



Finance, Audit and Risk Management Committee – November 30, 2016
Item 8 – Quarterly FARM Reporting – September 30, 2016
David Kusturin

Please find attached the Quarterly Financial Variance Report and Work Package Risk/Status Report, as at the close of the second quarter of 2016/17 fiscal year. As adopted by the Finance, Audit and Risk Management Committee at its meeting on June 23, 2015 and subsequently, by the Board of Directors at its meeting on June 24, 2015, these reports summarize the budget, commitment, current costs, forecast costs, budget variance and risk status of each active project at the close of each fiscal quarter.

Board Financial Variance Report

Approved Funding Allocation Status

The Current Approved Funding Allocation for all active projects is \$600.87 million which represents an increase of \$65.0 million relative to the Approved Funding Allocation as at the close of Q1 FY 2016/17. The increase is due to the addition of the PFP02-00 Essroc Quay Lakefilling work package.

Funding Allocation Variance Status

The current Anticipated Final Cost for all active projects is \$596.83 million which represents a positive variance of \$4.0 million and includes no material variances.

Board Work Package Risk/Status Report

All active projects are proceeding within acceptable risk parameters and project risks are being managed. One project exhibits material risks as follows:

WDL06-03 Stormwater Quality Management Facilities

As reported to the September 8, 2015 FARM meeting, tender prices for the construction of the Cherry Street Storm Water Treatment Facility (CS SWF) substantially exceeded the remaining available budget.

Management anticipates that an additional Capital Approval Request and Budget increase will be submitted for FARM Committee review and Board of Directors approval at a future date once the financial implications of the deferral have been fully re-assessed and an alternative funding solution has been identified. The approval will be for the installation and commissioning of the in-water pipe linking Bayside and Dockside and the processing equipment within the CS SWF.

In the interim, the design of the CS SWF is being modified to reduce the anticipated construction cost and to coordinate with the Gardiner Expressway & Lake Shore Boulevard Reconfiguration Environmental Assessment and Urban Design Study and Metrolinx Regional Express Rail projects which have impacted on the location of the facility.

Required Board Action:

None - staff is following up on all items.

¹ Material changes are defined as either positive or negative changes or variances which are equal to or greater than \$2.0 million.