



STAFF REPORT ACTION REQUIRED

Facilities, Real Estate, Environment and Energy 2016 Capital Budget and 2016 – 2025 Capital Plan Adjustments and Accelerations / Deferrals (November)

Date:	October 27, 2016
To:	Budget Committee Executive Committee
From:	Chief Corporate Officer
Wards:	Various
Reference Number:	P:\2016\Internal Services\FAC\Bc16028fac (AFS 23786)

SUMMARY

This report requests authority to amend the Facilities, Real Estate, Environment & Energy (FREEE) 2016 Council Approved Capital Budget and 2017-2025 Capital Plan. The amendments will have zero gross and net debt impact corporately and will better align 2016 and future cash flows with FREEE program requirements.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the reallocation of funds in FREEE's 2016 Council Approved Capital Budget in the amount of \$2.888 million, as illustrated in Schedule A (attached), with zero gross and debt impact.

Financial Impact

The approval of this report will authorize the reallocation of 2016 approved cash flows in the amount of \$2.888 million, as detailed in Schedule A, for State of Good Repair (SOGR) projects and energy retrofit projects.

This amendment to FREEE's 2016 Council Approved Capital Budget and 2017-2025 Capital Plan will have a zero gross and net debt impact. There are no additional costs to the City as a result of approval of this report. The recommended

adjustments will align the 2016 Capital Budget with FREEE's capital program requirements for 2016 and beyond.

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

DECISION HISTORY

City Council, at its meeting on Jun 7, 2016, approved report EX15.17 (Facilities, Real Estate, Environment and Energy 2016 Capital Budget and 2016-2025 Capital Plan Adjustments and Accelerations / Deferrals (Q2)), which included adjustments to the 2016 approved capital budget and 2017 – 2025 capital plan for FREEE, resulting in zero net impact to the overall program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX15.17>

Subsequently, City Council at its meeting on Jun 7, 2016 approved a report that contained adjustment to carry forward approved earlier, resulting in revised 2015 carry forward of \$144.80 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX15.19>

City Council at its meeting on May 3, 2016 approved a report that contained adjustments to carry-forward amounts due to 2015 year-end results, resulting in a revised 2015 carry-forwards of \$146.26 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX14.12>

City Council, at its meeting on February 17, 2016, approved the Facilities, Real Estate, and Environment & Energy 2016 Capital Budget and 2017 – 2025 Capital Plan, which included 2016 cash flows of \$153.522 million and 2015 preliminary carry-forward funding of \$131.922 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

ISSUE BACKGROUND

The amendments will ensure proper funding is in place to tender and award contracts, as well as complete projects in a timely manner, as existing funding levels for a number of projects have been deemed insufficient based on revised requirements for the same project scope, bids received and estimated project cost amounts. Furthermore, cash flows on a number of projects require adjustment to better align and ensure cash flows reflect actual project spending and project schedules for 2016 and future years.

COMMENTS

2016 Budget Adjustments

Funding is being redirected to undertake a number of State of Good Repair (SOGR) projects in FREEE's 2016 Capital Budget and 2017-2025 Capital Plan that have progressed through the design phase and are ready for contract awards and for construction to commence. For some projects, bids received exceeded available funding amounts. Funding is also required to conduct feasibility studies for special projects at various locations including Toronto Police facilities.

In addition, funding is being redirected to Community Based Green Energy Projects for a recoverable debt loan to Bridle Manor Co-operative. The loan will be used to support replacement of existing electrical hot water heaters and dryers with gas, as well as other energy efficient retrofits.

Approval is being requested to reallocate project funding within the 2016 Council Approved Capital Budget for FREEE to ensure projects can be completed as planned and as per revised requirements for the same project scope and deliverables.

To offset these funding needs, there are various projects where work is either progressing and is forecasted to be, or has been, completed under budget, where bids have recently been received that are less than planned amounts or projects being cancelled. See Schedule "A" for detailed listing.

CONTACT

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SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Schedule A – 2016 Budget Adjustments