

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

Date: August 21, 2017
To: Budget Committee
From: Chief Corporate Officer
Wards: All

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 in FREEE's 2017 Council Approved Capital Budget in the amount of \$0.500 million, as illustrated in Schedule A (attached), with zero gross and net debt impact.
2. City Council authorize the deferral and acceleration of funds in FREEE's 2017 Council Approved Capital Budget and 2018- 2026 Capital Plan in the amount of \$2.250 million, as illustrated in Schedule B (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 \$0.500 million as detailed in Schedule A for State of Good Repair (SOGR) projects; and the deferral and acceleration of funds in FREEE's 2017 Council Approved Capital Budget and 2018 – 2026 Capital Plan in the amount of \$2.250 million, as detailed in Schedule B attached. 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 the 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

City Council, at its meeting July 4, 2017, approved the transfer of Section 37 funds for the St. Lawrence Market South Heritage Lighting project in the 2017 Approved Capital Budget Facilities, Real Estate, Environment and Energy in the amount of \$0.467 million, with zero gross and net debt impact.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.MM31.51>

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>

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 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 Council Approved Capital Budget is being redirected to fund the Heritage lighting installation at St. Lawrence Market, 91 Front Street. A portion of

funding (Section 37) was secured and additional funding is required to ensure the project has sufficient funding, as per cost estimates received from consultants, to proceed with construction in 2017.

To offset this funding need, funds can be transferred from the signage project for corporate facilities. This project is still in the planning phase, and will not proceed until a strategy is developed. Therefore, less than planned amounts will be required in 2017. See Schedule "A" for additional information.

Budget Deferrals and Accelerations

Several projects either proceeding ahead of schedule, or where forecasted spending in 2017 is expected to exceed planned amounts, require an acceleration of cash flows from 2018. In each of these cases, the overall project costs remain within approved budgeted amounts. To offset this acceleration, funds in capital projects *100 Queen W. - Concrete Soffit Slats Grid Hangers Vertical Semi-Rigid Sections Above 2nd Floor Windows and Community Based Green Energy Projects – Other Locations* will be deferred to 2018, which will better align budget with forecasted spending in 2017 on these projects. . See Schedule "B" for additional information.

CONTACT

Sunil Sharma
General Manager
Facilities Management
Telephone: 416-397-5270
E-mail: Ssharma5@toronto.ca

Patrick Matozzo
Director Project Management Office
Facilities Management
Telephone: (416) 392-9158
Email: Patrick.Matozzo@toronto.ca

SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Schedule "A" - 2017 Budget Adjustments
Schedule "B" - 2017 Deferrals/Accelerations