

Adjustments and Deferrals/Accelerations to the Parks, Forestry and Recreation 2017 Capital Budget and 2018-2026 Capital Plan

Date: June 2, 2017

To: Budget Committee and Executive Committee

From: General Manager, Parks, Forestry and Recreation

Wards: All

SUMMARY

The purpose of this report is to request authority from City Council to amend the approved 2017 Council Approved Capital Budget and 2018-2026 Capital Plan for Parks, Forestry and Recreation (PF&R) by adjusting project costs and cash flows contained within the Budget and Plan. The adjustments will align cash flows for capital project delivery schedules and program requirements and will have a zero debt impact. Additional reallocations to project cash flows and project costs are requested where recent project bids exceed the current approved cash flow or alternatively to advance projects into 2017 that are ready to proceed.

These reallocations will allow Parks, Forestry and Recreation to continue to deliver projects within its capital plan. These adjustments will have a zero dollar impact on debt funding and will align the budget and plan with the Parks, Forestry and Recreation capital delivery schedule, the readiness to proceed and the program requirements.

In addition, this report seeks Council approval for the closure of three projects that will reduce 2017 cash flow and release the remaining funds for other capital purposes.

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation recommends that:

1. City Council authorize the reallocation of funds and revise project costs within the Parks, Forestry and Recreation's 2017 Council Approved Capital Budget and future year commitments in the amount of \$3.000 million, as included in Appendix 1 (attached), with zero Budget and debt impact.

2. City Council authorize the deferral and acceleration of projects in Parks, Forestry and Recreation's 2017 Council Approved Capital Budget and future year commitments in the amount of \$2.186 million, as included in Appendix 2 (attached), with zero gross and net debt impact.

3. City Council authorize the deferral of the Riverdale Park Access Improvements project, from 2017 to 2018, with funding from the South District Parkland Development Reserve Fund (XR2209) in the amount of \$0.750 million and authorize the acceleration of the Sherway Trail project, from 2023 to 2017, with funding from the West District Parkland Development Reserve Fund (XR2203) in the amount of \$0.325 million.

4. City Council authorize the closure of three completed sub-projects in Parks, Forestry and Recreation's 2017 Council Approved Capital Budget in the amount of \$1.185 million, as included in Appendix 3 (attached) to reduce 2017 cash flow, and release commitments on development related funding sources to the appropriate accounts.

FINANCIAL IMPACT

Approval of the recommendations in this report will revise the 2017 Council Approved Capital Budget and future year commitments to reallocate project costs and cash flows in the amount of \$3.000 million and to defer and accelerate a total of \$2.186 million with no impact on debt requirements.

The deferral and acceleration of capital projects will result in a net reduction to the 2017 Council Approved cash flow of \$0.425 million. In addition, the completion of three sub-projects, as noted in Appendix 2, will reduce 2017 cash flow by \$1.185 million.

The total change to the 2017 Capital Budget and 2018-2026 Capital Plan is a reduction of 2017 cash flow of \$1.610 million, an increase of \$0.750 million in 2018, and a reduction of \$0.325 million in 2023. There is no impact to the timing of debt requirements as a result of these amendments.

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

DECISION HISTORY

At its meeting on February 15 and 16, 2017, City Council approved the 2017 Capital Budget and future year commitments for Parks, Forestry and Recreation through item EX22.2 (22a.i. and 22a.ii.)

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=11852>

ISSUE BACKGROUND

Approval is being sought to amend Parks, Forestry and Recreation's Council approved 2017 Capital Budget and future year commitments to better align cash flows to reflect the schedules for project delivery and requirements for programming. These amendments will help to improve PF&R's spending rate by ensuring funds are allocated to projects that are proceeding in 2017 and deferring those projects that are delayed.

COMMENTS

Adjustments to Project Costs and Related Cash Flows

The 2017 Council Approved Capital Budget for Parks, Forestry and Recreation includes \$16.133 million in cash flow in 2017 for six sub-projects as noted in Appendix 1. This report is requesting authority to adjust cash flows and total project costs in the amount of \$3.000 million, with no impact on debt requirements, in order to meet capital project delivery schedules and program requirements.

The Replacement of Ferry Boat #1, a sub-project in the Special Facilities project, was approved by City Council with a project cost of \$11.000 million fully funded by debt. Given the specialized nature of procuring a new ferry boat, the design of a custom ferry for the needs of Toronto has taken longer than expected. As a result, the cash flows for the project need to be adjusted and the \$2.300 million in debt funding assigned in 2017 will not be spent.

Instead of funding the Ferry Boat project in 2017, Parks, Forestry and Recreation will use this 2017 debt allocation on two alternate projects that are ready to proceed as follows:

(a) An additional \$0.400 million in debt funding to the 2017 Sports Field sub-project, in the Outdoor Recreation Centre project, will increase in project cost from \$1.000 million to \$1.400 million, and 2017 cash flow will increase from \$0.500 million to \$0.900 million. Additional funds are required to address priority work for sports fields this year; and

(b) An additional \$1.900 million in debt funding to the 2017 CAMP Arena sub-project, the project cost will increase from \$7.726 million to \$9.626 million and 2017 cash flow from \$4.283 million to \$6.183 million. Additional funds are required because tender prices are higher than expected this year and some arena infrastructure is failing and needs to be rehabilitated to meet program requirements in 2017.

Debt funding of \$2.300 million will be re-prioritized back to the Ferry Boat Replacement project in 2018.

The 2017 CAMP Trails and Pathways sub-project was approved by City Council through the 2017 Capital Budget process with a project cost of \$6.600 million and cash flow of \$3.950 million in 2017 and \$2.650 million in 2018. This report requests reallocating \$0.700 million in 2017, funded by Capital from Current, to the 2017 CAMP

Parking Lots and Tennis Courts (PLTC) project. Due to prices for work coming in lower than budget for 2017 and the scope of work limited due to approvals on a Trails and Pathways project, the available funding is being re-assigned to the CAMP PLTC projects that are ready to proceed and can be delivered in 2017.

Deferrals

The Council Approved 2017 PF&R Capital Budget includes \$11.486 million in cash flow from 2017 to 2019 for eight sub-projects as noted in Appendix 2. This report is requesting authority to defer \$2.186 million in cash flow from one project in 2017 to 2018 and 2019, and accelerate the same value for seven projects over 2018 and 2019 to 2017.

The Bessarion Community Centre Parking Garage sub-project, in the Community Centre project, was approved by City Council through the 2017 Parks, Forestry and Recreation Capital Budget, with a project cost of \$9.000 million and cash flow of \$3.000 million in 2017 and \$6.000 million in 2018. The overall project cost for the design and construction of the new Bessarion Community Centre, which includes multiple stakeholders, is \$76.644 million. This report requests deferring \$2.186 million in cash flow, funded from PF&R Development Charges (XR2114), from 2017 to 2018 (\$1.791 million) and 2019 (\$0.395 million). The site plan approval process with City Planning has been a protracted one, and the complexity associated with four different component stakeholders (Parks, Forestry and Recreation, Toronto Parking Authority, Toronto Public Library, and Children's Services) has led to delays in finalizing drawings for tender purposes. By deferring cash flow from this project, seven other projects that are ready to proceed can be accelerated.

The 2017 PF&R Capital Budget includes the Riverdale Park Access Improvements project with a project cost and cash flow of \$0.750 million in 2016 and funding from the South District Parkland Development Reserve Fund (XR2209). The scope of work for this project includes a new accessible pathway and ramp that connects to the pedestrian bridge from Riverdale Park East, over the Don Valley Parkway. Due to coordination with Metrolinx, the project is delayed. By deferring \$0.750 million in cash flow from 2017 to 2018, PF&R can work to address Metrolinx requirements for the ramp in order to complete the design and coordinate the construction phase in 2018.

Accelerations

The 2017 Capital Budget includes, the Kennedy Margdon Park Playground Improvements sub-project, in the Playground Water Play project, was approved by City Council with a project cost of \$0.261 million and cash flow of \$0.020 million in 2016, \$0.030 million in 2017 and \$0.211 million in 2018. Due to community expectations on completion of playground improvements, the construction is being advanced from 2018 to 2017. A total of \$0.211 million, made up of \$0.150 million from the Section 42 Alternate Rate Cash-in-lieu generated from the development at 1844 Bloor Street West (source account XR2213-4200471) and \$0.061 million from the West District Parkland Development Reserve Fund (XR2203), are requested to be accelerated.

The Dundas St. Clarens Parkette Improvements sub-project, in the Park Development project, was Council approved through the 2017 PF&R Capital Budget with a project cost of \$0.100 million and cash flow of \$0.020 million in 2017 and \$0.080 million in 2018. As a result of community expectations for improvements to the parkette, \$0.080 million is being accelerated from 2018 to 2017 in order for work to proceed. The funding source for the \$0.080 million is from the Section 42 Alternate Rate Cash-in-lieu from 1544 Dundas Street West (XR2213-4200584)

The 2017 Capital Budget for PF&R includes the Alexandra Park Wading Pool Conversion sub-project, in the Playground Water Play project, was approved by City Council with a project cost of \$0.550 million and cash flow of \$0.050 million in 2016, \$0.050 million in 2017, and \$0.450 million in 2018. Public consultation and design for this project is completed and is ready to proceed. To meet the community's expectation, \$0.450 million will be accelerated from 2018 to 2017 in order for the work to proceed this year. The \$0.450 million includes \$0.172 million from South District Parkland Development Reserve Fund (XR2209) and \$0.278 million from PF&R Development Charges (XR2114).

The Ward 23 Park Improvements sub-project, in the Park Development project, was Council approved through the 2017 Capital Budget, with a project cost of \$0.700 million and cash flow of \$0.150 million in 2017 and \$0.550 million in 2018. Funds are being brought forward from 2018 to 2017 in order to carry out improvements in various parks that are ready to proceed in 2017. The \$0.550 million that is being accelerated is funded from Section 42 Alternate Rate Cash-in-lieu generated from nine developments in Ward 23.

The 2017 PF&R Capital Budget includes the Jessie Ketchum Park Redevelopment sub-project, in the Park Development project, approved by City Council with a project cost and cash flow of \$0.435 million in 2014. Due to delays in formalizing a long term agreement with the Toronto District School Board (TDSB) for the operation and maintenance of the park, improvements of the park could not proceed and cash flow of \$0.395 million was pushed to 2019. The project is now proceeding as the lease agreement is anticipated to be adopted at the June TDSB board meeting and finalized by early August. To meet community expectations, the \$0.395 million cash flow will be advanced from 2019 to 2017, with funding from Section 42 Alternate Rate Cash-in-lieu generated from two sites.

The 2017 PF&R Capital Budget includes the Centre Island Picnic Shelter sub-project, in the Park Development project, with a project cost of \$0.500 million and cash flow of \$0.050 million in 2016, \$0.050 million in 2017 and \$0.400 million in 2018. Given the demand for picnic shelters on Toronto Islands and community expectations, \$0.400 million will be moved from 2018 to 2017 in order for this project to proceed this year. Funds will be sourced from PF&R Development Charges.

The 2017 PF&R Capital Budget includes the Cedarcrest New Pathway sub-project, in the Trails and Pathways project, was approved by City Council with a project cost of \$0.200 million and cash flow in 2018. As a result of community expectations, \$0.100 million in cash flow will be accelerated from 2018 to 2017 in order to start construction

of the pathway in fall 2017. The \$0.100 million is funded from the South District Parkland Development Reserve Fund (XR2209).

The Sherway Trail sub-project is included in PF&R's 2017 10-Year Capital Plan. Cash flow of \$0.325 million is included in year 2023 with funding from the West District Parkland Development Reserve Fund (XR2203). This trail will provide a safe and convenient connection under the Queen Elizabeth Way (QEW) for pedestrians and cyclists and create an important link to Lake Ontario and the Waterfront Trail. Through consultation with the Ministry of Transportation (MTO), Toronto and Region Conservation Authority (TRCA), and the ward Councillor, it has been recommended that that trail be constructed in 2017 ahead of work to be done by the MTO on the QEW overpass in 2018. MTO has agreed to issue necessary permits and TRCA has the work tendered and ready to proceed, however it requires PF&R's contribution of \$0.325 million advanced to 2017 in order to move forward.

Project Closures

The 2017 Council approved Parks, Forestry and Recreation Capital Budget includes \$1.185 million for three sub-projects. This reports requests authority from City Council to close the three sub-projects, reduce the 2017 cash flow, and release the commitments on funds to their respective accounts for future budgeting.

City Council approved the 196 Manor Road East Parkland Acquisition sub-project, in the Land Acquisition project, with a project cost of \$4.651 million. The project is under budget as PF&R purchased 80% of the site, which is located at 190 Manor Road East. A total of \$0.930 million was carried forward to 2017 for remedial work, but that work is completed and the funds are no longer required. The project can be closed and the commitment of \$929,812 on the South District Parkland Acquisition Reserve Fund (XR2208) can be released.

The 2017 PF&R Capital Budget includes the HR Management System sub-project, in the Information Technology project, with a project cost of \$150,000. The scope of work for the project included creation of a recruitment management system. A divisional solution was not pursued because there was a corporate system in development called Talent Flow. Cash flow of \$0.073 million was carried forward to 2017 to implement the Corporate system but was determined that the funds were not required and the project be cancelled. The project can now be closed and the commitment of \$73,369 on the PF&R Development Charges (XR2114) can be released.

The 2017 PF&R Capital Budget includes the Case Management System (CMS) sub-project, in the Information Technology project, with a project cost of \$0.250 million. The scope of work for the project included a Complaints and Comments Management System. A total of \$0.182 million was carried forward from 2016 to 2017. The project has been cancelled as the Division did not pursue any further enhancements to the Complaint Management System in anticipation of an enterprise Customer Relationship Management discussion which PF&R will participate. This report requests closing the project and releasing the commitment of \$181,696 on the PF&R Development Charges.

CONTACT

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SIGNATURE

Janie Romoff
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ATTACHMENTS

Appendix 1 - Adjustments to Cash Flow and Project Cost (\$000s)
Appendix 2 - Deferrals/Accelerations (\$000s)
Appendix 3 - Project Closures (\$)