

Capital Variance Report for the Nine Months Ended September 30, 2012

Significant Variance Explanation

Citizen Centred Services "A"

For the nine months ended September 30, 2012, capital expenditures for this Cluster totalled \$57.293 million or 22% of their collective 2012 Approved Capital Budget of \$260.926 million. Spending is expected to increase to \$135.408 million or 51.9% by year-end.

Citizen Centred Services "A"				
Q3 2012 Capital Variance (\$ Million)				
	Actual to September 30, 2012		Projected 2012 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
311 Toronto	(6.6)	28.7	(4.4)	52.3
Children's Services	(4.4)	34.1	(1.2)	81.9
Court Services	(0.6)	0.0	(0.5)	16.4
Economic Development & Culture	(35.2)	8.7	(25.8)	33.1
Emergency Medical Services	(2.5)	17.4	(1.8)	42.5
Long-Term Care Homes & Services	(49.6)	15.9	(36.6)	38.0
Parks, Forestry & Recreation	(101.5)	26.2	(54.3)	60.5
Shelter, Support and Housing Administration	(2.4)	20.0	(0.6)	81.5
Toronto Employment and Social Services	(0.9)	73.5	(0.4)	87.8
Sub-Total	(203.6)	22.0	(125.5)	51.9

311 Toronto spent \$2.643 million or 28.7% of its 2012 Approved Capital Budget of \$9.199 million for the period ended September 30, 2012; and spending is projected to be \$4.815 million or 52.3% by year-end, with \$3.163 million in estimated carry forward funding into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Phase III* project's capital expenditures totalled \$1.795 million representing 47% of the 2012 approved cash flow of \$3.822 million during the nine months ended September 30, 2012. Project timelines have been adjusted to reflect development and delivery of corporate applications for a payment module, enabling customers to register and process payments for recreation programs in 311 and \$1.500 million of the 2012 approved cash flow will be deferred to 2015 to complete the integration with the Recreation Registration program. It is estimated that only \$2.322 million or 60.8% will be spent by year-end.
- The *Future Integration and Strategy* project's capital expenditures totalled \$0.267 million representing 8.2% of the 2012 approved cash flow of \$3.285 million during the nine months ended September 30, 2012. Project timelines have been adjusted to complete knowledge base enhancements in 2013 to align with software upgrades

associated with the State of Good Repair updates. It is estimated that \$1.300 million or 39.6% of the 2012 approved cash flow will be spent by year end.

Children's Services spent \$2.277 million or 34.1 % of its 2012 Approved Capital Budget of \$6.687 million for the period ended September 30, 2012; and year-end spending is projected to be \$5.480 million, or 81.9% of its 2012 Approved Capital budget. Rate of spending for up to the third quarter and the projected year-end under spending is attributed to the following projects/sub-projects:

- The *Nelson Mandela Public School* project's capital expenditures totalled \$1.183 million representing 49.0% of the 2012 approved cash flow of \$2.414 million during the nine months ended September 30, 2012. Timing of this project has been affected by construction delays related to the *Regent Park Revitalization* project, with year-end spending projected to be \$1.928 million. The unspent funds of \$0.486 million will be carried forward into 2013.
- The *CSIS 3* project's capital expenditures totalled \$0.763 million representing 38.5% of the 2012 approved cash flow of \$1.982 million during the nine months ended September 30, 2012. Although project spending has been impacted by delays in hiring staff, year-end spending is projected to be \$1.828 million. The unspent funds of \$0.154 million will be carried forward into 2013.
- The *MCC SOGR* project's capital expenditures totalled \$0.322 million representing 37.8% of the 2012 approved cash flow of \$0.869 million during the nine months ended September 30, 2012. Project spending is traditionally lower than planned in the first half of the year, as capital upgrades must be co-ordinated among the 26 municipal child care centres. Spending is projected to accelerate in the final quarter, with the 2012 approved cash flow projected to be fully spent by year end.
- The *New Child Care Centre* project had no capital expenditures against the 2012 approved cash flow of \$0.783 million during the nine months ended September 30, 2012. Construction at *St. Andrew Centre* with an approved 2012 cash flow of \$0.516 million has been completed, with the final contractor's billings to be settled by year-end. While playground at the *Thorncliffe Park Child Care Centre*, with an approved 2012 cash flow of \$0.267 million, has been completed, due to contractor's claims related to delays in the construction the final payment will not be settled until 2013. The unspent funds of \$0.267 million for *Thorncliffe Park* project will be carried forward into 2013.
- The *Squirrel's Nest Day Care Centre* project's capital expenditures totalled \$0.009 million representing 2.4% of the 2012 approved cash flow of \$0.375 million during the nine months ended September 30, 2012. Although construction began in September, spending for this project has been delayed due to a zoning issue. With spending projected to be \$0.075 million by year-end, the unspent funds of \$0.300 million will be carried forward into 2013.
- The *Regent Park Children's Hub* project had no capital expenditures against the 2012 approved cash flow of \$0.263 million during the nine months ended September 30, 2012. Project spending has been delayed due to timing of the *Regent Park*

Revitalization initiative. It is projected that the budgeted cash flow will be fully spent by year end.

Courts Services incurred no capital expenditures against its 2012 Approved Capital Budget of \$0.611 million during the period ended September 30, 2012; and spending is projected to be \$0.100 million or 16.4% by year-end. Spending for the *Provincial Offenses Act (POA) Application Sustainment & Hardware Upgrades* project has been delayed as the project is dependent on the implementation of the Provincial court information management system. The project is anticipated to begin in the last quarter of 2012. The unspent funds of \$0.511 million will be carried forward into 2013.

Economic Development and Culture's capital expenditures for the period ended September 30, 2012 totalled \$3.357 million or 8.7 % of its 2012 Approved Capital Budget of \$38.529 million. Capital spending is projected to reach \$12.746 million or 33.1% of its 2012 Approved Capital Budget by year-end with \$14.379 million to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Fort York Visitors Centre* project's capital expenditures totalled \$0.217 million representing 1% of the 2012 approved cash flow of \$23.719 million during the nine month ended September 20, 2012. Capital spending is projected to reach \$3.085 million by year-end. Tenders received in September of 2011 were over the approved budget. An adjustment to the budget has been approved and design changes made to reduce the price in preparation for a new tender. Tenders for a reduced project were received in July 2012. The project will be completed in 2014.
- The *Casa Loma Exterior* project's capital expenditures totalled \$0.321 million representing 18 % of the 2012 approved cash flow of \$1.717 million during the nine months ended September 30, 2012. Capital spending is projected to reach \$1.060 million or 58% by year-end. Phase 7 of *Casa Loma* restoration was delayed by 14 months when the City terminated the operating agreement with Kiwanis.
- The *John St. Roundhouse Museum* project's capital expenditures totalled \$0.001 million representing 0.2% of the 2012 approved cash flow of \$0.605 million during the nine months ended September 30, 2012. Capital spending will remain at the current level of spending for the rest of 2012. The *Roundhouse Museum* project has been delayed as a result of changes to Toronto Hydro's schedule and plans for the transformer station they are building underground at the west end of the site. This uncertainty means that no planning and design for the museum can proceed. The scope of work for the project will likely change, but cannot be re-established until Hydro's plans are confirmed at the end of 2012.
- The *IT Projects'* expenditures totalled \$0.143 million or 19% of the 2012 approved cash flow of \$0.767 million. Capital spending is projected to reach \$0.371 million by year-end with projected carry forward funding of \$0.396 million into 2013. Projected under spending in the *Web Branding* project at year-end resulted from a delay in development of the corporate platform required for the integration.

Emergency Medical Services' (EMS) capital expenditures for the nine-months ended September 30, 2012 totalled \$0.529 million or 17.4% of the 2012 Approved Capital budget of \$3.046 million. The Program's year-end expenditures are expected to be \$1.295 million or 42.5% of the 2012 approved cash flow with \$1.267 million estimated to be carried forward to 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Station Security* project's capital expenditure totalled \$0.093 million representing 14.5% of the 2012 approved cash flow of \$0.640 million during the nine months ended September 30, 2012. The project is behind schedule as the security device installed in two locations is at the testing stage and preliminary tests showed technical problems. Further analysis and evaluation are required before the device is rolled out to other EMS locations. Funds of approximately \$0.547 million will be carried forward into 2013.
- The *EMS Mobile Dispatch System "MobiCAD" Upgrade* project had no capital expenditures during the nine month period ended September 30, 2012. The request for proposal was delayed as new technologies were reviewed and considered. The installation of the system is expected to be completed in 2013. The 2012 approved cash flow funding of \$0.400 million will be carried forward into 2013.
- The *Scheduling system* project had no capital expenditures during the nine month period ended September 30, 2012 as a corporate solution is currently being reviewed which will impact other Programs within the City. The 2012 approved cash flow of \$0.200 million will be carried forward into 2013.
- Funding for construction deficiencies for seven Infrastructure Stimulus Funded (ISF) projects which were substantially completed in 2011 will not be fully utilized and will result in estimated savings of \$0.281 million.

Long-Term Care Homes & Services (LTCHS) spent \$9.368 million or 15.9 % of its 2012 Approved Capital Budget of \$59.001 million for the period ended September 30, 2012; and projected expenditure is anticipated to reach \$22.551 million or 38.2% by year-end with \$33.555 million estimated carry forward funding to 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Capital Maintenance* project's expenditures totalled \$1.165 million representing 17.7% of the 2012 approved cash flow of \$6.585 million during the nine months ended September 30, 2012. LTCHS has awarded approximately \$3.600 million in approved projects to date, and on-site work is in progress. Additional projects are in the award phase and on-site work will be initiated in the coming months. It is estimated that \$2.443 million or 37.1% of the 2012 approved cash flow will be spent by year-end with \$4.107 million of funding carried forward to 2013 with the remaining balance of \$0.035 million not required.

- The *Redevelopment* project capital expenditures totalled \$8.204 million representing 15.7% of the 2012 approved cash flow of \$52.416 million during the nine months ended September 30, 2012.
 - *Kipling Acres Redevelopment* - Project capital expenditures totalled \$7.731 million representing 15.5% of the 2012 approved cash flow of \$49.958 million during the nine months ended September 30, 2012. It is estimated that \$17.650 million or 35.3% of the 2012 approved cash flow will be spent by year-end with \$29.448 million of funding carried forward to 2013. The projected year-end under-expenditure is primarily attributed to delays in the construction schedule stemming from the Ministry of Health and Long-Term Care delaying its long-term care home capital renewal schedule, and an on-site construction incident in August 2012 resulting in a slowdown in construction work.
 - *Long Term Care Homes Act* – Project capital expenditures totalled \$0.472 million representing 19.2% of the 2012 approved cash flow of \$2.458 million during the nine months ended September 30, 2012. It is estimated that 2012 approved cash flow will be fully spent by year-end.

Parks, Forestry and Recreation spent \$36.058 million or 26.2% of its 2012 Approved Capital Budget of \$137.513 million during the period ending September 30th, 2012. The Program projects that \$83.171 million or 60.5% of the 2012 Approved Capital Budget will be spent by year-end, with \$44.087 million to be carried forward from 2012 and \$6.623 million to be carried forward from prior years' approved projects. \$3.633 million will not be carried forward from 2011 to 2013 due to delays in commencing various *IT* and *Community Centre* projects. The projected year-end under-spending is mainly due to the following projects:

- ***Facility Components:*** under-spending of \$2.556 million is projected comprised of \$2.321 million for various IT projects which will not be spent due to the Divisional IT Initiatives and IT Corporate technical requirements; and \$0.160 million of the divisional accessibility funding that will not be spent due to reconfirming the project scope at various sites.
- ***Land Acquisition:*** under-spending of \$1.400 million is anticipated due to protracted environmental approvals and remediation work at various sites including *Grand Manitoba/Mystic, Everett, Stafford, and Paton Road*.
- ***Park Development:*** under-spending of \$13.026 million is projected as the *Grange Park* project management agreement has not been finalized (\$4.700 million); land transfer issues have delayed the *Regent Park* project (\$2.750 million); and other various park development projects may not be completed by year-end due to heavier than average rainfall resulting in construction delays.
- ***Arenas:*** under-spending of \$6.800 million is expected since \$4.300 million for the *Leaside Arena Expansion* project was delayed due to re-tendering; and various *Arena*

and *Outdoor Artificial Ice Rink (CAMP)* projects may not be completed by the year-end due to wet site conditions arising from heavy rainfall.

- **Community Centres:** under-spending of \$24.197 million is projected as the *Railway Lands Community Centre* project (\$4.156 million) is still in the initial design stage, as this project is part of a multi-partner development of Block 31 and was delayed due to issues with the housing component of the block; *Canadian Tire Site Community Centre* project (\$0.050 million) is still in the preliminary design stage as only partial funding for the project has been received ; the approvals process for *York Community Centre* project (\$11.000 million) took longer than expected due to additional time required for conveyance of the land from the Province to the City, a lengthy Site Plan approvals process, and unforeseen TRCA requirements to stabilize the bank of Black Creek; *Regent Park Community Centre* project (\$6.565 million) has been delayed due to pro-longed environmental soil remediation and testing requirements; and various *Community Centre (CAMP)* projects will not be completed by year-end due to scheduling conflicts between programming of the community centres and construction.
- **Special Facilities:** under-spending of \$1.600 million is anticipated as \$1.000 million will not be spent due to delays in specialized nature and extensive approvals process for the *Seawall Rehabilitation* project, and \$0.459 million for various *Special Facilities and Structures (CAMP)* projects may not be completed by year-end due to scheduling conflicts with programming and weather constraints.

Shelter, Support and Housing Administration (SSHA) spent \$0.598 million or 20% of its 2012 Approved Capital Budget of \$2.992 million for the period ended September 30, 2012; and spending is projected to be \$2.437 million or 81.5% by year-end. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending is attributed to the following projects:

- The *Capital Repairs/ Replacements for City Operated/ Leased Shelters* project's capital expenditures totalled \$0.181 million representing 6.4% of the 2012 approved cash flow of \$1.600 million. Project spending will accelerate during the last quarter, once purchase orders have been fulfilled. It is estimated that \$1.045 million or 65.3% of the 2012 approved cash flow will be spent by year-end. Anticipated year-end under spending results from delays in construction starts in first half of 2012.
- The *Mass Care Response Vehicle* project had no capital expenditures against the 2012 approved cash flow of \$0.500 million. Payment is due on delivery of the vehicle, which is scheduled for the end of the year. The cab and chassis have been delivered, and the fabrication of the body is nearly complete. It is anticipated that the project will be fully spent by year-end.
- The *Social Housing Administration System* project's capital expenditures totalled \$0.324 million representing 91.1% of the 2012 approved cash flow of \$0.356 million. The project is nearing completion, with the development of the final

budgeting and forecasting module. It is anticipated that the project will be fully spent by year-end.

- The *129 Peter Street Shelter and Referral Centre* project's capital expenditures totalled \$0.008 million representing 2.2% of a 2012 approved cash flow of \$0.386 million. This project funds upgrades to the roof and the installation of an elevator. It is anticipated that the construction work will be completed in the fourth quarter, with the project to be fully spent by year-end.
- The *Shelter Development/ Redevelopment* project's capital expenditures totalled \$0.085 million, representing 56.8% of the 2012 approved cash flow of \$0.150 million which provides funding for the preliminary work needed for the redevelopment of *Seaton House* and the revitalization of *George Street*. It is anticipated that the project will be fully spent by year-end, with staff continuing to develop a framework for this redevelopment initiative.

Toronto Employment & Social Services (TESS) spent \$2.461 million or 73.5 % of its 2012 Approved Capital Budget of \$3.347 million for the nine-month period ended September 30, 2012. The Program's year-end expenditures are projected to be \$2.937 million or 87.8%. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending is attributed to the following projects:

- The *Web-Based IT Development* project capital expenditures totalled \$1.256 million representing 66.1% of the 2012 approved cash flow of \$1.900 million. It is estimated that all activities within the 2012 approved cash flow will be completed by year-end, resulting in projected expenditures of \$1.490 million or 78.4% of the 2012 approved cash flow and total estimated project savings of \$0.410 million. There is no projected carry forward funding to 2013, since TESS funds capital expenditures from its Provincial subsidies once they have been incurred.
- The *TESS Infrastructure* project capital expenditures totalled \$1.205 million representing 83.3% of the 2012 approved cash flow of \$1.447. Construction is proceeding and it is anticipated that the project will be fully spent by year-end.

Citizen Centred Services “B”

For the nine months ended September 30, 2012, capital expenditures for this Cluster totalled \$98.071 or 27.8% of their collective 2012 Approved Capital Budget of \$351.156 million. Spending is expected to increase to \$227.407 million or 64.4% by year-end.

Citizen Centred Services "B" Q3 2012 Capital Variance (\$ Million)				
Actual to September 30, 2012			Projected 2012 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Planning	(6.2)	20.8	(2.2)	72.3
Fire Services	(14.3)	5.8	(12.1)	20.4
Transportation Services	(199.7)	26.5	(96.1)	64.6
Waterfront Revitalisation Initiative	(34.8)	40.4	(15.3)	73.8
Sub-Total	(255.1)	27.8	(125.7)	64.4

City Planning spent \$1.621 million or 20.8% of its 2012 Approved Capital Budget of \$7.799 million for the period ended September 30, 2012; and spending is projected to be \$5.642 million or 72.3% by year-end with \$1.484 million estimated carry forward funding to 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Civic Improvement - Places* project's capital expenditures totalled \$0.302 million representing 9.3% of the 2012 approved cash flow of \$3.252 million during the nine months ended September 30, 2012. The majority of this spending occurs during the summer construction season (June to September) with a final settlement of invoices in the October to December period. It is projected that \$2.384 million or 73.3% of the 2012 approved cash flow will be spent by year-end;
- The *Development Charge Funded Studies* project's capital expenditures totalled \$0.091 million representing 5.4% of the 2012 approved cash flow of \$1.686 million during the nine months ended September 30, 2012. Project spending is lower than planned due to longer than anticipated timeframe required to finalize procurement documents and the completion of prior year projects. It is projected that \$1.211 million or 71.8% of the 2012 approved cash flow will be spent by year-end;
- The *Five Year Review of the Official Plan* project's capital expenditures totalled \$0.376 million representing 27.4% of the 2012 approved cash flow of \$1.372 million during the nine months ended September 30, 2012. The project is currently underway with anticipated completion by the end of 2015. It is projected that \$0.686 million or 50% of the 2012 approved cash flow will be spent by year-end; and
- The *New Zoning By-Law Support for Legal Challenges* project's capital expenditures totalled \$0.801 million representing 66.7% of the 2012 approved cash flow of \$1.200 million during the first nine months ended September 30, 2012. The project is

currently underway with anticipated completion by the end of 2014. It is projected that \$1.200 million or 100.0% of the 2012 approved cash flow will be spent by year-end.

Funding of \$1.484 million will be carried forward from 2012 into 2013 for project completion of the 5-Year Review of the *Official Plan* project (\$0.616 million) and the *Places Civic Improvement* project (\$0.868 million).

Fire Services' capital expenditures for the nine-month period ended September 30, 2012 totalled \$0.884 million or 5.8 % of the 2012 Approved Capital Budget of \$15.229 million. Capital spending is expected to increase in the last 3 months of the year with a year-end spending projection of \$3.113 million or 20.4% of the 2012 Approved Capital Budget and \$11.549 million estimated to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The new *Station D #221* (Eglinton & Midland) project's capital expenditure totalled \$0.107 million representing 2.6% of the 2012 approved cash flow of \$4.098 million. The project is behind schedule as the purchase of land was delayed by one year. The construction contract was awarded in mid-2012 and it is estimated that \$0.800 million or 19.5% of the 2012 approved cash flow will be spent by year-end and \$3.298 million will be carried forward into 2013.
- The *Replacement of Chaplin Fire Station #135* project's capital expenditures totalled \$0.101 million representing 2.6% of the 2012 approved cash flow of \$3.958 million. The project was delayed as the design phase was deferred pending consultation with the community, ward councillor and the project architect. It is estimated that \$0.200 million or 5.1% of the 2012 approved cash flow will be spent by year-end and \$3.758 million will be carried forward into 2013.
- The *Station B #144* (Keele Street between Sheppard and Wilson) project had no capital expenditures during the nine month period ended September 30, 2012. The expected land acquisition at Downsview Park will not take place in 2012. Negotiations are ongoing and the entire 2012 approved cash flow of \$4.250 million will be carried forward into 2013.
- The replacement purchase of *Self Contained Breathing Apparatus (SCBA)* project had no capital expenditures during the nine month period ended September 30, 2012. The project will be delayed pending the completion of the National Fire Protection Association (NFPA) assessment on health and safety of the current equipment. The entire 2012 approved cash flow of \$0.243 million will be carried forward into 2013.

Transportation Services (TS) spent \$71.907 million or 26.5% of its 2012 Approved Capital Budget of \$271.637 million for the period ended September 30, 2012; and spending is projected to be \$175.505 million or 64.6% by year-end.

The rate of spending for the nine months ended September 30, 2012 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. Contract awards for the reconstruction, repair and resurfacing of various roads; rehabilitation of bridges; etc. have already been awarded and committed, but a low spend rate is reflected due to the time lag. Spending on these projects will increase significantly in the fourth quarter, resulting in a much higher spending rate by year-end.

Most of the year-end under-spending is anticipated in the Program's projects that require third party coordination and/or funding; community consultation; or are development/transit dependent such as road resurfacing & reconstruction; neighbourhood improvements; traffic control projects; infrastructure enhancements; bridge rehabilitation. In addition, under-spending is also anticipated for various projects where contracts were issued later than expected.

At this time, the Program estimates that its required carry forward funding for 2012 will be \$64.154 million or 23.6% of its 2012 Approved Capital Budget. Some of the large projects requiring carry forward funding include: *Road Resurfacing / Reconstruction* (\$10.550 million); *City Bridge Rehabilitation* (\$19.900 million); *Gardiner Expressway Rehabilitation* (\$5.700 million); *DVP Rehabilitation* (\$2.000 million); *Neighbourhood Improvements / Sidewalks* (\$3.401 million); *North Yonge Centre* (\$5.000 million); various construction projects related to the TTC (\$4.000 million); and *Cycling Infrastructure* (\$3.000 million).

Waterfront Revitalization Initiative spent \$23.658 million or 40.4% of its 2012 Approved Capital Budget of \$58.491 million for the period ended September 30, 2012; and spending is projected to be \$43.147 million or 73.8% by year-end. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Union Station* project's capital expenditures totalled \$19.028 million representing 67.1% of the 2012 approved cash flow of \$28.366 million during the nine months ended September 30, 2012. Project construction is underway with project completion expected in 2015. It is estimated the 2012 approved cash flow will be fully spent by year-end;
- The *Sportsfields Facilities & Parks Development* project's capital expenditures totalled \$2.528 million representing 96.2% of the 2012 approved cash flow of \$2.629 million during the nine months ended September 30, 2012. Project construction is underway with project completion expected in 2016. It is estimated that the 2012 approved cash flow will be fully spent by year-end;
- The *Mimico* project's capital expenditures totalled \$1.030 million representing 51.1% of the 2012 approved cash flow of \$2.017 million during the nine months ended September 30, 2012. Project construction is underway with project completion expected in 2013. It is estimated that \$1.505 million or 74.6% of the 2012 approved cash flow will be spent by year-end; and

- The *Financial Securities* project had no spending of the 2012 approved cash flow of \$6.781 million during the nine months ended September 30, 2012. This reserve allocation is necessary to fulfill infrastructure warranty requirements. This project represents 44.2% of all projected year-end under spending for the Program.

Internal Services

For the nine months ended September 30, 2012 actual capital expenditures for Internal Services totalled \$78.553 million or 31.2% of their collective 2012 Approved Capital Budget of \$251.384 million. Spending is expected to increase to \$162.168 million or 64.5% by year end.

Internal Services Q3 2012 Capital Variance (\$ Million)				
Actual to September 30, 2012			Projected 2012 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Facilities Management & Real Estate	(77.1)	32.2	(2.2)	63.8
Financial Services	(18.9)	31.8	(7.0)	74.8
Fleet Services	(38.6)	25.6	(16.8)	67.6
Information Technology	(38.2)	34.3	(24.3)	58.2
Sub-Total	(172.8)	31.2	(89.2)	64.5

Facilities Management and Real Estate (FMRE) spent \$36.566 million or 32.2% of its 2012 Approved Capital Budget of \$113.690 million for the period ended September 30, 2012; and spending is projected to be \$72.558 million or 63.8% by year-end, with \$25.190 million estimated carry forward funding to 2013. The rate of spending for the second quarter of 2012 and projected under spending at year-end includes a number of smaller projects for which there are minor unanticipated delays in implementation. Approximately \$16.000 million of funding to be carried forward into 2013 is comprised of small projects within the categories of mechanical/electrical, re-roofing and renovations. The major contributors to the projected year-end under spending are the following projects:

- The *Nathan Phillips Square* project capital expenditures totalled \$7.753 million representing 34.2% of the 2012 approved cash flow of \$22.674 million as of September 30, 2012. It is estimated that \$17.673 million or 77.9% of the 2012 approved cash flow will be spent by year end due to the delays resulting from co-ordinating construction activities and re-tendering scope of work due to higher than expected bids. Also, the landscaping work will be deferred into 2013. A total of \$5.000 million will be carried forward into 2013.

- The redevelopment of *St. Lawrence Market North* project capital expenditures totalled \$0.482 million representing 11.9% of the 2012 approved cash flow of \$4.044 million. The detailed design work has commenced and staff are working with the design consultant to ensure the design cost estimate is within the approved construction budget. It is estimated that \$1.044 million or 25.8% of the 2012 approved cash flow will be spent by year end as staff continue to address these issues. The remaining \$2.500 million will be carried forward into 2013.
- The *2700 Eglinton Ave West* project had capital expenditures of \$0.001 million or 0.1% against the 2012 approved cash flow of \$1.675 million as of September 30, 2012. Delays experienced during the design phase in 2011 and 2012 have deferred a significant portion of the construction phase into 2013. It is estimated that \$0.047 million or 2.8% of the 2012 approved cash flow will be spent by year end. The tender process is to commence soon and the construction phase is expected to begin prior to year end. Funding in the amount of \$1.628 million will be carried forward into 2013.

Financial Services spent \$8.782 million or 31.8% of its 2012 Approved Capital Budget of \$27.636 million for the period ended September 30, 2012. Year-end spending is projected to be \$20.669 million or 74.8% with \$3.966 million carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Tax Billing System Replacement* project (\$1.572 million) and the *Utility Billing System Replacement* project (\$1.625 million) are proceeding with a Request for Proposal for an external assessment that will determine the appropriate system/solution. No spending is projected by year end on these two projects. These amounts will be carried forward into 2013.
- The *Workflow & Document Management Technology* project's capital expenditures totalled \$0.151 million or 12.3% of the 2012 approved cash flow of \$1.233 million during the nine months ended September 30, 2012. It is estimated that \$0.250 million or 20% of the 2012 approved cash flow will be spent by year-end. The project is behind schedule due to delays in the initial stages of the project as more time and effort was required to complete the design phase from an end user point of view. The unspent funds of \$0.983 million will be carried forward into 2013.
- The *eProcurement Implementation* project's capital expenditures for 2012 are estimated to be \$0.683 million or 56.3% of the 2012 approved cash flow of \$1.274 million. Projected spending is lower than planned due to unforeseen delays in the hiring of resources. A change in the external consultant also caused a delay in completing the initial draft of the Business Architecture Document, which in turn delayed the planning and scoping stages of the project. The *eProcurement* project is proceeding with a Request for Proposal for consulting services to complete the planning and scoping exercises. The unspent funds of \$0.683 million will be carried forward into 2013.

- The *Financial Planning Analysis and Reporting System (FPARS)* project's capital expenditures totalled \$7.692 million or 46.9% of the 2012 approved cash flow of \$16.393 million. Spending is projected to be \$16.393 million or 100% by year-end as the project is moving forward as planned.

Fleet Services capital expenditures totalled \$13.262 million representing 25.6% of its 2012 Approved Capital Budget of \$51.871 million for the period ended September 30, 2012; and spending is projected to be \$35.075 million or 67.6% by year-end with \$11.581 million estimated to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected under spending at year-end is attributed to the following projects:

- The *Fire Services Fleet Replacement* project's capital expenditures totalled \$0.260 million representing 2.2% of the 2012 approved cash flow of \$11.768 million during the nine months ended September 30, 2012. Project spending is lower than planned in the third quarter of 2012 due to a delay in obtaining specialized fire vehicles as a result of the significant lead time required in the production of the vehicles. It is estimated that \$6.391 million or 54.3% of the 2012 approved cash flow will be spent by year-end. The unspent funds of \$5.377 million will be carried forward to 2013.
- The *Transportation Services Fleet Replacement* project's capital expenditures totalled \$0.709 million representing 13.9% of the 2012 approved cash flow of \$5.103 million during the nine months ended September 30, 2012. Project spending is lower than planned in the third quarter of 2012 due to delayed procurement of the vehicles. It is estimated that \$1.086 million or 21.3% of the 2012 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of the program reviewing its operational requirements and reassessing their vehicles for replacement. The unspent funds of \$4.017 million will be carried forward to 2013.

Information & Technology spent \$19.943 million or 34.3% of its 2012 Approved Capital Budget of \$58.188 million for the period ended September 30, 2012; and year-end spending is projected to be \$33.865 million or 58.2% with \$16.983 million estimated carry forward funding to 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *SAP Landscape Upgrade* project capital expenditures totalled \$1.162 million representing 19.5% of the 2012 approved cash flow of \$5.960 million during the nine months ended September 30, 2012. The SAP project is behind schedule due to delays in negotiating a contract with IBM to implement the project.. It is estimated that \$3.651 million or 61.1% of the 2012 approved cash flow will be spent by year-end. The unspent funds of \$2.309 million will be carried forward to 2013.
- The *Toronto Animal Service eProject's* capital expenditures totalled \$0.031 million representing 0.3% of the 2012 approved cash flow of \$1.039 million during the nine months ended September 30, 2012. It is estimated that \$0.156 million or 15.0% of the 2012 approved cash flow will be spent by year-end as the

project is being re-scoped. The initiatives planned for 2012 include enabling the field officers with mobile devices and wireless technology to update their business system remotely and wireless connectivity in shelters as well as a revamp of ePet to leverage the City's corporate eDonations solution and will be initiated in the latter part of 2012 and completed in 2013. Unspent funds of \$0.350 million will be carried forward to 2013.

- The *ML&S Case Management System* project's capital expenditures totalled \$0.140 million representing 15.6% of the 2012 approved cash flow of \$0.898 million during the nine months ended September 30, 2012. This project is on hold pending a review by senior management. Unspent funds of \$0.758 million will be carried forward to 2013
- The *Consolidated Data Centre* project's capital expenditures totalled \$0.834 million representing 37.2% of the 2012 approved cash flow of \$2.239 million during the nine months ended September 30, 2012. It is estimated that \$1.225 million or 54.7% of the 2012 approved cash flow will be spent by year-end. The focus in 2012 is to review the overall direction of the project and solidify a firm plan to ensure the facility is operational in 2017. The unspent funds of \$1.084 million will be carried forward to 2013.
- The *Integrated Telecom Infrastructure* project's capital expenditures totalled \$1.158 million representing 13.1% of the 2012 approved cash flow of \$8.876 million during the nine months ended September 30, 2012. It is estimated that \$1.606 million or 18.1% of the 2012 approved cash flow will be spent by year end. The low spending rate is due to vendor's delays in delivering contracted milestones. This will delay the migration of approximately 8,262 lines into 2013. The unspent funds of \$7.270 million will be carried forward to 2013.

Other City Programs

For the nine months ended September 30, 2012, actual expenditures for the Other City Programs totalled \$97.925 million or 28.7% of their collective 2012 Approved Capital Budget of \$340.751 million. Spending is expected to increase to \$173.426 million or 50.9% by year-end.

Other City Programs Q3 2012 Capital Variance (\$ Million)				
	Actual to September 30, 2012		Projected 2012 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Clerk's Office	(3.2)	38.0	(1.7)	67.0
Sustainable Energy Plan	(53.6)	5.1	(42.0)	25.5
Union Station	(125.5)	37.8	(76.4)	62.2
Radio Replacement Project	(31.0)	10.2	(25.5)	26.0
PanAm Games	(29.6)	30.8	(21.8)	49.1
Sub-Total	(242.8)	28.7	(145.6)	50.9

The ***City Clerk's Office*** spent \$1.974 million representing 38% of the 2012 Approved Capital Budget of \$5.201 million for the period ended September 30, 2012, and projects spending of \$3.487 million or 67% by year-end, with unspent amount \$1.605 million to be carried forward to 2013. Excluding the *Enterprise Document and Records Management Solution (EDRMS)* project, the projected spending to year end is \$3.028 million or 77.9%. EDRMS is a corporate initiative that was delayed due to a longer than expected negotiation of the legal agreement and accompanying statement of work with the successful vendor. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Enterprise Document and Record Management Solution (EDRMS)* project's capital expenditures totaled \$0.145 million representing 11% of the 2012 approved cash flow of \$1.315 million during the nine months ended September 30, 2012. This is a joint effort between the City Clerk's Office, Revenue Services and Information and Technology Divisions. The projected spending is lower than planned as a result of the statement of work and milestone schedule negotiated with the vendor. It is estimated that \$0.459 million or 34.9% of the 2012 approved cash flow will be spent by year-end. The unspent amount of \$0.800 million will be carried forward to 2013.
- The *Open Information* project's capital expenditures totaled \$0.089 million representing 14.2% of the 2012 approved cash flow of \$0.630 million during the nine months ended September 30, 2012. The online payment module work will be postponed to 2013 because of the unavailability of corporate resources. It is estimated that \$0.243 million or 38.6% of the 2012 approved cash flow will be spent by year-end. The unspent amount of \$0.387 million will be carried forward to 2013.
- The *Alternate Voting* project's capital expenditures totaled \$0.035 million representing 9.3% of the 2012 approved cash flow of \$0.377 million during the nine months ended September 30, 2012. The projected spending rate is lower than planned as a result of the delay in the analysis to either purchase the system or build the system, due to the unavailability of corporate resources. This has since been resolved with contracting an external resource. The analysis is expected to be completed in the first quarter of 2013. The unspent amount of \$0.312 million will be carried forward to 2013.

The Sustainable Energy Plan (SEP) incurred expenditures of \$2.866 million or 5.1% of the 2012 Approved Capital Budget of \$56.421 million for the period ended September 30, 2012; and spending is projected to be \$14.414 million or 25.5% by year-end, with \$7.150 million in estimated funding to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Toronto Energy Conservation Fund (TECF)* project had no capital expenditures during the nine month period ended September 30, 2012. It is estimated that \$2.995 million or 12.0% of the 2012 approved cash flow will be disbursed for Toronto Community Housing Corporation (TCHC) sites. Budget Committee is recommending

as part of the 2013 Budget process, that the remaining funds be repurposed to fund the Emerald Ash Borer Plan as recommended in the report entitled "Repurposing of the Sustainable Energy Funds and New Funding Model for City Energy Projects".

- The *Toronto Green Energy Fund (TGEF)* project's capital expenditures totalled \$0.466 million or 3.3% of the 2012 approved cash flow of \$14.405 million during the nine month period ended September 30, 2012. It is estimated that \$3.460 million or 24.0% of the 2012 approved cash flow will be spent by year-end. Budget Committee is recommending as part of the 2013 Budget process, that the remaining funds be repurposed to fund the Emerald Ash Borer Plan as recommended in the report entitled "Repurposing of the Sustainable Energy Funds and New Funding Model for City Energy Projects".
- The *Solar Photo-Voltaic Program* project had no capital expenditures during the nine month period ended September 30, 2012. It is estimated that \$4.000 million or 50% of the 2012 approved cash flow will be spent by year-end, with the remaining funds of \$4.000 million to be carried forward to 2013. Construction commenced in September 2012 with a projected 10 site installations by year-end, with the remaining sites to be completed in 2013.

The Union Station Revitalization project's expenditures totalled \$76.399 million or 37.8% of its 2012 Approved Capital Budget of \$201.910 million as of September 30, 2012; and spending is projected to be \$125.553 million or 62.2% by year-end with \$73.300 million estimated to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- Phase One of the *Construction* project capital expenditures totalled \$75.201 million representing 51.4% of the 2012 approved cash flow of \$146.281 million during the nine months ended September 30, 2012. Site conditions discovered, including structural issues and designated substances, have impacted progress on installation of new mechanical and electrical systems as well as work within the West Wing. Most of the significant issues have now been resolved which has allowed construction to continue with minimal delays. It is estimated that \$103.000 million or 70.4% of the 2012 approved cash flow will be spent by year-end, and \$43.282 million will be carried forward into 2013. This level of spending reflects the ongoing construction in the various areas of the station such as the exterior façade, VIA, Bay and York concourses, VIA Offices, York West Teamway, and West Wing offices.
- The *Northwest Path* project's capital expenditures totalled \$1.326 million representing 4.1% of the 2012 approved cash flow of \$32.066 million during the nine months ended September 30, 2012. The pre-design work for the path is complete and the detailed design work is currently underway. It is estimated that \$7.500 million or 23.4% of the 2012 approved cash flow will be spent by year-end, with an estimated carry forward funding of \$24.565 million into 2013.

The Pan American Games project incurred expenditures of \$13.185 million or 30.8% of its 2012 approved cash flow of \$42.754 million during the period ending September 30, 2012; and spending is projected to be \$21.001 million or 49.1% by year-end. The rate of spending for up to the third quarter of 2012 and projected under spending at year-end are attributed to the following projects:

- The *Site Remediation* project's capital expenditures totalled \$12.425 million representing 35.1% of the 2012 approved cash flow of \$35.372 million for the period ended September 30, 2012. It is anticipated that \$14.200 million or 40.1% will be spent by year-end. The remediated site for the Pan Am Aquatics Centre was handed over to Infrastructure Ontario on June 28th, 2012.
- The majority of work on the *Festival Site at Nathan Phillips Square*, eligible under the Pan Am/TO2015 agreement, has been completed and it is projected that \$4.146 million or 100% of 2012 approved cash flow will be spent by year-end.
- The *Resurfacing of Cycling Course* project had no capital expenditures during the period ending September 30, 2012. The route for the cycling course has not yet been finalized by TO2015 and the utilities need to be in place before work at the site can proceed. As a result, it is anticipated that there will be no expenditures of the 2012 approved cash flow of \$0.581 million by year-end and the entire amount will be carried forward into 2013.
- The capital expenditures for projects delivered through the Toronto Organizing committee for Pan/Parapan American Games (O2015) and Infrastructure Ontario totalled \$0.760 million or 28.6% during the period ending September 30, 2012. It is anticipated that 100% of 2012 approved cash flow will be spent by year-end.

Radio Communication System Replacement project's capital expenditures totalled \$3.501 million or 10.2 % of its 2012 Approved Capital Budget of \$34.465 million for the period ended September 30, 2012. The contract with Motorola Solutions Canada Inc. has been finalized with a payment schedule established for 2012 to 2014. Based on the adjusted 2012-2013 plan, year-end spending is projected to be \$8.971 million or 26% of 2012 approved cash flow of \$34.465 with \$2.201 million carried forward into 2013.

The contract with Motorola Solutions Canada Inc. will result in a reduction in overall project cost of \$18.295 million (from a total project cost of \$70.000 million to \$51.705 million). The in-year budget adjustments are detailed in **Appendix 2**.

City Agencies

During the nine months ended September 30, 2012, actual capital expenditures for City Agencies totalled \$787.983 million or 35.5% of their collective 2012 Approved Capital Budget of \$2.217 billion. Spending is expected to increase to \$1.557 billion or 70.2% by year-end.

Agencies Q3 2012 Capital Variance (\$ Million)				
	Actual to September 30, 2012		Projected 2012 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Exhibition Place	(3.3)	35.5	(1.3)	75.0
Go Transit	0.0	100.0	0.0	100.0
Toronto And Region Conservation Authority	(2.8)	68.6	0.0	100.0
Toronto Police Service	(58.2)	25.6	(25.2)	67.8
Toronto Port Authority	0.0	100.0	0.0	100.0
Toronto Public Health	(3.2)	50.7	(1.7)	74.3
Toronto Public Library	(16.9)	41.9	(6.9)	76.2
Toronto Transit Commission	(1,340.0)	34.9	(624.4)	69.7
Toronto Zoo	(4.5)	38.7	(0.9)	88.2
Sony Centre (Hummingbird)	(0.5)	0.0	(0.5)	0.0
Sub-Total	(1,429.5)	35.5	(660.9)	70.2

Exhibition Place spent \$1.788 million or 35.5 % of its 2012 Approved Capital Budget of \$5.039 million for the period ended September 30, 2012. Capital spending is projected to reach \$3.778 million or 75% of its 2012 Approved Capital Budget by year-end with \$0.400 million to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Equipment* project's expenditures, including upgrading parking kiosks, building automation systems and replacing fibre optic cable totalled \$0.248 million or 30% of the 2012 approved cash flow of \$1.365 million. Capital spending is projected to reach \$1.030 million or 75% of the approved 2012 cash flow by year-end.
- The *Parking Lots and Roads* project's expenditures totalled \$0.403 million or 36% of the 2012 approved cash flow of \$1.266 million. Capital spending is projected to reach \$0.690 million or 55% of the 2012 approved cash flow by year-end. Work on the roads and parking lots are the most difficult to plan since every event includes parking and work cannot continue during every event.
- The *Direct Energy Centre* project's expenditures totalled \$0.082 million or 12% of the 2012 approved cash flow of \$0.714 million. Capital spending is projected to reach \$0.364 million or 51% of the 2012 approved cash flow by year-end. Major renovations of washrooms have been delayed since the extent of the work required is more than originally planned and will require another tendering process to proceed in 2013.

Toronto and Region Conservation Authority (TRCA) received \$6.176 million or 69% of its 2012 Approved Capital Budget of \$9.002 million from the City of Toronto during the nine months ended September 30, 2012. TRCA anticipates that the entire 2012 Approved Budget will be spent by year-end.

Toronto Police Service spent \$28.386 million or 36.3% of its 2012 Approved Capital Budget of \$78.286 million for the period ended September 30, 2012. Spending is projected to be \$53.092 million or 68% by year-end with \$20.815 million carried forward into 2013. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Property and Evidence Management Facility (P&EM)* project's expenditures totalled \$0.639 million representing 5.2% of the 2012 approved cash flow of \$12.463 million during the nine months ended September 30, 2012. The 2012 approved cash flow includes carry forward funding of \$5.314 million from 2011 as well as \$7.149 million for the 2012 phase of capital activity. Project spending is lower than planned in the first three quarters of 2012 as the schematic design for the new facility was completed by the architect in early 2012 and the Construction Manager (CM) was only recently retained. It is expected that \$6 million or 48% of the 2012 cash flow will be spent by year end. The unspent funding of \$6.463 million will be carried forward into 2013.
- The *Integrated Records and Information System (IRIS)* project's capital expenditures totalled \$3.948 million representing 54% of the 2012 approved cash flow of \$7.301 million during the nine months ended September 30, 2012. The 2012 approved cash flow is entirely comprised of carry forward funding from 2011. Currently this project remains on schedule and it is projected that approximately \$6 million will be spent at year-end. The projected year-end under-spending is due to lower cost of software and licensing and developmental staffing costs and therefore the remaining funding approved for 2012 will not be carried forward into 2013.
- The *Upgrade to Microsoft Windows 7* project's capital expenditures totalled \$0.190 million representing 16% of the 2012 approved cash flow of \$1.210 million during the nine months ended September 30, 2012. The projected year-end spending of \$0.388 million is lower than planned due to a delay in approving a vendor for the *Integrated Records and Information System (IRIS)* project. \$0.160 million of unspent funding will be carried forward into 2013 for Windows 7 imaging on mobile workstations.
- There are a number of projects that fall under the *Vehicle & Equipment Lifecycle Replacement* category. Total expenditures for these projects are \$8.306 million representing 30% of the 2012 approved cash flow of \$27.980 million during the nine months ended September 30, 2012. The projected year-end spending of \$15.450 million is lower than planned due to delivery of equipment being delayed to 2013, the Service's hardware inventory review (e.g. computers, laptops, printers, etc), uncertainty of the impact of *IRIS* on servers and applications and the impact of the

City's Radio Infrastructure project on the replacement of voice logging equipment. The unspent funding of \$10.700 million will be carried forward into 2013.

Toronto Public Health (TPH) spent \$3.312 million or 50.7 % of its 2012 Approved Capital Budget of \$6.532 million for the period ended September 30, 2012; and spending is projected to be \$4.852 million or 74.3% by year-end with \$1.680 million to be carried forward into 2013. The rate of spending for up to the third quarter of 2012 and projected under spending at year-end are attributed to the following projects:

- The *Health Environment Inspection System* project's capital expenditures totalled \$0.601 million representing 39.4% of the 2012 approved cash flow of \$1.525 million. This project was delayed in 2011 due to additional testing and product configuration required to comply with the City's requirements. Although the implementation of vendor modules is underway, additional testing to address system performance issues and system functionality has deferred the implementation of some software modules, hardware and associated training planned for 2012 to 2013. It is estimated that \$0.842 million or 55.2 % of the approved 2012 cash flow will be spent by year-end. The unspent funds of \$0.683 million will be carried forward to 2013.
- The *HF/HL Systems Integration* project's capital expenditures totalled \$1.063 million representing 46.2 % of the 2012 approved cash flow of \$2.302 million. The project has been delayed as a result of delays in hiring appropriate technical staff. It is estimated that \$1.779 million or 77.3% of the approved 2012 cash flow will be spent by year-end. The unspent funds of \$0.523 million will be carried forward to 2013.
- The *TPH Datamart Data Warehouse* project's capital expenditures totalled \$0.337 million representing 32.9 % of the 2012 approved cash flow of \$1.024 million. It is estimated that \$0.550 million or 53.7% of the approved 2012 cash flow will be spent by year-end. The completion of some deliverables will be deferred to 2013 to align with updated implementation timeline for corporate *Business Intelligence* and *TPH Datamart Data Warehouse* strategies. Unspent funds of \$0.474 million will be carried forward to 2013.
- The *Web re: Brand* project's capital expenditures totalled \$0.315 million representing 56.9 % of the 2012 approved cash flow of \$0.554 million. The project is on schedule and it is estimated that the project will be fully spent by year-end.

Toronto Public Library (TPL) spent \$12.206 million or 41.9 % of its 2012 Approved Capital Budget of \$29.154 million for the nine month period ended September 30, 2012; and spending is projected to be \$22.222 million or 76.2% by year-end. The rate of spending for up to the third quarter of 2012 and the projected year-end under spending are attributed to the following projects:

- The *Fort York New Construction* project's capital expenditures totalled \$0.285 million representing 12.0 % of the 2012 approved cash flow of \$2.377 million during the nine months ended September 30, 2012. The public consultation and schematic design

have been completed. The construction work scheduled to begin in June 2012, started in September and it is estimated that \$0.800 million or 33.7% of the 2012 approved cash flow will be spent by year-end.

- The *Scarborough Civic Centre Construction* project's capital expenditure totalled \$0.262 million representing 23.7% of the 2012 approved cash flow of \$1.108 million during the nine months ended September 30, 2012. The public consultation and schematic design have been completed and the site plan was approved in October 2012. The construction was delayed; however the construction tender is planned for December 2012. It is estimated that \$0.400 million or 36.1% of the 2012 approved cash flow will be spent by year-end.
- The *Self Service Circulation* project's capital expenditures totalled \$0.858 million representing 15.9 % of the 2012 approved cash flow of \$5.393 million during the nine months ended September 30, 2012. The implementation of Self Service Circulation is proceeding behind schedule due to the July 2012 approval of the relocation of the Library Processing Centre, as part of the City's agreement to acquire the First Parliament site. The sorters at three locations are expected to be installed by the end of the year. It is expected that \$2.000 million or 37.1% of the 2012 approved cash flow will be spent by year-end.
- The *Fairview District Library Renovation* project had capital expenditures of \$0.170 million representing 7.5% of the 2012 approved cash flow of \$2.262 million during the nine months ended September 30, 2012. The preparation of the construction tender was delayed due to design changes required to accommodate the implementation of the efficiency measures, including an automatic material sorter, within the available funding. It is estimated that \$0.745 million or 32.9% of the 2012 approved cash flow will be spent by year-end.
- The *Virtual Branch Services* project had capital expenditures of \$0.315 million or 31.4% of the 2012 approved cash flow of \$1.002 million during the nine months ended September 30, 2012. The project experienced delays due to other priorities associated with the implementation of 2012 cost efficiency projects. It is estimated that \$0.692 million or 69.0% of the 2012 approved cash flow will be spent by year-end.
- The *Albion Renovation* project had no capital spending during the nine months ended September 30, 2012. It is estimated that \$0.006 million or 5.7% of the 2012 approved cash flow of \$0.106 million will be spent by year-end. This project is slightly behind schedule due to delays in the preparation of the initial design and scope. An RFP to hire an architect is being prepared.
- The *Multi Branch Minor Renovation* project had capital expenditures of \$0.905 million or 56.0% of the 2012 approved cash flow of \$1.615 million during the nine months ended September 30, 2012. It is estimated that \$1.465 million or 90.7% of the 2012 approved cash flow will be spent by year-end as the expenditures are expected to be incurred later in the year. This project is behind schedule due to other priorities associated with the implementation of 2012 cost efficiency measures.

- The *Toronto Reference Library Renovation* project had capital expenditures of \$3.521 million or 87.4% of the 2012 approved cash flow of \$4.027 million during the nine months ended September 30, 2012. The construction and renovation of the branch is ahead of schedule and the projected expenditures by year-end are expected to be \$5.527 million or \$1.500 million over the 2012 approved cash flow of \$4.027 million. Budget Committee at its meeting of December 12, 2012, adopted (BU36.1ab), a report dated December 3, 2012 from the City Librarian, entitled "Toronto Public Library- 2012-2013 Capital Budget Adjustments" and recommended budget adjustments to capital projects to mitigate the over spending of \$1.500 million for the Toronto Reference Library Renovation project.

The Toronto Transit Commission (TTC) spent \$719.857 million or 34.9% of its 2012 Approved Capital Budget of \$2.060 billion (including the Toronto York Spadina Subway Extension) for the period ended September 30, 2012; and spending is projected to be \$1.435 billion or 69.7% by year-end. The rate of spending as of the third quarter of 2012 and projected under spending at year-end are attributed to the following:

- The *LRT Replacement Maintenance and Storage Facility* project's capital expenditures totaled \$24.077 million representing 17.5% of the 2012 approved cash flow of \$137.200 million during the nine months ended September 29, 2012. Project spending is lower than planned in the third quarter of 2012 and it is estimated that \$63.000 million or 45.9% of the 2012 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of delays in awarding contracts due to community concerns and site plan issues.
- The *ATC Resignalling* project's capital expenditures totaled \$29.413 million representing 23.4% of the 2012 approved cash flow of \$125.688 million during the nine months ended September 29, 2012. Project spending is lower than planned in the third quarter of 2012 and it is estimated that \$53.182 million or 42.3% of the 2012 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of work deferrals and slippages related to the complexity of the project and a delay in the shipment of equipment.
- The *Toronto Rocket Yard and Storage Track Accommodation* project's capital expenditures totaled \$6.027 million representing 21.6% of the 2012 approved cash flow of \$27.920 million during the nine months ended September 29, 2012. Project spending is lower than planned in the third quarter of 2012 and it is estimated that \$12.435 million or 44.5% of the 2012 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of delays and slippage related to design and construction contract issues.
- The *Spadina Subway Extension* project's capital expenditures totaled \$281.994 million representing 36.1% of the 2012 approved cash flow of \$780.981 million during the nine months ended September 29, 2012. Project spending is lower than planned in the third quarter of 2012 and it is estimated that \$445.888 million or 57.1% of the 2012 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of project delays related to the northern and southern tunnel contracts.

At this point, carry forward funding is estimated at \$65.385 million for the TTC base capital program and \$176.262 million for the Toronto-York Spadina Subway Extension, however given the rate of spending, these numbers will be further refined closer to the end of the year. The estimated carry forward funding for the TTC is comprised of various projects ranging from \$0.029 million to \$17.667 million.

- Major projects in the TTC base capital program that include carry forward funding are:
 - *Bridges & Tunnels* (\$17.667 million);
 - *Surface Track* (\$8.150 million);
 - *ATC Resignalling* (\$4.387 million);
 - *LRT Replacement Maintenance and Storage Facility* (\$6.300 million); and
 - *Toronto Rocket Yard and Storage Track Accommodation* (\$5.284 million).

Toronto Zoo spent \$2.863 million or 39% of its 2012 Approved Capital Budget of \$7.408 million for the period ended September 30, 2012, and projects spending of \$6.533 million or 88.2% by year-end. The projected year-end under spending is attributed to tendering delays for the *North Zoo Site-Eurasia* project resulting in actual expenditures of \$1.0 million or 42% of the 2012 approved cash flow of \$3.175 million. Capital spending is projected to reach \$2.300 million by year-end with projected carry forward finding of \$0.875 million into 2013.

The Sony Centre for the Performing Arts with \$0.5 million 2012 Approved Capital Budget had no spending for the period ended September 30, 2012. The design of the public plaza is delayed as work cannot begin until construction of the condominium tower is complete. At year-end, the *Plaza Planning and Design* project will be closed, as it is understood that design, construction, and funding of the plaza will be undertaken directly by the Developer, with the design phase commencing in the first quarter of 2013.

Rate Supported Programs

For the nine months ended September 30, 2012, Rate Supported Programs' capital expenditures totalled \$291.729 million or 34.9% of their collective 2012 Approved Capital Budget of \$836.032 million. Spending is expected to increase to \$595.490 million or 71.2% by year-end.

Rate Supported Programs Q3 2012 Capital Variance (\$ Million)				
	Actual to September 30, 2012		Projected 2012 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Toronto Parking Authority	(48.3)	11.7	(33.9)	37.9
Solid Waste Management Services	(87.8)	36.7	(50.2)	63.8
Toronto Water	(408.2)	36.5	(156.4)	75.7
Sub-Total	(544.3)	34.9	(240.5)	71.2

The Toronto Parking Authority spent \$6.370 million or 11.7% of its 2012 Approved Capital Budget of \$54.663 million for the period ending September 30, 2012. The projected spending is expected to be \$20.725 million or 37.9% of the 2012 Approved Capital Budget by year-end. The projected year-end under spending is largely attributable to delays arising from the unavailability of appropriate sites for off-street parking facilities, delays due to on-going negotiations for identified sites for parking facilities and projects cancelled from a low probability of finding an appropriate site. For these reasons, the following projects have been postponed to future years or cancelled:

- *Yonge, S. of Eglinton* (100 SPACES – Minto) - \$7 million deferred to 2017
- *Queen/Ossington to Dufferin* (6 Lisgar) - \$4.25 million deferred to 2014
- *Spadina/ Bloor* - \$3 million deferred to 2014
- *Scarborough Civic Centre* – \$2.6 million (cancelled)
- *Bloor/ Islington* (Etobicoke Centre) - \$1.15 million (cancelled)
- *Queen/ Jarvis – Ontario St.* - \$1.5 million (cancelled)

The funding to be carried forward from 2013 included in the 2013 Approved Capital Budget is \$11.869 million. Significant projects requiring 2012 carry forward funding include the following:

- *Carpark at St. Clair West* - \$0.200 million
- *Carpark 1 – Addition of 2 levels* - \$1.185 million
- *Redevelopment of the Jolly Miller Carpark* - \$1.324 million
- *Oakwood/East of Eglinton Carpark* - \$0.880 million

- *Dundas* (25 parking spaces) - \$2.480 million
- *Dundas/Dovercourt Garage* - \$3.100 million
- *Weston Cultural Hub* - \$2.700 million

Solid Waste Management Services spent \$50.860 million or 36.7% of the 2012 Approved Capital Budget of \$138.619 million. Expenditures by year-end are projected to be \$88.429 million or 63.8% of the 2012 Approved Capital Budget. Of the \$50.190 million projected to be unspent at year-end, \$50.134 million in funding will be carried forward. The amount of funding to be carried forward from 2012 to 2013 will be updated and reported in early 2013. The projected year-end under-spending is largely attributable to the following projects:

- The *Green Lane Landfill* project's capital expenditures totalled \$22.164 million representing 60.2% of the 2012 approved cash flow of \$36.791 million during the nine months ended September 30, 2012. Year-end under-spending is projected to be \$5.832 million and is mainly attributed to the *Green Lane Development* sub-project. The *Cell Excavation* and *Base Construction* sub-project and the subsequent installation of *Control Systems* sub-project had been delayed in the past due to continuing lower than expected waste tonnage. A lower rate of spending is due to less construction activity at the beginning of the year, during the winter months. As a result, the *Control Systems* sub-project including those for leachate and gas will be largely under-spent by year-end.
- The *Dufferin Single Stream Recycling Facility* project's capital expenditures totalled \$0.130 million representing 1.5% of the 2012 approved cash flow of \$8.827 million as of September 30, 2012. Work at the facility encountered unanticipated delays as it required close coordination with the operating contractor in order to avoid shutting down the facility to meet contractual obligations concerning minimum processing tonnage targets. The remainder of the funding of \$8.1 million will be carried forward from 2012 to 2013.
- The *Disco SSO Processing Facility* project's capital expenditures totalled \$16.483 million representing 31.3% of the 2012 approved cash flow of \$52.706 million as of September 30, 2012. Due to wet weather delaying soil remediation and the delayed start of construction in 2011, the overall project delay will result in continued under-spending in 2012. It is estimated that \$21.7 million of the 2012 approved cash flow will be unspent by year-end and will be carried forward with project completion still expected in 2013.
- The *Diversion Systems* project's capital expenditures are \$4.693 million representing 51% of the 2012 approved cash flow of \$9.200 million as of September 30, 2012. It is estimated that \$5.8 million of the 2012 approved cash flow will be spent by year-end. The under-spending of \$3.4 million is mainly caused by slower than planned implementation of organics and recycling projects for multi-residential buildings due to lower than expected demand.

Toronto Water spent \$234.500 million or 36.5% of the 2012 Approved Capital Budget of \$642.716 million. This level of capital spending is lower than expected as the tendering of contracts across the Program was delayed as a result of labour disruption planning. In addition, favourable contract pricing resulted in lower than forecasted expenditures. The following projects were mostly affected:

- Multiple contracts nearing completion including Dufferin Reservoir Expansion and Ashbridges Bay Treatment Plant Odour Control projects with unspent contingency (approximately \$50.0 million).
- 4 sewer contracts including one basement flooding project delayed due to poor site/ground conditions impacting design (approximately \$15.0 million).
- 4 basement flooding contracts and 2 process control system (PCS) contracts with favourable pricing (approximately \$20 million).

Toronto Water is projecting spending of \$486.337 million or 75.7% of the 2012 Approved Capital Budget by year-end, as impacts of the above will continue throughout the year. Additionally, it is unlikely that approximately \$6 million of the approved project budgets allocated towards contract contingency will be spent. The projected year-end under-spending is largely attributable to the following projects:

- *Basement Flooding* - \$28.5 million.
- *Avenue Road* accelerated construction in 2011 with completion in 2012 – \$9.4 million.
- *Ashbridges Bay Treatment Plant D Building Odour Control* project – unspent contingency of \$8.9 million.
- *Storage and Pumping Station* projects nearing completion including *Expansion of Miliken Pumping Station and Reservoir* and *Expansion of Dufferin Reservoir* - \$8.9 million.
- *Watermain and Sewer* replacement tendering delays - \$22.9 million.

In 2012, significant progress will continue to be made on state of good projects to address infrastructure renewal; the Ashbridges Bay Treatment Plant; RL Clark Treatment Plant, implementation of the Wet Weather Flow Master Plan; the Basement Flooding Relief project; and implementation of the Water Metering Program.

Capital projects projected for completion in 2012 include:

- *Avenue Road Watermain Replacement.*
- *Expansion of Miliken Pumping Station and Reservoir.*
- *Expansion of Dufferin Reservoir.*
- *F.J. Horgan Water Treatment Plant.*
- *Ashbridges Bay Wastewater Primary Treatment and Odour Control (D-Building).*
- *Coxwell Trunk Sewer By-Pass.*

The funding to be carried forward from 2012 into 2013 included in the 2013 Approved Capital Budget is \$131.390 million. Significant projects requiring carry forward funding include the following:

- State of Good Repair (including Legislated and Health and Safety) projects such as *Water Service Repairs, Water Main and Sewer Rehabilitation and Replacement, Highland Creek and Ashbridges Wastewater Treatment Plant Upgrades and Rehabilitation* projects totalling \$90.060 million.
- Service Improvement projects such as Basement Flooding Relief, Storm Water Management End of Pipe Facilities and Wet Weather Flow Master Plan for a total of \$22.541 million.
- Growth Related projects such as *Water Storage Expansion* projects and *New Sewer Construction* projects of \$18.789 million.