

Facilities 2017 Capital Budget and 2018 – 2026 Capital Plan Adjustments and Accelerations / Deferrals (June)

Date: May 24, 2017

To: Budget Committee

Executive Committee

From: Chief Corporate Officer

Wards: 3, 8, 27, 28, and 30

SUMMARY

The purpose of this report is to amend the Facilities, Real Estate, Environment & Energy (FREEE) 2017 Council Approved Capital Budget and 2018-2026 Capital Plan. The amendments will have zero gross and net debt impact and will better align 2017 and future cash flows with FREEE program requirements.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the reallocation of funds within the 2017 Council Approved Capital Budget for Facilities, Real Estate, Environment & Energy (FREEE) in the amount of \$0.751 million, as illustrated in Schedule A (attached), with zero gross and net debt impact.

FINANCIAL IMPACT

The approval of this report will authorize the reallocation of 2017 Council Approved cash flows for Facilities, Real Estate, Environment & Energy (FREEE) in the amount of \$0.751 million as detailed in Schedule A for State of Good Repair (SOGR) projects. These amendments will have a zero gross and net debt impact.

There are no additional costs to the City as a result of the approval of this report. The recommended adjustments will align FREEE's 2017 Council Approved Capital Budget with FREEE's capital program requirements for 2017 and beyond.

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

DECISION HISTORY

On July 8, 2014, City Council adopted two reports entitled, "Resilient City – Preparing for a Changing Climate" and "Review of the City of Toronto's Emergency Response to the December 2013 Ice Storm". Council directed staff to identify proposals for consideration during the 2015 Budget process and beyond for financing required increases in the electrical standby capacity in critical City-owned buildings operated by Facilities Management.

<http://www.toronto.ca/legdocs/mmis/2014/pe/bgrd/backgroundfile-70623.pdf>

<http://www.toronto.ca/legdocs/mmis/2014/ex/bgrd/backgroundfile-70933.pdf>

City Council, at its meeting on April 26, 27, & 28, approved the reallocation of funds in the 2017 Approved Capital Budget Facilities, Real Estate, Environment and Energy in the amount of \$1.343 million, as illustrated in Schedule A to the report from the Chief Corporate Officer, with zero gross and net debt impact.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX24.20>

City Council, at its meeting on February 15 & 16, 2017, approved the Facilities, Real Estate, and Environment & Energy 2017 Capital Budget and 2018 – 2026 Capital Plan, which included 2017 cash flows of \$184.134 million and 2016 preliminary carry-forward funding of \$105.221

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

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 certain projects have been deemed insufficient based on 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 2017 and future years.

COMMENTS

2017 Budget Adjustments

Funding in the 2017 Capital Budget is being redirected to address design requirements for utility distribution equipment maintainability as well as improved diesel generator distribution at City Hall under Facilities Management's Electrical Resiliency Program. Included in the 2017 Council Approved FREEE Capital Budget is \$2.178 million for feasibility studies to increase electrical standby capacity at critical City-owned buildings. With the study now complete at City Hall, funding for design work is required to initiate the next phase of the project.

Approval is requested to reallocate project funding within the 2017 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 where projects have been cancelled or deferred indefinitely. See Schedule "A" for detailed listing.

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SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Schedule "A" - 2017 Budget Adjustments