

**Capital Variance Report
for the Nine Month Period Ended September 30, 2011**

Significant Variance Explanation

Citizen Centred Services “A”

During the nine months ended September 30, 2011, actual capital expenditures for this Cluster totalled \$63.543 million or 23.1% of the 2011 Approved Capital Budget of \$274.615 million. Spending is expected to increase to \$167.971 million or 61.2% by year-end.

Citizen Centred Services "A" Q3 2011 Capital Variance (\$ Million)				
	Actual to September 30, 2011		Projected 2011 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
311 Toronto	(6.3)	23.0	(4.6)	43.3
Children's Services	(7.5)	45.7	(2.9)	79.0
Court Services	(0.4)	0.0	(0.4)	0.0
Economic Development & Culture	(31.3)	14.0	(24.6)	32.5
Emergency Medical Services	(4.2)	67.2	(0.4)	96.7
LTCHS (Homes for the Aged)	(41.9)	10.7	(29.4)	37.3
Parks, Forestry & Recreation	(104.0)	25.4	(41.6)	70.2
Shelter, Support and Housing Administration	(4.0)	15.3	(2.8)	40.6
Toronto Employment and Social Services	(11.6)	4.8	0.0	100.0
Sub-Total	(211.1)	23.1	(106.6)	61.2

311 Toronto spent \$1.878 million or 23% of the 2011 Approved Capital Budget of \$8.178 million during the nine months ended September 30, 2011; and projects spending of \$3.544 million or 43.3% by year-end. It is expected that completion of the additional Divisional Integration project will be delayed until 2012.

Children Services (CS) spent \$6.279 million or 45.7% of its 2011 Approved Capital Budget of \$13.742 million during the nine months ended September 30, 2011; and projects spending of \$10.853 million or 79% of the 2011 Approved Capital Budget by year-end. Major projects within this Program include the following:

- *New Child Care Centres* project expenditures during the nine months ended September 30, 2011 totalled \$4.087 million, representing 77.1% of the 2011 approved cash flow of \$5.298 million. It is expected that 100% of the 2011 approved cash flow will be spend by year-end.
- *Regent Park Children's Hub* project expenditures during the nine months ended September 30, 2011 totalled \$1.225 million, representing 49.2% of the 2011 approved

cash flow of \$2.489 million. It is expected that 100% of the 2011 approved cash flow will be spent by year-end.

- *Nelson Mandela* project expenditure during the nine months ended September 30, 2011 totalled \$0.156 million representing 0.5% of the 2011 approved cash flow of \$3.014 million. As this project is part of the Regent Park Redevelopment Initiative, construction delays in the redevelopment of Regent Park have delayed the delivery of this project.
- *Health and Safety* project expenditures during the nine months ended September 30, 2011 totalled \$0.169 million representing 17.1% of the 2011 approved cash flow of \$0.989. Funding applications are being reviewed, with spending expected to reach 100% by year-end.
- *CSIS 3* project expenditure during nine months ended September 30, 2011 totalled \$0.321 representing 40.4% of the 2011 approved cash flow. It is expected that 100% of the 2011 approved cash flow will be spent by year-end.
- *MCC SOGR* project expenditures during the nine months ended September 30, 2011 totalled \$0.292 million representing 37.2 % of the 2011 approved cash flow of \$0.784 million; and it is expected that 100% of the 2011 approved cash flow will be spent by year-end.
- *Squirrel's Nest Day Care Centre* project, with 2011 approved cash flow of \$0.375 million had no expenditures for the nine months ended September 30, 2011; project delivery has been delayed, as it has taken longer than anticipated to reach agreement on the site-plan requirements.

Court Services had no capital spending during the nine months ended September 30, 2011. The under spending is related to the *POA Application Development Project - Phase II*, which consists of a self-service application that will allow customers to look up information over the web, as well as develop a collections tracking software program and an IVR payment service. The under spending was primarily due to the Province giving higher priority to other projects. The project will not proceed any further, and unspent funds will remain in the Court Services Stabilization Reserve for use in 2012 on other projects.

Economic Development and Culture (EDC) spent \$5.079 million or 14% of its 2011 Approved Capital Budget of \$36.383 million during the first nine months of 2011; and projects spending of \$11.828 million or 32.5% by year-end. The projected year-end under-spending is mainly due to the following:

- *Emery Village Flag Pole and Public Square* project (\$5.72 million) is delayed as the BIA is reviewing the option of leasing the site. The project will not proceed as a City project and all financing will be presented for approval by the general membership of the BIA and City Council. This project will be deleted from the Program's Capital Plan for 2012.
- *Fort York Visitors Centre* project (\$5.5 million) is delayed because all tenders received in September were over the approved budget. A re-tendering may be required causing a delay to the start of the project to 2012.

- *Casa Loma Exterior Restoration* project (\$3 million) is delayed because tender originally planned for December of 2010 was suspended until negotiations with Kiwanis were complete. A new tender package for urgent repair work has been prepared, with planned construction to start in 2012.
- The *Guild Revitalization* project (\$1.01 million) is delayed because Centennial College was not able to proceed with their project due to market condition. The City will be considering alternative development opportunities for this site.
- *John St Roundhouse Museum* project (\$0.64 million) is delayed until Toronto Hydro finalizes plans for the Machine Shop located on the same site.

Emergency Medical Services (EMS) spent \$8.629 million or 67.2% of its 2011 Approved Capital Budget of \$12.842 million during the first nine months of 2011; and projects spending of \$12.415 million or 96.7% by year-end.

Two station-rebuild projects (*Stations 17 & 18*) and 9 ISF station rebuilds/refurbishment projects were completed in September; and equipment delivery such as ambulance vehicles and automatic external defibrillators, were delayed to early 2012 as contract details are still being finalized.

Long-Term Care Homes & Services (LTCHS) spent \$5.035 million or 10.7% of its 2011 Approved Capital Budget of \$46.9 million during the first nine months of 2011; and projects spending of \$17.480 million or 37.3% by year-end. The projected under-spending is attributed to the following:

- The *LTCHS Capital Maintenance Program* expenditures totalled \$3.67 million or 39% of the 2011 approved cash flow of \$9.305 million primarily due to impacts of the proclamation of the new Long Term Care Homes Act, with additional capital requirements resulting in the delay of capital work. The under spending is also caused by longer than anticipated contract document preparation, tendering timelines and contractor delays resulting in projects being suspended during the winter.
- The *Kipling Acres Redevelopment* project expenditures during the first nine months of 2011, totalled \$1.365 million or 4% of its 2011 approved cash flow of \$38.05 million due to delays in approvals of Long Term Care capital projects from the Ministry of Health and Long-Term Care. The project has now received all required approvals and construction is expected to commence in November of 2011 with a targeted project completion date of early 2013.

Parks, Forestry and Recreation (PF&R) spent \$35.336 million or 25.4% of its 2011 Approved Capital Budget of \$139.309 million during the first nine months of 2011; and projects spending of \$97.729 million or 70.2% by year-end. The projected under-spending is mainly due to the following projects:

- *Facility Components'* projected under-spending of \$2.115 million is projected since approximately \$0.250 million for Divisional IT initiatives and over \$1.215 million for various IT projects will not be spent due to IT Corporate technical requirements; \$0.250 million of the divisional accessibility funding will not be spent due to reconfirming the project scope at various sites.

- *Outdoor Recreation Centre* project's projected under-spending of \$1.050 million is anticipated because various *Capital Asset Maintenance (CAMP)* projects could not commence until after Labour Day due to public access and programming constraints.
- *The Park Development* project is projected to be under-spend by \$7.279 million because the land for the *June Callwood Park* has not yet been conveyed to the City; and the *West Queen West Park Development* is going through a comprehensive community consultation. The *Dogs off Leash Area* projects 2011 approved cash will also not be fully spent this year as the necessary permits, approvals and consultation with park users may not be obtained before the end of the construction season.
- *The Arenas* project is projected to have under-spending of \$5.5 million since *Leaside Arena Expansion* project has to be re-tendered because all submitted tenders were over the approved budget.
- *The Community Centres* project is anticipated to be under-spending by \$11.574 million because the *York Community Centre* project Official Plan Amendment approval, Site Plan Approval, TRCA Approval and Building Permit are taking longer than expected. The *Railway Lands Community Centre* project is still in the negotiation stage and *Milliken Park Community Recreation Centre* project will be delayed as developer funds have not been received.
- *The Special Facilities* project's under-spending of \$5.1 million is anticipated as not all planned funding for ferry vessels rehabilitation will be required due to extremely favourable bids; and \$3.3 million will not be spent due to delays in specialized nature and extensive approvals process for *Seawall Rehabilitation* project.

Shelter, Support and Housing Administration (SS&HA) spent \$0.715 million or 15.3% of its 2011 Approved Capital Budget of \$4.687 million during the nine months ended September 30, 2011; and projects spending of 40.6% or \$1.901 million by year-end.

- *Capital Repairs/ Replacements for City Operated/ Leased Shelters* project expenditures during the nine months ended September 30, 2011 totalled \$0.05 million, representing 0.03% of the 2011 approved cash flow of \$1.647 million. Spending will accelerate in the last quarter of the year, with year-end projection of \$0.551 million. RFP/ RFQs is delayed pending Council directions related to a specific leased shelter.
- *Social Housing Administration System* project expenditures during the nine months ended September 30, 2011 totalled \$0.636 million, representing 53% of its 2011 approved cash flow of \$1.188 million; and projected spending to year-end is \$1 million or 84% of 2011 approved cash flow.
- *Shelter Development* project expenditures during the nine months ended September 30, 2011 totalled \$0.022 million. Projected expenditure to year-end is \$0.100 million or 10% of its 2011 approved cash flow. The project is behind target due to delays in ongoing public/private partnership negotiations.

- *Mass Care Response Vehicle* project, with a 2011 approved cash flow of \$0.500 million, had no expenditure during the nine months ended September 30, 2011. SSHA and Fleet Services have developed the vehicle specifications, with delivery expected in 2012.
- *The 129 Peter Street Shelter* project expenditures during the nine months ended September 30, 2011 totalled \$0.006 million representing 1.4% of the 2011 approved cash flow of \$0.440 million. The facility was opened and occupied in October of 2010 with the elevator and remaining roof work continuing into 2011. The project's under spending is due to delays arising from elevator design changes.

Toronto Employment & Social Services (TESS) spent \$0.591 million or 4.8% of the 2011 Approved Capital Budget of \$12.219 million during the first nine months of 2011; and projects spending 100% of the 2011 Capital Approved Budget by year-end.

The *TESS Office Relocation* project, with a 2011 approved cash flow of \$9.233 million, will enable TESS to purchase, retrofit and relocate new premises. This project is ongoing; however, experiencing delays as Real Estate Services is evaluating options for the relocation of a TESS office.

The *TESS Infrastructure Facility* project, with a 2011 approved cash flow of \$1.696 million, enables the Program to retrofit and furnish additional office and interview spaces to manage the increased caseload and is progressing according to plan.

Citizen Centred Services "B"

During the nine months ended September 30, 2011, actual capital expenditures for this Cluster totalled \$119.455 million or 25.9% of the 2011 Approved Capital Budget of \$461.903 million. Spending is expected to increase to \$260.003 million or 56.3% of the 2011 Approved Capital Budget by year-end. As shown in the table below, City Planning and Transportation Services project capital expenditures to December 31, 2011 in excess of 70% of their respective 2011 Approved Capital Budget.

Citizen Centred Services "B"				
Q3 2011 Capital Variance				
(\$ Million)				
	Actual to September 30, 2011		Projected 2011 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Planning	(4.8)	27.0	(1.9)	70.8
Fire Services	(12.6)	19.3	(10.4)	33.3
Transportation Services	(212.3)	32.0	(87.7)	71.9
Waterfront Revitalisation Initiative	(112.8)	11.4	(101.9)	19.9
Sub-Total	(342.4)	25.9	(201.9)	56.3

City Planning spent \$1.771 million or 27% of its 2011 Approved Capital Budget of \$6.569 million during the first nine months of 2011; and projects spending of \$4.648

million or 70.8% by year-end. The projected under-spending is mainly due to the following:

- *The Civic Improvement* projects are all currently underway, with anticipated completion in 2012, in accordance with two-year construction cycles. The projected under spending is mainly attributed to changes within the scheduling and scope of divisional capital works initiatives
- *The Growth Studies 2011 and Environmental Assessment Transit Studies* projects are all underway with anticipated completion in 2012 as a result of phased project completions. The projected under spending is due to changes in the timing of growth and transit related studies.

Fire Services' (FS) capital expenditures for the period ended September 30, 2011 totalled \$2.993 million or 19.3% of the 2011 Approved Capital Budget of \$15.546 million. Fire Services' project capital spending of \$5.174 million or 33.3% of the 2011 Approved Capital Budget. Projected under-spending is mainly attributed to the following:

- The new *Station D* project to allow an improvement in emergency response times in the Scarborough area has a 2011 approved cash flow of \$4.26 million and had \$0.08 million or 1.7% spending during the first nine months of 2011. The land acquisition occurred in December 2010 with expenditures for the design now proceeding based on the configuration of the site and road access. Due to the timing of the construction contract award the viable construction start date is May 2012 and project completion is anticipated for August 2013. As a result, \$0.400 million is projected to be spent in 2011.
- The *Replacement of Chaplin Fire Station #135* project has a 2011 approved cash flow of \$2.451 million and had \$0.01 million spending during the first nine months of 2011. The design contract was awarded and work has begun on the design and tender document. The tender for construction will be issued by March 2012 with construction start planned to begin by July 2012 and completion expected by October 2013. As a result, \$0.3 million is projected to be spent in 2011.
- The *Bunker Suits Lifecycle Replacement* project with 2011 approved cash flow of \$5 million had \$2.7 million spending during the first nine months of 2011. The contract award for 2800 bunker suits is valued at \$2.9 million resulting in under spending of \$2.1 million or 42% with the 100% completion at year-end when this project will be closed and any remaining unspent funds will be returned to the original funding source.
- The *Rehabilitation of Exhibition Place Station (Stn 346)* project with 2011 approved cash flow of \$1 million had no spending during the Nine months ended September 30, 2011. The delay in 2011 is due to planning and procurement delays; however the actual construction date depends on the approval of the lease between Exhibition Place and Fire Services which is referred to Budget Committee for clarification regarding staffing and equipment issues.
- The *Communications Disaster Recovery Improvements* project with 2011 approved cash flow of \$0.5 million had no spending during the Nine months ended September

30, 2011. CAD (Computer Aided Dispatch) upgrade was delayed because of the significant concerns with the configuration of the software in the upgrade. These quality issues were resolved by using a new release of CAD instead. This includes extensive testing and usually takes six months before a release goes into production. As of September 2011, the CAD release version was changed and is undergoing testing. Spending on the project will be deferred to 2012.

- The *Replacement of Defibrillators* project with 2011 Approved Capital Budget of \$0.1 million had no spending during the first nine months of 2011. By agreement with the equipment supplier both Fire and EMS will purchase, for their residual value, defibrillators used in the current study being conducted by the supplier. As this study has been extended, the \$0.1 million acquisition of the defibrillators will be delayed until 2012.
- The *Training Stimulation* project with 2011 approved cash flow of \$0.52 million had no spending during the first nine months of 2011. Due to delayed start of repairs projected spending to year-end will be \$0.1 million.
- The *FIRE/EMS- Admin Staff Consolidation* project with 2011 approved cash flow of \$0.2 million had no spending during the first nine months of 2011 due to renovation on the 1st floor. Once the 1st floor project is completed, staff will relocate there allowing work to proceed on the 2nd floor. Projected spending to year-end will be \$0.05 million for initial design work only.

Transportation Service's capital expenditure for the nine months ended September 30, 2011 totalled \$100.131 million or 32% of its 2011 Approved Capital Budget of \$312.465 million. Projected expenditures to year-end are anticipated to be \$224.793 million or 71.9%. Most of the under-spending is attributed to projects that require third party coordination and/or funding. In general, the spending rate is consistent with project schedules for construction. Typically, the majority of cash flow funding is spent in the latter part of the year, after construction is tendered and awarded.

The projected spending rate includes the deferral of a number of projects for which the 2011 approved cash flow will not be spent due to minor unanticipated delays in implementation. Contract awards for reconstruction, repair and resurfacing of various arterial and local roads and rehabilitation of bridges have been awarded. It is anticipated that spending on these projects will increase significantly in the fourth quarter, thus enabling the Program to achieve the projected spending rate.

The Program is responsible for implementation of approximately 169 projects funded from the Infrastructure Stimulus Fund (ISF) program that commenced in late 2009. The ISF capital expenditure during the Nine months ended September 30, 2011 totalled \$4.851 million representing 53.8% of the 2011 approved cash flow. The program projects that all ISF projects will be completed by October 31, 2011. Several laneway and local road reconstruction projects had to be cancelled due to unanticipated new developments in their respective project areas in 2010 and they are excluded from the overall cash flow and year end projections.

Another 7 projects with the 2011 Approved Cash Flow of \$16.019 million or 5.1% of the total are partially funded by the Recreational Infrastructure Canada (RInC) program. All RInC projects will be completed by October 31, 2011.

The Waterfront Revitalization Initiative's capital expenditures for the nine months ended September 30, 2011 totalled \$14.559 million or 11.4 % of the 2011 Approved Capital Budget of \$127.322 million; and projected spending to year-end is anticipated to reach \$25.387 million or 19.9%.

The projected year-end under spending of \$25.387 million is due to delays in the implementation schedule for the East Bayfront, West Don Lands and Central Waterfront Public Realm. This is due to a longer than planned time frame to finalize contribution agreements that are delaying the transfer of funds for these projects. In addition, construction of the Fort York Pedestrian Bridge and Gardiner Environmental Assessment Studies will not proceed as per Council decision.

Internal Services

During the nine months ended September 30, 2011 actual capital expenditures for Internal Services totalled \$66.038 million or 26.9% of their collective 2011 Approved Capital Budget of \$245.587 million. Capital spending is expected to increase to \$141.666 million or 57.7% of the 2011 Approved Capital Budget by year-end.

Internal Services				
Q3 2011 Capital Variance (\$ Million)				
	Actual to September 30, 2011		Projected 2011 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Facilities & Real Estate	(89.3)	21.3	(1.9)	50.5
Financial Services	(18.3)	11.1	(15.7)	23.7
Fleet Services	(37.1)	35.0	(18.2)	68.2
Information Technology	(34.8)	36.0	(13.8)	74.7
Sub-Total	(179.5)	26.9	(103.9)	57.7

Facilities & Real Estate (F&RE) spent \$24.224 million or 21.3% of its 2011 Approved Capital Budget of \$113.488 million during the first nine months of 2011; and projects spending of \$57.267 million or 50.5% by year-end. The projected under-spending is attributed to the following:

- *The St. Lawrence Market North* project is delayed because more time than planned was required to align the consultant's construction cost estimate with the City's project scope and budget. The project is in the consultant/design contract negotiation stage. The main consulting/design contract is currently being finalized, and based on preliminary updated schedules, 2011 cash flows will need to be deferred to future years as spending in 2011 is anticipated to be \$0.5 million or 3.5% of the 2011 approved cash flow of \$14.254 million.
- *The Nathan Phillips Square Revitalization (NPS)* project's expenditures to year-end are estimated at \$6.778 million or 49.5% of the 2011 approved cash flow of \$13.691

million. The under spending is attributed to staff revisiting the design and scope of work plan in order to find savings to remain within the approved project budget due to higher than expected contract prices received in the current construction market.

- *Westwood* project future use property agreements are not in place and decisions are pending. It has yet to be determined how much, if any, of the 2011 cash flows of \$4.00 million will be spent.
- *255 Dundas Street West - Structural Rehabilitation* project was delayed because of timing between the tender closure (April) and actual contract award (July). Obtaining security clearances required by Toronto Police Services prior to the contractor commencing construction resulted in further delays of 4 to 6 weeks. It is anticipated that only 50% or \$2.0 million of the total \$4.079 million will be spent in 2011, as construction began at the end of August, and is expected to continue until July 2012.
- *Father Henry Carr Community Hub* project is underway with projected spending of \$6.52 million or 56.7% of 2011 approved cash flow of \$11.492 million. The under spending is due to the larger than expected 2010 carry forward funding caused by scheduling delays related to the issuance of the contract for the interior alternation. The initial building survey and feasibility report, conducted in 2008, did not reflect the full cost of retrofitting the building as a year-round community facility. A more detailed assessment was conducted after the City took possession in 2010. Due to the change of use of the facility, as part of Ontario Building Code requirement and the comprehensive assessment of the building, the cost of upgrading mechanical and electrical systems and other work is \$5.11 million greater than forecast. Additional funding was added to the project, approved by Council in February 2011 and the contractor's revised schedule identified a completion date of early 2012.

Financial Services' expenditures for the nine months ended September 30, 2011 totalled \$2.277 million or 11.1% of its 2011 Approved Capital Budget of \$20.605 million. Financial Services' projected expenditures to year-end are \$4.873 million or 23.7% of the 2011 Approved Capital Budget.

The under-spending of \$15.732 million is attributed to the following projects:

- *Financial Planning, Analysis and Reporting System (FPARS)* project will be under-spent by \$11.833 million, mainly due to delays in finding a successful proponent. This required a re-issuance of the Request for Proposal. In addition, the release strategy and resource plans had to be revised to account for a new accelerated budget process that will result in budget approvals by year end. This change significantly impacts project time lines. Proposals have been evaluated and an award is expected by year-end. As a result, expenditure for both internal and external resources required to implement the Public Sector Budget Formulation solution has been deferred until early 2012.
- The *Workflow & Document Mgmt. Technology* project will be under-spent by \$0.561 million as the Request for Proposal has been released with contract negotiations expected to be complete by the end of 2011.

- The *Payment Processing Centre Relocation* project was delayed until Council approval in July 2011 for the utilization of space resulting in under-spending of \$0.785 million.
- The *e-Procurement Implementation* project will be under-spent by \$0.522 million due to Project Team hiring delays and delayed completion of the preliminary work required prior to proceeding with the project. Some of the preliminary work includes the review and approval of the project charter and business architect reports as well as the logical architect report by I&T.
- The *Tax Billing System Upgrade* project is delayed pending a decision regarding a supplier and acquisition approach. No expenditures are anticipated in 2011 resulting in an under-spending of \$0.449 million approved cash flow.

Fleet Services' expenditures for the nine months ended September 30, 2011 totalled \$19.95 million or 35% of its 2011 Approved Capital Budget of \$57.066. Fleet Services' projected expenditures to year-end are anticipated to be \$38.894 million or 68.2% of the 2011 Approved Capital Budget.

The projected under-spending is primarily due to certain Divisions delaying the procurement of replacement units pending the results of their Service Efficiency Study. Also, three custom fire apparatus for Fire Services will not be delivered until early 2012 due to the detailed specification development required and the lengthy production time of these custom units. In addition, the Green Fleet Plan is awaiting the availability of electric vehicle in the Toronto Area by the end of this year, and the determination of whether an electric vehicle will meet the operation needs of City Programs.

Information and Technology spent \$19.587 million or 36% of its 2011 Approved Capital Budget of \$54.428 million during the nine months ended September 30, 2011; and projects expenditures by year-end of \$40.632 million or 74.7%. The projected under-spending of \$13.796 million is due to recruitment challenges facing the Division which has delayed projects such as the *Computer System Integration*, the *Case Management System*, the *Toronto Building Electronic Service* projects, the *Mainframe Application Replacement* projects and several projects for City Planning. Corporate Enterprise initiatives such as *eLearning Technologies*, *e-Human Resource Strategy* and the *Corporate Civic Engagement* projects are progressing slower than anticipated because of the need to scope the projects and identify technical requirements and specifications.

Other City Programs

During the nine months ended September 30, 2011, actual capital expenditures for Other City Programs totalled \$50.274 million or 15.9% of their collective 2011 Approved Capital Budget of \$316.440 million; and is projected to increase to \$155.670 million or 49.2% by year-end.

Other City Programs				
Q3 2011 Capital Variance				
(\$ Million)				
	Actual to September 30, 2011		Projected 2011 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Clerk's Office	(3.3)	34.4	(1.4)	72.0
Sustainable Energy Plan	(50.2)	9.9	(28.9)	48.1
Union Station	(142.6)	20.3	(83.0)	53.6
Radio Replacement Project	(27.9)	0.6	(27.8)	1.0
PanAm Games	(42.2)	13.4	(19.6)	59.7
Sub-Total	(266.2)	15.9	(141.1)	49.2

City Clerk's Office's capital expenditures for the nine month period ended September 30, 2011 totalled \$1.744 million or 34.4% of the 2011 Approved Capital Budget of \$5.067 million; and projected spending at year-end is expected to be \$3.650 million or 72%.

The projected under-spending is attributed to the following:

- The *Alternate Voting* Project is underway: the Enterprise Architecture group has held meetings to review a proposed ePolling process and procedure, and a Vendor Day is being organized for companies that offer Internet/On-Line voting options. The Enterprise Architecture group is finalizing the report on the feasibility of Internet voting.
- The *Enterprise Document and Records Management Solution (EDRMS)* project is on track. The RFP evaluation will be completed at the end of October 2011. The target date for completing the Statement of Work and having the vendor on board is projected for December 31, 2011.
- The *Archives Facility Expansion* project was scaled down to a reconfiguration of existing space. The Request for Proposal (RFP) for the renovation is being drafted with construction start planned for early 2012.

Sustainable Energy Plan's capital expenditures for the nine months ended September 30, 2011 totalled \$5.517 million or 9.9% of the 2011 Approved Capital Budget of \$55.707 million. It is projected that by year end capital spending will increase to \$26.812 million or 48.1% of the 2011 Approved Capital Budget. The projected under-spending is attributed to the following:

- *Solar Photovoltaic Program* is progressing with 7 of 20 Ontario Power Authority (OPA) contract approved. Construction is planned to start shortly after Toronto Hydro agrees to and finalizes the contract. It is projected that capital expenditures for this project will increase to \$1.0 million or 12.5% of the 2011 approved cash flow of \$8.0 million by year-end.
- *City Hall Facilities Upgrades* project includes windows replacement at City Hall (East Tower) and sustainability measures as part of the overall *Nathan Phillips Square (NPS) Revitalization* project. The East Tower will be completed by year-end and spending for the NPS project is contingent value engineering and revised

scheduling. It is anticipated that \$7.743 or 91.7% million of the 2011 approved cash flow of \$8.447 will be spent by year-end.

- The 2012 Recommended Capital Budget for the Sustainable Energy Plan includes a directive that the City Manager and Deputy City Manager and Chief Financial Officer report back to Council through the appropriate Standing Committee in the first quarter of 2012 on the merits of Sustainable Energy loans to non-City agencies and the private sector, given the City's financial pressures and that no new loans to these sectors be approved from the Sustainable Energy Funds until this report is considered by Committee and Council. As now new loans are being considered, the projected year-end spending of \$26.812 million for 2011 noted above may be under-achieved for this reason.

The Union Station Revitalization Project actual expenditures during the nine months ended September 30, 2011 totalled \$36.297 million or 20.3% of its 2011 Approved Capital Budget of \$178.886 million. Capital expenditures to year-end are estimated at \$95.839 million or 53.6% of the 2011 Approved Capital Budget.

The *Construction Contracts* project's capital expenditure totalled \$25.894 million or 20.7% of the 2011 approved cash flow of \$125.119 million. Construction is ongoing in various areas of the station, including VIA and the Bay and York concourses, the New Panorama Lounge, VIA offices, York West Teamway (Bike Station) and 4th floor offices. Poor soil conditions at a number of the excavated construction sites delayed the ongoing requirement to reinforce or replace the columns beneath the concourse. Overall, construction schedules have been deferred due to the co-ordination of projects currently ongoing at Union Station with GO Transit, VIA and the TTC and due to obtaining permits and heritage approvals.

Radio Communication System Replacement Project's capital expenditures during the nine months ended September 30, 2011 totalled \$0.178 million or 0.6% of the 2011 Approved Capital Budget of \$28.058 million. Spending was mainly for the professional services of a fairness consultant and project manager to oversee procurement and development of the RFP which was issued on June 15, 2011 (release of a Request for Expression of Interest (REOI) occurred in August 2010) and closed in September. The impact of the acquisition of radio equipment in preparation for the 2010 G8/G20 Conference resulted in the significant delay. The 2011 year-end projected actual spending is anticipated to be \$0.273 million representing 1% of the 2011 approved cash flow. Projected low spending in 2011 is due to technical complexity of the RFP. Submissions from vendors are currently being evaluated with an award expected by year-end. Projected completion is expected in 2014 for a total project cost of \$70 million.

PanAm Games' capital expenditures for the nine months ended September 30, 2011 totalled \$6.538 million 13.4% of the 2011 Approved Capital Budget of \$48.722 million. Capital expenditures to year-end are estimated at \$29.096 million or 59.7% of the 2011 Approved Capital Budget. The projected under-spending is mainly due to the following projects:

- The *Site Remediation* project for the Pan Am Aquatic Centre is proceeding and expenditure is expected to reach \$18.423 million representing 40% of the 2011 approved cash flow of \$46 million to year-end.
- Projects delivered through the Toronto Organizing Committee for the Pan/Parapan American Games (TO 2015) and Infrastructure Ontario are proceeding and expenditures to year-end are expected to reach \$1.125 million or 48% of 2011 approved cash flow of \$2.328 million.

City Agencies

During the nine months ended September 30, 2011, actual capital expenditures for City Agencies totalled \$588.6 million or 36.1% of their 2011 Approved Capital Budget of \$1.631 billion. Capital spending for Agencies is expected to increase to \$1.307 billion or 80.2% of their collective 2011 Approved Capital Budget by year-end. As shown in the table below, most of the Agencies project spending in excess of 80% of their individual 2011 Approved Capital Budget by year-end.

Agencies				
Q3 2011 Capital Variance				
(\$ Million)				
	Actual to September 30, 2011		Projected 2011 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Exhibition Place	(3.2)	78.1	(0.0)	100.0
Go Transit	0.0	100.0	0.0	100.0
Toronto And Region Conservation Authority	(1.9)	83.3	0.0	100.0
Toronto Police Service	(67.8)	32.8	(36.2)	64.1
Toronto Port Authority	0.0	100.0	0.0	100.0
Toronto Public Health	(3.4)	41.1	(2.1)	64.8
Toronto Public Library	(14.6)	46.7	(2.1)	92.3
Toronto Transit Commission	(945.4)	34.3	(280.9)	80.5
Yonge-Dundas Square	(0.0)	81.4	0.0	100.0
Toronto Zoo	(5.4)	30.1	(2.3)	70.9
Sony Centre (Hummingbird)	(0.0)	100.0	0.1	113.5
Sub-Total	(1,041.9)	36.1	(323.4)	80.2

Exhibition Place's capital expenditures for the period ended September 30, 2011 totalled \$11.363 million or 78.1 % of its 2011 Approved Capital Budget of \$14.551 million. The 2011 Approved Capital Budget is expected to be fully spent by year-end.

Toronto and Region Conservation Authority (TRCA) received \$9.704 million or 83.3% of its 2011 Approved Capital Budget of \$11.645 million from the City of Toronto during the nine months ended September 30, 2011. The 2011 Approved Capital Budget is expected to be fully spent by year-end.

Toronto Police Services (TPS) spent \$33.104 million or 32.8 % of its 2011 Approved Capital Budget of \$100.946 million during the first nine months of 2011; and projects

spending of \$64.746 million or 64.1% by year-end. The projected year-end variance is primarily the result of the following:

- *Record Management System (RMS)* project - A significant portion (\$7.9 million) of the projected year-end variance is due to the Board's deferral of the contract award for the acquisition and implementation of the new Record Management System (RMS) project until the Auditor General's review is completed.
- *14 Division* project – Ongoing analysis has indicated that this project, with ISF funding of \$8.680 million will only be 60% completed by the October 31, 2011 extended deadline as a result of project delays caused by unexpected site remediation work. Toronto Police requested re-allocation of \$2.15 million from Unallocated Capital Fund to *14 Division* project since they did not qualify for full funding recovery from the Federal Government.

Toronto Public Health (TPH) capital expenditures for the nine months ended September 30, 2011 totalled \$2.4 million or 41.1% of its 2011 Approved Capital Budget of \$5.839 million. Capital spending is projected to be \$3.785 million or 64.8% of the 2011 Approved Capital Budget by year-end.

The projected under spending by year-end is mainly due to the *Web re:Brand* project and the *Healthy Environment Inspection System* project. The implementation strategy for the *Web re:Brand* project has changed based on lessons learned from deliverables produced to date, including pilot results and a site content review. Project deliverables will be completed in 2012 to ensure success. *Healthy Environment Inspection System* project requires additional testing and configuration of the product to ensure that it functions reliably within the City environment. The implementation of software modules and hardware, and acquisition of contracted services is deferred to 2012.

Toronto Public Library's (TPL) capital expenditures for the Nine months ended September 30, 2011 totalled \$12.821 million or 46.7% of its 2011 Approved Capital Budget of \$27.451 million. Capital spending is projected to be \$25.332 million or 92.3% of its 2011 Approved Capital Budget by year-end.

Most of projects are progressing according to plan, including the start of construction for the following projects:

- The construction of *Malvern Library Youth Centre* project commenced in summer 2011, after experiencing delays on the building permit application process.
- Public consultation and design work for the *Mount Dennis Library Renovation* project is completed. The tender was awarded and the branch is expected to close on October 29, 2011 for start of construction.
- Public consultation and schematic design of the *Scarborough Centre Library* is completed. Site plan application will be submitted in December 2011 and construction will commence in 2012

The ISF funded projects at the *Fairview Library*, the *North York Central Library*, the *Northern District Library* and the *Richview Library* were completed in March 2011. The infrastructure project at *Toronto Reference Library* was completed in September 2011.

The Toronto Transit Commission's (TTC) capital expenditures for the nine months ended September 30, 2011 totalled \$494.321 million or 34.3 % of the 2011 Approved Capital Budget of \$1.44 billion. The TTC is projecting year end spending of \$1.159 billion or 80.5% of 2011 Approved Capital Budget. The projected under-spending is mainly due to the following projects:

- *The Surface Track* project will be \$16.371 million under-spent mainly due to *Tangent/Special Projects* deferrals to 2012 to ensure coordination with other City work and the deferral of modifications to *The Queensway and Russell Yard South End Track Improvement* project.
- *The Wheel Trans Vehicle* project will be \$12.084 million under-spent due to a revised plan to purchase buses in 2011. Due to manufacturing changes to the operator's cab and passenger's compartment which will require review and approval, only 15 buses will be purchased in 2011 as opposed to 48 originally planned.
- *The LRT Replacement Maintenance and Storage Facility* project is expected to be \$39.347 million under spent due to delays to address property and community concerns.
- *Purchase of Subway Cars* project is expected to be \$16.709 million under budget due to anticipated slippage of project milestones including cost escalation, unused 2011 contingency funding, and Provincial Sales Tax reimbursement rate change as well as anticipated project change requests (PCRs) slippage from 2010.
- *The ATC Resignalling* project is projected to be \$18.544 million under spent due to contract delays for TTC engineering, TTC installation and Wilson Test Track Work.
- *The Other Buildings & Structures* project is expected to be \$10.349 million under spent due to the timing of hands on training for the *Industrial Facility Requirement Program*, work delayed to 2012 for the *Yonge North Subway Program*, a delay in the design of the *Surface Way Building Replacement* project and delay in design work for the *Carhouse Modification New LRV Program*.
- *The Bridges and Tunnels* project is projected to be \$8.895 million under spent due to external consultation costs deferred to 2012 for Structure Rehabilitation Program.
- *The Spadina Subway Extension* project is projected to be \$136.873 million under budget due to a delay in progress for Tunnel Lining, Tunnel Boring Machines, construction and property acquisition. Delays in station construction have been primarily due to site conditions including higher than expected groundwater levels, contractor labour issues and an industrial accident at the York University site. Tunnelling has been delayed due to launch shaft site issues.

Yonge -Dundas Square (YDS) spent \$0.172 million or 81.4% of its 2011 Approved Capital Budget of \$0.212 million during the first nine months of 2011; and projects spending of 100% by year-end.

Toronto Zoo spent \$2.332 million or 30.1 % of its 2011 Approved Capital Budget of \$7.743 million during the first nine months of 2011; projected capital spending is \$5.489 or 70.9% of its 2011 Approved Capital Budget year-end.

The projected year-end under-spending is mainly due to the *North Zoo Site Eurasia* project that will be \$0.888 million under spent at year-end. Construction of Eurasia is delayed as a result of contract and legal issues related to the Tundra construction phase of this project. Capital work in Eurasia is planned for completion in 2012. Also, the *Giraffe House* project (\$0.266 million) will be unspent in 2011. The giraffes will move to the old Elephant Exhibit and the funding will be applied to convert it to meet AZA Standards for Giraffe in 2012.

Sony Centre for the Performing Arts spent \$0.682 million or 100% of the 2011 Approved Capital Budget during the first nine months of 2011; and projects spending of \$0.774 million by year-end. Sony Centre is requesting to increase this project cost and 2011 approved cash flow by \$0.093 million in order to cover overspending resulting from unforeseen additional waterproofing work required on the west side terrace. Funding for the additional cost will come from Sony's Facility Fee Reserve Fund which is authorized to fund renovations.

Rate Supported Programs

During the nine months ended September 30, 2011, Rate Supported Programs' capital expenditures totalled \$381.248 million or 44.5% of their collective 2011 Approved Capital Budget of \$856.459 million. Capital spending is expected to increase to \$652.135 million or 76.1% of their collective 2011 Approved Capital Budget by year-end.

Rate Supported Programs				
Q3 2011 Capital Variance				
(\$ Million)				
	Actual to September 30, 2011		Projected 2011 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Toronto Parking Authority	(29.1)	24.7	(22.9)	40.6
Solid Waste Management Services	(115.3)	22.9	(71.9)	51.9
Toronto Water	(330.8)	50.5	(109.5)	83.6
Sub-Total	(475.2)	44.5	(204.3)	76.1

Toronto Parking Authority (TPA) spent \$9.547 million or 24.7 % of its 2011 Approved Capital Budget of \$38.627 million during the Nine months ended September 30, 2011; and projects spending of \$15.681 million or 40.6% by year-end. The current spending rate reflects delays arising from the unavailability of appropriate sites for off-street parking and delays due to on-going negotiations for identified sites.

Solid Waste Management Services (SWMS) spent \$34.156 million or 22.9 % of its 2011 approved cash flow of \$149.467 million during the Nine months ended September 30, 2011; and projects spending of \$77.595 million or 51.9% by year-end. The majority of the year-end under-spending is attributed to the following projects:

- *The Disco SSO Processing Facility* project had spending of \$13.53 million representing 18.6% of the 2011 approved cash flow of \$72.8 million during the nine months ended September 30, 2011. Delay of the design, build and operate contract

award resulted in significant under-spending in 2009. On February 22 and 23, 2010, City Council authorized the General Manager, Solid Waste Management Services, to finalize negotiations and execute a sole source agreement with AECOM Canada Ltd to complete this facility. Purchase requisitions were established in November 2010 with project completion still expected in 2012. It is estimated that \$25.3 million or 34.8% of the 2011 approved cash flow will be spent by year-end.

- *The Dufferin Single Stream Recycling Facility* project had spending of \$0.022 million representing 0.2% of the 2011 approved cash flow of \$9 million during the nine months ended September 30, 2011. Under-spending in 2011 is due to the late award of the contract for engineering work. As a result, it is projected that \$0.15 million or 1.7% of the 2011 Approved Capital Budget will be spent by year-end.
- *The Green Lane Landfill Development* projects had spending of \$6.598 million, representing 36.7% of the 2011 approved cash flow of \$17.963 million, during the nine months ended September 30, 2011. Cell Excavation and Base Construction and subsequent installation of Control Systems have been delayed due to continuing lower than expected waste tonnage. It is expected that \$13.846 million or 77.1% of the 2011 approved cash flow will be spent by year-end.
- *The Diversion Systems* projects had spending of \$2.611 million, representing 17% of the 2011 approved cash flow of \$15.364 million, during the nine months ended September 30, 2011. The under-spending is mainly due to slower than planned implementation of organics and recycling projects for multi-residential buildings and slower than expected repair of the *Dufferin SSO* digester. It is expected that \$9.484 million or 61.7% of the 2011 approved cash flow will be spent by year-end.

Toronto Water (TW) spent \$337.546 million or 50.5% of its 2011 Approved Capital Budget of \$668.365 million during the nine months ended September 30, 2011; and projects spending of \$558.858 million or 83.6% by year-end.

The current projected year-end spending rate of 83.6% will require an additional \$44.539 million contribution to be made from the capital reserve since projected spending is expected to be above the Rate Model spending rate target of 80% for 2011. Projects that will be completed in 2011 include the *Coxwell Trunk Emergency Repair, Phase 1 Construction of the Coatsworth Cut* and *Construction of Storm Water Management at Earl Bales Park*. In 2011, significant progress will also continue to be made on the *Horgan Filtration Plant Expansion*, the *Milliken Reservoir and Pumping Station*, the *Dufferin Reservoir* and the replacement of the *Avenue Road Transmission Watermain*. Substantial legislated and state of good repair work will also be done at the Wastewater Treatment Plants and on Linear Infrastructure.