



REPORT FOR ACTION

Transportation Services 2018 Capital Budget Adjustments

Date: May 11, 2018

To: Budget Committee, Executive Committee

From: General Manager, Transportation Services

Wards: All

SUMMARY

This report requests City Council's authority to amend Transportation Services' Approved 2018 Capital Budget and 2019-2027 Capital Plan by reallocating cash flows within the 2018 Budget and converting future year estimates to cash flow commitments within the 2019 Plan. These adjustments will align program requirements and project delivery schedules resulting in improved spending rates.

The adjustments will have a zero dollar impact on Transportation Services' 2018 Capital Budget and 2019-2027 Plan.

RECOMMENDATIONS

The General Manager, Transportation Services recommends that:

1. City Council authorize the reallocation of funds within Transportation Services' Approved 2018 Capital Budget in the amount of \$1,400,000, for funding of projects, as presented in Attachment 1, with a zero budget impact.
2. Subject to approval of TE32.57 by Council, City Council amend the 2018-2027 Capital Budget and Plan for Transportation Services by converting future year estimates for the York Street Tunnel capital project and approving total project costs of \$1,675,244 and cash flow commitments of \$1,675,244 in 2019, fully funded by debt.

FINANCIAL IMPACT

There are no additional costs to the City as a result of approving the recommendations in this report.

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

DECISION HISTORY

At its meeting of February 12, 2018, City Council approved Transportation Services' 2018 Capital Budget and 2019-2027 Capital Plan, which included approval of a 2018 Capital Budget cash flow of \$372.045 million and 2017 carry-forward funding of \$150.011 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

At its meeting of April 24, 25, 26 and 27, 2018, City Council approved additional carry forward funding from unspent capital projects and adjustments to the 2018 Approved Capital Budgets for respective City Programs and Agencies in order to continue work on previously approved capital projects, with no incremental net impact on debt. The adjustment to the carry-forwards for Transportation Services resulted in an overall increase of carry-forward funding to \$169.627 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.14>

At its meeting of May 2, 2018, the Toronto and East York Community Council considered " 12, 14 and 16 York Street - Amendments to Section 16 Agreement and Road Closure Authorization", which recommended a City financial contribution to the owner of 12, 14 and 16 York Street to offset incremental costs associated with construction of the York Street PATH Tunnel via a partial closure of York St. The report was moved to the May 23-25 meeting of City Council without recommendations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TE32.57>

COMMENTS

Transportation Services is seeking approval to amend the 2018 Approved Capital Budget and 2019-2027 Capital Plan to better align cash flows with revised forecasted expenditures, reflecting project and program requirements, in accordance with Section 71-9 B to E of the Financial Control By-Law. These adjustments will result in improved spending rates for 2018 and future years.

Several Transportation Services' 2018 Capital Programs and Projects, as identified below and in Attachment 1, are recommended to be adjusted.

In addition, the conversion of future year cost estimates to approved cash flow commitments in the 2019-2027 Capital Plan cash flows is required in order to meet the

City's commitment to the York Street Tunnel project, as described in greater detail below.

Project Delivery Schedule Amendments

Several Transportation Services' 2018 Capital Programs and Projects, as identified below and summarized in Attachment 1, are recommended to be adjusted.

2018 Cash flows Adjustment between Programs

1) Sidewalks and Tactile Domes Installation Programs

A technical adjustment is required to incorporate Tactile Domes Installation program funding into the Sidewalks program in order to improve the management of budget tracking for Sidewalks program funded contracts that include the installation of tactile domes. Contracts that include sidewalk maintenance, repair, or installation utilize funding from the Tactile Domes Installation program account for the installation of AODA compliant tactile domes at appropriate intersection locations. The adjustment will result in 2018 program cash flow increase of \$0.800M for the Sidewalks program and reduction to \$0 for the Tactile Domes Installation program.

2) Retaining Walls Rehabilitation and Don Valley Parkway Rehabilitation Programs

Additional funding is required for the Retaining Wall Rehabilitation program in order to complete the Riverside retaining wall project and undertake the Glenwood Crescent slope restoration project.

Originally scheduled for 2017 completion, the Riverside retaining wall project experienced unforeseen additional costs due to existing soil contamination and stability concerns as well as conflicts with buried abandoned sheet piles. Additional 2018 cash flow of about \$0.350M is required to complete this project.

In 2017 a slope failure occurred on Glenwood Crescent. This emergency repair is being undertaken this year at a cost of about \$0.450M. Such slope restoration projects are considered under the scope of retaining wall rehabilitation program.

A review of planned Retaining Wall Program repair projects indicates that the bids are closing lower than estimates. This is anticipated to result in about \$0.200M of available funding for these two projects. Overall, these adjustments will result in an increase of \$0.600M for the Retaining Wall Program.

This increase in funding will be offset from the Don Valley Parkway Rehabilitation program. The Don Valley Parkway Rehabilitation program had only one major contract award in 2018, for work that was performed during the annual Spring Maintenance closure, which took place from April 22 to 23, 2018. Consolidated maintenance work was completed as part of the Spring 2018 Don Valley Parkway closure, in order to forgo the need for and reduce the traffic impacts of a Fall closure. This results in a projected underspending of \$0.600 million in 2018

Adjustment to Committed Funds in the 2019-2027 Plan

1) York Street Tunnel

As part of the 2019-2027 Plan, funding of \$7.0 million in 2019 was identified as the City's financial contribution to offset the incremental costs to be incurred by the owner of 12, 14, and 16 York Street arising from constructing the York Street PATH tunnel connection via a partial closure of York Street rather than the currently agreed full closure.

City Staff and the property owner have worked collaboratively to explore alternative construction phasing and methodologies that would permit construction of the PATH connection, while maintaining a minimum of one lane of traffic in each direction. Although a partial closure of York Street will extend the duration of construction, it will significantly reduce the congestion impacts of this work. Through ongoing negotiation, and via a peer review of owner submitted costs, the City has established that the incremental costs to the developer will amount to \$1,675,244.

A companion report (TE32.57) seeking Council authority for this contribution was submitted to the Toronto and East York Community meeting on May 2nd, 2018, and was moved to the May 23-25 meeting of City Council without recommendations.

Subject to approval of TE32.57 by Council, in order to enter into an amended Section 16 agreement with the property owner, the conversion of future year estimates for the York Street Tunnel capital project to an approved cash flow commitment of \$1,675,244 in 2019, fully funded by debt, is required.

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SIGNATURE

Barbara Gray
General Manager, Transportation Services

ATTACHMENTS

Attachment 1: Proposed 2018 Budget Adjustments

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2018 Cash flows Adjustment between Programs

Program Area	CTP Account	2018 Approved Cash Flow	2018 Proposed Adjustment	Revised 2018 Cash Flow
Sidewalks	415-01	\$18,542,000	\$800,000	\$19,342,000
Tactile Domes Installation	316-12	\$800,000	(\$800,000)	\$0
Retaining Wall	516-02	\$4,371,000	\$600,000	\$4,971,000
Don Valley Parkway Rehabilitation	110-1	\$2,496,000	(\$600,000)	\$1,896,000
Total		\$26,209,000	\$0	\$26,209,000