

EX15.19a



Decision Letter

Budget Committee

Meeting No.	21	Contact	Jennifer Forkes, Committee Administrator
Meeting Date	Friday, May 13, 2016	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 1, City Hall	Chair	Councillor Gary Crawford

BU21.2	ACTION	Adopted		Ward:All
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Capital Variance Report for the Three-Month Period Ended March 31, 2016

Committee Decision

The Budget Committee recommends that:

1. City Council receive for information Appendix 2 to the report (May 6, 2016) from the Deputy City Manager and Chief Financial Officer which lists 20 completed capital projects/sub-projects to be closed, resulting in a total combined project budget savings of \$33.237 million.
2. City Council approve in-year budget adjustments to the 2016-2024 Approved Capital Budget and Plan detailed in Appendix 3 to the report (May 6, 2016) from the Deputy City Manager and Chief Financial Officer with no incremental impact on debt funding.
3. City Council approve an amendment to the 2016 Approved Capital Budget for Economic Development and Culture adding a new capital project (Downtown Yonge Business Improvement Area Special Project) with cash flow of \$0.250 million in 2016 funded from the Capital Financing Reserve Fund through proceeds arising from a joint venture agreement for a new parking facility in Ward 27.
4. City Council approve additional carry forward funding of \$0.5 million for Exhibition Place, in order to continue work on previously approved capital projects, and reduction of \$1.456 million for Facilities Management in previously approved carry forward funding as detailed in Appendix 5 to the report (May 6, 2016) from the Deputy City Manager and Chief Financial Officer, and that the 2016 Approved Capital Budget for respective City Program and Agency be adjusted accordingly with no incremental net impact on debt.

Origin

(May 6, 2016) 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 three month period ended March 31, 2016, as well as projected actual expenditures to December 31, 2016. Furthermore, this report seeks Council's approval for in-year budget adjustments to the 2016

Approved Capital Budget and changes to previously approved 2015 carry forward funding.

The report also identifies 20 completed capital projects with a combined budget of \$83.100 million that are ready to be closed and have been completed under budget, resulting in savings of \$33.237 million that will be returned to their original funding sources, including a savings of \$0.042 million in debt funding, \$10.130 million in reserve/reserve funds funding, \$0.004 million in federal subsidies, \$10.159 million in provincial funding, \$0.187 million in CFC funding and \$12.713 million in other funding (including TO2015 and donations).

Table 1
Three Months and Year End Projected Spending Rate

	2016 Approved Budget	Actual Expenditures - January 1 to March 31, 2016		Projected Actual Expenditure at Year- End	
		\$000s	%	\$000s	%
Tax Supported	3,682,871	211,804	5.8%	3,149,191	85.5%
Rate Supported Programs:	1,034,364	65,533	6.3%	881,221	85.2%
TOTAL	4,717,234	277,337	5.9%	4,030,412	85.4%

The spending pattern for the first three months of 2016 is consistent with prior years as capital activity in the first months of the year is typically more preparatory. As detailed by City Program and Agency in Appendix 1, actual expenditures to year-end are expected to reach \$4.030 billion or 85.4 percent of the total 2016 Approved Capital Budget. Twenty nine of 32 City Programs and Agencies are projecting spending in excess of 70 percent by year-end: Tax Supported Programs project a spending rate of 85.5 percent to year-end; while Rate Supported Programs project year-end spending rate of 85.2 percent.

Chart 1
2010 – 2016 Capital Budget Spend Rate

(See Chart 1 titled 2010 – 2016 Capital Budget Spend Rate in the Summary Section of the report dated May 6, 2016 from the Deputy City Manager and Chief Financial Officer)

Over the past 5 years both the approved capital budget (including carry forward funding) and the actual spending have been trending at a relatively steady rate, resulting in an average spending rate of 62 percent as outlined in Chart 1 above.

Background Information

(May 6, 2016) Report and Appendices 1 to 5 from the Deputy City Manager and Chief Financial Officer on Capital Variance Report for the Three-Month Period Ended March 31, 2016

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-92950.pdf>

Appendix 6 - Capital Dashboard for Programs/Agencies

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-92952.pdf>