

July 10, 2007

To: Executive Committee

From: Budget Committee

Subject: Capital Variance Report (for the Four Months Ended April 30, 2007)

Recommendations:

The Budget Committee recommended to the Executive Committee that Council:

- 1. Approve a reduction to the 2007 Approved Cash Flow totalling \$11.511 million in order to adjust/correct overstated 2006 carry forward funding as detailed in Appendix 2 attached.**
- 2. Approve the technical adjustments detailed in Appendix 2 attached, in order to reallocate funds between projects with no incremental budget impact, and to increase the Toronto Public Library 2007 Capital Budget by \$17,000 (funded by development charges) to cover the unanticipated increased cost of construction materials for the Jane/Sheppard Neighbourhood Relocation project.**
- 3. Approve closure of completed projects with total project cost of \$90.221 million and actual expenditures of \$77.298 million as detailed in Appendix 3, and, in accordance with the Financial Control By-law, direct that after fully funding overspent projects, any remaining unspent funds be returned to the original funding sources.**
- 4. Authorize and direct the appropriate staff to take the necessary action to give effect thereto.**

Financial Impact

As summarized in Table 1 below, for the four months ended April 30, 2007, actual expenditures for Tax Supported Programs totalled \$420.982 million or 20.8% of their 2007 Approved Cash Flow of \$2.026 billion. By comparison, these programs spent 14.8% of their 2006 Approved Cash Flow during the same period in 2006. Tax Supported Programs project a spending rate of 89.8% or \$1.819 billion at the end of 2007.

Table 1					
Corporate Capital Variance Summary					
for the Four Months Ended April 30, 2007					
(\$000s)					
	2007 Approved Budget	January to April 2007		Total Year	
		\$	%	Projected Actuals to Year-End \$	% of Plan
Tax Supported Programs:					
Citizen Centred Services - "A"	182,065	12,508	6.9%	150,130	82.5%
Citizen Centred Services - "B" (See Note)	700,784	232,847	33.2%	615,168	87.8%
Internal Services	165,211	13,638	8.3%	130,867	79.2%
Other City Programs	33,930	1,280	3.8%	31,437	92.7%
Agencies, Boards & Commissions	944,293	160,709	17.0%	891,707	94.4%
Total - Tax Supported	2,026,282	420,982	20.8%	1,819,309	89.8%
Rate Supported Programs:					
Toronto Parking Authority	27,506	1,561	5.7%	27,506	100.0%
Toronto Water	410,001	26,712	6.5%	327,842	80.0%
Total Rate Supported	437,507	28,273	6.5%	355,348	81.2%
Total	2,463,789	449,255	18.2%	2,174,657	88.3%
Note: Includes Greenlane Landfill					

Rate Supported programs spent \$28.273 million or 6.5% of their 2007 Approved Cash Flow of \$437.507 million. It is estimated that by year-end, expenditures will approximate \$355.348 million or 81.2% of the 2007 Approved Cash Flow.

Background:

The Budget Committee on July 10, 2007, considered the following reports:

- a. (June 22, 2007) from the Deputy City Manager and Chief Financial Officer advising that the Capital Variance Report for the Four Months ended April 30, 2007 will be on the Supplementary Agenda for the Budget Committee meeting of July 10, 2007; and
- b. (July 5, 2007) from the Deputy City Manager and Chief Financial Officer providing the Capital Variance Report for the four months ended April 30, 2007, and requesting Council approval for additional 2006 carry forward funding adjustments, budget and technical adjustments, and closure of completed capital projects.

for City Clerk