

Budget Committee

Meeting No.	10	Contact	Jennifer Forkes, Committee Administrator
Meeting Date	Monday, August 31, 2015	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 2, City Hall	Chair	Councillor Gary Crawford

BU10.3	ACTION	Adopted		Ward:All
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Capital Variance Report for the Six-Month Period Ended June 30, 2015

Committee Decision

The Budget Committee recommends that:

1. City Council receive for information Appendix 2 to the report (August 14, 2015) from the Deputy City Manager and Chief Financial Officer, which lists 202 completed capital projects/sub-projects to be closed resulting in a total combined project budget savings of \$3.628 million.
2. City Council approve in-year budget adjustments to the 2015-2024 Approved Capital Budget and Plan detailed in Appendix 3 to the report (August 14, 2015) from the Deputy City Manager and Chief Financial Officer, with no incremental impact on debt funding.

Origin

(August 14, 2015) Report from the Deputy City Manager and Chief Financial Officer

Summary

The purpose of this report is to provide Council with the City of Toronto Capital Variance for the six months period ended June 30, 2015, as well as projected actual expenditures to December 31, 2015. Furthermore, this report seeks Council's approval for 2015 in-year budget funding adjustments to 2015 Approved Capital Budget.

The report also identifies 202 completed capital projects to be closed including the total number and value of projects' under expenditures. The projects that have a combined budget of \$63.827

million are ready to be closed and have been completed under budget, resulting in savings of \$3.628 million that will be returned to their original funding sources, including a savings of \$2.951 million in debt funding and \$0.093 million in capital from current funding and \$0.584 million in reserve/reserve funds funding.

Table 1
Six Months and YE Projected Spending Rate

	2015 Approved Budget	Actual Expenditures - January 1 to June 30, 2015		Projected Actual Expenditure at Year- End	
		\$000s	%	\$000s	%
Tax Supported	3,336,774	643,186	19.3	2,732,635	81.9
Rate Supported Programs:	907,926	180,522	19.9	710,939	78.3
TOTAL	4,244,701	823,708	19.4	3,443,574	81.1

The spending pattern for the first 6 months of 2015 is consistent with prior years as capital activity in the first half of the year is typically more preparatory. This year, given the late Capital Budget approval date of March 11, 2015 due to the municipal election, spending rates are somewhat lower. As detailed by City Program and Agency in Appendix 1, actual expenditures to year-end are expected to reach \$3.444 billion or 81.1% of the total 2015 Approved Capital Budget. Eighteen of 31 City Programs and Agencies are projecting spending in excess of 70% by year-end: Tax Supported Programs project a spending rate of 81.9% to year-end; while Rate Supported Programs project year-end spending rate of 78.3%.

(See Chart 1 - 2010-2015 Capital Budget Spend Rate in the report (August 14, 2015) from the Deputy City Manager and Chief Financial Officer.)

Over the past 4 years both the approved capital budget (including carryforward funding) and the actual spending have been trending at relatively steady rate, resulting in an average spending rate of 62% as outlined in Chart 1 above.

Background Information

(August 14, 2015) Report and Appendices 1 to 4 from the Deputy City Manager and Chief Financial Officer on Capital Variance Report for the Six Months Period Ended June 30, 2015 (<http://www.toronto.ca/legdocs/mmis/2015/bu/bgrd/backgroundfile-83041.pdf>)
Appendix 5 - Capital Dashboard by Program/Agency (<http://www.toronto.ca/legdocs/mmis/2015/bu/bgrd/backgroundfile-83043.pdf>)