

## **Transportation Services 2018 Capital Budget and 2019-2027 Adjustments**

Date: July 3, 2018

To: Executive Committee

From: General Manager, Transportation Services

Wards: All

### **SUMMARY**

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This report requests City Council's authority to amend Transportation Services' Approved 2018 Capital Budget and 2019-2027 Capital Plan for accelerations and deferrals of previously approved commitments to align with program requirements and project delivery schedules.

In addition, the report requests authority to amend Transportation Services' 2018 Capital Budget and 2019-2027 Plan to create a new Commuter Cycling account with 2018 total project costs of \$6.830 million gross, with new funding from the Ontario Municipal Commuter Cycling (OMCC) program of \$5.464 million and the transfer of \$1.366 million from a previously approved 2018 Cycling Infrastructure account for the City's required 20 percent commitment towards the implementation of the Ontario Municipal Commuter Cycling (OMCC) eligible projects.

### **RECOMMENDATIONS**

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The General Manager, Transportation Services recommends that:

1. City Council amend the 2018-2027 Approved Capital Budget and Plan for Transportation Services for deferral of funds within the City Bridge Rehabilitation Program in the amount of \$5.000 million from 2018 to 2019 and the acceleration of funds within the Local Roads Rehabilitation Program in the amount of \$5.000 million from 2019 to 2018.
2. City Council amend the 2018-2027 Approved Capital Budget and Plan for Transportation Services to create a new Commuter Cycling account with total project costs of \$6.830 million gross, funded by the Ontario Municipal Commuter Cycling (OMCC) program revenue of \$5.464 million and the transfer of \$1.366 million from a previously approved 2018 Cycling Infrastructure account (CTP817-05) and committed cash flows of \$0.400 million in 2018 and \$6.430 million in 2019.

## FINANCIAL IMPACT

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This report requests City Council's authority to amend Transportation Services' Approved 2018 Capital Budget and 2019-2027 Capital Plan by adjusting cash flows for the acceleration and deferral of previously approved commitments in the amount of \$5.000 million in 2018 and \$5.000 million 2019, respectively, to align with program requirements and project delivery schedules.

In addition, approval of this report will result in the creation of a new Commuter Cycling account with Total Project costs of \$6.830 million gross and committed cash flows of \$0.400 million in 2018 and \$6.430 million in 2019 funded from the following sources:

- \$5.464 million in new funding from the Ontario Municipal Commuter Cycling (OMCC) program with cash flows of \$0.320 million in 2018 and \$5.144 million in 2019; and,
- The City's 20% required share from the transfer of \$1.366 million from a previously approved Cycling Infrastructure account t (CTP817-05) including funding of \$1.120 million in Debt and \$0.246 million in Development Charges with cash flows of \$0.080 million in 2018 and \$1.286 million in 2019.

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

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At its meeting of February 12, 2018, City Council approved Transportation Services' 2018 Capital Budget and 2019-2027 Capital Plan, which included approval of a 2018 Capital Budget cash flow of \$372.045 million and 2017 carry-forward funding of \$150.011 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

At its meeting of April 24, 25, 26 and 27, 2018, City Council approved additional carry forward funding from unspent capital projects and adjustments to the 2018 Approved Capital Budgets for respective City Programs and Agencies in order to continue work on previously approved capital projects, with no incremental net impact on debt. The adjustment to the carry-forwards for Transportation Services resulted in an overall increase of carry-forward funding to \$169.627 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.14>

At its meeting of May 11, 2018, City Council approved Transportation Services' 2018 Capital Budget Adjustments, which included approval of reallocation of funds within Transportation Services' in the amount of \$1,400,000 with a zero budget impact and amended the 2018-2027 Capital Budget and Plan for Transportation Services by converting future year estimates for the York Street Tunnel capital project and approving total project costs of \$1,675,244 and cash flow commitments of \$1,675,244 in 2019, fully funded by debt.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BU44.7>

At its meeting of March 26, 2018, City Council authorized the General Manager, Transportation Services to negotiate, enter into and execute a Transfer Payment Agreement in the amount of \$25,639,263.91 million with Her Majesty the Queen in right of Ontario as represented by the Minister of Transportation for the Province of Ontario (the "Province"), and any amendments and amending agreements thereto as may be required, for the Ontario Municipal Commuter Cycling Program generally in accordance with the terms and conditions set out in the report (March 19, 2018) from the Deputy City Manager, Cluster B, and upon such additional terms and conditions satisfactory to the General Manager, Transportation Services, and in a form acceptable to the City Solicitor.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX32.22>

## **COMMENTS**

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Transportation Services is seeking approval to amend the 2018-2027 Approved Capital Budget and Plan to better align cash flows to revised forecasted expenditures, reflecting project and program requirements, in accordance with Section 71-9 B to E of the Financial Control By-Law.

In addition, approval is requested to incorporate funding provided through the Province of Ontario's OMCC program for projects in the Cycling Infrastructure Capital Program.

### **Project Delivery Schedule Amendments**

Several Transportation Services' 2018 Capital Programs and Projects, as identified below and summarized in Attachment 1, are recommended to be adjusted.

#### **1) Acceleration and Deceleration between Programs (2018 and 2019)**

##### *Local Roads Rehabilitation Program*

Additional funding within the Local Roads Rehabilitation Program is required for the completion of projects due to increased bid prices in tendered contracts. 2018 contracts tendered in mid-spring have resulted in an overall 10 to 15% increase in tendered bid prices, requiring a need to reallocate funds in the amount of \$5.000 million.

The adjustment will result in an acceleration of \$5.000 million from 2019 to 2018 within the Local Road Rehabilitation Program.

##### *City Bridge Rehabilitation Program*

The acceleration of funding within the Local Roads Rehabilitation Program from 2019 to 2018 is proposed to be offset by deferring \$5.000 million from 2018 to 2019 within the City Bridge Rehabilitation Program.

The rehabilitation of the Coxwell Bridge under Metrolinx Rail Corridor is delayed as a result of additional capital coordination required with third party utilities. The Algonquin Island Bridge project has also experienced delays in obtaining necessary permits and approvals. As a result, there is an estimated underspending of \$5.000 million in this program for 2018.

The proposed acceleration and deceleration of funds between the above noted programs will result in a net zero impact to the 2018-2027 Approved Capital Budget and Plan.

## **2) 2018 and 2019 Increase in Commitment – Ontario Municipal Commuter Cycling**

### *Cycling Infrastructure Program*

In March 2018, the Province of Ontario advanced a funding allocation for the City of Toronto in the amount of \$25.64 million through the Ontario Municipal Commuter Cycling (OMCC) program. Eligible projects must meet all terms and conditions of the program, including completion by December 30, 2020.

OMCC funding can be used to support up to 80% of costs associated with the implementation of eligible projects. The City must fund 20% of the project costs to match the Provincial contribution.

To deliver the Lower Don Trail and the Finch Hydro Corridor Multi-use Trail as OMCC eligible projects, an amendment to the 2018-2027 Approved Capital Budget and Plan for Transportation Services is requested to create a new Commuter Cycling account with total project costs of \$6.830 million gross.

\$5.464 million in new finding is requested from Ontario Municipal Commuter Cycling (OMCC) program revenue with cash flows of \$0.320 million in 2018 and \$5.144 million in 2019, representing 80% of the funds associated with the implementation of these projects.

In order to match the Provincial contribution, a transfer of \$1.366M in total project costs from a previously approved Cycling Infrastructure account (CTP817-05) is requested. Funding includes \$1.120 million in Debt and \$0.246 million in Development Charges with cash flows of \$0.080 million in 2018 and \$1.286 million in 2019.

The remainder of the OMCC funding along with the City's 20% contribution will be considered and allocated as part of the 2019 Capital Budget process.

## CONTACT

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## SIGNATURE

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Barbara Gray  
General Manager, Transportation Services

## ATTACHMENTS

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Attachment 1: Proposed 2018 Budget Adjustments

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### 1) Acceleration and Deceleration between programs (2018 and 2019)

Program Area	CTP Account	2018-2027 Capital Budget and Plan	2018 Proposed Adjustment	2019 Proposed Adjustment	Revised 2018-2027 Capital Budget and Plan
Local Road Rehabilitation	315-07	\$757,985,000	\$5,000,000	(\$5,000,000)	\$757,985,000
City Bridge Rehabilitation	515-01	\$357,986,000	(\$5,000,000)	\$ 5,000,000	\$357,986,000
Total		\$1,115,971,000	\$0	\$0	\$1,115,971,000

### 2) 2018 and 2019 Increase in Commitment – Ontario Municipal Commuter Cycling

Program Area	CTP Account	2018 Total Project Cost Adjustment	2018 Cash Flow Commitments	2019 Cash Flow Commitments
OMCC	818-06	\$6,830,000	\$400,000	\$6,430,000
Cycling Infrastructure	817-05	(\$1,366,000)	(\$80,000)	(\$1,286,000)
Total		\$5,464,000	\$320,000	\$5,144,000