

2015 In-Year Operating Budget and Capital Budget Adjustments

Date:	June 30, 2015
To:	City Council
From:	Deputy City Manager & Chief Financial Officer
Wards:	All
Reference Number:	P:\2015\Internal Services\Fp\Cc15021Fp

SUMMARY

The purpose of this report is to seek Council's approval for in-year budget adjustments to the 2015 Approved Operating and Capital Budgets and additional 2014 carry-forward funding adjustments. These adjustments are deemed critical to City operations.

RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer recommends that:

1. Council approve in-year budget adjustments detailed in Appendix 1 to amend the 2015 Approved Operating Budget between Programs that have no impact to the 2015 Approved Net Operating Budget.
2. Council approve in-year budget adjustments to the 2015 Approved Capital Budget as detailed in Appendix 2 with no incremental impact on debt funding.
3. Council approve a reduction of \$1.304 million in previously approved carry forward funding as detailed in Appendix 3 and that the 2015 Approved Capital Budget be adjusted accordingly.

Financial Impact

Approval of the recommended in-year operating budget adjustments of \$1.237 million gross and \$0 net have no impact on the 2015 Approved Net Operating Budget.

Approval of the recommended in-year capital budget adjustments will increase 2015 Approved Capital Budget by \$0.4 million gross, to be funded by reserve funds.

Approval of the recommended carry-forward funding adjustments will result in a reduction of \$1.304 million from 2015 approved carry-forward funding.

ISSUE BACKGROUND

This report is provided pursuant to good business practices and budgetary control. Council's approval is requested for budget adjustments that amend the 015 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management principles.

COMMENTS

2015 In-Year Operating Budget Adjustments

The recommended 2015 in-year operating adjustments are deemed urgent in order to achieve purchasing efficiencies centrally with the Province for the 2015 Pan AM Games events, as well as to reflect the updated program maps and to align 2015 budget with actual business requirements to develop 2016 budget. Engineering studies are also urgently required to address high priority and large-scale transportation studies. Please refer to Appendix 1 for further details.

2015 In-Year Capital Budget Adjustments

The recommended 2015 in-year capital budget adjustments are deemed urgent in order to complete project deliverables anticipated to be ahead of schedule and to fulfill part of the agreement with MLSE, which includes delivering Way Finding signage on the Exhibition Place grounds. In addition, the recommended 2015 in-year adjustments are critical to address maintenance issues at St Lawrence Centre and Berkeley Theatre, as well as to award a critical contract for Transportation Services. Corporate I&T work on the web portal improvement for Toronto Building will enable 311 Toronto to leverage the specialized technical skills and knowledge to complete project in 2015. Please refer to Appendix 2 for further details.

Additional Carry Forward Capital Funding

The City's Carry Forward Policy permits City Programs and Agencies to carry forward previous years' unspent amount to current year to continue the work on the approved capital projects. This is accomplished as part of the annual budget approval process or a

special carry forward report approved by the City Council earlier in the year. However, following the above mentioned processes, some Programs and Agencies have further refined their actual capital spending amount and identified changes required to the previously approved carry forward funding.

Approval of these additional carry forward funding is critical in order to provide necessary cash flow spending authorities to continue capital project delivery in 2015. The total additional carry forward amount recommended in this report will reduce the 2015 cash flow funding by \$1.304 million, with the funding sources outlined in appendix 3 of the report.

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SIGNATURE

Roberto Rosini
Deputy City Manager & Chief Financial Officer

ATTACHMENTS

Appendix 1 2015 In-Year Operating Budget Adjustments
Appendix 2 2015 In-Year Capital Budget Adjustments
Appendix 3 2015 Carry Forward Funding Adjustments

CITY OF TORONTO
2015 IN-YEAR OPERATING BUDGET ADJUSTMENT
(\$000s)

	Gross Expenditure	Revenue	Net Expenditure	Position
Citizen Centred Service "A"				
Economic Development & Culture				
Reallocate budget from Cultural Services to Economic Competitiveness Service to reflect the new EDC Organizational Structure implemented in 2014.	(572.8)	(50.0)	(522.8)	0.0
Reallocate budget from Business Services to Economic Competitiveness Service to reflect the new EDC Organizational Structure implemented in 2014.	(724.1)	(100.0)	(624.1)	0.0
Reallocate budget from Cultural Services and Business Services to Economic Competitiveness Service to reflect the new EDC Organizational Structure implemented in 2014.	1,296.9	150.0	1,146.9	0.0
Adjust EDC's 2015 Operating Budget to reflect the fact that TO2015 will directly control its portion of the Pan Am Festival funding (\$2.5M out of \$8.4M) in order to achieve procurement efficiencies and more efficient purchasing process.	(2,500.0)	(2,500.0)	0.0	0.0
Total Economic Development & Culture	(2,500.0)	(2,500.0)	0.0	0.0
Total Citizen Centred Service "A"	(2,500.0)	(2,500.0)	0.0	0.0
Citizen Centred Service "B"				
Transportation Services				
City Council approved additional funding in the 2015 – 2024 Capital Budget and Plan for Transportation Services reflecting the need to address an increasing number of requests for high priority and large-scale transportation studies in addition to the existing backlog of requested studies. As a result, Transportation Services needs to increase the 2015 Operating Budget by \$0.582 million gross and \$0 net for the addition of 4 permanent capital positions (2 Project Managers and 2 Senior Engineers) to be funded from capital.	582.1	582.1	0.0	4.0
The costs to install / remove temporary pavement markings, as well as the costs of installation, maintenance and eventual removal of temporary HOV signs for the PanAm Games are higher than expected. The Province has committed to fully funding these costs. As a result, Transportation Services needs to increase the 2015 Operating Budget by \$0.681 million gross and \$0 net.	680.6	680.6	0.0	0.0
Total Transportation Services	1,262.7	1,262.7	0.0	4.0
Total Citizen Centred Service "B"	1,262.7	1,262.7	0.0	4.0
Total Tax Supported Operations	(1,237.3)	(1,237.3)	0.0	4.0

APPENDIX 2								
2015 Capital Budget and Plan In-Year Adjustment Request								
(\$ Million)								
City Programs / Agencies		Total Project Cost	2015		2016		2017	
CAPTOR #	SAP #		Gross Expend.	Debt Funding	Gross Expend.	Debt Funding	Gross Expend.	Debt Funding
Program Name: Economic Development and Culture								
<i>Funding required for roof replacement at the St. Lawrence Centre for the Arts to address hazardous black mould. Funding provided from the delayed Guild Revitalization capital project.</i>								
Project Name: Major Maintenance								
St Lawrence Centre Roof - 2015								
Captor # ACH000016-94		SAP # CAC103-03						
As Approved by Council		0.099	0.099	0.099				
Adjustment		0.824	0.824	0.824				
Adjusted Plan 2015 - 2024		0.923	0.923	0.923				
<i>The Guild Revitalization capital project is delayed due to extended focus on the development application and approval. 2015 unspent funding required to fund roof replacement at the St. Lawrence Centre for the Arts.</i>								
Project Name: Cultural Infrastructure Development								
The Guild Revitalize Project - 2015								
Captor # ACH000010-83		SAP # CAC098-01						
As Approved by Council		0.824	0.824	0.824				
Adjustment		(0.824)	(0.824)	(0.824)				
Adjusted Plan 2015 - 2024		0.000	0.000	0.000				
<i>Additional funding is required to address a structural problem (roof issues). Funding available in the underspent Alumnae Theatre Accessibility capital project.</i>								
Project Name: Major Maintenance								
BERKLEY THEATRE - 2012								
Captor # ACH000016-80		SAP # CAC086-01						
As Approved by Council		0.350	0.000	0.000				
Adjustment		0.015	0.015	0.015				
Adjusted Plan 2015 - 2024		0.365	0.015	0.015				
<i>Additional funding is required to address a structural problem (roof issues). Funding available in the underspent Alumnae Theatre Accessibility capital project.</i>								
Project Name: Major Maintenance								
BERKLEY THEATRE - 2013								
Captor # ACH000016-85		SAP # CAC092-03						
As Approved by Council		0.388	0.000	0.000				
Adjustment		0.022	0.022	0.022				
Adjusted Plan 2015 - 2024		0.410	0.022	0.022				
<i>Additional funding is required to address a structural problem (roof issues). Funding available in the underspent Alumnae Theatre Accessibility capital project.</i>								
Project Name: Major Maintenance								
BERKLEY THEATRE - 2014								
Captor # ACH000016-91		SAP # CAC097-01						
As Approved by Council		0.650	0.620	0.620				
Adjustment		0.100	0.100	0.100				
Adjusted Plan 2015 - 2024		0.750	0.720	0.720				
<i>The Alumnae Theatre Accessibility project has been phased over several years and the scope of work has been adjusted to reflect accomplishments at each phase. Not all funds that were originally budgeted for Alumnae Theatre project in 2015 are required.</i>								
Project Name: Major Maintenance								
Alumnae Theatre Accessibility - 2015								
Captor # ACH000016-93		SAP # CAC103-02						
As Approved by Council		0.523	0.323	0.323				
Adjustment		(0.137)	(0.137)	(0.137)				
Adjusted Plan 2015 - 2024		0.386	0.186	0.186				
Total EDC- As approved by Council		2.834	1.866	1.866	0.000	0.000	0.000	0.000
Total Adjustments		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		2.834	1.866	1.866	0.000	0.000	0.000	0.000
Program Name: Transportation Services								
<i>Transfer of funding that is no longer required as projects originally scheduled for 2015 have now been postponed to 2018.</i>								
Local Geometric Traffic Safety Improvements								
Captor # TRN908055		SAP # CTP715-58						
As Approved by Council		2.000	2.000	2.000				
Adjustment		(1.500)	(1.500)	(1.500)				
Adjusted Plan 2015 - 2024		0.500	0.500	0.500				

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(\$ Million)								
City Programs / Agencies		Total Project Cost	2015		2016		2017	
CAPTOR #	SAP #		Gross Expend.	Debt Funding	Gross Expend.	Debt Funding	Gross Expend.	Debt Funding
<i>Transfer of additional funding is required to this project as Council has already approved 5 traffic devices for 2015 and the program has 4 outstanding devices from 2014 which have not yet been contracted.</i>								
Project Name: New Traffic Control Signals / Devices								
Captor # TRN031	SAP # CTP715-01							
As Approved by Council		2.000	2.000	1.000				
Adjustment		1.500	1.500	1.500				
Adjusted Plan 2015 - 2024		3.500	3.500	2.500				
Total Transportation Services - As approved by Co		4.000	4.000	3.000	0.000	0.000	0.000	0.000
Total Adjustments		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		4.000	4.000	3.000	0.000	0.000	0.000	0.000
Program Name: 311 Toronto								
<i>311 Toronto is transferring \$300K to Corporate I&T in order to add MLS and City Planning as part of the Toronto Building Portal project.</i>								
Project Name: Integrations with Buildings and MLS								
Integrations with Buildings and MLS								
Captor # THR907676-3	SAP # CTO016-01							
As Approved by Council		2.300	0.300	0.300				
Adjustment		(0.300)	(0.300)	(0.300)				
Adjusted Plan 2015 - 2024		2.000	0.000	0.000				
Total 311 Toronto - As approved by Council		2.300	0.300	0.300	0.000	0.000	0.000	0.000
Total Adjustments		(0.300)	(0.300)	(0.300)	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		2.000	0.000	0.000	0.000	0.000	0.000	0.000
Program Name: Information & Technology								
Project Name: Electronic Service Delivery Portal- Bldg Permits								
Captor # WES907128-137	SAP # CITO045-08-04							
As Approved by Council		0.750	0.400	0.400				
Adjustment		0.300	0.300	0.300				
Adjusted Plan 2015 - 2024		1.050	0.700	0.700				
Total Information & Technology - As approved by		0.750	0.400	0.400	0.000	0.000	0.000	0.000
Total Adjustments		0.300	0.300	0.300	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		1.050	0.700	0.700	0.000	0.000	0.000	0.000
Program Name: Exhibition Place								
<i>On April 1, 2014, City Council approved the item EX39.4 which entails that the funding of \$400,000 be transferred from the Soccer Stadium Capital Maintenance Reserve Fund (XR3601) to Exhibition Place. This adjustment assigned these funds to support an increase in the Way Finding capital project.</i>								
Project Name: 59424 Way Finding Program (Exterior)								
Captor # EXH907453 -9	SAP # CEX600-02							
As Approved by Council		0.085	0.085					
Adjustment		0.400	0.400					
Adjusted Plan 2015 - 2024		0.485	0.485	0.000				
Total Ex. Place - As approved by Council		0.085	0.085	0.000	0.000	0.000	0.000	0.000
Total Adjustments		0.400	0.400	0.000	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		0.485	0.485	0.000	0.000	0.000	0.000	0.000
Program Name: Toronto Public Health								
<i>Delays in filling project team positions has resulted in the deferral of project deliverables to 2016. Unspent 2015 cash flows resulting from reduced resource requirements will be transferred to Healthy Environment Inspection project.</i>								
Project Name: CDC WIRELESS ROLLOUT								
CDC WIRELESS ROLLOUT								
Captor # TPH907776-1	SAP # CPH001-19							
As Approved by Council		1.840	1.104	1.104	0.600	0.600		
Adjustment			(0.245)	(0.245)	0.245	0.245		
Adjusted Plan 2015 - 2024		1.840	0.859	0.859	0.845	0.845	0.000	0.000
<i>Reallocate unspent 2015 cash flow funding (due to hiring delay) from CDC Wireless Rollout project to Healthy Environment Inspection project where available resources will be utilized and project deliverables completed ahead of schedule. Requested reallocation does not impact total project cost for these projects.</i>								

APPENDIX 2								
2015 Capital Budget and Plan In-Year Adjustment Request								
(\$ Million)								
City Programs / Agencies		Total Project Cost	2015		2016		2017	
CAPTOR #	SAP #		Gross Expend.	Debt Funding	Gross Expend.	Debt Funding	Gross Expend.	Debt Funding
Project Name: HEALTHY ENVIRONMENT INSPECTION								
HE INSPECTION								
Captor # TPH908044-2		SAP # CPH001-20						
As Approved by Council		1.544	0.560	0.560	0.483	0.483		
Adjustment			0.245	0.245	(0.245)	(0.245)		
Adjusted Plan 2015 - 2024		1.544	0.805	0.805	0.238	0.238		
Total Toronto Public Health - As approved by Council								
		3.384	1.664	1.664	1.083	1.083	0.000	0.000
Total Adjustments		0.000	0.000	0.000	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		3.384	1.664	1.664	1.083	1.083	0.000	0.000
Total All Programs- As approved by Council								
		13.353	8.315	7.230	1.083	1.083	0.000	0.000
Total Adjustments		0.400	0.400	0.000	0.000	0.000	0.000	0.000
Adjusted Plan 2015 - 2024		13.753	8.715	7.230	1.083	1.083	0.000	0.000
Total Adjustments - Funding Source								
		Total Project Cost	2015		2016		2017	
Provincial Grants and Subsidies								
Federal Subsidy								
CFC (Prior Year)- Carry forward								
Debt								
Debt Recoverable								
Development Charges								
Reserves								
Reserve Funds		0.400	0.400					
Other								
Total Adjustments		0.400	0.400		0.000		0.000	



Appendix 3.
CITY OF TORONTO
2015 Capital Budget

Additional 2014 and 2013 and Prior Year Carry - Forward Funding Requests

CAPTOR Number	Description	2014			Carry Forward Funding Already Approved Council	Carry Forward Funding / Additional (m \$)		Carry Forward Funding to 2015 Budget	Funding Sources					Total Funding	Notes
		Plan	Actual Expenditure	Unspent		(Incremental) 2014 Carry-Forward Funding	(Incremental) 2013 Carry-Forward Funding		Total Carry-Forward Funding	CFC (Prior Year)	Debt	Reserves	Reserve Funds		
Economic Development & Culture															
ACH00011-54	TORONTO CENTRE FOR THE ARTS-MAIN STAGE R	2,253,000	942,842	1,310,158	1,240,007	70,151		1,310,158					70,150		70,150
Total		2,253,000	942,842	1,310,158	1,240,007	70,151	-	1,310,158	-	-	-	-	70,150	-	70,150
Long Term Care Homes & Services															
	KIPLING ACRES CONTINGENCY PLAN	1,089,380	(250,096)	1,339,476	-	1,089,380	-	1,089,380	-	1,089,380	-	-	-	-	1,089,380
Total		1,089,380	(250,096)	1,339,476	-	1,089,380	-	1,089,380	-	1,089,380	-	-	-	-	1,089,380
Shelter, Support and Housing Administration															
SHL906660-13	Capital Rep/Repl City Owned & Op 2014	775,000	74,394	700,606	460,000	240,606		700,606	240,606	-	-	-	-	-	240,606
SHL907278-16	Shelter Development/Redevelopment 2014	1,251,000	520,139	730,862	393,000	337,862		730,862	337,862	-	-	-	-	-	337,862
SHL907278-14	Shelter Development/Redevelopment 2013	6,448,816	6,540,070	(91,254)	2,061,000		(91,254)	1,969,746	-	-	-	-	(91,254)	(91,254)	LARF
Total		8,474,816	7,134,602	1,340,214	2,914,000	578,468	(91,254)	3,401,214	578,468	-	-	-	(91,254)	-	487,214
Fleet Services															
FLT000487-14	FIRE - VEHICLE/EQUIP 2012	1,419,090	891,208	527,882	-	527,882		527,882	-	527,882	-	-	-	-	527,882
FLT000487-15	FIRE - VEHICLE/EQUIP 2013	5,700,000	2,752,916	2,947,084	2,502,344	444,740		2,947,084	-	444,740	-	-	-	-	444,740
Total		7,119,090	3,644,124	3,474,966	2,502,344	972,622	-	3,474,966	-	972,622	-	-	-	-	972,622
Sustainable Energy Plan															
ERP907833-1	Demand Response - 2013	6,774,000	-	6,774,000	4,333,000	(3,000,000)		1,333,000	-	-	-	-	-	-	(3,000,000)
Total		6,774,000	-	6,774,000	4,333,000	(3,000,000)	-	1,333,000	-	-	-	-	-	-	(3,000,000)
Pan Am Games															
PAN07636-4	PAAC/CIO 2010 - 2014	28,650,746	18,533,103	10,117,643	10,117,643	(535,372)		9,582,271		(535,372)					(535,372)
PAN07636-5	ETOBICOKE OL YMPIUM RETROFIT 2010-2014	8,146,637	7,236,906	909,731	909,731	(316,193)		593,538		(316,193)					(316,193)
PAN07636-7	CENTENNIAL TRACK RESURFACING 2011-2014	672,000	50,556	621,444	621,444	(23,714)		597,730		(23,714)					(23,714)
PAN07636-8	BIRCHMOUNT TRACK RESURFACING 2011-2014	432,888	55,513	377,375	377,375	(4,593)		372,782		(4,593)					(4,593)
PAN07636-12	BMX TRACK	3,909,000	2,658,528	1,250,472	1,250,472	(31,305)		1,219,167		(13,774)			(17,531)		(31,305)
Total		41,811,271	28,534,606	13,276,665	13,276,665	(911,176)	-	12,365,489	-	(893,645)	-	-	(17,531)	-	(911,176)
Toronto Police Service															
POL907509	Integrated Records and Information System (IRIS)	5,540,666	2,228,522	3,312,144	1,812,144	(12,144)		1,800,000	-	(12,144)	-	-	-	-	(12,144)
Total All Programs:		73,062,223	42,234,600	30,827,623	26,078,160	(1,212,699)	(91,254)	24,774,207	578,468	1,077,236	972,622	70,150	(108,785)	-	(1,303,954)