



STAFF REPORT ACTION REQUIRED

2016 Capital Budget In-Year Technical Adjustment

Date:	January 18, 2017
To:	TTC Board
From:	Chief Executive Officer

Summary

This report seeks approval for technical adjustments to the 2016 TTC Capital Budget and funding sources to allow for optimum utilization of the available funding.

Recommendations

It is recommended that the Board:

1. approve the technical budget adjustments as outlined in Appendix A to reflect offsetting project deferrals and accelerations of \$42.488 million in the approved 2016 TTC Capital Budget to/from future year cash flow commitments (including related funding impacts) nothing that there is no impact to project approvals or to City debt;
2. forward this report to the City of Toronto for Council approval.

Financial Summary

Funding for the TTC's Capital Budget is sourced from various funding programs and debt is channelled through the City of Toronto in accordance with the funding included in the TTC 2016-2025 Capital Budget as approved by City of Toronto Council on February 17, 2016. The budget and related funding adjustments requested in this report address required changes to the 2016 approved budget to support the funding requirements that have been incorporated into the TTC's 2017-2026 Capital Budget as approved by the Board on November 21, 2016. Technical budget adjustments totalling \$42.488 million are required to offset project deferrals and accelerations to align the 2016 Capital Budget to the projected 2016 spending for TTC capital projects. There is no impact to project approvals or to City debt.

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

Decision History

On August 25, 2011, the City of Toronto introduced a new by-law which amended the City of Toronto Municipal Code Chapter 279 - Toronto Transit Commission that carried certain requirements for addressing budget changes at the capital project level. Furthermore, the detailed application of funding to each project as requested by City staff has created additional requirements to maintain the integrity of project budget and funding. TTC staff has assessed the impact of updated project cash flows and deliverables as well as changes to funding programs and other revenue sources which require technical amendments to project cash flows, commitments and funding sources to ensure compliance with budget constraints and City By-law requirements for capital projects.

Issue Background

Each year the TTC reassesses its capital needs and incorporates updated requirements into a refreshed capital plan. In the preparation of the TTC's 2017-2026 Capital Budget submission, staff incorporated project adjustments into future years, however subsequent refinements to projected expenditures in 2016 require approval, and this report seeks that approval. Through this report, the 2016 budget is being revised to align with the 2017-2026 Capital Budget and Plan that will be considered by Council in February 2017 (as a 2016 budget update is not part of the 2017 budget process). The technical adjustments to the 2016 approved budget and related funding are summarized in Appendix A.

Comments

The approval of the requested project and related funding adjustments will allow TTC to optimize the utilization of 2016 funding available while also adhering to the City's financial requirements. This will also align the reporting and budgeting of 2016 with the 10-year capital budget and funding sources as submitted to the Board on November 21, 2016.

Contact

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Attachment: Appendix A – 2016 Capital Budget In-Year Technical Adjustment

Toronto Transit Commission
2016 Capital Budget In-Year Technical Adjustment
Accelerations and Deferrals
(\$000's)

APPENDIX A

Program	SAP	Project Description	2016 Budget	Funding Sources						
				Debt	Federal Subsidy FGT/CSIF	Provincial Subsidy		Asset Monetization	Reserve Funds/DC	Depreciation
						PGT/CSIF	MetroInx			
A) 2016 Accelerations *										
1.2	CTT002	Surface Track	7,503	7,503				-		
2.4	CTT142	ATC Resignalling	4,137	4,137				-		
3.1	CTT010	Finishes	1,918	1,918			-			
3.3	CTT015	Yards and Roads	2,392	2,392			-			
3.9	CTT028	Easier Access	528	528						
3.9	CTT109	Mount Dennis Bus Facility	1	1						
3.9	CTT116	Queensway Bus Garage Renovations	136	136						
3.9	CTT144	Wilson Complex Modifications	54	54						
3.9	CTT145	Leslie Barns Maintenance & Storage Facility	12,658	5,825	-			6,833		
3.9	CTT146	TR/T1 Yard & Storage Accommodation	12,939	11,006	-			1,933		
3.9	CTT148	McNicoll Bus Garage	105	105				-		
9.1	CTT062	Furniture & Office Equipment	117	117						
Sub-Total - Accelerations / increases			42,488	33,722	-	-	-	8,766	-	
B) 2016 Deferrals **										
1.1	CTT001	Subway Track	(2,500)	(2,500)						
2.3	CTT006	Communications	(5,000)	(5,000)						
2.4	CTT008	Signal Systems	(5,000)	(5,000)						
3.2	CTT012	Equipment	(2,500)	(2,500)						
3.4	CTT020	Bridges & Tunnels	(8,766)					(8,766)		
3.9	CTT110	Other Buildings & Structures Projects	(4,527)	(4,527)						
5.3	CTT113	Other Maintenance Equipment	(2,500)	(2,500)						
7.1	CTT061	Information Technology - Infrastructure	(9,695)	(9,695)						
9.2	CTT063	Other Service Planning	(2,000)	(2,000)						
Sub-Total - Deferrals / Decreases			(42,488)	(33,722)	-	-	-	(8,766)	-	
Total Adjustment Impact on 2016 Capital Budget			-	-	-	-	-	-	-	

Note: * 2016 Acceleration - to 2016 from 2018 to 2025
** 2016 Deferral - from 2016 to 2018 to 2025