



## STAFF REPORT ACTION REQUIRED

### Facilities Management and Real Estate 2015 Capital Budget and 2016 – 2024 Accelerations / Deferrals (Quarter 4)

<b>Date:</b>	October 29, 2015
<b>To:</b>	Budget Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Various
<b>Reference Number:</b>	P:\2015\Internal Services\FAC\Bc15024fac (AFS #22048)

#### **SUMMARY**

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This report requests authority to amend the Facilities, Real Estate, Environment & Energy (FREEE) 2015 Approved Capital Budget and 2016-2024 Capital Plan, by accelerating and deferring funding within approved budget and plan amounts to better meet program requirements and cash flows. The amendments will have a zero net impact corporately and will better align 2015 and future cash flows with program requirements.

#### **RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. City Council authorize the deferral and acceleration of funds in FREEE's 2015 Approved Capital Budget and 2016 – 2024 Capital Plan in the amount of \$1.67 million, as illustrated in Schedule A (attached), with zero gross and net impact.

#### **Financial Impact**

The approval of this report will result in the deferral and acceleration of funds in FREEE's 2015 Capital Budget and 2016 – 2024 Capital Plan in the amount of \$1.67 million, as detailed in Schedule "A" attached. These amendments will have a zero gross and net impact.

**Schedule "A" - FM&RE Deferrals / Accelerations**

	2015 Budget	2016 Plan	Deferrals / Accelerations	Revised 2015 Budget	Revised 2016 Plan
Deferrals	4,155,674	2,525,000	(1,672,756)	2,482,918	4,197,756
Accelerations	608,000	3,729,000	1,672,756	2,280,756	2,056,244
<b>Total</b>	<b>4,763,674</b>	<b>6,254,000</b>	<b>-</b>	<b>4,763,674</b>	<b>6,254,000</b>

There are no additional costs to the City as a result of approval of this report. The recommended adjustments will align the 2015 capital budget with program requirements for 2015 and beyond.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

Executive Committee, at its meeting on October 20, 2015, adopted report EX9.12 (Facilities Management and Real Estate and Sustainable Energy Plan 2015 Capital Budget and 2016 - 2024 Capital Plan Adjustments and Accelerations / Deferrals (Quarter 3)). The report included adjustments to the 2015 approved capital budget and 2016-2024 capital plan, with zero net impact to the overall program. This will be considered by City Council on November 3, 2015.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.12>

City Council, at its meeting on July 7, 2015, approved report EX7.28 (Facilities Management and Real Estate 2015 Capital Budget and 2016-2024 Capital Plan Adjustments and Accelerations / Deferrals (Q2), which included adjustments to the 2015 approved capital budget and 2016 – 2024 capital plan for Facilities Management and Real Estate, resulting in zero net impact to the overall program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX7.28>

Subsequently, City Council at its meeting on May 5, 2015 approved a report that contained adjustments to carry-forward amounts due to 2014 year-end results, resulting in a revised 2014 carry-forwards of \$148.000 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.16>

City Council, at its meeting on March 10, 2015, approved Facilities Management and Real Estates 2015 Capital Budget and 2016 – 2024 Capital Plans.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX3.4>

## **ISSUE BACKGROUND**

The amendments will align and ensure cash flows reflect actual project spending and project schedules.

## **COMMENTS**

### **Budget Deferrals and Accelerations**

A number of projects either proceeding ahead of schedule or where forecasted spending in 2015 is expected to exceed 2015 planned amounts require an acceleration of cash flow funding from 2016 Capital Plan estimates. Specific projects include the emergency generator installation program at various Fire Halls where an additional 2 sites can commence construction in 2015, the fluid cooler replacement work at 40 College St. (Police Headquarters) and the elevator modernization project at 895 Eastern Ave. In each of these cases the overall project costs remains within approved budgeted amounts.

To offset this acceleration there are various projects where work has been delayed and adjustments to cash flows are needed to better align budget with forecasted spending in 2015. Cash flows in these projects can be deferred to 2016 to offset the acceleration of funds for projects that are proceeding ahead of schedule, or where cash flows adjustments are needed to ensure 2015 plan amounts are sufficient to match spending. See schedule "A" for a detailed listing.

City Council approval is being requested to amend the FREEE's 2015 Approved Capital Budget and 2016-2024 Capital Plan, as outlined in the attached Schedule "A" to better align cash flows with project and program requirements, in accordance with Section 71-9 B to E of the Financial Control By-Law.

## **CONTACT**

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## **SIGNATURE**

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Josie Scioli  
Chief Corporate Officer

## **ATTACHMENTS**

Schedule A – Deferrals / Accelerations