

Toronto 2018 BUDGET



CAPITAL BUDGET NOTES



Yonge-Dundas Square

2018 – 2027 CAPITAL BUDGET AND PLAN OVERVIEW

The Yonge-Dundas Square is a one-acre open air public space built in 2002 as the centerpiece of the \$67.8 million Yonge Street regeneration Project. The Square, with twenty water fountains and a stage, is also an event venue for the general public.

Since its official opening in 2003, the City has made a total investment of \$1.2 million for capital improvements including additional lighting, a stage canopy and a permanent storage facility; and addressed various immediate structural and mechanical/electrical system deficiencies. The asset replacement value of the square and its amenities is \$15.5 million.

The Board of Management of Yonge-Dundas Square has determined that no capital projects are necessary for the 2018 year. The 10-Year Preliminary Capital Plan for Yonge-Dundas Square provides future planned estimates to ensure the facility is maintained in a state of good repair through 2027.

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4. 2018 Cash Flow and Future Year Commitments N/A
5. 2018 Preliminary Capital Budget with Financing Detail N/A
6. Reserve / Reserve Fund Review N/A

CONTACTS

Program:

Taylor Rath

General Manager

Tel: (416) 979-9960 x115

Email: Taylor@ydsquare.ca

Corporate:

Judy Skinner

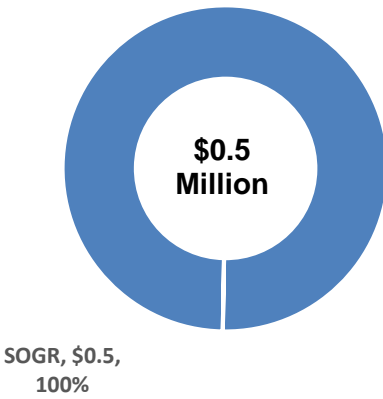
Manager, Financial Planning

Tel: (416) 397-4219

E-Mail: Judy.Skinner@toronto.ca

CAPITAL SPENDING AND FINANCING

**2018 - 2027 Preliminary Capital Budget and Plan
By Project Category**

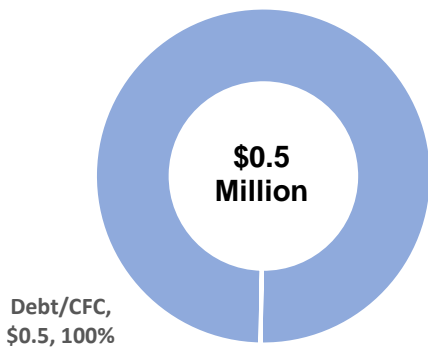


Where the money goes:

The 2018 - 2027 Preliminary Capital Budget and Plan totalling \$0.450 million provides funding for:

- State of Good Repair (SOGR) projects (\$0.450 million)
 - ✓ The 2019 -2017 Capital Plan allocates \$0.050 million per year in each year to address unanticipated state of good repair work and unforeseen capital needs as they arise.

By Funding Source



Where the money comes from:

The 10-Year Preliminary Capital Plan requires:

- New debt funding of \$0.050 million which is in line with the debt guideline established for Yonge Dundas Square for each year of the 10 years planning period.

State of Good Repair Backlog

- Yonge Dundas Square does not have a state of good repair backlog as the facility is relatively new and the SOGR project completed in 2010 addressed all the immediate structural and mechanical/electrical state of good repair items.
- A facility audit conducted in 2014 concluded that the Square is not expected to require State of Good Repair capital projects in the years 2016 to 2020.

OUR KEY ISSUES & PRIORITY ACTIONS

- **Unforeseen Capital Needs** – Yonge Dundas Square completed a facility audit report in January 2015, which identified no need for capital investments between 2016 and 2020.
- ✓ One of the Yonge Dundas Square's primary objectives is to be able to respond to unforeseen capital needs as they arise. Minor expenditures are expected to be covered through the provision made in the operating budget for maintenance.

2018 CAPITAL BUDGET HIGHLIGHTS

There are no capital projects for 2018. The 2019-2027 Preliminary Capital Plan for Yonge Dundas Square includes \$0.050 million per plan year, for a total of \$0.450 million over the 9 years to support state of good repair maintenance work.



Actions for Consideration

Approval of the 2018 Preliminary Capital Budget as presented in these notes requires that:

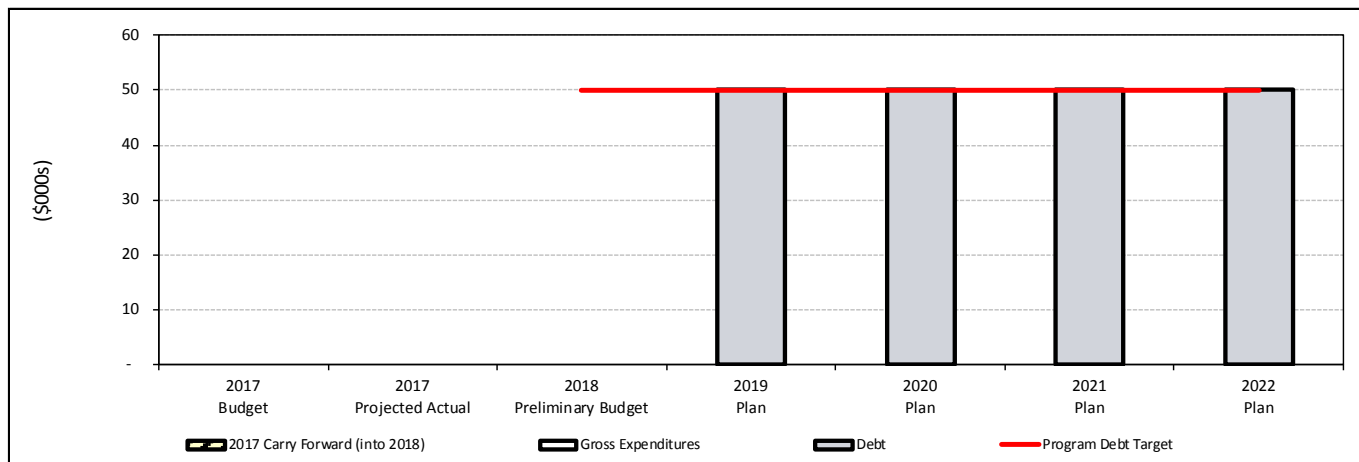
1. City Council approve the 2019 - 2027 Preliminary Capital Plan for Yonge Dundas Square totalling \$0.450 million in project estimates, comprised of \$0.050 million for each of the years from 2019 to 2027.



Part 1

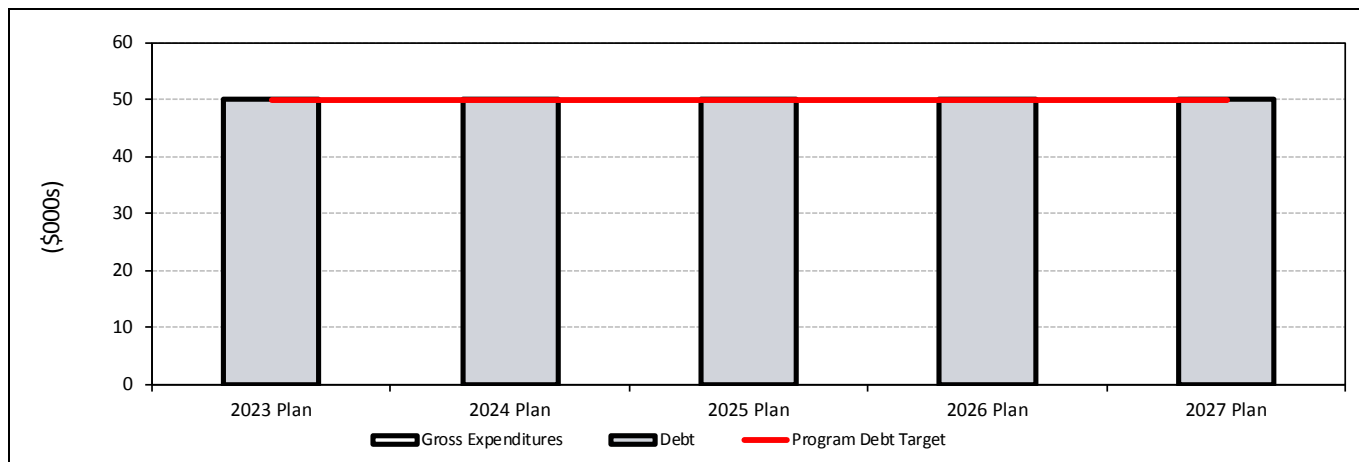
10-Year Preliminary Capital Plan

**Table 1a
10-Year Capital Plan
2018 Preliminary Capital Budget and 2019 - 2022 Capital Plan**



2018 Preliminary Capital Budget and 2019 - 2022 Capital Plan								
		2018	2019	2020	2021	2022	2018 - 2022	5-Year Total Percent
		Budget	Projected Actual					
Gross Expenditures:								
2017 Capital Budget & Approved Future Year (FY) Commitments								
Changes to Approved FY Commitments								
2018 New/Change in Scope & FY Commitments								
2019 - 2022 Capital Plan Estimates			50	50	50	50	200	100.0%
2-Year Carry Forward for Reapproval								
1-Year Carry Forward to 2018								
Total Gross Annual Expenditures & Plan		-	-	50	50	50	200	100.0%
Program Debt Target			50	50	50	50	250	
Financing:								
Debt				50	50	50	200	100.0%
Reserves/Reserve Funds								
Development Charges								
Provincial/Federal								
Debt Recoverable								
Other Revenue								
Total Financing		-	-	50	50	50	200	100.0%
By Project Category:								
Health & Safety								
Legislated								
SOGR				50	50	50	200	100.0%
Service Improvement								
Growth Related								
Total by Project Category		-	-	50	50	50	200	100.0%
Asset Value (\$) at year-end		15,500	15,500	15,500	15,500	15,500	15,500	
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)								
Backlog: Percentage of Asset Value (%)		0.0%	0.0%	0.0%	0.0%	0.0%		
Debt Service Costs			0	1	6	6	6	20
Operating Impact on Program Costs								
New Positions								

**Table 1b
10-Year Capital Plan
2023 - 2027 Preliminary Capital Plan**



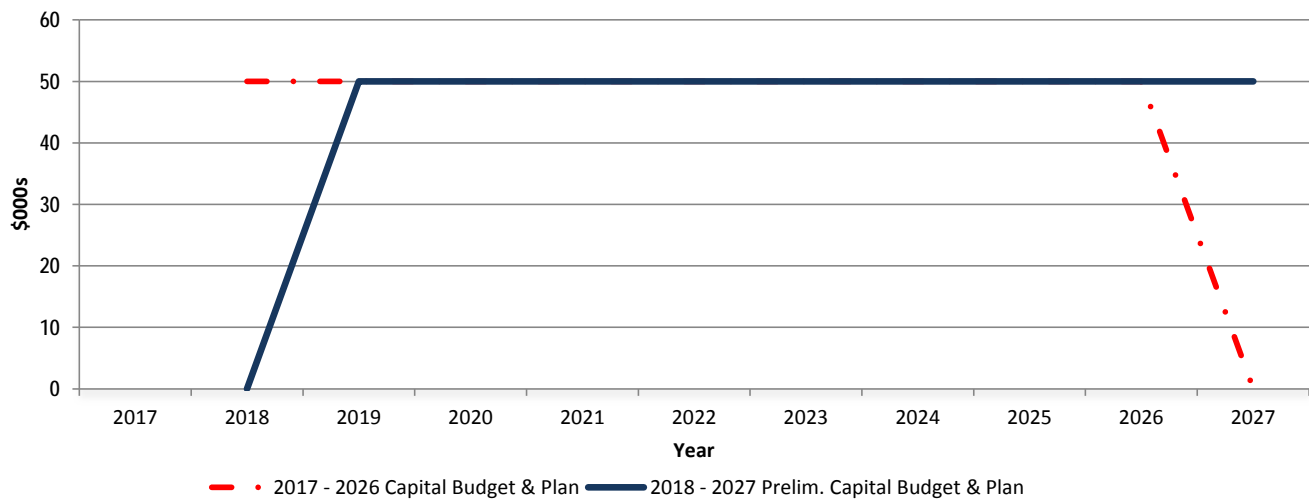
	2023 - 2027 Preliminary Capital Plan						10-Year Total Percent
	2023	2024	2025	2026	2027	2018 - 2027	
Gross Expenditures: 2017 Capital Budget & Approved Future Year (FY) Commitments Changes to Approved FY Commitments 2018 New/Change in Scope & FY Commitments 2023 - 2027 Capital Plan Estimates 2-Year Carry Forward for Reapproval	50	50	50	50	50	450	100.0%
Total Gross Annual Expenditures & Plan	50	50	50	50	50	450	100.0%
Program Debt Target	50	50	50	50	50	500	
Financing: Debt Reserves/Reserve Funds Development Charges Provincial/Federal Debt Recoverable Other Revenue	50	50	50	50	50	450	100.0%
Total Financing	50	50	50	50	50	450	100.0%
By Project Category: Health & Safety Legislated SOGR Service Improvement Growth Related	50	50	50	50	50	450	100.0%
Total by Project Category	50	50	50	50	50	450	100.0%
Asset Value(\$) at year-end	15,500	15,500	15,500	15,500	15,500	15,500	
Yearly SOGR Backlog Estimate (not addressed by current plan) Accumulated Backlog Estimate (end of year)							
Backlog: Percentage of Asset Value (%)	0.0%	0.0%	0.0%	0.0%	0.0%		
Debt Service Costs	6	6	6	6	6	52	
Operating Impact on Program Costs	-	-	-	-	-	-	
New Positions							

Key Changes to the 2017 - 2026 Approved Capital Plan

The 2018 Preliminary Capital Budget and the 2019 - 2027 Preliminary Capital Plan is consistent with the 2017 - 2026 Approved Capital Plan.

The chart and table below provide a breakdown of the changes in the Capital Program on an annual basis from 2017 - 2027.

Chart 1
Changes to the 2017 - 2026 Approved Capital Plan (In \$000s)



(\$000s)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	10-Year Total
2017 - 2026		50	50	50	50	50	50	50	50	50	0	450
2018 - 2027		0	50	50	50	50	50	50	50	50	50	450
Change %		(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Change \$		(50)	0	0	0	0	0	0	0	0		0

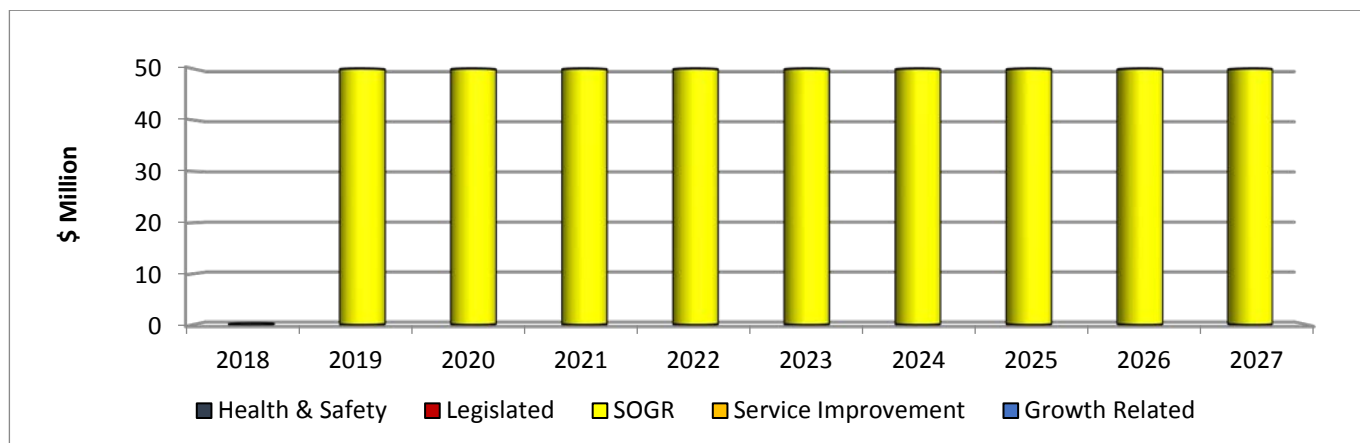
As made evident in Chart 1 above, the 2018 – 2027 Capital Plan continues to remain at \$0.450 million with no increase in capital funding from the 2017 - 2026 Approved Capital Plan.

Changes to the nine common years of the Capital Plan arise from the reprioritization of YDS's Capital needs as reflected by the reduction of previously planned funding for 2018. Yonge Dundas Square does not anticipate any capital project needs in 2018.

2018 – 2027 Preliminary Capital Plan

Chart 2

2018 – 2027 Preliminary Capital Plan by Project Category (In \$000s)



As illustrated in Chart 2 above, the 10-Year Preliminary Capital Plan for Yonge Dundas Square of \$0.450 million provides funding for State of Good Repair (SOGR) project. There are no new capital needs for 2018.

- All future funding is dedicated to State of Good Repair projects to maintain the Yonge Dundas Square facility in a state of good repair as the structure, as well as mechanical, electrical, and HVAC systems and equipment age.

Table 2 below details all capital projects, by category, included in the 2018 - 2027 Preliminary Capital Budget and Plan for Yonge Dundas Square:

Table 2
2018 - 2027 Capital Plan by Project Category (In \$000s)

	Total App'd Cash Flows to Date*	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2018 - 2027 Total	Total Project Cost
Total Expenditures by Category													
State of Good Repair			50	50	50	50	50	50	50	50	50	450	
<i>Estimated Future Costs of Maintaining SOGR</i>													
Total Expenditures by Category (excluding carry forward)			50	50	50	50	50	50	50	50	50	450	

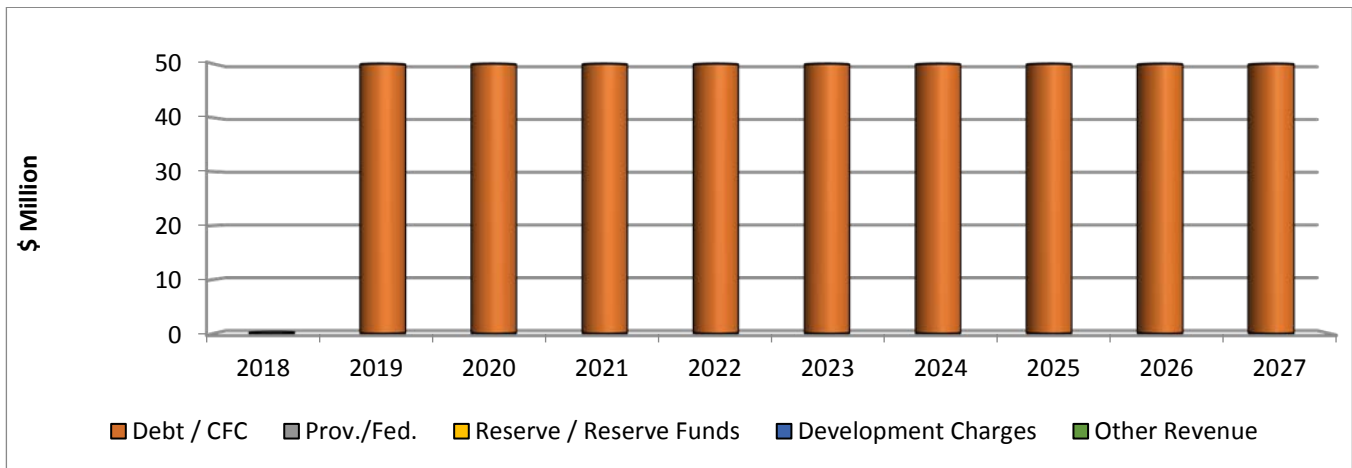
2018 - 2027 Capital Projects

The 10-Year Preliminary Capital Plan supports Yonge Dundas Square's objectives to maintain the facility in a state of good repair.

State of Good Repair (SOGR)

- SOGR projects account for \$0.450 million or 100% of the total 10-Year Preliminary Capital Plan's Expenditures.
- There are no major capital initiatives planned for YDS. Any anticipated project expenditures are expected to be utilized for maintaining the Square's current assets in a state of good repair.

Chart 3
2018 – 2027 Preliminary Capital Plan by Funding Source (In \$000s)

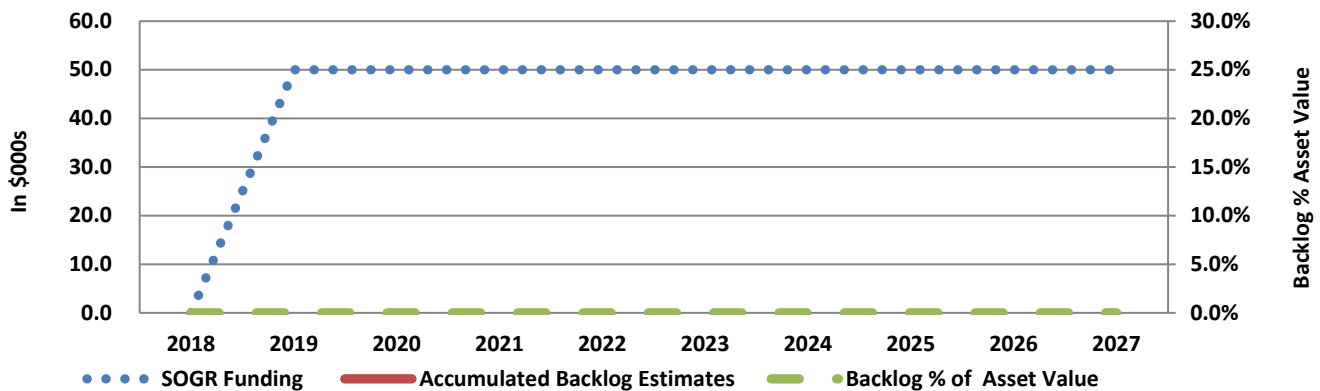


The Preliminary 10-Year Capital Plan of \$0.450 million of cash flow finding will be financed entirely by debt.

- Debt accounts for \$0.450 million or 100% of the financing over the 10-year period.
 - The debt funding is below the 10-year debt affordability guidelines of \$0.500 million allocated to this Program by \$0.050 million, as the previously planned expenditures for SOGR capital work for 2018 is not required.

State of Good Repair (SOGR) Backlog

Chart 4
SOGR Funding & Backlog (In \$000s)



- The 10-Year Preliminary Capital Plan dedicates \$0.450 million to SOGR spending over the 10-year period, which on average is \$0.045 million per year, and \$0.050 million for each of the Capital Plan's years between 2019 and 2027.
- The funding will ensure that current assets valued at \$15.5 million will be maintained in a state of good repair. Ensuring the availability of this funding, when required, will prevent any backlog from occurring.
- Yonge Dundas Square (YDS) does not have a backlog of state of good repair projects as the Square is relatively new (built in 2001 -2002).

- A facility audit was completed in December 2014 and found the majority of items reviewed to be in good to fair condition. Regular review and maintenance were recommended to preserve the appearance of the Square.
- Certain upgrades will be needed at YDS in the next ten (10) years – the most costly expenditures within this time period consist of signage, roof replacement, exterior green wall, split type air conditioning unit, fire alarm system, and lockers. The 2019 – 2027 Preliminary Capital Plan is sufficient to cover these expenditures.
- Any minor SOGR needs in the future years as presented in the facility audit report, will be addressed and funding from the Operating Budget. These include repairs and replacements to light fixtures, hand dryers, granite slab pavers, supply and exhaust fans, minor washroom repair, and remedial painting.
- The 10 year Preliminary capital Plan covering the years 2018 -2027 is appropriate at this time and the next facility audit report is expected in 2020.

10-Year Capital Plan: Net Operating Budget Impact

There are no net operating budget impacts arising from the Yonge Dundas Square's 10-Year Capital Plan. .

Capital Project Delivery: New Temporary Positions

Yonge Dundas Square does not require any temporary positions to implement its state of good repair capital projects. The Board of Management of Yonge Dundas Square has an agreement with the City's Facilities Management Division to manage capital projects in the future as required.



Part 2

Issues for Discussion

Issues Impacting the 2018 Capital Budget

Review of Capital Projects and Spending

- City Council, at its meeting of May 25, 2017 considered the report entitled "2018 Budget Process – Budget Directions and Schedule EX25.18" and directed that City Programs and Agencies submit their 2018 – 2027 Capital Budget and Plans requiring that:
 - Annual cash flow funding estimates be examined to more realistically match cash flow spending to project activities and timing, especially in the first 5 years of the Capital Plan's timeframe.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>
 - As there was no 2017 Capital Budget for Yonge Dundas Square, no spending review was required.
 - It was determined that no capital projects were required for 2018 Capital Budget.

Issues Impacting the 10-Year Capital Plan

Facility Audits and Future Capital Plan Estimates

- The facility audit of Yonge Dundas Square was completed in January 2015 and the results of the audit indicated that Yonge-Dundas Square is not expected to require any major capital work between 2016 and 2020.
 - The provision of \$0.050 million in the Capital Plan for each year will be evaluated during the Annual budget process.
 - Minor SOGR needs were identified, and will be addressed and funded through Yonge Dundas Square's Operating Budget.
- One of the Yonge Dundas Square Board of Management's primary objectives is the ability to respond to unforeseen capital needs as they arise, especially emergent issues that may affect operations or health and safety issues that could impact the public or staff.
 - Current debt targets for Yonge Dundas Square for 2018 -2027 indicate that there may be challenges, as it may be necessary to adjust future capital plans as better understanding of the timing and needs for major capital projects is gained.
- A 5 year life cycle facility audit follow-up will be part of the capital maintenance plan for Yonge Dundas Square.
 - To date, Yonge Dundas Square has already addressed all immediate structural and mechanical/electrical state of good repair items.
 - The Board of Management of Yonge Dundas Square will continue to coordinate with the City's Facilities Management Division to maintain the Square and conduct another facility audit in 2020.



Appendices

Appendix 1

2017 Performance

2017 Key Accomplishments

- ✓ No Capital Budget was required for Yonge-Dundas Square and 2017 and no capital projects were undertaken.
- ✓ Provisions for minor capital maintenance and repair expenses were addressed through the Agency's Council Approved Operating Budget

Appendix 2

2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan Including Carry Forwarding (\$000s)

Project	Total Project Cost	Prior Year Carry Forward	2018	2019	2020	2021	2022	2018 - 2022	2023	2024	2025	2026	2027	2018 - 2027 Total
State of Good Repair:														
<i>Estimated Future Costs of Maintaining SOGR</i>				50	50	50	50	200	50	50	50	50	50	450
Sub-Total		-	-	50	50	50	50	200	50	50	50	50	50	450
Total		-	-	50	50	50	50	200	50	50	50	50	50	450

Appendix 3

2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan

Report Phase 2 - Program 50 Yonge-Dundas Square Program Phase 2 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4 Sub-Project Category 01,02,03,04,05,06,07

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3: 2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan

Yonge-Dundas Square

<u>Sub- Project No. Project Name</u> PrioritySubProj No. Sub-project Name Ward Stat. Cat.							Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By											
							2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing
<u>YDS907451 Estimated Future Costs of Maintaining SOGR</u>																								
1	1	Estimated Future Costs of Maintaining SOGR	27	S6	03	0	50	50	50	50	200	250	450	0	0	0	0	0	0	0	450	0	450	
Sub-total						0	50	50	50	50	200	250	450	0	0	0	0	0	0	0	450	0	450	
Total Program Expenditure							0	50	50	50	50	200	250	450	0	0	0	0	0	0	0	450	0	450

Report Phase 2 - Program 50 Yonge-Dundas Square Program Phase 2 Part B Sub-Project Status S2,S5,S6 Part C Sub-Project Status S2,S3,S4 Sub-Project Category 01,02,03,04,05,06,07

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3: 2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan

Yonge-Dundas Square

Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.	Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By												
						2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Financed By:																								
Debt						0	50	50	50	50	200	250	450	0	0	0	0	0	0	0	0	450	0	450
Total Program Financing						0	50	50	50	50	200	250	450	0	0	0	0	0	0	0	0	450	0	450

- Status Code Description**
 S2 S2 Prior Year (With 2018 and/or Future Year Cashflow)
 S3 S3 Prior Year - Change of Scope 2018 and/or Future Year Cost\Cashflow)
 S4 S4 New - Stand-Alone Project (Current Year Only)
 S5 S5 New (On-going or Phased Projects)
 S6 S6 New - Future Year (Commencing in 2019 & Beyond)

- Category Code Description**
 01 Health and Safety C01
 02 Legislated C02
 03 State of Good Repair C03
 04 Service Improvement and Enhancement C04
 05 Growth Related C05
 06 Reserved Category 1 C06
 07 Reserved Category 2 C07