

## EX20.26a



## Decision Letter

## Budget Committee

<b>Meeting No.</b>	26	<b>Contact</b>	Jennifer Forkes, Committee Administrator
<b>Meeting Date</b>	Friday, November 18, 2016	<b>Phone</b>	416-392-4666
<b>Start Time</b>	9:30 AM	<b>E-mail</b>	buc@toronto.ca
<b>Location</b>	Committee Room 1, City Hall	<b>Chair</b>	Councillor Gary Crawford

BU26.5	ACTION	Adopted		Ward:All
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### Capital Variance Report for the Nine-Month Period Ended September 30, 2016

#### Committee Decision

The Budget Committee recommends that:

1. City Council receive for information the list of 4 completed capital projects/sub-projects to be closed as detailed in Appendix 2 to the report (November 16, 2016) from the Deputy City Manager and Chief Financial Officer, that results in a total combined project budget savings of \$0.096 million.
2. City Council approve in-year budget adjustments to the 2016-2025 Approved Capital Budget and Plan detailed in Appendix 3 to the report (November 16, 2016) from the Deputy City Manager and Chief Financial Officer, with no incremental impact on debt funding.
3. City Council request the Toronto Transit Commission Board to identify either scope reductions or reallocations from other projects to ensure cash flow for Toronto Rocket Yard and Storage Track Accommodation; Leslie Barns Streetcar Maintenance and Storage Facility; and Automatic Train Control (ATC) Resignalling Project do not exceed the 2016 Approved Capital Budget and report back in January of 2017 with any changes that require City Council authority.

#### Origin

(November 16, 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 nine month period ended September 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 4 completed capital projects with a combined budget of \$27.626 million that are ready to be closed and have been completed under budget, resulting in savings

of \$0.096 million in reserve funding that will be returned to their original funding sources.

Table 1: Nine Months and Year-End Projected Spending Rate

	2016 Approved Budget	Actual Expenditures - January 1 to September 30, 2016		Projected Actual Expenditures at Year- End	
		\$000s	%	\$000s	%
Tax Supported	3,701,705	1,186,068	32.0%	2,397,279	64.8%
Rate Supported Programs:	1,034,364	385,548	37.3%	777,992	75.2%
<b>TOTAL</b>	<b>4,736,068</b>	<b>1,571,616</b>	<b>33.2%</b>	<b>3,175,270</b>	<b>67.0%</b>

The spending pattern for the first nine months of 2016 is consistent with prior years. As detailed by City Program and Agency in Appendix 1, actual expenditures to year-end are expected to reach \$3.175 billion or 67 percent of the total 2016 Approved Capital Budget. 13 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 64.8 percent to year-end; while Rate Supported Programs project year-end spending rate of 75.2 percent.

Figure 1: 2011 - 2016 Capital Spending Rate

(See Figure 1 titled 2011 - 2016 Capital Spending Rate  
in the Summary Section of the report dated November 16, 2016  
from the Deputy City Manager and Chief Financial Officer)

As shown in the Chart 1 above, City's capital spending at year-end is expected to reach \$3.175 billion or 67 percent of 2016 Council Approved Capital Budget. Over the previous 5 years both the approved capital budget (including carry forward funding) and the actual spending have been trending upward at a relatively steady rate. However, the City's spending rate increased to 68.3 percent and projected 67 percent in 2015 and 2016 respectively, as a result of increased actual spending in some major capital projects. These include Toronto Transit Commission increased spending from 57.5 percent in year 2014 to projected spending of over 67 percent in 2016; Facilities Management increased spending from 49.7 percent in 2014 to projected spending of 54.2 percent in 2016 and Park, Forestry and Recreation increased spending from 50.5 percent in 2014 to projected 53.4 percent in 2016.

### Background Information

(November 16, 2016) Report from the Deputy City Manager and Chief Financial Officer on Capital Variance Report for the Nine-Month Period Ended September 30, 2016

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-98394.pdf>

Appendices 1 to 4

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-98395.pdf>

Appendix 5 - Capital Dashboard by Program/Agency

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-98396.pdf>

(November 1, 2016) Report from the Deputy City Manager and Chief Financial Officer on Capital Variance Report for the Nine-Month Period Ended September 30, 2016 - Notice of Pending Report

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-97955.pdf>