



Decision Letter

EX17.16a

Budget Committee

Meeting No.	23	Contact	Jennifer Forkes, Committee Administrator
Meeting Date	Monday, September 19, 2016	Phone	416-392-4666
Start Time	2:00 PM	E-mail	buc@toronto.ca
Location	Committee Room 2, City Hall	Chair	Councillor Gary Crawford

BU23.2	ACTION	Adopted		Ward:All
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Capital Variance Report for the Six-Month Period Ended June 30, 2016

Committee Decision

The Budget Committee recommends that:

1. City Council receive for information Appendix 2 to the report (August 31, 2016) from the Deputy City Manager and Chief Financial Officer which lists 50 completed capital projects/sub-projects to be closed, resulting in a total combined project budget savings of \$51.442 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 (August 31, 2016) from the Deputy City Manager and Chief Financial Officer with no incremental impact on debt funding.

Origin

(August 31, 2016) Report from the Deputy City Manager and Chief Financial Officer

Summary

The purpose of this report is to provide City Council with the City of Toronto Capital Variance for the six month period ended June 30, 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.

The report also identifies 50 completed capital projects with a combined budget of \$362.110 million that are ready to be closed and have been completed under budget, resulting in savings of \$51.442 million that will be returned to their original funding sources, including a savings of \$27.759 million in debt funding, \$6.030 million in reserve funding, \$6.743 million in CFC funding, \$5.518 million in recoverable debt and \$5.391 million in other funding (third party funding, donations etc.).

Table 1: Six Months and YE Projected Spending Rate

		Actual Expenditures - January 1 to	Projected Actual
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	2016 Approved Budget	June 30, 2016		Expenditure at Year-End	
		\$000s	%	\$000s	%
Tax Supported	3,688,648	768,574	20.8%	2,659,199	72.1%
Rate Supported Programs:	1,034,364	199,449	19.3%	841,745	81.4%
TOTAL	4,723,012	967,023	20.5%	3,500,944	74.1%

The spending pattern for the first six months of 2016 is consistent with prior years as capital activity in the first half 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 \$3.501 billion or 74.1 percent of the total 2016 Approved Capital Budget. 19 of 33 City Programs and Agencies are projecting spending in excess of 70 percent by year-end: Tax Supported Programs project a spending rate of 72.1 percent to year-end; while Rate Supported Programs project year-end spending rate of 81.4 percent.

(See Figure 1 titled 2011 - 2016 Capital Budget Spend Rate in the Summary Section of the report dated August 31, 2016 from the Deputy City Manager and Chief Financial Officer)

Background Information

(August 31, 2016) Report from the Deputy City Manager and Chief Financial Officer on Capital Variance Report for the Six-Month Period Ended June 30, 2016
<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-95904.pdf>
 Appendix 1 - 2016 Consolidated Capital Variance Report for the Six Months Ended June 30, 2016
<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-96095.pdf>
 Appendix 2 - Capital Projects to be Closed
<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-96096.pdf>
 Appendix 3 - In-Year Adjustments for the Six Months Ended June 30, 2016
<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-96064.pdf>
 Appendix 4 - Major Capital Projects
<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-96065.pdf>
 Appendix 5 - Capital Dashboard for Programs/Agencies
<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-96066.pdf>

Speakers

Councillor Janet Davis