

**REPORT FOR ACTION****Project Cost Adjustments and Deferrals /
Accelerations to the Parks, Forestry and Recreation
2019 Capital Budget and 2020-2028 Capital Plan
(Third Quarter)**

Date: August 19, 2019

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 2019 Council-Approved Capital Budget and 2020-2028 Capital Plan for Parks, Forestry and Recreation (PFR) by adjusting project costs and cash flows contained within the 10-Year Capital Plan. 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. Reallocations to cash flows and project costs are also requested where recent project bids exceed the current approved cash flow or alternatively to advance projects into 2019 that are ready to proceed.

RECOMMENDATIONS

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

1. City Council authorize the deferral and acceleration of projects in Parks, Forestry and Recreation's 2019 Council Approved Capital Budget and future year commitments in the amount of \$10.811 million, as included in Appendix 1 to this report, with no debt impact.
2. City Council authorize amendments to increase project costs and cash flows within the Parks, Forestry and Recreation's 2019 Council Approved Capital Budget and future year commitments in the amount of \$2.143 million, as included in Appendix 2 to this report, with no debt impact.

FINANCIAL IMPACT

Approval of the recommendations of this report will amend the 2019-2028 Council Approved Capital Budget and Plan for Parks, Forestry and Recreation.

The 2019 Council Approved Capital Budget and future year commitments will be revised by deferring and accelerating a total of \$10.811 million in cash flow over 2019 to 2021 as detailed in Appendix 1.

The total change includes an overall net increase in project cost in 2019 of \$2.143 million and amendments to the future year commitments resulting in a net increase in cash flow as follows: \$0.769 million in 2019 and \$1.374 million in 2020 as detailed in Appendix 2. There is no impact to the timing of debt requirements as a result of these amendments.

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

DECISION HISTORY

City Council, at its meeting of March 7, 2019, approved the 2019 Parks, Forestry and Recreation Capital Budget and future year commitments through item EX2.5 (197-207). <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.5>

COMMENTS

Authority is requested to amend Parks, Forestry and Recreation's Council Approved 2019-2028 Capital Budget and Plan to better align project costs and cash flows to reflect the schedules for project delivery and requirements for programming, as well as to allow contracts that exceed the current approved cash flows to be awarded. These amendments will help to improve PFR's spending rate by ensuring funds are allocated to projects that are proceeding in 2019.

Deferrals and Accelerations (Appendix 1)

The 2019 Council Approved PFR Capital Budget includes \$98.708 million in cash flow from 2019 to 2021 for 25 sub-projects as noted in Appendix 1. This report is requesting authority to defer \$10.811 million in cash flow from 2019 to 2020 and 2021 for 16 sub-projects; and accelerate cash flow of \$10.811 million, \$10.701 million from 2020 and \$0.110 million from 2021, to 2019 for nine sub-projects in order to align cash flows to the construction expectations and for design work to proceed. There is no impact on debt requirements.

The deferral of cash flow reflects the readiness of projects to proceed in 2019 as some projects have experienced delays as a result of coordination with other projects or partnerships, phasing of work, and timing of remediation of sites.

Adjustments to Project Costs and Cash Flows (Appendix 2)

There are eight sub-projects in the 2019 PFR Capital Budget with a combined project cost of \$15.496 million and cash flow of \$6.780 million in 2019 and \$4.150 million in 2020, as included in Appendix 2. This report is requesting authority to increase project costs for the eight sub-projects by \$2.143 million to \$17.639 million, and the related 2019 cash flow by \$0.769 million to \$7.549 million, and 2020 cash flow by \$1.374 million to \$5.524 million. Additional funds are required to award contracts where bids received are above the available cash flow and to fund the expanded scope of work as determined through the community engagement process.

CONTACT

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SIGNATURE

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ATTACHMENTS

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