

## Capital Variance Report for the Three Months Ended March 31, 2014

### Significant Variance Explanation

#### Citizen Centred Services "A"

For the three months ended March 31, 2014, capital expenditures for this Cluster totalled \$13.496 million or 4.8% of their collective 2014 Approved Capital Budget of \$281.936 million. Spending is expected to increase to \$213.297 million or 75.7% by year-end.

Citizen Centred Services "A"				
Q1 2014 Capital Variance (\$ Million)				
	Actual to March 31, 2014		Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Children's Services	(5.7)	5.9	0.0	100.0
Court Services	(0.3)	16.2	0.0	100.0
Economic Development & Culture	(36.4)	5.4	(6.6)	82.8
Emergency Medical Services	(4.8)	1.1	(2.5)	49.7
Long-Term Care Homes & Services	(28.7)	16.0	0.0	100.0
Parks, Forestry & Recreation	(181.0)	2.8	(57.6)	69.1
Shelter, Support and Housing Administration	(10.8)	1.1	(2.0)	81.7
Toronto Employment and Social Services	(0.9)	20.9	0.0	100.0
<b>Sub-Total</b>	<b>(268.4)</b>	<b>4.8</b>	<b>(68.6)</b>	<b>75.7</b>

*Children's Services* spent \$0.352 million or 5.3 % of its 2014 Approved Capital Budget of \$6.604 million (including carry forward funding of \$2.248 million) for the period ended March 31, 2014; year-end spending is projected to be \$6.604 million or 100 % by year end.

Spending during the three months ended March 31, 2014, included expenditures for the following projects that are on track:

- The *CSIS 3* project's capital expenditures totalled \$0.338 million, representing 16.0% of the 2014 approved cash flow of \$2.108 million for the three month ended March 31, 2014. It is projected that the 2014 approved cash flow will be fully spent by year-end.
- The *TELCCS SOGR* project, with a 2014 approved cash flow of \$1.657 million, had no expenditures for the three month ended March 31, 2014. As the Program is co-ordinating the 2014 upgrades in the City operated child care centres, spending will accelerate in the second and third quarters once RFPs are issued. It is projected that the 2014 approved cash flow will be fully spent by year-end.

- The *Block 31 Child Care Centre* project, with a 2014 approved cash flow of \$1.000 million that was approved by Council on February 19, 2014, had no expenditures, as the project is in the early planning phase. It is projected that the 2014 approved cash flow will be fully spent by year-end.
- The *Service Efficiency Implementation* project, with a 2014 approved cash flow of \$0.625 million, had no expenditures for the three month period ended March 31, 2014. The Program is in the process of hiring staff to implement the first phase of this project. It is projected that the 2014 approved cash flow will be fully spent by year-end.
- The *St John the Evangelist Catholic School* project, with a 2014 approved cash flow of \$0.550 million, had no expenditures for the three month period ended March 31, 2014. The project is in the planning stage, and it is projected that the 2014 approved cash flow will be fully spent by year-end.
- The *St Andrew Child Care Centre* project, with a 2014 approved cash flow of \$0.517 million, had no expenditures for the three month period ended March 31, 2014. This project is complete, and is pending the final contractor's billing. It is projected that the 2014 approved cash flow will be fully spent by year-end.
- The *Squirrel's Nest Day Care Centre* project's capital expenditures totalled \$0.014 million representing 16.0% of the 2014 approved cash flow of \$0.077 million. It is projected that the 2014 approved cash flow will be fully spent by year-end.
- The *Regent Park Children's Hub* project, with a 2014 approved cash flow of \$0.070 million, had no expenditures for the three month period ended March 31, 2014. The project is projected to be fully spent by year-end, once the security system upgrade has been completed.

**Courts Services** spent \$0.057 million or 16% of its 2014 Approved Capital Budget of \$0.351 million (including \$0.102 million in carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$0.351 million or 100% by year-end.

The following capital projects are proceeding as planned and are projected to be completed by year-end.

- The *Provincial Offenses Act (POA) Application Sustainment & Hardware Upgrades* project (\$0.211 million) that will allow customers to view their trial date and outstanding fine information on-line, as well as schedule early resolution meetings with prosecutors.
- The *POA Video Conferencing for Interpreters* project (\$0.140 million) that will incorporate audio and video conference technology into meetings with prosecutors and in courtrooms to allow interpreters to provide remote interpretation services. This project is currently being evaluated to determine a return on investment that will result in operating savings. The assessment will be finalized by September 30, 2014.

***Economic Development and Culture*** incurred expenditures of \$2.086 million or 5.4% of its 2014 Approved Capital Budget of \$38.459 million (including additional carry forward funding of \$0.997 million) for the period ended March 31, 2014; and spending is projected to be \$31.833 million or 82.8% by year end.

The under-spending for the first quarter and projected year-end results are mainly driven by the following projects:

- The *BIA Streetscape Improvement Program* project's capital expenditures totalled \$0.110 million representing 1.5% of the 2014 approved cash flow of \$7.499 million during the three months ended March 31, 2014. It is estimated that \$6.930 million or 92.4% of the 2014 approved cash flow will be spent by year-end;
- The *Fort York Visitor Centre (FYVC)* project's capital expenditures totalled \$1.632 million representing 13.8% of the 2014 approved cash flow of \$11.820 million during the three months ended March 31, 2014. It is estimated that \$10.394 million or 87.9% of the 2014 approved cash flow will be spent by year-end. The full design team worked to revise the documents so that it could be successfully re-tendered. All FYVC budgets continue to be underspent as a result of this delay. The project is under construction and 75% complete at March 31, 2014. Further time was lost due to extreme weather conditions, and the revised date for substantial completion is June 30, 2014.
- The *Fort York Interiors* project did not incur any capital expenditures during the three months ended March 31, 2014. It is estimated that \$0.500 million or 90.1% of the 2014 approved cash flow will be spent by year-end. The Fort York interiors project was delayed as a result of the curatorial focus on completing exhibit designs within the new Visitor Centre and planning for a more coherent exhibit experience across the site. The tender for design of the Fort York Interiors has recently been issued.
- The *John Street Roundhouse Museum* project did not incur any capital expenditures against its 2014 approved cash flow of \$0.615 million during the three months ended March 31, 2014. It is estimated that \$0.111 million or 18.1% of the 2014 approved cash flow will be spent by year-end. The Copeland Transformer Station (formerly the Bremner Street Transformer Station), is under construction by Toronto Hydro. The target completion date is December 2014, to be on-stream in time for the Pan-Am Games. The location of the transformer station is the west end of the Roundhouse site, which requires dismantling of the historic Machine Shop. The Machine Shop will be reconstructed as part of the final phase of the project, and be made available to the Toronto Railway Historical Association (TRHA) for the rail museum. Late in 2013, Toronto Hydro Electric System (THES) advised Economic Development staff that the Machine Shop would not be available for museum purposes, and so the design team has begun working with THES on other interpretive opportunities. Some planning work and site preparation will be completed in 2014.

- The *Casa Loma Exterior* project did not incur any capital expenditures against its 2014 approved cash flow of \$0.636 million during the three months ended March 31, 2014. It is estimated that \$0.636 million or 100% of the 2014 approved cash flow will be spent by year-end. The multi-phased restoration of Casa Loma was delayed by more than a year while the City considered governance issues following the termination of the agreement with the Kiwanis. In 2012, with an adjusted budget, the scope of work for the project was changed and phase 7A commenced. Phase 8 was tendered in the fourth quarter of 2013 for award as soon as budgets became available in the new year. The contract is with the General Manager for signing before a Purchase Order can be issued, and spending should be back on schedule by the third quarter 2014.
- The *Cedar Ridge Elevator* project did not incur any capital expenditures against its 2014 approved cash flow of \$0.166 million during the three months ended March 31, 2014. It is estimated that \$0.166 million or 100% of the 2014 approved cash flow will be spent by year-end. The elevator re-habilitation project at Cedar Ridge has been delayed by one full calendar year to 2014 due to the technicians strike in 2013. The work requires a two-month shut-down of the elevator and the site operation can only accommodate this in June-July timeframe. The project was re-tendered in the last quarter of 2013, and PO issued in the first quarter of 2014, for construction in the summer.
- The *Colborne Lodge Coach House* project's capital expenditures totalled \$0.005 million representing 2.3% of the 2014 approved cash flow of \$0.239 million during the three months ended March 31, 2014. It is estimated that \$0.239 million or 100% of the 2014 approved cash flow of \$0.239 million will be spent by year-end. The project required an archaeological review before work could commence, and once that was complete on-site investigation was hindered by the excessive rain in the spring and early summer of 2013. The heavy rainfall resulted in a change in the scope of work. The project's tender was issued by March 31, 2014.

***Emergency Medical Services (EMS)*** spent \$0.054 million or 1.1% of its 2014 Approved Capital Budget of \$4.899 million (including \$2.589 million in carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$2.437 million or 50% by year-end.

The following projects are on track and are projected to be completed by year-end:

- The two *Mobile Data Communications* projects (\$0.847 million) for the replacement and installation of mobile data equipment.
- The *Medical Equipment Replacement* project (\$0.310 million) for the replacement purchase of stretchers, stair chairs, scoop stretchers and spine boards.
- The *Power Stretchers* project (\$0.150 million) for the purchase of 10 power stretchers that will alleviate health and safety issues arising from heavy lifting for paramedics.

- The *Central Ambulance Communication Centre (CACC) & Systems Upgrade* project (\$0.200 million) to upgrade the lighting design for 24/7/365 operations in EMS' central ambulance communication centre.

The projected year-end under spending of \$2.462 million or 50% is driven mainly by the following:

- The *Northwest Multi-Function Station* project's expenditures totalled \$0.005 million or 0.3% of the 2014 approved cash flow of \$1.950 million (represents the 2013 carry forward funding into 2014) during the three months ended March 31, 2014. Asbestos abatement, currently in progress, will delay the demolition and may result in the construction of the new building to start in 2015. Capital spending is projected to reach \$0.500 million by year-end.
- The *Back-Up Communications Centre Upgrades* project, with 2014 approved cash flow of \$1.200 million had no spending during the three months ended March 31, 2014. Capital spending is projected to reach \$0.400 million by year-end with a projected carry forward of \$0.800 million into 2015. EMS is assessing new hardware and software currently available prior to completing the request for proposal (RFP) by mid-2014.

***Long-Term Care Homes & Services (LTCHS)*** spent \$5.468 million or 16% of its 2014 Approved Capital Budget of \$34.118 million (including \$5.716 million carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$34.118 million or 100% by year-end.

The rate of spending for the first quarter of 2014 is attributed to the following projects, all of which are on track and projected to be fully spent by year end.

- The *Redevelopment* project's capital expenditures totalled \$4.999 million representing 20.7% of the 2014 approved cash flow of \$24.189 million during the three months ended March 31, 2014. It is estimated that \$24.189 million or 100% of the 2014 approved cash flow will be spent by year-end.
  - The *Kipling Acres Redevelopment* project's capital expenditures totalled \$4.843 million representing 20.4% of the 2014 approved cash flow of \$23.739 million during the three months ended March 31, 2014. The 192-bed redevelopment phase has been opened and residents were moved in during the first quarter of 2014. Development of the remaining 145-bed phase will proceed on the existing Kipling Acres location, with major demolition expected to be completed in the second quarter. The 145-bed phase project has been tendered and it is projected that construction will begin in the third quarter. It is estimated that \$23.739 million or 100% of the 2014 approved cash flow will be spent by year end.
  - The *George Street Revitalization (GSR)* project did not have capital expenditures during the three months ended March 31, 2014 for the *GSR-LTC Homes Feasibility Study*. It is estimated that \$0.450 million or 100% of the 2014 approved cash flow will be spent by year end.

- The *Capital Maintenance* project's expenditures totalled \$0.469 million representing 4.7% of the 2014 approved cash flow of \$9.929 million during the three months ended March 31, 2014. Under spending in the first quarter is due to the priority given to the preparation of capital maintenance procurement documents and the Kipling Acres 192-bed project phase. It is estimated that \$9.929 million or 100% of the 2014 approved cash flow will be spent by year end.

***Parks, Forestry and Recreation's (PF&R)*** capital expenditures for the period ended March 31, 2014 totalled \$5.129 million or 2.8% of its 2014 Approved Capital Budget of \$186.096 million (including \$54.825 million of carry forward funding). PF&R projects that \$128.540 million or 69.1% of the approved cash flow will be spent by year-end.

PF&R capital budget spending rates are often impacted by poor weather conditions, extensive community and Councilor consultations and programming constraints.

For projects that are on track, Parks, Forestry and Recreation has already spent \$0.049 million or 0.03% as of March 31, 2014 and expects to spend \$32.889 million by year-end as highlighted below:

- The *Facility Components* project includes the *Various Building and Facility Rehabilitation* project (\$2.563 million) and *Capital Asset Management Planning FY2014* project (\$0.500 million) for state-of-good-repair rehabilitation work that is on track and projected to be complete by December 2014.
- The *Parks Service Plan* project (\$21.625 million) is a multi-year project with cash flows of \$2 million in 2014, \$3.5 million in 2015, \$5 million in 2016, \$5.375 million in 2017 and \$5.75 million in 2018. The project includes city-wide upgrades and improvements to park amenities including benches, picnic tables, water stations, washrooms and the creation of social gathering spaces. The first phase of the project (\$2 million) is on track for completion by December 2014.
- Various *Park Development* projects (\$2.000 million) include expansion, repair and/or the addition of park amenities to *Linear Art Park S42* project (\$2.000 million), *Various Parks Rehabilitation* project across the City (\$2.562 million), *Amos Waites Park Improvements* project (\$0.700 million), and *Bathurst Corridor Park* project (\$0.500 million). These projects are on track and will be completed by year-end.
- Various *Playground and Waterplay* projects will design and construct new playgrounds, new waterplay amenities, or new splash pads for the *Eglinton Park Improvements S42* project (\$0.587 million), *Martin Grove Gardens Park Waterplay S42* project (\$0.550 million), *Viella Tarragon Park Waterplay S37* project (\$0.550 million), *Belmar Park-New Splash Pad* project (\$0.500 million), and *Seven Oaks Park-New Splash Pad* project (\$0.500 million). These sub-projects have an expected completion date of December 2014.

The projected under-spending is mainly driven by delays in the following projects:

- The *Land Acquisition* project's capital expenditures totalled \$0.015 million representing 0.3% of the 2014 approved cash flow of \$5.045 million, with spending projected to be \$1.706 million or 33.8% of plan by year-end. \$3.339 million of under-spending is attributed to the following projects: \$2.510 million due to expropriation process delays for the acquisition of various sites including the *Expropriation of 111 & 113 Finch Ave. W* and *Land Acquisitions Edithvale Park*; and \$0.829 million due to protracted environmental approvals and remediation work at various sites including *Grand Manitoba/Mystic*, *Stafford*, *Paton Road* and *318 Queens Quay West* project.
- The *Park Development* project's capital expenditures totalled \$0.627 million or 1.2% of the 2014 approved cash flow of \$52.920 million for the period ended March 31, 2014, with spending projected to be \$37.103 million or 70.1% by year-end. Projected under-spending of \$15.818 million is attributed to delays in the following projects: \$5.0 million for *Grange Park* project as the City of Toronto is still in negotiations with the Art Gallery of Ontario (AGO); \$1.183 million for the development of *Mystic Point Park* project due to land transfer issues; \$1.9 million for work related to the July 8, 2013 storm damage requiring various environmental design services and approvals; over \$1.2 million for the *Lisgar/Queen West Triangle Park* due to land acquisition delays stemming from the developer's schedule; and various other park development projects due to ongoing design work and extended community consultation processes.
- The *Arena* project's capital expenditures totalled \$0.065 million or 0.6% of the 2014 approved cash flow of \$10.836 million for the first quarter, with spending projected to be \$7.666 million or 70.7% of plan by year-end. Projected under-spending of \$3.170 million is primarily due to various Arena and Outdoor Artificial Ice Rink State of Good Repair projects which may not be completed by year end due to programming constraints and poor weather conditions; and \$0.450 million for the *Colonel Samuel Smith Powerhouse* project which had to be re-tendered.
- The *Community Centres* project's capital expenditures totalled \$3.282 million or 6.4% of the 2014 approved cash flow of \$51.086 million for the period ended March 31, 2014, with spending projected to be \$29.187 million or 57.1% by year-end. Projected under-spending of \$21.899 million is attributed to the following projects: \$7.095 million for the *Railway Lands Community Centre* project due to ongoing negotiations with multiple development partners; \$3.4 million for *York Community Centre* project due to various delays in the site plan approval process including Toronto and Region Conservation Authority's requirement (TRCA) to stabilize the Black Creek bank; over \$5.6 million for the *Regent Community Centre* project due to pro-longed environmental soil remediation and testing requirements; over \$1 million for the *Bessarion/Canadian Tire Community Centre* project as it is still in the design/consultation stage; \$1.653 million for the *Milliken Community Centre* project as the Section 37 funds have not yet been received; and \$2.4 million for various

*Community Centre CAMP* projects that will not be completed by year end due to construction and programming restrictions.

- The *Environmental Initiatives* project's capital expenditures totalled \$0.008 million representing 0.1% of the 2014 approved cash flow of \$6.019 million for the first quarter, with spending projected to be \$4.134 million or 68.7% of plan by year-end. Projected under-spending of \$1.885 million is attributed to detailed design work that is dependent on favourable weather conditions and coordination with Toronto Water.

***Shelter, Support and Housing Administration (SSHA)*** spent \$0.121 million or 1.1 % of its 2014 Approved Capital Budget of \$10.899 million (including \$9.399 million in carry forward funding) for the period ended March 31, 2014; spending is projected to be \$8.904 million 81.7% by year-end. The rate of spending for the first quarter of 2014 is attributed to the following projects/sub-projects:

- The *Capital Repairs/ Replacements for City Operated/Leased Shelters* project of \$1.790 million had no spending during the three months ended March 31, 2014, although the program has commitments outstanding of approximately \$0.600 million. The commitments cover a variety work, including roof repairs, generator replacement, asphalt repairs and fire panel upgrades to the City's leased and directly operated shelters. The Program is now working in partnership with Facilities Management to reduce the state of good repair backlog, with the project projected to be fully spent by year end.
- The *Shelter Development/ Redevelopment* project expenditures totalled \$0.120 million, representing 1.3% of the 2014 approved cash flow of \$9.110 million. The study that supports the development of the George Street site is well underway; spending will accelerate in the second and third quarters, as the City secures the properties adjacent to the Seaton House Shelter. Year end spending is projected to be \$7.114 million, with \$1.996 million projected to be carried forward into 2015.

***Toronto Employment & Social Services (TESS)*** spent \$0.230 million or 20.9 % of its 2014 Approved Capital Budget of \$1.100 million (no carry forward funding from 2013) for the period ended March 31, 2014; and projects spending of \$1.100 million or 100% by year-end.

The rate of spending for the first quarter of 2014 is attributed to the following project/sub-projects, all of which are on track and projected to be fully spent by year end.

- The *Web-Based IT Development* project's capital expenditures totalled \$0.230 million representing 20.9% of the approved cash flow of \$1.100 million during the three months ended March 31, 2012:
  - *Employment Assistance – Phase 2* project capital expenditures totalled \$0.143 million representing 28.6% of the 2014 approved cash flow of \$0.500 million. Development continues on the Employment Services System (ESS), which will



include the ability for clients to search for job opportunities on line, and for providers to schedule services and send invoices to TESS on line. It is estimated that the cashflow funding for this project phase will be fully spent by year-end.

- *Case Management – Phase 2* project's capital expenditures totalled \$0.087 million representing 14.4% of the 2014 approved cash flow of \$0.600 million. Implementation of the SAMS (Social Assistance Management System), the new Provincial technology for the delivery of the Ontario Works program, is scheduled for 2014, and capital work in support of this will be performed as required. An Oracle Advanced Analytics processor was purchased. Talks are in progress with the Province about how the Drug Benefit Card initiative will move forward. It is estimated that the cash flow funding for this project phase will be fully spent by year-end.

### **Citizen Centred Services “B”**

During the three months ended March 31, 2014, capital expenditures for this Cluster totalled \$30.611 million or 6.1% of their collective 2014 Approved Capital Budget of \$497.883 million. Spending is expected to increase to \$390.852 million or 78.5% by year-end.

<b>Citizen Centred Services "B"</b> Q1 2014 Capital Variance (\$ Million)				
<b>Actual to March 31, 2014</b> Over/(Under)      % of Budget			<b>Projected 2014 Year-End Spending</b> Over/(Under)      % of Budget	
City Planning	(13.5)	2.2	(4.2)	69.8
Fire Services	(18.0)	17.5	(8.0)	63.5
Transportation Services	(363.4)	3.8	(89.3)	76.4
Waterfront Revitalisation Initiative	(72.4)	14.3	(5.5)	93.4
<b>Sub-Total</b>	<b>(467.3)</b>	<b>6.1</b>	<b>(107.0)</b>	<b>78.5</b>

**City Planning** incurred expenditures of \$0.308 million or 2.2% of its 2014 Approved Capital Budget of \$13.835 million (including additional carry forward funding of \$3.443 million) for the period ended March 31, 2014; and spending is projected to be \$9.658 million or 69.8% by year end.

The Program spent \$0.167 million as of the end of the first quarter on the following projects that are on track:

- The *Five Year Review of the Official Plan* project's capital expenditures totalled \$0.011 million representing 1.8% of the 2014 approved cash flow of \$0.6 million (including additional carry forward funding of \$0.3 million) during the three months ended March 31, 2014. This project provides funding for the Planning Act's statutory Five Year Review of the Official Plan as well as a Municipal Comprehensive Review. It is a multi-year project that is scheduled to be completed by the end of 2014. It is anticipated that \$0.6 million or 100% of the 2014 approved cash flow will be spent by year-end; and

- The *New Zoning By-Law Support for Legal Challenges* project's capital expenditures totalled \$0.156 million representing 20.6% of the 2014 approved cash flow of \$0.755 million during the three months ended March 31, 2014. This project provides funding for the Zoning By-law Planning and Legal teams and is forecasted to be on schedule and completed by the end of 2014. It is estimated that \$0.755 million or 100% will be spent by year-end.

The under-spending for the first quarter of 2014 is mainly driven by delays in the following projects:

- The *Civic Improvement - Places* project's capital expenditures totalled \$0.1 million representing 2.0% of the 2014 approved cash flow of \$4.930 million (including additional carry forward funding of \$1.104 million) during the three months ended March 31, 2014. This project includes design work to enhance open spaces within the road allowance in coordination with divisional capital works programs. It is estimated that \$2.5 million or 50.7% of the 2014 approved cash flow will be spent by year-end;
- The *Development Charge Funded Studies* project's capital expenditures totaled \$0.041 million representing 0.9% of the 2014 approved cash flow of \$4.742 million (including additional carry forward funding of \$1.203 million) during the three-month period ended March 31, 2014. Project spending is lower than planned for this period due to contract and purchasing process delays and it is estimated that \$4.277 million or 90.2% of the 2014 approved cash flow will be spent by year-end; and
- The *John Street Revitalization* project did not incur any capital expenditures as of March 31, 2014. Procurement of the project is currently underway with project completion expected by June 30, 2015. It is estimated that \$1.283 million or 50.0% of the 2014 approved cash flow will be spent by year-end.

The under-spending for the first quarter of 2014 and projected year-end under-spending are mainly driven by delays in the following projects:

- The *Development Charge Funded Studies* project's capital expenditures totaled \$0.041 million representing 0.9% of the 2014 approved cash flow of \$4.742 million (including additional carry forward funding of \$1.203 million) during the three-month period ended March 31, 2014. Project spending is lower than planned for this period due to contract and purchasing process delays and it is estimated that \$4.277 million or 90.2% of the 2014 approved cash flow will be spent by year-end; and
- The *John Street Revitalization* project did not incur any capital expenditures as of March 31, 2014. Procurement of the project is currently underway with project completion expected by June 30, 2015. It is estimated that \$1.283 million or 50.0% of the 2014 approved cash flow will be spent by year-end.

**Toronto Fire Services' (TFS)** spent \$3.831 million or 17.5% of its 2014 Approved Capital Budget of \$21.850 million (including \$12.353 million in carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$13.872 million or 63.5% by year-end.

The following projects are on track and are projected to be completed by year-end:

- The *Station D (Midland & Eglinton)* project (\$1.296 million) for the construction of a new station that will improve emergency response times in the central Scarborough area.
- The *Self-Contained Breathing Apparatus Replacement* project (\$5.581 million) for the replacement purchase of self-contained breathing apparatus.
- The *Predictive Modelling Tool* project (\$0.300 million) for the purchase of predictive modeling software for the deployment of fire apparatus and staff.
- The *Training Simulators Rehabilitation* project (\$0.100 million) for the annual capital maintenance for the East & West Burn-houses training simulators.
- The *Replacement of HUSAR Equipment* project (\$0.050 million) for the replacement of emergency equipment used by Fire Services' Heavy Urban Search & Rescue (HUSAR) team.

The under-spending for the first quarter of 2014 and projected year-end under-spending are mainly driven by delays in the following projects:

- The *Replacement of Fire Station #135* project, with a 2014 approved cash flow of \$3.074 million (including carry forward funding of \$0.389 million) did not have any capital expenditures as of March 31, 2013. Capital spending is projected to reach \$2.000 million by year-end with projected carry forward funding of \$1.074 million into 2015. The construction of the new station has been delayed to start in May of 2014 due to planning and contract issues. The project is anticipated to be completed in 2015.
- The *Station A (Station #414) – Hwy 27 and Rexdale Blvd* project, with a 2014 approved cash flow of \$2.417 million did not incur any capital expenditures as of March 31, 2013. An appropriate site was identified and the land purchase was anticipated to be completed in the 1st quarter of 2014. However, negotiation issues arose between the Facilities Management & Real Estate (FM&RE) and the seller of the current site which has put the project on hold and may result in a new search by FM&RE for an alternate site in the same area.
- The *Specialized Trucks & Equipment* project, with a 2014 approved cash flow of \$2.470 million did not have any capital expenditures as of March 31, 2013. All of these trucks will be custom made as these trucks are specialized and are beyond normal parameters of the standard apparatus used by TFS. Funds are expected to be committed by year-end with actual payments to be made in 2015.
- The *Emergency Phone System Replacement* project, with a 2014 approved cash flow of \$1.000 million did not have any capital expenditures as of March 31, 2013. The project is delayed pending an assessment of the 911 regulatory changes mandated by

the Canadian Radio-television and Telecommunication Commission (CTRC) that will come into effect on January 1, 2015 on TFS' telephone infrastructure change from a circuit switched technology to an Internet Protocol (IP) platform that provides 911 service. A call for a consultant is expected by the middle of 2014 and the project is anticipated to commence in the 4th quarter of 2014 and completed by 2015.

**Transportation Services (TS)** had spending of \$14.445 million or 3.8% of its 2014 Approved Capital Budget of \$377.809 million (including \$72.131 million in carry forward funding) for the period ended March 31, 2014; and spending is projected to reach \$288.461 million or 76.4% by year-end. However, some of the projected under spending is attributable to estimated savings of \$47.944 million or 12.7% of the 2014 Approved Capital Budget related to projects expected to be completed in 2014 (where funding will not be required to be carried forward to 2015).

The rate of spending for the three months ended March 31, 2014 is consistent with project schedules for construction as most are weather / temperature dependent. Typically, the majority of cash flow funding is spent during the traditional construction season through to the latter part of the year, after contracts are tendered and awarded.

The Program had spending of \$13.269 million to the end of the first quarter and expects to spend \$285.197 million or 77.7% by year-end on projects that are considered on track. These are ongoing capital programs with annual projects and include the following:

- The *Major Roads* program incurred expenditures of \$1.206 million and spending of \$61.580 million or 79.4% is projected by year-end. Addressing Transportation Services' state of good repair backlog was a key capital priority during the 2014 Budget process.
- The *Local Road Rehabilitation* program had expenditures of \$1.247 million and \$40.077 million or 76.6% is projected to be spent by year-end.
- The *Sidewalk Rehabilitation* program, that ensures the safety of pedestrians, had spending of \$0.274 million and \$12.835 million or 90.7% is projected to be spent by year-end.
- The *Infrastructure Enhancement* project's capital expenditure totalled \$1.582 million and \$39.709 million or 49.3% is projected to be spent by year-end. This capital program consists of cycling infrastructure projects, specifically off-street trail projects that had spending of \$0.252 million and spending of \$4.067 million is projected by year-end; and various construction projects (i.e. TTC track replacement) that had spending of \$0.528 million and spending of \$4.775 million is projected by year-end.
- The *City Bridge Rehabilitation* project's capital expenditure totalled \$4.118 million and \$46.545 million is projected to be spent by year-end which exceeds the 2014 approved cash flow. While contracts have been awarded and all work is expected to be tendered, Engineering & Construction Services will continue to review the projects and will have an updated estimate of the cash flow requirements for the second quarter variance report.

- The *F. G. Gardiner Expressway* project's capital expenditure totalled \$2.101 million and \$45.739 million or 92.5% is projected to be spent by year-end. Construction has started on the median replacement and the bent repair project is almost completed. Funds have been fully committed and contracts have been awarded.
- The *Traffic Control* project's capital expenditure totalled \$2.659 million and \$33.626 million or 76.8% is projected to be spent by year-end.
- The *Neighbourhood Improvement* projects had no capital expenditures in the first quarter, but \$2.097 million or 82.6% is projected to be spent by year-end.

Most of the year-end under-spending is anticipated in Road Rehabilitation projects and Transportation capital projects that require third party coordination and/or funding; community consultation; or are development/transit dependent. These projects include the *Infrastructure Enhancements* program; *Traffic Control* projects; and *Neighbourhood Improvements* program.

***Waterfront Revitalization Initiative*** spent \$12.0 million or 14.3% of the 2014 Approved Capital Budget of \$84.4 million (including \$4.138 million in carry forward funding) for the period ended March 31, 2014; Spending is projected to be \$78.9 million or 93.4% by year-end.

The rate of spending for the first quarter of 2014 is attributed to the following projects/sub-projects:

- The *Union Station* project did not incur any capital expenditures during the first three months ended March 31, 2014, as funding from the Province and deferred contributions have been sufficient to cover capital expenditures. Construction of the second subway platform and associated concourse improvements are forecasted to be on schedule and completed in 2015. It is estimated that \$13.6 million or 100.0% of the 2014 approved cash flow of \$13.6 million (including additional carry forward funding of \$6.3 million) will be spent by year-end;
- The *Precinct Implementation* project's capital expenditures totalled \$11.2 million or 19.9% of the 2014 approved cash flow of \$55.9 million (including a reduction in carry forward funding of \$3.5 million) during the three months ended March 31, 2014. Year-to-date spending includes continued construction of sewer and water services, and the Peter St. Bridge modifications for the revitalization of Queens Quay. Work also includes the completion of the hydraulic barrier wall and excavation of soil in preparation of the dockwall reinforcement in Bayside. As a result of a delay in the execution of funding agreements in East Bayfront, it is anticipated that \$52.0 million or 93.0% of the 2014 approved cash flow will be spent by year-end and remaining amount to be carried forward to 2015.
- The *Transportation Initiatives* project's capital expenditures totalled \$0.4 million or 7.6% of the 2014 approved cash flow of \$4.6 million (including additional carry forward funding of \$0.4 million) during the three months ended March 31, 2014. The bulk of the Gardiner EA is expected to be completed in 2014; however a portion of the spending is required to be carried forward to next year in order to facilitate a

report back to City Council in early 2015. It is anticipated that \$4.0 million or 86.3% of the 2014 approved cash flow will be spent by year-end; and

- The *Port Lands Preparation* project's capital expenditures totalled \$0.253 million or 34.9% of the 2014 approved cash flow of \$0.725 million during the first three months ended March 31, 2014. Completion of cost estimates to reflect final proposed configurations for flood protection and infrastructure works for the Lower Don Lands Infrastructure Master Plan are expected to be completed this summer. It is estimated that \$0.725 million or 100% of the 2014 approved cash flow will be spent by year-end.

### **Internal Services**

For the three months ended March 31, 2014 capital expenditures for Internal Services totalled \$28.949 million or 6.4% of their collective 2014 Approved Capital Budget of \$455.157 million. Spending is expected to reach \$319.697 million or 70.2% by year-end.

<b>Internal Services</b> Q1 2014 Capital Variance (\$ Million)				
Actual to March 31, 2014			Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
311 Toronto	(4.5)	17.4	0.0	100.0
Facilities Management & Real Estate	(274.8)	5.7	(4.2)	68.8
Financial Services	(19.6)	5.4	(2.4)	88.5
Fleet Services	(49.3)	5.9	(16.1)	69.2
Information Technology	(78.0)	8.5	(26.1)	69.4
<b>Sub-Total</b>	<b>(426.2)</b>	<b>6.4</b>	<b>(135.5)</b>	<b>70.2</b>

**311 Toronto** incurred expenditures of \$0.944 million or 17.4% of its 2014 Approved Capital Budget of \$5.439 million (including \$3.045 million of total carry forward funding) for the period ended March 31, 2014; and is projecting that Approved Capital Budget will be fully spent by year-end.

- The *311 Future Integration and Strategy Initiative* project's capital expenditures totalled \$0.764 million representing 28.8% of the 2014 approved cash flow of \$2.650 million. The project will implement a Cross Divisional Scheduler which will provide opportunities for the public to book appointments and/or facilities through 311, as well as provide an initial assessment of the integration of a payment module which is on target for an enterprise solution in 2015. The project is on track and is estimated that the 2014 approved cash flow will be fully spent by year-end.
- The *311 Technology Solution SOGR* project's capital expenditure totalled \$0.180 million representing 6.4% of the 2014 approved cash flow of \$2.789 million. This project involves the upgrade and replacement of servers and software to ensure continuity of the 311 Contact Centre operations as well as the upgrade of the Knowledgebase and Content Management Tool which will improve the

administration and workflow of the existing knowledge base. The upgrade of the Knowledgebase and Content Management Tool will coincide with vendor software availability in 2015. The Internet Protocol Contact Centre (IPCC) which was originally scheduled for upgrade in 2015 will be initiated in 2014 due to the phone and speech technology reaching the end of its lifecycle earlier than anticipated. Resources have been hired to work on IPCC, with deliverables to be completed by the first quarter of 2015. This capital activity ensures the continuity of the 311 Contact Centre Operations. As a result, it is estimated that the 2014 approved cash flow will be fully spent by year-end.

***Facilities Management and Real Estate (FM&RE)*** incurred expenditures of \$16.592 million or 5.7% of its 2014 Approved Capital Budget of \$291.393 million (including \$142.682 million of total carry forward funding) for the period ended March 31, 2014; and is projecting expenditures to be \$200.500 million or 68.8% by year-end.

State of Good Repair (SOGR) projects of varying size had capital expenditures of \$0.861 million or 1.3% of the 2014 approved cash flow of \$66.532 million as of March 31, 2014. A number of new SOGR sub-projects are currently in the procurement phase for either design or construction work. Over 90 SOGR and improvement projects are on track towards completion in 2014 which will address numerous backlog issues across the portfolio of facilities. Overall, it is estimated that \$60.532 million or 90.5% of the 2014 approved cash flow will be spent by year-end.

The projected year-end under-spending is largely attributable to the following major capital projects:

- The *Union Station Revitalization (USR)* project's capital expenditures totaled \$14.665 million or 7.7% of the 2014 approved cash flow of \$190.016 million as of March 31, 2014. Phase 1 of the project experienced delays mainly due to found site conditions such as heritage and environmental elements including designated substances. This has impacted progress on the York Concourse, the restoration of other interior areas, and the installations of new mechanical and electrical systems. In addition, the need for coordination amongst stakeholders and other projects in the precinct have also impacted progress. Work plans have been revised to address these issues, with Phase 1 of the project now expected to be complete in 2014. These delays have impacted the timelines for Phase 2, which will not begin until the end of 2014 with the majority of deliverables to occur in 2015. As a result, spending for the USR project is forecasted to be \$123.527 million or 65.0% of the 2014 approved cash flow by year-end. It is noted that Phase 1 of NW PATH project has had significant progress towards the completion of the interface with Union Station through the moat and openings along York Street in 2014.
- The *St. Lawrence Market North (SLMN) Redevelopment* project's capital expenditures totaled \$0.248 million or 2.0% of the 2014 approved cash flow of \$12.671 million. Original completion timeline had to be revised in 2013 due to the need for design changes and additional funding. The revised expected completion date is now 2016. FM&RE staff continues to work through design issues with clients, stakeholders and the consultants. It is expected that the tendering process will start in late 2014. As a

result, it is estimated that only \$3.5 million or 27.6% of the 2014 approved cash flow will be spent by year-end for finalizing design, constructing the temporary market and demolishing the current facility.

- The *Nathan Phillips Square Revitalization (NPSR)* project's capital expenditures totaled \$0.014 million of the 2014 approved cash flow of \$13.254 million. The NPSR project experienced delays due to a change in contractors and the need to re-tender the scope of work for the remaining phases of the project under a revised contract structure. The contract for Phases 3 and 4 of the project include the relocation of the Peace Garden, landscaping work along the southern and western edges and upgrading the building at Queen and Bay. Work is currently progressing on the Rabbit stairs and work on the west quadrant will commence in April as winter weather conditions has limited the ability to proceed with construction. As a result, it is estimated that \$9.940 million or 75.0% of the 2014 approved cash flow will be spent by year-end.
- The *Westwood* project has not incurred any capital expenditures against the 2014 approved cash flow of \$6.436 million. The demolition of the theatre building, front-end geotechnical work, environmental testing for the Westwood Theatre Lands were completed during 2013. However, use of remaining funds is undetermined as staff are working with Transportation Services and Build Toronto to identify future plans and how funding will be utilized to develop the site. As a result, it is presently anticipated that there will be no capital expenditures by year-end and the project will be placed on hold, until further plans can be developed.
- The *Old City Hall HVAC and Electric Upgrades* project's capital expenditures totaled \$0.804 million representing 37.1% of the 2014 approved cash flow of \$2.164 million. The heating, ventilation and air-conditioning upgrades at Old City Hall have been progressing at a faster pace than anticipated when the 2014 cash flow estimates were developed. It is estimated that the \$3.0 million will be spent by year-end. Additional cash flows funding planned for 2015 in the amount of \$1.105 million are being requested to be accelerated to 2014 through a separate staff report entitled "Facilities Management and Real Estate's 2014 Capital Budget Adjustments and Accelerations / Deferrals" to the Budget Committee on May 1, 2014 to ensure forecasted spending in 2014 does not exceed approved cash flows funding. Overall, the project remains within the Council approved project cost of \$36.9 million.

Facilities Management and Real Estate staff will provide status updates on major capital projects along with adjusted cash flows to match revised timelines to the Government Management Committee and Budget Committee respectively by the end of the second quarter 2014.

**Financial Services'** capital expenditures totalled \$1.117 million or 5.4% of its 2014 Approved Capital Budget of \$20.754 million, (including \$0.278 million of carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$18.358 million or 88.5% by year-end.

The following projects have made significant progress and/or are on track for completion:



- *The Financial Planning Analysis and Reporting System (FPARS)* project capital expenditures are projected to be \$12.875 million or 95% of the 2014 approved cash flow of \$13.555 million by year-end. The project is proceeding with Release 2 of the Public Budget Formulation (PBF) implementation, Reporting Analytics, and Complement Management functionality and is expected to be completed by the end of May, 2014. Work is also progressing with Releases 3 and 4 to be completed in 2014, consisting of the remaining PBF functionalities required for the 2015 Budget process. The project is expecting to be under spent at year end by \$0.680 million.
- The *PCI Compliance* capital expenditures are projected to be \$0.625 million or 100% of the 2014 approved cash flow by year-end. The project is on schedule to ensure the City meets the full payment card and data security standards.
- The e-Procurement Implementation capital expenditures are projected to be \$0.979 million or 89.5% of the 2014 approved cash flow of \$1.060 million by year-end. Projected under spending of \$0.082 million is due to unforeseen delays in the RFP process.
- The Risk Management Information Upgrade capital expenditures are projected to be \$0.723 million or 100% of the 2014 approved cash flow by year-end. The project has proceeded with STARS Enterprise Phase 1 going live on March 28<sup>th</sup>, 2014.

The under-spending in 2014 is mainly driven by delays in the following projects:

- *The Cross-Application Timesheet (CATS)* Implementation project is projecting under spending of \$0.771 million as a result of delays in completing and releasing the RFP to market. The delays were primarily due to technical resource constraints needed to complete the RFP.
- *The Accounts Payable Process Improvements* project is projecting under spending of \$0.179 million. The delay is due to negotiations with the scoping and planning proponent which is taking longer than anticipated. The project is progressing with the completion of the procedures and policies that will be required for automating e-mail invoices. This will eliminate the need to open every e-mail and print, barcode and scan each invoice into SAP.
- *The CAPTOR Migration to New System* project is currently undergoing the project planning phase and is expected to be under spent by \$0.300 million.

***Fleet Services'*** capital expenditures for the period ended March 31, 2014 totalled \$3.093 million or 5.9% of the 2014 Approved Capital Budget of \$52.373 million (including carry forward funding of \$14.366 million). Fleet Services' expenditures to year end are projected to be \$36.257 million or 69.2% of its 2014 Approved Capital Budget.

The Program spent \$0.602 million on the *Solid Waste – Fleet Replacement* project which is on track and to be completed as planned. This project provides for the replacement of vehicles and equipment. A total of 3 units have been delivered during the first three months of 2014 at a cost of \$0.602 million. It is estimated that \$10.615 million or 99.4% of the 2014 approved cash flow will be spent by year-end.

The under-spending in 2014 is mainly driven by the delays in the following projects:

- *Park Forestry & Recreation – Fleet Replacement* incurred \$0.275 million on the replacement of vehicles, taking delivery of 5 units as of March 31, 2014. It is estimated that \$4.574 million or 64.3% of the 2014 approved cash flow will be spent by year-end.
- The *Fire Services Fleet Replacement* project did not incur any expenditure of the 2014 approved cash flow of \$12.322 million during the first quarter. Project spending is lower than planned due to the detailed specification development required, the lengthy production time required for these customized vehicles and an increase in special projects and changing vehicle requirements resulting in an extended period required to process these purchases. It is estimated that Fire Services will take delivery of 9 Fire Trucks and 39 Support Vehicles, spending \$5.084 million or 41.3% of the 2014 approved cash flow by year-end.
- The *Transportation Services Fleet Replacement* project's capital expenditure totalled \$0.373 million representing 8.0% of the 2014 approved cash flow of \$4.664 million. Project spending is lower than planned due to the delay in the procurement of the replacements resulting in being delayed to 2015. It is estimated that \$1.875 million or 40.2% of the 2014 approved cash flow will be spent by year-end.
- The *Toronto Water Fleet Replacement* project's capital expenditure totalled \$0.015 million representing 0.4% of the 2014 approved cash flow of \$3.299 million. Project spending is lower than planned due to the delays in finalizing replacement requirements and changes to the expected life cycle of the vehicles resulting in the deferral of replacing the units. It is estimated that Toronto Water will take delivery of 16 units including 5 sewer maintenance trucks, spending only \$2.514 million or 76.2% of the 2014 approved cash flow by year-end.

Fleet Services will continue with vehicle condition assessments and review vehicle and equipment usage to optimize the replacement of vehicles/equipment with operational requirements, health and safety and achieving greater financial efficiencies. This will be reflected in the 2015-2024 Capital Budget and Plan.

***Information and Technology's*** capital expenditures totalled \$7.204 million or 8.5% of its 2014 Approved Capital Budget of \$85.197 million, (including \$24.463 million of carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$59.144 million or 69.4% by year-end.

The following projects have made significant progress and/or are on track for completion:

- *The Desktop Hardware & Software, Enterprise Servers, Storage & Software* project's capital expenditures are projected to be \$17.488 million or 94.5% of the 2014 approved cash flow of \$18.512 million by year-end. These projects replace desktop hardware and software as well as enterprise servers, storage, and software. I&T continues to upgrade the infrastructure components to maintain a state of good repair and ensure compatibility with the operating system. This will allow for confirmation that all software are in line with corporate standards,

- including licensing requirements of in-scope software. During the first quarter of 2014, 93% of all City computers were upgraded to Windows 7, seventy servers were deployed with 400 terabytes of storage, and of the 1,700 RSA tokens acquired 200 have been deployed.
- *The Integrated Telecom Infrastructure* project's capital expenditures are projected to be \$5.140 million or 99% of the 2014 approved cash flow of \$5.180 million by year-end. Over 90% of the phone lines have been moved to the new vendor. It is expected that the rollover of the Contact Centres will be completed in the first half of 2014.
  - The *WEB* projects (*Web Foundation and Web Content BI and Rollout*) 2014 approved cash flow of \$3.992 million is expected to be fully spent by year-end. The capital funding is being used to complete the migration of existing public facing web content on **toronto.ca** to the new platform; refresh the look and structure of **toronto.ca** by providing a task and service oriented approach to the web site; deploy releases 2.0, 2.1 and 2.2 of the Web content application and complete integrated performance testing with Parks, Forestry and Recreation for March program registration.
    - With completion of the roll-out, business and communications employees in City Divisions are now responsible for authoring their own content, rather than requesting it be completed by the Web Competency Centre, simplifying and speeding up the process. The City's website will be more user friendly, allowing for easier access to information about the Services that the City and its partners provide.
  - The *Enterprise eLearning Initiative's* capital expenditures are projected to be \$0.952 million or 100% of the 2014 approved cash flow by year-end. The City of Toronto's enterprise Learning Management System (ELI) is now live. ELI will add value by improving and streamlining the City's learning infrastructure under an efficient and effective business model. Staff can register for Courses for the Toronto Public Service, complete mandatory eLearning modules and access their training records anytime from any computer with Internet access.
  - *The Email Replacement* project's capital expenditures are projected to be \$3.879 million or 100% of the 2014 approved cash flow by year-end. Acquisition of the NetApp storage solution has been completed and awaiting final delivery and installation. Exchange production servers have been acquired while the RFP for implementation services has been awarded. Contract negotiations are underway, with some challenges on project scope and statement of work (SOW) to be resolved with the Proponent.
  - The *Disaster Recovery Plan* project's capital expenditures are projected to be \$2.517 million or 100% of the 2014 approved cash flow by year-end. The Business Impact Analyses (BIA) within the City for its Business Continuity (BC) and Disaster Recovery (DR) plans are progressing. I&T has conducted BC engagement meetings with Solid Waste Management; Policy & Planning, Finance and Administration; and Court Services. I&T has completed several Business Impact Assessments for Divisions including: Internal Audit, Toronto

Public Health, Court Services, Toronto Water, Office of Emergency Management, and Parks, Forestry and Recreation.

The under-spending in 2014 is mainly driven by delays in the following projects:

- *Toronto Building Electronic Service Delivery*: It is estimated that expenditures totalling \$1.639 million or 43.0% of the approved 2014 cash flow of \$3.677 million will be spent by year-end. The variance is due to delays in purchasing the portal infrastructure and recruiting qualified project resources.
- *Capital Resource Requirements*: I&T has filled 50% of the 58 positions approved to address I&T's capital delivery capacity issue. Projected under-spending at year-end is \$1.958 million as a result of challenges in recruiting resources with the necessary skills.
- *Enterprise Time Attendance and Scheduling Management* project has been delayed as the RFP is taking much longer to release to market than anticipated. It is estimated that \$0.150 million or 3.3% of the approved 2014 cash flow of \$4.601 million will be spent in 2014.
- *Employee Self Serve Portal* project has been delayed due to RFP and statement of work negotiations. It is estimated that \$4.500 million or 59.9% of the approved 2014 cash flow of \$7.507 million will be spent in 2014.

### **Other City Programs**

For the three months ended March 31, 2014, capital expenditures for Other City Programs totalled \$1.394 million or 1.2% of their collective 2014 Approved Capital Budget of \$115.942 million. Spending is expected to increase to \$103.512 million or 89.3% by year-end.

Other City Programs Q1 2014 Capital Variance (\$ Million)				
Actual to March 31, 2014			Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Clerk's Office	(6.3)	10.0	(0.0)	100.0
Sustainable Energy Plan	(22.2)	0.6	(7.9)	64.6
Radio Replacement Project	(27.2)	0.4	(4.5)	83.4
PanAm Games	(58.9)	0.7	0.0	100.0
<b>Sub-Total</b>	<b>(114.5)</b>	<b>1.2</b>	<b>(12.4)</b>	<b>89.3</b>

The *City Clerk's Office* spent \$0.702 million or 10% of the 2014 Approved Capital Budget of \$6.998 million (including \$0.978 million in additional carry forward funding) for the period ended March 31, 2014; and projects spending of \$6.998 million or 100% by year-end. The rate of spending for the first quarter of 2014 is attributed to the following:

- The *Toronto Elections Information System (TEIS)* project's capital expenditures totaled \$0.335 million representing 10.8% of the 2014 approved cash flow of \$3.092

million (including \$0.653 million in additional carry forward funding) during the three months ended March 31, 2014. The project is on track and is progressing in accordance with schedule and deliverables.

- The *Enterprise Document and Record Management Solution (EDRMS)* project's capital expenditures totaled \$0.077 million representing 7.5% of the 2014 approved cash flow of \$1.022 million during the three months ended March 31, 2014. This is a multi-divisional project with the City Clerk's Office, Revenue Services and Information and Technology Division as partners to develop and implement an information management regime in the City of Toronto to manage records in all formats through their life cycle. It is anticipated the budget will be fully spent at year-end.

***The Sustainable Energy Plan (SEP)*** incurred expenditures of \$0.138 million or 0.6% of the 2014 Approved Capital Budget of \$22.340 million (including \$11.612 million in carry forward funding) for the period ended March 31, 2014; and projects spending of \$14.430 million or 64.6% by year-end.

The Program spent \$0.092 million on multi-phase *Parks, Forestry and Recreation Energy Retrofit* projects that are underway and will be completed on schedule in 2014. These projects will retrofit 85 City of Toronto facilities to become more energy efficient. It is estimated that \$0.150 million or 100% of the 2014 approved cash flow will be spent by year-end.

The under-spending in 2014 is mainly driven by the following projects:

- The *Demand Response Program* had no capital expenditures during the three month period ended March 31, 2014. The project continues to experience delays in finalizing agreements with clients and landlords. It is estimated that \$6.340 million or 85.0% of the 2014 approved cash flow will be spent by year-end.
- The *Solar Photovoltaic Program* had no capital expenditures during the three month period ended March 31, 2014. It is estimated that \$2.078 million or 47.8% of the 2014 approved cash flow will be disbursed for the installation of solar panels that will generate approximately 2,600 MWh of electricity annually resulting in the estimated reduction of 480 tonnes of greenhouse gas emissions per year. Project delays are expected as a result of longer wait times for application reviews and approvals with the Ontario Power Authority.
- The *Energy Retrofit Projects* had no capital expenditures during the three month period ended March 31, 2014. It is estimated that \$1.386 million or 50.0% of the 2014 approved cash flow will be disbursed for various facility upgrades (e.g. Booth Yard, 1652 Keele & Ellesmere Yard, City Arenas and all City Civic Centres). The project is currently experiencing a delay as a result finalizing project scopes and obtaining agreements with clients.

- The *Renewable Energy Program's* capital expenditures totalled \$0.011 million or 0.5% of the 2014 approved cash flow of \$2.326 million during the three month period ended March 31, 2014. It is estimated that \$2.326 million or 100% of the 2014 approved cash flow will be disbursed for various micro FIT solar photovoltaic and geothermal energy projects.
- The *Residential Energy Retrofit Program (HELP)* had no capital expenditures during the three month period ended March 31, 2014. It is estimated that \$1.400 million or 70.0% of the 2014 approved cash flow will be disbursed for residential and multi-residential energy retrofit projects within the City of Toronto. The project experienced lower than expected applications from home owners in some areas.

The ***Radio Communication System Replacement*** project's capital expenditures totalled \$0.110 million or 0.4% of its 2014 Approved Capital Budget of \$27.269 million (including \$8.686 million in carry forward funding) for the period ended March 31, 2014; and spending is projected to be \$22.750 million or 83.4% by year-end.

Toronto Fire Services (TFS) is projecting that the site and facility construction, system implementation and acceptance testing on the new radio technology and fire station alerting will be completed by year-end 2014. The project is expected to continue into 2015 to complete the decommissioning of the old system and implementation of the remaining radio system components.

The ***Pan American Games*** project had expenditures of \$0.444 million or 0.7% of its 2014 approved cash flow of \$59.334 million (including \$5.516 million in carry forward funding) during the period ending March 13, 2014; and it is projected that the 2014 Approved Budget will be fully spent by year-end.

The year-to-date spending rate is largely attributable to the following:

- The *Site Remediation* project's capital expenditures totalled \$0.002 million during the period ending March 31, 2014. The process for obtaining Certificates of Property Use (CPU) and Environmental Compliance Approvals (ECA) from the Ministry of the Environment (MOE) is taking longer than anticipated as the agreements with the MOE includes the addition of a two-year post site-remediation monitoring period, but it is anticipated that \$3.798 million will be spent by the end of 2014.
- The *Resurfacing of Cycling Course* project had no capital expenditures during the period ending March 31, 2014. The route for the cycling course was recently finalized by T02015 and it is expected that the 2014 approved cash flow of \$9.537 million will be spent by year-end.
- Projects delivered through the Toronto Organizing Committee for the Pan/Parapan American Games (TO 2015) and Infrastructure Ontario, as well as the BMX Track project which is being delivered by the City, are on schedule and it is anticipated that \$46.000 million will be spent by year-end.

## **City Agencies**

During the three months ended March 31, 2014, capital expenditures for City Agencies totalled \$130.610 million or 6.1% of their collective 2014 Approved Capital Budget of \$2.129 billion. Spending is expected to increase to \$1.746 billion or 82% by year-end.

Agencies Q1 2014 Capital Variance (\$ Million)				
	Actual to March 31, 2014		Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Exhibition Place	(12.9)	8.3	0.0	100.0
Go Transit	0.0	100.0	0.0	100.0
Toronto And Region Conservation Authority	(10.8)	22.9	0.0	100.0
Toronto Police Service	(55.4)	7.0	(14.1)	76.3
Toronto Public Health	(4.4)	11.2	(0.4)	91.4
Toronto Public Library	(26.8)	16.0	(1.4)	95.6
Toronto Transit Commission	(1,877.7)	4.9	(364.2)	81.5
Toronto Zoo	(8.3)	5.1	(3.4)	60.9
Sony Centre	(2.5)	0.0	0.0	100.0
<b>Sub-Total</b>	<b>(1,998.7)</b>	<b>6.1</b>	<b>(383.6)</b>	<b>82.0</b>

**Exhibition Place** incurred expenditures of \$1.168 million or 8.3% of its 2014 Approved Capital Budget of \$14.085 million (including carry forward funding of \$3.345 million) for the period ended March 31, 2014; and spending is projected to reach \$14.085 million or 100% of its 2014 Approved Capital Budget by year-end.

The Program spent \$1.168 million as of the end of the first quarter of 2014 on the following projects that are on track:

- The *Better Living Centre* project did not incur any expenditures of the 2014 approved cash flow of \$0.100 million during the three months ended March 31, 2014. It is estimated that \$0.100 million or 100% of the 2014 approved cash flow will be spent by year-end. The project provides state-of-good-repair work on the building, including interior lead capsulation, as well as replacement of transformers and lighting fixtures;
- The *BMO Field* project's capital expenditures totalled \$0.631 million representing 100% of the 2014 approved cash flow of \$0.631 million during the three months ended March 31, 2014. It is estimated that \$0.631 million or 100% of the 2014 approved cash flow will be spent by year-end. This project provided various equipment upgrades to the POS inventory management system, accounting software, food and beverage fixtures, and some building repairs and upgrades;
- The *Equipment* project's capital expenditures totalled \$0.009 million representing 2.0% of the 2014 approved cash flow of \$0.447 million during the three months ended March 31, 2014. It is estimated that \$0.009 million or 2.0% of the 2014 approved cash flow will be spent by year-end. This project provided the funding for

automation systems, replacing fibre optic cable, various electrical infrastructure and PBX for shows, and building waste management systems;

- The *Parking Lots and Roads* project's capital expenditures totalled \$0.004 million or 0.2% of the 2014 approved cash flow of \$1.996 million during the three months ended March 31, 2014. It is estimated that \$1.996 million or 100% of the 2014 approved cash flow will be spent by year-end. This project provided funding for work on sidewalks, pathways, roads and parking lots;
- The *Pre-Engineering Program* project's capital expenditures totalled \$0.055 million or 32.0% of the 2014 approved cash flow of \$0.172 million during the three months ended March 31, 2014. It is estimated that \$0.172 million or 100% of the 2014 approved cash flow will be spent by year-end;
- The *Grounds Security Surveillance* project's capital expenditures totalled \$0.001 million or 1.3% of the 2014 approved cash flow of \$0.091 million during the three months ended March 31, 2014. It is estimated that \$0.091 million or 100% of the 2014 approved cash flow will be spent by year-end;
- The *Fire Protection System Code Retrofit* project did not incur any expenditures of the 2014 approved cash flow of \$0.005 million during the three months ended March 31, 2014. It is estimated that \$0.005 million or 100% of the 2014 approved cash flow will be spent by year-end;
- The *Air Curtain at Industry Building* project did not incur any expenditures of the 2014 approved cash flow of \$0.050 million during the three months ended March 31, 2014. It is estimated that \$0.050 million or 100% of the 2014 approved cash flow will be spent by year-end;
- The *Queen Elizabeth Building Executive Offices Roof Replacement* project did not incur any expenditures of the 2014 approved cash flow of \$0.450 million during the three months ended March 31, 2014. It is estimated that \$0.450 million or 100% of the 2014 approved cash flow will be spent by year-end;
- The *Direct Energy Centre* project's capital expenditures totalled \$0.416 million or 15.9% of the 2014 approved cash flow of \$2.608 million during the three months ended March 31, 2014. It is estimated that \$2.608 million or 100% of the 2014 approved cash flow will be spent by year-end. The expenditures incurred as of March 31, 2014 have been incurred for washroom renovations;
- The *District Energy System* project's capital expenditures totalled \$0.041 million or 1.0% of the 2014 approved cash flow of \$4.216 million during the three months ended March 31, 2014. It is estimated that \$4.216 million or 100% of the 2014 approved cash flow will be spent by year-end. This project will connect existing energy generation assets at Exhibition Place and supply heating, cooling and water heating to the proposed hotel development as well as to existing event facilities



including the Ricoh Coliseum, coliseum Complex, Direct Energy Centre, and Allstream Centre;

- The *Fire Alarm System* project did not incur any expenditures of the 2014 approved cash flow of \$1.820 million during the three months ended March 31, 2014. It is estimated that \$1.820 million or 100% of the 2014 approved cash flow will be spent by year-end;
- The *Pan Am Infrastructure Technical Upgrades* project's capital expenditures totalled \$0.012 million or 0.8% of the 2014 approved cash flow of \$1.500 million during the three months ended March 31, 2014. It is estimated that \$1.500 million or 100% of the 2014 approved cash flow will be spent by year-end.

***Toronto and Region Conservation Authority (TRCA)*** received \$3.193 million or 22.9% of its 2014 Approved Capital Budget of \$13.970 million from the City of Toronto during the three months ended March 31, 2014.

Of the funds received, \$2.750 million was incurred for such projects as *Toronto Remedial Action Plan* project that provides monitoring and re-naturalization of watercourse water quality and habitat improvements; *Waterfront Development* project that provides for site preparation and monitoring at various waterfront sites; and *Critical Erosion Control and Floodwork* project that provides for flood control channel maintenance work and addresses the damage to city-wide private and public property caused by the July 8, 2013 storm. These projects are on track and are anticipated to be completed by year-end.

All projects are on track to be completed by year-end and TRCA anticipates that the 2014 Approved Budget will be fully spent by year-end.

***Toronto Police Service*** spent \$4.191 million or 7% of its 2014 Approved Capital Budget of \$59.563 million (including carry forward funding of \$17.623 million) for the period ended March 31, 2014; and spending is projected to be \$45.438 million or 76.3% by year-end.

Of the funds spent, \$4.109 million was incurred for such projects as *Parking East Facility, Vehicle Replacement, Workstation, Laptop and Printer – Lifecycle Plan* and *Radar Unit Replacement*. These projects are on track and are anticipated to be completed by year-end.

The year-to-date spending rate and projected year-end under-spending is largely attributable to the following:

- The *State of Good Repair* capital project expenditures totalled \$0.107 million or 1.5% of the 2014 approved cash flow of \$7.129 million during the three months ended March 31, 2014. It is anticipated that \$4.577 million or 64.2% of the 2014 approved cash flow will be spent by year-end due to staffing shortages and the need to provide

considerable support to the IRIS project. The projected year-end under-spending of \$2.552 million will be carried forward to 2015.

- The *Property and Evidence Management Facility* capital project expenditures totalled \$0.163 million or 7.2% of the 2014 approved cash flow of \$2.254 million during the three months ended March 31, 2014. Currently this project remains on schedule and within budget with \$1.445 million or 64.1% of the 2014 approved cash flow projected to be spent by year-end. The projected year-end under-spending of \$0.808 million is due to lower-than-anticipated construction costs. This project will be reviewed for closure at year-end with under-spent funding returned to the City.
- The *Parking East Facility* capital project expenditures totalled \$1.834 million or 29% of the 2014 approved cash flow of \$6.288 million during the three months ended March 31, 2014. Currently this project remains on schedule and within budget with \$5.688 million or 90.5% of the 2014 approved cash flow projected to be spent by year-end. The projected year-end under-spending of \$0.600 million is due to lower-than-anticipated construction costs. This project will be reviewed for closure at year-end with under-spent funding returned to the City.
- The *52 Division Renovations* capital project had no expenditures during the three months ended March 31, 2014. It is anticipated that \$0.050 million or 1.7% of the 2014 approved cash flow of \$2.948 million will be spent by year-end since the consultant selection will not occur until the third quarter of 2014. The unspent funding will be carried forward to 2015.

The capital project expenditures for the *Vehicle & Equipment Lifecycle Replacement* program that includes such projects as *Small Equipment Replacement and Workstation, Laptop and Printer Lifecycle Replacement* totalled \$2.542 million or 7.3% of the 2014 approved cash flow of \$34.794 million during the three months ended March 31, 2014. Currently, the projects remain on schedule and within budget with \$28.935 million or 83.2% of the 2014 approved cash flow projected to be spent by year-end. The projected year-end under-spending is due to lower than anticipated expenditures for server and locker replacement and information technology business resumption. This funding will be carried forward to 2015.

**Toronto Public Health's (TPH)** capital expenditures for the period ended March 31, 2014 totalled \$0.557 million or 11.2% of the 2014 Approved Capital Budget of \$4.991 million (including \$0.931 million carry forward funding); spending is projected to be \$4.560 million or 91.4% by year end.

The following projects are on track, and are projected to be fully spent by year-end:

- The *HF/HL System Integration* project's capital expenditures totaled \$0.093 million representing 19.1% of the 2014 approved cash flow of \$0.488 million. The 2014 Approved cash flow is fully comprised of carry forward funding. The project is well underway and it is estimated that \$0.488 million or 100% of the 2014 approved cash flow will be spent by year-end.

- The *Web re: Brand* project's capital expenditures totalled \$0.030 million representing 9.9% of the 2014 approved cash flow of \$0.303 million (including \$0.059 million in carry forward funding). The project is on schedule and it is estimated that \$0.303 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Infectious Disease Control Information System* project's capital expenditures totalled \$0.153 million representing 22.3% of the 2014 approved cash flow of \$0.688 million. The project is on schedule and it is estimated that \$0.688 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Healthy Environment Inspection System* project's capital expenditures totalled \$0.052 million representing 7.7% of the 2014 approved cash flow of \$0.677 million. The project is on schedule and it is estimated that \$0.677 million or 100% of the 2014 approved cash flow will be spent by year-end.

The projected under-spending is mainly attributed to delays in the following projects/sub-projects:

- The *HF/HL Point of Care* project's capital expenditures totalled \$0.229 million representing 10.3% of the 2014 approved cash flow of \$2.234 million (including \$0.364 million in carry forward funding) for the three months ending March 31, 2014. Due to delays in purchasing and testing mobile devices, it is estimated that \$1.955 million or 87.5% of the approved 2014 cash flow will be spent by year-end.
- The *CDC Wireless Rollout* project with 2014 Approved cash flow of \$0.602 million had no capital expenditures due to delays in hiring of the project team. Capital spending is projected to reach \$0.450 million or 74.8% of the approved 2014 cash flow by year-end.

**Toronto Public Library (TPL)** spent \$5.092 million or 16.0 % of its 2014 Approved Capital Budget of \$31.900 million (including \$4.975 million carry forward funding) for the three months ending March 31, 2014; and spending is projected to be \$30.500 million or 95.6% by year-end.

The following projects are on track, and the 2014 cash flow will be fully spent by year end:

- The *Scarborough Civic Centre Neighbourhood Construction* project's capital expenditures totalled \$0.453 million representing 9.2% of the 2014 Approved cash flow of \$4.936 million during the three months ended March 31, 2014. Construction is proceeding according to schedule. The branch is expected to open in late 2014 / early 2015. It is estimated that \$4.936 million or 100% of the 2014 Approved cash flow will be spent by year-end.
- The *Fort York Library Construction* project's capital expenditures totalled \$0.715 million, representing 26.7% of the 2014 Approved cash flow of \$2.679 million.

Construction is proceeding according to schedule and the branch is expected to open in spring 2014. It is estimated that \$2.679 million or 100% of the 2014 Approved cash flow will be spent by year-end.

- The *Self Service Circulation* project's capital expenditures totalled \$0.650 million representing 45.4 % of the 2014 Approved cash flow of \$1.431 million. The 2014 Approved cash flow is fully comprised of carry forward funding from 2013. The installation of the main sorter at 1076 Ellesmere is dependent on the completion of the retrofit and expansion project at the Ellesmere site to accommodate the relocation of services from 281 Front Street. It is estimated that \$1.431 million or 100.0% of the 2014 Approved cash flow will be spent by year-end.
- The *Library Processing Centre Relocation* project's capital expenditures totalled \$0.670 million representing 10.5 % of the 2014 Approved cash flow of \$6.361 million (including carry forward funding of \$1.886 million) during the three months ended March 31, 2014. As a result of a delay in obtaining site plan and building permit approval, the construction was delayed and started in August 2013. It is estimated that \$6.361 million or 100% of the 2014 Approved cash flow will be spent by year-end.
- The *Multi Branch Minor renovation* project's capital expenditures totalled \$1.117 million or 26.4% of the 2014 Approved cash flow of \$4.228 million during the three months ended March 31, 2014. It is estimated that \$4.228 million or 100% of the 2014 Approved cash flow will be spent by year-end as the expenditures are expected to be incurred later in the year.

The projected under-spending is mainly attributed to delays in the *Albion Library Renovation* project's with total capital expenditures of \$0.002 million representing 0.1 % of the 2014 Approved cash flow of \$1.620 million during the three months ended March 31, 2014. Issues in securing site plan approval are expected to delay the start of construction to 2015. As a result, it is estimated that \$0.220 million or 13.6% of the 2014 Approved cash flow will be spent by year-end.

***Toronto Transit Commission (TTC)*** capital expenditures for the period ended March 1, 2014 totalled \$95.964 million or 4.9% of the 2014 Approved Capital Budget of \$1.974 billion (including additional carry forward funding of \$197.7 million for the Base Capital Program and \$150.0 million for the Toronto-York Spadina Subway Extension (TYSSE)) Spending is projected to be \$1.609 billion or 81.5% by year-end (including YYSSE and the Scarborough Subway Extension).

The following multi phase projects are on track and will be completed in future years:

- The *Easier Access* project's capital expenditures totalled \$1.3 million representing 6.1% of the 2014 approved cash flow of \$22.0 million during the two months ended March 1, 2014. It is estimated that \$19.1 million or 87.0% of the 2014 approved cash flow will be spent by year-end. This project includes constructing and enhancing accessibility features to make the TTC fully accessible by 2025. Elevators were completed in October 2013 at Pape Station with the second exit opening to the public in December 2013. At Dufferin Station, the project is expected to be fully completed

by the summer of 2014.

- The *Fire Ventilation Upgrade* project's capital expenditures totalled \$2.5 million representing 7.9% of the 2014 approved cash flow of \$32.0 million during the two months ended March 1, 2014. It is estimated that \$32.0 million or 100.0% of the 2014 approved cash flow will be spent by year-end. This project provides for the upgrade of the subway ventilation system and construction of second exits at subway stations.
- The *Toronto Rocket Yard and Storage Track Accommodation* project's capital expenditures totalled \$5.6 million representing 15.3% of the 2014 approved cash flow of \$36.5 million (including a decrease in carry forward funding of \$2.1 million) during the two months ended March 1, 2014. Project spending is higher than planned during this period and it is estimated that \$38.6 million or 105.7% of the 2014 approved cash flow will be spent by year-end. This project includes the design and construction of various subway vehicle facilities and yards to ensure proper delivery, maintenance and storage of the new fixed six-car Toronto Rocket subway trains. In 2013, significant progress was made at Union Station, Wellesley Station, Castle Frank Station and Dundas West Station. It is recommended that the TTC identify either scope reductions or reallocations from other projects to ensure cash flow does not exceed the 2014 Approved Capital Budget and report back along with the 2<sup>nd</sup> quarter variance report with any changes that require Council authority.
- The *Leslie Barns LRT Maintenance and Storage Facility* project's capital expenditures totalled \$12.5 million representing 10.1% of the 2014 approved cash flow of \$123.2 million (including a decrease in carry forward funding of \$10.1 million) during the two months ended March 1, 2014. Project spending is higher than planned during this period and it is estimated that \$133.3 million or 108.2% of the 2014 approved cash flow will be spent by year-end. The estimated spending at year end involves extensive utility work including relining or replacing existing storm and sanitary sewers and replacing the existing water main. It is recommended that the TTC identify either scope reductions or reallocations from other projects to ensure cash flow does not exceed the 2014 Approved Capital Budget and report back along with the 2<sup>nd</sup> quarter variance report with any changes that require Council authority.

The rate of spending for the 2-month period ending March 1, 2014 reflects delays in the following projects:

- The *Automatic Train Control (ATC) Resignalling* project's capital expenditures totalled \$3.6 million representing 3.6% of the 2014 approved cash flow of \$101.6 million (including additional carry forward funding of \$14.0 million) during the two months ended March 1, 2014. Project spending is lower than planned in this period and it is estimated that \$64.8 million or 63.8% of the 2014 approved cash flow will be spent by year-end (preliminary estimate). This project includes the upgrade of antiquated signaling systems on the Yonge-University-Spadina and Bloor-Danforth subway lines to automatic train control signaling in order to increase capacity and improve safety. Progress has been made on the Union Station interlocking installation and fitting of ATC equipment to the new Toronto Rocket trains. The projected under spending at year end is due to the Computer Based Interlocking contract which may slip into 2015. Otherwise, this project is on track.

- The *Purchase of Streetcars* project's capital expenditures totalled \$0.4 million representing 0.2% of the 2014 approved cash flow of \$197.4 million (including additional carry forward funding of \$61.7 million) during the two months ended March 1, 2014. Project spending is lower than planned in this reporting period and it is estimated that \$135.7 million or 68.7% of the 2014 approved cash flow will be spent by year-end (preliminary estimate). Vehicle deliveries to Toronto and associated commissioning activities for the new streetcars will commence in the second quarter of 2014. Program efforts are underway to ensure a smooth launch and transition to the new fleet for TTC customers.
- The *Toronto-York Spadina Subway Extension* project's capital expenditures totalled \$20.0 million representing 2.9% of the 2014 approved cash flow of \$677.5 million (including additional carry forward funding of \$150.0 million) during the two months ended March 1, 2014. Project spending is lower than planned in this reporting period and it is estimated that \$435.8 million or 64.3% of the 2014 approved cash flow will be spent by year-end. The work on the six stations is advancing at different paces with two of the stations, York University and Sheppard West (Downsview Park) currently not maintaining schedule and a third, Steeles West (Pioneer Village) in particular becoming a critical concern as it is now posing the most serious schedule challenge to the project. Efforts to have the contractors improve schedule performance continue.

**Toronto Zoo** incurred expenditures of \$0.445 million or 5.1% of its 2014 Approved Capital Budget of \$8.700 million (including carry forward funding of \$2.700 million) for the period ended March 31, 2014; and spending is projected to reach \$5.300 million or 60.9% of its 2014 Approved Capital Budget by year-end.

The Program spent \$0.445 million as of the end of the first quarter on the following projects that are on track:

- The *Exhibit Refurbishment* project did not incur any capital expenditures against the 2014 approved cash flow of \$0.300 million during the three months ended March 31, 2014. It is estimated that \$0.300 million or 100% of the 2014 approved cash flow will be spent by year-end. The project is expected to be completed by December 31, 2014;
- The *Information Systems* project's capital expenditures totalled \$0.002 million representing 0.4% of the 2014 approved cash flow of \$0.447 million during the three months ended March 31, 2014. It is estimated that \$0.447 million or 100% of the 2014 approved cash flow will be spent by year-end. The project is expected to be completed by December 31, 2014;
- The *North Zoo Site – Eurasia* project's capital expenditures totalled \$0.142 million representing 17.3% of the 2014 approved cash flow of \$0.822 million during the three months ended March 31, 2014. It is estimated that \$0.822 million or 100% of the 2014 approved cash flow will be spent by year-end. Construction is expected to be completed by September 30, 2014;

- The *Building and Services* project's capital expenditures totalled \$0.283 million representing 44.5% of the 2014 approved cash flow of \$0.637 million during the three months ended March 31, 2014. It is estimated that \$0.637 million or 100% of the 2014 approved cash flow will be spent by year-end. The project is expected to be completed by December 31, 2014;
- The *Giraffe House Transition (Old Elephant House)* project's capital expenditures totalled \$0.001 million representing 0.1% of the 2014 approved cash flow of \$1.045 million during the three months ended March 31, 2014. It is estimated that \$1.045 million or 100% of the 2014 approved cash flow will be spent by year-end. Construction is expected to be completed by September 30, 2014;
- The *Giraffe House Transition (Old Giraffe House Site)* project did not incur any capital expenditures against the 2013 approved cash flow of \$0.500 million during the three months ended March 31, 2014. It is estimated that \$0.500 million or 100% of the 2014 approved cash flow will be spent by year-end. Construction is expected to be completed by December 31, 2014;
- The *Giraffe House Transition (New Hoofstock)* project did not incur any expenditures of the 2014 approved cash flow of \$0.500 million during the three months ended March 31, 2014. It is estimated that \$0.500 million or 100% of the 2014 approved cash flow will be spent by year-end. Construction is expected to be completed by December 31, 2014;
- The *Grounds & Visitor Improvements* project's capital expenditures totalled \$0.017 million representing 5.6% of the 2014 approved cash flow of \$0.300 million during the three months ended March 31, 2014. It is estimated that \$0.300 million or 100% of the 2014 approved cash flow will be spent by year end. The project is expected to be completed by December 31, 2014;
- The *Wildlife Health Centre* project did not incur any capital expenditures against the 2014 approved cash flow of \$4.150 million during the three months ended March 31, 2014. It is estimated that \$0.750 million or 18.1% of the 2014 approved cash flow will be spent by year-end. The project start date has been delayed due to modifications made to the plan to ensure compliance with the revised Toronto Green Standard. The tender will be issued in June with construction expected to begin in October 2014 and expected to be completed by December 31, 2017.

***Sony Centre for the Performing Arts'*** capital expenditures for the period ended March 31, 2014 totaled \$0 of its 2014 Approved Capital Budget of \$2.469 million (including carry forward funding of \$1 million); and spending is projected to be \$2.469 million or 100% of the 2014 approved cash flow by year-end.

The following projects are on track and will be completed by December 2014:

- The *Sony Centre Public Plaza* project (\$1 million) located on the north west side of the centre will commence after the completion of the condominium development in spring/early summer and be completed by year-end.
- The *Heritage Easement Agreement* projects (\$1.205 million) include exterior limestone and granite upgrades, paver repairs, and restoration of the east side of the Centre. These projects will also commence in spring/early summer and are on track for completion by December 2014.
- The *Upgrades to Permanent Assets* project (\$0.264 million) includes canopy and stage upgrades, as well as electrical and wiring work. The project has an expected completion date of December 2014.

### **Rate Supported Programs**

For the three months ended March 31, 2014, Rate Supported Programs' capital expenditures totalled \$51.369 million or 6.5% of their collective 2014 Approved Capital Budget of \$788.334 million. Spending is expected to increase to \$642.382 million or 81.5% by year-end.

Rate Supported Programs Q1 2014 Capital Variance (\$ Million)				
Actual to March 31, 2014			Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Toronto Parking Authority	(69.8)	1.8	(0.3)	99.5
Solid Waste Management Services	(101.1)	2.8	(55.1)	47.0
Toronto Water	(566.2)	7.7	(90.5)	85.2
<b>Sub-Total</b>	<b>(737.0)</b>	<b>6.5</b>	<b>(146.0)</b>	<b>81.5</b>

***Toronto Parking Authority (TPA)*** spent \$1.258 million or 1.8% of its 2014 Approved Capital Budget of \$71.009 million (including \$22.008 million in carry forward funding) for the period ended March 31, 2014. The rate of spending for the first quarter of 2014 reflects the fact that SOGR projects (approximately \$16,604 million or 23% of the total) tend to start later in the spring when weather conditions are more favorable. There are also delays attributed to a need to complete studies and site assessments for some of the already identified sites, as well as delays in implementation of joint venture projects. It is anticipated that these delays will be resolved later in 2014, resulting in a projected spending of \$70.684 million or 99.5% by year-end. Any further impacts will be reported in the second quarter variance report.

***Solid Waste Management Services' (SWMS)*** capital expenditures for the 3 months ending March 31, 2014 totalled \$2.888 million or 2.8% of the 2014 Approved Capital Budget of \$103.942 million (including \$27.465 million in carry forward funding). As of the 1st quarter 2014, it is projected that \$48.856 million or 47% of the 2014 Approved Capital Budget will be spent by year-end.



The Program is responsible for the implementation of projects for waste, recycling and source separated organics (SSO) facilities, perpetual care of closed landfills, projects at transfer stations and collection yards and the on-going development and operation of the Green Lane Landfill.

Of the funds spent by the end of the first quarter, \$1.641 million was spent on the following projects that are generally on-track for planned completion:

- The *Disco SSO Processing Facility* project's expenditures totalled \$1.312 million or 11% of the 2014 approved cash flow of \$11.848 million. This project has experienced design, award and wet weather delays. Dry commissioning started in spring 2013 with wet commissioning in late spring 2013; ramp-up of SSO processing began in late 2013 with project completion expected in September 2014. Commissioning is almost complete. Spending is projected to be \$11.848 million or 100% by year-end.
- The Diversion Systems projects for the *Replacement Waste Bins-Single Family* had spending of \$0.194 million or 7.7% of the 2014 approved cash flow of \$2.515 million. Spending is projected to be 100% by year-end.
- The SWM IT Application Initiatives project with a total 2014 approved cash flow of \$2.603 million had spending of \$0.019 million for 4.4% of the 2014 approved cash flow of \$0.420 million for the *RFID/GPS System* sub-project for waste containers with current process documentation completed. Spending for the overall project is projected to be 73% or \$1.912 million spent by year-end.

The projected year-end under-spending is largely attributable to the following:

- The *Transfer Station Asset Management* project will be under-spent by \$8.463 million. The program incurred spending of \$0.488 million representing 2.2% of its 2014 approved cash flow of \$21.828 million. Spending is on-going for various state of good repair projects such as roofing, paving, drainage systems, sprinkler systems and repairs to tipping floors. The under-spending is being caused by delays in purchasing of equipment, cold weather and work plan reviews. Spending is projected to be \$13.365 million by year-end or 61.2%.
- The *Perpetual Care Of Landfills* project will be under-spent by \$3.620 million. The project incurred capital expenditures of \$0.699 million representing 7% of its 2014 approved cash flow of \$10 million. It is estimated that \$6.380 million or 63.8% of the 2014 approved cash flow will be spent by year-end. This ongoing multi-year project encompasses a variety of works considered necessary for the continued maintenance of closed environmentally sound landfill sites after primary operations have ended. These works include monitoring, consulting and possible remedial measures related to surface water, ground water, landfill gas and ambient air, maintenance of existing leachate and gas control systems. The remedial work at the 4 priority landfills concerning landfill gas migration will be initiated this year and completed in 2017. However, the RFP for a consultant to review the conceptual plan will be issued only in the second quarter.

- The *Green Lane Landfill Development* project will be under-spent by \$8.640 million. The project's expenditures total \$0.235 million or 1.4% of the 2014 approved cash flow of \$17.095 million as of the 1st quarter 2014. It is estimated that \$8.455 million or 49.5% of the 2014 approved cash flow will be spent by year-end. Capital activities for leachate control, gas control, cell construction and ancillary facilities are delayed mainly due to design revisions, cold weather impacts, quality control issues with contractor work and estimated non-utilization of project cost contingencies.
- The *Dufferin Single Stream Recycling Facility* project will be under-spent by \$4.458 million. The project's expenditures total \$0.018 million or 0.4% of the 2014 approved cash flow of \$4.558 million as of the 1st quarter 2014. It is estimated that \$0.100 million or 2.2% of the 2014 approved cash flow will be spent by year-end. Capital activities at the facility initially encountered unanticipated delays as close coordination with the operating contractor was required to meet contractual obligations concerning minimum processing tonnage targets and to avoid shutting down the facility for capital work. It has since been determined that the Dufferin Facility operating contract not be renewed and a study is underway to determine alternate uses for the facility. Spending to year-end is mainly for trailer rental for staff that was displaced due to poor indoor air quality as a result of an elevated mould spore level at the site and expansion of the sprinkler room.
- The *Dufferin SSO Processing Facility* project will be under-spent by \$6.168 million. The project's capital expenditures were \$0.003 million of the 2014 approved cash flow of \$6.568 million as of March 31st, 2014. It is estimated that \$0.400 million or 6.1% of the 2014 approved cash flow will be spent by year-end. The consultant has drafted the RFP to hire a contractor to design-build and operate the expanded facility with 70% of this work completed including engineering studies and preliminary design. However, the Program is currently attempting to resolve a legal dispute involving a sublicense of patented technology with the technology provider/ former operator and cannot release the RFP until resolved.
- The IT Corporate Initiatives project will be under-spent by \$0.490 million. The project with a total 2014 approved cash flow of \$1.021 million had 1st quarter spending of \$0.002 million for 0.2% of the 2014 approved cash flow of \$0.758 million for the *Work Management System* sub-project with RFP evaluations completed. Other sub-projects including the SWMS Web Refresh and the Financial Systems Integration – 2014 are currently on hold pending further review. Spending for the overall project is projected to be 52% or \$0.532 million spent by year-end.

Other projects with no funds spent by the end of the first quarter, that are also projecting delays include:

- The *Construction of Biogas Utilization Infrastructure* project at Disco and Dufferin SSO Facilities will be under-spent by \$4.035 million. The project had no spending as of the 1st quarter 2014. The 2014 approved cash flow of \$5.035 million is estimated to be 2.5% or \$1 million spent by year-end. The engineering study is scheduled for completion in June 2014, the Renewable Energy Approval (REA) Application for Disco to the MOE scheduled for November, 2014 with subsequent RFP for construction tender so that actual facility construction of the Disco Biogas

Utilization Facility will occur mid 2015. Construction of Dufferin Biogas Utilization Facility will coincide with Dufferin Expansion in 2016.

The *Long Term Waste Management Strategy* project will be under-spent by \$0.575 million. There was no spending of the 2014 approved cash flow of \$1.575 million as of the 1st quarter. It is estimated that \$1 million or 63.5% of the 2014 approved cash flow will be spent by year-end. Project was delayed due to the finalizing of the consultant agreement. The consultant has been retained and planning is currently underway.

**Toronto Water** spent \$47.224 million or 7.7% of the 2014 Approved Capital Budget of \$613.383 million (including carry forward funding of \$136.670 million) for the period ended March 31, 2014; and spending is projected to be \$522.842 million or 85.2% by year-end. The projected year-end spending rate meets the Rate Model completion rate target for 2014 of 85% for projects funded from the Toronto Water Capital Financing Reserve.

Toronto Water incurred a majority of the year to date spending for the following large multi-year projects that are underway and will be completed in future years such as:

- *Rehabilitation and Replacement of Linear Infrastructure for Water and Sewers projects* (\$12.474 million or 7% of the 2014 Approved Capital Budget of \$184.950 million).
- *Automated Meter Replacement (AMR) Program* (\$10.593 million or 22% of the 2014 Approved Capital Budget of \$47.818 million).
- *Transmission Watermains* (\$5.121 million or 21% of the 2014 Approved Capital Budget of \$23.903 million).
- *Upgrade of dewatering equipment and the emission air treatment process and rebuilding of the primary and final tanks at Ashbridges Bay Treatment Plant.* (\$4.994 million or 8% of the 2014 Approved Capital Budget of \$61.622 million).
- *Wet Weather Flow Master Plan* (\$3.697 million or 10% of the 2014 Approved Capital Budget of \$38.613 million).
- *Water Treatment and Storage Facilities* (\$2.105 million or 17% of the 2014 Approved Capital Budget of \$12.055 million)
- *Improvements at Highland Creek Treatment Plant including the rehabilitation of the sludge thickening and dewatering building* (\$1.909 million or 7% of the 2014 Approved Capital Budget of \$26.164 million)
- *Basement Flooding Relief Projects* (\$1.035 million or 2% of the 2014 Approved Capital Budget of \$54.961 million)

The level of spending as of March 31, 2014 is consistent with project schedules for the construction of water infrastructure.

In 2014, significant progress will continue to be made on state of good projects to address infrastructure renewal such as watermain and sewer rehabilitation; improvements to Yards and Facilities; the Highland Treatment Plant upgrades; and implementation of the Wet Weather Flow Master Plan. These projects are expected to meet or exceed the targeted spend rate of 85.2%.

Toronto Water will continue to facilitate the New Service Connections projects for development projects and is on schedule with the Water Metering Program and Basement Flooding Relief Projects. These projects are expected to have a spend rate of 100%.

Toronto Water is forecasting underspending in several planned projects due to complexities with engineering and design which led to delayed tendering and awarding of the associated contracts and/or delays associated with on-site work coordination. These projects include:

- *Rehabilitations and process improvements at Ashbridges Bay Treatment Plant* (\$46.348 million or 75% of the 2014 Approved Capital Budget of \$61.622 million).
- *Sewer Replacement and Waterfront Projects* (\$34.662 million or 53% of the 2014 Approved Capital Budget of \$65.261 million)
- *Trunk Sewer and Pumping Station Rehabilitation* (\$16.387 million or 72% of the 2014 Approved Capital Budget of \$22.844 million)
- *Business & Process Control System Improvements* (\$7.994 million or 58% of the 2014 Approved Capital Budget of \$13.689 million)
- *Facility improvements to FJ Horgan and RC Harris Treatment Plant* (\$6.999 million or 54% of the 2014 Approved Capital Budget of \$12.984 million)
  - In order to accommodate spending on some of the projects anticipated to proceed at accelerated schedules, Toronto Water is requesting 2014 budget adjustments detailed in a stand-alone accompanying report entitled "Toronto Water 2014 Budget Adjustments and Accelerations / Deferrals".