

Facilities 2017 Capital Budget and 2018 – 2026 Capital Plan Adjustments and Accelerations / Deferrals (November)

Date: October 24, 2017

To: Budget Committee

Executive Committee

From: Deputy City Manager, Internal Corporate Services

Wards: All

SUMMARY

The purpose of this report is to amend the Facilities, Real Estate, Environment & Energy (FREEE) 2017 Council Approved Capital Budget and 2018-2026 Capital Plan. The amendments will have zero gross and net debt impact and will better align 2017 and future cash flows with FREEE program requirements.

RECOMMENDATIONS

The Deputy City Manager, Internal Corporate Services recommends that:

1. City Council authorize the deferral and acceleration of funds in the Facilities, Real Estate, Environment & Energy (FREEE) 2017 Council Approved Capital Budget and 2018- 2026 Capital Plan in the amount of \$1.735 million, as illustrated in Schedule A (attached), with zero gross and net debt impact.

FINANCIAL IMPACT

The approval of this report will authorize the deferral and acceleration of funds in the 2017 Council Approved Capital Budget and 2018 – 2026 Capital Plan for Facilities, Real Estate, Environment & Energy (FREEE) in the amount of \$1.735 million, as detailed in Schedule A (attached) for State of Good Repair (SOGR) projects. This amendment will have a zero gross and net debt impact.

There are no additional costs to the City as a result of the approval of this report. The recommended adjustments will align the 2017 Council Approved Capital Budget with FREEE's Capital program requirements for 2017 and beyond.

The Acting Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council, at its meeting on February 15 & 16, 2017, approved the Facilities, Real Estate, and Environment & Energy 2017 Capital Budget and 2018 – 2026 Capital Plan, which included 2017 cash flows of \$184.134 million and 2016 preliminary carry-forward funding of \$105.221 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

ISSUE BACKGROUND

The amendments will ensure proper funding is in place to complete a number of projects currently forecasted to be completed ahead of schedule, requiring payment in the 2017 fiscal year. Furthermore, cash flows on a number of projects require adjustment to better align and ensure cash flows reflect actual project spending and project schedules for 2017 and future years.

COMMENTS

Budget Deferrals and Accelerations

Several projects either proceeding ahead of schedule, or where forecasted spending in 2017 is expected to exceed planned amounts, require an acceleration of cash flows from 2018. In each of these cases, the overall project costs remain within approved budgeted amounts.

The capital project *Various Locations-Emergency Generator for Fire Halls* was accelerated to complete the 2018 portion in 2017. Due to delays in contract awards a portion of this accelerated work will be deferred into 2018. Of the 43 sites in scope, 24 sites are in design, with 8 in construction and 11 completed. Adjustments to cash flows will be made to better align budget with forecasted spending in 2017.

703 Don Mills-Replacement of Chilled Water System c/w Chiller, CT& Pumps Phase II funding will be deferred due to coordination with other infrastructure projects. Cash flows in these projects can be deferred to 2018 to offset the acceleration of funds for projects that are proceeding ahead of schedule, or where cash flow adjustments are needed to ensure 2017 Plan amounts are sufficient to match spending. See Schedule "A" for a detailed listing.

CONTACT

Sunil Sharma
General Manager
Facilities Management
Telephone: 416-397-5270
E-mail: Ssharma5@toronto.ca

Patrick Matozzo
Director Project Management Office
Facilities Management
Telephone: (416) 392-9158
Email: Patrick.Matozzo@toronto.ca

SIGNATURE

Josie Scioli
Deputy City Manager, Internal Corporate Services

ATTACHMENTS

Schedule "A" - 2017 Deferrals/Accelerations