determined that the glass units are of insufficient strength and thickness, present a safety hazard and, therefore, require replacement as soon as possible. A follow-on construction project will be proposed in the 2024 Capital plan to fund the replacement of the windows. It is proposed that the design project be funded for \$50,000 from the Canada Community-Building Fund Reserve.

The Bowman Room Technology Retrofit project will create a hybrid environment for meetings and public events in the Bowman room at City Hall. Currently committee of Council meetings are being held completely virtually, as suitable hybrid technology is not available. Once appropriate audio and video equipment is installed, committees will be able to meet in-person and online together. The equipment will also allow for more versatile use of the room, including for public engagement and Open Houses. It is proposed that the project be funded for \$100,000 from the Capital Works Reserve Fund.

## **Status of Key Projects – as of September 2023**

### **Recreation Complex – Site preparation and Servicing – A/00463-40, Design – A00463-30**

On September 26, 2023, Council approved the schematic design at an estimated budget (design & construction) of \$108M. The project team is working on detailed design and continuing consultation with key stakeholders. The project team continues to target construction beginning summer 2024.

In February 2023 an application was submitted to the second intake of the Green and Inclusive Community Buildings (GICB) grant for the delivery of a Net-Zero Carbon building, a response is still pending. The project team continues to meet with the Waterloo Region District School Board (WRDSB), Waterloo Catholic District School Board (WCDSB) and Idea Exchange to coordinate the design of the Joint-Use Campus, including terms of reference for joint-use agreements between the project partners.

### **Preston Auditorium Expansion – Design – A/00420-30, Construction – A/00420-40**

The design phase of work is completed. The demolition and construction scopes of work have been tendered and staff are currently working on contract award. Demolition is underway or will be underway shortly; construction will follow in due course. The project remains on target for fall 2025 completion.

### **Fountain Street Soccer Facility Design – A/00471-30, Construction – A/00471-40**

Construction continues to progress on the Fountain Street soccer complex. Most site elements are now finished and the building construction is expected to wrap up late this fall. A grand opening event will be planned for spring 2024 – more details to be announced closer to the event.

### **Cambridge Sports Park Expansion – A/01265-10**

In September, the Buckingham Team provided an update that due to continued supply chain issues, rain/weather and labour challenges the opening of the new facilities has been delayed from the original September 1<sup>st</sup>, 2023 opening date. The current schedule is for one rink to be operational starting the end of October and the second rink by mid-November. Full construction completion is projected by late Spring 2024.

As part of the City's detailed contingency plan, the Duncan McIntosh Arena was not actively programmed for the Fall 2023 season. The availability of this ice pad has

enabled the City to allocate ice time for the displaced user groups in the months of September and October. The City of Cambridge has a strong working relationship with Buckingham Sports Properties and has worked closely with them to accommodate our minor sports groups on their existing pads during the construction delay.

#### 2023 Road and underground infrastructure construction

Construction is substantially complete on 4 City streets, and Roseview Avenue is expected to be substantially complete in November 2023. Trenchless rehabilitation of the watermain on Hespeler Road and the City's Annual Asphalt Resurfacing program are both substantially complete. Stormwater Pond 167 Rehabilitation (124 Skipton Crescent) is on schedule to be substantially complete by November 2023. Trail bridge replacements in Churchill Park and Woodland Park are on schedule to be substantially complete by November 2023. Beverly Street Reconstruction is currently delayed, awaiting CP Rail Construction agreement execution.

Up to date information about project scope, construction schedule, current status and contact information for respective projects can be found on the Current Projects website at: [www.cambridge.ca/construction](http://www.cambridge.ca/construction).

#### Regional Projects

Phase 2 of the reconstruction of Dundas Street between Beverly Street and Hespeler Road is substantially complete, with surface asphalt planned for next year.

Water Street from Ainslie Street to Simcoe Street is being led by the developer of the Cambridge Mill and the work is now anticipated to be completed in Spring 2024. City watermain will be replaced as part of this work.

#### LED Streetlight Conversion and King Street Decorative Lights – A/00083-40 and A/00973-40

Approximately 4,177 existing non-standard and decorative post top lights will be converted to LED lights in 2023. Installation commenced in August with approximately 857 lights converted. King Street Decorative Lighting is expected to be completed by end of October 2023. LED Street Lighting project is expected to be completed by year end.

#### Trails, Parks, and Cemeteries

Angewood Park playground replacement was completed in August 2023 and is open to the Public. Red Wildfong Park and Otto Klotz Park Playground replacements remain on schedule to be completed in Fall 2023. Operational repairs on stone masonry were completed this spring at Mill Race Park amphitheatre, while the timber seating repairs is in construction in Fall 2023.

Riverside Skatepark improvements has been completed, and two small skatepark features were opened for use this past summer. The Parklawn Cemetery Columbarium project has been reviewed further, with a cost saving opportunity identified to convert an under-utilized existing Mausoleum unit to multiple columbarium niche units to address demand for these units. This scope of work is being planned for Fall 2023 and Spring 2024.

### Facilities

In mid-summer the Newland Pool was successfully re-opened to the public. All requirements for the Ontario Trillium Foundation Grant were fulfilled and grant file is closed.

The City has three elevator refurbishment projects underway located at Allan Reuter Centre, David Durward Centre, and the Centre for the Arts. Allan Reuter Centre elevator construction is complete. Staff are in the process of finalizing vendor selection for the David Durward Centre and Centre for the Arts elevator projects, both projects are anticipated to be completed by December 2023. Ferguson Homestead roof replacement is completed.

Construction on the Dickson Stadium renovation started in July 2023, and continues into Fall 2023. The Riverside Park Stadium project is also under construction and, subject to weather conditions, it is schedule to be completed at the end of November. Fire Station 4 Renovation is in the tendering stage, it is anticipated that the work will be completed by the end of this year.

Within City Hall, projects related to the Green Wall as well as the Service Cambridge Counter extension are progressing well. Work related to the Green Wall is mostly complete. The new front counter is completed, and staff will move in over the coming weeks.

City staff successfully procured a new external freezer for the Humane Society Moisture Improvement project. The old freezer has been removed and remedial work in that area of the building is complete.

## Portfolio Status – August 31, 2023

As of August 31, 2023 there are 283 open projects. This includes:

- 213 active projects underway (Approved, In Progress, Delayed), not including the 2 new projects to be approved via this report
- 50 projects where work is substantially complete (In Maintenance, Project work complete)

- 20 projects ready for closure

Appendix C: Capital Project Status Report provides detailed information for all active and substantially complete projects.

### Budget Summary

Since 2020, the City of Cambridge has approved \$261M for community investments to maintain existing infrastructure and build new infrastructure. This includes capital projects approved during the annual capital budget process, as well as supplementary projects approved throughout the year, for a total of 318 capital projects approved over four years. Of these projects, 87 are already closed (27%) and a further 50 projects the work is substantially complete (16%). Infrastructure built and maintained through the capital program supports and improves services provided by the City. Total approved capital projects by budget year are 72, 63, 91 and 92 for the budget years 2020, 2021, 2022 and 2023 respectively.

There are 54 projects that were approved prior to 2020 that are still open, this includes:

- 31 active projects underway
- 3 projects that are delayed
- 20 projects that are substantially complete (In Maintenance, Project work complete, or Ready for Close)

When projects remain open over multiple years it is often because they are:

1. Planned as multi-year projects
2. Development or Region driven and the City is not in control of the project schedule
3. The scope of work includes multiple items, for example Fleet Replacement projects include many unique pieces of equipment procured separately
4. An issue or issues has arisen that requires more time or effort to resolve

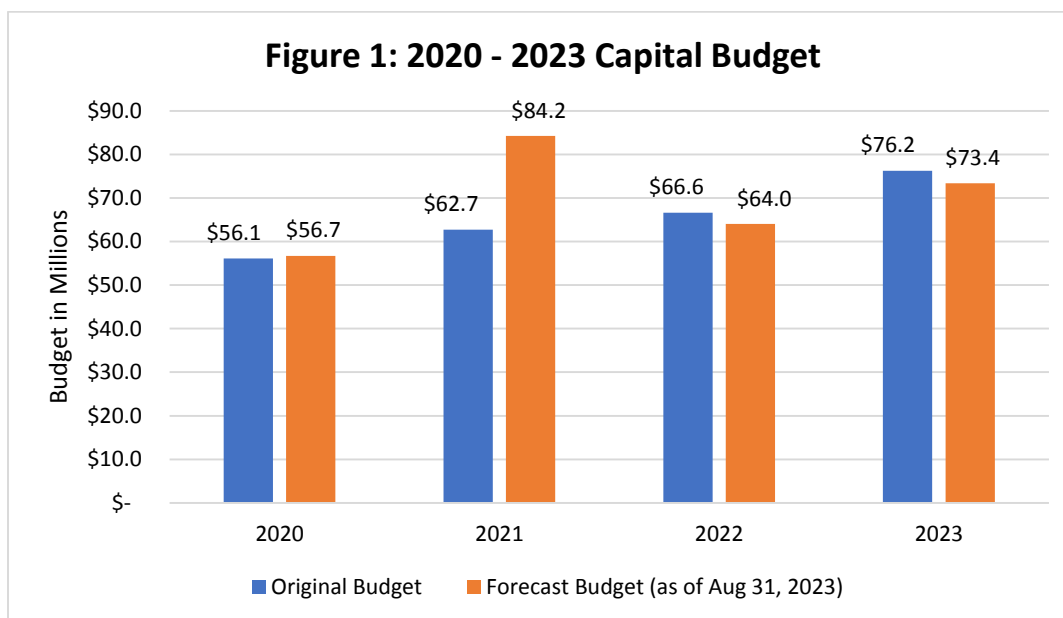
For the 34 projects that are still underway from 2019 and prior approvals, the original budget is \$24.6M and the current forecasted budget is \$28.8M, an increase of \$4.3M which represents an increase of 20% over the original approved budget.

### Budget Comparison

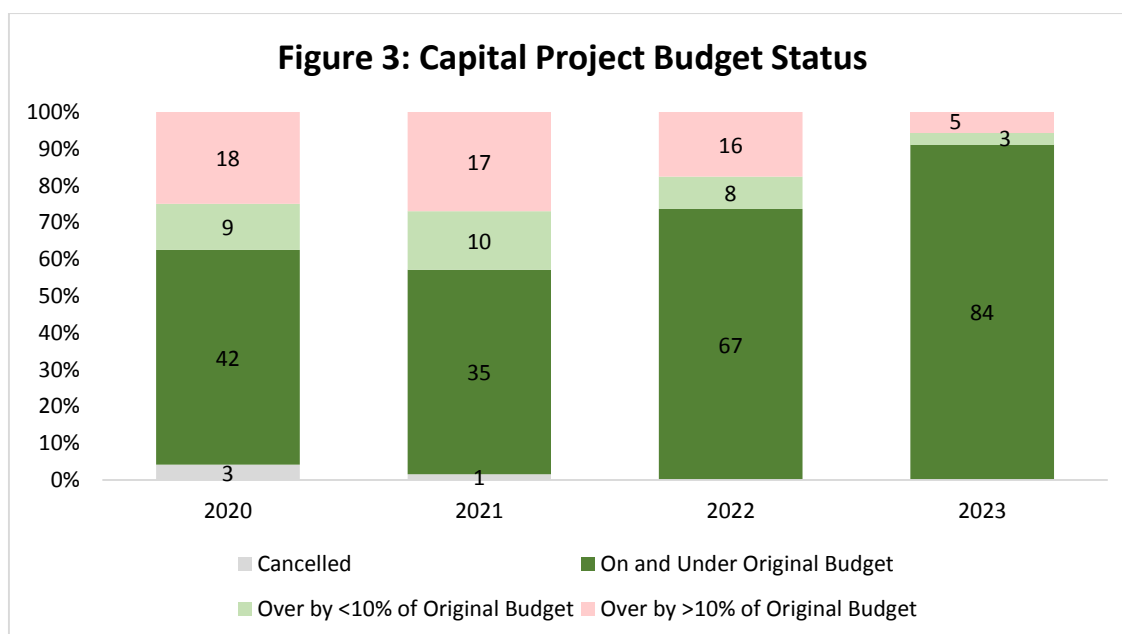
The following chart (Figure 1) illustrates approval year, original budget and current forecast budget including the forecast changes proposed in this report. Based on the current forecast (as of August 31, 2023) the estimated cost to implement the approved 2020 - 2023 capital program is \$278M. This current forecast is 6.4% higher than the original approved budget. By approval year, the current plan cost is 1.1% more, 34.3% more, 4.0% less, and 3.7% less than original approved budgets for 2020, 2021, 2022, and 2023 respectively.

The significant differential in 2021 original budget versus current plan cost, can primarily be attributed to the increased scope of work for the Preston Auditorium Improvement and Expansion project.

Guidelines suggest that a variance of within +/- 5% of the approved budget is an indication of efficient project planning process including scope, schedule and budget management.



As illustrated in the chart below (Figure 2), according to the current forecast 58%, 55%, 74% and 91% of projects are expected to be completed within the original approved budget for the approval years 2020, 2021, 2022, and 2023.





### Ready for Financial Close

There are 20 projects in ready to close status as of this reporting period. The financial implications of these projects will be reported with 2023 year-end Capital Status and Forecast reporting.

### Forecast Changes Not Requiring Approval

During the reporting period 5 forecast changes were made through separate reports to Council. These are included in this report for information only, in support of financial transparency. The impacts of the forecast change on reserve funds will be reported with 2023 year-end reporting.

These forecast changes previously approved by Council are forecasting an increase in funding of \$1,467,299 and are reported in Appendix D.

### **EXISTING POLICY / BY-LAW(S):**

The Budget Control By-Law 152-14 provides necessary guidelines to ensure accountability and controls for the financial management of the City. The By-Law includes capital budget financial controls.

### **FINANCIAL IMPACT:**

The creation of two new projects will result in \$150,000 being drawn from Reserves and allocated to the project accounts.

The financial impact of forecast changes will be reported in 2023 year-end Capital Status and Forecast reporting.

### **PUBLIC VALUE:**

To ensure transparency, regular updates on the capital investment program are provided to Council. Live capital project status information is available on the [Current Projects](#) web page, and project specific web pages are available for key projects.

### **ADVISORY COMMITTEE INPUT:**

#### **Advisory Committees Consulted:**

Not applicable.

### **PUBLIC INPUT:**

Posted publicly as part of the report process.

## **INTERNAL / EXTERNAL CONSULTATION:**

This report is prepared using information provided by respective project managers through the project management software. The PMO Analyst and Senior Financial Analysts meet regularly with project managers to review the status of their projects and to provide mentoring and coaching.

The PMO provides the Capital Project Status Report to the members of the Corporate Leadership Team and Senior Management Team monthly.

## **CONCLUSION:**

This report provides a summary of capital portfolio performance through August 31, 2023. The current capital project portfolio includes 285 ongoing projects.

## **REPORT IMPACTS:**

Agreement: **No**

By-law: **No**

Budget Amendment: **Yes**

Policy: **No**

## **APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

## **ATTACHMENTS:**

1. 23-032-IFS Appendix A – A/01472-30 Project Request Form
2. 23-032-IFS Appendix B – A/01539-40 Project Request Form
3. 23-032-IFS Appendix C – Capital Project Status Report
4. 23-032-IFS Appendix D – Forecast Changes Previously Approved by Council