

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

Date: August 17, 2017

To: Budget 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 total change to the 2017 Capital Budget and future year commitments is a reduction of 2017 cash flow by \$1.606 million and an increase of \$2.540 million in 2018. These adjustments will align cash flows for capital project delivery schedules and program requirements and as a result, will have no impact to the timing of debt requirements. In addition, reallocations to 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 adjustments will allow Parks, Forestry and Recreation to continue to deliver projects within its capital plan. The reallocations 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.

RECOMMENDATIONS

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

1. City Council authorize the reallocation of funds and revision to project costs within the Parks, Forestry and Recreation's 2017 Council Approved Capital Budget and future year commitments in the amount of \$2.707 million, as included in Appendix 1 (attached), with no 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 \$0.260 million, as included in Appendix 2 (attached), with no debt impact.

3. City Council authorize amendments to project costs and cash flows within the Parks, Forestry and Recreation's approved 2017 Capital Budget and future year commitments in the amount of \$0.934 million, as included in Appendix 3 (attached), with no debt impact.

4. City Council authorize the deferral of cash flow in the amount of \$2.000 million from 2017 to 2018, within the 2017 Parkland Acquisition project, entirely funded from the City Wide Parkland Acquisition Reserve Fund (XR2210).

5. City Council authorize an amendment to the Parks, Forestry and Recreation's approved 2017 Capital Budget for the Ward 38 Park Improvements sub-project in the Park Development project, to reallocate \$0.400 million from the Trudelle Street Piazza Improvements sub-project to the following: \$0.200 million for Greenbrae Circuit Splash Pad and Playground and \$0.200 million for Ward Park Improvements.

FINANCIAL IMPACT

Approval of the recommendations in this report will amend the 2017 Capital Budget and 2018-2026 Capital Plan for Parks, Forestry and Recreation. The total change includes a reduction of 2017 cash flow by \$1.606 million and an increase of \$2.540 million in 2018. There is no impact to the timing of debt requirements as a result of these amendments.

The 2017 Council Approved Capital Budget and future year commitments will be revised by reallocating project costs and cash flows in the amount of \$2.707 million and by deferring and accelerating a total of \$0.260 million with no impact on debt requirements.

The deferral of cash flow from 2017 to 2018 will result in a net reduction to the 2017 Council Approved cash flow by \$2.000 million. In addition, the amendment of \$0.934 million will increase cash flow in 2017 by \$0.394 million and \$0.540 million in 2018.

The reallocation of \$0.400 million in funding from one sub-project to two sub-projects under the Ward 38 Park Improvements, will have no budget or debt impact as it is a change of scope within the sub-projects.

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

DECISION HISTORY

City Council, at its meeting of February 15 and 16, 2017, 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/viewAgendaItemHistory.do?item=2017.EX22.2>

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 (Appendix 1)

The 2017 Council Approved Capital Budget for Parks, Forestry and Recreation includes \$12.810 million in cash flow in 2017 for seven sub-projects as noted in Appendix 1. This report is requesting authority to adjust cash flows and total project costs in the amount of \$2.707 million, with no impact on debt requirements, in order to meet capital project delivery schedules and program requirements.

The 2017 Capital Budget includes \$3.960 million in cash flow in 2017 for two CAMP Harbourfront, Marine, Fountains & Seawalls sub-projects, in the Special Facilities project. The first sub-project was approved by City Council through the 2016 Capital Budget with a project cost and cash flow of \$2.060 million in 2016. The second sub-project was approved through the 2017 Capital Budget, with a project cost of \$2.663 million and cash flow of \$1.900 million in 2017 and \$0.763 million in 2018. Due to the coordination with other projects and events, as well as approvals, planned seawall work is delayed in 2017. This report requests reallocating \$2.607 million, \$1.542 million from the 2016 sub-project and \$1.065 million from the 2017 sub-project, both funded by Capital from Current, to three alternate projects that are ready to proceed as follows:

- (a) An additional \$0.907 million in capital from current funding to the 2017 CAMP Trails, Pathways & Bridges sub-project, in the Trails and Pathways project, will increase the project cost from \$4.100 million to \$5.007 million, and 2017 cash flow will increase from \$3.250 million to \$4.157 million. Additional funds are required to address priority trail work that is able to proceed and be delivered in 2017;
- (b) An additional \$0.700 million in capital from current funding to the 2017 CAMP Special Facilities (SF) Building & Structures sub-project, the project cost will increase from \$3.075 million to \$3.775 million and 2017 cash flow from \$2.200 million to \$2.900 million. Additional funds are required to address increased construction costs and higher than anticipated tender prices; and
- (c) An additional \$1.000 million in capital from current funding to the 2017 Various Parks Rehab sub-project, the project cost and cash flow will increase from \$1.750 million to \$2.750 million. Additional funds are required to address priority rehabilitation work in various parks city-wide that is able to be delivered in 2017.

The Cataraqui Park Playground CIP150 #2 sub-project was approved by City Council through the 2017 Capital Budget process with a project cost and cash flow of \$0.150 million in 2017. This report requests reallocating \$0.100 million in 2017, funded by the East District Parkland Development Reserve Fund (XR2205), to the 2017 Play Equipment Program sub-project. The enhancement of the playground at Cataraqui Park was completed in 2016 through the 2016 Play Equipment Program and the available funding is being redirected back to the Play Equipment Program to address program requirements on various playground projects.

Deferrals and Accelerations (Appendix 2)

The Council Approved 2017 PF&R Capital Budget includes \$2.137 million in cash flow from 2017 to 2018 for three sub-projects as noted in Appendix 2. This report is requesting authority to defer \$0.260 million in cash flow from one project in 2017 to 2018, and accelerate the same value for two projects in 2018 to 2017.

The L'Amoreaux Park Tennis Bubble Replacement sub-project, in the Parking Lots and Tennis Courts project, was approved by City Council through the 2017 Parks, Forestry and Recreation Capital Budget, with a project cost and cash flow of \$0.450 million in 2017. This report requests deferring \$0.260 million in cash flow, funded from the Racquet Sports Reserve Fund (XR3009), from 2017 to 2018. The project has experienced delays as result of all bids received exceeding the Council approved budget and the tender will be re-issued for construction in 2018. By deferring cash flow from this project, two other projects that are ready to proceed can be accelerated.

The 2017 Capital Budget includes the Leslie Street Spit Washroom sub-project, in the Outdoor Recreation Centre project, approved by City Council through the 2016 Capital Budget with a project cost of \$1.500 million and cash flow of \$0.013 million in 2016, \$0.087 million in 2017 and \$1.400 million in 2018. The project is progressing and an additional \$0.205 million is requested to be accelerated to 2017 for ongoing professional services and in order to start construction this year. The funding source for the \$0.205 million is from the South District Parkland Development Reserve Fund (XR2209).

The Cedarcrest New Pathway Additional Funding sub-project, in the Trails and Pathways project, was approved by City Council with a project cost of \$0.200 million and cash flow of \$0.100 million in 2017 and \$0.100 million in 2018. The scope of work for this project includes a pedestrian pathway linking Cedarcrest Boulevard to Joshua Cronkwright Parkette. It will also include improvements to Joshua Cronkwright Parkette. Based on tender results, \$0.055 million in cash flow will be accelerated from 2018 to 2017 in order to award a contract and start construction in 2017. The \$0.055 million is funded from the South District Parkland Development Reserve Fund (XR2209).

Other Changes (Appendix 3, Recommendations 4 and 5)

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 and cash flow of \$0.100 million in 2017. In order to proceed with the contract

award, funds in the amount of \$0.050 million are required in order to meet community expectations for improvements to the parkette. This report requests increasing the project cost and cash flow in 2017 by \$0.050 million from \$0.100 million to \$0.150 million with funding 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 Kennedy-Margdon Park Playground Improvements sub-project, in the Playground Water Play project, approved by City Council with a project cost of \$0.261 million and cash flow of \$0.020 million in 2016 and \$0.241 million in 2017. To meet community expectations, the scope of work for the project expanded to include park improvements in addition to the planned playground improvements. As a result of bids exceeding the available budget, additional funds are required. This report requests increasing the project cost by \$0.109 million from \$0.261 million to \$0.370 million and cash flow from \$0.241 million to \$0.310 million in 2017 and \$0.040 million in 2018. The \$0.109 million increase is to be funded by the Section 42 Alternate Rate Cash-in-lieu for 2 Old Mill Drive (source account: XR2213-4200456).

The Langford to Logan Park Improvements sub-project, in the Park Development project, was Council approved through the 2015 Capital Budget, with a project cost of \$0.750 million and cash flow of \$0.005 million in 2015, \$0.056 million in 2016 and \$0.689 million in 2017. Due to community expectations for improvements to Langford Park and current project bids, additional funds are being requested. This report requests an increase to the project cost by \$0.375 million from \$0.750 million to \$1.125 million and cash flow from \$0.689 million to \$0.764 million in 2017 and \$0.300 million in 2018. The \$0.375 million increase, to be funded from the South District Parkland Development Reserve Fund (XR2209), will allow the project to be awarded in order for construction to proceed this year.

The 2017 PF&R Capital Budget includes the West Humber Trail Washrooms sub-project, in the Outdoor Recreation Centres project, approved by City Council with a project cost of \$0.450 million and cash flow of \$0.003 million in 2015, \$0.076 million in 2016 and \$0.371 million in 2017. This report requests an increase to the project cost by \$0.400 million from \$0.450 million to \$0.850 million and cash flow in 2017 from \$0.371 million to \$0.571 million and \$0.200 million in 2018. As a result of bids exceeding the current approved cash flow, additional funds are required in order to award the project. The \$0.400 million will be funded from the following sources: \$0.360 million from PF&R Development Charges (XR2114) and \$0.040 million from West District Parkland Development Reserve Funds (XR2203).

The 2017 PF&R Capital Budget includes the 2017 Parkland Acquisition project with a project cost of \$4.395 million and cash flow of \$4.000 million in 2017 and \$0.395 million in 2018, funded from various parkland acquisition reserve funds. The scope of work for this project includes the acquisition of various sites city-wide for parkland space. Due to the protracted process for acquisition, project spending is delayed and this report requests the deferral of \$2.000 million in cash flow from 2017 to 2018. The \$2.000 million is funded from the City Wide Parkland Acquisition Reserve Fund (XR2210).

The Ward 38 Park Improvements sub-project, in the Park Development project, was approved by City Council through the 2016 Capital Budget, with a project cost and cash

flow of \$1.200 million in 2016. The scope of work included allocations for four sites: a. \$0.200 million for Greenbrae Circuit splash pad and playground; b. \$0.400 million for Trudelle Street piazza improvements; c. \$0.200 million for Thomson Park improvements; and d. \$0.400 million for McCowan Park/Knob Hill Park improvements. As a result of work not proceeding at Trudelle Street, this report requests an amendment to the scope of work and reallocation of funds, that \$0.400 million originally approved for Trudelle Street piazza improvements be redirected to the following: \$0.200 million for Greenbrae Circuit splash pad and playground and \$0.200 million for Ward Park Improvements, with park locations to be determined. There is no change to the source of funding, Parkland Development Reserve Funds, originally approved.

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SIGNATURE

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ATTACHMENTS

Appendix 1 - Adjustments to Cash Flows and Project Costs (\$000s)
Appendix 2 - Deferrals/Accelerations (\$000s)
Appendix 3 - Increases to Cash Flows and Project Costs (\$000s)