

March 29, 2010

To: Executive Committee

From: Budget Committee

Subject: Transportation Services – 2010 Cash Flow Reallocations and Deferrals Progress Report No. 2

Recommendations:

The Budget Committee recommends to the Executive Committee that:

- 1. City Council authorize the reallocation of funds in the Transportation Services' 2010 Capital Budget and 2011-2019 Capital Plan in the amount of \$13,000,000, with cash flows in the amount of \$3,150,000 for 2010 and \$9,850,000 for 2011 detailed in Table 1, Part A, attached to the report (February 26, 2010) from the General Manager, Transportation Services, with a zero gross and net impact.**
- 2. City Council authorize the decrease in project costs and corresponding cash flow in 2010, in the amount of \$5,000,000 detailed in Table 1, Part B, attached to the report (February 26, 2010) from the General Manager, Transportation Services, resulting in a reduction of \$5,000,000 gross, zero net of the 2010 Approved Budget for Transportation Services.**
- 3. City Council authorize and direct the appropriate City Officials to take the necessary action to give effect thereto.**

Background:

The Budget Committee on March 29, 2010, considered a report (February 26, 2010) from the General Manager, Transportation Services, entitled "Transportation Services – 2010 Cash Flow Reallocations and Deferrals Progress Report No. 2".

for City Clerk

Merle MacDonald/mh



**STAFF REPORT
ACTION REQUIRED**

**Transportation Services - 2010 Cash Flow Reallocations
and Deferrals Progress Report No. 2**

Date:	February 26, 2010
To:	Budget Committee
From:	General Manager, Transportation Services
Wards:	All Wards
Reference Number:	P:\2010\ClusterB\tra\tim\bc10009tim

SUMMARY

The Transportation Services Division is recommending the reallocation of funds, within the 2010 Approved Capital Budget and 2011-2019 Capital Plan, in order to better align cash flows with program requirements. The impact on project costs resulting from the cash flow reallocations for this report is a decrease of \$5,000,000 million essentially for third party work that will not be carried-out this year or next. This is the second such report for 2010 and involves the reallocation of 2010 and 2011 approved cash flows along with a corresponding acceleration and increase within other Transportation Services Capital Budget items that yield a zero net impact on the approved debt target for 2010.

RECOMMENDATIONS

The General Manager of Transportation Services recommends that:

1. City Council authorize the reallocation of funds in the Transportation Services' 2010 Capital Budget and 2011-2019 Capital Plan in the amount of \$13,000,000, with cash flows in the amount of \$3,150,000 for 2010 and \$9,850,000 for 2011 detailed in Table 1, Part A, attached, with a zero gross and net impact.

2. City Council authorize the decrease in project costs and corresponding cash flow in 2010, in the amount of \$5,000,000 detailed in Table 1, Part B, attached, resulting in a reduction of \$5,000,000 gross, zero net of the 2010 Approved Budget for Transportation Services.
3. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

Funding in the total amount of \$13,000,000 with cash flows of \$3,150,000 and \$9,850,000, in 2010 and 2011 respectively, already approved within the Transportation Services' 2010 Capital Budget and 2011-2019 Capital Plan will be reallocated between various projects for a number of reasons, as outlined in the body of this report, with a zero net impact corporately (Table 1, Part "A") The approval of this report will also authorize a reduction of \$5,000,000 in the Program's 2010 Approved Capital Budget for third party work that will not be carried out in 2010, with a zero impact on the Program's debt funding. Transportation Services staff, in advance of the upcoming 2011 budget process and consistent with the Divisional submission, has reassessed all ongoing and imminent project cash flows and all available funding sources in order that the realign project costs will have no net impact on the approved ten year debt targets for Transportation Services.

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

DECISION HISTORY

In early 2007, a set of guidelines was adopted by City Council that outlines a process emphasising upfront priority-setting, service reviews and a public consultation methodology. This is intended to guide the budget process focussing on a multi-year financial outlook that aligns services with the Mayor's mandate and Council's policy agenda ensuring, among other things, the efficient use of resources to deliver service results and outcomes. In this regard, the Transportation Services Division submitted a report entitled "Plan to Improve the Development and Implementation of a Co-ordinated Multi-Year Joint Transportation Services and Toronto Water Capital Program" to the Public Works and Infrastructure Committee, at its June 27, 2007 meeting (Clause 6 of Public Works and Infrastructure Committee Report No. 7). City Council adopted the clause without amendment at its meeting held on July 16, 17, 18 & 19, 2007 and, in doing so, approved a cross divisional coordinated infrastructure capital works policy. Background material can be found at:

http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/2007-bu2-5_312.pdf

COMMENTS

There is an opportunity that allows for the advancement of various contemplated 2010 programs this year. For the Transportation Services Division, this means that a re-allocation of approved cash flows will be required to facilitate the timely delivery of projects that are essentially ready to proceed. In this regard, the Division is seeking approval for the reallocations of approved 2010 and 2011 funding as shown in Table 1, attached. This will accommodate anticipated higher capital expenditures for work on bridge projects to be accelerated from 2011 to 2010 and will result in a better alignment of cash flows. Two large structure rehabilitation projects will begin this year:

F.G. Gardiner Expressway Underpasses at Lake Shore Boulevard West and Jameson Avenue. The work will take two years to complete and involves:

- **the demolition and removal of three underpass superstructures, pier caps and substructures,**
- **traffic control provisions on Lake Shore Blvd and Gardiner Expressway,**
- **access and protection for workers,**
- **the construction of a temporary detour of LakeShore Blvd, westbound, and**
- **new steel girders, bearings, concrete decks, sidewalks, parapets and aluminium railings**

Bloor Street West Bridge over the Humber River. The work will take two years to complete and involves:

- **the removal and replacement of existing approach slabs, ballast walls and top portion of wing walls,**
- **the removal and replacement of portions of the existing deck, complete sidewalks and pedestrian railings,**
- **the cleaning and coating of the existing structural steel, and**
- **the removal and replacement of the existing asphalt wearing surface including any required waterproofing.**

In 2011, the Transportation Services Division will be submitting a revised ten year capital plan that will account for the re-programming of timelines to implement various needed works. There will be no net change to the overall approved net debt targets for 2011 and each of the remaining years.

CONTACT

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SIGNATURE

Gary Welsh, P. Eng.
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JC/if

ATTACHMENTS

Table 1: Transportation Services - Capital Budget Reallocation