

Analyst Briefing Notes

Budget Advisory Committee

November 10, 2005

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2005 Approved Capital Budget for Toronto and Region Conservation Authority (TRCA) of \$5.946 million was 68% spent as at September 30, 2005. Actual expenditures by year-end are anticipated to be \$5.946 million or 100% of the approved budget, resulting in no 2005 funding being carried forward into 2006.
- TRCA's 2006-2015 capital program totals \$71.110 million, of which 45% or \$32.240 million pertains to TRCA's 5-Year Capital Plan, with 2006 cash flow of \$6.0 million, \$6.316 million in 2007, \$6.592 million in 2008, \$6.742 million in 2009 and \$6.590 million in 2010.
- The 2006 TRCA Proposed Capital Budget requires new 2006 cash flow of \$6.0 million gross with a contribution of \$3.000 million from the Wastewater Capital Reserve Fund and debt funding of \$3.0 million. The proposed debt funding is equivalent to the amount received by TRCA in 2005 and also equivalent to the 2006 TRCA debt affordability guideline.
- Of the new 2006 proposed cash flow, 97% is allocated to State of Good Repair projects at \$5.607 million, 3% to Service Improvement projects at \$0.393 million. There are no Health and Safety, Legislated or Growth Related projects.
- The gross expenditures in the 2006-2010 Revised Capital Plan for TRCA are relatively smooth. With revised total debt funding of \$16.805 million over the next 5 years, the Revised 5-Year Capital Plan is over the 5-year debt target of \$15.0 million by \$1.805 million or 12%.
- TRCA and Toronto Water will report back to the Budget Advisory Committee by May 2006 and prior to the finalization of the City's Firm 5-Year Capital Plan with consistent recommendations for capital funding between these Programs over the 5-Year Capital Plan.
- The Revised 5-Year Capital Plan will be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within City Council's approved debt affordability limits.

Recommendations

It is recommended that:

1. the 2006-2015 Toronto and Region Conservation Authority Capital Program Request with a total 10-year project cost of \$81.634 million, be received;
2. the 2006 Proposed Capital Budget for Toronto and Region Conservation Authority with a total project cost of \$6.0 million and a 2006 cash flow of \$6.0 million and no future-year commitments be approved. The 2006 Proposed Capital Budget consists of the following:
 - a) New Cash Flow Funding for 30 new sub-projects with a 2006 total project cost of \$6.0 million that requires cash flow of \$6.0 million in 2006 and no future-year commitments;
3. new debt service costs of \$0.090 million in 2006 and incremental costs of \$0.330 million in 2007, resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2006 and future-year operating budgets;
4. Toronto and Region Conservation Authority and Toronto Water report back to the Budget Advisory Committee by May 2006 and prior to the finalization of the City's Firm 5-Year Capital Plan with consistent recommendations for capital funding between these Programs over the 5-Year Capital Plan; and
5. the revised cash flow projections of \$6.316 million in 2007, \$6.592 million in 2008, \$6.742 million in 2009 and \$6.590 million in 2010 for Toronto and Region Conservation Authority be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within City Council's approved debt affordability limits.

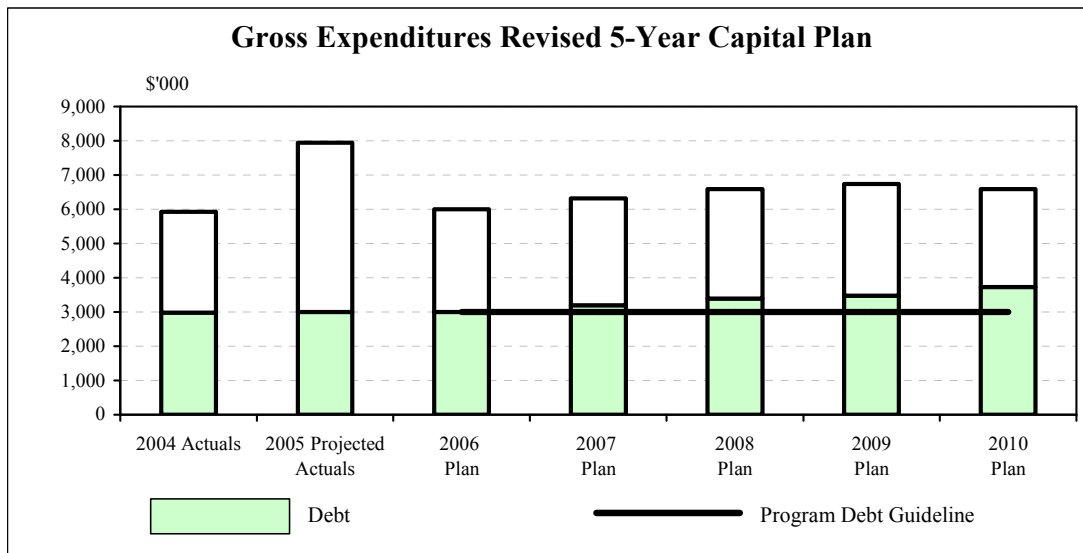
2005 Capital Variance Review

2005 Budget to Actuals Comparison - Total Gross Expenditures (\$'000)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Quarter Variance)		Projected Actuals to Year-End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
7,946	4,060	51	7,946	100	0

Comments / Issues:

- According to its third-quarter capital variance report, TRCA projects a spending rate of 100% at year-end, resulting in no funding being carried forward into 2006.
- The TRCA Capital Budget typically does not include previous-year carry-forward funding. TRCA usually expends all capital funds within each budget year.

5-Year Capital Plan (2006-2010)
(\$'000)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
Gross Expenditures:								
Budget (excluding 1-Year Carry-Forward)	5,926	7,946	6,000	6,316	6,592	6,742	6,590	32,240
1-Year Carry-Forward Gross (reference only)	0	0	0					
Sub-Total Gross Exp. incl. 1-Yr. Carry-Forward	5,926	7,946	6,000					
Actuals	5,926	7,946						
Financing:								
Debt	2,980	3,000	3,000	3,197	3,392	3,480	3,736	16,805
Debt Actuals (including 1-Year Carry-Forward)	2,980	3,000						
Program Debt Target			3,000	3,000	3,000	3,000	3,000	15,000
Other Financing Sources:								
Reserves/Reserve Funds			3,000	3,119	3,200	3,262	2,854	15,435
Development Charges			0	0	0	0	0	0
Federal			0	0	0	0	0	0
Provincial			0	0	0	0	0	0
Other Revenue			0	0	0	0	0	0
By Category:								
Health & Safety			0	0	0	0	0	0
Legislated			0	0	0	0	0	0
State of Good Repair			5,607	6,096	6,352	6,597	6,450	31,102
Service Improvement			393	220	240	145	140	1,138
Growth Related			0	0	0	0	0	0
Yearly SOGR Backlog Estimate (not addressed by current-year projects)				2,381	2,381	2,381	2,381	
Accumulated Backlog Estimate (end of year)			57,386	51,290	44,938	38,341	44,791	

- Of the new 2006 cash flow proposed for TRCA, 93% is allocated to State of Good Repair projects at \$5.607 million, 7% to Service Improvement projects at \$0.393 million, the latter being completely funded by debt. There are no Health and Safety, Legislated or Growth Related projects.

- The Revised 5-Year Capital Plan places a primary emphasis on State of Good Repair: 96% of the total cash flow is allocated to State of Good Repair projects at \$31.102 million; 4% is allocated to Service Improvement projects at \$1.138 million; and none is allocated to Health and Safety, Legislated or Growth Related projects.
- At its meeting of September 28, 2005, City Council approved recommendations from the Works Committee and Policy and Finance Committee to amend TRCA's 2005 Approved Capital Budget to include land acquisition for source water protection, with funding from the Land Acquisition for Source Water Protection Reserve Fund. The approval increased TRCA's 2005 Approved Capital Budget by \$2.0 million.
- It is estimated that approximately 77% or \$4.644 million of TRCA's 2006 Proposed Capital Budget relates to City Council priorities. Specifically, approximately 51% or \$3.073 million of the Capital Budget involves erosion control and waterfront development projects, with a direct contribution towards City Council's priority of "Making Progress on the Waterfront." In addition, approximately 26% or \$1.571 million of the Capital Budget relates to the Remedial Action Plan (RAP), which is expected to make a direct contribution towards City Council's priority of "Making Toronto a Clean and Beautiful City."
- In 2006, TRCA seeks capital budget funding from the Wastewater Capital Reserve Fund. TRCA's 2006 Proposed Capital Budget includes reserve funding in the amount of \$3.0 million, which is \$0.054 million or 2% higher than the 2005 reserve funding level of \$2.946 million. The 2006 reserve funding by Toronto Water has been confirmed.
- The Revised 5-Year Capital Plan is considered firm by TRCA since the majority of the projects is directed towards State of Good Repair expenditures relating to source water protection, waterfront development and the Remedial Action Plan (RAP). The gross expenditures are relatively smooth at \$6.0 million in 2006, \$6.316 million in 2007, \$6.592 million in 2008, \$6.742 million in 2009 and \$6.590 million in 2010.
- The average annual debt funding request within the Revised 5-Year Capital Plan is \$3.361 million, which is \$0.361 million over the 5-year average debt target of \$3.0 million. As such, with further minor revisions for 2007-2010, the plan could be made affordable. Notwithstanding, there remains the need for an agreement on future years' reserve funding between TRCA and Toronto Water before the City's Firm 5-Year Capital Plan can be approved.
- It is recommended that Toronto and Region Conservation Authority and Toronto Water report back to the Budget Advisory Committee by May 2006 and prior to the finalization of the City's Firm 5-Year Capital Plan with consistent recommendations for capital funding between these Programs over the 5-Year Capital Plan; and
- It is also recommended that the revised cash flow projections of \$6.316 million in 2007, \$6.592 million in 2008, \$6.742 million in 2009 and \$6.590 million in 2010 for Toronto and Region Conservation Authority be referred to the Deputy City Manager and Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within City Council's approved debt affordability limits.

2006 Capital Budget Submission Summary (\$'000)

2006 Capital Projects		Total Project Cost		2004 Carry-Forward		2006 Previous Commitments		2006 New		Total 2006 Request (excluding 2005 Carry-Forward)		2005 Carry-Forward		Total 2006 (including 2005 Carry-Forward)	
		Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
Project / Sub-Project Name	Cat.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carry-Forward N/A															
Sub-Total				0	0	0	0	0	0	0	0	0	0	0	0
Previously Approved N/A															
Sub-Total				0	0	0	0	0	0	0	0	0	0	0	0
New and Change in Scope Projects															
Waterfront & Vallev Erosion Control	3	2,000	1,000					2,000	1,000	2,000	1,000			2,000	1,000
Waterfront Development	3/4	2,010	1,640					2,010	1,640	2,010	1,640			2,010	1,640
Toronto Remedial Action Plan	3	2,303	0					2,303	0	2,303	0			2,303	0
Black Creek Pioneer Village Retrofit	3	460	460					460	460	460	460			460	460
Major Facilities Retrofit	3	339	339					339	339	339	339			339	339
TRCA Information Technology	3	271	271					271	271	271	271			271	271
Greenspace Land Acquisition	3	50	0					50	0	50	0			50	0
Public Use Infrastructure	3	203	203					203	203	203	203			203	203
Kortright/Living City Centre Retrofit & Expansion	3	830	830					208	104	208	104			208	104
Sustainable Community Project	3	143	34					143	34	143	34			143	34
Sub-Total		8,609	4,777	0	0	0	0	7,987	4,051	7,987	4,051	0	0	7,987	4,051
Total Submission 2006		8,609	4,777	0	0	0	0	7,987	4,051	7,987	4,051	0	0	7,987	4,051

*Category Index: (1) Health & Safety; (2) Legislated, (3) State of Good Repair, (4) Service Improvement/Enhancement, (5) Growth Related

**Proposed 2006 Capital Budget Changes
(\$'000)**

		2006 Requested Cash Flow		Proposed Changes			2006 Proposed Cash Flow	
Project/Sub-Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carry-Forward								
Sub-Total		0	0	0	0		0	0
2004 Carry-Forward								
Sub-Total		0	0	0	0		0	0
2006 Previously Approved Commitments								
Sub-Total		0	0	0	0		0	0
New Projects								
Waterfront & Valley Erosion Control								
Fishleigh Drive	3	100	50	-100	-50	Deferred to meet corporate affordability guidelines	0	0
Guild Inn Shoreline	3	200	100	-100	-50	Deferred to meet corporate affordability guidelines	100	50
Waterfront Development								
Environmental Monitoring	3	260	260	-50	-50	Deferred to meet corporate affordability guidelines	210	210
East Point Park	4	325	325	-237	-237	Deferred to meet corporate affordability guidelines	88	88
Humber Bay Shores Trl. Phase 1	4	450	450	-450	-450	Deferred to meet corporate affordability guidelines	0	0
Toronto Remedial Action Plan								
Regeneration Sites	3	391	0	-117			274	0
Wet Weather Flow Enhancements	3	615	0	-615			0	0
Black Creek Pioneer Village Retrofit								
Black Creek Pioneer Village Retrofit	3	270	270	30	30	Adjusted to meet corporate affordability guidelines	300	300
Visitor Centre	3	190	190	-140	-140	Deferred to meet corporate affordability guidelines	50	50
Public Use Infrastructure								
Kortright/Living City Centre Retrofit & Expansion	3	208	104	-208	-104	Deferred to meet corporate affordability guidelines	0	0
							0	0
Other New (details on previous page)		4,928	2,302				4,928	2,302
Sub-Total New Projects		7,987	4,051	-1,987	-1,051		6,000	3,000
Total 2006 Proposed (including 2005 Carry-Forward)		7,987	4,051	-1,987	-1,051		6,000	3,000
Less 2005 Carry-Forward		0	0	0	0		0	0
Total 2006 Proposed (excluding 2005 Carry-Forward)		7,987	4,051	-1,987	-1,051		6,000	3,000

**Proposed 2006 Total Cash Flow & Future-Year Commitments
(\$'000)**

	2004 & Prior-Year Carry-Forward	2006 Previous Commitments	2006 New Proposed	2006 Total Cash Flow Proposed	2006 Guidelines	2005 Carry-Forward	2006 Total Cash Flow (including 2005 Carry-Forward)	2007	2008	2009	2010	2011-2015	Total Cost
Expenditures													
Previously Approved													0
Change in Scope													0
New			6,000	6,000			6,000						6,000
New w/ Future-Year													0
Total Expenditure	0	0	6,000	6,000	0	0	6,000	0	0	0	0	0	6,000
Financing													
Debt			3,000	3,000	3,000		3,000						3,000
Subsidy (SCPI)													0
Prov. Subsidy/Grant													0
Development Charges													0
Other													0
Federal Grants													0
Reserves/Reserve Funds			3,000	3,000			3,000						3,000
Total Financing	0	0	6,000	6,000	3,000	0	6,000	0	0	0	0	0	6,000

Comments / Issues:

- The 2006 Proposed Capital Budget for TRCA of \$6.000 million gross is comprised of all new projects with no future-year commitments and is funded with 50% debt (\$3.0 million) and 50% from the Wastewater Capital Reserve Fund (\$3.000 million).
- The 2006 Proposed Capital Budget achieves the same debt-funding level as 2005 at \$3.0 million, which is equivalent to the 2006 debt target.
- Approval of the 2006 Proposed Capital Budget will result in operating impacts in the form of new debt service costs of \$0.090 million in 2006 and \$0.330 million in 2007.

Operating Budget Impact

Incremental Operating Budget Summary

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$'000)	-	-			
Debt Service Charges (\$'000)	90.000	330.000	-	-	-
Approved Positions					

Program Incremental Operating Costs

As has been the established practice, the operating impact related to the 2006 TRCA Capital Budget will be absorbed by TRCA, with no further impact on the operating levy to the City of Toronto.

Debt Service Cost

The 2006 Proposed Capital Budget for TRCA will result in new debt service costs of \$0.090 million in 2006 and \$0.330 million in 2007.

The debt service cost of repayment of principal and interest is calculated according to corporate guidelines in the following manner: 3.0% for the first year and 14% for subsequent years.

PART II: ISSUES FOR DISCUSSION**2006 Issues****2006 Proposed Capital Budget versus Guideline**

The 2006 Proposed Capital Budget for TRCA achieves the same debt-funding level as 2005 at \$3.0 million, which is equivalent to the 2006 debt target.

5-Year Capital Plan Overview

The Revised 5-Year Capital Plan for TRCA places a primary emphasis on State of Good Repair projects: 96% of the total cash flow is allocated to State of Good Repair projects at \$31.102 million; 4% is allocated to Service Improvement projects at \$1.138 million; and none is allocated to Health and Safety, Legislated or Growth Related projects. TRCA has a substantive State of Good Repair backlog, estimated at \$60.974 million, comprising primarily of projects related to erosion control, waterfront regeneration and the Remedial Action Plan (RAP).

It is estimated that approximately 77% or \$4.644 million of TRCA's 2006 Proposed Capital Budget relates to City Council priorities, specifically, "Making Progress on the Waterfront" and "Making Toronto a Clean and Beautiful City."

The gross expenditures in the Revised 5-Year Capital Plan for TRCA are relatively smooth at \$6.0 million in 2006, \$6.316 million in 2007, \$6.592 million in 2008, \$6.742 million in 2009 and \$6.590 million in 2010. The average annual debt funding request within the Revised 5-Year Capital Plan is \$3.361 million, which is \$0.361 million over the 5-year average debt target of \$3.0 million.

The 2006 Proposed Capital Budget for TRCA includes a contribution from the Wastewater Capital Reserve Fund of \$3.0 million, which is \$0.054 million or 2% higher than the 2005 reserve funding level of \$2.946 million. This amount is based on discussions and consensus in the previous rounds of reviews. It should be noted that TRCA's 2006 Revised Capital Budget Submission included reserve funding in the amount of \$3.732 million, which is \$0.732 million above the 2006 Proposed Capital Budget.

The average annual reserve funding request within the Revised 5-Year Capital Plan is \$3.087 million.

There remains the need for an agreement on future years' reserve funding between TRCA and Toronto Water before the City's Firm 5-Year Capital Plan can be approved. As such, it is recommended that TRCA and Toronto Water report back to the Budget Advisory Committee by May 2006 and prior to the finalization of the City's Firm 5-Year Capital Plan with consistent recommendations for capital funding between these Programs over the 5-Year Capital Plan.

**5-Year Plan Proposed Changes
(\$'000)**

Project / Sub-Project Name	Cat.	2006		2007		2008		2009		2010		TOTAL 2011-2015	
		Gross (\$'000) 1	Debt/ Internal Sources (\$'000) 2	Gross (\$'000) 3	Debt/ Internal Sources (\$'000) 4	Gross (\$'000) 5	Debt/ Internal Sources (\$'000) 6	Gross (\$'000) 7	Debt/ Internal Sources (\$'000) 8	Gross (\$'000) 9	Debt/ Internal Sources (\$'000) 10	Gross (\$'000) 11	Debt/ Internal Sources (\$'000) 12
PROGRAM REQUEST		7,987	4,051	9,405	4,441	9,588	4,598	8,221	4,489	8,385	5,042	38,870	16,370
Proposed 2006 Changes		(1,987)	(1,051)	(3,089)	(1,244)	(2,996)	(1,206)	(1,479)	(1,009)	(1,795)	(1,306)		
PROPOSED CHANGES													
2004 Carry Forwards		0	0	0	0	0	0	0	0	0	0	0	0
Previously Approved		0	0	0	0	0	0	0	0	0	0	0	0
New:													
Waterfront & Valley Erosion Control	3												
Waterfront Development	3/4												
Toronto Remedial Action Plan	3												
Black Creek Pioneer Village Retrofit	3												
Major Facilities Retrofit	3												
TRCA Information Technology	3												
Greenspace Land Acquisition	3												
Public Use Infrastructure	3												
Kortright/Living City Centre Retrofit & Expansion	3												
Sustainable Community Project	3												
Sub-Total Proposed Changes		(1,987)	(1,051)	(3,089)	(1,244)	(2,996)	(1,206)	(1,479)	(1,009)	(1,795)	(1,306)	0	0
Proposed 5-Year Cash Flow		6,000	3,000	6,316	3,197	6,592	3,392	6,742	3,480	6,590	3,736	38,870	16,370
Debt Guideline			3,000		3,000		3,000		3,000		3,000		
Variance to Debt Guideline			0		197		392		480		736		

Capacity

The spending rate for 2005 and prior years indicates that TRCA is able to spend 100% of its Capital Budget. The TRCA State of Good Repair backlog, currently estimated at \$60.974 million, ensures that TRCA has a consistent, prioritised demand of projects to be completed. As has been the established experience, TRCA is anticipating full expenditure of 2005 approved funds.

As the majority of projects within the TRCA State of Good Repair backlog is related to erosion control and source water protection, the capacity to spend relies more on the given capital program envelope, rather than the project characteristics.

Backlog of Projects – Unmet Needs

The State of Good Repair backlog was estimated at \$60.350 million at the end of 2005, representing City backlog projects only. TRCA has completed a comprehensive State of Good Repair audit on all assets, with the exception of the Remedial Action Plan (RAP) backlog, currently estimated at \$22.091 million.

The accumulated State of Good Repair backlog relates to the assets in the table below.

Asset Listing	State of Good Repair (\$'000)			
	Need as at 2005	Addressed in 2006 Proposed Budget	Balance at end of 2006	Balance as at 2016
Infrastructure:				
Erosion Control	17,585	1,800	15,585	4,407
Information Technology	271	271	-	-
Remedial Action Plan	22,091	1,571	19,788	5,790
Waterfront Regeneration	15,420	880	14,560	7,228
Facilities:				
Black Creek Pioneer Village	5,250	350	4,790	2,810
Public Use Facilities	1,892	203	1,689	1,689
Kortright Centre/Nursery	832	-	624	-
Major Facilities	689	339	350	-
Total:	64,030	5,414	57,386	21,924

As illustrated above, TRCA is anticipating a reduction in its State of Good Repair backlog by \$5.414 million in 2006 and an average mitigation of \$3.546 million per year for the next 10 years. Within the next 10 years, TRCA anticipates the elimination of the State of Good Repair backlog relating to information technology, the Kortright Living City Centre and major facilities.

Reserve Funding

Reserve Funding (\$'000)	2005	2006	Gross Change	% Change
Toronto Remedial Action Plan	1,592	1,571	(21)	-1%
Greenspace Land Acquisition	50	50	0	0%
Kortright/Living City Centre	104	0	(104)	-100%
Waterfront & Valley Erosion Control	900	900	0	0%
Waterfront Development	300	370	70	23%
Sustainable Communities Projects	0	109	109	
Total	2,946	3,000	54	1.8%

As illustrated in the table above, the 2006 Proposed Capital Budget for TRCA includes a Wastewater Capital Reserve Fund contribution in the amount of \$3.000 million, representing a 2% increase above the 2005 approved reserve fund contribution of \$2.946 million.

In 1999, City Council directed Toronto Water to fund TRCA capital costs for watercourse improvement. Since then, Toronto Water has been funding these projects from the Wastewater Capital Reserve Fund.

The 2006 Proposed Capital Budget for Toronto Water reflects capping of TRCA's funding at the 2005 level of approximately \$3.0 million. The average annual reserve funding request within TRCA's Revised 5-Year Capital Plan is \$3.087 million. Toronto Water has confirmed the funding for 2006 only.

It is recommended that TRCA and Toronto Water report back to the Budget Advisory Committee by May 2006 and prior to the finalization of the City's Firm 5-Year Capital Plan with consistent recommendations for capital funding between these Programs over the 5-Year Capital Plan.

Amendment to 2005 Approved Capital Budget

At its meeting of September 28-30, 2005, City Council approved recommendations to amend TRCA's 2005 Approved Capital Budget to include land acquisition for source water protection, with funding from the Land Acquisition for Source Water Protection Reserve Fund. The approval increased TRCA's 2005 Approved Capital Budget by \$2.0 million.

At its meeting of October 26-28, 2005, City Council approved recommendations to allocate \$0.100 million, to be funded from the increased funding of \$2.0 million to the 2005 TRCA Capital Budget for land acquisition for source water protection, for an independent hydro geological and ecological impact assessment with regard to the potential and actual impacts of the York Durham Sanitary Sewer trunk sewers and associated de-watering practices.

In its Revised 5-Year Capital Plan for 2006-2010, TRCA has submitted a cash flow request of \$0.050 million each year towards a Greenspace Land Acquisition project to cover the legal, survey, registration, environmental and appraisal costs related to obtaining other property rights through the planning process, donations, conservation easements and land exchanges. The 2006 phase of this request is included in the 2006 Proposed Capital Budget for TRCA.

Issues Referred to 2006 Capital Budget

Kortright/Living City Centre Project

As a result of the 2005 Capital Budget approval, it was recommended that the following conditions be met:

- a comprehensive business plan outlining the key phases within this project be provided to Financial Planning Division staff no later than the conclusion of the CAO/CFO review process;
- Water/Wastewater funding attributed to this project be confirmed; and
- Any other third-party financing contributions towards this project in 2005 and beyond be confirmed through a Memorandum of Understanding.

The Kortright/Living City Centre is an educational facility that strives to deliver cutting edge programs focused on making the Toronto region one of the most sustainable, liveable city regions in the world. TRCA places the Kortright/Living City Centre as a capital priority in contributing towards its mission by challenging and attempting to change visitors' values towards the environment.

The funding contributions for this project are allocated as follows:

(\$'000)	Approved		Requested				Total
	2005	2006	2007	2008	2009	2010	
City of Toronto*	207	207	311	311	0	0	1,036
Durham Region	9	9	14	14	0	0	47
Peel Region	34	34	50	50	0	0	167
York Region	250	250	375	375	0	0	1,250
Mono/Adjaia	0	0	0	0	0	0	0
Federal	0	500	1,000	1,000	0	0	2,500
Provincial	0	500	1,000	1,000	0	0	2,500
CFGT	0	500	1,000	1,000	0	0	2,500
Other	200	400	400	0	0	0	1,000
Total Cash Flow	700	2,400	4,150	3,750	0	0	11,000

Total Project Cost: 11,000

*City of Toronto's share of \$1 million to be funded 50% water rate/debt.

The status of this outstanding issue is as follows:

- the comprehensive business plan has not been submitted;
- only the 2005 request for \$0.250 million from York Region is still pending; and

- the 2005 request for \$0.500 million from the federal and provincial governments and Conservation Foundation of Greater Toronto (CFGF) has been deferred to 2006 and, in turn, the 2006 request for \$2.0 million has been deferred to 2007 and 2008, \$1.0 million each year.

TRCA is working towards meeting these conditions and intends to do so by the end of 2005. In light of these facts, TRCA has deferred its funding request for the 2006 phase of this project.

Outstanding Issues from Prior Years

There are no outstanding issues from prior years.

Appendix 1
Proposed 2006 Capital Budget
and 2007 to 2015 Revised Program

Appendix 2
Proposed 2006 Capital Budget
& Future-Year Commitments

Appendix 3
Proposed 2006 Capital Projects
with Financing Details

Appendix 4
Reserve / Reserve Fund Review

Reserve/Reserve Funds

Reserve / Reserve Fund Name	Project / Sub-Project Name and Number	Balance as of September 30, 2005	Proposed Withdrawals (\$'000)			
			2006	2007	2008	2009 & Beyond
XR6004 Wastewater Capital Reserve Fund		\$145,272,003				
	TRC000017 Waterfront & Valley Erosion Control		\$900	\$900	\$930	\$6,950
	Waterfront Development		\$370	\$495	\$495	\$840
	Toronto Remedial Action Plan		\$1,571	\$3,059	\$2,984	\$15,741
	Green Space Land Acquisition		\$50	\$50	\$50	\$5,100
	Kortright Living City Centre		\$0	\$104	\$156	\$156
	Sustainable Communities Projects		\$109	\$95	\$96	\$126
Total Reserve / Reserve Funds		\$145,272,003	\$3,000	\$4,703	\$4,711	\$28,913