

**EXHIBIT A**

**Summary of Closed Capital Project Funding to be Transferred  
at December 31, 2009**

	<b>Amount to be Transferred</b>	
	\$	\$
<b>1 Development Charges</b>		196,729
<b>2 Reserve Funds</b>		
<b>2a</b> Life Cycle Replacement & Capital	39,225	
<b>2b</b> Heritage Preservation	1,485	
<b>2c</b> Road Resurfacing	894	
<b>2d</b> Pre-DCA Engineering Growth	<u>21,140</u>	<u>62,744</u>
<b>3 Reserves</b>		
<b>3a</b> Waterworks Stabilization/Capital	454,851 *	
<b>3b</b> Facility Ramp Up	23,057	
<b>3c</b> Development Fees	4,250	
<b>3d</b> Building Fees	<u>1,913</u>	<u>484,072</u>
<b>Amount to be Transferred to Original Source of Funding</b>		<b>743,545</b>
<b>3 Transfer to Capital Contingency Project (top up to \$250k)</b>		<b>65,529</b>
<b>4 Transfer for Capital Budget Gapping (budgeted at \$315,000)</b>		<u><b>315,000</b></u>
<b>Total to be Transferred to Original Sources of Funding</b>		<u><u><b>1,124,074</b></u></u>
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* <b>Transfer to Waterworks Stabilization/Capital from Projects listed on Exhibit B</b>		454,851
<b>Transfer to fund Project 9502 (Waterworks move from Miller to 8100 Warden)</b>		(200,000)
<b>Net transfer to Waterworks Stabilization/Capital Reserve</b>		<u><u>254,851</u></u>



**CLOSED CAPITAL PROJECTS - WITH FUNDS TO BE RETURNED TO ORIGINAL SOURCES OF FUNDING**

**EXHIBIT B**

Commission	Dept	Project	Project Name	Proj Year	Budget	Actual	Commitments	Variance	Operating/Life Cycle	Close to
CAO, Legal, HR, & Sustainability Office	CAO's Office	8409	Building Markham's Future Together	2008	61,675	63,631	0	-1,956	-1,956	0
	CAO's Office Total				61,675	63,631	0	-1,956	-1,956	0
	Human Resources	7283	Pay Equity Risk Assessment	2006	10,000	10,000	0	-0	-0	0
		8129	Diversity Strategy	2008	60,000	60,000	0	-0	-0	0
		8404	Transition of Smart Commute Program	2008	50,000	50,000	0	-0	-0	0
CAO, Legal, HR, & Sustainability Office	Human Resources Total				120,000	120,000	0	-0	-0	0
	CAO, Legal, HR, & Sustainability Office Total				181,675	183,631	0	-1,956	-1,956	0
Community & Fire Services	Facility Assets	7397	Civic Centre Improvement - BAS Controls (PH2)	2007	50,000	30,849	0	19,151	19,151	0
		7703	Accessibility Audits - Annual Program	2007	30,000	18,140	0	11,860	11,860	0
		8301	Roofing Maint & Structural Adequacy - Replacement Program	2008	83,600	85,171	0	-1,571	-1,571	0
		8620	Mechanical	2008	16,960	15,013	0	1,947	1,947	0
		8624	Civic Centre Improvements - Replacement Program - Civil	2008	10,280	5,900	0	4,380	4,380	0
	Operations - Facilities Improvements - West Parks Paint Shop	8642	Other Facility Improvements - Replacement Program - Craft	2008	20,400	0	0	20,400	20,400	0
		8645	Guild	2008	30,600	14,286	0	16,314	16,314	0
		8651	Satellite CC Improvements - Replacement Program - Heintzman House	2008	89,500	90,898	0	-1,398	-1,398	0
		9341	Civic Centre Conversion to MDE Connection	2009	330,000	331,857	0	-1,857	-1,857	0
					661,340	592,115	0	69,225	69,225	0
	Fire	7099	Land for Cathedral Fire Station	2006	411,719	411,158	0	561	561	0
					411,719	411,158	0	561	561	0
		7587	Upgrade Tactile Lounge	2007	4,700	4,700	0	0	0	0
		8162	Historical Building Preservation Budget	2008	5,500	5,500	0	0	0	0
		8178	Koch Burkholder House	2008	4,041	4,041	0	0	0	0
	Museum	9094	Museum Historical Building and Preservation Program	2009	5,981	6,040	0	-59	-59	0
					20,222	20,281	0	-59	-59	0
		6823	Horticultural Enhancement Study	2005	50,000	23,186	26,000	814	814	0
		8108	Court Resurfacing/Reconstruction - Replacement Program	2008	173,850	160,600	0	13,250	13,250	0
		8139	Enhanced Cultural Practices - Year 2	2008	150,000	141,978	0	8,022	8,022	0
Operations - Parks Total	Operations - Parks	8281	Recycling in Parks	2008	216,000	192,943	0	23,057	23,057	0
		8398	Town Park Furniture/Amenities - Replacement Program	2008	124,800	123,773	0	1,027	1,027	0
		9187	TRCA 50/50 Community Projects	2009	20,000	20,000	0	0	0	0
					734,650	662,480	26,000	46,171	23,113	23,057
		5321	Heritage Identification Signage	2003	14,635	13,150	0	1,485	0	1,485
	Operations - Roads	8191	Main St. Unionville/Markham - Bench & Waste Receptacles	2008	20,000	16,667	0	3,333	3,333	0
		8601	Asphalt Resurfacing - Replacement Program - Curb/Sidewalk	2008	1,087,153	1,086,471	0	682	682	0
		8605	Parking Lots - Replacement Program - Resurfacing	2008	102,000	101,815	0	185	185	0
		8609	Secondary Roads Works - Replacement Program - Pavement	2008	802,268	801,374	0	894	894	0
		8676	Asphalt Resurfacing - Replacement Program - Steel	2008	76,777	76,776	0	1	1	0
	Operations - Roads Total	9165	Route & Seal - Annual Program	2009	82,459	81,090	0	1,369	1,369	0
		9167	Boulevard Repairs - Annual Program	2009	52,000	51,867	0	133	133	0
		9173	Milne Park Road Paving	2009	150,000	69,254	0	80,747	80,747	0
		9504	Asphalt Resurfacing - Interlock	2009	72,489	72,440	0	49	49	0
					2,459,781	2,370,904	-0	88,878	86,499	2,378

**CLOSED CAPITAL PROJECTS - WITH FUNDS TO BE RETURNED TO ORIGINAL SOURCES OF FUNDING**

**EXHIBIT B**

Commission	Dept	Project	Project Name	ProjYear	Budget	Actual	Commitments	Variance	Close to			
									Operating/Life Cycle	DCA	Other	
Recreation Services	Recreation Services	8010	Angus Glen CC - Electrical room safety inspection	2008	16,000	15,290	0	710	710	0		
		8011	Angus Glen CC - Floor machines	2008	10,000	10,513	0	-513	-513	0		
		8012	Angus Glen CC - Gymnasium Floor Refinishing	2008	16,000	11,109	0	4,891	4,891	0		
		8013	Angus Glen CC - Pool equipment	2008	12,800	10,469	0	2,331	2,331	0		
		8017	AED Defib - Replacement Program	2008	5,800	4,793	0	1,007	1,007	0		
		8033	Armada CC - Digital Marquee	2008	40,000	29,120	0	10,880	10,880	0		
		8074	Centennial CC - Pool Acoustical material replacement	2008	467,896	434,856	0	33,040	33,040	0		
		8078	Centennial CC - Viewing benches, Arena area	2008	7,200	7,724	0	-524	-524	0		
		8092	Community Centres - Refrigeration room, controller	2008	105,000	94,950	0	10,050	10,050	0		
		8110	Crosby CC - Metal doors replacement	2008	6,900	4,380	0	2,520	2,520	0		
		8198	Markham CC - Wall tiles replacement, Lobby	2008	12,000	10,977	0	1,023	1,023	0		
		8212	Milliken Mills CC - Refrigeration room, electrical panel	2008	25,000	25,928	0	-928	-928	0		
		8304	Rouge River CC - Basement refurbishing	2008	35,774	34,340	0	1,434	1,434	0		
		8305	Rouge River CC - Golf course, irrigation well	2008	68,226	69,245	0	-1,019	-1,019	0		
		8308	Rouge River CC - Vinyl Siding	2008	26,800	21,985	0	4,815	4,815	0		
		8329	Seniors Centre - Washroom Partitions	2008	7,500	4,836	0	2,664	2,664	0		
		9115	Rouge River C.C. - Interior painting	2009	9,800	7,600	0	2,200	2,200	0		
		9121	Rouge River C.C. - Window Replacement	2009	14,000	10,540	0	3,460	3,460	0		
		9127	Annual - Program Equipment replacement program	2009	37,700	31,447	0	6,253	6,253	0		
		9131	Angus Glen - Rink board refacing	2009	30,000	23,628	-0	6,373	6,373	0		
		9134	Milliken Mills C.C. - (Arena) Basketball Nets	2009	21,347	18,978	0	2,369	2,369	0		
		9135	Milliken Mills C.C. - Snow Removal equipment	2009	20,163	20,163	0	0	0	0		
		9136	Milliken Mills C.C. - Soccer Dome - Field replacement	2009	250,000	232,588	0	17,412	17,412	0		
		Recreation Services Total	ROW Assets	9139	Crosby Arena- Floorboards & Refrig. Equipment Replacement	2009	800,000	729,366	-0	70,635	70,635	0
				9147	Centennial C.C. - Swim lift	2009	8,500	6,975	0	1,525	1,525	0
				9154	Markham Village C.C. - Dry Sprinkler valve replacement	2009	6,000	4,195	0	1,805	1,805	0
				9155	Centennial C.C. - Lifeguard Chair replacement	2009	8,500	8,500	0	0	0	0
		ROW Assets Total	Waste Management	9157	Clatworthy Arena- Refrigeration Electrical Panel replacement	2009	30,000	27,500	0	2,500	2,500	0
				7374	Markham Road/16th Av. Intersection Improvements	2007	2,098,906	1,911,992	-0	186,914	186,914	0
		Waste Management Total	Waterworks	7402	Bridges & Culvert Improv. - Annual Bridge Inspection	2007	1,509,379	1,542,368	0	-33,009	-33,009	0
				9249	Community Mailbox Recycling - Phase 2 of 8	2009	50,000	35,576	0	14,423	14,423	0
				9251	Special Events Recycling - Phase 3 of 5	2009	1,559,379	1,577,964	0	-18,586	-18,586	0
				7883	Backflow Prevention	2009	50,000	18,640	0	31,360	31,360	0
				7812	Training Records Management & Staff Profiling Software	2007	30,000	20,365	0	9,615	9,615	0
				8319	Sanitary Trunk Sewer Inspection Program	2008	80,000	39,025	0	40,975	40,975	0
				8426	Water Meter Replacement/Upgrade Program	2008	50,000	8,478	0	41,522	41,522	0
				8428	Water Quality Monitoring Equipment Purchase & Installation	2008	25,000	2,334	0	22,666	22,666	0
				8430	Water System Hydraulic Modeling (Flushing Module)	2008	18,000	0	0	18,000	18,000	0
				8436	Watermain Construction Design (for 2009 Program)	2008	107,030	90,378	16,652	0	0	0
		Waterworks Total	Community & Fire Services Total	9273	Water-Related Improvements & Equipment - Annual	2009	55,000	53,445	0	1,555	1,555	0
				9279	Sanitary Trunk Sewer Zoom Inspection - Annual	2009	60,000	36,210	5,315	18,475	18,475	0
				9285	Cement Relining of Iron Watermain Program - Annual	2009	1,219,913	974,955	134,052	110,906	110,906	0
				9286	Catholic Protection of Iron Watermain - Annual	2009	458,473	458,473	-0	0	0	0
		Corporate Services	Financial Services	8000	2008 DC & Project Management - Growth Projects	2008	2,523,416	1,912,545	156,020	454,851	454,851	0
				8456	Implementation of PSAB Requirements	2008	10,549,413	9,396,464	182,019	368,930	368,930	0
				9512	Markham District Energy - Transfer of Gas Tax	2009	100,000	100,000	0	-0	-0	0
9512	Markham District Energy - Transfer of Gas Tax			2009	4,990,853	4,798,806	192,000	47	47	0		
Financial Services Total												

**CLOSED CAPITAL PROJECTS - WITH FUNDS TO BE RETURNED TO ORIGINAL SOURCES OF FUNDING**

**EXHIBIT B**

Commission	Dept	Project	Project Name	Proj Year	Budget	Actual	Commitments	Variance	Operating/Life Cycle	Close to
ITS		7321	File Management - Engineering Drawings	2006	40,000	18,581	17,169	4,250	0	DCA
		7388	Corporate Project Management Process/Tools	2007	45,000	0	45,000	0	0	Other
		8542	GIS Adapter for CSDC	2008	25,000	22,140	0	2,860	0	0
		8543	ITS Pilot of Mobile Computing	2008	25,000	18,906	0	6,094	0	0
		8544	MPL Digitize Collection Items	2008	42,000	45,360	0	-3,360	0	0
		9036	Antennae and Radio for back-up EOC	2009	7,000	0	0	7,000	0	0
		9045	MFD Lease Conversion	2009	18,000	16,220	0	1,780	0	0
		9046	MPL - 3M Equipment Replacement	2009	95,000	81,028	0	13,972	0	1,780
		9047	Replacement MFD	2009	3,000	2,867	0	133	0	0
		<b>ITS Total</b>			<b>300,000</b>	<b>205,102</b>	<b>62,169</b>	<b>32,729</b>	<b>28,586</b>	<b>133</b>
Development Services		<b>Corporate Services Total</b>			<b>5,200,883</b>	<b>5,013,807</b>	<b>254,169</b>	<b>32,777</b>	<b>36,585</b>	<b>6,163</b>
	Design	2525	Pathways	2000	200,000	198,006	-0	1,995	1,995	0
		7014	Interlocking Brick Replacement	2006	50,100	50,100	0	0	0	0
		<b>Design Total</b>			<b>250,100</b>	<b>248,106</b>	<b>-0</b>	<b>1,995</b>	<b>1,995</b>	<b>0</b>
	Economic Development	9052	China and India Economic Alliance & Investment Attraction	2009	60,000	68,683	0	-8,683	0	0
		9054	Economic Alliance and Twinning Program	2009	30,000	29,687	0	313	0	0
		9056	Creative City Sector Program	2009	20,000	2,170	5,000	12,830	12,830	0
	Economic Development Total				<b>110,000</b>	<b>100,541</b>	<b>5,000</b>	<b>4,459</b>	<b>4,459</b>	<b>0</b>
		6112	Emergency Response Manual - Storm Water Management	2004	97,100	59,544	4,000	33,556	0	0
		7083	Kennedy Rd/Birchview Lane-Traffic Signals	2006	300,000	300,000	0	0	0	12,416
		<b>Engineering Total</b>			<b>150,219</b>	<b>0</b>	<b>0</b>	<b>150,219</b>	<b>0</b>	<b>150,219</b>
Planning		8116	D. G. S. - Senior Project Coordinator Urban 3 year contract	2008	547,319	359,544	4,000	183,775	0	162,835
		8119	D.G.S. - Contract Staff	2008	60,800	60,190	0	610	61	549
		8127	D.G.S. - Employment Lands Strategy Update	2006	333,000	331,841	0	1,159	116	1,044
		9057	Growth Management - Contract Staff	2009	75,000	75,000	0	-0	-0	0
		<b>Planning Total</b>			<b>454,600</b>	<b>422,274</b>	<b>0</b>	<b>32,326</b>	<b>432</b>	<b>31,894</b>
	Development Services Total	923	400	889	305	923	400	889	305	609
		1,830	813	1,597	436	1,830	813	1,597	436	33,488
		17,882	760	16,283	498	445,188	1,124,074	7,058	196,121	21,140
	<b>Grand Total</b>				<b>17,882,760</b>	<b>16,283,498</b>	<b>445,188</b>	<b>1,124,074</b>	<b>419,754</b>	<b>507,591</b>

Top up of capital contingency 65,529  
 Capital budget gapping 315,000  
 Life Cycle Replacement & Capital Reserve 39,225  
**Total 419,754**



## **Capital Budget Control Policy**

### **1.0 Purpose:**

The Capital Budget Control Policy will provide the necessary guidelines to improve the management, administration, and reporting of capital projects.

The aim of this policy is to:

1. Define the Capital Budget reporting requirement to Council
2. Define the process for requesting the reallocation of capital budget funds within approved projects
3. Define the process for closing capital projects and the transferring of unexpended funds to reserves
4. Define the process for the request of any new projects after the annual Capital budget has been approved.

### **2.0 Capital Reporting**

The Treasurer will report to Council semi-annually on the status of all capital projects. This regular reporting will provide Council with the tools necessary to make effective decisions on all capital related items requiring approval.

#### **2.1 Status Updates from Departments**

To accurately administer the capital budget, Finance must be aware of the status of the project. On a quarterly basis, Departments will be required to forward to Finance an accurate, descriptive status of each project. The status must include the percentage of work complete and a projected forecast for completion. Departments should also disclose any third party agreements or other situations that may delay the initiation or the completion of the project. The information provided for each project will be consolidated semi-annually and reported to Council, for information purposes only.

#### **2.2 Percentage of Funding Encumbered to Date**

The status provided by the Departments will describe the work in progress. In addition to this information, Finance will provide a summary of the encumbrances to date. This report will include the percentage of budget encumbered, the known commitments, and expenditures. The information in this report will be for information purposes only.

#### **2.3 Requests for Reallocation, Closed Project, and New Projects**

Council will, on a semi-annual basis, approve or deny the reallocation of capital project funds, the closing of capital projects, and requests for new projects. Council will receive a detailed listing of each request for the reallocation of capital funds, a detailed listing of each project being closed, and any requests for new projects that may have been submitted.

### **3.0 Reallocating Capital Funds:**

Throughout the life of a capital project there may be a need to make adjustments to the project that was originally approved. These adjustments may be to the budget dollars required or to the project scope to adequately complete the project. Reallocated funding or new funding proposed must be appropriate to the project.

The establishment of a capital contingency project was approved by Council November 16, 2004. This project will be funded through transfers from completed tax funded capital projects to a maximum of \$250,000. Requests to use the Capital Contingency Project must be forwarded to the Treasurer for consideration.

In addition, a Planning DC (Development Charge) capital contingency project and an Urban Design DC capital contingency project are established to be utilized by the Planning department and Urban Design department to fund the DC (90%) portion of contingency requirements. These projects will be funded through transfers from completed development charge funded capital projects with development charge funding to a maximum of \$50,000 and \$100,000 for Planning and Urban Design respectively. Any development charge funding above the threshold amounts will be returned to the appropriate Development Charge Reserve Funds. The non development charge portion of the completed projects will be transferred to their original source(s) of funding. Requests to use the Planning and Urban Design Contingency Capital Projects must be forwarded to the Treasurer for consideration.

Approved reallocation of capital funds will result in the budgets of all affected projects amended and the funding transferred to reflect the approved change.

### **3.1 Request for Additional Funding of an Approved Capital Project**

During the annual Capital budget process, Departments make every attempt to ensure that the budget request is sufficient to complete the defined scope of the project. Unanticipated costs may arise however, requiring additional funding. Requests for additional funding to an approved project are governed by the Expenditure Control Policy (section 6.03).

The request must include:

- The project name, original scope and budget;
  - The amount of additional funding required
  - An explanation of why the additional funding is required
  - The benefits of proceeding with the project at the increased cost
  - The identification of surplus funding from other existing projects, that can be re-allocated to fund the additional requirement, including an explanation for the surplus;
- Or**
- The identification of the capital contingency project as a source of funding will be considered by the Treasurer.
  - Other funding source, if necessary



Requests for additional funding will be **approved as per the Expenditure Control Policy and all requests for additional funding over \$100,000 will be taken directly to Council.** ~~included in the semi-annual report to Council approval. Additional funding after the project has commenced or requests that cannot be accommodated in the semi-annual report will be taken directly to Council with the consent of the Treasurer.~~

### **3.2 Request to Change the Scope of an Approved Capital Project**

A considerable effort is expended in assessing the capital assets of the organization and the needs of the Community in preparation for the annual capital budget. The scope of the approved project (additional works, materials or expanded mandate) may change however, as the priorities of the organization and the Community change. Departments must forward all requests for a change in the scope of an approved project to the Treasurer for consideration.

The request must include:

- The project name, original scope and budget;
  - The impact of not proceeding with the project as originally defined
  - The scope and budget of the revised project
  - The benefits of approving the revised project
  - Any budget shortfall/excess
  - The identification of surplus funding, from other existing projects, that can be re-allocated to fund the additional requirement, including an explanation for the surplus
- Or**
- The identification of the contingency capital project as a source of funding will be considered by the Treasurer.
  - Other funding source, if necessary.

~~These requests will be included in the semi-annual report to Council for approval. Requests that cannot be accommodated in the semi-annual report will be taken directly to Council with the consent of the Treasurer.~~

**Staff be authorized to refine the activities within the approved scope of the project subject to approval of the CAO.**

### **3.3 Request to Consolidate Capital Project(s) of a Similar Scope**

Many capital projects are submitted each year as part of an asset or infrastructure repair and replacement program. These projects are not always completed within the calendar year in which they are approved. This results in multiple active projects of a similar scope. This can be cumbersome to manage and may result in expenses being allocated incorrectly. Departments may request that projects of a similar scope be consolidated. The Treasurer will consider consolidation requests that clearly outline the incomplete work of each project and their anticipated costs. Any identified budget excess will be returned to the original source of funding. ~~These requests will be included in the semi-annual report to Council for approval. Requests that cannot be accommodated in~~

the semi-annual report will be taken directly to Council with the consent of the Treasurer. **The projects to be considered for consolidation must be of a similar scope and will be approved by the Treasurer. Requests for consolidation of projects with different scope will be taken directly to Council with the consent of the Treasurer.**

#### **4.0 Closing of Capital Projects**

The timely closing of capital projects is imperative to ensure that surplus funds are not expended unnecessarily, and to ensure that the monies are returned to their original funding source.

In the event where an invoice is received after the closure of a capital project, the Treasurer has the authority to approve payment of the invoice from original funding source as previously approved for the project, providing the total costs of the project is within the original budget and within the same scope. Invoices not within original budget or scope will be processed in accordance with the Expenditure Control Policy and other sections of this Capital Budget Control Policy.

#### **4.1 Capital Projects Initiated with Excess Funds**

Projects are often initiated and kept open without activity for several years. Projects that remain inactive for a period of twenty-four months will be closed and the funding returned to their original funding source. A project will be considered inactive if it has no commitments or expenditures applied to it during the previous twenty-four months. Departments requesting a project remain active must present a business case to the Treasurer for consideration.

#### **4.2 Capital Projects Uninitiated after Twenty Four Months**

The annual submissions for Capital budget approval are prepared with the assumption that the project will be completed within the calendar year. Projects that remain uninitiated twenty-four months after approval are therefore likely to have inadequate funding. The scope of the project may also have changed as the asset has aged further. Projects that remain uninitiated twenty-four months after approval will be closed. A project will be deemed uninitiated if there are no commitments or expenditures within the two year period. Departments will have the opportunity to resubmit these projects for consideration during the annual Capital budget process.

#### **4.3 Requests for New Capital Projects**

Throughout the year, there may be the need to commence a capital project that was unanticipated during the annual capital budget process. Departments may submit their requests for new capital projects, supported by a business case, to the Treasurer. Surplus budget dollars from closed projects or the Capital Contingency Project may be identified as a potential source of funding for the new project. These requests will be included in the semi-annual report to Council for approval. Requests that cannot be accommodated in the semi-annual report,



Exhibit C

due to time constraints, may be addressed directly to Council with the consent of the Treasurer.

