

**To:** COUNCIL

**Meeting Date:** 4/29/2025

**Subject:** Capital Status and Forecast – December 2024

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

**Prepared By:** Mary Kennedy, Project Management Office Analyst; and Victoria Terella, CPA, CMA, Manager of Financial Planning

**Report No.:** 25-009-IFS

**File No.:** C11

**Wards Affected:** All Wards

**RECOMMENDATION(S):**

THAT Report 25-009-IFS Capital Projects Status and Forecast – December 2024 be received;

AND THAT the creation of capital projects identified in Report 25-009-IFS be approved;

AND THAT the closure of capital projects as identified in Appendix A and Appendix B of Report 25-009-IFS be approved;

AND THAT the cancellation of capital projects as identified in Appendix C of Report 25-009-IFS be approved;

AND THAT the capital forecast changes requiring approval under the Budget Control By-law as identified in Appendix D of Report 25-009-IFS be approved;

AND THAT transfers to and from reserve and reserve funds as identified in Appendix G of Report 25-009-IFS be approved.

AND FURTHER THAT the by-law to amend debenture By-law #24-011, as amended, included as Appendix I of Report 25-009-IFS, be passed.

**EXECUTIVE SUMMARY:**

**Purpose**

- To inform Council of the status and performance of the capital portfolio through December 31, 2024, including the 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 December 31, 2024, there are 275 open projects. This includes:

- 171 active projects underway (Approved, In Progress, Delayed);
- 43 projects where work is substantially complete (In Maintenance, Project work complete);
- 60 projects ready for closure; and
- 1 project to be cancelled.

Further, this report proposes the creation of one new project, for a total of 276 projects. Through the years 2020-2024 the City of Cambridge has approved a total of 420 capital projects with an original investment of \$445 million to maintain existing infrastructure and build new infrastructure. Based on the current forecast as of December 31, 2024, the estimated cost to implement these capital projects increased by 4.5% for a revised total cost of \$465 million.

## Financial Implications

The impact of all forecast changes as of December 31, 2024, result in a net decrease in funding requirement totalling \$530,265. The components of this impact are summarized below.

## Reserves

The forecast changes result in a net return to reserve funds of \$7,668,825 as follows:

**Table 1: Net Reserve Change**

Description	Total
Forecast changes (Council approval not required/previously approved)	\$6,273,810
Projects to be closed	\$2,235,950
Cancelled projects	(\$6,524)
Forecast changes (Council approval required)	(\$834,411)
Net Return of Reserves	\$7,668,825

## Debentures

- Increase required to By-law 24-011 of \$3,079,500 resulting from previous Council-approved forecast changes for project A/00463-41 Recreation Complex Construction per report 24-040-CRS on September 3, 2024:
  - \$496,800 increase in tax-supported debentures
  - \$2,582,700 increase in rate-supported (growth funded) debentures

## External Funding

- An increase in external funding of \$513,146, primarily driven by the recovery of site servicing costs at 85 Boxwood Drive from the property owner through project A/01723-40. This project was approved through report 24-114-CD on September 17, 2024; and
- Additional grant funding in the amount of \$3,545,914, largely due to the approval for funding from an initiative of the Provincial government, the Building Faster Fund.

## 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:**

### **Portfolio Challenges and Opportunities**

#### **Potential impact of tariffs**

Over the coming months, there is the potential for negative impacts to capital projects from existing and future tariffs. The City's procurement team has been watching the situation closely. The Capital Budget Working Group met in March to discuss how current and future tariffs might affect planned and ongoing capital projects. This meeting was an important step to ensure the project portfolio is managed effectively. As the economic situation changes, City staff will continue to monitor and review the status and financial performance of the portfolio.

#### **New Projects**

With this report, it is proposed that project A/01437-41 Newland Pool Walkway Improvements be created. Significant accessibility upgrades have been made at the Newland Pool site. The walkway beside the pool connecting the front and back of the property has not been renewed and is in poor condition. This project will improve the access, as the walkway will be reinforced and resurfaced. It is proposed that the project be funded from the Infrastructure Renewal Fund in the amount of \$175,000. A project request form can be found in Appendix K.

Project Number	Project Name	Budget	Approval Mechanism
A/01437-41	Newland Pool Walkway Improvements	\$175,000	Appendix K

Three new projects were created during the reporting period:

- A/01721-40 Arena Elevator Replacements approved through Council report 24-013-CRE. This project consists of the complete replacement of the existing passenger lifts at Galt Arena Gardens and Hespeler Memorial Arena.
- A/01723-40 85 Boxwood Site Servicing approved through Council report 24-114-CD. The project includes the extension of sanitary sewer on Boxwood Drive from the current termination point north of Royal Oak Road to 85 Boxwood Drive and construction of a water service connection from the existing watermain on Royal Oak Road to 85 Boxwood Drive.
- A/01725-40 Storm Pipe Replacement - Glen Forest Road. This project was for the emergency replacement of a storm pipe on Glen Forest Road. The existing pipe collapsed, and rainwater was unable to drain causing flooding issues.

## Project Changes

### **Placemaking Pilot Study and Project (A/01441-20) – Scope and Schedule Change**

The purpose of the Placemaking Pilot Study and Project is to demonstrate the viability of placemaking in Cambridge through a pilot installation and establish a long-term plan for how the City should approach future placemaking initiatives. The original scope of work included a consultant-led analysis of existing infrastructure and identification of lands on which to develop and install a placemaking pilot project, as well as a study to establish a framework for future placemaking initiatives across the city's three core areas.

Staff propose that the scope and schedule of the project be refined to better align with the main priority of developing and installing a placemaking pilot project, ensuring that sufficient resources are available for implementation. To this end, staff aim to allocate the remaining project budget to the pilot installation, to be completed by the end of 2025. The Placemaking Working Group (established in the original project terms of reference) members will be re-engaged to act in an advisory capacity in working toward the implementation of the pilot project. Completion of a framework for future City

placemaking initiatives will be planned for 2026, following the implementation of the pilot project. No change to the budget or funding sources is proposed.

### **Galt Core Heritage Conservation District (A/00739-20) – Budget Change**

This project was originally approved for initiation by Council in 2021. The study phase was completed in October 2021 with Council endorsement of the Galt Core Heritage Conservation District (HCD) Study. At that time, Council approved work to begin on a Heritage Conservation District Plan. The draft plan was presented through a public information centre in February 2023. Following review of comments received on the draft plan, the project was put on hold to consider the comments and potential modifications to the boundary for the HCD. Staff are recommending proceeding with a change in boundary and scope for the HCD plan phase. To address the comments raised, additional work is required including analysis of proposed expanded study area, considerations for protection of properties adjacent to the study area and to revise the draft plan to include recommendations for the expanded study area. At this time, the project team is seeking a top up of funds. The expanded project scope requires an increase of \$48,000 to the project budget to be funded from the Capital Works Reserve Fund. A forecast change to increase the project budget is included in Appendix D. The remaining project tasks are expected to take approximately 9 months and includes meetings with affected property owners, a public information centre, meeting with MHAC and a statutory public meeting of council.

### **Old Mill Road Traffic Calming (A/01431-40) – Budget Change**

Conditions of the Site Plan Control Agreement for 140 Old Mill Road included a requirement for the developer to fund the installation and development of traffic calming measures along Old Mill Road, east of Dickie Settlement Road.

The City has received an initial contribution from the developer for this work in the amount of \$100,000 which has been fully expended in developing the Traffic Calming Plan. The estimated cost for installing the traffic calming measures is \$50,000 which is to be recovered from the developer. A forecast change to increase the project budget is included in Appendix D.

## **Status of Key Projects – as of March 2025**

### **2025 Road and underground infrastructure construction**

Construction is planned for eight (8) City streets in 2025. Streets that will be under construction include:

- Bruce Street (Harris Street to Main Street) and Spruce Street (Bruce Street to Main Street);

- Cooper Street (Speed River Storm Outlet at Queen Street and Chapel Street to Phin Ave) with a second phase planned for 2026 construction season;
- Kerr Street (Wellington Street to Beverly Street);
- Metcalfe Street (Blair Road to Park Hill Road West); and
- Richardson Street (Cedar Street to Victoria Avenue), Kay Street (Cedar Street to Victoria Avenue), and Byng Street (Salsbury Avenue to end).

The Blackbridge Road and bridge construction project will also start this construction season with construction from Baldwin Drive to Townline Road. The project includes upgrades to the existing heritage bridge structure and conversion to a multi-use trail.

Queen Street West (Shepherd Avenue to Rooshill Avenue and Winston Boulevard to Weaver Street) was funded in 2025 to take advantage of available grant funding and will be tendered in late 2025, with construction planned for 2026.

The Engineering Division will also be undertaking:

- Asphalt rehabilitation (road resurfacing on Holiday Inn Drive, Saltsman Drive, Barnes Road, Reuter Drive, Raglin Place, Pineview Court, Rideau Gate, Islandview Avenue);
- Laneway renewal on laneway 200 and 201;
- Parklawn Cemetery roads renewal;
- Sanitary lining (Hamilton Street, Westminster Drive South, Parkview Crescent and Argyle Street South); and
- Repair of the northern control structure of the Riverside Dam.

Design for future road reconstruction projects and watermain rehabilitation (Dunbar Road and Savage Drive) will occur in 2025, as well as stormwater pond condition assessments that support planning for future pond rehabilitations. Further, design is planned for modifications to the artesian well outlet to Sulphur Creek, this work supports the eventual decommissioning of an old Regional Reservoir in Riverside Park.

Of the ten (10) major construction projects planned to be tendered in 2025, the total budget is \$47 million. As of mid-March 2025, eight (8) tenders have closed (under 24.6% of approved budget). Appendix J summarizes the infrastructure engineering project tenders.

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).

### **Recreation Complex: Site preparation and Servicing – A/00463**

Groundbreaking occurred in October 2024 and construction has been progressing through the winter months. Site grading, underground services and foundations are mostly completed. Structural steel installation is planned to begin in April.

Council approved forecast changes for project A/00463-41 Recreation Complex Construction via Council report 24-040-CRS Tender Award for Recreation Complex on September 3, 2024. An update to the debenture By-law 24-011 is therefore required in the amount of \$3,079,500.

### **Debt By-law 24-011**

Project	Current Debt Funding	Revised Debt Funding	Increase/ (Decrease)	Reference
A/00463-41 Recreation Complex Construction	\$67,198,700	\$70,278,200	\$3,079,500	24-040-CRS Sep 3, 2024
<b>Total</b>	<b>\$67,198,700</b>	<b>\$70,278,200</b>	<b>\$3,079,500</b>	<b>N/A</b>

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

Despite a cold and snowy winter, construction activities at Preston Memorial Auditorium have progressed well. The project team continues to push for construction completion and for the facility to be ready for move-in to host our winter sports groups this coming fall/winter ice season.

### **Reuter Drive Sidewalk (A/01671-40)**

The design for a new sidewalk on the south side of Reuter Drive between Cherry Blossom Road and Conestoga College is complete. The construction component of the project is scheduled to be put out for tender in April 2025 with construction scheduled for June. This is an important active transportation connection which connects transit service and a new bus stop on Cherry Blossom Road at Reuter Drive with the Conestoga College campus. Currently there are no sidewalks on Reuter Drive forcing

college students and staff using transit to walk on the road or gravel shoulder to the college.

### **Mill Race Park Pedestrian Bridges (A/01130-40)**

This project will include the decommissioning of one of the pedestrian bridges in Mill Race Park and replacement of the other. The tender for the construction project closed mid-March. Construction is not scheduled to begin until September. This schedule considered near water work restrictions through the spring/summer and avoids the busy summer activity in the park.

### **Parks**

Greenway and Willard Park sports courts renewal will be completed by early summer. In Sault Park, a new playground on the east side will be under construction in May. Lions Can-Amera Splashpad construction is also planned for early summer. Gordon Chaplin playground construction is planned for late summer. Construction tenders for the two playground replacements have come back under budget, this can be attributed to development of a pre-qualified roster for playground suppliers and general contractors.

Design of the accessible ball diamond improvements at Riverside Park is underway, and the construction is expected to be tendered in late summer. Planning and design is also underway to upgrade the nearby washroom for greater accessibility.

The public art installation celebrating Cambridge's 50<sup>th</sup> anniversary will be installed in spring at the Cambridge Soccer Complex.

### **Facilities**

Heritage restoration work will be completed at the Cambridge Community Theatre and Landreth Cottage with the return of spring weather conditions. Design consulting work for Ferguson Homestead, Preston Scout House, and Lutz House heritage restoration projects has been awarded. Schematic design of heritage restorations at the Farmers Market has been presented to the Municipal Heritage Advisory Committee (MHAC) with project tendering planned for May.

A consultant has been selected to provide detailed plans for roof replacements at Willard workshop, Parklawn Cemetery, and the Riverside Water building, the next step will be to tender the construction work.

Several construction projects are planned to move forward this spring, including replacement of exterior doors at the Galt Arena Gardens, repair of a sewer pipe at Fire Station 5, and completion of improvements at Newland Pool.

The arena elevator project, which will see the existing passenger lifts replaced at Galt Arena Gardens and Hespeler Area, is in the detailed design phase. The elevator sizes and models have been selected and presented to the Cambridge Accessibility Advisory Committee. Schematic design is underway for the Soper Park Outdoor pool.

### **Portfolio Status – December 31, 2024**

As of December 31, 2024, there are 275 open projects. This includes:

- 171 active projects underway (Approved, In Progress, Delayed);
- 43 projects where work is substantially complete (In Maintenance, Project work complete);
- 60 projects ready for closure; and
- 1 project to be cancelled.

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

### **Budget Summary (2020-2024)**

Since 2020, the City of Cambridge has approved \$445 million 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 420 capital projects approved over five years. 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, 92, and 102 for the budget years 2020, 2021, 2022, 2023, and 2024 respectively.

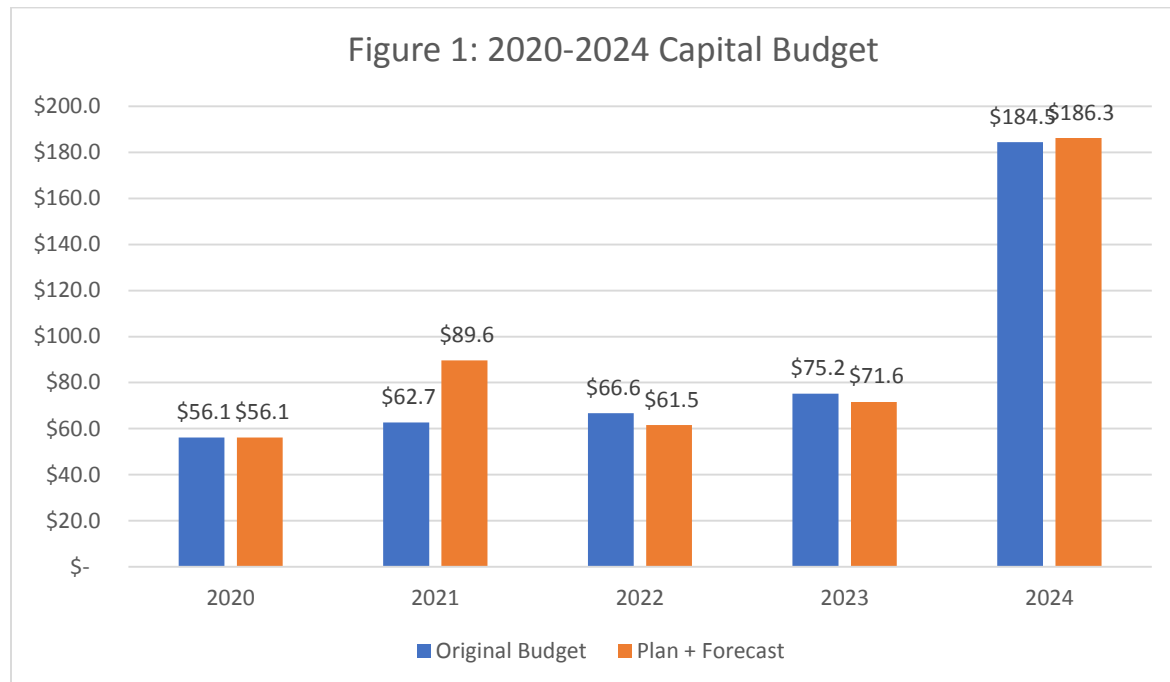
### **Budget Comparison**

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 December 31, 2024) the estimated cost to implement the approved 2020 - 2024 capital program is \$465 million. This current forecast is 4.5% higher than the original approved budget. By approval year, the current plan cost is 0.1% less, 42.9% more, 7.7% less, 4.7 % less, and 1.0% more than original approved budgets for 2020, 2021, 2022, 2023, and 2024 respectively.

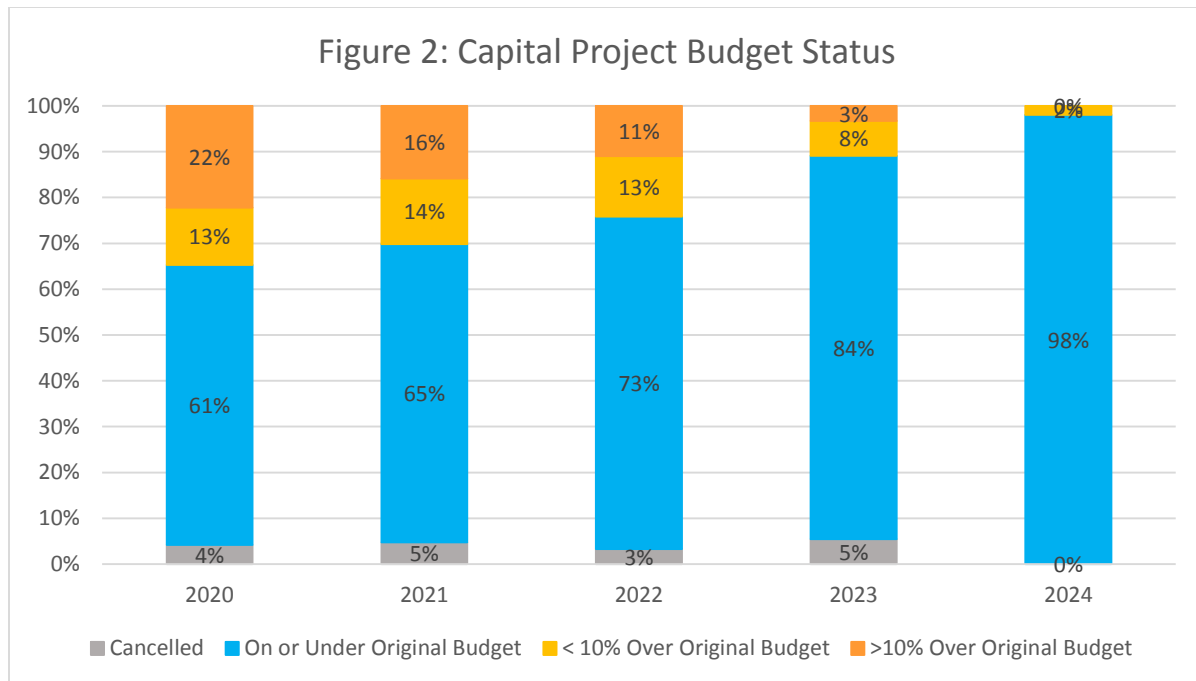
As noted in previous reports, the significant differential in 2021 original budget versus current plan cost, can primarily be attributed to the increased scope of work for the Preston Auditorium Improvement and Expansion project. The lower forecast for 2022

projects can be attributed to several development and infrastructure engineering projects being completed under budget. Estimating budgets for construction projects was difficult through the pandemic, therefore it is not surprising to see swings in planned versus actual costs for these types of projects.

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 61%, 65%, 73%, 84%, and 98% of projects are expected to be completed within the original approved budget for the approval years 2020, 2021, 2022, 2023, and 2024.



## Ready for Financial Close

There are 60 projects to be closed during this reporting period. For these projects:

- A combined net savings of \$2,730,053 is being realized. In many cases, construction efficiencies and savings realized for provisional items and contingency allowed for the projects to be completed under budget.
- 10 projects require Council approval to draw additional funds from reserve funds under the Budget Control By-Law and are reported in Appendix A.
- 50 projects were completed below previous forecasted amount for all funding sources and are reported in Appendix A.

## Projects to be Cancelled

There is one project to be cancelled in this reporting period, with expenditures of \$6,524 as reported in Appendix B.

- Project A/00738-20 Growth Management Study Update (2019) was created to develop growth forecasts for the City. This work has been completed by the Region and so this project can be cancelled. The project was previously reported for cancellation through report 24-013-IFS Capital Status and Forecast – August 2024, however, additional charges were identified that need to be assigned to the project through this report.

## **Forecast Changes Requiring Approval**

Under the Budget Control By-Law 152-14, if the project is anticipated to have an overage exceeding the lesser of 10% or \$250,000 the additional spending requires Council approval. Additionally, if funds are required to be drawn from a reserve or reserve fund this requires Council approval.

There are 14 forecast changes for this reporting period that require approval due to the need for additional funding from reserves or change in funding sources resulting in a draw from reserves. The net overall additional funding request is \$1,170,323 and is reported in Appendix C.

## **Forecast Changes Not Requiring Approval**

During this reporting period, there were 23 forecast changes made within the limits of staff delegated authority under the Budget Control By-law. These are reported for information only and do not require Council approval.

Additionally, during the reporting period, 4 forecast changes were made through separate reports to Council. These are included in this report for information only, in support of financial transparency, by consolidating all forecast change impacts to reserve funds during the reporting period.

These forecast changes not requiring approval and previously approved by Council are forecasting an increase in funding of \$1,022,941 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 forecast changes as reported in the analysis above result in transfers to and from reserve and reserve funds as well as changes to other sources of funding such as debentures and external recoveries. The funding impacts of the forecast changes result in an overall net decrease of \$530,265 of required funding, as follows and summarized in Table 2 below:

- Net return of \$7,668,825 to various reserve and reserve funds as shown in Appendix E;

- Increase of \$513,146 in external funding driven the creation of a new capital project as approved through report 24-114-CD on September 17, 2024 for the site servicing of 85 Boxwood Drive fully funded through external recovery from the property owner;
- \$496,800 increased requirement for tax-supported debenture funding for the Recreation Complex Construction as earlier approved through report 24-040-CRS on September 3, 2024;
- Increased rate-supported (growth funded) debt requirement of \$2,582,700 again driven by the funding requirement for the Recreation Complex Construction also approved through report 24-040-CRS on September 3, 2024; and
- Additional grant funding in the amount of \$3,545,914, largely attributed to the approval for funding from an initiative of the Provincial government, the Building Faster Fund.

**Table 2: Summary of Net Forecast Changes**

Description	Total
Net Return of Reserves	\$7,668,825
Increase in External Funding	(\$513,146)
Increase in Tax-Supported Debt	(\$496,800)
Increase in Growth-Funded Debt	(\$2,582,700)
Additional Grant Funding	(\$3,545,914)
<b>Total Net Forecast Surplus</b>	<b>\$530,265</b>

## **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 December 31, 2024. After closing 60 projects and cancelling 1 project the current capital project portfolio includes 275 ongoing projects. One capital project is proposed for approval through this report. Forecast changes are reported in accordance with the Budget Control By-law, and result in transfers to and from reserve funds as well as changes to other sources of funding such as debenture and external recoveries.

For the Region of Waterloo to issue an increased amount of debt on the City's behalf, the originating By-law must be amended. The overall increase required to debenture By-law 24-011 is \$3,079,500.

## **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. 25-009-IFS Appendix A – Project Closures Requiring Council Approval to Draw Additional Funds
2. 25-009-IFS Appendix B – Project Closures Requiring Council Approval Completed Below Previous Forecast
3. 25-009-IFS Appendix C – Cancelled Projects Requiring Council Approval
4. 25-009-IFS Appendix D – Forecast Changes Requiring Council Approval
5. 25-009-IFS Appendix E – Forecast Changes Not Requiring Approval
6. 25-009-IFS Appendix F – Previously Reported to Council
7. 25-009-IFS Appendix G – Impact to Capital Reserve Funds
8. 25-009-IFS Appendix H – Capital Project Status Report
9. 25-009-IFS Appendix I – Draft Amending By-law to By-law 24-011, as amended
10. 25-009-IFS Appendix J – Summary of Infrastructure Engineering Tenders
11. 25-009-IFS Appendix K – Project Request Form A/01437-41