

City of Toronto

2007 Executive Committee Recommended Capital Budget and 2008 – 2011 Capital Plan

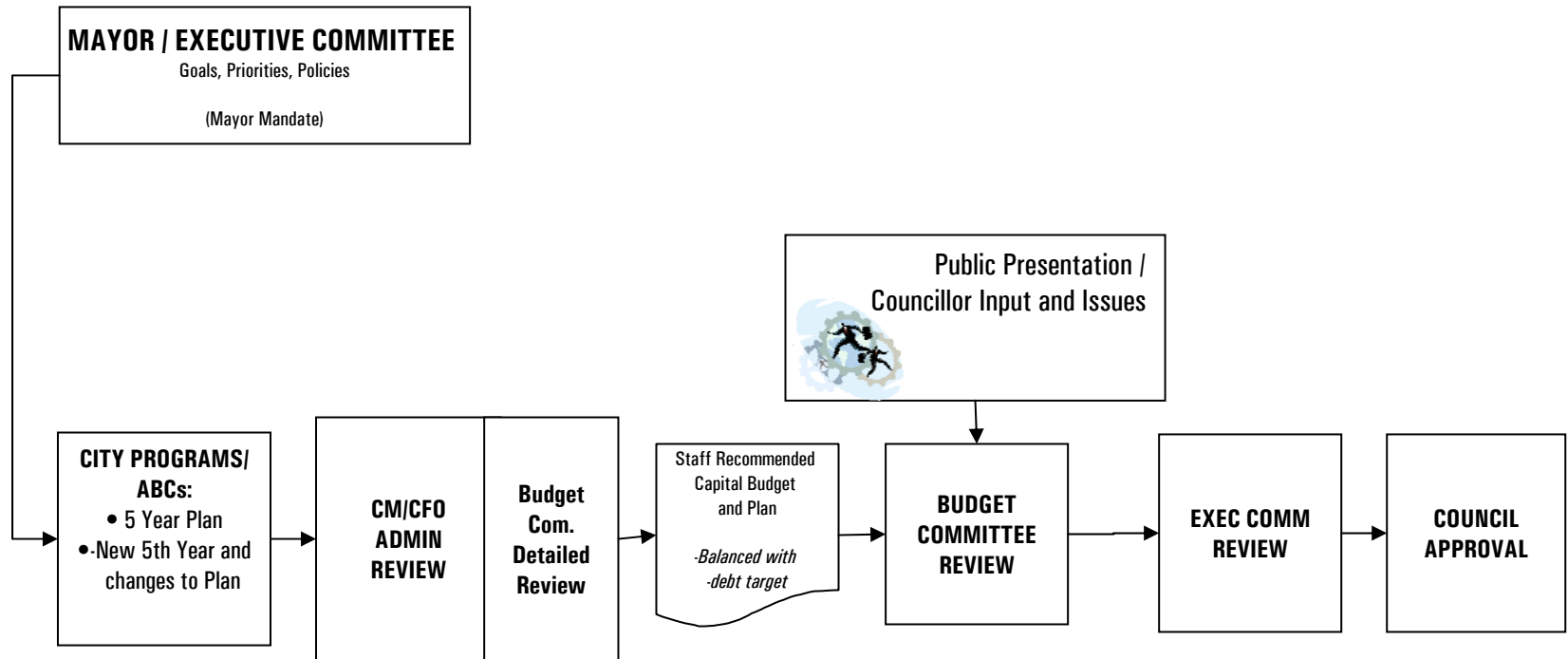
March 7, 2007

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2007 Budget Process and Debt Guidelines

2007 Capital Budget Process



2007 - 2011 Council Approved Debt & CFC Targets

(\$Millions)

	\$Million					Total 2007-2011
	2007	2008	2009	2010	2011	
Council Approved Debt Guideline:						
Baseline Debt (Retire / Reissue)	135	135	135	135	135	675
New Debt:						
TTC	200	186	135	135	135	791
City	150	150	150	150	150	750
New (Affordable) Debt	350	336	285	285	285	1,541
Total Debt Guideline	485	471	420	420	420	2,216
BC Recommended Debt Requirement	508	459	568	562	499	2,596
Over (Under) Debt Guideline	23	(12)	148	142	79	380
Less: Additional Retire / Reissue Debt	(65)	(65)	(65)	(65)	(65)	(325)
Net Over (Under) Debt Guideline	(42)	(77)	83	77	14	55

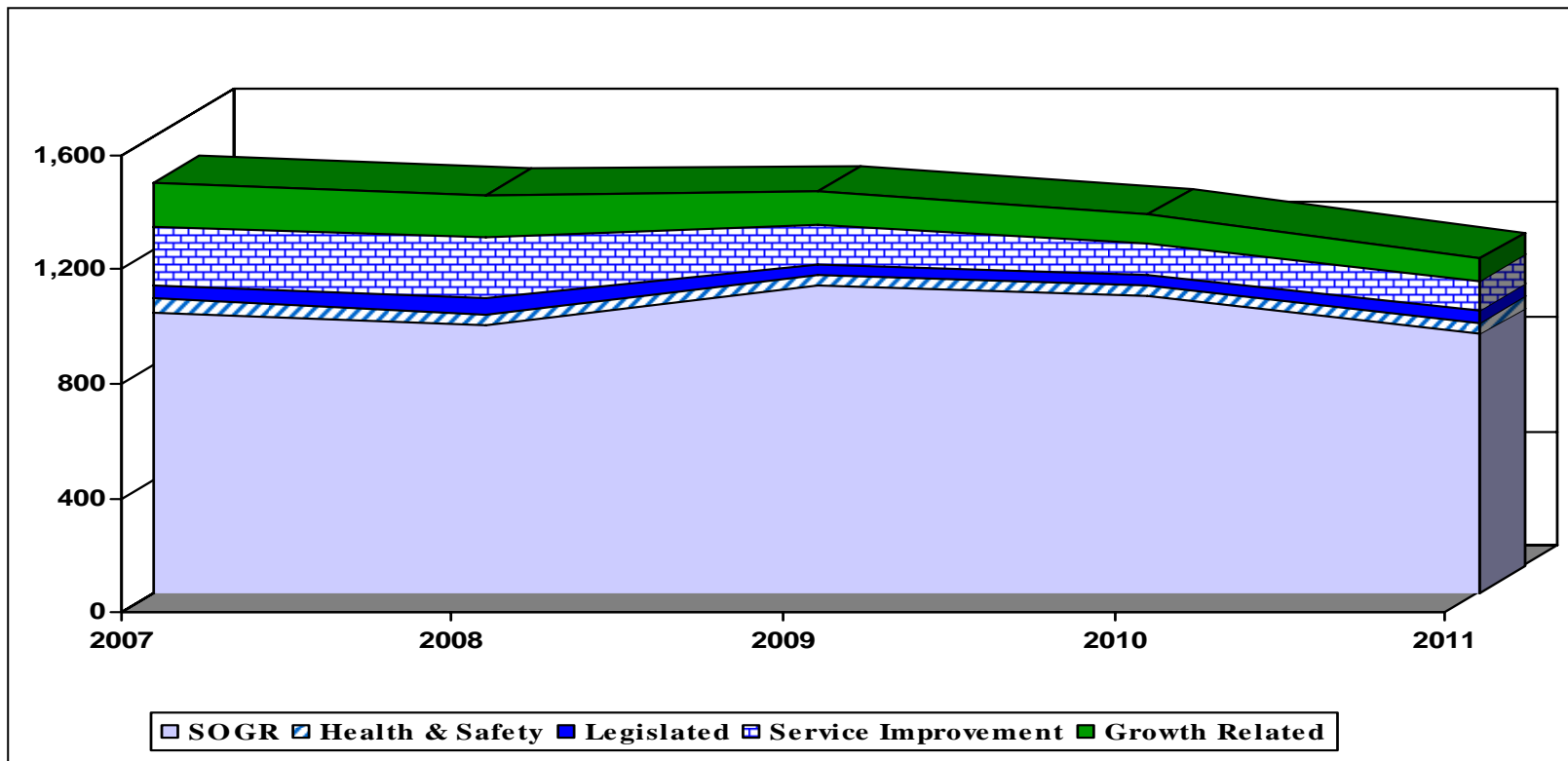
2007 - 2011 Recommended Capital Budget and Plan

2007-2011 Tax Supported Capital Plan - \$6.702 B by Category and Financing Source

\$Millions									
Expenditures	2007 Budget	Capital Plan					TOTAL 2008-2011	TOTAL 2007- 2011	Percent of Total
		2008	2009	2010	2011	TOTAL 2008-2011			
Health and Safety	46	42	35	36	38	151	197	2.9%	
Legislated	48	56	33	32	48	169	217	3.2%	
State of Good Repair	980	931	1,076	1,040	903	3,950	4,930	73.6%	
Service Improvement	203	209	144	115	97	565	768	11.5%	
Growth Related	155	148	112	96	79	435	590	8.8%	
Total Gross Expenditures	1,432	1,386	1,400	1,319	1,165	5,270	6,702	100.0%	
Funded By:									
Provincial	234	224	231	218	159	832	1,066	15.9%	
Federal	230	250	228	213	207	898	1,128	16.8%	
Reserve / Reserve Funds	167	155	134	121	108	518	685	10.2%	
Other	170	173	115	82	69	439	609	9.1%	
Capital from Current	124	124	124	124	124	496	620	9.3%	
Debt	507	460	568	561	498	2,087	2,594	38.7%	
Total Funding	1,432	1,386	1,400	1,319	1,165	5,270	6,702	100.0%	

2007-2011 Tax Supported Capital Plan - \$6.702 Billion

- 75% Investment in SOGR

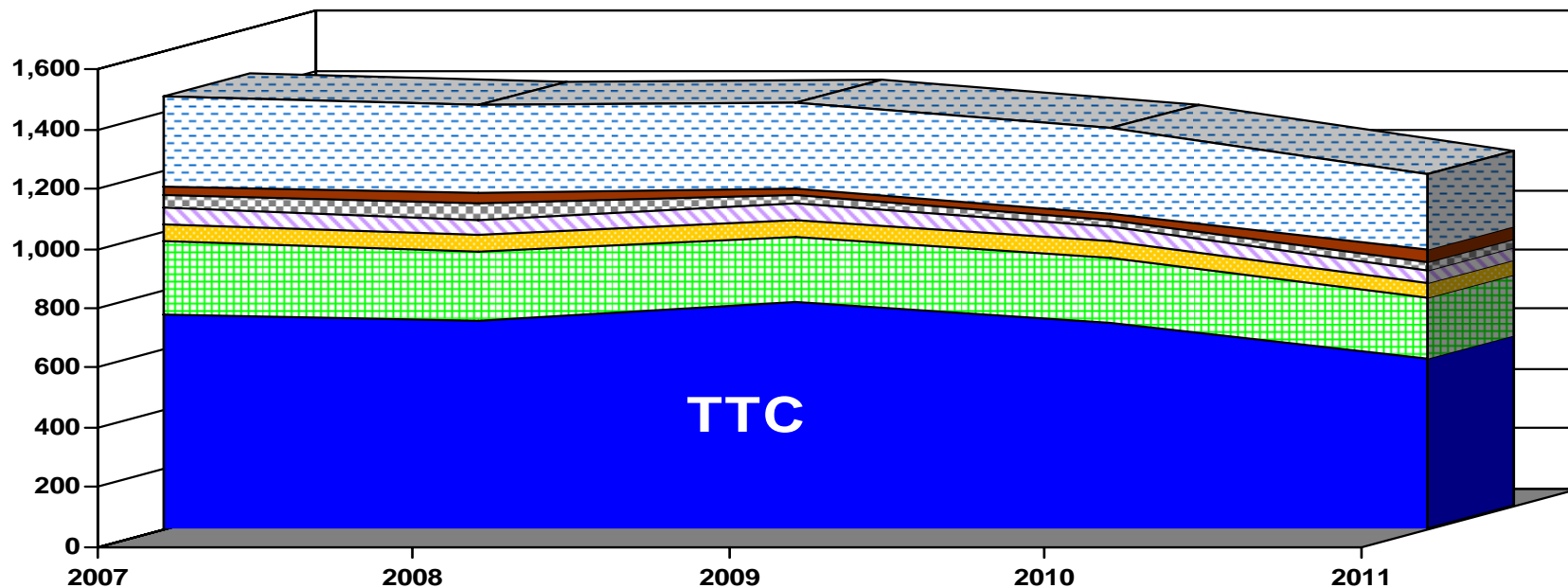


	2007	2008	2009	2010	2011	2007-2011
SOGR	980	931	1,076	1,040	903	4930
Health & Safety	46	42	35	36	38	197
Legislated	48	56	33	32	48	217
Service Improvement	203	209	144	115	97	768
Growth Related	155	148	112	96	79	590
Total	1432	1386	1400	1319	1165	6702

2007 - 2011 Tax Supported Capital Plan - \$6.702 B

- 51% Allocated to TTC

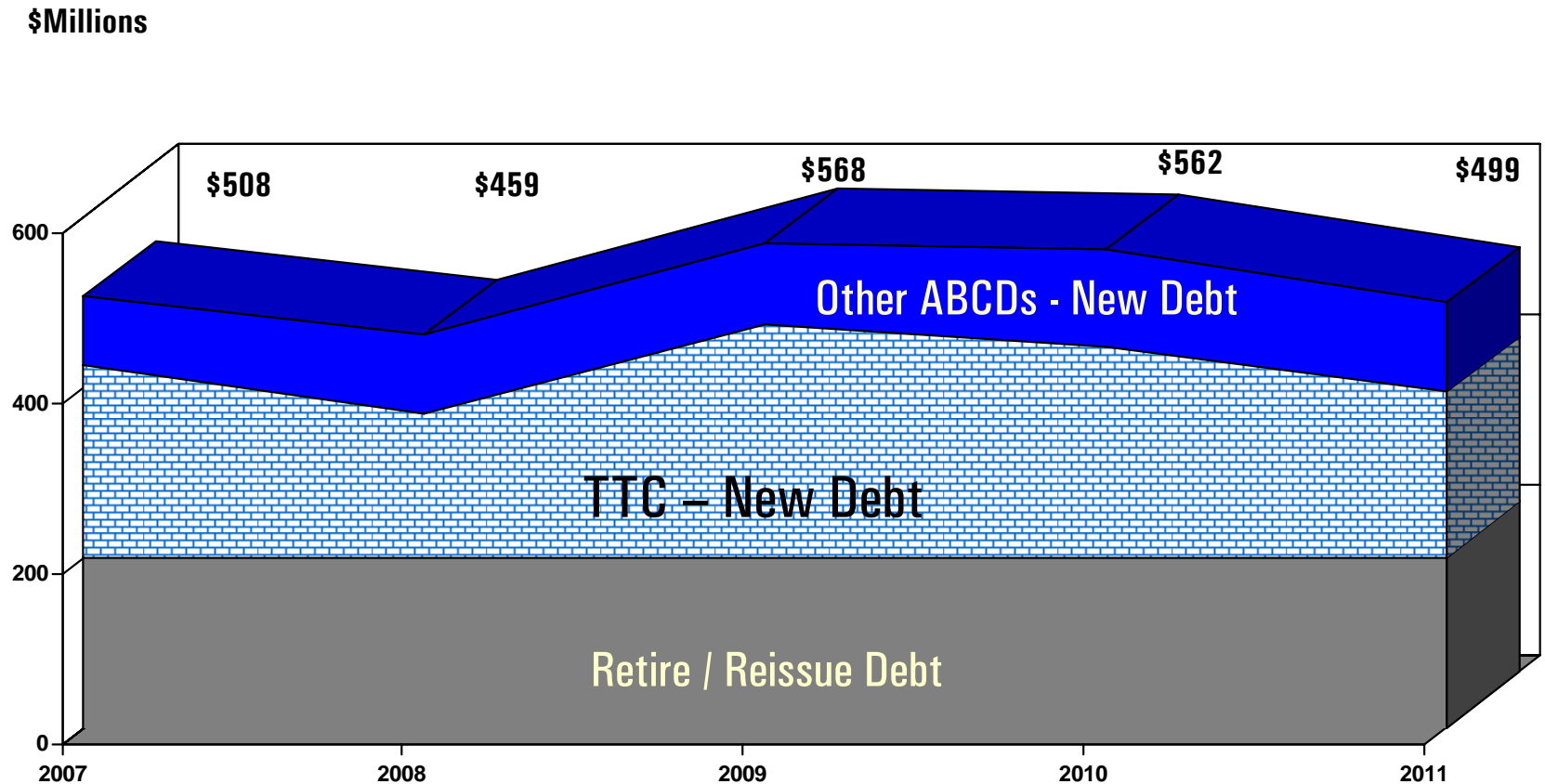
2007 - 2011 Recommended Capital Budget & Plan



- TTC
- Transportation Services
- Parks, Forestry & Recreation
- Toronto Police Service
- Waterfront Revitalization
- Solid Waste Management
- Other Programs

2007 – 2011 Tax Supported Capital Budget and Plan

– 69% of New Debt Allocated to TTC



TTC 2007-2011 RECOMMENDED CAPITAL PROGRAM

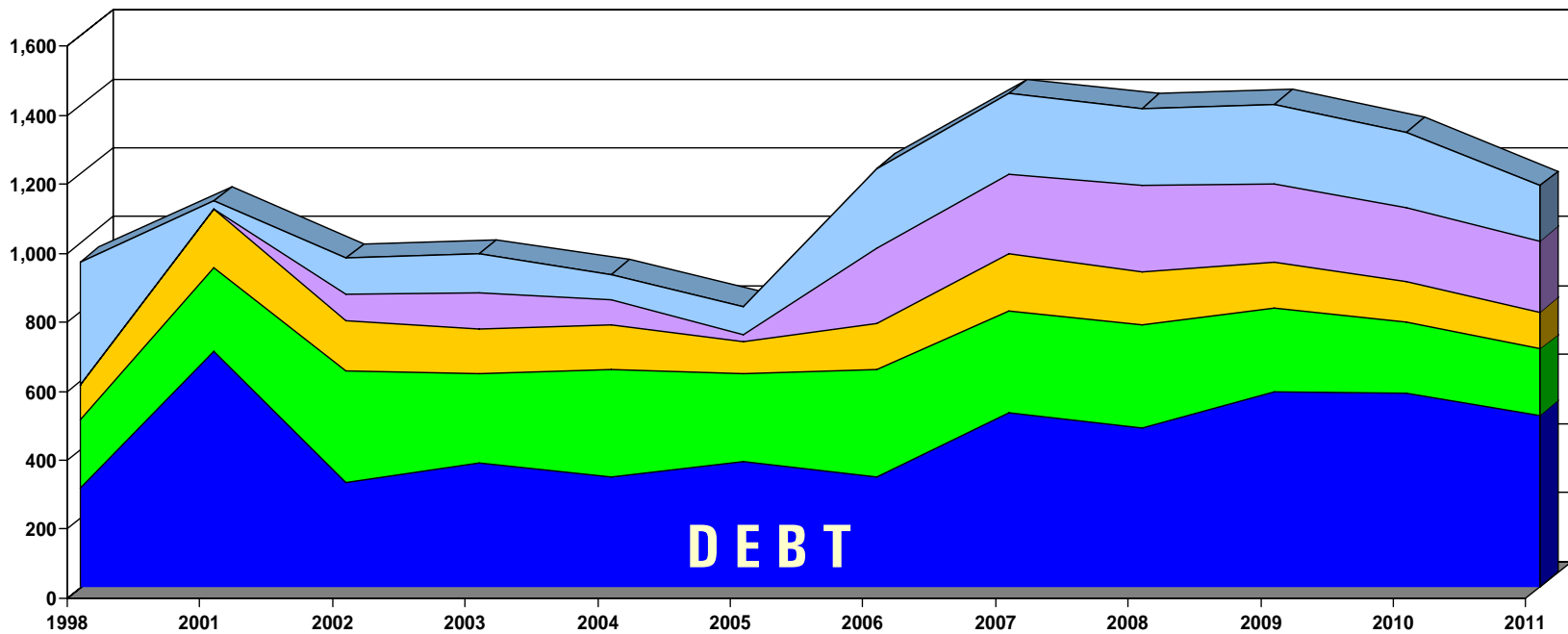
\$Millions

	2007	2008	2009	2010	2011	2007-2011
RECOMMENDED BUDGET	717	696	765	694	571	3,444
Funding Sources						
Ontario Transit Vehicle Program / Bus Replacement Program (OTVP/OBRP)	17	17	17	17	6	75
Ontario Rolling Stock Infrastructure Funding	64	52	0	0	0	116
Long Term Funding Requirement	0	11	92	96	58	257
Golden Horseshoe Transit Investment Partnerships	1	0	0	0	0	1
Canada Strategic Infrastructure Program (CSIF)	76	69	47	30	20	242
Provincial gas tax	70	70	70	70	70	351
Total Provincial Funding	227	220	226	214	155	1,042
Canada Strategic Infrastructure Program (CSIF)	85	75	50	32	21	263
CSIF Additional (CSIF2)	0	18	14	16	23	71
Transit-Secure Funding	5	1	0	0	0	6
Base Federal Gas Tax - 5 cent (population)	65	81	163	163	163	635
Additional Support for Transit Federal Gas Tax - 1 cent (ridership)	0	0	0	0	0	0
Public Transit Capital Trust (ridership)	74	75	0	0	0	149
Total Federal Funding	229	249	228	212	207	1,124
Kipling / Islington Redevelopment	0	22	15	5	0	41
TTC internal (depreciation)	15	17	17	17	16	81
Other Reserves / Accounting Adjustments	15	20	6	0	0	41
Development charges	4	2	1	0	0	7
Total Other Funding	34	60	39	21	16	170
City Debt Target - revised	200	186	135	135	135	791
Total Funding	690	715	627	582	512	3,127
Funding Shortfall (Surplus)	27	(19)	137	112	59	317

Significant Growth in City Debt Financing and Increase in Federal /Provincial Funding

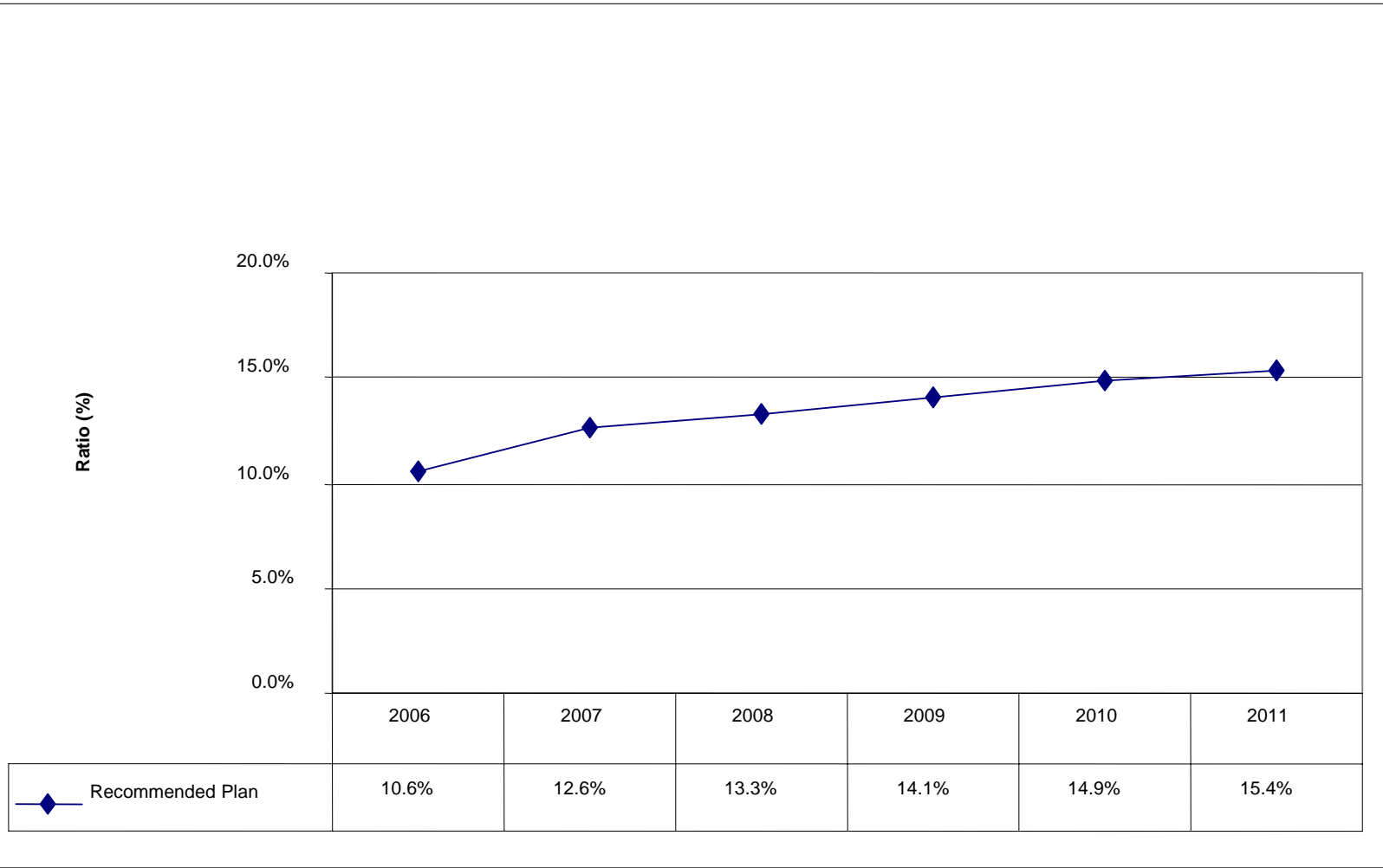
2007 – 2011 Recommended Capital Budget & Plan

\$Millions

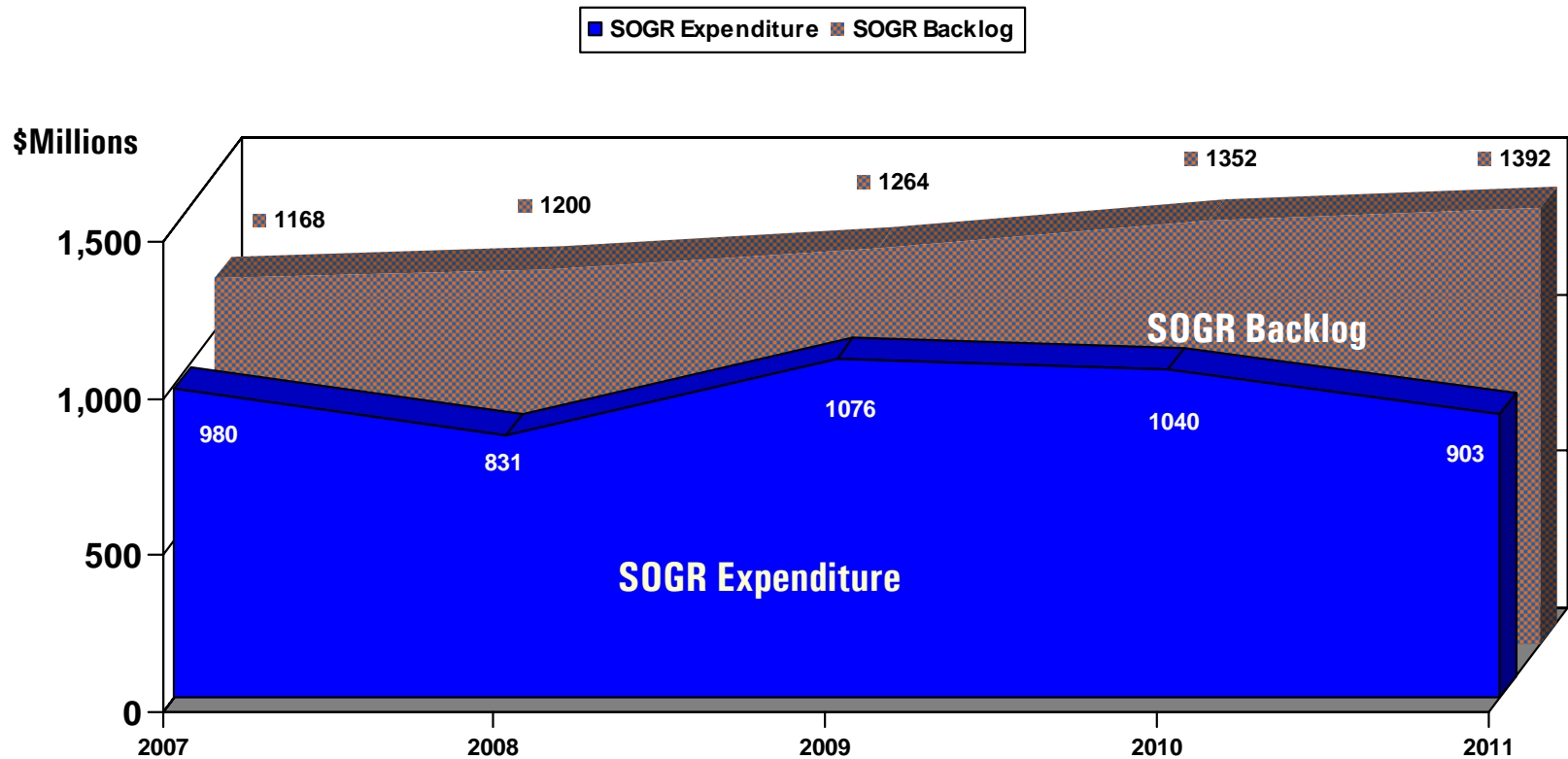


	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2007-2011
Debt	289	607	575	684	304	362	321	527	473	507	460	568	561	498	2,594
Other	198	194	242	243	325	256	309	277	247	293	300	240	206	192	1,231
Res.	98	371	89	170	44	132	132	93	134	167	165	134	121	108	685
Fed					77	104	70	54	217	230	250	228	213	207	1,128
Prov.	359	25	76	23	104	112	76	82	179	234	224	231	218	159	1,066
Total	944	1,197	982	1,120	954	966	908	1,033	1,250	1,431	1,389	1,401	1,319	1,164	6,704

Tax-supported Debt Charges as a Percent of Total Property Tax



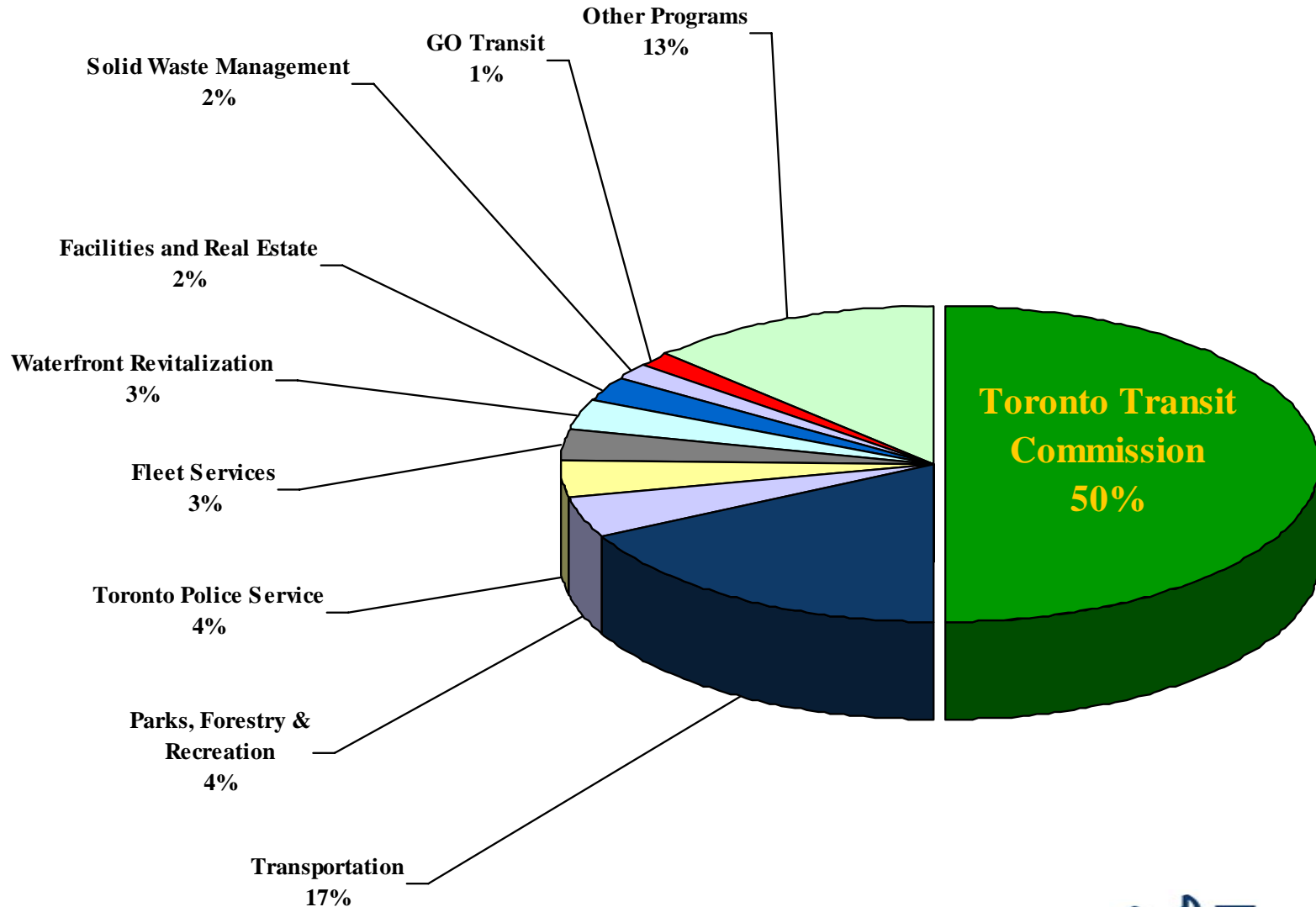
Backlog Significant Despite 75% Spending on SOGR



2007 Recommended Capital Budget

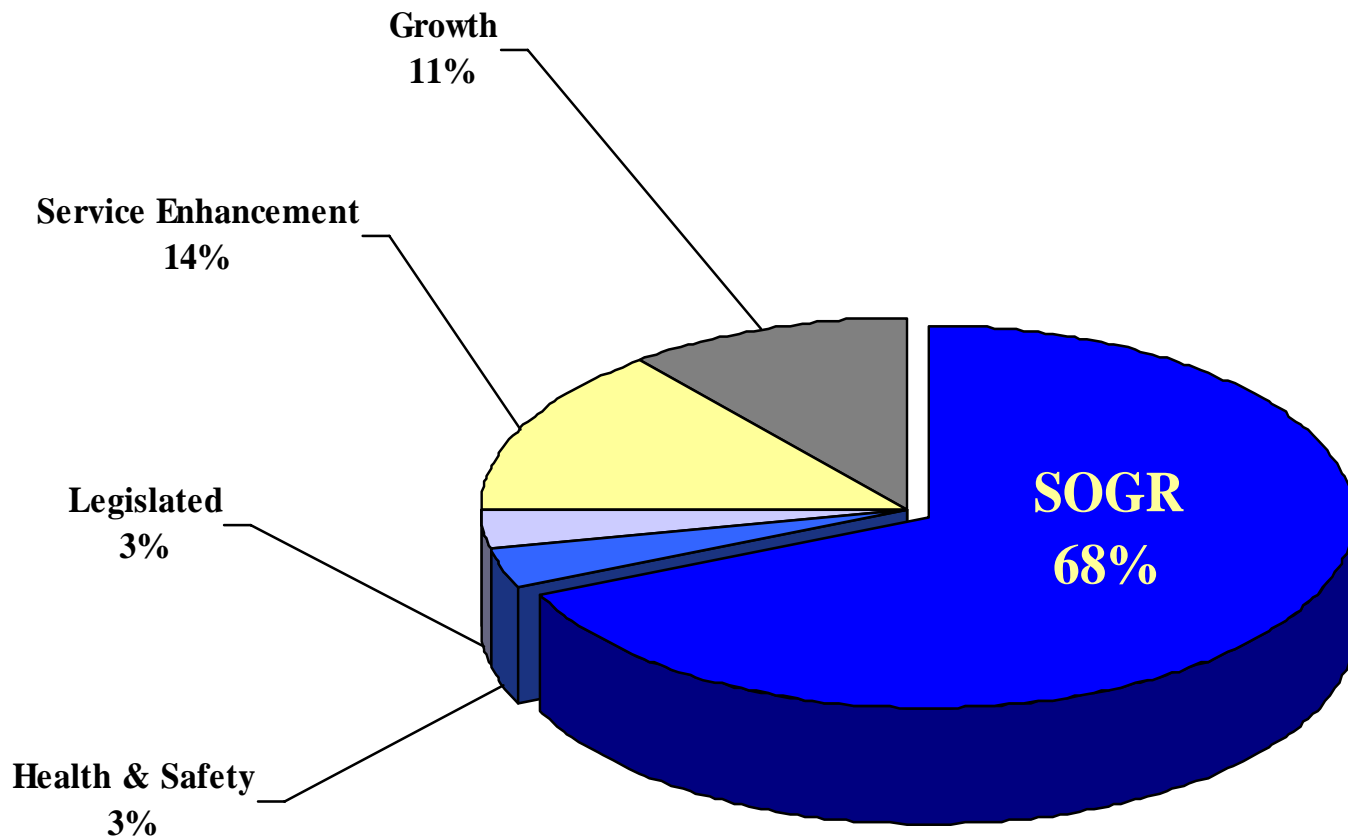
2007 Rec'd Tax Supported Capital Budget \$1.432 Billion

- 50% Allocated to Transit



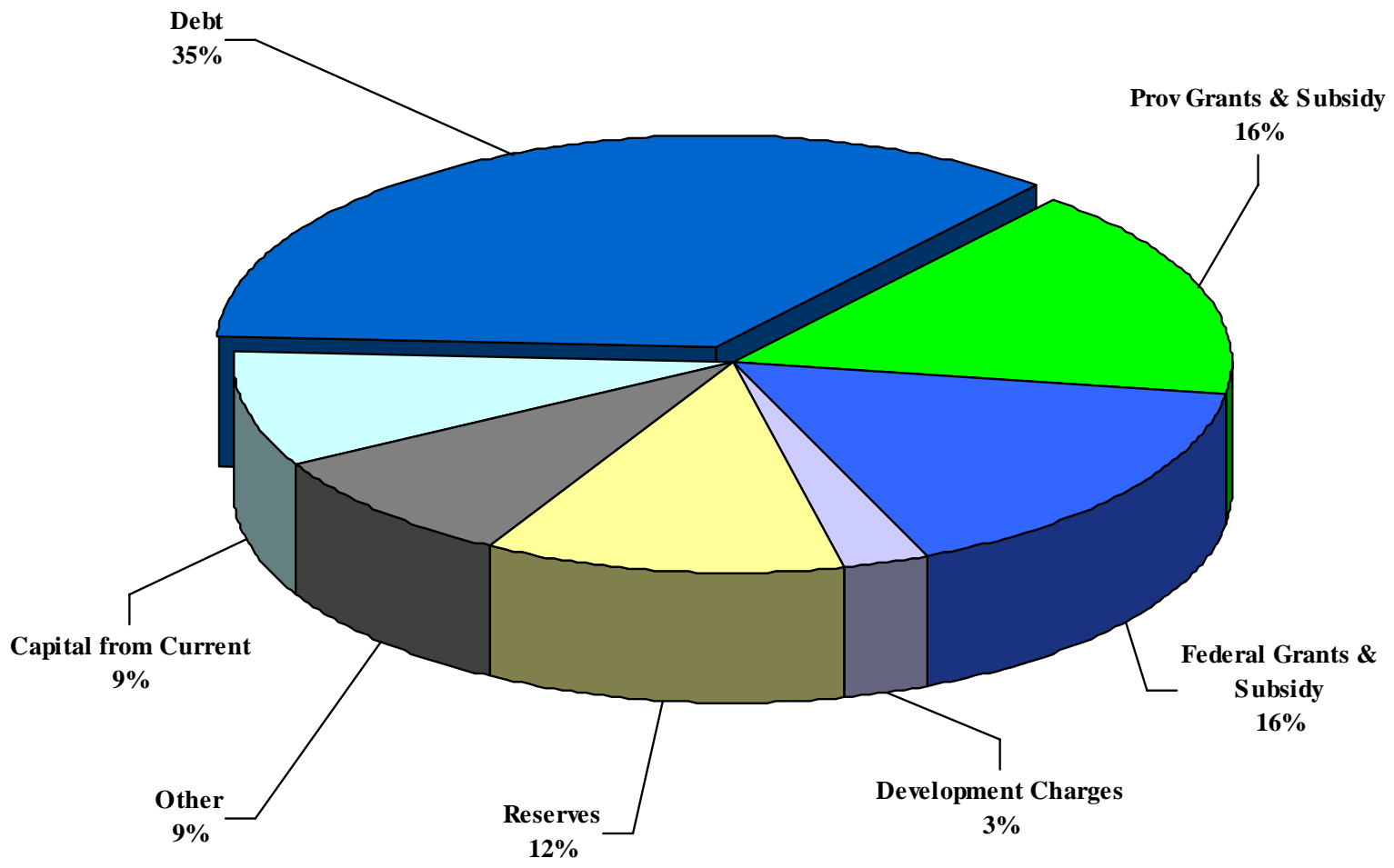
2007 Rec'd Tax Supported Capital Budget Totals \$1.432 Billion

- State of Good Repair Represents 68%



2007 Rec'd Tax Supported Capital Budget \$1.432 Billion

- 35% Debt Financed

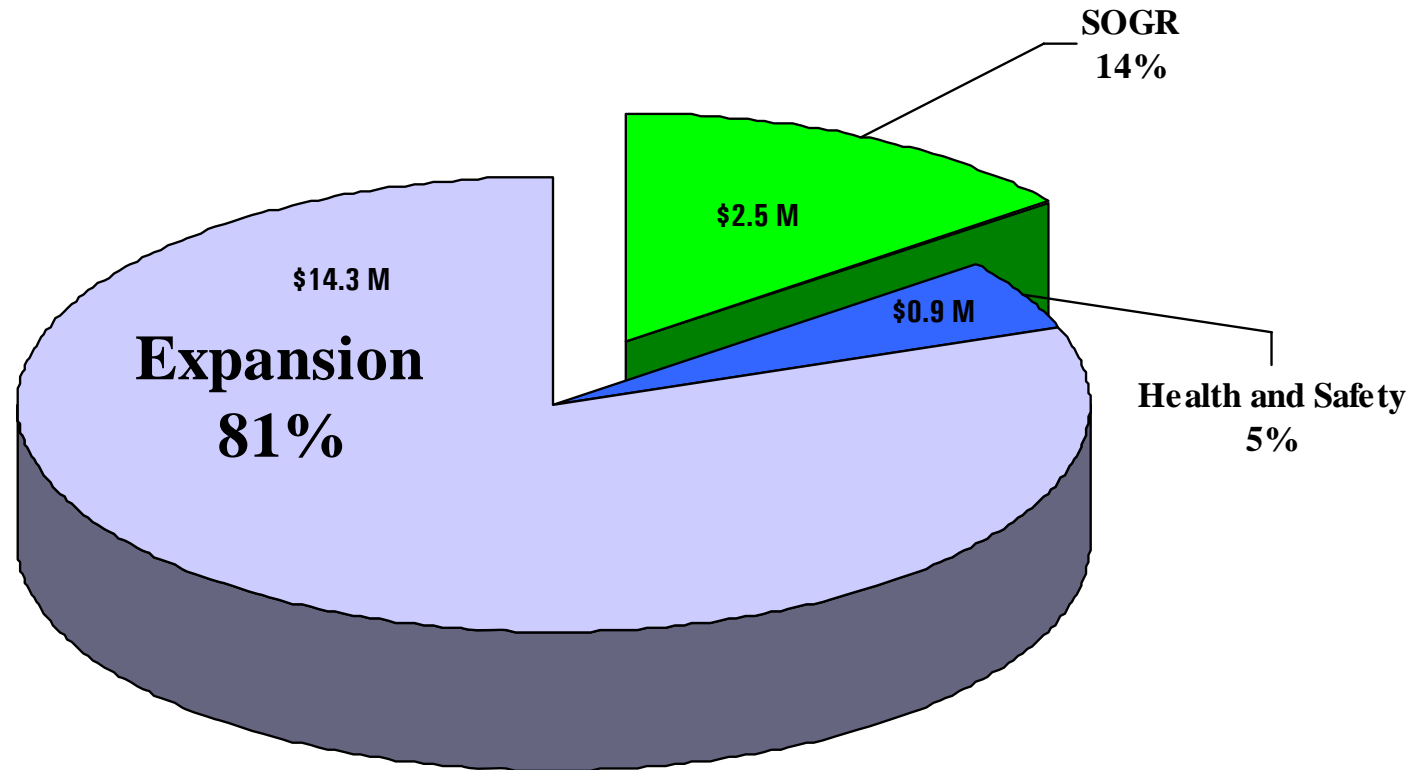


2007 Rec'd Tax Supported Capital Cash Flow - \$1.721 Billion

- Includes Carry Forward Funding

(\$Millions)						
Programs / ABCs	2006 Council Approved Cash Flow	2007 Rec'd Cash Flow				Total 2007 Cash Flow
		2006 Carry Forward Funding	2007 Capital Budget		2007 Capital Budget	
			New and Change in Scope Projects	Previously Approved Projects		
City Operations	722	256	344	258	602	858
Special Purpose Bodies - before Transit and TPA	108	33	56	33	89	122
					-	-
Tax Supported Program Before Transit & TPA	830	289	400	291	691	980
					-	-
Toronto Transit Commission	553		117	601	718	718
GO Transit	20		20		20	20
Toronto Port Authority	3		3		3	3
Total - Transit & TPA	576	-	140	601	741	741
Total - Tax Supported Program	1,406	289	540	892	1,432	1,721

2007 Toronto Parking Authority Capital Budget (\$17.681 Million)



What's in the 2007 Capital Budget

What's in the 2007 Capital Budget

- Public Spaces

Investment in public spaces is crucial to ensuring that parks, streets, squares and other shared common spaces are well designed, developed and maintained, clean and beautiful for the general betterment and wellness of the community

- Begin revitalization of Nathan Phillips Square (2007 cash flow \$1.550M which represents the start of a \$16.000M project)
- Construct a south entrance to Union Station and undertake environmental assessments for the creation of a northwest PATH (project totals \$6.428M; 2007 cash flow \$3.334M)
- Start development of mixed-use, transit-friendly communities East Bayfront and West Donlands plus parks on the Waterfront (\$44.310M)
- Green the Parkland portion of Wychwood Barns site (\$1.515M)

What's in the 2007 Capital Budget

- Public Spaces (continued)

- Complete Year 2 of the \$3M project to restore the St. Lawrence Centre for the Arts façade and interior (\$1.065M)
- Remediate the Don Valley Brickworks site to support the Evergreen Development (\$0.880M)
- Continue restoration work of Casa Loma exterior, 2007 phase (\$4.113M)
- Continue the Todmorden Museum and Arts Centre Restoration, 2007 (\$0.380M)
- Improve Public Spaces in BIAs areas across the City (\$5.010M)
- Begin Bloor Street transformation road and pedestrian improvements from Church to Avenue Road

What's in the 2007 Capital Budget

- Environment

City Council has recognized the need to spend on projects that would set the stage for environmental improvement, while achieving the City's infrastructure maintenance and development objectives:

- Convert conventional cooling at Old City Hall to Deep Lake Water Cooling System (project costs \$3.270M; 2007 cash flow \$0.545M)
- Continue carbon dioxide and energy reduction projects for City Arenas, Fire Stations, Pools, Community Centres and Solid Waste Transfer Stations and Police Service Buildings (2007 cash flow \$7.103M for completion of Phase 1, approved at a total cost of \$20.000M, and start up of the Phase 2 projects approved at a total cost of \$9.000M)

What's in the 2007 Capital Budget

- Environment (continued)

- Continue its Green Fleet Initiative to lower emissions and save fuel, using innovative greener technology (project costs \$0.420M; 2007 cash flow \$0.420M – ongoing program)
- Introduce traffic calming measures and bicycle lanes on various streets throughout the City (\$3.000M)
- Begin the purchase of new larger recycling carts for City households, begin the plan to create a network of new Reuse Centres; and continue Environmental Assessment looking at options to divert Source Separated Organics (SSO), and waste left over after diversion (\$13.500M)
- Continue Parks, Forestry & Recreation Bike Plan development in trails and parkland, including the CP PS Right of Way (\$2.435M)

What's in the 2007 Capital Budget

- Improve Public Service

One of the Mayor's visions is to work with people - to get results for people. To provide residents with direct and simple access to City staff and services, the capital budget and plan includes projects that will:

- Begin to implement 3-1-1 technology to give citizens one number to contact the City for general information or to request non-emergency City services (2007 cash flow \$11.311M; this represents funding for work on several functional components of this Program which was approved at a total project cost of \$26.912M))
- Provide continuity in the City's ability to operate (data centre, systems) should a disaster strike (\$1.100M)
- Improve the City's website to make it more user-friendly (project costs \$3.506M; 2007 cash flow \$1.123M)
- Complete a new on-line licensing system that allows the public to initiate and renew their animal licenses/registrations each year over the web and pay by credit card (\$0.364M)
- Develop new external web based system for clients and community partners to access the Ontario Works program (\$1.200M)

What's in the 2007 Capital Budget

- Community and Recreation Services

The City offers programs and services that improve the quality of life of all its citizens, and ensures opportunity for all. To contribute to the Community and Services goals the capital budget and plan includes projects that will:

- Increase SOGR funding for Homes for the Aged facilities to ensure a safe and comfortable living environment is provided for long-term care residents (\$10.800M)
- Begin construction of the expanded facilities in the Thorncliffe Park Neighbourhood as follows: \$2.500 million library expansion (\$0.734 million); \$1.849 million Child Care Centre (\$1.223 million); and, \$4.250 million Jenner Jean-Marie Community Centre expansion (\$4.250 million)
- Begin construction totalling \$10.868 million to add 132 new and replacement shelter beds: replacement of Eva's Youth Shelter (32 beds) (\$2.870 million), the new Bethlehem United Shelter (60 beds) (\$3.215 million) and the relocation of 110 Edward Street Shelter and Referral Centre (40 beds) (\$5.501 million).

What's in the 2007 Capital Budget

- Community and Recreation Services (continued)

- Implement a new national Public Health Surveillance and Management System to maintain public immunization records and other public health information (\$2.500M)
- Continue the previously approved renovation projects to expand both the Jane/Sheppard Neighbourhood (\$0.638 million) and Bloor/Gladstone District (\$1.847 million) libraries
- Upgrade Flemington Park to include 2 new junior soccer and 12 children mini soccer pitches; rebuild two ball diamonds and cricket pitches; and park improvements for completion in 2007 and 2008 (\$1.600 million)
- Add 4 new waterplay/splash pad projects, three of which are in a Priority Neighbourhood (\$1.760 million)

What's in the 2007 Capital Budget

- Public Works & Infrastructure

The City has a massive and aging infrastructure which has to be managed effectively to ensure that the services required by its citizens continue to be provided. The 2007 Capital Budget contributes to an effective road network that supports delivery of an expansive transportation program; the management of solid waste in an environmentally friendly manner and the general provision of core municipal services

- Maintain 124 kms of roads, rehabilitate 16 bridges and structures in a safe and hazard-free state and to minimize life cycle costs of the assets. (\$127.264M)
- Increase transportation service, safety and capacity – by replacing streetcar track, the North Yonge Centre Service Road, St. Clair Ave. West and the Simcoe Street Underpass (\$75.225M)
- Complete Morningside Avenue/Finch Avenue East grade separation to improve safety and reduce delays to traffic at the railway crossing. (\$12.959M)
- Construct an underpass to eliminate the Dufferin Street Jog creating a regular intersection to facilitate existing and future area traffic operations (\$12.941M)

What's in the 2007 Capital Budget

- Public Safety and Emergency Services

Quality and effective emergency services and public safety constitute a major demand of the citizens of Toronto. The 2007 Capital Budget includes projects that will:

- Improve public security at Union Station - this project will be 75% funded by the Federal Government (project costs \$5.707M; 2007 cash flow \$3.995M)
- Complete a new fire station on Sheppard between Leslie/Bayview to provide improved service and response time in this area (\$2.586M)
- Begin construction of the new Police training facility in 2007 (\$25.929M), with construction to be completed in 2009 (\$76M)
- Purchase land and start design in 2007 to provide 14 Division with a new police station by 2010 (\$6.264M)
- Identify/purchase land in 2007 to provide 11 Division with a new police station by 2011 (\$5.500M)
- Begin planning to replace radio communication between Emergency Medical Services, Police Services, and Fire Services (\$0.25M)

What's in the 2007 Capital Budget

- Transit

A major priority of the Mayor is to make Toronto a city that moves people by transit. The goal to have a comprehensive network of dedicated transit routes that move people quickly, efficiently and affordably through all parts of the city is addressed by projects that will:

- Begin design work for the purchase of 204 low floor accessible Light Rail Vehicles to replace existing streetcar fleet plus 21 growth cars with delivery to start in 2010 (\$0.600M)
- Deliver 220 new replacement buses plus 100 buses for expanded service - Ridership Growth Strategy (\$222.054M) for a total of 1225 new buses to be purchased by 2016
- Purchase 234 new subway cars (39 train sets) to replace existing subway cars which will also increase capacity by 8% (\$ 103.676M)
- Start development of an interregional bus terminal which will be shared with GO Transit and Mississauga Transit (\$9.844M)

What's in the 2007 Capital Budget

- Transit (continued)

- Complete the Mount Dennis 250-bus garage in the fall of 2007 to house added TTC fleet (\$30.842M)
- Continue St. Clair West dedicated transit way, to be completed in 2008 (\$19.805M)
- Begin development of two Bus Rapid Transit ways (BRTs): one from Downsview to York University; the other via Yonge Street from Finch station to Steeles Ave (\$8.614M)
- Make York Mills, St. Clair and Lawrence West subway stations accessible (\$8.330M)
- Replace more than 30,000 double track feet of surface rail with a focus on Fleet St., Dundas St. West, Queensway at Bloor and Oakwood loops (\$44.541M)
- Install state-of-the-art signalling systems on the Yonge-University-Spadina subway line and safety upgrades (\$64.724M)

Conclusion

Conclusion

- This 2007 Capital Budget and 2008 – 2011 Capital Plan achieves the following objectives:
 - Invests in infrastructure to advance the Mayor's Mandate and Council's policy agenda
 - Meets Council approved debt / CFC guidelines
 - Reduces the level at which SOGR backlog is growing
 - Represents a predictable capital investment plan for the next five years within annual debt affordability limits

Conclusion (continued)

- Fiscal challenges result in a continuing gap between growth needs and available funding
- Increased capital funding subsidies from the other Orders of Government needed:
 - long-term commitment to Infrastructure funding and increased Gas Tax sharing
 - Federal Support for Spadina Subway
 - National Transit Strategy
- Development Charge Update 2008 & Beyond

