EP11.14

REPORT FOR ACTION

2020 Capital Budget Update due to COVID-19

Date: June 10, 2020
To: The Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: All

SUMMARY

In April 2020 the City Managers Office looked at options to reduce its growing costs due to the COVID-19 situation and one of the efforts the City considered was the reduction and or cancellation of yet to be started 2020 Capital projects funded from CFC (Capital from Current). The City Financial Planning Department worked with all ABC's by issuing Capital from Current (CFC) Guidelines for the ABC to follow when revising their 2020 Budget.

In accordance with the CFC Reduction Guidelines, Exhibition Place adjusted its total capital projects for 2020 from $14.273 million to $7.838 million (Schedule 1) with $6.435 million funded by debt and $1.403 million funded by alternative sources. The overall reduction in 2020 Capital Projects to meet the City's directives is $6.435 million.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board receive this report for information.

FINANCIAL IMPACT

The impact due to COVID-19 to the Boards Capital Budget is a reduction of $6.435 million to $7.838 million (Schedule 1).

DECISION HISTORY

The Exhibition Place 2017 – 2019 Strategic Plan had a Financial Goal to achieve positive financial performance across Exhibition Place and all of its business, and deliver operating results that met or show positive revenue surplus and / or positive under expenditure to budget.

On the June 13, 2019 Board meeting, the Board approved without amendment the Proposed 2020 Above the Line Capital Works State-of-Good Repair Budget (Section A and B of Summary) of $13.930 million (City Debt Target and CNEA Funding), as part of the ten-year (2020-2029) proposed program submission to the City of Toronto.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EP3.6

COMMENTS

At its meeting of June 13, 2019 the Board approved without amendment the 2020 Capital Works Budget as part of the ten-year (2020-2029) Program. At that time the City was undergoing a budget modernisation process and the City Manager had not provided the 2020 Budget Process, Directions and Guidelines yet to City Divisions and Agencies for its 2020 submissions, and the Budget Submission was consistent with historical submissions within the ten-year cycle.

In November 2019 the City Manager Office communicated the 2020-2029 Capital Budget instructions and submission guidelines to all City Programs and Agencies. The City Manager request to Exhibition Place was for the Capital Works Budget and Plan Submission to reflect the organization's capacity to spend and complete its projects. Previously, as directed by the City the Exhibition Place Capital Works Budget was prepared based on a specific debt target level for each of the 10-year program which debt level is no longer assigned commencing in 2020.

The revised 2020 – 2029 Exhibition Place Capital Works Budget has been developed with the City Financial Planning staff based on the November 2019 instructions and guidelines, and meets the City Manager directive.

In April 2020 the City was looking at ways to reduce its growing costs from COVID-19 and one of the efforts the City considered was the reduction of 2020 Capital Budgets City-Wide, more specifically all projects funded from CFC (Capital from Current). The City Financial Planning Department worked with all ABC's by issuing Capital from Current (CFC) Guidelines for the ABC to follow when revising their 2020 Budget.

In accordance with the CFC Reduction Guidelines, Exhibition Place adjusted total capital projects for 2020 would be $7.838 million (Schedule A) with $6.435 million funded by debt and $1.403 million funded by alternative sources. This being a reduction of $6.435 million.

SCHEDULE 1

2020 Revised Capital Budget

EXHIBITION PLACE				
ADJUSTED 2020 CAPITAL WORKS PROGRAM				
CAPITAL BUDGET SUMMARY	2020 CAPITAL BUDGET	2019 CARRYFORWARD CAPITAL BUDGET	BUDGET DELAYED DUE TO COVID-19	TOTAL 2020 CAPITAL PLAN
1. PRE-ENGINEERING PROGRAM	175,000	10,500	175,000	10,500
2. PARKS PARKING LOTS AND ROADS	695,000	31,294	300,000	426,294
3. M/E & COMMUNICATION INFRASTRUCTURE	800,000	83,478	500,000	383,478
4. ENERCARE CENTRE	2,200,000	138,588	2,200,000	138,588
5. COLISEUM COMPLEX	100,000	20,650	100,000	20,650
6. QUEEN ELIZABETH BUILDING	200,000	11,125	200,000	11,125
7. OTHER BUILDINGS	740,000	79,280	115,000	704,280
8. BEANFIELD CENTRE	4,160,000	1,642,937	450,000	5,352,937
9. BETTER LIVING CENTRE	175,000	-	175,000	-
10. GENERALSERVICES BUILDING	-	-	-	-
11.HORSE PALACE	-	-	-	-
12. FOOD BUILDING	220,000	411,054	220,000	411,054
13. PRESS BUILDING	-	-	-	-
14. SPECIAL PROJECTS (Greek Gods Relocation)	-	-	-	-
15. ELECTRICAL UNDERGROUND HV UTILITIES	2,000,000	378,776	2,000,000	378,776
TOTAL - NET CAPITAL PROGRAM	**11,465,000**	**2,807,683**	**6,435,000**	**7,837,683**

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SIGNATURE

Don Boyle
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