

2008 Final Year-end Capital Variance Report and Capital Variance Report for the Six-Months Ended June 30, 2009

Date:	September 15, 2009
To:	Budget Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2009\Internal Services\FP\Bc09016Fp (AFS #9910)

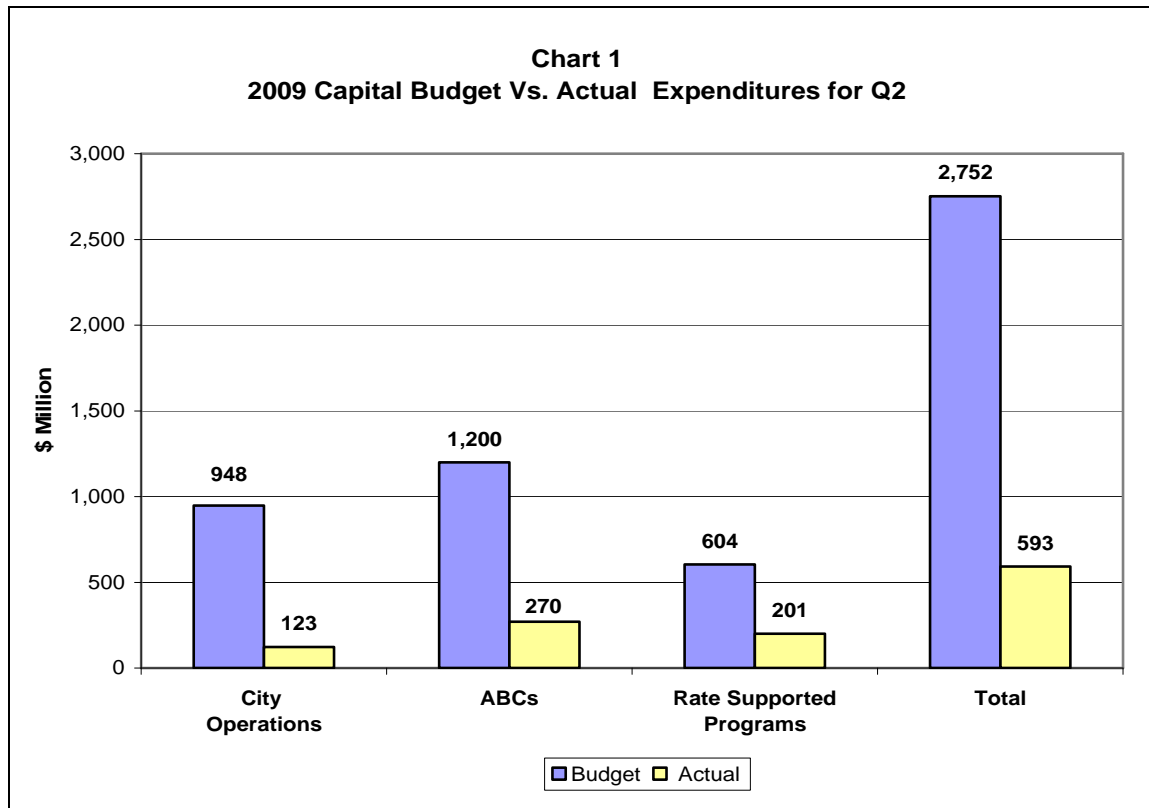
SUMMARY

The purpose of this report is to provide the City of Toronto 2008 Final Year-end Capital Variance Report, the 2009 Capital Variance for the Six Months Ended June 30, 2009 and projected actual expenditures to December 31, 2009. Furthermore, the report seeks Council's approval for in-year budget adjustments, additional 2008 carry-forward funding and project closures. 2008 Final Year-end Capital Variance was prepared using audited accounting information for the year ended December 31, 2008.

The 2008 Final Year-End Capital Expenditure totalled \$1.754 billion or 69.9% of the 2008 Council Approved Capital Budget of \$2.509 billion. This represents an increase of \$0.147 billion over the expenditures reported in the 2008 Preliminary Year-End Capital Variance report. The increase is attributed to final year-end adjustments proposed by the external auditors and final year end transactions processed primarily by TTC and Toronto Water.

Capital expenditures for the six months ended June 30, 2009 totalled \$592.634 million or 21.5% of the 2009 Approved Capital Budget of \$2.752 billion. Tax Supported Programs spent \$392.111 million, representing 18.3% of their collective 2009 Approved Capital Budget of \$2.148 billion (see Appendix 1). City Operations spent \$122.592 million or 12.9% of the 2009 Approved Capital Budget of \$948.191 million; while Agencies, Boards and Commissions (ABCs) spent \$269.519 million or 22.5% of their collective 2009 Approved Capital Budget of \$1.2 billion. In total, Rate Supported Programs spent \$200.523 million or 33.2% of their 2009 Approved Capital Budget of \$603.744 million (see Chart 1). This spending pattern is consistent with prior years; typically, capital project activities tend to be concentrated in the latter half of the year; therefore, capital-

spending rates will accelerate significantly during the second half of the year, consistent with capital project plans and schedules.



As detailed in Appendix 1, projected actual expenditures to year-end are estimated at \$2.132 billion or 77.5% of the total 2009 Approved Capital Budget of \$2.752 billion. Tax Supported Programs project spending to year end of 78.1%; while Rate Supported Programs project spending of 75.1% of their total 2009 Approved Capital Budget

In accordance with the City’s Carry Forward Policy, this report requests Council’s approval to carry forward funds for unspent 2008 approved capital project budget as well as for 2007 and earlier years’ approved capital projects not previously identified and included in the 2009 Approved Capital Budget. The additional carry forward funding request totals \$1.126 million as detailed in Appendix 3.1 for 2008 approved capital projects; funding for 2007 and prior years approved capital projects totals \$0.295 million with no increase to the 2009 Council Approved debt funding as shown in Appendix 3.2.

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RECOMMENDATIONS

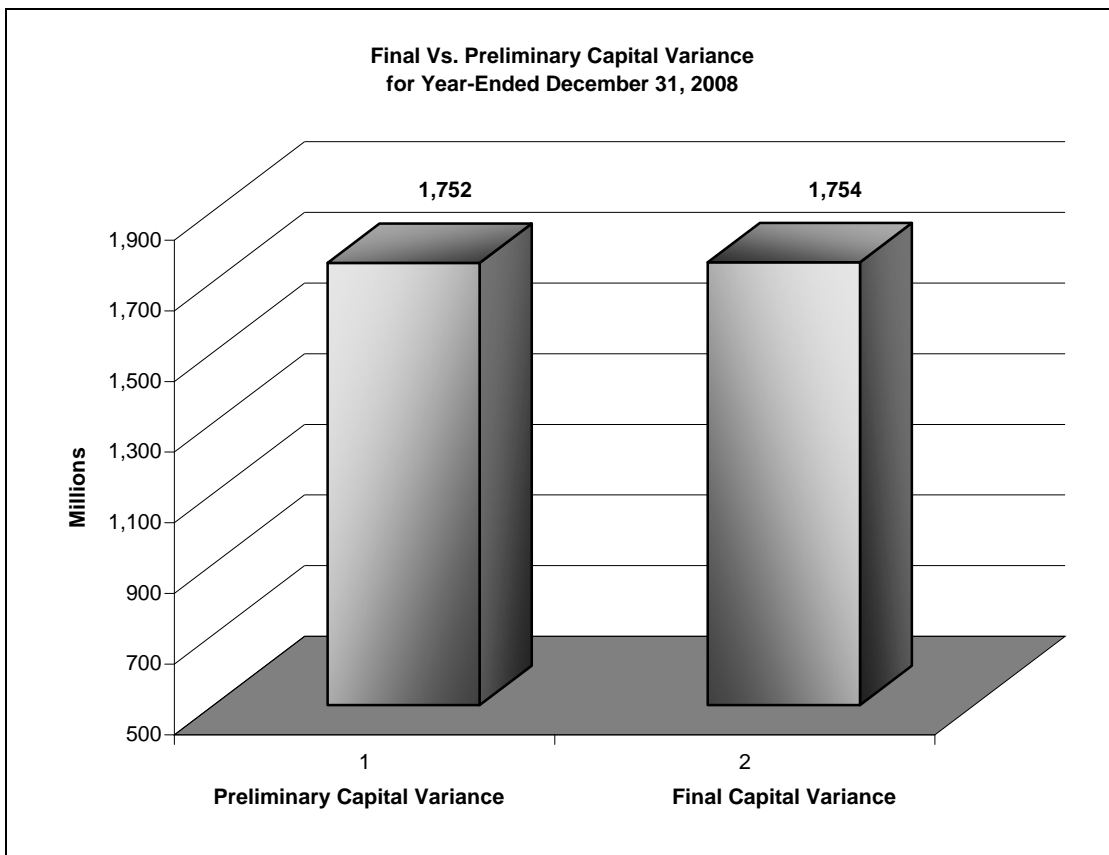
The Deputy City Manager and Chief Financial Officer recommends that:

1. Council approve additional carry forward funding for Toronto Public Library for unspent 2008 capital projects totalling \$1.126 million as detailed in Appendix 3.1, in order to continue work on 2008 approved capital projects.
2. Council approve carry forward funding for unspent 2007 and prior year capital projects totalling \$0.295 million with no incremental increase on the 2009 Council approved debt funding as detailed in Appendix 3.2, and that the 2009 Approved Capital Budget be adjusted accordingly.
3. Council approve closure of the completed capital projects detailed in Appendix 4, and that uncommitted funds from under-spent completed projects be utilized to fund overspent completed projects with no incremental impact on debt, after which any remaining unspent funds be returned to the original funding source.
4. Council approve the technical adjustments to the 2009 Approved Capital Budget as detailed in Appendices 2.1 and 2.2 attached.
5. The Budget Committee forward this report to the Executive Committee for its consideration.

FINANCIAL IMPACT

2008 Final Year-End Capital Variance

The 2008 Final Year-End Capital Expenditure was \$1.754 billion which exceeded the 2008 Preliminary Year-End Capital Expenditure of \$1.752 billion by \$1.472 million as illustrated in Chart 1 below. This additional capital expenditure was due to the final 2008 year-end accounting entries and adjustments processed after the 2008 Preliminary Capital Variance report was prepared.



Capital Variance for the Six Months Ended June 30, 2009

As summarized in Table 1 below, for the six months ended June 30, 2009, actual expenditures for Tax Supported Programs totalled \$392.111 million or 18.3% of the 2009 Approved Capital Budget of \$2.148 billion. Rate Supported Programs spent \$200.523 million or 33.2% of their 2009 Approved Capital Budget of \$603.744 million.

Table 1 Corporate Capital Variance Summary for the Six Months Ended June 30, 2009 (\$000s)					
	2009 Approved Budget	Actual Expenditures - January 1 to June 30, 2009		Projected Actual to Year-End	
		\$000	%	\$000	% of Plan
Tax Supported Programs:					
Citizen Centred Services - "A"	202,983	30,531	15.0	161,372	79.5%
Citizen Centred Services - "B"	469,438	46,223	9.8	367,528	78.3%
Internal Services	179,309	25,461	14.2	139,958	78.1%
Other City Programs	96,462	20,378	21.1	78,998	81.9%
Agencies, Boards & Commission	1,200,139	269,519	22.5	930,620	77.5%
Total - Tax Supported	2,148,330	392,111	18.3	1,678,475	78.1%
Rate Supported Programs:					
Toronto Parking Authority	30,495	5,172	17.0	12,971	42.5%
Solid Waste Management	69,011	5,372	7.8	55,157	79.9%
Toronto Water	504,238	189,979	37.7	385,083	76.4%
Total Rate Supported	603,744	200,523	33.2	453,211	75.1%
Total	2,752,074	592,635	21.5	2,131,686	77.5%

ISSUE BACKGROUND


This report is provided pursuant to good business practice and budgetary control. As part of the City's accountability framework, the year-end capital variance report is submitted to Committees and Council to provide information on how the approved capital funds were spent and to identify issues that require direction and / or decisions from Council.

The 2008 Final Year-end Capital Variance Report is an exceptions report. It focuses only on significant changes from the financial information reported in the 2008 Preliminary Capital Variance report. The 2009 2nd Quarter Capital Variance Report details capital spending performance for the period ended June 30, 2009. It identifies factors that negatively impact capital spending plans and, where relevant, proposes appropriate corrective action.

COMMENTS

2008 Final Year End Capital Variance Report

This variance report was prepared based on audited accounting information for the year-end December 31, 2008. Final capital spending results for the year ended December 31, 2008, are \$1.754 billion or 69.9% of the 2008 Council Approved Capital Budget of \$2.509 billion. As shown in the Table below, the 2008 Final Year-End Capital expenditure was \$1.472 billion higher than the capital expenditure of \$1.752 billion previously reported in the 2008 Preliminary Year-End Capital Variance

 CITY OF TORONTO Preliminary vs Final 2008 Capital Variance Report For the Year Ended December 31, 2008 (\$ Million)				
	2008 Approved Budget \$	Final 2008 Actual Expenditures \$	Preliminary 2008 Actual Expenditures \$	Variance Final Vs. Preliminary Expenditure \$
Citizen Centred Services - "A"	207,383	122,956	122,838	118
Citizen Centred Services - "B"	397,367	259,838	258,770	1,068
Internal Services	146,187	96,445	96,481	-36
Other City Programs	56,048	32,910	32,988	-79
Agencies, Boards and Commissions	1,174,530	843,923	844,700	-777
TOTAL - TAX SUPPORTED PROGRAM	1,981,515	1,356,072	1,355,777	294
Rate Supported Programs				
Toronto Parking Authority	26,746	7,799	7,899	-100
Solid Waste Management Services	90,547	71,507	71,507	0
Toronto Water	410,000	318,429	317,151	1,278
TOTAL RATE SUPPORTED PROGRAM	527,293	397,735	396,557	1,178
TOTAL	2,508,809	1,753,807	1,752,335	1,472

Tax Supported Programs collectively incurred additional capital expenditures of \$0.294 million, compared to 2008 Preliminary Year-end Capital Variance Report, mainly attributed to TTC's additional 2008 capital expenditures of \$0.700 million is year-end increased costs for the Kipling Station Improvements project, offset by smaller under expenditures in other Programs.

Rate Supported Programs collectively reported additional capital expenditure of \$1.178 million principally attributed to the late booking of inter – dismissal charges and invoices by Toronto Water.

Technical and In-year Budget Adjustments (see Appendix 2.1)

As detailed in Appendix 2.1, technical and budget adjustments are requested for Toronto Transit Commission. The adjustments are required to reallocate funds between projects in order to fund cash flow shortfalls in various TTC projects, as well as to adjust cash flow to meet their unspecified 2008 budget reduction.

Additional Carry Forwards (see Appendix 3.1)

The City's Carry Forward Policy permits City Programs, Agencies, Boards and Commissions to adjust their prior year carry forward requirements based on updated information after all year-end transactions are identified and processed. Appendices 3.1 and 3.2 detail additional 2008 and 2007 carry forward funding for City Program's and ABC's projects.

2008 carry forward funding in the amount of \$1.126 million is requested by Toronto Public Library to continue work on 2008 approved capital projects. It is noted that reductions included in Appendix 3.1 are to correct overstated carry forward funding estimates already included in the 2009 Council Approved Capital Budget.

Additional 2007 and prior years' carry forward funding of \$0.295 million with no incremental increase on debt, is requested by City Clerk's Office as detailed in Appendix 3.2. In accordance with the City's Carry Forward Policy, carry forward funding for projects approved two or more years earlier, have been treated as new; and to ensure that the approved debt limits for 2009 were not exceeded, other approved capital projects were appropriately adjusted.

Capital Projects Recommended for Closure (see Appendix 4)

The City's Financial Control By-Law requires that completed or inactive projects be closed in a timely manner. Appendix 4 details completed projects for various City Programs, Agencies, Boards and Commissions. Uncommitted funds from under-spent completed projects will be utilized to fund overspent completed projects with no incremental impact on debt, after which any remaining unspent funds are returned to the original funding source.

2009 Six Months Capital Variance Report

At its meeting of December 10, 2008, Council approved a 2009 Tax-Supported Capital Budget of \$1.637 billion and on November 6, 2008, Council approved a 2009 Rate-Supported Capital Budget of \$514.223 million for a total Tax and Rate-Supported 2009 Capital Budget of \$2.151 billion. The 2009 Rate-Supported Capital Budget consists of \$429.838 million for Toronto Water, \$27.930 million for Toronto Parking Authority and \$56.455 for Solid Waste Management. After additional 2008 carry forward funding, the 2009 Adjusted Capital Budget is \$2.752 billion.

Capital spending performance for each Program and Agency, Board and Commission for the period ending June 30, 2009 is discussed below.

At its meeting on August 5 – 6, 2009, the Council approved Budget Committee recommendation to include State of Good Repair analysis for current and previous year with the Second Quarter 2009 Capital Variance report. Appendix 1.1 presents breakdown of the SOGR projects by individual Program, Agency, Board and Commission.

SOGR spending rate analysis for City Programs, Agencies, Boards and Commissions is discussed within their respective sections below.

CAPITAL VARIANCE BY PROGRAM / ABC

Citizen Centred Services "A"

For the six months ended June 30, 2009, actual capital expenditures for this Cluster totalled \$30.531 million or 15.0% of the 2009 Approved Capital Budget of \$202.983 million. Capital spending for Citizen Centred Services "A" is expected to increase to \$161.372 million or 79.5% by year-end. Capital spending performance, including explanations of significant under-spending for Programs within this Cluster is summarized below:

Citizen Centred Services "A"				
Q2 2009 Capital Variance				
(\$ Million)				
	June 30, 2009		Projected 2009 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
311 Customer Service Strategy	(12.8)	30.1	(7.2)	60.8
Children's Services	(10.5)	1.6	(2.9)	72.5
Court Services	(1.5)	57.1	0.0	100.0
Economic Development & Tourism	(19.1)	11.8	(6.2)	71.4
Emergency Medical Services	(7.2)	22.3	(2.1)	78.0
LTCHS (Homes for the Aged)	(8.5)	26.3	(1.7)	85.0
Parks, Forestry & Recreation	(103.7)	10.8	(20.4)	82.5
Shelter, Support and Housing Administration	(5.5)	27.6	(1.1)	85.4
Toronto Employment and Social Services	(3.6)	13.0	0.0	100.0
Sub-Total	(172.5)	15.0	(41.6)	79.5

3-1-1 Customer Service Strategy's actual expenditures for the six months ended June 30, 2009 totalled \$5.531 million or 30% of its 2009 Approved Capital Budget of \$18.380 million. According to project schedule milestones, it is expected that \$11.167 million or 60.8 % of the 2009 Approved Capital Budget will be spent by year-end. Project timelines have been adjusted to reflect the impact of the labour disruption and the Phase I launch is planned for the Fall of 2009. The remaining 2009 funds will be carried over into early 2010 to complete Phase II.

The 311 Customer Service Strategy Program's capital projects are all categorized as Service Improvement projects. The spending rate for the same period of 2008 was 13.9% of its 2008 Approved Capital Budget of \$26.599 million, while the spending rate at year-end was 51.4% or \$13.661 million.

Children's Services spent \$0.172 million (\$0.194 million in *New Child Care Centres*, offset by \$0.024 million in recoveries from 2008 contractor settlements in the *Health and Safety Playground project*) or 1.6% of its 2009 Approved Capital Budget of \$10.686 million during the six months ended June 30, 2009, and project a year-end spending rate of 72.5% or \$7.743 million. Spending highlights include the following:

- *Health and Safety Playground*, with an approved cash flow of \$5.0 million is projected be fully spent at year-end, subject to receiving the \$4.0 million provincial funding contribution (80%); the City portion of \$1.0 million (20%) will be 100% spent, as project requests are received and approved.
- The *New Child Care Centres*, with an approved cash flow of \$4.086 million, has total spending of \$0.194 million for the *Thorncliffe Park Centre*, with projected spending of \$0.923 million by year-end for this project. *Chester Le, St Andrew and Centre D (Thomas Berry)* have no spending to date, as these projects are in various phases of construction, including conducting feasibility studies, finalizing architectural designs and concluding negotiations with school boards and service providers. These projects are projected to have spending of \$1.0 million by year-end.
- The *Regent Park Child Care Centre*, with an approved cash flow of \$1.250 million had no spending at June 30, 2009. It is projected that expenditures at year-end will be \$0.500 million and that completion of this project will be delayed to 2010. The under-spending is attributed to delays in site selection associated with the Regent Park revitalization.
- *MCCS State of Good Repair*, with an approved cash flow of \$0.3 million, had no spending at June 30, 2009; however, the project is expected to be fully spent by year end, once project requests are received and approved.
- The *118 Enderby Child Care Centre*, with an approved cash flow of \$0.050 million had spending of \$0.002 million at the end of June 2009; the projected expenditure to year-end is \$0.020 million, with completion scheduled for 2010.

The 2009 *State of Good Repair (SOGR)* budget for Children's Services is comprised of one project, the *Municipal Child Care Centres SOGR* with a budget of \$0.300 million. While no spending had been realised by the end of June 2009, the project is projected to be fully spent by year-end. For 2008, the SOGR budget was comprised of \$0.300 million for the *Municipal Child Care SOGR*. There was no spending at the end of June 2008, while the year-end spending was \$0.299 million representing a spending rate of 99.7%.

Court Services spent \$1.465 million or 57.1% of its 2009 Approved Capital Budget of \$3.418 million at the end of the first six months of 2009. All projects are funded from the Provincial Offences Court Stabilization Reserve, and have no impact on the City's debt. While all the projects have been initiated and most are near completion, the under-spending is mainly attributable to timing of payments to vendors. Payments for the work completed take place once the project or a particular project phase has been completed and inspected. The Program projects that 100% of its 2009 Approved Budget will be spent by year-end. Court Services Program has no State of Good Repair projects.

Economic Development, Culture & Tourism spent \$2.545 million or 11.8% of its 2009 Approved Capital Budget of \$21.649 million over the first six months of 2009. Capital spending is expected to reach \$15.457 million or 71.4% of the approved budget by year-end. The projected year-end under-spending is mainly due to the following projects:

- *Fort York Adding New Buildings (\$0.617 million)* project has been delayed as a result of complexity of the purchasing process involved in a two stage competition for the new cultural centre. Work is proceeding on all of these RPP's simultaneously, and several have already been issued with purchase orders.
- The *Guild Revitalization (\$0.770 million)* project has been delayed due to continued negotiations with the investment partner. The economic downturn in 2009 has had an impact on the ability of the partner to secure investment and an agreement to proceed. Cultural Services has undertaken some of the work identified as a City obligation, such as identifying and remediating environmental hazards. A decision has been made to commence state of good repair stabilization in advance of a final deal with the City's partner.

As at June 30th, 2009, the program spent \$1.511 million or 11.4% of the \$13.268 million approved cash flow for *State of Good Repair* projects. The spending rate in the same period of last year was 8.7%. Year-end spending is projected to be \$10.020 million or 75.5% of the approved cash flow in this category which is comparable to last year's rate of 79%.

The projected year-end SOGR under-spending is mainly due to the *John St. Roundhouse 2009 (\$0.600 million)* project, which is delayed due to the seasonal nature of the landscaping work. The contract for more than \$1.6 million was awarded late in the spring and will be completed in August, 2009.

Emergency Medical Services' (EMS) capital expenditures for the six months ended June 30, 2009 totalled \$2.084 million or 22.3% of its 2009 Approved Capital Budget of \$9.333 million. The Program's projected actual expenditures to year-end are expected to be \$7.282 million or 78.0% of its 2009 Approved Capital Budget. The projected under spending of \$2.051 million by year-end is mainly attributable to four State of Good Repair (SOGR) projects:

- Signing of construction contracts were behind schedule, which, when combined with the recent labour disruption, has delayed the commencement of the reconstruction projects for *Stations 17 and 18* (\$1.035 million);
- Contract negotiations, in consultation with IT's Contract Management Office, took longer than expected, thus delaying the implementation of *Phase 2 of the Central Ambulance Communication Centre (CACC) and Systems Redesign* project to early 2010 (\$0.586 million);
- the *Emergency Power Supply* project is anticipated to be completed under budget by \$0.119 million; and,
- Structural design changes for some stations will delay the completion of *the Asset Management and Station Refurbishment* projects into 2010 (\$0.131 million).

State of Good Repair (SOGR) projects comprise 91.1% or \$8.505 million of the 2009 Approved Capital Budget of \$9.333 million. SOGR actual expenditures for the 6 months ended June 30, 2009 total \$1.972 million or 23.2% of the 2009 approved cash flow. The current spending rate of 23.2% is a significant improvement over the 6.4% spending rate during the same period in 2008.

Long-Term Care Homes & Services (LTCHS) spent \$3.046 million or 26.3 % of its 2009 Approved Capital Budget of \$11.584 million over the first six months of 2009. Contracts amounting to \$7.022 million or 61% of the approved cash flow have been tendered and issued. While all Long-Term Care Homes & Services projects are in process, the labour disruption created delays to tender releases. LTCHS projects that 85% of its 2009 Approved Budget will be spent by year-end.

State of Good Repair projects represent 16.5% or \$1.916 million of the 2009 Approved Capital Budget of \$11.584 million. As at June 30, 2009, 26.1% of the approved funding for SOGR projects was spent. The completion rate in the same period of the last year was 37.1%. State of Good Repair projects are projected to be spent 100% by year-end. At year-end 2008 spending rate was 77.0%.

Parks, Forestry & Recreation (PF&R) spent \$12.574 million or 10.8% of its 2009 Approved Capital Budget of \$116.249 million over the first six months of 2009. Capital spending is expected to reach \$95.875 million or 82.5% of its 2009 Approved Capital Budget by year-end. The projected under-spending is mainly due to the following projects:

- *Facility Components*: under-spending of \$2.700 million is anticipated since \$1.300 million of the *Work Order System* project funding will not be spent, approximately \$1.000 million for security and \$0.400 million for the SAP real estate module will not be spent;
- *Outdoor Recreation Centre*: under-spending of \$0.700 million is projected as \$0.200 million will not be spent at the *St. Mathews Lawn Bowling Club* due to scheduling delays and the Partnership Opportunity Legacy donation has not yet been received for the Panorama Court cricket field;
- *Park Development*: under-spending of \$3.000 million is projected since the CP PS Lead - Phase 2 may not be completed by year end and the Dogs Off Leash Area fencing budget for 2009 will not be fully spent this year as not all of the parks are ready for implementation;
- *Playgrounds/Waterplay*: under-spending of \$0.500 million is projected since wading pool construction will not be starting until the fall;
- *Pools*: under-spending of \$4.000 million is anticipated, primarily due to the delays in coordinating the *Regent Park Pool* redevelopment with the Toronto Community Housing Corporation. Due to recommendations from the various stakeholders, a revision to the pool design to better serve the needs of youth and seniors has begun.
- *Arenas*: under-spending of \$1.500 million is expected due to delays arising from the labour disruption as work did not get started during the arenas' "shut down period" and *Arena Capital Asset Maintenance (CAMP)* and *Col. Sam Smith Outdoor Rink* sub-projects will not be completed since community opposition has delayed both projects;
- *Community Centres*: under-spending of \$4.000 million is projected. The Warden Corridor Community Centre will be tendered later than originally scheduled and Toronto and Region Conservation Authority (TRCA) approval for York Community Centre has been delayed due to concerns regarding the Black Creek bank stabilization;
- *Special Facilities*: under-spending of \$2.000 million is expected since the ferry vessels cannot be scheduled to go into dry dock for maintenance works until year end.

During the first six months 2009, spending for *State of Good Repair (SOGR)* projects was \$3.383 million or 9.6% of the 2009 approved state of good repair cash flow of \$35.361 million, as compared to the 11.6% spending rate in 2008. PF&R projects SOGR actual expenditure of \$29.700 million or 84% of its SOGR approved cash flow by year-end. In 2008, the year-end spending rate was 82%. The projected under-spending is mainly due to the following projects:

- *Outdoor Recreation Centre*: under-spending of \$0.2 million is projected since the Beach volley donations have not been received;

- *Pools*: under-spending of \$1.5 million is anticipated since the work at the Gus Ryder outdoor pool did not start in the spring, as planned, due to a legal challenge from an unsuccessful bidder. The contract was awarded and construction was deferred to the fall of 2009 and spring of 2010;
- *Arenas*: under-spending of \$1.5 million is projected due to the labour disruption as work did not get started during the arenas' "shut down period";
- *Community Centres*: under-spending of \$0.6 million is projected due to complications with the lease with TDSB at Franklin Horner;
- *Special Facilities*: under-spending of \$0.850 million is anticipated since Bentworth yard site plan approval was delayed due to labour disruption.

Shelter, Support and Housing Administration (SSHA) spent \$2.092 million or 27.6% of its 2009 Approved Capital Budget of \$7.583 million at the end of the second quarter. The projected year-end spending rate is expected to be 85.4%. Second quarter spending highlights include the following:

- *129 Peter Street Shelter* project spending to date is \$0.978 million, or 38.6% of the 2009 approved cash flow of \$2.534 million. Construction has been delayed due to asbestos removal and difficulties with sewage connection; the revised completion date is fall 2009.
- *Eva's Youth Shelter* project spending to date is \$0.374 million, or 83.7% of the 2009 approved cash flow of \$0.447 million. Construction has been completed for this project. The account will remain open to insure final invoices are clear.
- *Social Housing Administration System* project spending to date is \$0.353 million or 16.1% of the 2009 approved cash flow of \$2.192 million. The roll-out and testing of this project has been delayed due to the 2009 labour disruption.
- *Shelter Management Information System* project spending to date is \$0.029 million or 4.4% of the 2009 approved cash flow of \$0.662 million; with the pilot and testing phases nearly completed, the full implementation is scheduled for the second half of the year.
- *AHO Information Tracking Systems* project spending for these two projects with an approved 2009 cash flow of \$0.300 million has not yet begun, although hiring of the development team has commenced.
- *Shelter Development* project spending to date is \$0.016 million or 4.6% of the 2009 approved cash flow of \$0.350 million, with facility assessments and land value appraisals underway. Spending will accelerate in the second half of the year, as the studies near completion.

- *Capital Repairs/ Replacements for City Operated/ Leased Shelters* project expenditures to the end of June 2009 is \$0.307 million or 31.2% of the 2009 approved cash flow of \$1.098 million. Spending will accelerate in the second half of the year, as the RFP/RFQs are awarded.

The *State of Good Repair (SOGR)* projects for SSHA are comprised of 2 projects; both are for the general repair of City owned shelters. The approved cash flow for SOGR projects in 2009 is \$1.098 million with a six months spending at 31.2 %. Both projects are expected to be fully spent by the end of the year. The spending rate has improved over 2008 where the budgeted cash flow was \$0.707 million with 6 month spending reported at 5.5%. The 2008 year-end spending for these projects was \$0.501 million, with a spending rate of 70.9%.

Toronto Employment & Social Services (TESS) spent \$0.534 million or 13% of its 2009 Approved Capital Budget of \$4.102 million during the first six months of 2009. All projects are fully funded by provincial subsidies dedicated to technology for the Ontario Works (OW) program. TESS projects that its 2009 Approved Capital Budget will be fully spent by year-end.

- The *WAYS - Phase 1* (external web-enabled interactive tools) project was launched successfully in November 2008 and final payments were made during the first quarter of 2009. Further enhancements are required due to OW rate changes and French conversion.
- The *Employment Assistance - Phase 1* project is on schedule with the first module implemented, while development work for the second module is continuing.
- A contract with Oracle is expected to be finalized in 2009 for the development of an interactive dashboard for the *MIS-Data Mart - Phase 1* project.
- The *Case Management - Phase 1* project is in the planning stage.
- A Business Case for the *WAYS - Phase 2* project was submitted to the Province followed by a presentation to the joint Online Application Pilot Steering Committee (Province & City). Funding negotiations are ongoing. A sole source request for a contract with Sylogix has been approved by Council.

TESS does not have any 2009 capital projects categorized as State of Good Repair projects

Citizen Centred Services “B”

For the six months ended June 30, 2009, actual capital expenditures for this Cluster totalled \$46.223 million or 9.8% of the 2009 Approved Capital Budget of \$469.438 million. Capital spending for Citizen Centred Services “B” is expected to increase to \$367.528 million or 78.3% of the 2009 Approved Capital Budget by year-end. Spending

performance, including explanations of significant variances for Programs within this Cluster, is summarized below:

Citizen Centred Services "B"				
Q2 2009 Capital Variance				
(\$ Million)				
	June 30, 2009		Projected 2009 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Planning	(6.9)	20.6	(2.0)	77.2
Policy, Planning, Finance and Administration	(10.2)	9.4	(4.8)	57.2
Fire Services	(6.6)	20.8	(1.4)	83.1
Transportation Services	(327.9)	11.0	(76.9)	79.1
Climate Change	(1.0)	32.3	(0.1)	93.4
Waterfront Revitalisation Initiative	(70.6)	0.7	(16.7)	76.5
Sub-Total	(423.2)	9.8	(101.9)	78.3

City Planning capital expenditures over the first six months of 2009 totalled \$1.795 million or 20.6 % of its 2009 Approved Capital Budget of \$8.733 million. City Planning is projecting year-end spending of \$6.745 million or 77.2%. This represents an improvement over 2008 when spending at the end of June was 10.8% and 59.5% at year-end. City Planning capital spending by category is summarized below:

City Planning does not have any 2009 capital projects categorized as *State of Good Repair* projects.

Growth Related project represent 69.5% or \$6.065 million of the 2009 Approved Capital Budget. As at June 30, 18.8% or \$1.140 million of the approved funding for Growth Related projects was spent; and projected year-end spending is \$4.646 million or 76.6% for these projects. The projected year end variance of \$1.420 million for Growth Related projects is primarily due to \$1.022 million in anticipated unspent funds for Civic Improvement Projects. It is anticipated that these Growth Related projects which are currently underway will be completed by 2010.

Legislated projects represent 15.4% or \$1.342 million of its 2009 Approved Capital Budget. As of June 30th, 5.3% or \$0.072 million of the approved funding for Legislated projects was spent. City Planning projects year end spending of \$0.837 million or 62.4% for these projects. Significant Legislated projects include:

- Field investigation is underway and it is projected that the initial phase of the Inventory and Integrated Evaluation System for the *Natural Heritage Inventory Studies* project will be completed in 2009 along with 33% of the second phase, with total funding of \$0.395 million. This project will accurately map Natural Heritage Systems.

- The projected year end variance of \$0.505 million for Service Improvement projects is primarily due to \$0.281 million in anticipated unspent funds for the 2009 phase of the New Zoning By-Law. This project is proceeding as planned, however the anticipated completion is now planned for the first quarter of 2010 due to delays as a result of the labour disruption.

Service Improvement projects represent 15.2% or \$1.327 million of the 2009 Approved Capital Budget. As of June 30th, 44.0% or \$0.583 million of the approved funding for Service Improvement projects was spent, the Program is projecting year end spending of \$1.262 million or 95.2% for these projects. Service Improvement projects are proceeding as planned; the projected minor year-end variance of \$0.064 million is due to the labour disruption.

Policy, Planning, Finance and Administration's (PPF&A) capital expenditures for the period ended June 30, 2009 totalled \$1.058 million or 9.4 % of its 2009 Approved Capital Budget of \$11.281 million. As most expenditures usually occur after this date, PPF&A is presently forecasting that the total capital spending at year-end will be at 57.2% of its 2009 Approved Capital Budget which is higher than the spending rate of 36% realized last year.

State of Good Repair projects represent 12% or \$1.385 million of the 2009 Approved Capital Budget. As at June 30, 2009 only 0.6% of the approved funding for SOGR projects was spent. However, PPF&A projects a SOGR spending rate of 99.5%, primarily to complete *Asset Preservation* projects of \$1.002 million that keep the 11 works yards in a steady state of good repair. It is projected that spending will continue in accordance with plan and these projects will be 99.5% complete at year end.

Service Improvement project funding represents 88% of the 2009 Approved Capital Budget. As at June 30, 2009, 10.6% of the approved funding was spent. The most significant projects in this category are:

- *Business Sustainment Business projects* which represent 48% of the 2009 Approved Capital Budget and 58% of total current period spending. As at June 30, 2009 11.2% of the approved funding was spent. PPF&A is presently projecting a spending rate of 54.4% at year end. The under-spending is mainly attributed to resource challenges.
- *Mainframe Application Replacement* project represents 18% of the 2009 Approved Capital Budget and 21% of total current period spending. PPF&A is presently projecting a spending rate of 48.7% at year-end for this project. This year's budget will be under-spent due to delayed hiring, the labour disruption and fewer purchases of some infrastructure hardware/software than originally anticipated. A revised budget request has been prepared as part of the 2010 capital budget submission to carry-forward the unspent 2009 funding and to reallocate any new funding to 2011.

Fire Services spent \$1.730 million or 20.8% of its 2009 Approved Capital Budget of \$8.316 million over the first six months of 2009. Actual spending to year-end is

projected to be \$6.907 million or 83.1% of the 2009 Approved Capital Budget. The average spending rate in prior years has been approximately 68%.

State of Good Repair projects (SOGR) represent 63% or \$5.276 million of the 2009 Approved Capital Budget. As of June 30th only 5 % of the approved funding for SOGR projects was spent. The spending rate in the first six months of 2008 was 12%. Fire Services is presently projecting a year-end spending rate of 80% in this category compared to last year's spending rate of 70%. Significant SOGR projects projected to be complete by year-end are:

- *Asset Management* projects represent \$1.772 million or 21.3% of the 2009 Approved Capital Budget. It is projected, based on the current estimates from Corporate Facilities, that capital project activities and spending will continue in accordance with plans and will be 100% complete at year-end. The 2008 completion rate for the Asset Management projects was 87%.
- The contract for the *Replacement of Portable Radios* project has been finalized and the acquisition of 188 units is ready to proceed. The approved cash flow of \$1.0 million will be 100% spent by year end.
- Spending on the Overhaul of the Fire Boat Electrical System and medical Cabin commenced in July 2009. The approved cash flow of \$0.514 million will be 100% spent by year end.

Significant SOGR projects that will be under-spent this year include:

- The restoration of heritage Fire Station # 227 on Queen Street East in the Beaches, with a total project cost of \$1.800 million is scheduled to start in 2009. This capital expenditure is required due to the deterioration of the façade and clock tower. However, because of the labour disruption, a contract for a general contractor is delayed and has not yet been awarded. The 2009 planned cash flow of \$0.700 million will be under spent by \$0.550 million as only some inside work will be done by year end.
- The Voice Logging System, meant to provide complete redundancy and improved archiving capabilities while reducing system failures, has a 2009 approved cash flow of \$0.400 million. Spending has been delayed due to the recent municipal strike resulting in an estimated under-expenditure of \$0.295 million with only the first of two parts to be complete by year-end.

Service Improvement project funding represents \$2.187 million or 26.3% of the 2009 Approved Capital Budget. The 2009 approved cash flow is for the *Toryork Bays Extension* project to allow an increase in vehicle servicing capacity. The project is well underway and is projected to be finished by year-end. As of June 30, 2009 52% of the approved funding for these projects was spent.

Transportation Services spent \$40.638 million or 11.0% of its 2009 Approved Capital Budget of \$368.511 million for the period ended June 30, 2009. Actual spending to year-end is projected to be \$291.628 million or 79.1% of the 2009 Approved Capital Budget. The average spending rate over the five previous years has been approximately 62.4%.

State of Good Repair projects (SOGR) represent \$175.804 million or 48% of the 2009 Approved Capital Budget. As of June 30th, 12.7% of the approved cash flow funding for SOGR projects was spent. The spending rate in the first six months of the last year was 7%. Transportation Services is presently projecting a year-end spending rate of 79% in this category compared to last year's spending rate of 72%.

There are no SOGR projects projected to be 100% spent by year-end. Efforts are under way to maximize spending through the tendering and project completion process.

- Road and Sidewalk projects (including expressways) represent \$111.927 million or 64% of the 2009 Approved Capital Budget for SOGR. It is projected that capital project activities and spending will continue in accordance with plans and be 80% spent at year end with under spending of \$22.4 million. The 2008 spending rate for the Road and Sidewalk projects was 70%.
- Bridge projects represent \$56.918 million or 32% of the 2009 Approved Capital Budget for SOGR. It is projected that bridge project activities and spending will continue in accordance with plans and be 76% spent at year end with under spending of \$13.4 million. The 2008 spending rate for the Bridge projects was 64%.

Growth Related projects represent \$157.272 million or 43% of the 2009 Approved Capital Budget. As of June 30th 2009, only 8% of the approved funding for Growth projects was spent. The spending rate in the first six months of the last year was 33%. Transportation Services is presently projecting a year-end spending rate of 79% in this category compared to last year's spending rate of 64%. There are no Growth projects projected to be 100% spent by year-end.

- The *St. Clair Dedicated Right of Way* project is projected to be \$50.566 million or 80% spent at year-end, with under spending of \$10.2 million. The project is progressing.
- The *Bloor Street Transformation* project is projected to be \$17.5 million or 78% spent at year-end out of 2009 approved cash flow of \$22.389 million resulting in under spending of \$4.9 million. The project has been tendered and awarded and construction has begun. Progress on the project had been delayed by a court challenge and adjustments to schedules arising from the need to accommodate the local BIA's expressed intent to minimize disruptions during seasonal shopping period in December.
- The *Dufferin Jog Elimination* project is projected to be \$21 million or 77% spent at year-end out of its 2009 approved cash flow \$27.163 million, with under spending of \$6.2 million. Construction delays has resulted from design changes and coordination obstacles with the railways; however tenders have been issued and work is proceeding. The project is expected to be fully completed by spring 2011.

Service Improvement and *Health & Safety* project funding together represent \$35.435 million or 9.6% of the 2009 Approved Capital Budget. The 2009 approved cash flow includes projects related to traffic control, salt management, cycling infrastructure and engineering studies. As of June 30th, the approved funding for these projects was 18% spent. The spending rate in the same period last year was only 6%. Transportation Services is presently projecting a year-end spending rate of 81% in this category compared to last year's spending rate of 41%.

The Toronto Environment Office (TEO) capital expenditures for the period ended June 30, 2009 totalled \$0.493 million or 32.3 % of its 2009 Approved Capital Budget of \$1.525 million. The Toronto Environment Office is projecting year-end spending of \$1.425 million or 93.4%. The 2009 variance shows a significant improvement to 2008 spending, which was 8.4% as at June 30, and 38.0% at December 30, 2008. TEO has no State of Good Repair projects in 2009.

Service Improvement project represent 100% of the 2009 Approved Capital Budget. Significant projects include:

- The *ECO Roof Grant* – the program received proposals in the spring of 2009 for the Eco-Roof grant. The selected projects will receive approximately \$0.5 million from the Eco-Roof grant project, with funds provided once the recipients complete their project.
- The projected year end variance of \$0.100 million is due to the under spending in the *Investigate Deep Water Cooling* project will not occur in 2009 because the scope of the project exceeds available funds and, thereafter the approved cash flow of \$0.1 million will not be spent in 2009. New proposals are being examined for possible inclusion in the Sustainable Energy Strategy.

The Waterfront Revitalization Initiative's capital expenditures for the period ended June 30, 2009 totalled \$0.509 million or 0.7 % of the 2009 Approved Capital Budget of \$71.072 million. The Waterfront Revitalization Initiative is projecting year-end spending of \$54.372 million or 76.5%. The 2009 variance shows a slight drop from 2008 spending levels of 0.2% at the end of June 2008, and 87.2% at December 31, 2008. The Waterfront Revitalization Initiative does not have any 2009 capital projects categorized as State of Good Repair projects.

Growth Related project represent 100% of the 2009 Approved Capital Budget. Significant projects include: The 2009 phases for Transportation Initiatives with funding of \$10.507 million and; the *Port Union and Mimico Parks* projects with combined 2009 funding of \$1.714 million. These projects will be completed by year end, showing significant progress at the Waterfront with continuing focus on determined implementation of plans over the next 5 years.

The projected year end variance of \$16.7 million is primarily due to \$5.416 million in anticipated unspent funds for Sportsfield Facilities and Parks Development and \$4.861 million in unspent funds for Precinct Implementation Projects, due to adjustments to the

implementation schedule for the East Bayfront and West Don Lands Precincts as well as the Central Waterfront Public Realm.

Internal Services

For the six months ended June 30, 2009 actual capital expenditures for Internal Services' Programs totalled \$25.461 million or 14.2% of their collective 2009 Approved Capital Budget of \$179.309 million. Capital spending for Internal Services is expected to increase to \$139.958 million or 78.1% of its 2009 Approved Capital Budget by year-end. Spending performance for Internal Services Programs is summarized below:

Internal Services				
Q2 2009 Capital Variance				
(\$ Million)				
	June 30, 2009		Projected 2009 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Facilities & Real Estate	(48.3)	11.7	(2.0)	90.2
Financial Services	(13.9)	9.7	(9.4)	38.6
Fleet Services	(48.9)	17.4	(16.5)	72.2
Information Technology	(42.8)	14.6	(8.1)	83.8
Sub-Total	(153.8)	14.2	(39.4)	78.1

Facilities and Real Estate's capital expenditures for the period ended June 30, 2009 totalled \$6.396 million or 11.7 % of the 2009 Approved Capital Budget of \$54.657 million. The spending rate is consistent with project schedules for construction. Typically, the majority of cash flow funding is spent in the third and fourth quarters, after construction is tendered and awarded. F&RE is projecting spending of \$49.295 million or 90.2% of its 2009 Approved Capital Budget by year-end. The average spending rate for the previous three years has been approximately 82%.

State of Good Repair projects represent 53% or \$29.173 million of the 2009 approved cash flow. As of June 30, 2009 15.9% or \$4.635 million of the approved funding for SOGR projects was spent. The spending rate in the same period of 2008 was also 15.9%. As most expenditures usually occur in the second part of the year, Facilities and Real Estate is presently projecting a spending rate of 96.1% compared to 87.8% in 2008. This category of projects consists of approximately 100 projects in various project groupings that focus on the type of capital maintenance required (structural maintenance, re-roofing, site work etc.) to keep assets in a state of good repair.

The most significant SOGR projects are:

- The *Old City Hall HVAC Upgrade* project and other *Old City Hall upgrade/retrofit* projects (\$4.860 million in total) represent 8.9% of the 2009 approved cash flow, but did not incur any spending during the period ended June 30, 2009. A contract for the

Old City Hall HVAC and ceiling retrofit in the amount of \$21.0 million was approved by Council in May 2009. Based on current estimates, the Program is projecting spending rate of 100%. The 2008 spending rate was 0% as all approved upgrade/retrofit projects were delayed to be incorporated with the largest one, the Old City Hall HVAC Upgrade project, which was subsequently approved in 2009.

- The *Nathan Phillip Square* state of good repair work, including City Hall's second floor roof repair (\$6.741 million) accounts for another 12.3% of the 2009 approved cash flow. This project is 22.8% spent and it is projected that all work will be completed by year end.

Service Improvement project funding represents 29% or \$15.929 million of the 2009 Approved Cash Flow. The major projects included in this category are *Bathurst Street Silo Stabilization* and *Nathan Phillips Square Revitalization* projects, as well as renovations of a number of other City's facilities such as City Hall's Wedding Chapel. At the end of June 30, 2009, \$0.724 million or 4.5% of the approved cash flow for Service Improvement projects was spent. As project plans were finalized in the first two quarters of 2009, actual construction work will continue in the 3rd Quarter, with the majority of invoicing in the 4th Quarter of 2009. Facilities and Real Estate is presently projecting a spending rate of 90.7% in this category, compared to a spending rate of 84.2% in 2008.

The only *Growth related* projects are the development of Father Henry Carr High School and renovations of the facility at 1652 Keele Street, both of them part of Toronto's 13 priority neighbourhoods. They account for approximately 7% or \$3.477 million of the 2009 approved cash flow. The spending rate during the current period was 0.2%, since meetings with stakeholders that had to be held prior to the project start ups led to a delay in project timelines. It is projected that only 26.2% of the approved cash flow will be spent by year-end.

Other projects represent 11% or \$6.076 million of the 2009 approved cash flow and 16% of the current period total spending. As of June 30th 16.9% of the approved funding for other projects was spent. This category consists of approximately 25 health and safety projects and projects with legislative requirements. The spending rate in the same period of last year was 20.3%. Facilities and Real Estate is presently projecting a spending rate of 96.9% in this category, compared to 100% in 2008.

At this time there is not enough information to report the full impact of the labour disruption on the projected spending rate, but it is expected that capital project activities and spending will increase during the next 2 quarters, in accordance with plans.

Financial Services' capital expenditures for the period ended June 30, 2009 totalled \$1.486 million or 9.7 % of its 2009 Approved Capital Budget of \$15.342 million. Financial Services is presently forecasting that the total capital program spending at year end will be 38.6% of the 2009 Approved Capital Budget. The average spending rate in prior years has been approximately 29.5%.

State of Good Repair projects represent 27.4% or \$4.204 million of the 2009 Approved Capital Budget. As of June 30th only 5.9% of the approved funding for SOGR projects

was spent. The spending rate for the same period in 2008 was 6.9%. However, as most expenditures usually occur in the second part of the year, Financial Services is presently projecting a spending rate of 20.9% in this category compared to 35.4% in 2008. The most significant projects in this category are:

- The *Tax & Water Upgrade* project, which represents 20.1% of the 2009 Approved Capital Budget but only 10.5% of the total current period spending. This project is proceeding slowly pending final approval of a tax-solution provider. Spending is projected to be 17.5% at year end with \$2.541 million of unspent funds. The 2008 spending rate for the Tax & Water Upgrade project was 21.1%.
- Due to the delay in releasing the RFP for the *Payment Processing Equipment Replacement*, this project is now expected to be complete in the first half of 2010 and will result in under-spending of \$0.451 million. Spending of \$0.109 million or 19.5% is projected by year end.
- The *Parking Tag Management Software Upgrade* project with the approved cash flow of \$0.389 million will be under-spent by \$0.259 million in 2009 as this project is on hold pending finalization of requirements from the Alternate Dispute Resolution (ADR) On-line capital project.

Service Improvement project funding represents 57.4% or \$8.802 million of the 2009 Approved Capital Budget. As of June 30th only 13.9% of the approved funding for Service Improvement projects was spent. The spending rate in the same period of last year was only 6.8%. Financial Services is presently projecting spending of 39.4% by year-end compared to 61.6% in 2008.

The most significant projects in this category is the *Workflow and Document Management Technology* project. No spending on this project is expected in 2009 as the original project scope is being revised and the entire 2009 cash flow amount of \$0.772 million is expected to be carried forward to 2010.

Fleet Services' capital spending for the six months ended June 30, 2009 totalled \$10.273 million or 17.4% of its 2009 Approved Capital Budget of \$59.197 million. Fleet Services' projected expenditures to year-end are anticipated to be \$42.745 million or 72.2% of its 2009 Approved Capital Budget.

State of Good Repair projects represent 94.2% or \$55.734 million of the 2009 Approved Capital Budget. As of June 30, \$9.767 million or 17.5% of the approved funding for SOGR projects was spent. With the expected delivery of vehicles in the later half of the year, Fleet Services is projecting a spending rate of 71.0% or \$39.594 million of the approved funding for SOGR projects by year end. The projected under-spending of \$16.140 million is primarily due to a delay in procurement resulting from specification development with Divisions for specialized vehicles and equipment, such as excavators, loaders, side-loading packers, and combination sewer vacuum / cleaners for specific business operations. Vehicle design changes have delayed the replacement of Fire Service vehicles. Significant time was required to evaluate and confirm whether the new designs would serve operational requirements.

The 2008 spending for SOGR projects for the six months ended June 30, 2008 was \$23.534 million or 40.2% of the approved funding of \$58.592 million. The projected SOGR expenditure to 2008 year end was \$43.661 million or 74.5% of the approved funding for SOGR projects.

Service Improvement projects represent 5.8% or \$3.463 million of the 2009 Approved Capital Budget. As at June 30, \$0.507 million or 14.6% of the approved funding for Service Improvement projects was spent. The projected spending on the Service Improvement projects to year end will be \$3.151 million or 91.0% of the approved funding. The projected under-spending of \$0.312 million is due to delays in implementation of the Fleet Fuel system and Management System integration pilot.

The 2008 spending for Service Improvement projects for the six months ended June 30, 2008 was \$0.856 million or 30.9% of the approved funding of \$2.772 million. The projected Service Improvement expenditure to 2008 year end was \$2.373 million or 85.6% of the approved funding for Service Improvement projects.

Information and Technology capital spending for the six months ended June 30, 2009 is \$7.305 million or 14.6% of the 2009 Approved Capital Budget of \$50.113 million. As most expenditures usually occur in the latter part of the year, projected expenditures to year-end are expected to be \$42.002 million or 76.5% of its 2009 Approved Capital Budget. The average spending rate for last five years was approximately 49.3%.

State of Good Repair projects represent 94.1% or \$47.155 million of the 2009 Approved Capital Budget. As of June 30, \$6.891 million or 14.6% of the approved funding for SOGR projects was spent. The spending rate for the same period in 2008 was 19.6%. However, as most expenditures usually occur in the second part of the year, Information and Technology is presently projecting a spending rate of 72.9% in this category; that is slightly higher than the 2008 rate of 71.5%. The most significant projects in this category are:

- *Technology Asset Sustainment* projects represent 50.7% of the 2009 Approved Capital Budget and 32.6% of the total current period spending. It is projected that the sustainment project activities and spending will be 76.4% at year end. The under spending is due to better pricing and effective contract negotiations and acquisitions being delayed in order to redirect reserve funding to SAP License Framework as a priority. The 2008 spending rate for the Technology Asset Sustainment project was 98.8%.
- The *Application Systems* project represents 20.3% of the 2009 Approved Capital Budget and 40.1% of the total current spending. A spending rate of 72.4% is expected at year-end. The under spending is primarily attributed to a shifting of several SAP projects, such as the SAP Foundation Upgrade, the SAP Collaborative Value Assessments, Data Warehouse Implementation to the Financial Planning and Reporting Systems projects. The 2008 spending rate was 45.7%.

- The *Corporate Planning and Management* project represents 10.9% of the 2009 Approved Capital Budget and 14.1% of the total current spending. A spending rate of 78.4% is expected at year-end. The under spending is attributed to challenges in recruitment of qualified staff for several e-City projects, including e-City Information Security, e-City Architecture, and Information Technology Infrastructure Library Best Practices Implementation. The 2008 spending rate was 56.1%.
- *Technology Infrastructure* projects represent 8.7% of the 2009 Approved Capital Budget and 8.9% of the total current spending. The projected spending rate at year-end is 47.3%. The under spending is primarily attributed to the Consolidated Data Centre project where the RFQ for engineering study is pending award. The target date for completing the study is the end of the 1st quarter of 2010. The 2008 spending rate was 51.5%.

A small number of *Growth and Expansion* projects make up 5.9% of the 2009 Approved Capital Budget. As of June 30, \$0.417 million or 14.0% of the approved funding for Growth and Expansion projects was spent. The spending rate in the same period of last year was 15.1%. However, as most expenditures usually occur in the second part of the year, Information and Technology is presently projecting spending of \$1.421 million or 48.0% in this category; that is slightly higher than the 2008 rate of 39.5%. The under spending is due to the *City of Toronto Telecommunications Infrastructure and Voice over Internet Protocol (COTTI/VoiP) Implementation* project, which is at a stage of evaluating the RFP for Data and Voice provider. Implementation is expected in the 3rd quarter of 2010. Also, delays in strategy development are being experienced in the e-City Strategic Plan project.

Other City Programs

For the six months ended June 30, 2009, actual capital expenditures for Other City Programs totalled \$20.377 million or 21.1% of the 2009 Approved Capital Budget of \$96.462 million. Capital spending for these Programs is expected to increase to \$78.998 million or 81.9% of their collective 2009 Approved Capital Budget by year-end. Spending performance, including explanation of significant variances for Programs within this group is summarized below:

Other City Programs				
Q2 2009 Capital Variance				
(\$ Million)				
	June 30, 2009		Projected 2009 Year-End Spending	
	Over/(Under)	% of Budget	% of Budget	
City Clerk's Office	(13.6)	22.5	(3.5)	80.4
Sustainable Energy Plan	(30.7)	6.3	(3.7)	88.8
Union Station	(31.5)	31.3	(10.3)	77.4
Radio Replacement Project	(0.3)	14.3	0.0	100.0
Sub-Total	(76.1)	21.1	(17.5)	81.9

City Clerk's Office spent \$3.966 million or 22.5% of its 2009 Approved Capital Budget of \$17.599 million for six months ended June 30, 2009. As most expenditures usually occur after the 2nd quarter, the City Clerk's Office projected expenditures to year-end are \$14.145 million or 80.4%. The projected under-spending is largely attributed to revised cash flow for The Toronto Meeting Management System (TMMIS). TMMIS is a two year project, and the revised schedule shows completion will be extended from the 1st quarter 2010 to the 4th quarter 2010. The 2009 labour disruption affected progress on capital projects with some deliverables being shifted from the 4th quarter 2009 to the 1st quarter of 2010. The average spending rate in prior years has been approximately 32.8%. The low spending rate in prior years was due to difficulty in acquiring the land for Print Shop Relocation and Elections Renewal Facility in the intended year. Excluding those projects, the average spending rate for last five years was 30.2%.

State of Good Repair projects represent 36.5% or \$6.425 million of the 2009 Approved Capital Budget. As of June 30th, 3.7% of the approved funding for SOGR was spent. However, the City Clerk's Office projects a spending rate of 92.6% in this category; compared to 56.0% in 2008. The most significant projects in this category are:

- The *Print Shop Retro-fit* project, which represents 22.5% of the 2009 Approved Capital Budget, however the spending rate is only 0.6% of the project's approved cash flow for this period, as general contractor has only started to submit its billing in the 3rd quarter of 2009. It is projected that capital project activities and spending will be concentrated in the latter part of 2009, with all payments expected to be made by the end of 2009. Project completion is expected in early 2010.
- The *Printing Equipment Replacement* project, representing 8.5% of the 2009 Approved Capital Budget, is expected to be executed in the fourth quarter of 2009. Delivery of the equipment to the new printing facility is expected in 2009.

Service Improvement project funding represents 2.8% of the 2009 Approved Capital Budget. The 2009 requirement is for the Multi-Media and Production Services and Printing Workflow Management System. The RFP is currently in development and anticipated to be issued by October 2009. It is projected 80% of this project will be completed by end of 2009. There was no Service Improvement Project in 2008.

The majority of City Clerk's Office projects are *Legislated* projects, which represents 60.7% of the 2009 Approved Capital Budget and 94.0% of the current period total spending. As of June 30, 34.9% of the approved cash flow funding for Legislated projects was spent, compared to 0.5% during the same period of 2008. City Clerk's Office projects a spending rate of 73.0% in this category, which is higher than the 2008 spending rate of 16.0%. This higher spending rate in 2009 reflects the completion of land acquisition for Election Renewal Facility and the anticipated completion of renovations for the facility.

The Sustainable Energy Plan's capital expenditures for the period ended June 30, 2009 totalled \$2.061 million or 6.3 % of its 2009 Approved Capital Budget of \$32.778 million. The Sustainable Energy Program's projected expenditure to year-end is estimated at \$29.108 million or 88.8% of its 2009 Approved Capital Budget. The spending rate is dependent on obtaining sufficient applications for funding. The labour dispute has delayed the processing and review of a number of these applications, therefore potentially adversely affecting the 2009 spending rate. Invoicing for Energy Retrofit projects at various City facilities will occur in the final two quarters of 2009, as a majority of Purchase Orders have now been issued.

All projects included in the Sustainable Energy Plan are *Service Improvement* projects. The following projects are the principal causes of the projected under-expenditure:

- *Toronto Energy Conservation Fund and Green Fund* – loan applications that will be executed in 2009 totalling \$19.000 million of the \$21.800 million in disbursements approved in 2009 have been received and processed. This program is strictly on a voluntary basis with the loan payments limited to a maximum of 49% of the total project cost, up to \$1.0 million. Participants must obtain the other 51% of project financing elsewhere which is challenging in the current global economic climate. The reduced demand for loans will result in \$2.180 million being carried forward to 2010. The 2009 labour disruption impacted the project timeline, and will result in under-spending of \$2.800M.
- *Upgrades –City Facilities-* This project includes the first phase of initiatives for the retrofit program in City Hall. The pilot project will be conducted in 2009 with a projected expenditure of \$0.5 million - \$2.0 million under the 2009 approved cash flow of \$2.5 million.
- *The Energy Retrofit* projects including Public Health projects are estimated to be completed as planned. Children Services project scope has changed and will only incur a cost for preliminary work leaving \$0.210 million unspent in 2009. The Parks, Forestry and Recreation project is experiencing delays in the Request for Proposal process resulting in \$0.070 million to be carried forward to 2010.

The Union Station Project's actual expenditures during the six months ended June 30, 2009 totalled \$14.306 million or 31.3% of its 2009 Approved Capital Budget of \$45.773 million. It is projected that the 2009 Approved Capital Budget will be 77% spent by year-end.

State of Good Repair projects represent \$12.308 million or 27% of the 2009 Approved Capital Budget. These projects include the Pedestrian Bridge project, Structural repairs, Copper roof repairs and the replacement of Terrazzo Flooring in the Great Hall. Work on the Pedestrian Bridge is currently underway and it is anticipated that approximately \$3.232 million or 80.2% will be spent by year-end. As of June 30, \$8.202 million or 67% of the approved funding for SOGR projects was spent. The spending rate in the same

period of 2008 was 17.2%. Staff working on the Union Station project a year-end spending rate of 84.6% in this category.

Service Improvement project funding represents \$32.365 million or 71% of the 2009 Approved Capital Budget. The projects in this category include the Security projects, the South Access Tunnel project, the Loading Dock project, the North West Path project and the Revenue enhancement project which includes the excavation of a lower concourse to create new retail space and the Transportation project which requires the expansion of concourses and creating more access routes. The Union Station Security projects have been completed and expenditures will be reflected in the third quarter. The Loading Dock project has been delayed due to the co-ordination with GO Transit's work on the train tracks but is expected to be completed by year end. As of June 30, \$6.104 million or 18.9% of the approved funding for Service Improvement projects was spent. The spending rate in the same period of last year was 7.6%.

Other Projects represent \$1.100 million or 2% of the 2009 Approved Capital Budget. These projects include exterior façade repairs, the Environmental project and the replacement of the York Street Expansion Joints. As of June 30, 2009 the project was entirely unspent. This was mainly due to the York Street expansion joint projects that have been delayed due to the co-ordination with GO Transit's work on the train tracks. Union Station is presently projecting a year-end spending rate of 100%. In 2008, several projects were delayed in anticipation of the Union Station Revitalization Implementation report that was presented to Council late in 2008. Project delays occurred in 2009 due to the ongoing negotiations to secure funding from both Federal and Provincial Governments and the selection of the Head Lessee. Now that funding has been secured and a Head Lessee has been recommended, a final construction schedule will be completed that will provide accurate construction timelines and year-end spending rates.

Radio Communication System Replacement Project's spent \$0.045 million or 14% of its 2009 Approved Capital Budget of \$0.312 million as of June 30, 2009. The approved cash flow includes funding carried forward from 2008 of \$0.061 million. Actual spending to year-end is projected to be \$0.312 million or 100% of the 2009 Approved Capital Budget. Year-to-date spending is mainly attributed to external training at Motorola, site preparation and coverage design. The Radio Communications System Replacement Project is currently in the system design stage and is progressing. Spending in 2009 includes project management services, a fairness consultant, continuation of coverage analysis, and release of an RFP.

Agencies, Boards and Commissions (ABCs)

For the six months ended June 30, 2009, actual capital expenditures for Agencies, Boards and Commissions, totalled \$269.519 million or 22.5% of their 2009 Approved Capital Budget of \$1.200 billion. Capital spending for Agencies, Boards and Commissions is expected to increase to \$930.620 million or 77.5% of their collective 2009 Approved Capital Budget by year-end. Spending performance, including explanations of significant variances for individual ABCs is summarized below:

Agencies, Boards and Commissions Q2 2009 Capital Variance (\$ Million)				
	June 30, 2009		Projected 2009 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Exhibition Place	(37.9)	30.4	(17.9)	67.1
Go Transit	0.0	100.0	0.0	100.0
Toronto And Region Conservation Authority	(3.7)	40.6	0.0	100.0
Toronto Police Service	(32.9)	35.2	(8.4)	83.4
Toronto Port Authority	(0.9)	50.0	0.0	100.0
Toronto Public Health	(4.6)	18.0	(1.9)	67.0
Toronto Public Library	(14.6)	36.8	(3.4)	85.1
Toronto Transit Commission	(803.7)	19.8	(61.7)	93.8
Yonge-Dundas Square	(0.1)	0.0	0.0	100.0
Toronto Zoo	(8.6)	22.0	(2.2)	80.3
Sony Centre (Hummingbird)	(23.6)	5.3	(18.7)	24.8
Sub-Total	(930.6)	22.5	(114.3)	77.5

Exhibition Place capital expenditures for the period ended June 30, 2009 totalled \$16.510 million or 30.4 % of its 2009 Approved Capital Budget of \$54.383 million. Exhibition Place forecasts that the total capital spending at year end will be \$36.468 million or 67.1% of its 2009 Approved Capital Budget. Projected year-end under spending of \$17.915 is attributed to the delay in securing contract agreements for the *Green Energy Initiatives*. Exhibition Place is continuing to negotiate, but is expecting to defer these projects to 2010 once the agreements are completed and third party funding is secured.

Exhibition spent \$2.572 million or 26.9% of the 2009 Approved Capital Budget for *State of Good Repair* projects and is projecting \$4.354 million or 45.5% spending at year end. The projected year end spending is lower than last year's rate of 70.9% (\$3.008 million) due to the *Green Energy Initiatives* projects delay.

Go Transit's 2009 Approved Budget is \$20.000 million. The City has paid \$20.000 million or 100% of its 2009 contribution toward GO Transit growth capital expenditures.

Toronto and Region Conservation Authority (TRCA) received \$3.134 million or 50% of its 2009 Approved Capital Budget of \$6.268 million from the City of Toronto during the six months ended June 30, 2009. TRCA anticipates that the entire 2009 Approved Budget will be spent by year end.

State of Good Repair projects represent 94.3% or \$5.913 million of its 2009 Approved Capital Budget. As at June 30 only 40.0% of the approved funding for SOGR projects

was spent. TRCA projects a spending rate of 100% for this category; which is the same as in 2008.

The Toronto Police Service's (TPS) capital expenditures for the period ended June 30, 2009 totalled \$17.856 million or 35.2 % of its 2009 Approved Capital Budget of \$50.736 million. The Toronto Police Service is projecting year-end spending of \$42.307 million or 83.4% of their 2009 Approved Capital Budget. The 2009 spending rate is similar to the 2008 experience, which was 37.7% at June 30 and 88.6% at year end.

State of Good Repair (SOGR) projects represent 85.9% or \$43.562 million of the 2009 Approved Capital Budget. As of June 30, 2009, 37.6% or \$16.384 million of the approved funding for SOGR projects was spent. TPS projects year-end spending of \$36.079 million or 82.8% of SOGR funding. Significant SOGR project that will be completed in 2009 is *New Training Facility* project (\$6.887). TPS will be conducting opening ceremonies and hosting its inaugural graduation parade in September 2009. This facility will replace the former C.O. Bick College.

The projected year end variance of \$7.483 million for SOGR projects is primarily due to \$6.608 million in anticipated unspent funds for *Workstation, Laptop and Printer – Lifecycle Plan*, due to lower than anticipated costs and extended useful life for existing equipment.

Service Improvement project represent 14.1% or \$7.174 million of the 2009 Approved Capital Budget. As at June 30, 2009, 20.5% or \$1.472 million of the approved funding for Service Improvement projects was spent. TPS projects year-end spending of \$6.228 million or 86.8% for these projects. Significant Service Improvement projects include:

- The second phase of the *Service's Digital Video Asset Management System* with 2009 funding of \$2.478 million will be completed in 2009. This project will eventually eliminate the use of physical video evidence media within the Service.

The projected year end variance of \$0.945 million for Service Improvement projects is primarily due to \$0.909 million in anticipated unspent funds for the In Car Camera project. These unspent funds will be carried forward into 2010 to ensure the cameras are purchased closer to the planned installation date. The complete project remains on schedule and on budget.

Toronto Public Health (TPH) spent \$1.021 million or 18.0% of its 2009 Approved Capital Budget of \$5.670 million during the first six months of the year. The year-end capital expenditure is projected to be \$3.8 million or 67.0% of its 2009 Approved Capital Budget. The projected under spending of \$1.870 million by year-end is mainly attributed to the following legislated and service improvement projects:

- Delay caused by re-issuing a revised Request For Proposal (RFP) as the original RFP was issued but not awarded because cost estimates significantly exceeded the budget for the *Dental Strategy and Implementation* project (\$0.846 million)

- Dependency on Toronto Building's e-Service capital project and the new corporate requirement to perform an architecture review has delayed work on the *Healthy Environment Inspection System* project (\$0.570 million)
- Redeployment of resources to respond to the Province wide H1N1 planning has delayed the implementation of the *Health e-Service* project (\$0.271 million)
- Change in provincial timelines and temporary reallocation of resources to the province wide H1N1 planning has delayed the implementation of the Public Health Surveillance and Management System project (\$0.183 million)

TPH does not have SOGR capital projects in its 2009 Approved Capital Budget.

Toronto Public Library (TPL) spent \$8.493 million or 36.8% of its 2009 Capital Approved Budget of \$23.108 million. This spending rate is ahead of the level of expenditures incurred in prior years. The Program's projected actual expenditures to year-end are expected to be \$19.663 million or 85.1% of the 2009 approved cash flow. The under-expenditure is primarily due to the following:

- The *S. W. Stewart Library* has been re-opened since May 29, 2008. However, minor deficiencies and warranty issues are currently being addressed and are expected to be completed by December 2009. Due to favourable construction costs, overall project savings are expected by year-end.
- Timing delays in the implementation of the 2007 – 2009 *Technology Asset Management Program* are anticipated. TPL will monitor the progress of this project to determine if any funding needs to be carried forward at year-end.
- Public consultations were held in June 2008 and the schematic design is in progress for the *Brentwood Library* reconstruction project. TPL expects site plan to be approved by fall 2009. TPL will monitor the progress of this project to determine if any funding needs to be carried forward at year-end.

TPL's *State of Good Repair* (SOGR) projects comprise \$21.123 million or 91.4% of the 2009 approved cash flow of \$23.108 million. SOGR actual expenditures for the 6 months ended June 30, 2009 total \$8.493 million or 40.2% of the 2009 approved cash flow for SOGR projects. The current spending rate of 40.2% is a significant improvement over the same period in 2008 of 32.2%.

The Toronto Transit Commission's (TTC) capital expenditures for the period ended July 4, 2009 totalled \$198.500 million or 19.8 % of the 2009 Approved Capital Budget of \$1,002.241 million. The cash flow includes 2008 funding carried forward in the amount of \$178.549 million. The TTC is projecting year end spending of \$940.500 million or 93.8% of their 2009 Approved Capital Budget. The 2009 variance shows an improvement over 2008 spending, which was at 34.0% as of June 30th and 71.6% by year end.

State of Good Repair (SOGR) projects represent 69.0% or \$691.159 million of the 2009 Approved Capital Budget. As of July 4th, 20.6% or \$142.395 million of the approved funding for SOGR projects was spent, the TTC is projecting year end spending of \$675.583 million or 98% of their SOGR projects. Significant SOGR projects include:

- Surface track work, which is predominately SOGR work will be \$8.918 million under budget due to the deferral of tangent track work, although this will be partially offset by increased costs for track work on St. Clair.
- Intelligent transportation systems which is also predominately SOGR work will be \$8.329 million over budget as work on the Customer Information System, Next Vehicle Arrival, and the Wheel-Trans Information System is accelerated.
- Other buildings and structures will be \$9.890 million under budget due to the renovation of the McBrien building and the LRT replacement maintenance and storage facility being behind schedule.
- The Queensway garage expansion will be \$6.358 million under budget as a result of the deferral of the completion of construction to 2011.

All other TTC projects represent 31.0% or \$309.421 million of the 2009 Approved Capital Budget. As of July 4th, 18.1% or \$56.105 million of the approved funding for these projects was spent, the TTC is projecting year end spending of \$264.917 million or 85.6% for these projects. Significant projects include:

- The *Spadina Subway Extension* will be \$36.700 million under budget due the deferral of engineering work and property acquisition.
- The *Transit City Plan* has funding budgeted only for the first quarter of 2009. Given the announcement on April 1, 2009 of Provincial funding for the Finch and Eglinton LRT lines as well as the SRT in the 2009 Provincial budget, and the subsequent announcement on May 15, 2009 of Federal and Provincial funding for the Sheppard LRT line, work on Transit City will continue in 2009. At present, Transit City is projected to be \$32.7 million over budget, however the budget will be adjusted later in 2009 to reflect the increased Provincial funding.

Young Dundas Square (YDS) has not spent any of its 2009 Approved Capital Budget of \$0.145 million during the first six months of 2009. The project is underway and Facilities and Real Estate will invoice YDS at year-end. The year-end capital expenditure is projected to be \$0.145 million or 100% of its 2009 Approved Capital Budget.

As at June 30, 2009 YDS has not spent any of its *State of Good Repair* cash flow of \$0.145 million for structural and mechanical upgrades and steel replacement. The spending rate for the same period in 2008 was 4.6%. The 2008 steel grating replacement has been reassessed due to the large discrepancy in cost and budget. The purchase of an operational alternative will be completed by year-end. YDS projects a 100% spending rate by the end of the year.

Toronto Zoo capital expenditures for the period ended June 30, 2009 totalled \$2.418 million or 22 % of its 2009 Approved Capital Budget of \$10.984 million. Toronto Zoo projects that spending at year end will be 80.3% of its 2009 Approved Capital Budget. The average spending rate in prior years has been approximately 65%.

State of Good Repair projects represent 38.6% or \$4.235 million of the 2009 Approved Capital Budget. As at June 30, 2009 only 5.5% of the approved funding for SOGR projects was spent. The spending rate in the same period of last year was 4.0%. Toronto Zoo is presently projecting an SOGR spending rate of 90.3% in 2009 compared to 69.7% in 2008.

The most significant project in this category is the refurbishment of the *African Rainforest Exhibit (South)* which represents 21% or \$2.281 million of the 2009 Approved Capital Budget and less than 1% of the total current spending. Construction for this project will begin in September and the projected spending rate for 2009 is expected to approximate 87.7 %. The project will be completed in the first quarter of 2010.

Sony Centre for the Performing Arts (SCPA) spent \$1.325 million or 5.3% of the 2009 Approved Budget of \$24.904 million for the period ended June 30, 2009. SCPA projects expenditures to year-end of \$6.170 million or 24.8% of the 2009 Approved Capital Budget. The projected under-spending is attributed to delay in closing of the real estate agreement with the condominium developer on the Sony Centre site. This agreement provides funding for the Centre's *Redevelopment Project* and the Program now anticipates ramp-up of this Growth related project in November 2009 with completion expected in third quarter of 2010

Rate Supported Programs

For the year-end June 30, 2009, Rate Supported Programs' actual expenditures totalled \$200.523 million or 33.2% of their 2009 Approved Capital Budget of \$603.744 million. Capital spending for Rate Supported Programs is expected to increase to \$453.211 million or 75.1% of their collective 2009 Approved Capital Budget by year-end. Spending performance, including explanations of significant variances within this group is summarized below:

Rate Supported Programs				
Q2 Capital Variance				
(\$ Million)				
	June 30, 2009		Projected 2009 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Toronto Parking Authority	(25.3)	17.0	(17.5)	42.5
Solid Waste Management Services	(63.6)	7.8	(13.9)	79.9
Toronto Water	(314.3)	37.7	(119.2)	76.4
Sub-Total	(403.2)	33.2	(150.5)	75.1

The Toronto Water 2009 Approved Capital Budget of \$504.238 million was 37.7% or \$189.979 million spent, as at June 30th, 2009. Actual expenditures by year-end are anticipated to be \$385.083 million or 76.4% of the 2009 Approved Capital Budget. This represents a projected increase of 20.9% or \$66.654 million in capital spending over the 2008 spending rate of \$318.429 million. The high year-end forecasted spending rate for 2009 is the result of construction proceeding on several large projects; expenditures forecast for the large number of contracts awarded early in the year; and, the multi-year contracts initiated in 2008 which are now fully underway and expected to meet cash flow projections for 2009.

State of Good Repair projects represent 54% or \$272.059 million of the 2009 Approved Capital Budget. The projected year-end spending will be approximately 83% or \$231.888 million which represents a slight increase over the 2008 expenditure of \$226.351 million. The key State of Good Repair projects include:

- Approximately 54 km of water main replacement throughout the City of Toronto.
- Emergency Repairs to the Coxwell Sanitary Trunk Sewer.
- Digester Rehabilitation and Upgrades at the Humber and Ashbridges Bay Wastewater Treatment Plants.

Toronto Parking Authority's 2009 Approved Capital Budget of \$30.495 million was 17% or \$5.172 million spent, as at June 30, 2009. Actual expenditures by year-end are anticipated to be \$12.971 million or 43% of its 2009 Approved Capital Budget. The low level of projected year-end spending is attributed to the following:

- Delays arising from the unavailability of appropriate sites.
- Delays due to on-going negotiations for identified sites.
- Projects cancelled from a low probability of finding an appropriate site.
- Time lags in joint venture arrangements.

State of Good Repair projects represent 22% or \$6.845 million of the 2009 Approved Capital Budget. As at June 30, 2009 approximately 17% or \$1.193 million of the approved funding for SOGR projects was spent. The spending rate in the same period of last year was 50% or \$2.516 million (includes accrual that was reversed at Dec 08). The projected year-end spending is approximately 30% or \$2.080 million which compares to a 2008 rate of 45% or \$2.273 million.

Growth projects accounted for 16% or \$4.800 million of the 2009 Approved Capital Budget. The Toronto Parking Authority reported a spending rate of 5% or \$0.224 million

for the six months ended June 30, 2009. The spending rate for Growth projects in 2008 for the same time period was 7% or \$1.061 million. Projected year-end spending is 5% or \$0.225 million compares to 21% or \$3.090 million in 2008.

Service Improvement project funding reflects 54% or \$16.350 million of the 2009 Approved Capital Budget. The Authority spent 22% or \$3.650 million of its capital budget allocated to this category compared to 31% or \$2.003 million in 2008. The Program is forecasting a year-end spending rate of 64% or \$10.501 million compared to a 2008 level of 39% or \$2.529 million.

Other projects represent 8% or \$2.500 million of the 2009 Approved Capital Budget and account for 4% or \$0.105 million in spending as of June 30, 2009. No spending was made during the same period of 2008. The Authority projects a spending rate of 7% or \$0.165 million on projects within this category compared to 1% or \$0.006 million in 2008.

Solid Waste Management Services spent \$5.372 million or 7.8% of its 2009 Approved Capital Budget of \$69.011 million during period ended June 30, 2009. This approved cash flow includes an in-year adjustment of \$7.881 million for additional 2008 carry forwards. Actual spending to year-end is projected to be \$55.157 million or 79.9% of the 2009 Approved Capital Budget. The average spending rate over the five previous years has been approximately 83%.

State of Good Repair projects (SOGR) represent \$15.985 million or 23% of the 2009 Approved Capital Budget. As of June 30th only 9% of the approved funding for SOGR projects was spent. The spending rate in the first six months of last year was 9%. Solid Waste Management Services is presently projecting a year-end spending rate of 98% in this category compared to last year's spending rate of 56%.

Significant SOGR projects projected to be 100% spent by year-end are:

- *Residential Collection* (includes Collection Yard Asset Management) projects represent \$7.140 million or 45% of the 2009 Approved Capital Budget for SOGR. 90% of this approved cash flow in 2009 is dedicated to the Ingram and Bermondsey Yard Renovations. It is projected that capital project activities and spending will continue in accordance with plans and be 100% spent at year end. The 2008 spending rate for the Residential Collection projects was 49%.
- *Transfer Station Asset Management* projects represent \$8.845 million or 55% of the 2009 Approved Capital Budget for SOGR. Approximately 42% of this approved cash flow in 2009 is to be spent on the Dufferin Transfer Station. It is projected that capital project activities and spending will continue in accordance with plans and be 98% spent at year end.

Under spending on SOGR projects will occur in the Transfer Station Asset Management at the *Disco Transfer Station* project, which represents \$0.820 million or 5% of the 2009 Approved Capital Budget for SOGR. The 2009 planned cash flow will be under spent by

\$0.270 million as planned work on the storm sewers, yard waste bunker and resurfacing will continue into 2010.

Service Improvement project funding represents \$31.255 million or 45.3% of the 2009 Approved Capital Budget. The 2009 approved cash flow is for Diversion Facilities projects to increase waste diversion such as reuse centres, recycling, organics and single stream processing facilities, organics and recycling containers as well as projects for the collection of durable goods. Delay of the design, build and operate contract award for the Dufferin-Disco SSO processing facility will cause projected under spending of \$8.9 million in 2009. As of June 30th, the approved funding for Diversion Facilities projects was 9% spent. The spending rate in the same period last year was only 37%. Solid Waste Management Services is presently projecting a year-end spending rate of 65% in this category compared to last year's spending rate of 89%.

Legislated projects represent \$21.711 million or 31.5% of the 2009 Approved Capital Budget. These projects include expenditures on landfills including Green Lane and the Perpetual Care Of Old Landfills. As of June 30th the total approved funding for Legislated projects was 6 % spent. The spending rate in the same period of the last year was 5%. Perpetual Care Of Old Landfills is 8% spent as of June 30th and is projected to be 95% spent by year-end. Green Lane projects are 5% spent as of June 30th and are projected to be 83% spent by year-end. Projected under spending of \$2.3 million on Green Lane is driven mainly by Buffer Land Acquisition which is projected to be 71% spent by year-end and new cell excavation and base construction which started in May 2009 is projected to be 85% spent by year-end Solid Waste Management Services is presently projecting a year-end spending rate of 88% in this category compared to last year's spending rate of 59%.

Technical and In-year Adjustments (see Appendix 2.2)

As detailed in Appendix 2.2, technical and in –year adjustment are requested by EMS, TTC and Fire Services. This adjustment are required to reflect change in funding source, reallocation of funds to a new, combined projects and reallocation of funds in order to proceed with Training Facilities Renovation Project.

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ATTACHMENTS

- Appendix 1 - Consolidated Capital Variance Report for the Quarter Ended June 30, 2009
- Appendix 1.1 - Consolidated Capital Variance Report for the Quarter Ended June 30, 2009- SOGR
- Appendix 2.1 - Budget and Technical Adjustments for Year Ended December 31, 2008
- Appendix 2.2 - Budget and Technical Adjustments for Quarter Ended June 30, 2008
- Appendix 3.1 - 2008 Carry Forwards Funding Adjustments
- Appendix 3.2 - 2007 Carry Forwards Funding Adjustments
- Appendix 4 - Capital Projects Recommended for Closure