

## Capital Variance Report for the Nine Months Ended September 30, 2014

### Significant Variance Explanation

#### Citizen Centred Services "A"

For the nine months ended September 30, 2014, capital expenditures for this Cluster totalled \$84.229 million or 28.9% of their collective 2014 Approved Capital Budget of \$291.329 million. Spending is expected to increase to \$181.384 million or 62.3% by year-end.

<b>Citizen Centred Services "A"</b> Nine Months 2014 Capital Variance (\$ Million)				
	<b>Actual to September 30, 2014</b>		<b>Projected 2014 Year-End Spending</b>	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Children's Services	(3.8)	43.2	(2.0)	70.3
Court Services	(0.1)	62.2	(0.1)	67.3
Economic Development & Culture	(30.6)	24.7	(16.8)	58.7
Emergency Medical Services	(4.0)	18.1	(2.1)	56.1
Long-Term Care Homes & Services	(19.0)	44.2	(5.8)	83.0
Parks, Forestry & Recreation	(144.8)	24.9	(80.0)	58.5
Shelter, Support and Housing Administration	(4.1)	62.3	(2.9)	73.3
Toronto Employment and Social Services	(0.7)	36.4	(0.3)	72.7
<b>Sub-Total</b>	<b>(207.1)</b>	<b>28.9</b>	<b>(109.9)</b>	<b>62.3</b>

*Children's Services* had spending of \$2.871 million or 43.2% of its 2014 Approved Capital Budget of \$6.650 million (including additional carry forward funding of \$0.636 million from 2013) for the nine-months ended September 30, 2014; and spending is projected to reach \$4.673 million or 70.3% by year-end.

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

- The *TELCCS SOGR* project, with a 2014 approved cash flow of \$1.657 million, had expenditures of \$1.295 million or 78.2% of the approved cash flow. This project is projected to be fully spent by year-end.
- The *St Andrew Child Care Centre* project, with a 2014 approved cash flow of \$0.516 million had expenditures of \$0.264 million, representing 51.1% of the 2014 approved cash flow. As this project has been completed, the remaining budgeted cash flow funding of \$0.252 million is not required.
- *Squirrel's Nest Day Care Centre* project, with a 2014 approved cash flow of \$0.123 million had expenditures of \$0.098 million or 79.1% of the approved cash flow. This project has been completed and will be fully spent by year-end, pending release of the final project holdback.
- *Regent Park Children's Hub* project, with a 2014 approved cash flow of \$0.070 million had expenditures of \$0.009 million or 13.1% of the approved cash flow.

While the project is near completion, the HVAC duct bank needs to be relocated, and is expected to be completed by year-end.

The rate of spending for the third quarter and projected under spending of \$1.977 million in 2014 are driven by the delays in the following projects:

- *CSIS 3* project, with a 2014 approved cash flow of \$2.108 million had expenditures of \$0.977 million or 46.4% of the approved cash flow. The project has been impacted by delays in hiring staff. Estimated unspent cash flow funding of \$0.450 million will be carried forward into 2015.
- *Service Efficiency Implementation Study* project, with a 2014 approved cash flow of \$0.625 million had expenditures of \$0.228 million, or 36.5% of the approved cash flow. Spending for this project has been delayed due to difficulties in hiring qualified staff. The project spending is projected to be \$0.440 million or 70% spent by year-end, with \$0.185 million to be carried forward into 2015.
- *St John the Evangelist Catholic School* project, with a 2014 approved cash flow of \$0.550 million had no spending to date. The project is in the design stage, and the site plan recommendation is expected in late October, 2014. As it is anticipated that approval of the site plan will take 12 – 18 months, spending is projected to be \$0.188 million by year-end, and the unspent cash flow funding of \$0.362 million will be carried forward into 2015.
- *Block 31 Child Care Centre* project, with a 2014 approved cash flow of \$1.000 million, is a new project in the preliminary planning stage, with an RFP for a Project Manager currently being tendered. As it is anticipated that the project design will not begin until 2015, it is projected that \$0.980 million of the project cash flow will be carried forward into 2015. The future year cash flow requirements will be adjusted, through the 2015 budget process to better match the timing of the planning and design phases.

**Courts Services** had spending of \$0.131 million or 62.1% of its 2014 Approved Capital Budget of \$0.211 million for the period ended September 30, 2014; and spending is projected to reach \$0.142 million or 67.3% by year-end.

The *Provincial Offenses Act (POA) Application Sustainment & Hardware Upgrades* project's capital expenditures totaled \$0.131 million, representing 62.1% of the 2014 approved cash flow of \$0.211 million. This project will allow customers to view their trial date and outstanding fine information on-line, as well as schedule early resolution meetings with prosecutors. This project is proceeding as planned with capital spending projected to reach \$0.142 million or 67.3% by year-end resulting in savings of \$0.069 million. Funding will be returned to the POA Stabilization Reserve.

**Economic Development and Culture** incurred expenditures of \$10.007 million or 24.7% of the 2014 Approved Capital Budget of \$40.592 million for the nine months ended September 30, 2014; and spending is projected to be \$23.829 million or 58.7% by year end.

The under-spending for the nine months ended September 30, 2014 and projected year-end results are mainly driven by the following projects:

- The *BIA Streetscape Improvement Program's* capital expenditures totalled \$1.104 million representing 11.8% of the 2014 approved cash flow of \$9.376 million during the nine months ended September 30, 2014. It is estimated that \$5.279 million or 56.3% of the 2014 approved cash flow will be spent by year-end. Of the overall approved cash flow:
  - 20.9% or \$1.959 million is funded by Section 37 and/or 45 contributions to the City. \$1.132 million in new projects were budgeted in this category since the May 31, 2014 Capital Variance report.
  - 21.0% or \$1.965 million is cost shared with the BIAs, whereby the BIAs pay 65% over time and the City 35%; and
  - 58.1% or \$5.129 million is for the traditional stream with 50/50 cost sharing between the City and the BIAs.

The financed component (65% / 35%) of the BIA capital program will be under spent because the contract bids came in higher than anticipated and Council approval for an exception to capital cost-share guidelines to increase the BIA loan component is required before the tender can be awarded. A report will be sent to Council in December to obtain this authority and allow the contract to be awarded. It is anticipated that \$2.100 million will be carried forward into 2015 for this 2014 financed project.

- The *Fort York Visitor Centre (FYVC)* project's capital expenditures totalled \$5.138 million representing 43.5% of the approved cash flow of \$11.820 million during the nine months ended September 30, 2014. It is estimated that \$8.164 million or 69.1% of the 2014 approved cash flow will be spent by year-end. The original schedule for the FYVC was set back by a full year in 2011 when an over-budget tender required revisions by the design team so that it could be successfully re-tendered. All FYVC budgets continue to be under-spent as a result of this delay. The Visitor Centre itself was completed and opened to the public in September. The remaining budget is for fabrication and installation of permanent exhibits. The decision to install the Magna Carta at the Visitor Centre in November 2015 means that the exhibit work cannot be completed until June 2016. The project was issued for tender in Q3 2014.

- The *Fort York Interiors* project did not have any capital spending during the nine months ended September 30, 2014. It is estimated that \$0.506 million or 91.2% 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 St. Roundhouse Museum* project's capital expenditures totalled only \$0.012 million or 2.0% of the approved 2014 cash flow of \$0.615 million during the nine months ended September 30, 2014. It is estimated that \$0.051 million or 8.3% 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 original completion date of December 2014 has been postponed. A revised schedule has not yet been presented to stakeholders. The location of the transformer station is the west end of the Roundhouse site, which has entailed dismantling the historic Machine Shop. The Machine Shop will be reconstructed as part of the final phase of the project, however, late in 2013, Toronto Hydro advised EDC that the Machine Shop would not be available for museum purposes as had been planned. EDC and the Toronto Railway Historical Association will work with Toronto Hydro on other interpretive opportunities, once their design team is in place.
  
- The *Prince Edward Viaduct – Illumination* public art project expenditures totalled \$0.343 million or 12.6% of the approved 2014 cash flow of \$2.727 million during the nine months ended September 30, 2014. It is estimated that \$0.427 million or 15.7% of the approved 2014 cash flow will be spent by year-end. The project is at the 100% design development stage with tendering scheduled for October 2014. The construction of Phase 1 of the project will commence before year-end and be complete by July 2015, in time for the Pan Am / Para Pan Games. On July 8, 2014 City Council adopted the amendment to increase the total project cost of the Prince Edward Viaduct Illumination (Phase 1) sub-project (i.e. lighting of the five piers and subway undercarriage) by \$1.000 million to the current \$2.727 million to be funded from the Public Realm Reserve Fund (XR1410).
  
- The *Toronto Centre for the Arts Main Stage Reconfiguration* (TCA) project's expenditures totalled \$0.304 million or 13.5% of the approved 2014 cash flow of \$2.253 million during the nine months ended September 30, 2014. It is estimated that \$1.035 million or 45.9% of the approved 2014 cash flow will be spent by year-end. Demolition will be fully completed before the end of November and concrete structural work will be completed by mid-December 2014. Overall the work is on schedule and the remaining tenders are expected in the first week of November.

***Toronto Paramedic Services*** had spending of \$0.886 million or 18.1% of its 2014 Approved Capital Budget of \$4.899 million for the period ended September 30, 2014; and spending is projected to reach \$2.749 million or 56.1% by year-end.

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

- The *Mobile Data Communications (2011-2013)* project's capital expenditures totaled \$0.258 million, representing 80% of the 2014 approved cash flow of \$0.322 million. The project is on schedule and it is estimated that \$0.322 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Medical Equipment Replacement* project's capital expenditures totaled \$0.095 million, representing 30.8% of the 2014 approved cash flow of \$0.310 million. The project is on schedule and it is estimated that \$0.310 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Power Stretchers* project with 2014 approved cash flow of \$0.150 million had no capital expenditures for the nine months ended September 30, 2014. Program staff are currently working with Purchasing and Materials Management Division (PMMD) to purchase power stretchers for trials and testing. It is estimated that \$0.150 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Central Ambulance Communication Centre (CACC) & Systems Upgrade* project's capital expenditures totaled \$0.012 million, representing 6.2% of the 2014 approved cash flow of \$0.200 million. The project is on schedule and it is estimated that \$0.200 million or 100% of the 2014 approved cash flow will be spent by year-end.

The rate of spending for the third quarter and projected year-end under-spending of \$2.207 million is driven mainly by the following:

- The *Northwest Multi-Function Station* project's expenditures totalled \$0.193 million or 9.9% of the 2014 approved cash flow of \$1.950 million (fully comprised of 2013 carry forward funding into 2014). Asbestos abatement, currently in progress, has delayed the demolition of the current site and has resulted in the construction of the new building to start in 2015. Capital spending is projected to reach \$0.605 million by year-end. The estimated unspent cash flow funding of \$1.345 million will be carried forward into 2015.
- The *Back-Up Communications Centre Upgrades* project, with 2014 approved cash flow of \$1.200 million had capital expenditures of \$0.292 million or 24.3%. The project was delayed as an assessment of currently available hardware and software was made prior to the completion of the request for proposal in the 2nd quarter of 2014. Capital spending is projected to reach \$0.400 million by year-end with a projected carry forward funding of \$0.800 million into 2015.

***Long-Term Care Homes & Services (LTCHS)*** had spending of \$15.087 million or 44.2% of its 2014 Approved Capital Budget of \$34.118 million for the period ended September 30, 2014; and spending is projected to reach \$28.318 million or 83.0% by year-end.

The planning phase related to the *George Street Revitalization (GSR)* project is proceeding as planned and is expected to be completed by year end. Project's capital expenditure totalled \$0.165 million representing 36.6% of the 2014 approved cash flow of \$0.450 million for the *GSR-LTC Homes Feasibility Study*. The feasibility study is

expected to be completed by November 2014. It is estimated that \$0.450 million or 100% of the 2014 approved cash flow will be spent by year end.

The projected under-spending in 2014 is driven mainly by the delays in the following project/subprojects:

- The *Kipling Acres Redevelopment* project's capital expenditures totalled \$11.885 million representing 50.1% of the 2014 approved cash flow of \$23.739 million. The 192-bed facility has opened and residents moved in during the first quarter of 2014. Despite delays, major demolition of the existing Kipling Acres location has been completed. The construction related to below grade and foundation started in the third quarter of 2014 for the 145-bed facility. Capital spending is projected to reach \$19.739 million or 83.2% by year-end with projected under-spending of \$4 million to be carried forward into 2015.
- The *Capital Maintenance* project's expenditures totalled \$2.763 million representing 27.8% of the 2014 approved cash flow of \$9.929. LTCHS has awarded approximately \$5.366 million or 54.1% in approved projects this fiscal year with a target completion by December 2014. The approval of the design, procurement and award phases takes 12 – 17 months, as a result spending is projected to be \$8.129 million by year end, and the unspent cash flow of \$1.800 million will be carried forward into 2015. Given the lag time required for design, procurement and award phases, adjustment to the future year commitments to align cash flow with project timelines will be considered through the 2015 budget process.

***Parks, Forestry and Recreation's (PF&R)*** capital expenditures for the period ended September 30, 2014 totalled \$48.054 million or 24.9% of its 2014 Approved Capital Budget of \$192.859 million. PF&R projects that \$112.886 million or 58.5% 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 Councillor consultations and programming constraints (PF&R schedule or postpone construction to minimize the impact on revenue generating programs and access to those assets by the community).

For projects that are on track, Parks, Forestry and Recreation has already spent \$9.913 million or 45.7% as of September 30, 2014 and expects to spend \$21.255 million or 98.0% of \$21.696 million by year-end as highlighted below:

- The *Facility Components* project (\$1.492 million or 48.7% of \$3.063 million) includes the *Various Building and Facility Rehabilitation* projects (\$2.563 million) and *Capital Emergency Fund FY2014* project (\$0.500 million) that are on track and projected to be complete by December 2014.
- The *Expropriation of 111 & 113 Finch Avenue West* project (100% of \$1.057 million) will expand the Edithvale Park and was fully spent by August 2014.

- Various *Park Development* projects (\$5.966 million or 49.7% of \$11.993 million) include the expansion, repair and/or the addition of park amenities to multiple projects including but not limited to the *Various Parks Rehabilitation* project across the City (\$2.562 million), the *Amos Waites Park Improvements* project (\$1.500 million), the *Cawthra Park Improvements FY2013 S42/45* project (\$1.000 million), the *Cawthra Square Park Ph 2 Construction* project (\$0.650 million), the *Regent Parkette* project (\$0.625 million), the *Woburn Park Improvements* project (\$0.300 million), the *Brookdale Park Improvements–S42* project (\$0.296 million) and the *Withrow Park-S42/S37* project (\$0.350 million). These projects are either complete as of September 30, 2014 or will be completed by year-end.
- The *Playground and Waterplay* projects (\$0.889 million or 52.6% of \$1.691 million) will design and construct new playgrounds, new waterplay amenities, or new splash pads for multiple projects including but not limited to the *Seven Oaks Park-New Splash Pad* project (\$0.500 million), the *Laburnham Park Playground-S37* project (\$0.150 million), the *Willard Gardens Parkette Playground-S42* project (\$0.125 million), and the *Maria Street Parkette Playground-S42* project (\$0.125 million). These sub-projects have been completed or will be completed by December 2014.
- The *Phil White Arena Interior Upgrades-S42* project (\$0.023 million or 3.7% of \$0.615 million) will add a warming room with kitchenette, staff area and washrooms to the arena, and is expected to be complete by year-end.
- Various *Environmental Initiative* projects (\$0.207 million or 30.2% of \$0.685 million) include the creation of ecological gardens in neighbourhood parks, the replacement of commercial tree planters along sidewalks, and the protection of the eroded creek and watercourse at Roding Park as a result of the July 2013 storm for various projects including the *Community Gardens FY2014* project (\$0.100 million), the *City Wide Environmental Initiatives – Commercial Tree Pit Containers* project (\$0.405 million), and the *City Wide Environmental Initiatives - Roding Park* project (\$0.180 million) which have a projected 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 \$4.073 million representing 50.0% of the 2014 approved cash flow of \$8.145 million, with spending projected to be \$4.898 million or 60.1% of plan by year-end. \$3.247 million of under-spending is attributed to the following projects: \$2.400 million due to expropriation process delays for the acquisition of various sites including the *Land Acquisitions Edithvale Park, Dundas Carlaw Park, and 15 Mallow Road*; 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* projects.
- The *Park Development* project's capital expenditures totalled \$10.512 million or 19.3% of the 2014 approved cash flow of \$54.563 million for the period ended

September 30, 2014, with spending projected to be \$25.950 million or 47.6% by year-end. Projected under-spending of \$28.613 million is mainly attributed to delays in the following projects: \$5.0 million for the *Grange Park* project as the project is being managed by the Art Gallery of Ontario (AGO); \$3.150 million for the construction of *Berczy Park* which has been deferred until after the Pan Am Games; \$1.900 million for work related to the *July 8th, 2013 Storm Damage* requiring various environmental design services and approvals; over \$1.400 million for *Bellevue Square* due to the extended community consultation process; over \$1.200 million for the *Lisgar/Queen West Triangle Park* due to land acquisition delays stemming from the developer's schedule; \$1.158 million for the development of *Mystic Point/Grand Manitoba Park* project due to land transfer issues; and over \$13.000 million for various park development projects which may not be completed by the year end due to ongoing design work, protracted community consultation processes, and unfavourable weather conditions.

- The *Arena* project's capital expenditures totalled \$2.674 million or 24.7% of the 2014 approved cash flow of \$10.836 million for the period ended September 30, 2014, with spending projected to be \$7.614 million or 70.3% of plan by year-end. Projected under-spending of \$3.221 million is primarily due to \$2.550 million of various *Arena and Outdoor Artificial Ice Rink CAMP (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 \$15.133 million or 28.5% of the 2014 approved cash flow of \$53.086 million for the period ended September 30, 2014, with spending projected to be \$27.330 million or 51.5% by year-end. Projected under-spending of \$25.755 million is mainly attributed to the following projects: \$7.145 million for the *Railway Lands Community Centre* project and \$1.800 million for the construction of the *Railway Lands TDSB and TCDSB Schools* due to ongoing negotiations with multiple development partners; \$6.166 million for the *Regent Community Centre* project due to pro-longed environmental soil remediation and testing requirements; over \$3.600 million for *York Community Centre* project due to various delays in the site plan approval process. This Centre is schedule to open in 2015 and operating impact of capital is reflected in 2015 Operating Budget ; \$1.240 million for the *Bessarion/Canadian Tire Site 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 \$2.900 million for various *Community Centre CAMP* projects that will not be completed by year end due to construction and programming restrictions. Programming restrictions refer to PF&R's need to schedule or postpone construction to minimize the impact on revenue generating programs, and access to those assets by the community.
  
- The *Environmental Initiatives* project's capital expenditures totalled \$0.476 million representing 7.9% of the 2014 approved cash flow of \$6.019 million for the period



ended September 30, 2014, with spending projected to be \$3.879 million or 64.4% of plan by year-end. Projected under-spending of \$2.140 million is attributed to the following projects: \$0.900 million for the *Mud Creek* project, \$0.250 million for the *Wilket Creek* project, \$0.140 million for the *Rouge Park – Beare Road* project and various City-wide environmental initiatives that may not be completed by year-end due to detailed design work that is dependent on favourable weather conditions and coordination with other Divisions.

***Shelter, Support and Housing Administration (SSHA)*** had spending of \$6.792 million or 62.3% of its 2014 Approved Capital Budget of \$10.900 million for the period ended September 30, 2014; and spending is projected to reach \$7.986 million, or 73.3% by year-end.

The projected year-end under-spending is attributable to delays in the following project/subprojects:

- The *George Street Revitalization* project, a multiphase project to redevelop Seaton House and adjacent sites at George Street spent \$6.575 million, or 67.4% of the approved cash flow of \$9.761 million. Year-end spending for this project is projected to be \$7.307 million. Estimated unspent cash flow of \$2.454 million will be carried forward into 2015 to complete the feasibility study and to purchase the remaining parcels of land adjacent to the existing Seaton House Shelter.
- The *Capital Repairs/ Replacements for City Operated/ Leased Shelters* project spent \$0.217 million or 19.1% of the approved cash flow of \$1.139 million. As the Program is working in partnership with Facilities to reduce its SOGR backlog, the Program is estimating spending of \$0.679 million, or 60% of the 2014 approved cash flow by year-end. The estimated unspent cash flow of \$0.460 million will be carried forward into 2015.

***Toronto Employment & Social Services (TESS)*** had spending of \$0.401 million or 36.4% of its 2014 Approved Capital Budget of \$1.100 million for the period ended September 30, 2014; and spending is projected to reach \$0.800 million or 72.7% by year-end.

The *Employment Assistance – Phase 2* project with total capital expenditures of \$0.314 million representing 62.9% of the 2014 approved cash flow of \$0.500 million is on track and scheduled for completion by year-end. Development continues on the *Employment Services System* project (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. In addition, the ESS is being modified to align with the structure of the new RFP for purchased employment services. It is estimated that the cash flow funding for this project phase will be fully spent by year-end.

Most of the year-end under spending is due to delays in the *Case Management – Phase 2* project with total capital expenditures \$0.087 million representing 14.4% of the 2014 approved cash flow of \$0.600 million, and spending is projected to be \$0.300 million or 50% of 2014 approved cash flow by year-end. This project is 100% funded by the

Province. Implementation of the SAMS (Social Assistance Management System), the new Provincial technology for the delivery of the Ontario Works program, is scheduled for late 2014, and capital work in support of this will be performed as required. An Oracle Advanced Analytics processor has already been purchased in the first quarter of 2014. No further work will be done on the Drug Benefit Card, as the Province will be taking over this initiative.

## **Citizen Centred Services "B"**

During the nine months ended September 30, 2014, capital expenditures for this Cluster totalled \$177.427 million or 34.5% of their collective 2014 Approved Capital Budget of \$513789 million. Spending is expected to increase to \$640.667 million or 66.3% by year-end.

<b>Citizen Centred Services "B"</b> Nine Months 2014 Capital Variance (\$ Million)				
	<b>Actual to September 30, 2014</b>		<b>Projected 2014 Year-End Spending</b>	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Planning	(12.9)	16.7	(6.5)	58.4
Fire Services	(17.1)	23.9	(7.2)	67.9
Transportation Services	(278.1)	29.7	(148.7)	62.4
Waterfront Revitalisation Initiative	(28.2)	64.8	(10.7)	86.6
<b>Sub-Total</b>	<b>(336.4)</b>	<b>34.5</b>	<b>(173.1)</b>	<b>66.3</b>

**City Planning** incurred expenditures of \$2.600 million or 16.7% of its 2014 Approved Capital Budget of \$15.526 million for the period ended September 30, 2014; and spending is projected to be \$9.066 million or 58.4% by year end.

The Program spent \$2.600 million as of the end of the nine months on the following projects that are on track:

- The *Five Year Review of the Official Plan* project's capital expenditures totalled \$0.067 million representing 11.2% of the 2014 approved cash flow of \$0.6 million during the nine months ended September 30, 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 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 \$0.599 million representing 79.3% of the 2014 approved cash flow of \$0.755 million during the nine months ended September 30, 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 2015. It is estimated that \$0.755 million or 100% will be spent by year-end.

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

- The *Civic Improvement - Places* project's capital expenditures totalled \$0.521 million representing 11.6% of the 2014 approved cash flow of \$4.477 million during the first nine months of 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 \$3.028 million or 67.6% of the 2014 approved cash flow will be

spent by year-end, with spending of the remaining cash flow funding and completion of all 2014 projects anticipated for summer of 2015;

- The *Development Charge Funded Studies* project's capital expenditures totaled \$1.110 million representing 23.4% of the 2014 approved cash flow of \$4.742 million during the nine month period ended September 30, 2014. It is estimated that \$2.847 million or 60.0% of the 2014 approved cash flow will be spent by year-end. The projected 2014 under-spending results from various studies that are underway, which anticipate to be completed and fully spent in 2015; and
- The *John Street Revitalization* project's capital expenditures totalled \$0.252 million representing 9.8% of the 2014 approved cash flow of \$2.565 million during the first nine months of 2014. The project is currently underway with project completion expected in 2015. It is estimated that \$0.750 million or 29.2% of the 2014 approved cash flow will be spent by year-end.

**Toronto Fire Services' (TFS)** had spending of \$5.397 million or 23.9% of its 2014 Approved Capital Budget of \$22.543 million for the period ended September 30, 2014; and spending is projected to reach \$15.298 million or 67.9% by year-end.

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

- The *Station D (Midland & Eglinton)* project's capital expenditures totaled \$1.146 million, representing 88.4% of the 2014 approved cash flow of \$1.296 million. The project has been completed and the new station opened in September 2014. Final payment is anticipated to be completed by year-end and it is estimated that \$1.296 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Self-Contained Breathing Apparatus (SCBA) Replacement* project's capital expenditures totaled \$0.012 million, representing 0.2% of the 2014 approved cash flow of \$5.581 million as of September 30, 2014. The purchase of 800 SCBA is anticipated to be completed by year-end and it is estimated that \$5.581 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Training Simulators Rehabilitation* project with 2014 approved cash flow of \$0.100 million had no capital expenditures for the nine months ended September 30, 2014. The project is scheduled to be completed by year-end and it is estimated that \$0.100 million or 100% of the 2014 approved cash flow will be spent by year-end.
- The *Replacement of HUSAR Equipment* project with 2014 approved cash flow of \$0.050 million had no capital expenditures for the nine months ended September 31, 2014. The project is expected to be completed by year-end and it is estimated that \$0.050 million or 100% of the 2014 approved cash flow will be spent by year-end.

The rate of spending for the third quarter and projected year-end under-spending is mainly driven by the following:

- The *Replacement of Fire Station #135- Chaplin Fire Station* project's capital expenditures totaled \$0.416 million, representing 15.6% of the 2014 approved cash flow of \$2.668 million. Capital spending is projected to reach \$1.000 million by

year-end with projected carry forward funding of \$1.668 million into 2015. The issuance of the construction permit was delayed due to issues with moving the sewer lines that required approval from the Ministry of Environment. 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 \$3.517 million did not incur any capital expenditures as of September 30, 2013. The project was delayed as the original site for the fire station was no longer available, however an alternate site has been found. FM&RE staff is currently negotiating with the seller and it is anticipated that the land purchase will be completed by the end of 2014. Capital spending is projected to reach \$3.000 million for the purchase of land with projected carry forward funding of \$0.517 million into 2015 for site preparation and design.
- The *Specialized Trucks & Equipment* project, with a 2014 approved cash flow of \$2.470 million did not have any capital expenditures as of September 30, 2013. These are custom designed trucks that are beyond normal parameters of the standard apparatus used by TFS. Funds are expected to be committed by year-end with delivery anticipated in early 2015. The total 2014 cash flow of \$2.470 million will be carried forward into 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 September 30, 2013. Capital spending is projected to reach \$0.075 million by year-end with projected carry forward funding of \$0.925 million into 2015. 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. Changes are required by this date to TFS' telephone infrastructure to support an Internet Protocol (IP) platform that provides 911 service, specifically "text to 911" availability for the deaf /hearing impaired. The project is anticipated to commence in the 4th quarter of 2014 and completed by 2015.
- The *Predictive Modelling Tool* project with a 2014 approved cash flow of \$0.300 million did not have any capital expenditures as of September 30, 2014. Capital spending is projected to reach \$0.100 million by year-end with projected carry forward funding of \$0.200 million into 2015. The project contains two components, A Fill-in/Dynamic Staging solution as well as Predictive Modelling solution. It is anticipated that contract negotiations and execution of a contract with the preferred proponent for the Fill-In component will occur prior to year end. The project is anticipated to be completed in 2015.
- The *Fire Station GPS Repeaters* project, with a 2014 approved cash flow of \$0.275 million did not have any capital expenditures as of September 30, 2014. An RFQ draft has been prepared and will be issued by year end with implementation activities occurring in 2015. The total 2014 cash flow of \$0.275 million will be carried forward into 2015.
- The *Mobile Work Station Enhancement* project, with a 2014 approved cash flow of \$0.500 million had capital expenditures of \$0.040 million or 8.1% as of September 30, 2014. Capital spending is projected to reach \$0.200 million by year-end with

projected carry forward funding of \$0.300 million into 2015. Initial project pilot activity has identified software compatibility issues. A solution has been identified and will be implemented prior to year-end. The project is anticipated to be completed in 2015.

**Transportation Services (TS)** had spending of \$117.396 million or 29.7% of its 2014 Approved Capital Budget of \$395.465 million for the period ended September 30, 2014; and spending is projected to reach \$246.792 million or 62.4% by year-end. However, some of the projected under spending is attributable to estimated savings of \$50.359 million or 12.7% of the 2014 Approved Capital Budget related to projects expected to be completed in 2014. Including the estimated savings for projects expected to be completed in 2014, the spending rate is anticipated to reach 75.1% by year-end.

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

The Program had spending of \$103.432 million in the first nine months and expects to spend \$226.965 million or 70.5% of its 2014 Approved Capital Budget of \$321.747 million 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 \$17.607 million and spending of \$51.516 million or 75.1% of its 2014 approved cash flow of \$68.556 million 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 \$13.827 million and \$36.032 million or 68.9% of its 2014 approved cash flow of \$52.327 million is projected to be spent by year-end.
- The *Sidewalk Rehabilitation* program, which ensures the safety of pedestrians, had spending of \$5.637 million and \$12.835 million or 90.7% of its 2014 approved cash flow of \$14.154 million is projected to be spent by year-end.
- The *Infrastructure Enhancement* project's capital expenditure totalled \$13.535 million and \$34.666 million or 50.6% of its 2014 approved cash flow of \$68.457 million 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 \$2.286 million and spending of \$7.916 million is projected by year-end; and various construction projects (i.e. TTC track replacement) that had spending of \$4.094 million and spending of \$11.158 million is projected by year-end.

- The *City Bridge Rehabilitation* project's capital expenditure totalled \$12.982 million and \$22.525 million or 59.5% of its 2014 approved cash flow of \$37.836 million is projected to be spent by year-end. While contracts have been awarded and all work is expected to be tendered, Engineering & Construction Services will continue to review the projects to determine an updated estimate of the cash flow requirements for 2014.
- The *F. G. Gardiner Expressway* project's capital expenditure totalled \$31.138 million and \$50.663 million or 88.9% of its 2014 approved cash flow of \$57.009 million is projected to be spent by year-end. Construction has been completed on the median replacement and the bent repair project is almost complete. Funds have been fully committed and contracts have been awarded.
- The *Traffic Control* project's capital expenditure totalled \$8.590 million and \$17.680 million or 86.9% of its 2014 approved cash flow of \$20.353 million is projected to be spent by year-end.
- The *Neighbourhood Improvement* project's capital expenditure totalled \$0.115 million and \$1.048 million or 34.3% of its 2014 approved cash flow of \$3.055 million is projected to be spent by year-end.

Most of the year-end under-spending is anticipated in *Road Rehabilitation* projects and 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.

At this time, the Program estimates that its required carry forward funding for 2014 will be \$98.314 million or 24.9% of its 2014 Approved Capital Budget. Some of the large projects requiring carry forward funding include: road rehabilitation (\$8.950 million); city bridge rehabilitation (\$7.676 million); Gardiner Expressway rehabilitation (\$10.502 million); traffic control (\$9.661 million); sidewalks (\$1.224 million); infrastructure enhancements (\$40.861 million); various construction projects related to the TTC (\$7.842 million); and cycling infrastructure (\$6.263 million).

***Waterfront Revitalization Initiative*** had spending of \$52.034 million or 64.8% of its 2014 Approved Capital Budget of \$80.252 million for the period ended September 30, 2014; and spending is projected to be \$69.510 million or 86.6% by year-end.

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

- The *Union Station* project's capital expenditures totalled \$1.585 million or 21.8% of the 2014 approved cash flow of \$7.284 million during the nine months ended September 30, 2014. Construction of the second subway platform and associated concourse improvements are forecasted to be on schedule and completed in May 2015. It is estimated that \$4.0 million or 54.9% of the 2014 approved cash flow will be spent by year-end, with the remaining under-spending required for early 2015;
- The *Precinct Implementation* project's capital expenditures totalled \$44.469 million or 74.9% of the 2014 approved cash flow of \$59.383 million during the nine months

ended September 30, 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 contribution agreements in East Bayfront, it is anticipated that \$55.0 million or 92.6% 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 \$1.184 million or 28.2% of the 2014 approved cash flow of \$4.205 million during the nine months ended September 30, 2014. The majority of the Gardiner EA work is expected to be completed in 2014 however a portion of the budget will be carried over to next year in order to facilitate reporting back to City Council in early 2015. The agreement with Build Toronto has been completed and design work for the Fort York Pedestrian Bridge is forecasted to begin this summer. It is anticipated that \$3.0 million or 71.3% of the 2014 approved cash flow will be spent by year-end; and
- The *Port Lands Preparation* project's capital expenditures totalled \$0.451 million or 62.1% of the 2014 approved cash flow of \$0.725 million during the first nine months ended September 30, 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 fall. 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 nine months ended September 30, 2014 capital expenditures for Internal Services totalled \$137.680 million or 30.9% of their collective 2014 Approved Capital Budget of \$444.918 million. Spending is expected to reach \$259.723 million or 58.4% by year-end.

<b>Internal Services</b> Nine Months 2014 Capital Variance (\$ Million)				
Actual to September 30, 2014			Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
311 Toronto	(3.1)	42.8	(1.8)	67.0
Facilities Management & Real Estate	(210.2)	27.8	(6.5)	52.0
Financial Services	(15.2)	26.5	(10.5)	49.6
Fleet Services	(30.8)	27.3	(9.7)	77.1
Information Technology	(47.9)	43.8	(23.6)	72.3
<b>Sub-Total</b>	<b>(307.2)</b>	<b>30.9</b>	<b>(185.2)</b>	<b>58.4</b>

**311 Toronto** incurred expenditures of \$2.330 million or 42.8% of its 2014 Approved Capital Budget of \$5.439 million for the period ended September 30, 2014; and the Program is projecting expenditures to be \$3.646 million or 67.0% by year-end.

- The *311 Future Integration and Strategy Initiative* project's capital expenditures totalled \$1.597 million representing 60.2% of the 2014 approved cash flow of \$2.650 million. The project includes the implementation of Enterprise Scheduler which will provide opportunities for the public to book appointments and/or facilities through 311, as well as the initial assessment phase for the integration of a payment module for recreation programs to be implemented as an enterprise solution in 2015. It is estimated that 75.3% of the 2014 approved cash flow or \$1.996 million will be spent by year-end. The projected under expenditures are due to the availability of vendor solution which is anticipated in mid 2015.
- The *311 Technology Solution SOGR* project's capital expenditures totalled \$0.734 million representing 26.3% of the 2014 approved cash flow of \$2.789 million. The 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 Knowledgebase upgrade project has been deferred until 2015 to coincide with vendor software availability. However, the SOGR for the Telephone system which was originally scheduled for upgrade in 2015, has been initiated in 2014 due to the Telephony phone and speech technology system reaching the end of its lifecycle earlier than anticipated. It is estimated that 59.2% of the 2014 approved cash flow or \$1.650 million will be spent by year-end. The under-spending is attributed to the delays in completing Cisco audit which is required to determine technical requirements prior to

systems upgrade. The audit is currently taking place and expected to be completed by year-end.

***Facilities Management and Real Estate (FM&RE)*** incurred expenditures of \$80.958 million or 27.8% of its 2014 Approved Capital Budget of \$291.185 million for the period ended September 30, 2014; and is projecting expenditures to be \$151.508 million or 52.0% by year-end.

State of Good Repair (SOGR) capital projects of varying size had expenditures of \$9.982 million or 24.1% of the 2014 approved cash flow of \$41.378 million as of September 30, 2014. A number of new SOGR sub-projects are currently in the procurement phase for either design or construction work. 85 SOGR projects are on track towards completion in 2014 which will address numerous backlog issues across the portfolio of facilities. Overall, it is estimated that \$27.977 million or 67.6% of the 2014 approved cash flow will be spent by year-end.

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

- The *Union Station Revitalization (USR)* project's capital expenditures totaled \$58.260 million or 30.7% of the 2014 approved cash flow of \$190.016 million as of September 30, 2014. Phase 1 of the project experienced delays mainly due to found site conditions such as heritage and environmental elements including designated substances and the need for coordination amongst stakeholders and other projects in the precinct. This has impacted progress on the York Concourse, the restoration of other interior areas and heritage lighting, the installations of new mechanical and electrical (M&E) systems, and the lower level retail area to be completed as part of the Phase 1. These delays have impacted the timelines for Phases 2 and 3, which will not commence until 2015. Phase 1 of NW PATH project has made significant progress with expected completion by the end of 2014. Final design will also be completed for Phase 2 (up York Street from Front Street to Wellington Street) in late 2014 and construction will begin in the later part of 2015 following the Pan Am Games. As a result, the projected spending to year-end is lower than planned since the original timelines accounted for Phase 2 commencing in 2014. As a result, spending for the USR project is forecasted to be \$92.415 million or 48.6% of the 2014 approved cash flow by year-end.
- The *St. Lawrence Market North (SLMN) Redevelopment* project's capital expenditures totaled \$1.260 million or 9.9% of the 2014 approved cash flow of \$12.671 million. The original completion timeline was revised during 2013 and early 2014 due to the need for design changes and the need to secure additional funding to account for increased project costs based on the latest estimates received from consultants. The project experienced additional delays working through design changes requested by stakeholders and issue reconciliation with the consultant to align the design with the revised approved budget. Minor delays were also experienced in obtaining approval to award the contract for the construction of the temporary market. The temporary market was originally expected to be completed in 2014, but now has a revised completion date of early 2015. These delays have pushed out project timelines and

spending, with the expected completion date revised to 2017. As a result, it is estimated that only \$1.866 million or 14.7% of the 2014 approved cash flow will be spent by year-end mainly to finalize documentation to prepare for the tender of the new market and initial costs related to the construction of the temporary market.

- The *Nathan Phillips Square Revitalization (NPSR)* project's capital expenditures totaled \$4.393 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 3 and 4 of the project under a revised contract structure. In addition, the extreme winter weather conditions during 2014 Q1 limited the ability to proceed with construction. As a result, it is estimated that \$10.7 million or 80.7% of the 2014 approved cash flow will be spent by year-end. The contract for Phases 3 and 4 of the project includes 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 landscaping along Queen, Bay and the western edge of the Square, and will continue in 2015, including commissioning and fit-out work for the elevator at the Rabbit stairs, outdoor planting and closing out of the remaining contracts. All capital work is expected to be completed by April 2015.
- 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 Land was completed in 2013. However, the use of remaining funds is still undetermined as staff are still working with Transportation Services and Build Toronto to explore future development options in conjunction with the Six Points Interchange Reconstruction. As a result, it is anticipated that there will be no capital expenditures by year-end, until further plans can be developed.
- The *Old City Hall HVAC and Electric Upgrades* project's capital expenditures totaled \$3.470 million representing 58.5% of the 2014 approved cash flow of \$5.932 million. The heating, ventilation and air-conditioning upgrades, and infrastructure work in the attic, basement and tenant areas at Old City Hall have been progressing. Current forecasts indicate that the remaining work of the final phases is expected to be fully completed in summer 2015. It is estimated that \$4.514 million or 76.1% will be spent by year-end. The projected under expenditures are due to lower than expected monthly billings from the contractor as a result of ongoing negotiations over claims related to time delays which will be settled upon completion of the project in 2015. Overall, the project remains within the Council approved project cost of \$36.9 million.

**Financial Services'** capital expenditures totalled \$5.505 million or 26.5% of its 2014 Approved Capital Budget of \$20.754 million for the period ended September 30, 2014; and spending is projected to be \$10.300 million or 49.6% by year-end.

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

- 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 *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, which went live on March 28<sup>th</sup>, 2014. Testing is underway to ensure a stable environment before starting the scope of work for Phase II.
- The *e-Procurement Implementation* capital expenditures are projected to be \$0.727 million or 66.5% of the 2014 approved cash flow of \$1.093 million by year-end. Projected under spending of \$0.366 million is due to the RFP process taking longer than expected as well as delays in negotiating with the successful proponent that resulted in not hiring the planned resources in 2014.
- The *Financial Planning Analysis and Reporting System (FPARS)* project capital expenditures are projected to be \$6.789 million or 51.1% of the 2014 approved cash flow of \$13.275 million by year-end. The project implemented Release 2 of the Public Budget Formulation (PBF) implementation, Reporting Analytics, and Complement Management functionality that was completed at the end of May, 2014. The PBF implementation component of FPARS required adjustment to the SAP Business Warehouse to be addressed before the Enterprise Performance Management (EPM) initiative of the project could begin. As a result of these delays, the project is behind schedule and is expected to be under spent at year end by \$6.486 million that will be carried over to 2015 and 2016.

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

- The *Cross-Application Timesheet (CATS)* Implementation project had \$0.003 million expenditures out of a total approved cash flow funding of \$0.971 million as of September 30, 2014. Spending of \$0.200 million or 20.5% projected at year end is a result of delays in completing and releasing the RFP to market. The RFP closing date delay which were primarily due to technical resource constraints need to complete the RFP has deferred staffing needs into 2015.
- The *Accounts Payable Process Improvements* project capital expenditures are projected to be \$0.015 million or 7.7% of the 2014 approved cash flow of \$0.194 million by year-end, due to negotiations with the scoping and planning proponent 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 *Integrated Asset Planning and Management* project, with an approved cash flow funding of \$0.700 million in 2014 had no expenditures as of September 30, 2014. It is currently undergoing the project planning phase and is expected to spend \$0.400 million or 57.1% by year-end.

*Fleet Services'* capital expenditure for the period ending September 30, 2014 totalled \$11.558 million or 27.3% of the 2014 Approved Capital Budget of \$42.343 million. Fleet Services is projecting \$32.659 million or 77.1% of its 2014 Approved Capital Budget will be spent by year end.

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

- The *Solid Waste Fleet Replacement* project capital expenditures totalled \$1.269 million representing 11.9% of the 2014 approved cash flow of \$10.679 million, during the nine months ended September 30, 2014. Project spending is lower than planned due to the delay in the delivery of their vehicles which include organic collection trucks and articulated loader trucks. It is estimated that \$7.188 million or 67.3% of the 2014 approved cash flow will be spent by year-end. The unspent funds of \$3.491 million will be carried forward to 2015.
- The *Fire Services Fleet Replacement* project capital expenditures totalled \$0.433 million representing 5.9% of the 2014 approved cash flow of \$7.322 million during the nine months ended September 30, 2014. Project spending is lower than planned due to a delay in obtaining specialized fire vehicles as a result of the significant lead time required in the production of the vehicles, an increase in special projects and the changing of vehicle requirements resulting in an extended purchasing and processing period. It is estimated that \$5.492 million or 75.0% of the 2014 approved cash flow will be spent by year-end. The unspent funds of \$1.830 million will be carried forward to 2015.
- The *Transportation Services Fleet Replacement* project capital expenditures totalled \$0.774 million representing 39.4% of the 2014 approved cash flow of \$1.964 million, during the nine months ended September 30, 2014. Project spending is lower than planned due to the delay in the procurement of the vehicles, and a result of the Program reviewing its operational requirements including winter operations and leaf collection, affecting salting, ploughing and street sweeping and reassessing their vehicles for replacement. It is estimated that \$1.582 million or 80.6% of the 2014 approved cash flow will be spent by year-end. The unspent funds of \$0.382 million will be carried forward to 2015.

**Information and Technology's** capital expenditures totalled \$37.328 million or 43.8% of its 2014 Approved Capital Budget of \$85.197 million for the period ended September 30, 2014; and spending is projected to be \$61.611 million or 72.3% 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 totalled \$17.584 million or 95% of the 2014 approved cash flow funding of \$18.512 million as of September 30, 2014. Expenditures at year-end are projected to be \$18.323 million or 99% of the 2014 approved cash flow funding. This project ensures the replacement of the desktop hardware and software as well as enterprise servers, storage, and software for the City. 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. By September 30, 98% of all City computers were upgraded to Windows 7, 1,700 remote access tokens were acquired (1,500 renewals, 200 new), 1,800 desktops; 1,378 notebooks/tablets; 391 monitors and 532 multi function devices were deployed.
- *The Integrated Telecom Infrastructure* project's capital expenditures totalled \$2.041 million or 33.5% of the 2014 approved cash flow funding of \$6.092 million as of September 30, 2014. Expenditures at year-end are projected to be \$4.431 million or 72.7% of the 2014 approved cash flow funding. 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 fourth quarter of 2014.
- The *WEB* projects (*Web Foundation and Web Content BI and Rollout*) incurred capital expenditures totaling \$2.144 million or 53.7% of its 2014 approved cash flow funding of \$3.992 million as of September 30, 2014 and is expected to be fully spent by year-end. This project has completed the migration of existing public facing web content on **toronto.ca** to the new platform; refreshed the look and structure of **toronto.ca** by providing a task and service oriented approach to the web site. Sections of **toronto.ca** successfully redeveloped include Doors Open, Summerlicious and Incubation Network. Seven WCM application releases have been deployed to production to date and service desk activation for web content management authoring and publishing service was successfully activated.
  - 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 totalled \$0.403 million or 42.4% of it 2014 approved cash flow funding of \$0.952 million as of September 30, 2014. It is expected that 100% of the 2014 approved cash flow funding will be spent by year-end. The City of Toronto's Enterprise Learning Management System (ELI) is

now live. The project has also successfully delivered full automation of SAP extract of employee data to the vendor for processing in to ELI application for Toronto Fire as its first divisional release.

- *The Email Replacement* project's capital expenditures were \$2.088 million or 53.8% of its 2014 approved cash flow funding of \$3.879 million as of September 30, 2014. It is projected that 100% of the 2014 approved cash flow funding will be spent 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 contract for implementation services has been awarded.
- The *Disaster Recovery Plan* project's capital expenditures were \$1.564 million or 62.1% of its 2014 approved cash flow of \$2.517 million as of September 30, 2014, and is expected to spend 100% of the 2014 approved cash flow funding 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 have developed six draft Disaster Recovery (DR) playbooks; completed Business Continuity plans in several divisions; completed draft recovery plans for the Citrix environment and revised the draft DR plan.

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

- *Toronto Building Electronic Service Delivery*: As of September 30, 2014, only \$0.450 million or 11.8% of the 2014 approved cash flow funding of \$3.812 million was spent. It is estimated that expenditures totalling \$1.456 million or 38.2% of the approved 2014 cash flow funding 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 65% of the 58 positions approved as at September 30, 2014 to address I&T's capital delivery capacity issue. Projected under-spending at year-end is \$0.979 million as a result of challenges in recruiting resources with the necessary skills.
- *Enterprise Time Attendance and Scheduling Management* project had no expenditure out of its 2014 approved cash flow funding of \$4.601 million as of September 30, 2014. The project has been delayed as the RFP is taking much longer to release to market than anticipated. The new RFP was released earlier in June, 2014. It is estimated that \$0.200 million or 4.3% of the approved 2014 cash flow funding will be spent in 2014.
- *Employee Self Serve Portal* project incurred capital expenditures of \$1.134 million or 15.1% of its 2014 approved cash flow funding of \$7.507 million as of September 30, 2014. The project has been delayed due to RFP and statement of work negotiations. This project is now proceeding as the preparation and documentation phase is now complete and the blueprinting phase has commenced. It is estimated that \$4.348 million or 57.9% of the approved 2014 cash flow funding will be spent in 2014.
- *Enterprise Document Records Management System* project incurred capital expenditures of \$0.052 million or 4.2% of its 2014 approved cash flow funding

of \$1.234 million as of September 30, 2014. The project has been delayed as various anticipated, but necessary industry surveys were conducted. Sponsors and executive sponsors have agreed to a project reset approach which will result in estimated expenditures of \$0.282 million or 22.8% of the approved 2014 cash flow funding will be spent in 2014.



## **Other City Programs**

For the nine months ended September 30, 2014, capital expenditures for Other City Programs totalled \$38.588 million or 33.1% of their collective 2014 Approved Capital Budget of \$116.553 million. Spending is expected to increase to \$89.422 million or 76.7% by year-end.

<b>Other City Programs</b> Nine Months 2014 Capital Variance (\$ Million)				
	<b>Actual to September 30, 2014</b>		<b>Projected 2014 Year-End Spending</b>	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
City Clerk's Office	(2.9)	54.3	(1.0)	83.3
Sustainable Energy Plan	(21.4)	4.2	(17.7)	20.7
Radio Replacement Project	(20.6)	24.3	(1.5)	94.6
PanAm Games	(33.1)	45.5	(6.9)	88.7
<b>Sub-Total</b>	<b>(78.0)</b>	<b>33.1</b>	<b>(20.2)</b>	<b>76.7</b>

The *City Clerk's Office* spent \$3.394 million or 54.3% of the 2014 Approved Capital Budget of \$6.250 million for the period ended September 30, 2014; and projects spending of \$5.206 million or 83.3% by year-end.

The rate of spending for the nine months of 2014 and projected under spending at year end is attributed to the following:

- The *Enterprise Document and Record Management Solution (EDRMS)* project capital expenditures totaled \$0.273 million representing 44.5% of the 2014 approved cash flow of \$0.614 million during the nine months ended September 30, 2014. This is a multi-divisional project with the City Clerk's Office, Revenue Services and Information and Technology Division as partners. The project is on track and is progressing; however, no purchases of hardware or software are anticipated before 2015. The year to date under spending is a result of vendor resource allocation issue and the project has since been reset as approved by Executive Sponsors. Procurement options are being investigated. It is estimated that \$0.450 million or 73.3% of the approved cash flow will be spent by year end.
- The *Toronto Elections Information System (TEIS)* project capital expenditures totaled \$1.628 million representing 52.7% of the 2014 approved cash flow of \$3.092 million during the nine months ended September 30, 2014. The project is on track and is progressing in accordance with schedule and deliverables, with the exception of Election Day Management System which will not be deployed due to critical performance issues. It is estimated that \$2.495 million or 80.7% of the 2014 approved cash flow will be spent by year end.

***The Sustainable Energy Plan (SEP)*** incurred expenditures of \$0.946 million or 4.2% of the 2014 Approved Capital Budget of \$22.340 million for the period ended September 30, 2014; and projects spending of \$4.617 million or 20.7% by year-end.

The Program spent \$0.115 million or 76.7% of its 2014 approved cash flow of \$0.150 million for the *Parks, Forestry and Recreation Energy Retrofit* projects that will be scheduled for completion by year-end. It is estimated that 100% of the 2014 approved cash flow funding will be fully spent to retrofit 85 City facilities with building automation systems to become more energy efficient.

The projected year-end under-spending of \$17.724 million is mainly attributable to the following major capital projects:

- The *Demand Response Program* incurred no capital expenditures during the nine month period ended September 30, 2014. Due to Toronto Water directly funding their enrolment in the Demand Response Program and late approval by Council in Q3 for Long-Term Care Homes and Services' enrolment, the program is expected to have minimal spending of \$0.1 million or 1.3% of the 2014 approved cash flow of \$7.459 million at year-end for the Kipling Acres Long-Term Care facility.
- The *Solar Photovoltaic Program's* capital expenditures totalled \$0.308 million or 7.1% of the 2014 approved cash flow of \$4.348 million. The installation of the solar PV for the initial group of building locations in partnership with Toronto Hydro has been completed. These locations will be generating revenues annually over the next 20 years. However, projects for the installation of solar panels have been delayed as a result of longer wait times for application reviews and approvals by the Ontario Power Authority (OPA). It is estimated that \$1.248 million or 28.7% of the 2014 approved cash flow will be disbursed at year-end.
- The *Renewable Energy Program* capital expenditures totalled \$0.078 million or 3.4% of the 2014 approved cash flow of \$2.326 million. The project is currently experiencing a delay due to coordination with various stakeholders and partners and the higher than budgeted RFP for the GeoExchange project resulting in the reissuance of the tender. It is estimated that \$0.800 million or 34.4% of the 2014 approved cash flow will be disbursed at year-end for the installation of the microFIT solar photovoltaic for 14 sites and the study for the potential geo-exchange locations. In addition the installation of solar photovoltaic for the cost of \$1.250 million at the Pan Am Aquatic Centre will not go proceed under the Sustainment Energy Plan as the project will be completed by the Pan Am Group.
- The *Residential Energy Retrofit Program (HELP)* incurred capital expenditures of \$0.119 million or 5.9% of its 2014 approved cash flow of \$2.0 million. It is estimated that 70% of the 2014 approved cash flow funding or \$1.400 million will be disbursed by year-end for residential and multi-residential energy retrofit projects within the City of Toronto. The project initially experienced lower than expected applications from home owners in some areas but the eligible neighbourhoods have been expanded to include over 60,000 new dwellings in order to boost program uptake. A

spike in lending is anticipated by year-end as a large number of homeowners are finalizing their applications.

- The *Energy Retrofit Program* incurred capital expenditures of \$0.326 million or 5.4% of its 2014 approved cash flow of \$6.057 million during the nine month period ended September 30, 2014. The Program is currently experiencing a delay as a result of finalizing project scopes and obtaining agreements with clients and various City Divisions. It is estimated that \$0.918 million or 15.2% of the 2014 approved cash flow will be disbursed for the energy (water and lighting) retrofit work at City Hall, arenas, civic centres, Exhibition Place, and community energy planning.

The ***Radio Communication System Replacement*** project's capital expenditures totalled \$6.635 million or 24.3% of its 2014 Approved Capital Budget of \$27.269 million for the period ended September 30, 2014. Capital spending is projected to reach \$25.793 million or 94.6% by year-end with projected carry forward funding of \$1.476 million into 2015.

Site and facility construction, system implementation and acceptance testing on the new radio technology and fire station alerting are anticipated to be completed by year-end 2014. The project will continue into the first half of 2015 to complete implementation of remaining radio system components and decommissioning of the old system.

The cost of site construction is projected to be higher than anticipated which will result in additional funding of \$3.8 million required in 2015 to cover final closeout milestone payments. Additional funding has been requested through the 2015 Budget process.

The ***Pan American Games*** project had expenditures of \$27.613 million or 45.5% of its 2014 approved cash flow of \$60.693 million during the period ending September 30, 2014; and it is projected that expenditures will be \$53.807 million or 88.7% by year-end.

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

- The *Site Remediation* project's capital expenditures totalled \$0.046 million during the period ending September 30, 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 and related reporting. It is anticipated that \$3.489 million or 91.9% of the approved 2014 cash flow of \$3.798 million will be spent by the end of 2014.
- The *Resurfacing of Cycling Course* project's capital expenditures totalled \$2.037 million during the period ending September 30, 2014. Construction on the course is underway and is expected to be completed by May 31, 2015. It is projected that by the end of the year, \$3.691 million or 39% of the 2014 approved cash flow of \$9.537 million will be spent, with \$0.250 million carried forward to 2015 for the remainder of work to be completed. As a result of lower tender prices for the resurfacing work, the project is anticipated to be underspent.

- 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 \$46.627 million or 99% of the 2014 approved cash flow will be spent by year-end.

## City Agencies

During the nine months ended September 30, 2014, capital expenditures for City Agencies totalled \$737.005 million or 34.7% of their collective 2014 Approved Capital Budget of \$2.126 billion. Spending is expected to increase to \$1.426 billion or 67.1% by year-end.

Agencies Nine Months 2014 Capital Variance (\$ Million)				
	Actual to September 30, 2014		Projected 2014 Year-End Spending	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Exhibition Place	(10.5)	27.4	(4.7)	67.5
Go Transit	0.0	100.0	0.0	100.0
Toronto And Region Conservation Authority	(3.5)	75.0	0.0	100.0
Toronto Police Service	(41.3)	27.1	(21.5)	61.9
Toronto Public Health	(2.8)	43.8	(1.3)	74.7
Toronto Public Library	(11.8)	62.9	(1.9)	94.2
Toronto Transit Commission	(1,311.2)	33.6	(663.9)	66.4
Toronto Zoo	(6.2)	29.2	(4.8)	45.4
<b>Sub-Total</b>	<b>(1,387.2)</b>	<b>34.7</b>	<b>(698.0)</b>	<b>67.1</b>

**Exhibition Place** incurred expenditures of \$3.954 million or 27.4% of its 2014 Approved Capital Budget of \$14.454 million for the nine months ended September 30, 2014; and spending is projected to reach \$9.760 million or 67.5% of its 2014 Approved Capital Budget by year-end.

The following projects are on track and have already been completed or will be substantially completed for the most part by December 2014:

- While the *Better Living Centre* project did not incur any expenditures of the 2014 approved cash flow of \$0.100 million during the nine months ended September 30, 2014, it is still 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 \$1.000 million representing 100% of the 2014 approved cash flow during the nine months ended September 30, 2014. 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 \$0.225 million representing 50.3% of the 2014 approved cash flow of \$0.447 million during the nine months ended September 30, 2014. It is estimated that \$0.447 million or 100% 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 \$0.100 million or 5.0% of the 2014 approved cash flow of \$1.996 million during the nine months ended September 30, 2014. This project provided funding for work on sidewalks, pathways, roads and parking lots. The projects include the Pan Am legacy splash pad in Centennial Square which is no longer feasible as the heritage consultant has advised that Exhibition Place cannot decommission or remove the existing fountain. Accordingly, the approved funds of \$0.250 million in 2014 from Exhibition Place contributions will be used in 2015 to rebuild the fountain to meet current safety code requirements. The additional \$0.250 million will be transferred back to fund other Pan Am projects. It is estimated that \$1.576 million or 90% of the balance of the 2014 approved cash flow of \$1.746 million will be spent by year-end.
- The *Pre-Engineering Program* project's capital expenditures totalled \$0.110 million or 63.9% of the 2014 approved cash flow of \$0.172 million during the nine months ended September 30, 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 \$0.047 million or 52.2% of the 2014 approved cash flow of \$0.091 million during the nine months ended September 30, 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 in the *Food Building* did not incur any expenditures of the 2014 approved cash flow of \$0.005 million during the nine months ended September 30, 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 nine months ended September 30, 2014. It is estimated that \$0.050 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 \$0.557 million or 37.2% of the 2014 approved cash flow of \$1.500 million during the nine months ended September 30, 2014. It is estimated that \$1.200 million or 80% of the 2014 approved cash flow will be spent by year-end.

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

- The *Queen Elizabeth Building Executive Offices Roof Replacement* project's capital expenditures totalled \$0.011 million during the nine months ended September 30, 2014 or 2.4% of the approved cash flow of \$0.450 million during the nine months ended September 30, 2014. It is estimated that \$0.150 million or 33% of the 2014 approved cash flow will be spent by year-end. The project was delayed as there isn't sufficient construction periods available in 2014 due to shows and events.

- The *Direct Energy Centre* project's capital expenditures totalled \$1.294 million or 49.6% of the 2014 approved cash flow of \$2.608 million during the nine months ended September 30, 2014. It is estimated that \$2.258 million or 86.6% of the 2014 approved cash flow will be spent by year-end. The remaining balance of \$0.350 million is for final completion of the DEC washroom which is delayed in 2014 due to no continuous availability of construction periods.
- The *District Energy System* project's capital expenditures totalled \$0.597 million or 14.2% of the 2014 approved cash flow of \$4.216 million during the nine months ended September 30, 2014. It is estimated that \$1.892 million or 44.9% 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 project was delayed in 2014 due to the severe cold in early 2014 which slowed the hotel development construction schedule.
- The *Fire Alarm System* project's capital expenditures totalled \$0.012 million during the nine months ended September 30, 2014 or 0.7% of the approved cash flow of \$1.820 million during the nine months ended September 30, 2014. It is estimated that \$0.820 million or 45.1% of the 2014 approved cash flow will be spent by year-end. The project was delayed due to an evolving show schedule and a portion of work that cannot be accommodated in 2014 due to the requirements of keeping life safety system in active mode during events.

***Toronto and Region Conservation Authority (TRCA)*** received \$10.478 million or 75% of its 2014 Approved Capital Budget of \$13.970 million from the City of Toronto during the nine months ended September 30, 2014.

Of the funds received, \$2.999 million was allocated to the *Toronto Remedial Action Plan* project that provides monitoring and re-naturalization of watercourse water quality and habitat improvements; and the *Waterfront Development* project that provides for site preparation and monitoring at various waterfront sites. These projects are on track and are anticipated to be completed by year-end.

The *Critical Erosion Control and Floodwork* project with the 2014 approved cash flow of \$7.000 million provides funding for flood control channel maintenance work and addresses the damage to city-wide private and public property caused by the July 8, 2013 storm and includes the following sub-projects.

- The *Flood Control Channel Maintenance* sub-project involves the completion of repairs to an existing drop structure beneath Donino Avenue along the West Don River and the removal of sediment and vegetation from several priority areas in Black Creek Channel. The capital expenditures for this sub-project totalled \$0.049

million or 4.9% of the approved 2014 cash flow of \$1 million as of September 30, 2014. As of September 30, 2014 the drop structure work has been completed and the implementation of the Black Creek channel maintenance work was in progress. Several contractor and consulting invoices have not been processed as of September 30, 2014 and thus are not reflected in the spending reported. It is projected that 100% of the 2014 approved cash flow will be spent by year-end.

- The *1 Midland – 83 Fishleigh Drive* sub-project involves the acquisition of erosion hazard lands at 1 Midland Avenue and the protection of 81 and 83 Fishleigh Drive along the Scarborough Bluffs. The capital expenditures for this sub-project totalled \$1.288 million or 92% of the 2014 approved cash flow of \$1.4 million and reflects the acquisition of 1 Midland. The remaining balance is allocated to staff time and legal cost associated with the acquisition of 1 Midland and to continue on with the planning of stabilization works for 81 and 83 Fishleigh. It is projected that 100% of the 2014 approved cash flow will be spent by year-end.
- The *Valley Erosion Hazards* sub-project's 2014 approved cash flow is \$4.6 million and provides funding for several separate projects that address hazards arising from the July 8, 2013 storm event, which include:
  - The *General Planning and Site Monitoring* sub-project that provides for the pre-planning of critical erosion control and floodworks projects, such as the development of workplans and preliminary budgets, and the inspection component provides for the re-inspection of hazard priority sites first identified to TRCA following the July 8th, 2013 storm event. The capital expenditures for this sub-project totalled \$0.182 million or 91% of the total cash flow of \$0.200 million as of September 30, 2014. Monitoring and planning work is ongoing until December 31, 2014 and 100% of the approved cash flow is expected to be spent by year-end.
  - The *111 Whitburn Crescent to 2 Jennifer Court Erosion Damage Restoration* sub-project includes the stabilization of approximately 600 metres of a Black Creek tributary flowing through the Downsview Dells neighbourhood between 111 Whitburn Crescent and 2 Jennifer Court, including four large sections of steep valley wall work. The capital expenditures for this sub-project totalled \$0.422 million or 42% of the 2014 approved cash flow of \$1 million as of September 30, 2014. As of September 30, 2014 the emergency works to protect an exposed section of sanitary sewer had been completed; the emergency works for 2 and 4 Jennifer Court was 90% complete; and the detailed designs for 139, 137, 135, 117 and 111 Whitburn were 95%, 90%, 90%, 75% and 75% complete, respectively. Following the completion of the Jennifer Curt sector, work at 139 Whitburn is scheduled to commence. The 2014 approved cash flow is expected to be fully spent by year-end.
  - The *Phase 2 Detailed Slope Stability and Erosion Risk Assessments* sub-project provides for detailed geotechnical investigations of 72 private properties



identified by the preliminary assessments, plus 60 additional properties flagged as priority areas by TRCA inspectors following the July 8, 2013 storm event. The results of these assessments will inform the priorities for critical erosion work in 2015 and beyond. The capital expenditures for this sub-project totalled \$0.317 million or 39.6% of approved cash flow of \$0.800 million as of September 30, 2014. All field work was completed by September 30, 2014 and all draft reports had been received, however several consulting invoices have not been received and/or processed by September 30th and thus these expenses are not reflected in spending reported above. Completion of this sub-project has been delayed due to the late receipt of draft reports, therefore the expected completion date has been revised to November 2014, with a spend rate of 100% by year-end.

- The *6-22 Northover Street Slope Stabilization* sub-project involves the removal of unstable rear yard structures (fences, decks, sheds) and the stabilization of the upper valley slope to provide long-term protection for nine private properties severely damaged during the July 8, 2013 storm. The capital expenditures for this sub-project totalled \$0.027 million or 67.5% of approved cash flow of \$0.040 million in 2014 as of September 30, 2014. It is anticipated that the 2014 approved cash flow will be fully spent by year-end.
- The *Katrine Drive – Riverhead Drive Slope Stabilization* sub-project involves the removal of unstable rear yard structures (fences, decks, sheds) and the stabilization of the upper valley slope to provide long-term protection twenty-three private properties damaged during the July 8, 2013 storm. Due to ongoing slope instability at 1 Katrine to 53 Riverhead Drive, this sector was accelerated for repairs under TRCA's emergency works declaration in August 2014. The capital expenditures for this sub-project totalled \$0.071 million or 4.3% of the approved cash flow of \$1.650 million as of September 30, 2014 and it is estimated that 100% of the 2014 approved cash flow will be spent by December 31, 2014.
- The *5 Old Yonge Street Slope Stabilization* sub-project involves the stabilization of a steep section of valley wall to provide long-term protection for the residence constructed at the crest of the slope. As of September 30, 2014 the detailed design was 50% complete, with an anticipated construction date of November 2014 pending the receipt of approvals and agreements. The capital expenditures for this sub-project totalled \$0.005 million or 1.7% of the approved cash flow of \$0.300 million as of September 31, 2014. It is expected that 100% of the approved cash flow will be spent by December 31, 2014.
- The *114 Camborne Avenue Slope Stabilization* sub-project involves removing failing retaining structures and re-grading the upper slope to provide long-term protection for the dwelling. As of September 30, 2014 the final design was 95% complete, with construction tentatively scheduled for late October 2014 pending the receipt of approvals. The capital expenditures for this sub-project totalled \$0.003 million or 4.5% of the approved cash flow of \$0.060 million as of

September 31, 2014 and 100% of the approved cash flow is expected to be spent by December 31, 2014.

- The *24 Bennington Heights Slope Stabilization* sub-project involves the stabilization of a steep valley slope to provide long-term protection for the dwelling which is located at the crest of the slope. As of September 30, 2014 the detailed design was approximately 50% complete and property agreements were in progress, with construction tentatively scheduled for late November 2014 pending the receipt of approvals. There were no capital expenditures for this sub-project as of September 31, 2014 but the approved cash flow of \$0.400 million is expected to be fully spent by year-end.
- The *26 Norfield Crescent Emergency Works* sub-project was initiated in August 2014 in response to ongoing loss of property and potential risk to the dwelling. The capital expenditures for this sub-project totalled \$0.009 million or 6% of the approved cash flow of \$0.150 million as of September 30, 2014. It is projected that 100% of the approved cash flow will be spent by December 31, 2014.

**Toronto Police Service** spent \$15.318 million or 27% of its 2014 Approved Capital Budget of \$56.590 million for the period ended September 30, 2014; and spending is projected to be \$35.048 million or 61.9% by year-end.

Of the funds spent, \$10.923 million or 71.3% was incurred for such projects as *Parking East Facility, Vehicle Replacement, Workstation, Laptop and Printer – Lifecycle Plan* and *Radar Unit Replacement* that have a combined 2014 approved cash flow of \$17.315 million. These projects are on track and are anticipated to be completed on budget by year-end with the exception of the *Parking East Facility* project that is expected to be completed in 2015 and under-spent by \$0.450 million due to lower than anticipated construction costs.

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

- The *State of Good Repair* capital project expenditures totalled \$0.587 million during the nine months ended September 30, 2014. It is anticipated that \$2.979 million or 42.1% 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 \$4.100 million will be carried forward to 2015.
- The *Property and Evidence Management Facility* capital project expenditures totalled \$0.322 million during the nine months ended September 30, 2014. Currently this project remains on schedule and within budget with \$1.615 million or 71.1% of the 2014 approved cash flow projected to be spent by year-end. The projected year-end under-spending of \$0.639 million is due to lower-than-anticipated construction costs. The unspent funding will be returned to the City.

- The *Parking East Facility* capital project expenditures totalled \$4.063 million during the nine months ended September 30, 2014 and \$4.528 million or 72% of the 2014 approved cash flow is projected to be spent by year-end. The majority of the work is complete with the exception of some minor deficiencies. Additional exterior security cameras, operation requirements/changes to gates and any additional fit-up work will be reviewed in 2015. From the estimated unspent funding of \$1.760 million at year end, \$1.310 million will be carried forward into 2015 to fund this additional work and \$0.450 million will be returned to the City due to lower than anticipated construction costs.
- The *52 Division Renovations* capital project had no expenditures during the nine months ended September 30, 2014. Due to a staffing shortage in the Service's FCM Unit, the project start date has been delayed with the consultant selection anticipated to take place in the first quarter of 2015. The 2014 approved cash flow of \$2.948 million 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 *Property & Evidence Scanners Lifecycle Replacement* totalled \$9.158 million during the nine months ended September 30, 2014. Currently, the projects remain on schedule and within budget with \$23.501 million or 73.7% 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 (TPH)** had spending of \$2.187 million or 43.8% of its 2014 Approved Capital Budget of \$4.991 million for the period ended September 30, 2014; and spending is projected to be \$3.729 million or 74.7% 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 totalled \$0.267 million representing 54.7% 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 \$0.098 million representing 32.5% of the 2014 approved cash flow of \$0.303 million (including \$0.059 million in carry forward funding from 2013). 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 \$0.642 million representing 93.4% of the 2014 approved cash flow of \$0.688 million. The 100% Provincially funded, legislated 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 rate of spending and projected under-spending of \$1.261 million is mainly attributed to delays in the following projects/sub-projects:

- The *HF/HL Point of Care* project's capital expenditures totalled \$0.933 million representing 41.8% of the 2014 approved cash flow of \$2.234 million. As a result of delays in the establishment of the corporate mobile and GIS infrastructure in 2013 and 2014, as well as initial delays in purchasing and testing mobile devices, it is estimated that \$1.597 million or 71.5% of the approved 2014 cash flow will be spent by year-end. Estimated unspent cash flow of \$0.637 million will be carry forward into 2015.
- The *CDC Wireless Rollout* project's capital expenditures totalled \$0.053 million representing 8.8% of the 2014 approved cash flow of \$0.602 million. There were delays in the hiring of the project team in 2014 and as a result the completion of the TB Directly Observed Therapy (DOT) and rollout of devices will need to be deferred until 2015. Capital spending is projected to reach \$0.153 million or 25.4% of the approved 2014 cash flow by year-end. Estimated unspent cash flows of \$0.449 million will be carry forward funding into 2015. Additional contract resources will be acquired in 2015, funded from the carry forward, to accelerate completion of the mobile application.
- The *Healthy Environment Inspection System* project's capital expenditures totalled \$0.193 million representing 28.6% of the 2014 approved cash flow of \$0.677 million. Due to difficulty in finding and hiring qualified staff in 2014 and the vendor's inability to supply required tablets, only \$0.502 million or 74.1% of the approved 2014 cash flow will be spent by year-end. Estimated unspent cash flows of \$0.175 million will be carry forward into

**Toronto Public Library (TPL)** had spending of \$20.063 million or 62.9% of its 2014 Approved Capital Budget of \$31.900 million for the nine-months ending September 30, 2014; and spending is projected to reach \$30.050 million or 94.2% by year-end.

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

- The *Library Processing Centre Relocation* project's capital expenditures totalled \$5.232 million representing 82.2% of the 2014 Approved cash flow of \$6.361 million. Construction is scheduled to be completed by this year. It is estimated that \$6.361 million or 100% of the 2014 Approved cash flow will be spent by year-end.
- The *Technology Asset Management Program* project's capital expenditures totalled \$0.328 million, representing 11.2% of the 2014 Approved cash flow of \$2.939 million. The procurement process is underway for the replacement of hardware and software. It is estimated that \$2.939 million or 100% of the 2014 Approved cash flow will be spent by year-end.

The rate of spending for the third quarter and projected under-spending is mainly attributed to delays in the following projects:

- The *Fort York Library Construction* project's capital expenditure totalled \$1.635 million representing 61.0% of the 2014 approved cash flow of \$2.679 million. Although, construction has been completed, outstanding deficiencies remain to be addressed. It is estimated that \$2.179 million or 81.3% of the 2014 approved cash flow will be spent by year-end. Estimated unspent cash flows funding of \$0.500 million will be carried forward to 2015.
- The *Scarborough Civic Centre Neighbourhood Construction* project's capital expenditure totalled \$2.914 million representing 59.0% of the 2014 approved cash flow of \$4.936 million. Due to delays at start of construction, it is estimated that \$4.436 million or 89.9% of the 2014 approved cash flow will be spent by year-end. The estimated unspent cash flows funding of \$0.500 million will be carried forward into 2015.
- The *Multi Branch Minor renovation* projects' capital expenditures totalled \$3.463 million or 61.5% of the 2014 approved cash flow of \$5.628 million. It is estimated that \$5.128 million or 91.1% of the 2014 approved cash flow will be spent by year-end since the construction tender for the Richview Library was not awarded until October 2014. The estimated unspent cash flows funding of \$0.500 million will be carried forward into 2015.
- The *Wychwood Library Renovation* project's capital expenditure totalled 0.1% of the 2014 approved cash flow of \$0.150 million. An architect has been hired, and structural review and soil testing are underway. It is estimated that \$0.100 million or 66.7% of the 2014 approved cash flow will be spent by year-end. The estimated unspent cash flows funding of \$0.050 million will be carried forward into 2015.
- The *Mount Dennis Library Renovation* project's capital expenditures totalled \$0.017 million representing 4.4% of the 2014 approved cash flow of \$0.383 million. The branch reopened in March 2013. The projected year-end under-spending of \$0.366 million is due to lower than anticipated costs required to address deficiencies after construction. A budget adjustment of \$0.329 million to the *Self-Service Circulation* project is recommended in this report to offset increased equipment cost and \$0.037 million to the *Bridlewood Library* project for additional costs to address unexpected site conditions included in Appendix 2.

***Toronto Transit Commission's (TTC) (including Toronto-York Spadina Subway Extension (TYSSE) and Scarborough Subway Extension)*** capital expenditures for the period ended August 30, 2014 totalled \$662.467 million, or 33.6%, of the 2014 Approved Capital Budget of \$1.974 billion. Spending by year-end is projected to be \$1.310 billion, or 66.4%, of the 2014 approved cash flow of \$1.974 billion.

The 2014 phase of the following multi-phase projects are on track and are planned to be completed in future years.

- The *Fire Ventilation Upgrade* project's capital expenditures totalled \$21.8 million representing 68% of the 2014 approved cash flow of \$32.0 million during the eight-month period ended August 30, 2014. Project spending is primarily on track and it is estimated that \$31.9 million, or 99.6%, 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. In 2014, continued progress is being made on the Second Exit Program at Woodbine Station, Wellesley Station, and Dundas West Station, as well as on the fire ventilation program at Clanton Park, Union Station, and Lawrence Station.

- The *Easier Access* project's capital expenditures totalled \$11.2 million representing 51% of the 2014 approved cash flow of \$22.0 million during the eight-month period ended August 30, 2014. It is estimated that \$22.6 million, or 103%, of the 2014 approved cash flow will be spent by year-end. Anticipated over spending at year-end is a result of costs slipping into 2014 from 2013 and property acquisition issues. An in-year adjustment requiring Council authority will be necessary to reallocate cash flows between projects. This project includes constructing and enhancing accessibility features to make the TTC fully accessible by 2025. In 2014, continued progress will be made at Woodbine Station, Ossington Station and Coxwell Station. Elevator construction at both Dufferin Station and Lawrence West Station is expected to be completed by year-end.
- The *Leslie Barns LRT Maintenance and Storage Facility* project's capital expenditures totalled \$77.9 million representing 63% of the 2014 approved cash flow of \$123.2 million (including a decrease in carry forward funding of \$10.1 million) during the eight months ended August 30, 2014. It is estimated that \$133.32 million, or 108%, of the 2014 approved cash flow will be spent by year-end. Anticipated over spending at year-end is a result of timing of annual cash flows. An in-year adjustment requiring Council authority will be necessary to reallocate cash flows between projects. In 2014, significant progress is being made at the main facility and car house, with both sites nearing completion.
- The *Toronto Rocket Yard and Storage Track Accommodation* project's capital expenditures totalled \$19.9 million representing 55% of the 2014 approved cash flow of \$36.5 million (including a decrease in carry forward funding of \$2.1 million) during the eight months ended August 30, 2014. It is estimated that \$37.3 million, or 102%, of the 2014 approved cash flow will be spent by year-end. Anticipated over spending at year-end is a result of timing of annual cash flows. An in-year adjustment requiring Council authority will be necessary to reallocate cash flows between projects. 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 2014, significant progress is being made at Wilson Yard.

The rate of spending for the eight-month period ended August 30, 2014 reflects delays in the following projects:

- The *Purchase of Streetcars* project's capital expenditures totalled \$3.8 million representing 2% of the 2014 approved cash flow of \$197.4 million (including additional carry forward funding of \$61.7 million) during the eight-month period ended August 30, 2014. Project spending is significantly lower than planned in the period and is estimated that \$37.4 million, or 19%, of the 2014 approved cash flow

will be spent by year-end. Anticipated under spending at year-end is the result of a delay in the vehicle delivery schedule due vehicle design changes and a labour dispute at the manufacturing facility. Program efforts are underway to ensure a smooth launch and transition to the new fleet for TTC customers.

- The *Subway Track* project's capital expenditures totalled \$16.0 million representing 24% of the 2014 approved cash flow of \$66.6 million (including additional carry forward funding of \$5.9 million) during the eight-month period ended August 30, 2014. Project spending is lower than planned in this period and is estimated that \$29.8 million, or 45%, of the 2014 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of scheduling delays on the Davisville Area Rehabilitation project (DARP); construction and commission of DARP may be deferred to 2016.
- The *Toronto-York Spadina Subway Extension* project's capital expenditures totalled \$167.5 million representing 25% of the 2014 approved cash flow of \$677.5 million (including additional carry forward funding of \$150.0 million) during the eight-month period ended August 30, 2014. Project spending is lower than planned in this period and is estimated that \$374.4 million, or 55%, of the 2014 approved cash flow will be spent by year-end. Anticipated under spending at year-end is a result of scheduling challenges to the overall project. Efforts are underway with contractors to improve schedule performance.

**Toronto Zoo** incurred expenditures of \$2.539 million or 29.2% of its 2014 Approved Capital Budget of \$8.700 million for the nine months ended September 30, 2014; and spending is projected to reach \$3.950 million or 45.4% of its 2014 Approved Capital Budget by year-end.

The following projects are on track and have already been completed or will be completed by December 2014:

- The *Exhibit Refurbishment* project did not incur any capital expenditures against the 2014 approved cash flow of \$0.300 million during the nine months ended September 30, 2014. It is estimated that \$0.300 million or 100% of the 2014 approved cash flow will be spent by year-end. The Invertebrate House refurbishment is expected to be completed in early 2015 with the Wildlife Health Centre.
- The *Information Systems* project's capital expenditures totalled \$0.068 million representing 15.4% of the 2014 approved cash flow of \$0.447 million during the nine months ended September 30, 2014. It is estimated that \$0.447 million or 100% of the 2014 approved cash flow will be spent by year-end. The CRM project is in progress and billings are expected to be received in Q4. Hardware refresh is to be completed in Q4.
- The *North Zoo Site – Eurasia* project's capital expenditures totalled \$0.822 million representing 100% of the 2014 approved cash flow during the nine months ended September 30, 2014. Phase II Eurasia Wilds construction was completed in Q3, with final invoicing to be received in Q4.

- The *Building and Services* project's capital expenditures totalled \$0.637 million representing 100% of the 2014 approved cash flow during the nine months ended September 30, 2014. High voltage equipment replacement is completed. Lion Tale Macaque roof replacement and new cooling towers in Educational Retail complex was completed in Q3.
- The *Giraffe House Transition (Old Elephant House)* project's capital expenditures totalled \$0.683 million representing 65.4% of the 2014 approved cash flow of \$1.045 million during the nine months ended September 30, 2014. It is estimated that \$1.045 million or 100% of the 2014 approved cash flow will be spent by year-end. Construction is in progress at the new location for to accommodate indoor viewing of the Giraffes in the winter months with expected completion in Q4.
- 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 nine months ended September 30, 2014. Under the Delegated Authority during the Council recess, \$0.425 million was transferred from this project to the *Grounds and Visitor Improvements* project for the buy-out of the Conservation Carousel that has been approved.
- The *Grounds & Visitor Improvements* project's capital expenditures totalled \$0.221 million representing 73.6% of the 2014 approved cash flow of \$0.300 million during the nine months ended September 30, 2014. It is estimated that \$0.300 million or 100% of the 2014 approved cash flow will be spent by year end. The transfer of \$425,000 from African Hoofstock (above) for the buy-out of the Conservation Carousel by the Zoo will result in an additional \$180,000 of gross revenue and \$140,000 of net revenue per year in the 2015 Operating Budget. Improvements to the Eurasia eating area and visitor walkway improvements and signage were completed in Q3. Updates to the building audit and site services plan is in progress with expected completion by Q1 2015.

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

- The *Giraffe House Transition (New Hoofstock)* project capital expenditures totalled \$0.020 million representing 4.0% of the 2014 approved cash flow of \$0.500 million during the nine months ended September 30, 2014. It is estimated that \$0.075 million or 15% of the 2014 approved cash flow will be spent by year-end. Demolition of the existing Giraffe House and construction of a new Hoofstock House has been pending relocation of the giraffes to the old elephant exhibit. Design of the Watusi exhibit is completed and construction completion is expected in Q2 2015.
- The *Wildlife Health Centre* project's capital expenditures totalled \$0.088 million representing 2.1% of the 2014 approved cash flow of \$4.150 million during the nine months ended September 30, 2014. It is estimated that \$0.200 million or 4.8% of the 2014 approved cash flow will be spent by year-end. Modifications have been made to



the plan to ensure compliance with the Revised Toronto Green Standard. Tender was issued in June and construction is expected to begin in December 2014, resulting in minimal spending in 2014 and therefore a significant carry forward to 2015. The project is expected to be completed by December 2017.

*Sony Centre for the Performing Arts'* capital expenditures for the period ended September 30, 2014 totalled \$0 of its 2014 Approved Capital Budget of \$2.469 million. By year-end, spending is projected to be \$0.100 million or 4.1% of the 2014 approved cash flow.

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

- The *Sony Centre Public Plaza* project's capital expenditures totalled \$0 of the 2014 approved cash flow of \$1.000 million, with no spending projected by year end. Construction of the Public Plaza located on the north-west side of the centre is contingent on the completion of the condominium development.
- The *Heritage Easement Agreement* project's capital expenditures totalled \$0 of the 2014 approved cash flow of \$1.205 million, with spending projected to be \$0.050 million or 4.1% of plan by year end. \$1.155 million of under-spending is due to delays in the completion of the condominium development and the removal of the temporary dressing room trailers located on the east side of the Centre. The *Heritage Easement Agreement* project includes the limestone and granite upgrades to the building's exterior (\$0.265 million), repairs to the sidewalk pavers (\$0.740 million), and restoration of the Centre's east side after the temporary dressing room trailers are removed (\$0.200 million).
- The *Upgrades to the Permanent Asset* project's capital expenditures totalled \$0 of the 2014 approved cash flow of \$0.264 million, with spending projected to be \$0.050 million or 18.9% of plan by year end. The scope of work includes canopy and stage upgrades, as well as electrical and wiring work. \$0.214 million of under-spending is due to construction and programming restrictions.

## **Rate Supported Programs**

For the nine months ended September 30, 2014, Rate Supported Programs' capital expenditures totalled \$356.331 million or 45% of their collective 2014 Approved Capital Budget of \$791.913 million. Spending is expected to increase to \$620.209 million or 77.6% by year-end.

<b>Rate Supported Programs</b> Nine Months 2014 Capital Variance (\$ Million)				
	<b>Actual to September 30, 2014</b>		<b>Projected 2014 Year-End Spending</b>	
	Over/(Under)	% of Budget	Over/(Under)	% of Budget
Toronto Parking Authority	(64.5)	9.2	(42.2)	40.5
Solid Waste Management Services	(81.2)	21.9	(61.8)	40.6
Toronto Water	(289.9)	53.0	(73.3)	88.1
<b>Sub-Total</b>	<b>(435.6)</b>	<b>45.0</b>	<b>(177.3)</b>	<b>77.6</b>

**Toronto Parking Authority (TPA)** spent \$6.538 million or 9.2% of its 2014 Approved Capital Budget of \$71.009 million for the period ended September 30, 2014. The rate of spending reflects the fact that SOGR projects (approximately \$13.604 million or 19.2% of the total) tend to start later in the spring when weather conditions are more favourable. 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 some of these delays will be resolved by the end of 2014, resulting in projected spending of \$28.789 million or 40.5% of the 2014 Approved Capital Budget by year-end. However, approximately 27 projects totalling \$40.019 million or 56.4% of the 2014 Approved Capital Budget are expected to be delayed to future years, mostly 2015 and 2016, due to the unavailability of appropriate sites for off-street parking facilities and delays in on-going negotiations with joint venture partners, most notably the addition of 2 levels at Carpark 1 at 20 Charles Street (\$8.729 million), Dundas/Dovercourt Carpark (\$2.878 million), Redevelopment of Carpark 411 at Roe Avenue (\$2.5 million), the Weston Cultural Hub Carpark (\$3.173million), and King/Spadina Re-Investment Area project (\$12.5 million).

**Solid Waste Management Services' (SWMS)** capital expenditures for the 9 months ending September 30, 2014 totaled \$22.779 million or 21.9% of the 2014 Approved Capital Budget of \$103.942 million. It is projected that \$42.167million or 40.6% of the 2014 Approved Capital Budget will be spent by year-end.

Of the funds spent by the end of the September, \$11.384 million was mainly spent on the following projects that are generally on track for planned completion in 2014 or future years as noted:

- The *Green Lane Landfill Development 2012-2013* project expenditures totalled \$4.326 million or 40% of the 2014 approved cash flow of \$10.784 million. Capital activities include leachate control, gas control, cell construction (excavating cell 11 and part of cell 13), engineering & monitoring, ancillary facilities and some buffer

land acquisition. Spending is projected to be \$7.138 million or 66% for 2014. Required funding will be carried forward to complete projects in 2015.

- The *Transfer Station Asset Management* project expenditures totalled \$4.294 million or 31% of the 2014 approved cash flow of \$13.873 million. Spending is underway for various state of good repair projects such as roofing, paving, drainage systems, sprinkler systems and repairs to tipping floors. Some under-spending has been caused by delays in the purchase of equipment, cold weather and work plan reviews. Spending is projected to be \$9.789 million or 71% for 2014. Required funding will be carried forward to complete projects in 2015.
- Multi-year Diversion Systems projects for the *Replacement Waste Bins-Single Family, Multi-Unit SSO bins and Multi-Unit Recycling Containers and the project for TCHC SSO Implementation* had combined spending of \$1.601 million or 39.5% of the 2014 combined approved cash flow of \$4.057 million. Spending for 2014 is projected to be 79.5% by year-end. Completion of current commitments are expected as follows: *Replacement Waste Bins-Single Family* (2017), *Multi-Unit SSO bins* (2016) and *Multi-Unit Recycling Containers* (2016) and the project for *TCHC SSO Implementation* (2015).

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

- The *Diversion Systems* project for *Replacement of Single Unit Home SSO Containers* project will be under-spent by \$19.762 million with no spending anticipated in 2014. Initial bids were unsuccessful for this project thereby delaying expenditures. A reissued RFP for the project has closed with delivery projected to start in late 2015. The required cash flow plan has therefore been revised and included in the 2015-2024 Capital Plan submission.
- The *Disco SSO Processing Facility* will be under-spent by \$5.548 million. The project's expenditures totalled \$5.826 million or 49% of the 2014 approved cash flow of \$11.848 million. This project has experienced design, award and wet weather delays. Ramp-up of SSO processing began in late 2013. Commissioning of 75,000 tonnes/year processing capacity completed June 2014 which allowed the operations contract to commence July 1, 2014. On-going resolution of specific system deficiencies, means total project completion is expected in mid 2015. Spending is projected to be \$6.300 million or 53% by year-end.
- The *Green Lane Landfill Development 2011* project will be under-spent by \$2.865 million. Expenditures total \$1.557 million or 26% of the 2014 approved cash flow of \$6.003 million. It is estimated that \$3.138 million or 52% of the 2014 approved cash flow will be spent by year-end. Capital activities for gas control including flare project were delayed mainly due to design approval process. Under-spending is also driven by anticipated unused contingency funding. Required funding will be carried forward for completion in 2015.
- The *Green Lane Landfill* project for *Landfill Gas Utilization* will be under-spent by \$0.242 million. Expenditures total \$0.027 million or 9% of the 2014 approved cash flow of \$0.308 million. It is estimated that \$0.066 million or 22% of the 2014 approved cash flow will be spent by year-end. The project has been delayed due to

development of new landfill gas flow capture data as well as reviewing the Request for Qualification under the Large Renewable Procurement Program (LRP) in order to pursue government offset funding through a power purchase agreement with the Ontario Power Authority. While the proposal to qualify for an LRP contract was not pursued due to SWMS deficiencies in meeting renewable energy development experience criteria, the project will proceed pending a Renewable Energy Approval (REA) and will be based on supplying electricity produced from landfill gas at market prices to the local Utility. Required funding will be carried forward into 2015 with project completion by 2018.

- The *Dufferin SSO Processing Facility* project will be under-spent by \$6.113 million. The project's capital expenditures were \$0.279 million or 4.2% of the 2014 approved cash flow of \$6.568 million. It is estimated that \$0.435 million or 6.6% of the 2014 approved cash flow will be spent by year-end. An RFP to hire a contractor will close in November to design-build and operate the expanded facility with 90% of the preparatory work completed including engineering studies and preliminary design. The legal dispute involving a sublicense of patented technology with the technology provider/ former operator has been resolved. As a result, facility expansion and substantial project completion will be delayed to 2017.
- The *Construction of Biogas Utilization Infrastructure* project at Disco and Dufferin SSO Facilities will be under-spent by \$4.895 million in 2014. The project's capital expenditures were \$0.030 million or 0.6% of the 2014 approved cash flow of \$5.035 million. It is estimated that \$0.140 million or 2.8% of the 2014 approved cash flow will be spent by year-end. A Renewable Energy Approval (REA) Application for Disco underway with an RFP for construction at year-end of 2014. Actual facility construction at Disco will occur mid 2015 with completion in 2016. Construction at Dufferin will coincide with the Dufferin Expansion in 2017.
- The *Dufferin Single Stream Recycling Facility* project will be under-spent by \$4.020 million. The project's expenditures total \$0.106 million or 2.3% of the 2014 approved cash flow of \$4.558 million. It is estimated that \$0.538 million or 11.8% of the 2014 approved cash flow will be spent by year-end. Planned capital activities at the facility initially encountered unanticipated delays to meet contractual tonnage obligations. It has since been determined that the Dufferin operating contract will not be renewed with a study underway to determine alternate uses for the facility. Spending to year-end is mainly for trailer rental for staff that were displaced and expansion of the sprinkler room. The current contractor will cease operations by the end of 2014 and go into decommissioning mode. Trailers will be required until decommissioning efforts complete.
- The *Perpetual Care Of Landfills* project will be under-spent by \$4.120 million. The project incurred capital expenditures of \$2.933 million representing 29.3% of its 2014 approved cash flow of \$10 million. It is estimated that \$5.880 million or 58.8% of the 2014 approved cash flow will be spent by year-end. Remedial work at the 4 priority landfills concerning landfill gas migration will be initiated this year and completed in 2017. The RFP for engineering consultants to review the conceptual plan will be issued by year-end 2014.

- The *SWM IT Application Initiatives* project will be under-spent by \$1.171 million. Expenditures totalled \$0.539 million or 21% of the 2014 approved cash flow of \$2.621 million. Spending is projected to be \$1.450 million or 55% for 2014. Various projects are underway including Short Term Application Improvements, RFIS/GPS System, SWMS Information Model, and the Business Process Analysis and Improvement project. The project for Transfer Station Efficiencies is being delayed pending revision of project scope. The project for Stakeholder-Customer Relationship Management is being delayed pending the outcome of divisional customer service review. Required funding will be carried forward with completion planned for 2017.

**Toronto Water** spent \$327.013 million or 53% of the 2014 Approved Capital Budget of \$616.962 million for the period ended September 30, 2014. This level of spending is slightly ahead of project schedules for the construction of water infrastructure.

Toronto Water incurred a majority of the year to date spending for the following large multi-year projects:

- *Automated Meter Replacement (AMR) Program* (\$34.125 million or 72% of the 2014 Approved Capital Budget of \$47.418 million).
- *Basement Flooding Relief Projects* (\$34.463 million or 54% of the 2014 Approved Capital Budget of \$63.911 million)
- *Rehabilitation and Replacement of Linear Infrastructure for Water and Sewers projects* (\$130.378 million or 55% of the 2014 Approved Capital Budget of \$238.287 million).
- *Transmission & Storage Facilities* including the Gerard Street transmission watermain and implementation of corrosion control projects at the water treatment plants (\$28.221 million or 59% of the 2014 Approved Capital Budget of \$47.475 million).
- *Improvements at Ashbridges Bay Treatment Plant* which include the upgrade of primary treatment process and standby power generation (\$41.125 million or 70% of the 2014 Approved Capital Budget of \$58.862 million).
- *Improvements at Highland Creek Treatment Plant* which include the bio-solids treatment upgrades and Waste Activated Sludge and Dewatering process upgrades (\$14.552 million or 55% of the 2014 Approved Capital Budget of \$26.403million).

Toronto Water is projecting spending of \$543.706 million or 88.1% by year-end. The projected year-end spending rate exceeds the Rate Model completion rate target for 2014 of 85% for projects funded from the Toronto Water Capital Financing Reserve.

In 2014, significant progress will continue to be made on state of good projects to address infrastructure renewal such as watermain and sewer rehabilitation; transmission projects that include trunk mains and reservoirs; the Ashbridges Treatment Plant upgrades; and implementation of the Basement Flooding Relief projects. These projects are expected *to meet or exceed the targeted spend rate of 85%*.

Toronto Water will also continue to facilitate the New Service Connections project for development projects and is on schedule with the Water Meter Replacement Program. These projects are expected *to have a spend rate of 100%*.

Toronto Water is forecasting *below the targeted 85% spend rate* for 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:

- *Waterfront Projects* (\$3.5 million or 12.1% of the 2014 Approved Capital Budget of \$29 million).
- *Business & Process Control System Improvements* (\$5.594 million or 58% of the 2014 Approved Capital Budget of \$9.614 million).
- *Facility improvements to RL Clark Treatment Plant, Island Treatment Plant, FJ Horgan Treatment Plant and RC Harris Treatment Plant* (\$12.571 million or 73% of the 2014 Approved Capital Budget of \$17.139 million).
- *Wet Weather Flow projects* (\$29.573 million or 78% of the 2014 Approved Capital Budget of \$37.763 million).
- *Yard and Facility improvements* (\$1.493 million or 77% of the 2014 Approved Capital Budget of \$1.950 million).