

April 30, 2010

To: Executive Committee

From: Budget Committee

Subject: Toronto Water 2009 and 2010 Capital Budget Cashflow

Recommendations:

The Budget Committee recommends to the Executive Committee that:

1. City Council approve a decrease in the Toronto Water total capital project costs of \$50.457 million and budget adjustments to the 2009 Capital Budget in order to offset over-expenditures resulting from acceleration of capital projects and unanticipated increases in the cost of delivering other projects totalling \$134.704 million which includes carry-forward of \$50.767 million to 2010, with offsets from 2009 underspent project of \$72.216 million resulting in a net over-expenditure of \$62.492 million as detailed in Appendix 1 in the report (April 28, 2010) from the General Manager, Toronto Water.
2. City Council approve adjustments to the 2010 - 2019 Toronto Water Approved Capital Budget and Plan in order to offset the 2009 increase in reserve funding requirement of \$62.492 million due to accelerated and overspent 2009 capital projects comprised of: a net decrease in 2012 capital expenditures and reserve funding of \$44.111 million; and, a net decrease in 2013 capital expenditures and reserve funding of \$18.391 million.
3. City Council approve carry forward funding of \$50.767 million for unspent 2009 capital projects and adjustments to reduce previously approved carry-forward funding for projects with capital spending in excess of what was planned in the fourth quarter of 2009 as detailed in Appendix 1 in the report (April 28, 2010) from the General Manager, Toronto Water, resulting in no incremental impact on the 2010 Council approved cash flow and reserve funding as detailed in Appendix 1 in the (April 28, 2010) from the General Manager, Toronto Water.

4. City Council approve the revised 2010 to 2019 Capital Budget and Plan for Toronto Water as a result of the adjustments above with a total project cost of \$1.491 billion, and 2010 cash flow of \$720.672 million and future year commitments of \$2.894 billion comprised of: cash flows of \$720.672 million in 2010 inclusive of carry forward funding of \$50.767 million; \$733.718 million in 2011; \$646.949 million in 2012; \$494.757 million in 2013; \$427.179 million in 2014; \$196.988 million in 2015; and \$332.259 in 2016 to 2019.
5. City Council approve that funding in excess of the \$30 million target in the Rate Stabilization Reserve equal to \$38.133 million be transferred from the Rate Stabilization Reserve to the Water Capital Reserve.
6. City Council authorize and direct the appropriate staff to take the necessary action to give effect thereof.

Background:

The Budget Committee on April 30, 2010, considered a report (April 19, 2010) from the General Manager, Toronto Water, entitled "Toronto Water 2009 and 2010 Capital Budget Cashflow".

for City Clerk

P.A. Morris

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