

Consolidated Clause in Policy and Finance Committee Report 3, which was considered by City Council at its Special Meetings on February 21, 22, 23, 24, 25, 28 and March 1, 2005.

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City of Toronto 2005 Budget Advisory Committee Recommended Capital Budget and 2006 - 2014 Capital Plan

City Council at its Special Meetings on February 21, 22, 23, 24, 25, 28 and March 1, 2005, adopted the recommendations of the Policy and Finance Committee contained in this Clause, as follows:

Programs

Community and Neighbourhood Services

Children's Services

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Homes for the Aged

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Shelter, Housing and Support

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Social Services

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Works and Emergency Services

Emergency Management Plan

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Emergency Medical Services

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Fire Services

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Solid Waste Management

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Transportation Services

City Council amended the Program Budget recommended by the Policy and Finance Committee by:

- (1) *amending Recommendation (56) of the Policy and Finance Committee by adding the words “and that this program be conditional upon the City coming to a satisfactory agreement with York Region for the sharing of costs of this program”, so that Recommendation (56) now reads as follows:*

“(56) the Commissioner of Works and Emergency Services report to the Works Committee on the possibility of receiving funding for the Kennedy/Steeles Grade Separation and the Morningside/Finch Avenue Grade Separation Projects from the Region of York and Development Charges from the Kennedy/Steeles development, and that this program be conditional upon the City coming to a satisfactory agreement with York Region for the sharing of costs of this program;”; and

- (2) *adding the following:*

“That:

- (a) *the Commissioner of Urban Development Services and the Acting Commissioner of Works and Emergency Services, in co-operation with the Toronto Transit Commission, be requested to report to the Planning and Transportation Committee on the feasibility of Toronto Transit Commission service on its own right-of-way, constructed to coincide with the extension westward of Bremner Boulevard;*

- (b) *the Acting Commissioner of Works and Emergency Services be requested to:*
- (i) *explore ways of accelerating construction of the Morningside-Finch Grade Separation, to determine if it can be completed by the end of 2006; and*
 - (ii) *report to the Works Committee on:*
 - (1) *the reasons for the current pothole situation throughout the City and what funds need to be allocated in the budget, in order to repair these potholes and to maintain the roads in good condition; and*
 - (2) *the development of a schedule for planning, designing and constructing the Rail-to-Rail Diamond Grade Separation at St. Clair Avenue West and Old Weston Road, including the feasibility of continuing the 'trench' north of St. Clair Avenue West, or widening the bridge to ease traffic flow and to identify the funding requirements for this project and to consult with the appropriate officials from the federal and provincial government, TTC, CN and GO Transit in the preparation of this report; and*
- (c) *consideration of the following motion be deferred to the Council meeting that will consider the possible dismantling of the Gardiner Expressway:*

Moved by Councillor Holyday:

'That the Front Street Extension Project proceed, providing the other levels of government contribute one-third of the costs up to the full amount of the project.' ”

The Transportation Services Capital Budget, as amended, was adopted by City Council.

WES - Departmental

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Economic Development, Culture and Tourism

Culture

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Economic Development

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Parks and Recreation

City Council amended the Program Budget recommended by the Policy and Finance Committee by adding the following:

“That:

- (1) the Chief Administrative Officer, as part of the presentation at the outset of the public Capital Budget process, be requested to provide a full listing of all development-related and other possible sources of funding, including details on the stage of availability from legal agreements to receipt of funds by the City of Toronto and recommended application to Capital projects, including development charges, park levies, Section 45 funds, Section 37 funds and other donations;*
- (2) the Commissioner of Economic Development, Culture and Tourism and the Acting Commissioner of Works and Emergency Services be requested to analyze the safety issues related to the east side of the Burt Robinson Park Tunnel, where the existing retaining walls have become a ‘hide-out’ for drug dealers and illegal activities and what is transpiring from there is a major safety issue to the local community, and report to the Economic Development and Parks Committee with a proposed plan to address these issues;*
- (3) the Commissioner of Economic Development, Culture and Tourism, in conjunction with the Joseph J. Piccininni Community Centre Advisory Council, be requested to meet to assess the needs and amenities of the Community Centre and report to the Economic Development and Parks Committee prior to the 2006 Budget;*
- (4) the Commissioner of Economic Development, Culture and Tourism be requested to report to the last Council meeting of 2005, through the Economic Development and Parks Committee, on a needs assessment for a community recreation centre in the Morningside Heights area and the local Ward Councillor be invited to participate in this process; and*
- (5) the General Manager of Parks and Recreation be requested to:*
 - (a) report to the Budget Advisory Committee on the capital funding requirements, identified through the Capital Asset Management Program, and recommend a capital funding strategy required to return the City’s facilities to an acceptable state of good repair; and*

- (b) *report to the Economic Development and Parks Committee, for its meeting of May 30, 2005, on changes being made to facilitate the completion rate of capital projects within the Parks and Recreation approved Capital Program and schedule, such report to recommend mechanisms for reporting on the project completion to the Economic Development and Parks Committee and individual Councillors on a regular basis.”*

The Parks and Recreation Capital Budget, as amended, was adopted by City Council.

Tourism

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Urban Development Services

Urban Development Services

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Waterfront Revitalization Initiative

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Corporate Services

City Clerk's Office

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

End of Lease Strategy

City Council amended the Program Budget recommended by the Policy and Finance Committee by adding the following:

“That the Executive Director, Information and Technology, Corporate Services, be requested to meet with officials from the Better Building Partnership and the Toronto Atmospheric Fund regarding the development of an integrated energy efficiency strategy for capital expenditures on all Information and Technology purchases of the City, and that the Chief Administrative Officer facilitate similar discussions with the Agencies, Boards and Commissions, and report to the Administration Committee on the outcome of these discussions.”

The End of Lease Strategy Capital Budget, as amended, was adopted by City Council.

Facilities and Real Estate

City Council amended the Program Budget recommended by the Policy and Finance Committee by adding the following:

“That the Commissioner of Corporate Services be requested to report to Council, through the Administration Committee, on the utilization of the Civic Centres.”

The Facilities and Real Estate Capital Budget, as amended, was adopted by City Council.

Fleet Services

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Information Technology

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Finance

Finance

City Council amended the Program Budget recommended by the Policy and Finance Committee by adding the following:

“That the Chief Financial Officer and Treasurer be requested to report to the Administration Committee, every six months, on:

- (1) the percentage of invoices that are paid according to terms; and*
- (2) the number of invoices that have been paid past the term and the penalty that is incurred.”*

The Finance Capital Budget, as amended, was adopted by City Council.

Other

Energy Retrofit Program

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Union Station

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Yonge-Dundas Project

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Agencies, Boards and Commissions

Exhibition Place

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Toronto and Region Conservation Authority

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Toronto Parking Enforcement Unit

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Toronto Police Service

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Toronto Port Authority

City Council confirmed funding for the Toronto Port Authority.

Toronto Public Health

City Council amended the Program Budget recommended by the Policy and Finance Committee by adding to Part (c) of Recommendation (176) of the Policy and Finance Committee, the following sentence:

“The purpose of the contributions outlined is solely for the retirement of debt, and upon completion of the retirement of the debt, the Board of Health report to Council on any additional contributions that may result from Recommendation (d)”,

so that Part (c) now reads as follows:

- “(c) the amounts of \$1.090 million in 2005, \$1.149 million in 2006, \$1.149 million in 2007, \$1.069 million in 2008 and \$0.819 million thereafter until the costs of implementation and financing of the South Regional Animal Centre Capital project and the Toronto Community Health Information System are completely offset. The purpose of the contributions outlined is solely for the retirement of debt, and upon completion of the retirement of the debt, the Board of Health report to Council on any additional contributions that may result from Recommendation (d);”.

The Toronto Public Health Capital Budget, as amended, was adopted by City Council.

Toronto Public Library

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

Toronto Transit Commission (excl. R.T.E.P) and TTC - Sheppard Subway

City Council amended the Program Budget recommended by the Policy and Finance Committee by:

- (1) striking out Recommendation (200) of the Policy and Finance Committee and replacing it with the following:

“(200) City Council approve, in principle, entering into a negotiated process to arrive at a documented agreement with the Toronto Transit Commission (TTC) on a long-term Operating and Capital subsidy arrangement.”; and

- (2) adding the following:

“That:

- (a) in anticipation of the next TTC subway car order to be placed in 2006 at an estimated cost of \$750 million and with a useful life of 30 years, the Chief Financial Officer and Treasurer, in consultation with the TTC, be requested to review extending the debenture period from 10 years to 20 years, prior to the next budget;
- (b) the Toronto Transit Commission be requested to report to Council, through the Works Committee, on how north Etobicoke can be serviced by either a designated Bus Route or a Light Rail Transit system, possibly using the Highway 27 corridor for this purpose, and that it be reflected in the ‘work-in-process’ Building a Transit City document;

- (c) *the Toronto Transit Commission be requested to report to the Planning and Transportation Committee:*
- (i) *by June 2005, on a process of advancing the Harbourfront West Extension to Dufferin Street and the Queensway, including timelines and the funding arrangements necessary for implementation; and*
- (ii) *on the possible reactivation of the construction of the Eglinton Subway line which was cancelled by the Province of Ontario and Metropolitan Council in 1995; and*
- (d) *the following motion be referred to the Toronto Transit Commission:*

Moved by Councillor Nunziata:

‘That City Council re-affirm Council’s request that the Commissioner of Corporate Services, in conjunction with the Acting Commissioner of Works and Emergency Services, submit a confidential report to the Administration Committee, in April 2005, subject to the final design being confirmed by the TTC, identifying and detailing the expropriation process and related costs of each property required as a result of Council’s adoption of Policy and Finance Committee Report 7, Clause 1, headed “St. Clair Avenue West Transit Improvement Environmental Assessment – Yonge Street to Gunns Road (just West of Keele Street) (St. Paul’s, Davenport, York South-Weston).’ ”

The Toronto Transit Commission Capital Budget, as amended, was adopted by City Council.

Toronto Zoo

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

GO Transit

City Council confirmed funding for GO Transit.

Non Levy

Parking Authority

City Council adopted this Program Budget, as recommended by the Policy and Finance Committee, without amendment.

General

City Council amended Recommendations (1) to (8) of the Policy and Finance Committee by adding the following:

“That:

- (1) the Chief Financial Officer and Treasurer be requested to:*
 - (a) report to the Policy and Finance Committee for its meeting on June 1, 2005 on:*
 - (i) the estimated amount of revenue that would have been collected by the City in 2005, if City Council had implemented the maximum charges permitted under provincial law in the current Development Charges By-law;*
 - (ii) the advisability of amending the Development Charges By-law to allow for the imposition of higher levels of charges in 2006 and subsequent years; and*
 - (iii) the process required to be undertaken to implement such modified charges for 2006 and subsequent years;*
 - (b) include, in future budget documents, carry-forward amounts from the previous years;*
 - (c) include, in future Capital variance reports, a column that actually tracks the carry-forward amounts for 2004;*
 - (d) report to Council, through the Budget Advisory Committee and the Policy and Finance Committee, on the possibility of a revised budget approval schedule which would advance the Capital budget approval (i.e., into the December of the previous year); and*
 - (e) submit the preliminary year-end actuals to the Budget Advisory Committee in advance of the final departmental 2006 budget review (pre-wrap-up); and*
- (2) the report dated February 22, 2005, from the Chief Financial Officer and Treasurer, entitled ‘2004 Preliminary Year-end Capital Variance Report’, be received.”*

The General budget, as amended, was adopted by City Council.

This Clause, as amended, was adopted by City Council.

Council also considered additional material which is noted at the end of this Clause.

The Policy and Finance Committee recommends that City Council adopt the Staff Recommendations in the Recommendations Section of the report (February 14, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, subject to the amendments by the Policy and Finance Committee:

Corporate Capital Budget Recommendations:

It is recommended that:

- (1) the 2005–2014 Capital Plan and Forecast for the City totalling \$11.428 billion as detailed by Program and ABC in Appendix 5, comprising Tax Supported projects of \$11.318 billion and Toronto Parking Authority projects of \$110.198 million be received for information;**
- (2) the 2005 BAC Recommended Capital Budget with a total project cost of \$2.748 billion as summarized by Program and ABC in Appendix 1.(i) be approved. These projects require 2005 cash flow of \$1.292 billion and future year commitments of \$823.916 million in 2006; \$377.595 million in 2007; \$128.990 million in 2008; \$49.946 million in 2009; and \$75.179 million in 2010-2014 and comprises the following:**
 - (a) New Cash Flow Funding:**
 - (i) new and change in scope projects with a total project cost of \$1.398 billion as detailed in Appendix 1.(iii) be approved. These projects require 2005 cash flow of \$485.538 million and future year commitments of \$476.211 million in 2006; \$260.164 million in 2007; \$91.343 million in 2008; \$22.982 million in 2009 and \$62.162 million in 2010-2014;**
 - (ii) previously approved projects (including project with 2003 and prior year carry-forward funding) with total commitments of \$1.115 billion as detailed in Appendix 1.(iv) be approved. These projects require 2005 cash flow of \$571.819 million and future year commitments of \$347.705 million in 2006; \$117.431 million in 2007; \$37.647 million in 2008, \$26.964 million in 2009 and \$13.017 in 2010-2014;**
 - (b) 2004 Approved cash flow for previously approved projects with carry-forward funding from 2004 to 2005 totalling \$234.776 million gross and \$113.463 million debt as detailed in Appendix 1.(v) be approved. (In accordance with existing policies, these expenditures were approved in 2004 and will have no incremental financing impact in 2005); and**
- (3) financing sources for the 2005 BAC Recommended Tax Supported Capital Budget comprised of \$93.176 million from Reserves and Reserve Funds, \$124.172 million of Capital from Current, \$43.835 million of Developmental Charges, \$108.776 million from other sources, \$82.588 million from Provincial Grants and Subsidies, \$53.899 million Federal Subsidy and debt of \$526.720 million (see Appendix 4) be approved;**

- (4) capital expenditures in an amount not to exceed \$526.720 million be debenture financed for the Tax Supported 2005 Capital Budget, for a term up to, but not exceeding 10 years;**
- (5) the City of Toronto request confirmation of financing support for the TTC 2005 BAC Recommended Capital Budget and future year commitments from the provincial government and federal government in order to minimize the capital financing burden on the City of Toronto;**
- (6) new debt service cost of \$11.752 million for 2005; \$43.089 million for 2006; resulting from the approval of the 2005 BAC Recommended Capital Budget, be approved for inclusion in the 2005 and future year Operating Budgets;**
- (7) the reports, transmittals and communications that are on file with the City Clerk's Office (including Appendix 7 herewith attached) as considered by the Budget Advisory Committee at its 2005 budget review meetings be received; and**
- (8) the appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.**

Program Recommendations:

Community and Neighbourhood Services:

Children's Services:

- (1) the 2005-2014 capital program request for Children's Services, with a 2005 cash flow of \$9.140 million and total 10-year project cost of \$21.685 million be received;**
- (2) the 2005 BAC Recommended Capital Budget for Children's Services with a total project cost of \$7.736 million and a 2005 cash flow of \$12.976 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:**
 - (a) New Cash Flow Funding for:**
 - (i) four new sub-projects and one new change in scope sub-project, with a 2005 total project cost of \$7.736 million that requires cash flow of \$7.736 million in 2005 and no future year commitments;**
 - (ii) one previously approved sub-project with a 2005 cash flow of \$0.104 million and no future year commitments; and**
 - (iii) one sub-project from a previously approved project with carry forward funding from 2003 requiring 2005 cash flow of \$0.378 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and**

- (b) **2004 Approved cash flow for five previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$4.758 million;**
- (3) **new debt service costs of \$0.054 million in 2005 and incremental costs of \$0.197 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Operating Budgets; and**
- (4) **approval of \$4.0 million of the \$5.0 million gross expenditure for the Health and Safety/Playground project, corresponding to Provincial subsidies, be conditional upon receiving funding from the Province.**

Homes for the Aged:

- (5) **the 2005-2014 capital program request for Homes for the Aged with a 2005 cash flow of \$11.734 million and total 10-year project cost of \$32.134 million be received;**
- (6) **the 2005 BAC Recommended Capital Budget for Homes for the Aged with a total project cost of \$3.75 million and a 2005 cash flow of \$11.734 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:**
 - (a) **New Cash Flow Funding for:**
 - (i) **three new sub-projects, with a 2005 project cost of \$3.750 million that requires cash flow of \$3.750 million in 2005, with no future year commitments; and**
 - (ii) **two previously approved projects with a 2005 cash flow of \$5.984 million; and**
 - (b) **2004 Approved cash flow for three previously approved projects with carry forward budgets from 2004 into 2005 totalling \$2.000 million; and**
- (7) **a cost centre called “HFA Community-Based Services”, within the Community Initiatives Reserve Fund be established, to be used to purchase furnishings, equipment and amenities as required by the Homes for the Aged and other (Toronto Community Housing Corporation (TCHC) seniors’ supportive housing community-based programs;**

Shelter, Housing and Support:

- (8) **the 2005-2013 capital program request for Shelter, Housing and Support with a 2005 cash flow of \$10.734 million and total 10-year project cost of \$120.063 million be received;**

- (9) the 2005 Capital Budget for Shelter, Housing and Support with a total project cost of \$(0.400) million, 2005 cash flow of \$7.543 million and future year commitments of \$25.180 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) one new project and three change in scope projects, with a total 2005 project cost that total a reduction of \$(0.400) million, with cash flow of \$0.405 million in 2005 and future year commitment of \$(0.805) million reduction in 2006;
 - (ii) 12 previously approved projects with a 2005 cash flow of \$4.745 million and future year commitments of \$16.495 million in 2006; \$7.495 million in 2007; and \$1.995 million in 2008; and
 - (iii) five previously approved projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.197 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and
 - (b) 2005 Approved cash flow for 10 previously approved projects with carry forward funding from 2004 into 2005 totalling \$2.196 million;
- (10) new debt service costs of \$0.012 million in 2005 and incremental costs of \$0.020 million in 2006, and \$(0.089) million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Operating Budgets;
- (11) future years operating impacts of \$1.238 million for 2006; \$1.528 million for 2007; \$1.031 million for 2008, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Shelter, Housing and Support 2005 and future years' Operating Budget submissions; and
- (12) Shelter, Housing and Support program staff review the five Year Capital Plan prior to the 2006 process to ensure the future year commitments are achievable.

Social Services:

- (13) the 2005-2014 capital program request for Social Services, with a 2005 cash flow of \$2.460 million and total 10-year project cost of \$14.709 million be received;
- (14) the 2005 BAC Recommended Capital Budget for Social Services with a total project cost of \$2.330 million, 2005 cash flow of \$2.708 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:

- (a) **new cash flow funding for one previously approved sub-project with a 2005 cash flow of \$2.330 million and no future year commitments; and**
 - (b) **2004 Approved cash flow for three previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.378 million; and**
- (15) **new debt service costs of \$0.012 million in 2005 and incremental costs of \$0.043 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets.**

Works and Emergency Services:

Emergency Management Plan:

- (16) **the 2005-2014 capital program request for the Emergency Management Plan, with a 2005 cash flow of \$3.804 million and total 10-year cost of \$5.951 million be received;**
- (17) **the 2005 Capital Budget for the Emergency Management Plan with a total project cost of \$1.206 million and a 2005 cash flow of \$3.804 million and future year commitments of \$2.147 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
 - (i) **one new project and one change in scope sub project, with a total project cost of \$1.206 million and a 2005 cash flow of \$0.706 million with future year commitments of \$0.500 million; and**
 - (ii) **two previously approved projects and one sub project with a 2005 cash flow of \$2.130 million; and**
 - (b) **2004 Approved cash flow for the previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.968 million;**
- (18) **new debt service costs of \$0.054 million for 2005 and incremental costs of \$0.208 million in 2006 and \$0.043 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (19) **operating impacts of \$0.005 million for 2005, emanating from the approval of the 2005 Capital Budget, be considered within the overall scope of the Emergency Management Plan 2005 Operating Budget submission;**
- (20) **the Acting Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer, report back to the Budget Advisory Committee, prior to the 2006 budget process, on a proposal to transfer the entire Emergency Management Plan Capital Budget to the appropriate program areas within the Works and Emergency Services Department;**

- (21) **The HUSAR Project be adjusted so that the total project cost be increased from \$1 million gross, \$1 million net to \$2.1 million gross, \$525,000 net, subject to 75/25 funding from the Federal Government-Joint Emergency Preparedness Program (JEPP) grants; and**
- (22) **the Budget Advisory Committee recommended the adoption of the 2005 EMT Recommended Capital Budget for the Emergency Management Plan, as recommended by the Community Services Committee, including requesting the Acting Commissioner of Works and Emergency Services to report to the Budget Advisory Committee on the status of funding for the HUSAR Project, once the design phase is complete, given that Joint Emergency Preparedness Program (JEPP) funding has only been approved for the design phase of the project.**

Emergency Medical Services:

- (23) **the 2005-2014 capital program request of Emergency Medical Services, with a 2005 cash flow of \$8.030 million and total 10-year project cost of \$53.519 million be received;**
- (24) **the 2005 Capital Budget for Emergency Medical Services with a total project cost of \$13.424 with a 2005 cash flow of \$8.030 million and future year commitments of \$5.394 million be approved. The Recommended Capital Budget consists of the following:**
 - (a) **New Cash Flow Funding for:**
 - (i) **eight new sub projects, with a total project cost of \$8.958 million that requires cash flow of \$5.086 million in 2005 and future year commitments of \$3.272 million in 2006, \$0.300 million in 2007, and \$0.300 million in 2008; and**
 - (ii) **four previously approved sub projects with a 2005 cash flow of \$1.530 million and future year commitments of \$1.072 million in 2006, and \$0.450 million in 2007; and**
 - (b) **2004 Approved cash flow for four previously approved projects with carry forward budgets from 2004 into 2005 totalling \$1.414 million;**
- (25) **new debt service costs of \$0.199 million in 2005 and incremental costs of \$0.858 million in 2006, \$0.504 million in 2007, \$0.097 million in 2008 and \$0.035 million in 2009, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;**
- (26) **operating impacts of \$0.327 million for 2005, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the EMS 2005 and future year operating budget submissions;**

- (27) the Acting Commissioner of Works, Emergency Services report to Council on the results of the Multiple Book-On feasibility study upon completion, and amend the 5-Year EMS Capital Plan to reflect the cost of the resulting capital strategy;**
- (28) EMS staff continue discussions regarding the provincial under funding with the Provincial Officials and report to Council on any achieved outcomes;**
- (29) EMS, in consultation with the Financial Planning Division:
 - (a) develop a “smooth” distribution of cash flows within the current 5-Year Plan (based on the SOGR expenditures related to the current 40-station service dispatch model); and**
 - (b) the resulting cash flows within the 5-Year Plan be subject to affordability constraints; and****
- (30) the cash flow commitments related to the Station 21 project of \$3.092 million and \$1.719 million, in 2012 and 2013 respectively, be removed from the EMS cash flow commitments plan with it remaining a priority within the EMS 10-year capital plan.**

Fire Services:

- (31) the 2005-2014 capital program request of Toronto Fire Services, with a 2005 cash flow of \$13.918 million and total 10-year project cost of \$86.443 million be received;**
- (32) the 2005 Capital Budget for Toronto Fire Services with a total project cost of \$10.290 million and a 2005 cash flow of \$9.769 million and future year commitments of \$7.388 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) nine new sub-projects, with a 2005 total project cost of \$10.290 million that requires cash flow of \$2.902 million in 2005 and future year commitments of \$3.160 million in 2006, \$3.934 million in 2007 and \$0.294 million in 2008;**
 - (ii) three previously approved sub-projects with a 2005 cash flow of \$1.834 million with no future year commitments; and**
 - (iii) one sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$3.144 million with no future year commitment which forms part of the affordability targets that requires Council to reaffirm its commitment; and****
 - (b) 2004 Approved cash flow for seven previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.889 million;****

- (33) new debt service costs of \$0.084 million in 2005 and incremental costs of \$0.380 million in 2006, \$0.345 million in 2007, \$0.282 million in 2008 and \$0.034 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (34) operating impacts of \$0.017 million in 2005, \$0.0 million for 2006, and 2007 for \$0.042 million, \$0.146 million for 2008 and \$0.087 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Toronto Fire Services 2005 and future years' operating budget submissions;**
- (35) the cash flow commitments related to the Station G-Sunnybrook project of \$1.241 million and \$1.613 million, in 2012 and 2013 respectively, be removed from the Fire Services cash flow commitments plan and that the Station G project remain a priority within the Fire Services 10-year capital plan;**
- (36) the Acting Commissioner of Works and Emergency Services and the Fire Chief report back to the Budget Advisory Committee with the detailed status of project readiness for each project as outlined in the 5-year plan;**
- (37) the Acting Commissioner of Works and Emergency Services, in consultation with the Fire Chief, revise the 10 year plan to adjust the planned timing of Fire Station Rebuild and Relocation projects in order to achieve less condensed cash flow estimates and report to Budget Advisory Committee prior to the 2006 Capital Budget process; and**
- (38) the Acting Commissioner of Works and Emergency Services, in consultation with the Fire Chief and the Chief Financial Officer and Treasurer report to the Budget Advisory Committee on the feasibility and requirements to allocate resources to fund a reserve for the specific purpose of replacing the current Fire Boat.**

Solid Waste Management Services:

- (39) the 2005-2014 capital program request for Solid Waste Management Services, with a 2005 cash flow of \$36.487 million and total 10-year project cost of \$281.964 million be received;**
- (40) the 2005 Capital Budget for Solid Waste Management Services with a total project cost of \$8.000 million and a 2005 cash flow of \$35.987 million and future year commitments of \$44.739 million be approved. The BAC Recommended Capital Budget consists of the following:**
 - (a) New Cash Flow Funding for:**
 - (i) four new projects, with a 2005 total project cost of \$5.400 million, and five change in scope projects of \$2.600 million, that requires cash flow of \$8.000 million in 2005 and no future year commitments; and**

- (ii) 14 previously approved projects with a 2005 cash flow of \$20.424 million and future year commitments of \$29.194 million in 2006, \$15.503 million in 2007, and \$0.042 million in 2008; and
- (b) 2004 Approved cash flow for nine previously approved projects with carry forward budgets from 2004 into 2005 totalling \$7.563 million.
- (41) new debt service costs of \$0.770 million in 2005 and incremental costs of \$3.499 million in 2006, \$2.816 million in 2007, \$1.124 million in 2008, and \$0.005 million in 2009, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets;
- (42) operating impacts of \$3.788 million for 2005, (\$0.547) million for 2006, (\$0.900) million for 2007, \$1.665 million for 2008 and \$1.030 million for 2009 resulting from the approval of the 2005 BAC Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets; and
- (43) the Acting Commissioner of Works and Emergency Services report back to the Budget Advisory Committee, before the start of the 2006 Capital Budget process, on a 5-year Capital Plan within the 2005 affordability guidelines.

Transportation Services:

- (44) the 2005-2014 capital program request of Transportation Services, with a 2005 cash flow of \$309.682 million and total 10-year project cost of \$3,014.942 million be received;
- (45) the 2005 EMT Recommended Capital Budget for Transportation Services with a total project cost of \$254.567 million and a 2005 cash flow of \$282.736 million and future year commitments of \$171.677 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 47 new sub-projects, with a 2005 total project cost of \$254.567 million that requires cash flow of \$174.015 million in 2005 and future year commitments of \$53.622 million in 2006, \$13.940 million in 2007 and \$12.990 million in 2008;
 - (ii) 13 previously approved sub-projects with a 2005 cash flow of \$33.579 million and future year commitments of \$79.836 million in 2006, \$10.319 million in 2007 and \$0.970 million in 2008; and
 - (iii) two sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$17.202 million with no future year commitment which forms part of the affordability targets that requires Council to reaffirm its commitment; and

- (b) 2004 Approved cash flow for 46 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$57.760 million;**
- (46) new debt service costs of \$3.425 million in 2005; \$13.974 million in 2006, \$5.531 million in 2007, \$1.451 million in 2008 and \$1.019 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (47) operating impacts of \$0.270 million for 2006, and \$0.270 million for 2007, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Transportation Services 2005 and future years' operating budget submissions;**
- (48) with respect to the Front Street Extension project, City Council be advised that the Works Committee does not support the \$255 million for the Front Street Extension and does not consider the project to be a Council priority; and further that:**
 - (a) all funding allocated to the Front Street Extension project, including any carry forward amounts, be deferred from the 2005 Capital Budget for Transportation Services;**
 - (b) the Acting Commissioner of Works and Emergency Services advise the Works Committee at the earliest opportunity after funding for this project has been made available to the Works and Emergency Services Department;**
 - (c) any significant financial commitments to the Front Street Extension be deferred until such time as City Council considers the F. G. Gardiner Expressway;**
 - (d) City Council request the Commissioner of Urban Development Services, the Chief Financial Officer and Treasurer, and the Toronto Waterfront Revitalization Corporation to report to Council on the source of funds for the shortfall between the agreed-upon contribution by the provincial and federal governments for the front Street Extension (one-third each in the amount of \$170 million) and the actual projected cost of the Front Street Extension (\$255 million), and any future cost overruns; and**
 - (e) that \$13,349,000 gross and \$0 net be added back to the 2005 Transportation Capital Budget to fund current obligations for the Front Street Extension Project and that the Chief Financial Officer and Treasurer be authorized to allocate the funds to the appropriate previously approved projects.**

Subject to the following amendment by the Policy and Finance Committee:

The Policy and Finance Committee confirms that it is the intent of Budget Advisory Committee's Recommendation (48) (a), (c) and (e) pertaining to the Transportation Program's 2005 Capital Budget and Recommendations (108) and (109) pertaining to the Waterfront Revitalization Initiative's 2005 Capital Budget, to ensure that

consideration of the Front Street Extension Project is deferred to Council's meeting that will consider the possible dismantling of the Gardner Expressway and that no additional significant expenditures other than those required to fund current obligations be undertaken pending Council's resolution of this issue.

- (49) that any major changes to scope and costs of pre-approved and proposed multi-year projects be identified in the Works and Emergency Services covering report attached to the Capital variance report and be considered by the Works Committee on a quarterly basis; and that the Acting Commissioner of Works and Emergency Services provide a briefing note on this matter to the March 8, 2005, meeting of the Works Committee;
- (50) that the Acting Commissioner of Works and Emergency Services report to the March 8, 2005, meeting of the Works Committee on a proposed street tree planting program that outlines, amongst other things:
- (a) the area to be planted;
 - (b) the number of trees to be planted;
 - (c) the species to be planted; and
 - (d) the maintenance plan;
- (51) that City Council request Toronto Hydro to accelerate its commitment to provide a reduction in energy costs associated with the Light Emitting Diode (LED) Conversion Program;
- (52) the Acting Commissioner of Works and Emergency Services report to the Budget Advisory Committee, prior to final approval of the Works and Emergency Services Capital Program, on a three-year accelerated LED Conversion Program, including financing options;
- (53) the Acting Commissioner of Works and Emergency Services provide Briefing Notes on the City's Capital and Operating costs and related investments for the next five years on:
- (a) Automobiles;
 - (b) Cycling;
 - (c) Pedestrians; and
 - (d) Transit;
- (54) the recommendations in the Recommendation Section of the Staff report (January 20, 2005) from the Acting Commissioner of Works and Emergency Services, on a three-year accelerated LED Conversion Program be adopted, subject to amending such Recommendations to read:
- (a) authority be granted, in principle, to amend the Transportation Services Division's 2006-2014 Capital Program to support an accelerated LED conversion program for completion by the end of 2008;

- (b) **the Chief Financial Officer and Treasurer, in consultation with the Acting Commissioner of Works and Emergency Services, be requested to determine the most effective financial strategy for the implementation of an accelerated LED conversion program, taking into consideration a loan from the Toronto Atmospheric Fund (TAF), or other external funding opportunities through Toronto Hydro based on Energy Conservation and Demand Management Strategies, as well as any other possible funding sources in an effort to minimize capital budget impacts;**
 - (c) **authority be granted to proceed with the LED signal lamp procurement process in 2005, in consultation with the Purchasing and Materials Management Division, to establish a multiple year supply contract to support the accelerated LED conversion program for installation in 2006, 2007 and 2008;**
 - (d) **the appropriate City officials be authorized and directed that, upon the publication of the new Institute of Transportation Engineers (ITE) standard for LED Vehicle Traffic Control Signal Heads, LED vehicle yellow displays be incorporated into the LED conversion program for traffic signal lamps as availability, schedule and budget permit;**
 - (e) **authority be granted to amend the Transportation Services Division's 2005 Operating Budget submission to provide for an additional temporary Engineering Technologist position at an annual cost of \$62,000.00 to support the accelerated LED conversion program with funding to be provided from the Transportation Capital Budget; and**
 - (f) **the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;**
- (55) **that the Kennedy/Steeles Grade Separation and the Morningside/Finch Avenue Grade Separation Projects be included in the 2005-2009 five-year Capital Works Program for Transportation, simultaneously, with construction to begin in 2006, to be funded by possible deferral of other projects at the discretion of the Acting Commissioner of Works and Emergency Services (total \$34 million over three years); and**
- (56) **the Commissioner of Works and Emergency Services report to the Works Committee on the possibility of receiving funding for the Kennedy/Steeles Grade Separation and the Morningside/Finch Avenue Grade Separation Projects from the Region of York and Development Charges from the Kennedy/Steeles development.**

WES – Departmental:

- (57) **the 2005-2014 capital program request of Works and Emergency Services - Departmental, with a 2005 cash flow of \$8.147 million and total 10-year project cost of \$23.977 million be received;**

- (58) **the 2005 Capital Budget for Works and Emergency Services - Departmental with a total project cost of \$3.967 million and a 2005 cash flow of \$8.147 million and future year commitments of \$2.563 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
 - (i) **four new projects and no change in scope projects, with a 2005 total project cost of \$3.967 million that requires cash flow of \$2.834 million in 2005 and future year commitments of \$1.133 million in 2006;**
 - (ii) **seven previously approved projects with a 2005 cash flow of \$5.313 million and a future year commitment of \$1.385 million in 2006; and**
 - (iii) **two sub-projects from previously approved projects with carry forwards budgets from 2003 and prior of \$0.248 million which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
 - (b) **2004 Approved cash flow for seven previously approved projects with carry forward budgets from 2004 into 2005 totalling \$3.789 million.**
- (59) **operating impacts of \$0.175 million for 2005 and \$0.393 million in 2006 emanating from the approval of the 2005 Capital Budget for previously approved and new projects be considered within the overall scope of the WES Support Services program's 2005 and future years' operating budget submissions; and**
- (60) **new debt service costs totalling \$0.533 million and consisting of incremental costs of \$0.080 million in 2005; \$0.328 million in 2006; \$0.125 million in 2007 be approved for inclusion in the 2005 and future year operating budgets;**

Economic Development, Culture and Tourism:

Culture:

- (61) **the 2005-2014 capital program request of Culture, with a 2005 cash flow of \$9.503 million and total 10-year project cost of \$87.351 million be received;**
- (62) **the 2005 Capital Budget for Culture with a total project cost of \$6.057 million and a 2005 cash flow of \$9.503 million and future year commitments of \$3.902 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
 - (i) **21 new sub-projects with a 2005 total project cost of \$6.057 million that requires cash flow of \$3.134 million in 2005 and a future year commitment of \$2.923 million in 2006;**

- (ii) **nine previously approved sub-projects with a 2005 cash flow of \$1.675 million and a future year commitment of \$0.979 million in 2006; and**
 - (iii) **four sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$1.862 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
- (b) **2004 Approved cash flow for 18 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.832 million;**
- (63) **new debt service costs of \$0.145 million in 2005 and incremental costs of \$0.761 million in 2006, \$0.448 million in 2007, resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (64) **operating impacts of \$0.009 million for 2006, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of Culture's 2005 and future years' operating budget submissions;**
- (65) **all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;**
- (66) **the Culture Division develop and implement asset management tools for the 2006 Capital Budget Review to facilitate strategic decision making in particular for reviewing the state of good repair backlog and health and safety requirements of assets under management;**
- (67) **the Commissioner of Economic Development, Culture and Tourism review the Division's 5-year Capital Plan to ensure that annual cash flow requests are achievable given resources available and the affordability guidelines of the City prior to the 2006 Capital Budget process; and**
- (68) **the Commissioner of Economic Development Culture and Tourism, in consultation with the Chief Financial Officer, report to the Economic Development and Parks Committee as part of the 2006 Budget Process on the construction plan and time-frame for the renovation of the Franklin Carmichael Art Centre, which would address the lack of cultural facilities in Northern Etobicoke.**

Economic Development :

- (69) **the 2005-2014 capital program request of Economic Development, with a 2005 cash flow of \$6.608 million and total 10-year project costs of \$63.249 million be received;**

- (70) **the 2005 Capital Budget for Economic Development with a total project cost of \$5.720 million and a 2005 cash flow of \$6.608 million and future year commitments of \$2.021 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
 - (i) **three new projects, with a 2005 total project cost of \$5.720 million that requires cash flow of \$4.124 million in 2005 and future year commitment of \$1.596 million in 2006;**
 - (ii) **13 previously approved sub-projects with a 2005 cash flow of \$0.809 million and a future year commitment of \$0.244 million in 2006; and**
 - (iii) **four sub-projects from previously approved sub-projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$0.582 million and a future year commitment of \$0.068 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
 - (b) **2004 Approved cash flow for three previously approved projects with carry forward funding from 2004 into 2005 totalling \$1.093 million, and a future year commitment of \$0.113 million in 2006, the latter will form part of the affordability target for 2006;**
- (71) **new debt service costs of \$0.165 million in 2005 and incremental costs of \$0.663 million in 2006, and \$0.209 million in 2007, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future years operating budget;**
- (72) **all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs; and**
- (73) **the Commissioner of Economic Development Culture and Tourism report back to the Budget Advisory Committee when an agreement has been reached with the Toronto Parking Authority for the use of three parking spaces for the Chinese Archway Phase Two project and the Chinese Chamber of Commerce has secured \$0.325 million for its 50 percent share of the project cost.**

Parks and Recreation:

- (74) **the 2005-2014 capital program request of Parks and Recreation, with a 2005 cash flow of \$90.0 million and a total 10-year project cost of \$684.490 million be received;**

- (75) **the 2005 Capital Budget for Parks and Recreation with a total project cost of \$55.864 million and a 2005 cash flow of \$82.510 million and future year commitments of \$14.171 million be approved. The 2005 Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
- (i) **88 new sub-projects with a 2005 total project cost of \$55.864 million that requires cash flow of \$45.538 million in 2005 and a future year commitment of \$10.326 million in 2006;**
 - (ii) **six previously approved sub-projects with a 2005 cash flow of \$6.185 million and a future year commitment of \$1.370 million in 2006; and**
 - (iii) **35 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$7.196 million and future year commitments of \$2.281 million in 2006 and \$0.194 million in 2007, which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
- (b) **2004 Approved cash flow for 88 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$23.591 million;**
- (76) **new debt service costs of \$1.184 million in 2005 and incremental costs of \$4.560 million in 2006 and \$0.795 million in 2007 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;**
- (77) **all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;**
- (78) **funding of \$2.061 million for the Spring Grass Cutting Machines, a capital sub-project that emanates from the City's Clean and Beautiful Initiative, while pre-approved, be contingent upon corresponding approval in the 2005 Parks and Recreation Operating Budget, and if the operating approval is not forthcoming, a report back on how this equipment will be absorbed into the ongoing fleet replacement is required;**
- (79) **Tree Service Vehicles funding of \$0.910 million be contingent upon approval of the corresponding Clean and Beautiful initiatives recommended in the Parks and Recreation 2005 Operating Budget;**
- (80) **the sub-project for Capital Emergencies be approved with funding of \$0.750 million for 2005 with the following conditions:**

- (a) **projects funded must be demonstrable emergencies presenting a safety or security hazard, or impacting current operations, with a potential for significant damage resulting from the continuation of the problem identified;**
 - (b) **all projects charged to the fund must be reported to Finance staff to ensure structures are provided to ensure accountability;**
 - (c) **use of the funding must be reported in all variance reports and to Budget Advisory Committee at the time of consideration of the 2006 Capital Budget; and**
 - (d) **any unspent balance at year-end cannot be carried forward;**
- (81) **the recommendations in the Recommendations Section of the report (January 28, 2005) from the Chief Administrative Officer, requesting funding for the Council approved 3-1-1 Customer Service Strategy, Project Management Office (PMO), be adopted as amended:**
- (a) **a total project cost of \$4.892 million with a 2005 cash flow of \$1.396 million and a 2006 cash flow of \$3.496 million for an automated work order system for Parks and Recreation, Forestry TMMS system upgrade, and Forestry Call Centre be approved and added to the 2005 Recommended Capital Budget for Parks and Recreation; and that the 2005 cash flow of \$1.396 million be funded from the Capital Financing Reserve Fund; and**
 - (b) **the Economic Development, Culture and Tourism Department consult with the Council-Staff Working Group on work order system options, design and capability required for 3-1-1 preparation and eventual integration;**
- (82) **the Harbourfront Community Pool be listed as one of the City's projects, and that third party funding generated in the area be tracked and recorded in the appropriate capital account;**
- (83) **a costing and priority framework be developed by June 2005, for managing the growth demands and public expectations associated with the Parks and Recreation's various strategic reports, its SOGR backlog and its asset audits and that needs be reviewed collectively in order to revise the Program's 2006-2010 Capital Plan at a sustainable debt funding level; and**
- (84) **the Commissioner of Economic Development, Culture and Tourism report to Budget Advisory Committee for the 2006 budget process on options for accelerating the Natural Areas Restoration Program, including public education, engagement, and stewardship.**

Tourism

- (85) **the 2005-2014 capital program request of Tourism, with a 2005 cash flow of \$0.125 million and total project cost of \$0.125 million be received;**

- (86) **the 2005 Capital Budget for Tourism with a total project cost of \$0.075 million and a 2005 cash flow of \$0.075 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
- (i) **one new project with 2005 total project costs of \$0.075 million that requires cash flow of \$0.075 million in 2005 and no future year commitments;**
- (87) **new debt service costs of \$0.001 million in 2005 and incremental costs of \$0.004 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and**
- (88) **the Walk of Fame project be approved conditionally, subject to finalizing the agreement between the City and the Canadian Walk of Fame, and receipt of the third party funding.**

Urban Development Services:

Urban Development Services:

- (89) **the 2005-2014 capital program request of Urban Development Services, with a 2005 cash flow of \$9.681 million and total 10-year project cost of \$49.234 million be received;**
- (90) **the 2005 Recommended Capital Budget for Urban Development Services, with a total project cost of \$10.866 million and a 2005 cash flow of \$9.681 million and future year commitments of \$4.303 million in 2006 be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
- (i) **28 new sub-projects and one new change in scope sub-projects with a 2005 total project cost of \$10.866 million requiring cash flow of \$6.563 million in 2005 and future year commitments of \$2.665 million in 2006 and \$1.638 million in 2007;**
- (ii) **three previously approved sub-projects with a 2005 cash flow of \$0.213 million and no future year commitments; and**
- (iii) **four sub-projects from previously approved projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.778 million and \$0.200 million in 2006; and**
- (b) **2004 Approved cash flow for 20 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.127 million; and**

- (91) new debt service costs of \$0.157 million in 2005 and incremental costs of \$0.669 million in 2006, \$0.405 million in 2007 and \$0.188 million in 2008 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;**
- (92) operating impacts in the Parks and Recreation Operating Budget of \$0.003 million for 2006, and \$0.074 million for 2007, \$0.086 million for each of 2008 and 2009 for streetscape enhancement tree maintenance emanating from the approval of the 2005 Capital Budget for Civic Improvement Projects be considered within the overall scope of the Parks and Recreation 2005 and future years' operating budget submissions;**
- (93) 2005 cash flows of all development charge-funded projects recommended in the 2005 Urban Development Services Capital Budget (UDS) be conditionally approved, subject to the funds being received by the City;**
- (94) the 2005 BAC recommended cash flow of \$0.033 million for the IBMS SAP Integration project be approved, conditional upon the project being undertaken by IT and Finance;**
- (95) the Commissioner, Urban Development Services, report to the Planning and Transportation Committee on the results of the IBMS Remote Computing Pilot during the 2006 Budget process, prior to the approval of additional funds for its full-scale implementation;**
- (96) the Commissioner, Urban Development Services, include the 5-year cash flow requirements of future IBMS enhancements in the 2006 UDS Capital Budget Submission;**
- (97) the Commissioner of Urban Development Services, provide a report for information to the Planning and Transportation Committee prior to the 2006 Budget Process, outlining the Natural Heritage Inventory project 5-year work plan phases and future-year estimates to accurately reflect the financial requirements of each phase; and**
- (98) the Urban Development Services be authorized to reallocate funding to substitute Civic Improvement Projects identified during the budget process, should those approved in the 2005 Capital Budget not proceed due to anticipated changes in the Transportation/Toronto Water capital program such that all in-year reallocations not exceed the 2005 approved funding for the Routes 2005, Places 2005, Beautiful City Routes 2005, and Beautiful City Places 2005 projects, respectively; and that such project reallocations be reported out with the capital variance reporting process.**

Waterfront Revitalization Initiative:

- (99) the 2005-2014 capital program request of the Waterfront Revitalization Initiative, with a 2005 cash flow of \$36.238 million and total 10-year project cost of \$376.867 million be received;
- (100) the 2005 Capital Budget for the Waterfront Revitalization Initiative with a total project cost of \$210.346 million and a 2005 cash flow of \$20.028 million and future year commitments of \$93.086 million in 2006, \$75.380 million in 2007, \$66.940 million in 2008, \$30.594 million in 2009 and \$74.629 million in 2010-2014 be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
- (i) 13 new change in scope sub-projects, with 2005 total project costs of \$210.346 million that requires cash flow of (\$13.414) million in 2005 and future year commitments of \$52.443 million in 2006, \$46.803 million in 2007, \$47.296 million in 2008, \$15.606 million in 2009 and \$61.612 million in 2010-2014;
- (ii) 12 previously approved sub-projects with a 2005 cash flow of \$33.145 million and future year commitments of \$40.643 million in 2006, \$28.577 million in 2007, \$19.644 million in 2008, \$14.988 million in 2009, and \$13.017 million in 2010-2014; and
- (iii) one sub-project from previously approved projects with carry forward funding from 2003 and prior years requesting 2005 cash flow of \$0.297 million with no future year commitments which forms part of the affordability target that requests Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 11 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$16.210 million.
- (101) the 2005 Recommended Capital Budget and Future Year Commitments be approved conditional on the Commissioner of Urban Development Services:
- (a) submitting the five year TWRC Business Plan to Council for approval in February 2005; and
- (b) reporting back to the Budget Advisory Committee on the financial impacts the proposed plan will have on the 2005 EMT Recommended Capital Budget and Future Year Commitments, as amended;

Subject to the following amendments by the Policy and Finance Committee:

The Policy and Finance Committee recommends that Recommendation (101) in the Waterfront Capital Budget be amended by:

- (1) deleting the words “the 2005 Recommended Capital Budget”;**
- (2) amending Recommendation (a) by deleting the word “February” and inserting the word “Spring”; and**
- (3) amending Recommendation (b) by deleting “EMT” and adding “, if any,” so that Recommendation 101 now reads as follows:**

“(101) Future year commitments be approved conditional on the Commissioner of Urban Development Services:

- (a) submitting the 5 year TWRC Business Plan to Council for approval in Spring 2005; and**
 - (b) reporting back to the Budget Advisory Committee on the financial impacts the proposed plan will have on the 2005 Recommended Capital Budget, if any, and Future Year Commitments;”**
- (102) new debt service incremental costs of \$1.573 million in 2006, \$7.406 million in 2007, and \$7.037 million in 2008, \$5.985 million in 2009 and \$1.794 million in 2010 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Urban Development Services Operating Budgets, subject to Recommendation (3), on the assumption that all of the City’s contribution will be funded by debt;**
 - (103) once TWRC’s 5-Year Business Plan is approved by Council, the Commissioner of Urban Development Services, in consultation with the Chief Financial Officer and Treasurer, report back on how the City will finance its contribution, which may be a combination of debt, Development Charges, land, etc;**
 - (104) the \$4.000 million net City funding recommended for the construction of a Dragon Boat/Multi-Sport Watercourse be conditional on contributions of \$15.000 million from the federal government and \$4.000 million from the provincial government;**
 - (105) prior to the expenditure of funds on the Gardiner Environmental Assessment, the Commissioner of Urban Development Services report to Council in 2005 following the receipt of the report from the TWRC on the options for improving the Gardiner/Lakeshore corridor, to seek direction as to whether or not an environmental assessment will be undertaken for a preferred option;**

- (106) City Council authorize the City to act as proponent or co-proponent for environmental assessment processes as may be required associated with waterfront revitalization initiatives that are approved as part of the 2005 Capital Budget; such initiatives include the creation of Commissioners Park, Interim Playing Fields, and the Western Beaches Watercourse Facility; as well as transit, roads in West Donlands and East Bayfront, storm and sanitary sewer facilities, community facilities, and parks and public spaces initiatives in East Bayfront and West Don Lands;
- (107) the 2005 cash flow for the Waterfront Revitalization Initiative be revised as outlined in the Briefing Note, dated January 18, 2005, entitled “Briefing Note re 2005-2014 Capital Works Program for the Waterfront Revitalization Initiative”, and that the Commissioner of Urban Development Services be requested to report on the TWRC’s five year business plan in the spring of 2005, noting that 2006 and beyond are estimates only;
- (108) the Front Street Extension Project be deferred for consideration when Toronto City Council meets to deal with the Gardiner Expressway and its possible dismantling, such meeting expected later on in 2005, and that, as a consequence:
- (a) no significant additional expenditures be undertaken in 2005 relating to the Front Street Extension; and
 - (b) all motions relating to Front Street Extension also be deferred to the above mentioned City Council meeting;
- (109) the recommendations contained in the confidential report (January 21, 2005) from the City Solicitor entitled “ Expenditure of Funds for Certain Approved Transactions-Front Street Extension Project, Ward 19-Trinity-Spadina” be adopted. (Subject matter deals with possible litigation under the *Municipal Act, 2001*, discussion be held in-camera.);

Subject to the following amendment by the Policy and Finance Committee:

The Policy and Finance Committee confirms that it is the intent of Budget Advisory Committee’s Recommendation (48) (a), (c) and (e) pertaining to the Transportation Program’s 2005 Capital Budget and Recommendations (108) and (109) pertaining to the Waterfront Revitalization Initiative’s 2005 Capital Budget, to ensure that consideration of the Front Street Extension Project is deferred to Council’s meeting that will consider the possible dismantling of the Gardner Expressway and that no additional significant expenditures other than those required to fund current obligations be undertaken pending Council’s resolution of this issue.

- (110) the Chief Financial Officer and Treasurer, the Commissioner of Urban Development Services, and the Toronto Waterfront Revitalization Corporation report to Council on the source of funds for the shortfall between the agreed upon contribution by the provincial and federal governments for the Front Street Extension (one-third each in the amount of \$170 million) and the actual projected cost of the Front Street Extension (\$255 million), and any future cost overruns; and

- (111) **City Council direct the appropriate City staff, in consultation with the Toronto Revitalization Corporation, to undertake a consultation process with the citizens of Toronto to determine what the public's priorities for scarce waterfront funds are, and at the completion of the consultation process, that City Council request Mayor David Miller to lead a delegation of City Council representatives to renegotiate waterfront funding commitments from senior levels of government with a view to aligning them with the priorities of the citizens of Toronto.**

Action taken by the Budget Advisory Committee

The Budget Advisory Committee requested the Commissioner of Urban Development Services, in consultation with TWRCA, to report to the Works Committee on options that:

- (a) **include public transit projects that would increase east west access to the downtown core along the waterfront area;**
- (b) **would permit complete or partial dismantling of the Gardiner Expressway in the absence of the Front Street Extension Project; with the primary emphasis being public transit to improve public access to the downtown core; and**
- (c) **a list of Waterfront projects that could go forward if the Front Street Project does not go forward.**

Corporate Services:

City Clerk's Office:

- (112) **the 2005-2014 capital program request for the City Clerk's Office, with a 2005 cash flow of \$3.774 million and total 10-year project cost of \$2.596 million be received;**
- (113) **the 2005 BAC Recommended Capital Budget for the City Clerk's Office with a total project cost of \$2.596 million and a 2005 cash flow of \$3.995 million and future year commitments of \$2.716 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
 - (i) **three new sub-projects with a 2005 total project cost of \$2.596 million that requires cash flow of \$1.750 million in 2005 and future year commitments of \$0.080 million in 2006, and \$0.216 million in 2007; and**
 - (ii) **one previously approved sub-project with a 2005 cash flow of \$1.266 million and a future year commitment of \$2.420 million in 2006; and**

- (b) **2004 Approved cash flow for three previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.979 million;**
- (114) **new debt service costs of \$0.038 million in 2005 and incremental costs of \$0.212 million in 2006 resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets; and**
- (115) **operating impacts of \$0 million for 2005, and 2006 emanating from the approval of the 2005 Capital Budget for new and change in scope projects be considered within the overall scope of the City Clerk's Office program's 2005 and future years' operating budget submissions.**

Technology End of Lease Strategy:

- (116) **the 2005 Capital Budget for Technology End of Lease Strategy with a 2005 cash flow of \$62.474 million be approved. The Recommended Capital Budget consists of the following:**
 - (a) **New Cash Flow Funding for:**
 - (i) **three previously approved sub-projects with a 2005 cash flow of \$34.328 million with no future year commitments; and**
 - (b) **2004 Approved cash flow for four previously approved sub-projects with carry forward funding from 2004 into 2005 of \$28.146 million.**

Facilities and Real Estate:

- (117) **the 2005-2014 capital program request of Facilities and Real Estate, with a 2005 cash flow of \$38.885 million and total 10-year project cost of \$229.912 million be received;**
- (118) **the 2005 BAC Recommended Capital Budget for Facilities and Real Estate with a total project cost of \$35.326 million and a 2005 cash flow of \$41.820 million and future year commitments of \$32.084 million be approved. The Recommended Capital Budget consists of the following:**
 - (a) **New cash flow funding for:**
 - (i) **40 new sub-projects and 10 change in scope sub-projects with a 2005 total project cost of \$35.326 million that requires cash flow of \$10.092 million in 2005 and future year commitments of \$7.684 million in 2006, \$6.694 million in 2007, \$2.066 million in 2008 and \$0.202 million in 2009; and**
 - (ii) **37 previously approved sub-projects with a 2005 cash flow of \$24.563 million and future year commitments of \$13.668 million in 2006, \$1.207 million in 2007, \$0.469 million in 2008 and \$ 0.094 million in 2009; and**

- (b) **2004 Approved cash flow for 46 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$7.165 million; and**
- (119) **new debt service costs of \$0.303 million in 2005 and incremental costs of \$1.341 million in 2006, \$1.079 million in 2007, \$0.845 million in 2008 and \$0.245 million in 2009, be approved for inclusion in the 2005 and future year operating budgets.**

Fleet Services:

- (120) **the 2005-2014 capital program request for Fleet Services, with a 2005 cash flow of \$73.643 million and total 10-year project cost of \$46.111 million be received;**
- (121) **the 2005 BAC Recommended Capital Budget for Fleet Services with a total project cost of \$53.711 million and a 2005 cash flow of \$67.304 million and future year commitments of \$24.704 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
- (i) **18 new sub-projects with a 2005 total project cost of \$36.882 million that requires cash flow of \$21.001 million in 2005 and future year commitments of \$3.790 million in 2006 and \$12.091 million in 2007;**
- (ii) **12 previously approved sub-projects with a 2005 cash flow of \$8.006 million and future year commitments of \$8.823 million in 2006; and**
- (iii) **33 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$18.238 million that requires Council to reaffirm its commitment; and**
- (b) **2004 Approved cash flow for 15 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$20.059 million;**
- (122) **the Commissioner of Corporate Services develop a five year plan for the 2006 budget process that projects planned vehicle and equipment replacement needs of City Programs and participating ABCs, and a capital forecast for years six through 10 based on replacement schedules and that addresses backlog; and**
- (123) **recommended the adoption of Recommendations (1), (2), (3), (4), (5) and (7) in the report (September 13, 2004) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, subject to amending Recommendation (1) by deleting “2005” and replacing with “2006”, so that the Recommendations now read:**
- (a) **commencing in 2006, all Programs commit to the policy of increasing their 2004 contribution to the Vehicle Equipment Replacement Reserve for all new vehicles by an amount based on the following calculation:**

$$\frac{\text{Future replacement costs less end of life salvage value}}{\text{Projected useful life in months;}}$$

- (b) Fleet Services establish the reserve contribution amount based on the above formula and collect reserve contributions using interdepartmental chargebacks on a monthly basis;**
- (c) Fleet Services develop a vehicle/equipment chargeback rate program for the 2006 budget cycle; the internal charge shall be all inclusive of vehicle and equipment operating costs (not including fuel that will be a direct charge);**
- (d) commencing in 2005, Fleet Services report, as part of its annual capital/operating budget presentation, on the progress to date to reduce the backlog of overdue vehicles, and uncommitted balance in the Vehicle and Equipment Replacement Reserve available for fleet replacement;**
- (e) Council establish a cost centre within the Stabilization Reserve Fund called 'Fleet Services Stabilization' to fund any deficit in the Fleet Services Operations or to be transferred to the Vehicle and Equipment Replacement Reserve to fund any backlog of vehicles needing to be replaced and that Municipal Code Chapter 227 (Reserve and Reserve Funds) be amended by adding this cost centre to Schedule '4' (Stabilization Reserve Funds); and**
- (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.**

Information and Technology:

- (124) the 2005-2014 capital program request for Information & Technology with a 2005 cash flow of \$13.678 million and total 10-year project cost of \$40.247 million be received;**
- (125) the 2005 Capital Budget for Information & Technology with a total project cost of \$8.921 million and a 2005 cash flow of \$13.098 million and future year commitments of \$33.802 million be approved. The Recommended Capital Budget consists of the following:**
 - (a) New Cash Flow Funding for:**
 - (i) three new sub-projects and two change in scope sub-projects, with a 2005 total project cost of \$8.921 million that requires cash flow of \$2.544 million in 2005 and future year commitments of \$5.673 million in 2006, \$5.041 million in 2007, \$6.764 million in 2008 and \$5.829 million in 2009;**
 - (ii) one previously approved sub-project with a 2005 cash flow of \$0.150 million with no future year commitments; and**

- (iii) 10 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$2.603 million and future year commitments of \$4.817 million in 2006, \$2.566 million in 2007, \$1.078 million in 2008 and \$0.207 million in 2009 which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
 - (b) 2004 Approved cash flow for 19 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$7.801 million;**
- (126) new debt service costs of \$0.174 million in 2005 and incremental costs of \$0.937 million in 2006, \$1.327 million in 2007, \$1.072 million in 2008 and \$1.044 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (127) operating impacts of \$0.795 million for 2005, \$0.988 for 2006 million, \$0.792 for 2007 million, \$1.046 for 2008 million and \$0.848 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Information & Technology 2005 and future years' operating budget submissions; and**
- (128) the Program review the 2006 to 2010 Capital Plan prior to the 2006 Capital Budget process to smooth the estimates in the 5-year plan.**

Finance Department:

Finance:

- (129) the 2005-2014 capital program request of the Finance Department, with a 2005 cash flow of \$7.290 million and total 10-year project cost of \$23.210 million be received;**
- (130) the 2005 BAC Recommended Capital Budget for the Finance Department with a total project cost of \$0.200 million and a 2005 cash flow of \$5.277 million and future year commitments of \$6.690 million be approved. The Recommended Capital Budget consists of the following:**
 - (a) New Cash Flow Funding for:**
 - (i) one change in scope sub-project, with a 2005 total project cost of \$0.200 million that requires cash flow of \$0.200 million in 2005;**
 - (ii) six previously approved sub-projects with a 2005 cash flow of \$1.912 million and a future year commitment of \$4.963 million in 2006; and**

- (iii) **three sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$1.041 million and a future year commitment of \$1.727 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
 - (b) **2004 Approved cash flow for six previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.124 million;**
- (131) **new debt service costs of \$0.068 million in 2005 and incremental costs of \$0.372 million in 2006 and \$0.449 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and**
- (132) **operating impacts of \$0.141 million for 2006, and \$0.180 million for 2007, and savings of \$0.385 million for 2008 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Finance Department's 2005 and future years' operating budget submissions.**

Other:

Energy Retrofit:

- (133) **the 2005 Recommended Capital Budget for the Energy Retrofit with no new project costs and a 2005 cash flow of \$11.465 million and a future year commitment of \$8.137 million be approved. The Recommended Capital Budget consists of the following:**
- (a) **New Cash Flow Funding for:**
 - (i) **four previously approved sub-projects with a 2005 cash flow of \$9.765 million and future year commitment of \$4.400 million in 2006 and \$3.737 million in 2007; and**
 - (b) **2004 Approved cash flow for two previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.700 million and 2006 cash flow of \$0.363 million which will form part of the affordability target for 2006;**
- (134) **new debt service costs of \$0.341 million in 2005 and incremental costs of \$1.277 million in 2006, and \$0.636 million in 2007, and \$0.429 million in 2008, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;**
- (135) **each Program/ABC receiving ERP project funding report back during 2005 on the results of the energy audit, including the actual savings to be achieved by the project;**

- (136) as part of the 2006 budget process, appropriate staff report to the Works Committee on the next phase of the Energy Retrofit Program, such report to include eligible contracts with applicable business cases; and
- (137) the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services report to the Budget Advisory Committee on energy retrofit expenditures since amalgamation on City buildings and the resulting savings realized to date and projections for future details of buildings involved and reduction in utilities consumption.

Union Station:

- (138) the 2005-2014 capital program request for Union Station, with a 2005 cash flow of \$8.784 million and total 10-year project cost of \$27.034 million be received;
- (139) the 2005 Capital Budget for Union Station with a total project cost of \$3.757 million and a 2005 cash flow of \$7.528 million and future year commitments of \$7.379 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
- (i) three new projects with a 2005 total project cost of \$3.757 million that requires cash flow of \$1.745 million in 2005 and a future year commitment of \$2.290 million in 2006; and
- (ii) six previously approved sub-projects with a 2005 cash flow of \$4.818 million and a future year commitment of \$5.089 million in 2006; and
- (b) 2004 Approved cash flow for 2 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.965 million;
- (140) new debt service costs of \$0.052 million in 2005 and incremental costs of \$0.261 million in 2006 and \$0.252 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (141) the Commissioner of Corporate Services report back to the Administration Committee following the finalization of the lease agreement negotiations between the City and Union Pearson Group on the financial implications to the City for state of good repair costs for Union Station in 2005 and for the following five year period.

Yonge Dundas Square:

- (142) the 2005-2014 capital program request of Yonge Dundas Square, with a 2005 cash flow of \$1.445 million and total 10-year project cost of \$1.445 million be received;

- (143) the 2005 Capital Budget for Yonge Dundas Square with a total project cost of \$0.478 million and a 2005 cash flow of \$1.455 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) one new sub-project and 1 change in scope project with 2005 total project costs of \$0.478 million that requires cash flow of \$0.478 million in 2005; and
 - (b) 2004 Approved cash flow for 1 previously approved project with carry forward funding from 2004 into 2005 totalling \$0.977 million;
- (144) new debt service costs of \$0.014 million in 2005 and incremental debt costs of \$0.053 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Yonge Dundas Square operating budgets;
- (145) incremental operating impacts of \$(0.022) million in 2006 and \$(0.023) million in 2007 emanating from approval of the 2005 Capital Budget be considered within the future years' operating budget submissions from Yonge Dundas Square; and
- (146) beginning in 2005, the Commissioner of Economic Development, Culture and Tourism report annually on the Yonge Dundas Square Capital Budget and that the Commissioners of Urban Development Services and Corporate Services continue to provide support for the original Yonge Dundas Square construction project.

Agencies, Boards and Commissions:

Exhibition Place:

- (147) the 2005-2014 capital program request of Exhibition Place, with a 2005 cash flow of \$10.805 million and total 10-year project cost of \$50.425 million be received;
- (148) the 2005 Capital Budget for Exhibition Place with a total project cost of \$5.010 million and a 2005 cash flow of \$6.447 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) 28 new sub-projects and two new change in scope sub-project, with a 2005 total project cost of \$5.010 million that requires cash flow of \$5.010 million in 2005 and no future year commitments; and
 - (ii) one previously approved sub-project with a 2005 cash flow of \$0.540 million; and

- (b) 2004 Approved cash flow for 9 previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.897 million;**
- (149) new debt service costs of \$0.167 million in 2005 and incremental costs of \$0.610 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (150) Exhibition Place submit to the Chief Financial Officer and Treasurer, prior to the 2006 Capital Budget process, the asset inventory and the state of good repair assessment for the buildings and structures on the grounds of Exhibition Place; and**
- (151) the General Manager and Chief Executive Officer of Exhibition Place with the assistance of the Chief Financial Officer and Treasurer, develop a process of identifying and tracking the savings and debt repayments on future Operating Budgets, as required by the guidelines for the Energy Retrofit Program adopted by Council.**

Toronto and Region Conservation Authority:

- (152) the 2004-2014 capital program request of Toronto & Region Conservation Authority (TRCA), with a 2005 cash flow of \$5.946 million and total 10-year project cost of \$77.380 million be received;**
- (153) the 2005 Capital Budget for TRCA with a 2005 cash flow of \$5.946 million and future year commitments of \$0.832 million be approved. The Recommended Capital Budget consists of the following:**
 - (a) New Cash Flow Funding for:**
 - (i) nine new projects, with 2005 project costs of \$6.778 million that requires cash flow of \$5.946 million in 2005 and a future year commitment of \$0.832 million in 2006;**
- (154) new debt service costs of \$0.105 million in 2005 and incremental costs of \$0.360 million in 2006, and \$0.048 million in 2007, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets;**
- (155) the operating impacts related to the 2005 TRCA capital program be absorbed by the TRCA, as has been the established practice, with no future impact on the operating levy to the City of Toronto;**
- (156) any/all over-expenditures of the 2005 TRCA capital program be absorbed by the TRCA, as has been the established practice, with no future impact on the operating levy to the City of Toronto; and**

- (157) the Kortright/Living City Centre capital sub-project be approved with funding of \$0.208 million for 2005, and a future-year commitment of \$0.832 million in 2006, with the following conditions:
- (a) a comprehensive business plan outlining the key phases and anticipated payback within this project be provided to the Chief Financial Officer and Treasurer;
 - (b) Water/Wastewater funding attributed towards this project be confirmed; and
 - (c) any other third party financing contributions towards this project in 2005 and beyond be confirmed through a Memorandum of Understanding.

Toronto Parking Enforcement Unit:

- (158) the 2005-2014 capital program request of the Parking Enforcement Unit, with a 2005 cash flow of \$4.534 million and total 10-year project cost of \$8.440 million be received;
- (159) the 2005 BAC Recommended Capital Budget for the Parking Enforcement Unit with a total project cost of \$4.534 million and a 2005 cash flow of \$4.534 million with no future year commitments be approved. The Recommended Capital Budget consists of new cash flow funding for the following two new projects:
- (a) handheld parking device project with a 2005 project cost of \$4.100 million that requires cash flow of \$4.100 million in 2005; and
 - (b) Vehicle and Equipment Replacement project with a 2005 project cost of \$0.434 million that requires cash flow of \$0.434 million in 2005;
- (160) new debt service costs of \$0.123 million in 2005 and incremental costs of \$0.451 million in 2006 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (161) operating impacts of \$0.261 million for 2005 attributable to the Toronto Police Service, Parking Enforcement Unit, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Parking Enforcement Unit 2005 Operating Budget;
- (162) total annualized net savings of approximately \$0.853 million with \$0.130 million net cost attributable to the Toronto Police Service, Parking Enforcement Unit; \$0.450 million savings to the Finance Department, Revenue Services Division; and \$0.533 million increase in Parking Tag revenue be considered within the overall scope of the Parking Enforcement Unit, Finance Revenue Services and Parking Tag Revenues 2006 and future years' operating budget submissions; and

- (163) the Chief Financial Officer and Treasurer report to the Administration Committee in 2005 on developments pertaining to the procurement and implementation milestones of the handheld parking device project.**

Toronto Police Service:

- (164) the 2005-2014 capital program request of the Toronto Police Service, with a 2005 cash flow of \$53.721 million and total 10-year project cost of \$354.761 million be received;**
- (165) the 2005 Capital Budget for the Toronto Police Service with a total project cost of \$60.819 million and a 2005 cash flow of \$44.254 million and future year commitments of \$95.321 million be approved. The Recommended Capital Budget consists of the following:**
- (a) New Cash Flow Funding for:**
 - (i) 23 new projects with a 2005 total project cost of \$60.819 million that requires cash flow of \$28.279 million in 2005 and future year commitments of \$15.915 million in 2006, \$11.670 million in 2007 and \$4.955 million in 2008; and**
 - (ii) six previously approved projects with a 2005 cash flow of \$15.975 million and future year commitments of \$21.031 million in 2006, \$17.470 million in 2007, \$12.780 million in 2008 and \$11.500 million in 2009; and**
 - (b) 2004 Approved cash flow for 7 previously approved projects with carry forward funding from 2004 into 2005 totalling \$20.965 million;**
- (166) new debt service costs of \$0.989 million in 2005 and incremental costs of \$4.736 million in 2006, \$5.084 million in 2007, \$3.972 million in 2008 and \$2.442 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the City's 2005 and future year Operating Budgets;**
- (167) operating impacts of \$2.402 million for 2005, and \$3.347 million for 2006, \$0.540 million for 2007, (\$0.050) million for 2008 and \$0.485 million for 2009 emanating from the approval of the 2005 BAC Recommended Capital Budget be considered within the overall scope of the Toronto Police Service 2005 and future years' operating budget submissions;**
- (168) the Toronto Police Service and the Facilities and Real Estate Division report back to the Budget Advisory Committee, before the 2006 Budget process, on the Service's asset inventory, backlog and planned State of Good Repair future requirements;**

- (169) the Toronto Police Service report back to the Budget Advisory Committee, before the 2006 Budget process, on the Service's Reserve/Reserve Fund opening balances and proposed withdrawals for 2005 and schedule of withdrawals projected in the next five years consistent with the five year capital plan; and**
- (170) the Toronto Police Service report back to the Budget Advisory Committee, prior to the start of the 2006 Capital Budget process on a five year plan for new and replacement facilities, regarding future year projections that reflect the Service's ability to spend and the City's ability to fund any new and replacement facilities as well as the operating budget consequences thereof.**

Public Health:

- (171) the 2005-2014 capital program request for Public Health, with a 2005 cash flow of \$4.545 million and total 10-year project cost of \$33.098 million be received;**
- (172) the 2005 BAC Recommended Capital Budget for Public Health, with a total project cost of \$1.112 million and a 2005 cash flow of \$4.545 million and no future year commitments, be approved. The Recommended Capital Budget consists of the following:**
 - (a) New Cash Flow Funding for:**
 - (i) four new sub-projects, with a 2005 total project cost of \$1.112 million that requires cash flow of \$1.112 million in 2005 and no future year commitments;**
 - (ii) two previously approved sub-projects with a 2005 cash flow of \$1.070 million and no future year commitments; and**
 - (iii) one previously approved project with a carry forward funding from 2003 requiring 2005 cash flow of \$0.120 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
 - (b) 2004 Approved cash flow for 3 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.243 million;**
- (173) new debt service costs of \$0.022 million in 2005 and incremental costs of \$0.082 million in 2006, resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (174) approval of the \$0.628 million Integrated Public Health Information System (iPHIS), be conditional on receiving \$0.345 million funding from the Province;**

- (175) the Toronto Medical Officer of Health seek provincial subsidies for the 2005 capital projects that support cost-shared programs, estimated to be \$1.035 million; and
- (176) Council establish a discretionary reserve fund called “Public Health Efficiency Reserve Fund”, as detailed below and in Appendix 5 of the Analyst Notes for the Budget Advisory Committee Review dated December 14, 2004:
- (a) to fund capital projects that will result in Public Health future operating efficiencies and to fund specific Public Health operating initiatives, as approved by the Board of Health and Council;
 - (b) initial contributions to the reserve fund come from operating efficiencies resulting from the implementation of the South Regional Animal Centre Capital project and the Toronto Community Health Information System (formerly known as Community Nursing Customer Management System), as follows;
 - (c) the amounts of \$1.090 million in 2005, \$1.149 million in 2006, \$1.149 million in 2007, \$1.069 million in 2008 and \$0.819 million thereafter until the costs of implementation and financing of the South Regional Animal Centre Capital project and the Toronto Community Health Information System are completely offset;
 - (d) the Board of Health and Council approval be required for any additional contribution made to the reserve fund from operating savings or from onetime provincial, federal or third-party funding sources;
 - (e) Municipal Code Chapter 227 ((Reserve and Reserve Funds) be amended by adding the “Public Health Efficiency Reserve Fund” to schedule #3 - Corporate Discretionary Reserve Fund; and
 - (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Toronto Public Library:

- (177) the 2005-2014 capital program request for Toronto Public Library, with a 2005 cash flow of \$12.667 million and a total 10-year project cost of \$126.652 million be received;
- (178) the 2005 BAC Recommended Capital Budget for the Toronto Public Library with a total project cost of \$38.615 million and a 2005 cash flow of \$14.216 million and future year commitments of \$18.350 million, be approved. The Recommended Capital Budget consists of the following:

- (a) **New Cash Flow Funding for:**
- (i) **eight new projects, with 2005 project cost of \$7.634 million, and 2 Change in Scope projects of \$0.350 million, that requires cash flow of \$7.984 million in 2005 and future year commitments of \$7.372 million in 2006 and \$7.964 million in 2007;**
 - (ii) **nine previously approved projects with a 2005 cash flow of \$5.249 million and future year commitment of \$2.916 million in 2006; and**
 - (iii) **one previously approved project with a carry forward funding from 2003 requiring 2005 cash flow of \$0.483 million and a future commitment of \$0.098 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
- (b) **2004 Approved cash flow for 7 previously approved project with a carry forward budget from 2004 into 2005 totalling \$1.878 million;**
- (179) **operating impacts of \$0.361 million for 2005, \$0.223 million for 2006, \$0.485 million in 2007 and \$0.419 million in 2008, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Toronto Public Library program's 2005 and future years' operating budget submissions;**
- (180) **new debt service costs of \$0.300 million in 2005 and incremental costs of \$1.355 million in 2006, \$1.107 million in 2007 and \$0.637 million in 2008, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets; and**
- (181) **the Thorncliffe Library / Jenner Jean-Marie Community Centre Project be funded \$0.090 million by debt in 2005, to keep the Toronto Public Library Capital Budget within the \$10 million Capital guideline set by the Council and further that this project not affect any projects within the 2005 Toronto Library Capital Program.**

Toronto Zoo:

- (182) **the 2005-2014 capital program request of the Toronto Zoo, with a 2005 cash flow of \$6.488 million and total 10-year project cost of \$117.467 million be received;**
- (183) **the 2005 Capital Budget for the Toronto Zoo with a total project cost of \$1.765 million and a 2005 cash flow of \$6.747 million and future year commitments of \$0.604 million be approved. The Recommended Capital Budget consists of the following:**

- (a) **New Cash Flow Funding for:**
- (i) **seven new sub-projects and two new change in scope sub-projects with a total project cost of \$1.765 million that require cash flow of \$1.257 million in 2005 and a future year commitment of \$0.508 million in 2006;**
 - (ii) **four previously approved sub-projects for 2005 with a cash flow of \$3.245 million and a future year commitment of \$0.096 million in 2006; and**
 - (iii) **two previously approved sub-projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.537 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and**
- (b) **2004 Approved cash flow for five previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.708 million;**
- (184) **new debt service costs of \$0.151 million in 2005 and incremental costs of \$0.572 million in 2006 and \$0.066 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;**
- (185) **operating impacts of \$0.100 million for 2005, \$0.036 million for 2006 and \$0.050 million for 2007 emanating from the approval of the 2005 BAC Recommended Capital Budget be considered within the overall scope of the Toronto Zoo's 2005 and future years' operating budget submissions;**
- (186) **the General Manager of the Toronto Zoo, with the assistance of the Chief Administrative Officer and the Chief Financial Officer and Treasurer, continue work to develop an approach to the Zoo's capital financing requirements and its need to secure other significant non-City sources of funding, particularly in light of the \$29 million North Site Redevelopment Project, and report to the Budget Advisory Committee by June 2005;**
- (187) **the General Manager of the Toronto Zoo, with the assistance of the Chief Financial Officer and Treasurer revise the Zoo's five year Capital Plan in light of available funding sources prior to the 2006 budget process;**
- (188) **City Council direct the General Manager and CEO, Toronto Zoo, in consultation with appropriate City staff and the Toronto and Region Conservation Authority, to issue a "Request for Proposal" with regard to Valley Halla; and**

- (189) the General Manager and CEO of the Toronto Zoo, in consultation with appropriate City staff and the Toronto and Region Conservation Authority, upon City Council approval and following the receipt of the results of the Request for Proposal, make recommendations to the Toronto Zoo Board regarding the appropriate disposition of Valley Halla.

Toronto Transit Commission:

- (190) the 2005-2014 Capital Program request of Toronto Transit Commission, with a 2005 cash flow of \$368.624 million and total 10-year project cost of \$4.2 billion excluding the Sheppard Subway project be received;
- (191) the 2005 Capital Budget of the Sheppard Subway project be increased by \$13.5 million to \$16.981 million and financed by debt be approved;
- (192) the 2005 Capital Budget for the TTC, excluding the Sheppard Subway, with a total project cost of \$539.0 million and a cash flow of \$368.624 million and future year commitments of \$600.548 million for a total cash flow and future year commitments totalling \$969.172 million, be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) 70 new sub-projects and 17 new change in scope sub-projects, excluding the Sheppard Subway project, with 2005 total project costs of \$539.0 million that requires cash flow of \$78.695 million in 2005 and future year commitments of \$292.409 million in 2006, \$149.873 million in 2007, \$16.678 million in 2008 and \$1.345 million in 2009; and
 - (ii) 73 previously approved sub-projects, excluding the Sheppard Subway project, with a 2005 cash flow of \$243.450 million and future year commitments of \$109.531 million in 2006 and \$29.868 million in 2007, \$0.669 million in 2008 and \$0.175 million in 2009; and
 - (b) the 2004 Approved cash flow for 40 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$46.479 million be approved;
- (193) new debt service costs of \$8.295 million in 2005 and incremental costs of \$36.144 million in 2006 and \$34.407 million in 2007 resulting from the approval of the 2005 Recommended Capital budget, be approved for inclusion in the 2005 and future year operating budgets;
- (194) the TTC and the City of Toronto consider seeking corporate sponsorship to assist in the financing of the hybrid bus technology initiative and an increased funding commitment from the other Orders of Government be obtained in the amount of \$67.2 million to fund the increased cost of the hybrid bus premium;

- (195) the Chief General Manager and Chair of the TTC outline the purpose of the future year unspecified program amounts in its future year cash flow estimates totalling \$62.4 million over the ten years prior to the 2006 budget process;**
- (196) the Chief General Manager and Chair of the TTC report back to the Budget Advisory Committee on ways to implement alternative fuel technologies in 2005 on its non-revenue vehicle fleet with the 2006-2010 Budget Submission;**
- (197) the TTC and the City of Toronto work jointly to encourage the Government of Canada to put forward an alternative fuel strategy that is based on emission reductions rather than on propulsion technology;**
- (198) the Chief General Manager and Chair of the TTC be requested to adjust the Commission's budget schedule in 2005 so that it more closely matches the scheduled requirements of the City of Toronto's budget review process for 2006 and beyond;**
- (199) the City immediately begin negotiations with the federal government on the allocation of the federal gas tax, based on the formula of trips/population (25 percent/75 percent) which would realize an additional \$10 million of revenues for TTC in the 2005 Capital Budget; and**
- (200) that the matter of moving towards funding certainty for the Toronto Transit Commission, be referred to the Chief Administrative Officer and Chief Financial Officer and Treasurer to work with the Toronto Transit Commission staff in determining appropriate mechanisms in the pursuit of long term financial stability.**

Subject to the following amendments by the Policy and Finance Committee:

The Policy and Finance Committee recommends:

- (i) to City Council that should additional funding become available for public transit the Toronto Transit Commission be authorized to complete those portions of the Ridership Growth Strategy that were deleted from the Capital Budget, subject to review by the Policy and Finance Committee through the Budget Advisory Committee; and**
- (ii) that City Council adopt the recommendation of the Policy and Finance Committee contained in the confidential communication (February 15, 2005) from the Committee respecting a possible settlement Claim.**

Toronto Parking Authority:

- (201) the 2005-2014 capital program request for the Toronto Parking Authority, with a 2005 cash flow of \$32.792 million and total 10-year project cost of \$118.79 million be received;**

(202) the 2005 Capital Budget for the Toronto Parking Authority with a total project cost of \$16.956 million and a 2005 cash flow of \$32.792 million and future year commitments of \$1.535 million be approved. The 2005 BAC Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:**
 - (i) eight new projects, with 2005 project costs of \$16.136 million and three change in scope projects of \$0.820 million; and**
 - (ii) 14 previously approved projects, with a cash flow of \$7.235 million in 2005 and a future year commitment of \$1.535 million in 2006; and**
- (b) 2004 approved cash flow for 11 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$8.601 million.**

The Policy and Finance Committee submits the report (February 14, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer:

Purpose:

This report presents the 2005 Budget Advisory Committee Recommended Capital Budget and 2006–2014 Recommended Capital Plan for the City of Toronto and requests approval for projects and associated cash flow for the year 2005 and future year commitments. It details by Program all of the amendments and recommendations made by the Budget Advisory Committee (BAC) during the Capital Budget review process up to and including the meeting of February 10, 2005.

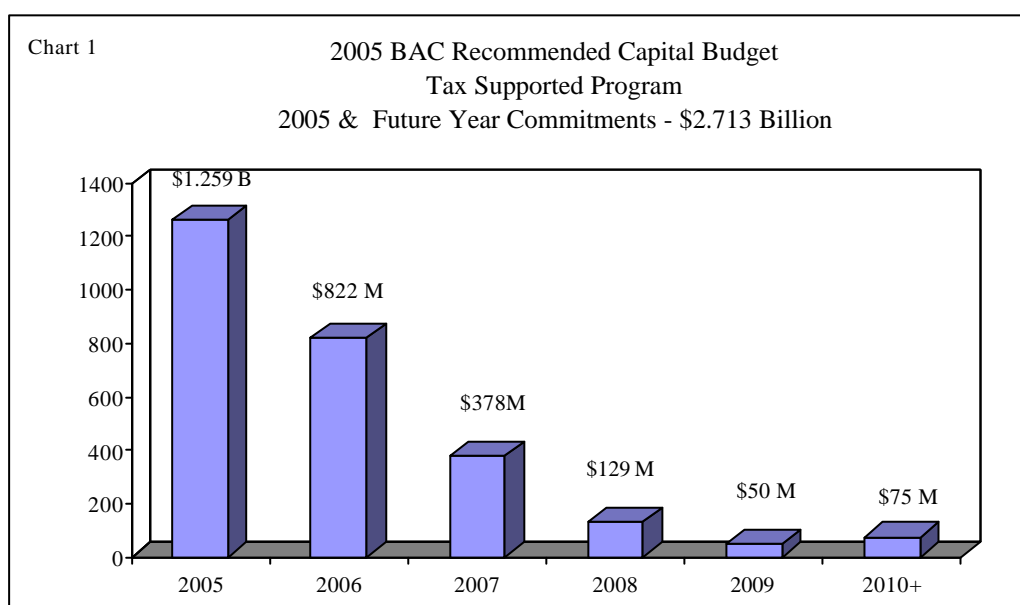
Financial Implications and Impact Statement:

2005 Capital Budget:

In accordance with prescribed guidelines, the 2005 Capital Budget was prioritized within five categories as shown in Table 1 below (and detailed by Program in Appendix 3 attached herewith). Consistent with prior years, the focus of the capital program continues to be on maintaining capital assets in a state of good repair. As shown in this table, state of good repair expenditures represent 62.7 percent or \$647.361 million of the 2005 BAC Recommended Capital Budget.

Tax Supported Expenditures by Category		
Category	Gross (\$ Millions)	% of Total
1. Health and Safety	50.545	4.9
2. Legislated	65.555	6.3
3. State of Good Repair	647.361	62.7
4. Service Improvement and Enhancement	119.418	11.6
5. Growth Related	150.287	14.5
Total	1,033.166	100.0

Approval of the 2005 BAC Recommended Tax Supported Capital Budget will require the following total cash flows for 2005 and associated future year commitments (see Chart 1 below):



\$1.259 billion in 2005 (includes 2004 carry-forwards); \$822.381 million in 2006; \$377.595 million in 2007; \$128.990 million in 2008; \$49.946 million in 2009 and \$75.179 million in 2010 and beyond, for a total project cost of \$2.713 billion during the period 2005 to 2014 (see Appendix 1.(i)). Excluding 2004 carry-forward cash flow of \$226.175 million into 2005 (Appendix 1.(v)), the 2005 BAC Recommended Capital Budget is \$1.033 billion (Appendix 1.(ii)).

Cash flow and future year commitments for the 2005 BAC Recommended Rate Supported Capital Budget for Toronto Parking Authority totals \$34.327 million (including 2004 carry-forward funding of \$8.601 million – see Appendix 1.(i)), and is comprised of gross capital expenditures of \$32.792 million in 2005, and \$1.535 million in 2006.

2005 Capital Financing:

Debt constitutes the principal source of financing for the 2005 BAC Recommended Capital Budget. As indicated in Table 2 below, to finance the recommended Capital Budget, debt of \$526.720 million (base debt of \$135 million plus new debt of \$391.720 million) or 51 percent is recommended. Other significant funding sources include Reserves/Reserve Funds of \$93.176 million, Capital from Current of \$124.172 million, and Development Charges of \$43.835 million.

Financing Sources	Excluding TTC & GO	TTC	GO	Including GO and TTC
Provincial Assistance (TTC)	6.388	76.200	-	82.588
Federal Assistance (TTC)	0.099	53.800	-	53.899
Reserves / Reserve Funds	93.176	0.000	-	93.176
Development Charges	42.335	1.500	-	43.835
Capital From Current	124.172	-	-	124.172
Other	91.676	17.100	-	108.776
Base Debt (Retire/Reissue)	135.000	-	-	135.000
Sub-Total	492.846	148.600	0.000	641.446
New Debt	135.278	237.005	19.437	391.720
Total	628.124	385.605	19.437	1,033.166

Financing the Toronto Transit Commission (TTC) Capital program continues to be a major pressure on the City's finances, representing about 61 percent of the new debt requirements. As discussed below, while assistance from the Province has been forthcoming in gas tax and other capital subsidies, the Federal gas tax allocation is still to be determined. As a result of delayed federal funding for the TTC, City Programs and other ABC Capital Budgets have been adjusted by BAC to minimize debt financing on the basis of revised projected spending for 2005.

Excluding debt service charges, the 2005 BAC Recommended Tax Supported Capital Budget will have an estimated incremental Operating Budget impact of \$8.4 million in 2005; \$4.5 million in 2006; \$6.2 million in 2007; \$6.7 million in 2008; and, \$4.5 million in 2009 for a total of \$30.3 million. It is estimated that the incremental staffing impact of the 2005 BAC Recommended Capital Budget will be 160 approved positions during the five-year period 2005 to 2009.

2005 Debt Financing:

Historically, the annual debt affordability level has been set at approximately \$200 million of new debt. The 2005 debt affordability target was determined based on an assessment of how much new debt the City could reasonably afford without significantly increasing the debt service cost burden on the Operating Budget and impacting the City's credit rating. A significant consideration in determining affordability was the City's constrained revenue base, allocation of

hydro revenues from capital funding to operating revenues and the delay in federal gas tax revenue for TTC. After critical analysis, the Chief Financial Officer and Treasurer set the 2005-affordability guideline at \$150 million new debt except for TTC, and \$200 million for the TTC for a total of \$350 million. This high level of debt is only deemed feasible for a short term transition period only (that is, 2005-2006) as the City transitions to a new deal and enhanced gas tax and other revenues.

Given the projected TTC expenditure increases combined with delays in federal funding, the resultant debt request of the TTC of \$295 million was not deemed affordable. As a result the TTC has reduced the 2005 capital expenditure request to a debt financing level of \$237 million. This debt will be further reduced if federal gas tax revenues exceed estimates. Following BAC review, of the TTC debt requirements described above, City Programs were instructed by BAC to reduce debt financing below the guideline to offset the TTC higher debt level requirement. When combined with the new GO Transit requirement, the 2005 new tax related debt totals \$391 million.

2005 is a transitional year towards the approval of a 5-year Capital Plan in 2006. The 5-year Capital Plan for most programs will require review in preparation for 2006, as most forecasted plans exceed current debt affordability levels.

Summary:

In summary, the 2005 BAC Recommended Capital Budget of \$1.033 billion satisfies the immediate objective of maintaining the City's infrastructure and capital assets in a relative State of Good Repair. This notwithstanding, the City has a significant backlog of unmet needs which must be addressed in the near future. Given fiscal realities, it was necessary in 2005 to balance between the strategic objectives of maintaining capital assets in a state of good repair with the need to remain in a financially stable position. This existing gap between program needs and affordability will only be solved in a financially prudent manner with the New Deal and funding partnership with the other orders of government.

Recommendations:

Corporate Capital Budget Recommendations:

It is recommended that:

- (1) the 2005–2014 Capital Plan and Forecast for the City totalling \$11.428 billion as detailed by Program and ABC in Appendix 5, comprising Tax Supported projects of \$11.318 billion and Toronto Parking Authority projects of \$110.198 million be received for information;
- (2) the 2005 BAC Recommended Capital Budget with a total project cost of \$2.748 billion as summarized by Program and ABC in Appendix 1.(i) be approved. These projects require 2005 cash flow of \$1.292 billion and future year commitments of \$823.916 million in 2006; \$377.595 million in 2007; \$128.990 million in 2008; \$49.946 million in 2009; and \$75.179 million in 2010-2014 and comprises the following:

- (a) New Cash Flow Funding:
- (i) new and change in scope projects with a total project cost of \$1.398 billion as detailed in Appendix 1.(iii) be approved. These projects require 2005 cash flow of \$485.538 million and future year commitments of \$476.211 million in 2006; \$260.164 million in 2007; \$91.343 million in 2008; \$22.982 million in 2009 and \$62.162 million in 2010-2014;
 - (ii) previously approved projects (including project with 2003 and prior year carry-forward funding) with total commitments of \$1.115 billion as detailed in Appendix 1.(iv) be approved. These projects require 2005 cash flow of \$571.819 million and future year commitments of \$347.705 million in 2006; \$117.431 million in 2007; \$37.647 million in 2008, \$26.964 million in 2009 and \$13.017 in 2010-2014;
- (b) 2004 Approved cash flow for previously approved projects with carry-forward funding from 2004 to 2005 totalling \$234.776 million gross and \$113.463 million debt as detailed in Appendix 1.(v) be approved. (In accordance with existing policies, these expenditures were approved in 2004 and will have no incremental financing impact in 2005); and
- (3) financing sources for the 2005 BAC Recommended Tax Supported Capital Budget comprised of \$93.176 million from Reserves and Reserve Funds, \$124.172 million of Capital from Current, \$43.835 million of Developmental Charges, \$108.776 million from other sources, \$82.588 million from Provincial Grants and Subsidies, \$53.899 million Federal Subsidy and debt of \$526.720 million (see Appendix 4) be approved;
 - (4) capital expenditures in an amount not to exceed \$526.720 million be debenture financed for the Tax Supported 2005 Capital Budget, for a term up to, but not exceeding 10 years;
 - (5) the City of Toronto request confirmation of financing support for the TTC 2005 BAC Recommended Capital Budget and future year commitments from the provincial government and federal government in order to minimize the capital financing burden on the City of Toronto;
 - (6) new debt service cost of \$11.752 million for 2005; \$43.089 million for 2006; resulting from the approval of the 2005 BAC Recommended Capital Budget, be approved for inclusion in the 2005 and future year Operating Budgets;
 - (7) the reports, transmittals and communications that are on file with the City Clerk's Office (including Appendix 7 herewith attached) as considered by the Budget Advisory Committee at its 2005 budget review meetings be received; and
 - (8) the appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.

Program Recommendations:

Community and Neighbourhood Services:

Children's Services:

- (1) the 2005-2014 capital program request for Children's Services, with a 2005 cash flow of \$9.140 million and total 10-year project cost of \$21.685 million be received;
- (2) the 2005 BAC Recommended Capital Budget for Children's Services with a total project cost of \$7.736 million and a 2005 cash flow of \$12.976 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) four new sub-projects and one new change in scope sub-project, with a 2005 total project cost of \$7.736 million that requires cash flow of \$7.736 million in 2005 and no future year commitments;
 - (ii) one previously approved sub-project with a 2005 cash flow of \$0.104 million and no future year commitments; and
 - (iii) one sub-project from a previously approved project with carry forward funding from 2003 requiring 2005 cash flow of \$0.378 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for five previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$4.758 million;
- (3) new debt service costs of \$0.054 million in 2005 and incremental costs of \$0.197 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Operating Budgets; and
- (4) approval of \$4.0 million of the \$5.0 million gross expenditure for the Health and Safety/Playground project, corresponding to Provincial subsidies, be conditional upon receiving funding from the Province.

Homes for the Aged:

- (5) the 2005-2014 capital program request for Homes for the Aged with a 2005 cash flow of \$11.734 million and total 10-year project cost of \$32.134 million be received;
- (6) the 2005 BAC Recommended Capital Budget for Homes for the Aged with a total project cost of \$3.75 million and a 2005 cash flow of \$11.734 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) three new sub-projects, with a 2005 project cost of \$3.750 million that requires cash flow of \$3.750 million in 2005, with no future year commitments; and
 - (ii) two previously approved projects with a 2005 cash flow of \$5.984 million; and
 - (b) 2004 Approved cash flow for three previously approved projects with carry forward budgets from 2004 into 2005 totalling \$2.000 million; and
- (7) a cost centre called “HFA Community-Based Services”, within the Community Initiatives Reserve Fund be established, to be used to purchase furnishings, equipment and amenities as required by the Homes for the Aged and other (Toronto Community Housing Corporation (TCHC) seniors’ supportive housing community-based programs;

Shelter, Housing and Support:

- (8) the 2005-2013 capital program request for Shelter, Housing and Support with a 2005 cash flow of \$10.734 million and total 10-year project cost of \$120.063 million be received;
- (9) the 2005 Capital Budget for Shelter, Housing and Support with a total project cost of \$(0.400) million, 2005 cash flow of \$7.543 million and future year commitments of \$25.180 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) one new project and three change in scope projects, with a total 2005 project cost that total a reduction of \$(0.400) million, with cash flow of \$0.405 million in 2005 and future year commitment of \$(0.805) million reduction in 2006;
 - (ii) 12 previously approved projects with a 2005 cash flow of \$4.745 million and future year commitments of \$16.495 million in 2006; \$7.495 million in 2007; and \$1.995 million in 2008; and
 - (iii) five previously approved projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.197 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and
 - (b) 2005 Approved cash flow for 10 previously approved projects with carry forward funding from 2004 into 2005 totalling \$2.196 million;

- (10) new debt service costs of \$0.012 million in 2005 and incremental costs of \$0.020 million in 2006, and \$(0.089) million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Operating Budgets;
- (11) future years operating impacts of \$1.238 million for 2006; \$1.528 million for 2007; \$1.031 million for 2008, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Shelter, Housing and Support 2005 and future years' Operating Budget submissions; and
- (12) Shelter, Housing and Support program staff review the five Year Capital Plan prior to the 2006 process to ensure the future year commitments are achievable.

Social Services:

- (13) the 2005-2014 capital program request for Social Services, with a 2005 cash flow of \$2.460 million and total 10-year project cost of \$14.709 million be received;
- (14) the 2005 BAC Recommended Capital Budget for Social Services with a total project cost of \$2.330 million, 2005 cash flow of \$2.708 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
 - (a) new cash flow funding for one previously approved sub-project with a 2005 cash flow of \$2.330 million and no future year commitments; and
 - (b) 2004 Approved cash flow for three previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.378 million; and
- (15) new debt service costs of \$0.012 million in 2005 and incremental costs of \$0.043 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets.

Works and Emergency Services:

Emergency Management Plan:

- (16) the 2005-2014 capital program request for the Emergency Management Plan, with a 2005 cash flow of \$3.804 million and total 10-year cost of \$5.951 million be received;
- (17) the 2005 Capital Budget for the Emergency Management Plan with a total project cost of \$1.206 million and a 2005 cash flow of \$3.804 million and future year commitments of \$2.147 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) one new project and one change in scope sub project, with a total project cost of \$1.206 million and a 2005 cash flow of \$0.706 million with future year commitments of \$0.500 million; and

- (ii) two previously approved projects and one sub project with a 2005 cash flow of \$2.130 million; and
 - (b) 2004 Approved cash flow for the previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.968 million;
- (18) new debt service costs of \$0.054 million for 2005 and incremental costs of \$0.208 million in 2006 and \$0.043 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (19) operating impacts of \$0.005 million for 2005, emanating from the approval of the 2005 Capital Budget, be considered within the overall scope of the Emergency Management Plan 2005 Operating Budget submission;
- (20) the Acting Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer, report back to the Budget Advisory Committee, prior to the 2006 budget process, on a proposal to transfer the entire Emergency Management Plan Capital Budget to the appropriate program areas within the Works and Emergency Services Department;
- (21) The HUSAR Project be adjusted so that the total project cost be increased from \$1 million gross, \$1 million net to \$2.1 million gross, \$525,000 net, subject to 75/25 funding from the Federal Government-Joint Emergency Preparedness Program (JEPP) grants; and
- (22) the Budget Advisory Committee recommended the adoption of the 2005 EMT Recommended Capital Budget for the Emergency Management Plan, as recommended by the Community Services Committee, including requesting the Acting Commissioner of Works and Emergency Services to report to the Budget Advisory Committee on the status of funding for the HUSAR Project, once the design phase is complete, given that Joint Emergency Preparedness Program (JEPP) funding has only been approved for the design phase of the project.

Emergency Medical Services:

- (23) the 2005-2014 capital program request of Emergency Medical Services, with a 2005 cash flow of \$8.030 million and total 10-year project cost of \$53.519 million be received;
- (24) the 2005 Capital Budget for Emergency Medical Services with a total project cost of \$13.424 with a 2005 cash flow of \$8.030 million and future year commitments of \$5.394 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) eight new sub projects, with a total project cost of \$8.958 million that requires cash flow of \$5.086 million in 2005 and future year commitments of \$3.272 million in 2006, \$0.300 million in 2007, and \$0.300 million in 2008; and

- (ii) four previously approved sub projects with a 2005 cash flow of \$1.530 million and future year commitments of \$1.072 million in 2006, and \$0.450 million in 2007; and
- (b) 2004 Approved cash flow for four previously approved projects with carry forward budgets from 2004 into 2005 totalling \$1.414 million;
- (25) new debt service costs of \$0.199 million in 2005 and incremental costs of \$0.858 million in 2006, \$0.504 million in 2007, \$0.097 million in 2008 and \$0.035 million in 2009, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (26) operating impacts of \$0.327 million for 2005, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the EMS 2005 and future year operating budget submissions;
- (27) the Acting Commissioner of Works, Emergency Services report to Council on the results of the Multiple Book-On feasibility study upon completion, and amend the 5-Year EMS Capital Plan to reflect the cost of the resulting capital strategy;
- (28) EMS staff continue discussions regarding the provincial under funding with the Provincial Officials and report to Council on any achieved outcomes;
- (29) EMS, in consultation with the Financial Planning Division:
 - (a) develop a “smooth” distribution of cash flows within the current 5-Year Plan (based on the SOGR expenditures related to the current 40-station service dispatch model); and
 - (b) the resulting cash flows within the 5-Year Plan be subject to affordability constraints; and
- (30) the cash flow commitments related to the Station 21 project of \$3.092 million and \$1.719 million, in 2012 and 2013 respectively, be removed from the EMS cash flow commitments plan with it remaining a priority within the EMS 10-year capital plan.

Fire Services:

- (31) the 2005-2014 capital program request of Toronto Fire Services, with a 2005 cash flow of \$13.918 million and total 10-year project cost of \$86.443 million be received;
- (32) the 2005 Capital Budget for Toronto Fire Services with a total project cost of \$10.290 million and a 2005 cash flow of \$9.769 million and future year commitments of \$7.388 million be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) nine new sub-projects, with a 2005 total project cost of \$10.290 million that requires cash flow of \$2.902 million in 2005 and future year commitments of \$3.160 million in 2006, \$3.934 million in 2007 and \$0.294 million in 2008;
 - (ii) three previously approved sub-projects with a 2005 cash flow of \$1.834 million with no future year commitments; and
 - (iii) one sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$3.144 million with no future year commitment which forms part of the affordability targets that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for seven previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.889 million;
- (33) new debt service costs of \$0.084 million in 2005 and incremental costs of \$0.380 million in 2006, \$0.345 million in 2007, \$0.282 million in 2008 and \$0.034 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (34) operating impacts of \$0.017 million in 2005, \$0.0 million for 2006, and 2007 for \$0.042 million, \$0.146 million for 2008 and \$0.087 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Toronto Fire Services 2005 and future years' operating budget submissions;
- (35) the cash flow commitments related to the Station G-Sunnybrook project of \$1.241 million and \$1.613 million, in 2012 and 2013 respectively, be removed from the Fire Services cash flow commitments plan and that the Station G project remain a priority within the Fire Services 10-year capital plan;
- (36) the Acting Commissioner of Works and Emergency Services and the Fire Chief report back to the Budget Advisory Committee with the detailed status of project readiness for each project as outlined in the 5-year plan;
- (37) the Acting Commissioner of Works and Emergency Services, in consultation with the Fire Chief, revise the 10 year plan to adjust the planned timing of Fire Station Rebuild and Relocation projects in order to achieve less condensed cash flow estimates and report to Budget Advisory Committee prior to the 2006 Capital Budget process; and
- (38) the Acting Commissioner of Works and Emergency Services, in consultation with the Fire Chief and the Chief Financial Officer and Treasurer report to the Budget Advisory Committee on the feasibility and requirements to allocate resources to fund a reserve for the specific purpose of replacing the current Fire Boat.

Solid Waste Management Services:

- (39) the 2005-2014 capital program request for Solid Waste Management Services, with a 2005 cash flow of \$36.487 million and total 10-year project cost of \$281.964 million be received;
- (40) the 2005 Capital Budget for Solid Waste Management Services with a total project cost of \$8.000 million and a 2005 cash flow of \$35.987 million and future year commitments of \$44.739 million be approved. The BAC Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) four new projects, with a 2005 total project cost of \$5.400 million, and five change in scope projects of \$2.600 million, that requires cash flow of \$8.000 million in 2005 and no future year commitments; and
 - (ii) 14 previously approved projects with a 2005 cash flow of \$20.424 million and future year commitments of \$29.194 million in 2006, \$15.503 million in 2007, and \$0.042 million in 2008; and
 - (b) 2004 Approved cash flow for nine previously approved projects with carry forward budgets from 2004 into 2005 totalling \$7.563 million.
- (41) new debt service costs of \$0.770 million in 2005 and incremental costs of \$3.499 million in 2006, \$2.816 million in 2007, \$1.124 million in 2008, and \$0.005 million in 2009, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets;
- (42) operating impacts of \$3.788 million for 2005, (\$0.547) million for 2006, (\$0.900) million for 2007, \$1.665 million for 2008 and \$1.030 million for 2009 resulting from the approval of the 2005 BAC Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets; and
- (43) the Acting Commissioner of Works and Emergency Services report back to the Budget Advisory Committee, before the start of the 2006 Capital Budget process, on a 5-year Capital Plan within the 2005 affordability guidelines.

Transportation Services:

- (44) the 2005-2014 capital program request of Transportation Services, with a 2005 cash flow of \$309.682 million and total 10-year project cost of \$3,014.942 million be received;
- (45) the 2005 EMT Recommended Capital Budget for Transportation Services with a total project cost of \$254.567 million and a 2005 cash flow of \$282.736 million and future year commitments of \$171.677 million be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) 47 new sub-projects, with a 2005 total project cost of \$254.567 million that requires cash flow of \$174.015 million in 2005 and future year commitments of \$53.622 million in 2006, \$13.940 million in 2007 and \$12.990 million in 2008;
 - (ii) 13 previously approved sub-projects with a 2005 cash flow of \$33.579 million and future year commitments of \$79.836 million in 2006, \$10.319 million in 2007 and \$0.970 million in 2008; and
 - (iii) two sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$17.202 million with no future year commitment which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 46 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$57.760 million;
- (46) new debt service costs of \$3.425 million in 2005; \$13.974 million in 2006, \$5.531 million in 2007, \$1.451 million in 2008 and \$1.019 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (47) operating impacts of \$0.270 million for 2006, and \$0.270 million for 2007, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Transportation Services 2005 and future years' operating budget submissions;
- (48) with respect to the Front Street Extension project, City Council be advised that the Works Committee does not support the \$255 million for the Front Street Extension and does not consider the project to be a Council priority; and further that:
- (a) all funding allocated to the Front Street Extension project, including any carry forward amounts, be deferred from the 2005 Capital Budget for Transportation Services;
 - (b) the Acting Commissioner of Works and Emergency Services advise the Works Committee at the earliest opportunity after funding for this project has been made available to the Works and Emergency Services Department;
 - (c) any significant financial commitments to the Front Street Extension be deferred until such time as City Council considers the F. G. Gardiner Expressway;
 - (d) City Council request the Commissioner of Urban Development Services, the Chief Financial Officer and Treasurer, and the Toronto Waterfront Revitalization Corporation to report to Council on the source of funds for the shortfall between the agreed-upon contribution by the provincial and federal governments for the front Street Extension (one-third each in the amount of \$170 million) and the actual projected cost of the Front Street Extension (\$255 million), and any future cost overruns; and

- (e) that \$13,349,000 gross and \$0 net be added back to the 2005 Transportation Capital Budget to fund current obligations for the Front Street Extension Project and that the Chief Financial Officer and Treasurer be authorized to allocate the funds to the appropriate previously approved projects.
- (49) that any major changes to scope and costs of pre-approved and proposed multi-year projects be identified in the Works and Emergency Services covering report attached to the Capital variance report and be considered by the Works Committee on a quarterly basis; and that the Acting Commissioner of Works and Emergency Services provide a briefing note on this matter to the March 8, 2005, meeting of the Works Committee;
- (50) that the Acting Commissioner of Works and Emergency Services report to the March 8, 2005, meeting of the Works Committee on a proposed street tree planting program that outlines, amongst other things:
 - (a) the area to be planted;
 - (b) the number of trees to be planted;
 - (c) the species to be planted; and
 - (d) the maintenance plan;
- (51) that City Council request Toronto Hydro to accelerate its commitment to provide a reduction in energy costs associated with the Light Emitting Diode (LED) Conversion Program;
- (52) the Acting Commissioner of Works and Emergency Services report to the Budget Advisory Committee, prior to final approval of the Works and Emergency Services Capital Program, on a three-year accelerated LED Conversion Program, including financing options;
- (53) the Acting Commissioner of Works and Emergency Services provide Briefing Notes on the City's Capital and Operating costs and related investments for the next five years on:
 - (a) Automobiles;
 - (b) Cycling;
 - (c) Pedestrians; and
 - (d) Transit;
- (54) the recommendations in the Recommendation Section of the Staff report (January 20, 2005) from the Acting Commissioner of Works and Emergency Services, on a three-year accelerated Light Emitting Diode (LED) Conversion Program be adopted, subject to amending such Recommendations to read:
 - (a) authority be granted, in principle, to amend the Transportation Services Division's 2006-2014 Capital Program to support an accelerated LED conversion program for completion by the end of 2008;

- (b) the Chief Financial Officer and Treasurer, in consultation with the Acting Commissioner of Works and Emergency Services, be requested to determine the most effective financial strategy for the implementation of an accelerated LED conversion program, taking into consideration a loan from the Toronto Atmospheric Fund (TAF), or other external funding opportunities through Toronto Hydro based on Energy Conservation and Demand Management Strategies, as well as any other possible funding sources in an effort to minimize capital budget impacts;
 - (c) authority be granted to proceed with the LED signal lamp procurement process in 2005, in consultation with the Purchasing and Materials Management Division, to establish a multiple year supply contract to support the accelerated LED conversion program for installation in 2006, 2007 and 2008;
 - (d) the appropriate City officials be authorized and directed that, upon the publication of the new Institute of Transportation Engineers (ITE) standard for LED Vehicle Traffic Control Signal Heads, LED vehicle yellow displays be incorporated into the LED conversion program for traffic signal lamps as availability, schedule and budget permit;
 - (e) authority be granted to amend the Transportation Services Division's 2005 Operating Budget submission to provide for an additional temporary Engineering Technologist position at an annual cost of \$62,000.00 to support the accelerated LED conversion program with funding to be provided from the Transportation Capital Budget; and
 - (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;
- (55) that the Kennedy/Steeles Grade Separation and the Morningside/Finch Avenue Grade Separation Projects be included in the 2005-2009 five-year Capital Works Program for Transportation, simultaneously, with construction to begin in 2006, to be funded by possible deferral of other projects at the discretion of the Acting Commissioner of Works and Emergency Services (total \$34 million over three years); and
- (56) the Commissioner of Works and Emergency Services report to the Works Committee on the possibility of receiving funding for the Kennedy/Steeles Grade Separation and the Morningside/Finch Avenue Grade Separation Projects from the Region of York and Development Charges from the Kennedy/Steeles development.

WES – Departmental:

- (57) the 2005-2014 capital program request of Works and Emergency Services - Departmental, with a 2005 cash flow of \$8.147 million and total 10-year project cost of \$23.977 million be received;

- (58) the 2005 Capital Budget for Works and Emergency Services - Departmental with a total project cost of \$3.967 million and a 2005 cash flow of \$8.147 million and future year commitments of \$2.563 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) four new projects and no change in scope projects, with a 2005 total project cost of \$3.967 million that requires cash flow of \$2.834 million in 2005 and future year commitments of \$1.133 million in 2006;
 - (ii) seven previously approved projects with a 2005 cash flow of \$5.313 million and a future year commitment of \$1.385 million in 2006; and
 - (iii) two sub-projects from previously approved projects with carry forwards budgets from 2003 and prior of \$0.248 million which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for seven previously approved projects with carry forward budgets from 2004 into 2005 totalling \$3.789 million.
- (59) operating impacts of \$0.175 million for 2005 and \$0.393 million in 2006 emanating from the approval of the 2005 Capital Budget for previously approved and new projects be considered within the overall scope of the WES Support Services program's 2005 and future years' operating budget submissions; and
- (60) new debt service costs totalling \$0.533 million and consisting of incremental costs of \$0.080 million in 2005; \$0.328 million in 2006; \$0.125 million in 2007 be approved for inclusion in the 2005 and future year operating budgets;

Economic Development, Culture and Tourism:

Culture:

- (61) the 2005-2014 capital program request of Culture, with a 2005 cash flow of \$9.503 million and total 10-year project cost of \$87.351 million be received;
- (62) the 2005 Capital Budget for Culture with a total project cost of \$6.057 million and a 2005 cash flow of \$9.503 million and future year commitments of \$3.902 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) 21 new sub-projects with a 2005 total project cost of \$6.057 million that requires cash flow of \$3.134 million in 2005 and a future year commitment of \$2.923 million in 2006;

- (ii) nine previously approved sub-projects with a 2005 cash flow of \$1.675 million and a future year commitment of \$0.979 million in 2006; and
 - (iii) four sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$1.862 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 18 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.832 million;
- (63) new debt service costs of \$0.145 million in 2005 and incremental costs of \$0.761 million in 2006, \$0.448 million in 2007, resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
 - (64) operating impacts of \$0.009 million for 2006, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of Culture's 2005 and future years' operating budget submissions;
 - (65) all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
 - (66) the Culture Division develop and implement asset management tools for the 2006 Capital Budget Review to facilitate strategic decision making in particular for reviewing the state of good repair backlog and health and safety requirements of assets under management;
 - (67) the Commissioner of Economic Development, Culture and Tourism review the Division's 5-year Capital Plan to ensure that annual cash flow requests are achievable given resources available and the affordability guidelines of the City prior to the 2006 Capital Budget process; and
 - (68) the Commissioner of Economic Development Culture and Tourism, in consultation with the Chief Financial Officer, report to the Economic Development and Parks Committee as part of the 2006 Budget Process on the construction plan and time-frame for the renovation of the Franklin Carmichael Art Centre, which would address the lack of cultural facilities in Northern Etobicoke.

Economic Development:

- (69) the 2005-2014 capital program request of Economic Development, with a 2005 cash flow of \$6.608 million and total 10-year project costs of \$63.249 million be received;

- (70) the 2005 Capital Budget for Economic Development with a total project cost of \$5.720 million and a 2005 cash flow of \$6.608 million and future year commitments of \$2.021 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) three new projects, with a 2005 total project cost of \$5.720 million that requires cash flow of \$4.124 million in 2005 and future year commitment of \$1.596 million in 2006;
 - (ii) 13 previously approved sub-projects with a 2005 cash flow of \$0.809 million and a future year commitment of \$0.244 million in 2006; and
 - (iii) four sub-projects from previously approved sub-projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$0.582 million and a future year commitment of \$0.068 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for three previously approved projects with carry forward funding from 2004 into 2005 totalling \$1.093 million, and a future year commitment of \$0.113 million in 2006, the latter will form part of the affordability target for 2006;
- (71) new debt service costs of \$0.165 million in 2005 and incremental costs of \$0.663 million in 2006, and \$0.209 million in 2007, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future years operating budget;
- (72) all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs; and
- (73) the Commissioner of Economic Development Culture and Tourism report back to the Budget Advisory Committee when an agreement has been reached with the Toronto Parking Authority for the use of three parking spaces for the Chinese Archway Phase Two project and the Chinese Chamber of Commerce has secured \$0.325 million for its 50 percent share of the project cost.

Parks and Recreation:

- (74) the 2005-2014 capital program request of Parks and Recreation, with a 2005 cash flow of \$90.0 million and a total 10-year project cost of \$684.490 million be received;

- (75) the 2005 Capital Budget for Parks and Recreation with a total project cost of \$55.864 million and a 2005 cash flow of \$82.510 million and future year commitments of \$14.171 million be approved. The 2005 Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) 88 new sub-projects with a 2005 total project cost of \$55.864 million that requires cash flow of \$45.538 million in 2005 and a future year commitment of \$10.326 million in 2006;
 - (ii) six previously approved sub-projects with a 2005 cash flow of \$6.185 million and a future year commitment of \$1.370 million in 2006; and
 - (iii) 35 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$7.196 million and future year commitments of \$2.281 million in 2006 and \$0.194 million in 2007, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 88 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$23.591 million;
- (76) new debt service costs of \$1.184 million in 2005 and incremental costs of \$4.560 million in 2006 and \$0.795 million in 2007 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (77) all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
- (78) funding of \$2.061 million for the Spring Grass Cutting Machines, a capital sub-project that emanates from the City's Clean and Beautiful Initiative, while pre-approved, be contingent upon corresponding approval in the 2005 Parks and Recreation Operating Budget, and if the operating approval is not forthcoming, a report back on how this equipment will be absorbed into the ongoing fleet replacement is required;
- (79) Tree Service Vehicles funding of \$0.910 million be contingent upon approval of the corresponding Clean and Beautiful initiatives recommended in the Parks and Recreation 2005 Operating Budget;
- (80) the sub-project for Capital Emergencies be approved with funding of \$0.750 million for 2005 with the following conditions:

- (a) projects funded must be demonstrable emergencies presenting a safety or security hazard, or impacting current operations, with a potential for significant damage resulting from the continuation of the problem identified;
 - (b) all projects charged to the fund must be reported to Finance staff to ensure structures are provided to ensure accountability;
 - (c) use of the funding must be reported in all variance reports and to Budget Advisory Committee at the time of consideration of the 2006 Capital Budget; and
 - (d) any unspent balance at year-end cannot be carried forward;
- (81) the recommendations in the Recommendations Section of the report (January 28, 2005) from the Chief Administrative Officer, requesting funding for the Council approved 3-1-1 Customer Service Strategy, Project Management Office (PMO), be adopted as amended:
- (a) a total project cost of \$4.892 million with a 2005 cash flow of \$1.396 million and a 2006 cash flow of \$3.496 million for an automated work order system for Parks and Recreation, Forestry TMMS system upgrade, and Forestry Call Centre be approved and added to the 2005 Recommended Capital Budget for Parks and Recreation; and that the 2005 cash flow of \$1.396 million be funded from the Capital Financing Reserve Fund; and
 - (b) the Economic Development, Culture and Tourism Department consult with the Council-Staff Working Group on work order system options, design and capability required for 3-1-1 preparation and eventual integration;
- (82) the Harbourfront Community Pool be listed as one of the City's projects, and that third party funding generated in the area be tracked and recorded in the appropriate capital account;
- (83) a costing and priority framework be developed by June 2005, for managing the growth demands and public expectations associated with the Parks and Recreation's various strategic reports, its SOGR backlog and its asset audits and that needs be reviewed collectively in order to revise the Program's 2006-2010 Capital Plan at a sustainable debt funding level; and
- (84) the Commissioner of Economic Development, Culture and Tourism report to Budget Advisory Committee for the 2006 budget process on options for accelerating the Natural Areas Restoration Program, including public education, engagement, and stewardship.

Tourism:

- (85) the 2005-2014 capital program request of Tourism, with a 2005 cash flow of \$0.125 million and total project cost of \$0.125 million be received;

- (86) the 2005 Capital Budget for Tourism with a total project cost of \$0.075 million and a 2005 cash flow of \$0.075 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) one new project with 2005 total project costs of \$0.075 million that requires cash flow of \$0.075 million in 2005 and no future year commitments;
- (87) new debt service costs of \$0.001 million in 2005 and incremental costs of \$0.004 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (88) the Walk of Fame project be approved conditionally, subject to finalizing the agreement between the City and the Canadian Walk of Fame, and receipt of the third party funding.

Urban Development Services:

Urban Development Services:

- (89) the 2005-2014 capital program request of Urban Development Services, with a 2005 cash flow of \$9.681 million and total 10-year project cost of \$49.234 million be received;
- (90) the 2005 Recommended Capital Budget for Urban Development Services, with a total project cost of \$10.866 million and a 2005 cash flow of \$9.681 million and future year commitments of \$4.303 million in 2006 be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) 28 new sub-projects and one new change in scope sub-projects with a 2005 total project cost of \$10.866 million requiring cash flow of \$6.563 million in 2005 and future year commitments of \$2.665 million in 2006 and \$1.638 million in 2007;
 - (ii) three previously approved sub-projects with a 2005 cash flow of \$0.213 million and no future year commitments; and
 - (iii) four sub-projects from previously approved projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.778 million and \$0.200 million in 2006; and
 - (b) 2004 Approved cash flow for 20 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.127 million; and

- (91) new debt service costs of \$0.157 million in 2005 and incremental costs of \$0.669 million in 2006, \$0.405 million in 2007 and \$0.188 million in 2008 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (92) operating impacts in the Parks and Recreation Operating Budget of \$0.003 million for 2006, and \$0.074 million for 2007, \$0.086 million for each of 2008 and 2009 for streetscape enhancement tree maintenance emanating from the approval of the 2005 Capital Budget for Civic Improvement Projects be considered within the overall scope of the Parks and Recreation 2005 and future years' operating budget submissions;
- (93) 2005 cash flows of all development charge-funded projects recommended in the 2005 Urban Development Services Capital Budget (UDS) be conditionally approved, subject to the funds being received by the City;
- (94) the 2005 BAC recommended cash flow of \$0.033 million for the IBMS SAP Integration project be approved, conditional upon the project being undertaken by IT and Finance;
- (95) the Commissioner, Urban Development Services, report to the Planning and Transportation Committee on the results of the IBMS Remote Computing Pilot during the 2006 Budget process, prior to the approval of additional funds for its full-scale implementation;
- (96) the Commissioner, Urban Development Services, include the 5-year cash flow requirements of future IBMS enhancements in the 2006 UDS Capital Budget Submission;
- (97) the Commissioner of Urban Development Services, provide a report for information to the Planning and Transportation Committee prior to the 2006 Budget Process, outlining the Natural Heritage Inventory project 5-year work plan phases and future-year estimates to accurately reflect the financial requirements of each phase; and
- (98) the Urban Development Services be authorized to reallocate funding to substitute Civic Improvement Projects identified during the budget process, should those approved in the 2005 Capital Budget not proceed due to anticipated changes in the Transportation/Toronto Water capital program such that all in-year reallocations not exceed the 2005 approved funding for the Routes 2005, Places 2005, Beautiful City Routes 2005, and Beautiful City Places 2005 projects, respectively; and that such project reallocations be reported out with the capital variance reporting process.

Waterfront Revitalization Initiative:

- (99) the 2005-2014 capital program request of the Waterfront Revitalization Initiative, with a 2005 cash flow of \$36.238 million and total 10-year project cost of \$376.867 million be received;

- (100) the 2005 Capital Budget for the Waterfront Revitalization Initiative with a total project cost of \$210.346 million and a 2005 cash flow of \$20.028 million and future year commitments of \$93.086 million in 2006, \$75.380 million in 2007, \$66.940 million in 2008, \$30.594 million in 2009 and \$74.629 million in 2010-2014 be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) 13 new change in scope sub-projects, with 2005 total project costs of \$210.346 million that requires cash flow of (\$13.414) million in 2005 and future year commitments of \$52.443 million in 2006, \$46.803 million in 2007, \$47.296 million in 2008, \$15.606 million in 2009 and \$61.612 million in 2010-2014;
 - (ii) 12 previously approved sub-projects with a 2005 cash flow of \$33.145 million and future year commitments of \$40.643 million in 2006, \$28.577 million in 2007, \$19.644 million in 2008, \$14.988 million in 2009, and \$13.017 million in 2010-2014; and
 - (iii) one sub-project from previously approved projects with carry forward funding from 2003 and prior years requesting 2005 cash flow of \$0.297 million with no future year commitments which forms part of the affordability target that requests Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 11 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$16.210 million.
- (101) the 2005 Recommended Capital Budget and Future Year Commitments be approved conditional on the Commissioner of Urban Development Services:
- (a) submitting the five year TWRC Business Plan to Council for approval in February 2005; and
 - (b) reporting back to the Budget Advisory Committee on the financial impacts the proposed plan will have on the 2005 EMT Recommended Capital Budget and Future Year Commitments, as amended;
- (102) new debt service incremental costs of \$1.573 million in 2006, \$7.406 million in 2007, and \$7.037 million in 2008, \$5.985 million in 2009 and \$1.794 million in 2010 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Urban Development Services Operating Budgets, subject to Recommendation (3), on the assumption that all of the City's contribution will be funded by debt;
- (103) once TWRC's 5-Year Business Plan is approved by Council, the Commissioner of Urban Development Services, in consultation with the Chief Financial Officer and Treasurer, report back on how the City will finance its contribution, which may be a combination of debt, Development Charges, land, etc;

- (104) the \$4.000 million net City funding recommended for the construction of a Dragon Boat/Multi-Sport Watercourse be conditional on contributions of \$15.000 million from the federal government and \$4.000 million from the provincial government;
- (105) prior to the expenditure of funds on the Gardiner Environmental Assessment, the Commissioner of Urban Development Services report to Council in 2005 following the receipt of the report from the TWRC on the options for improving the Gardiner/Lakeshore corridor, to seek direction as to whether or not an environmental assessment will be undertaken for a preferred option;
- (106) City Council authorize the City to act as proponent or co-proponent for environmental assessment processes as may be required associated with waterfront revitalization initiatives that are approved as part of the 2005 Capital Budget; such initiatives include the creation of Commissioners Park, Interim Playing Fields, and the Western Beaches Watercourse Facility; as well as transit, roads in West Donlands and East Bayfront, storm and sanitary sewer facilities, community facilities, and parks and public spaces initiatives in East Bayfront and West Don Lands;
- (107) the 2005 cash flow for the Waterfront Revitalization Initiative be revised as outlined in the Briefing Note, dated January 18, 2005, entitled "Briefing Note re 2005-2014 Capital Works Program for the Waterfront Revitalization Initiative", and that the Commissioner of Urban Development Services be requested to report on the TWRC's five year business plan in the spring of 2005, noting that 2006 and beyond are estimates only;
- (108) the Front Street Extension Project be deferred for consideration when Toronto City Council meets to deal with the Gardiner Expressway and its possible dismantling, such meeting expected later on in 2005, and that, as a consequence:
 - (a) no significant additional expenditures be undertaken in 2005 relating to the Front Street Extension; and
 - (b) all motions relating to Front Street Extension also be deferred to the above mentioned City Council meeting;
- (109) the recommendations contained in the confidential report (January 21, 2005) from the City Solicitor entitled "Expenditure of Funds for Certain Approved Transactions-Front Street Extension Project, Ward 19-Trinity-Spadina" be adopted. (Subject matter deals with possible litigation under the Municipal Act, 2001, discussion be held in-camera.);
- (110) the Chief Financial Officer and Treasurer, the Commissioner of Urban Development Services, and the Toronto Waterfront Revitalization Corporation report to Council on the source of funds for the shortfall between the agreed upon contribution by the provincial and federal governments for the Front Street Extension (one-third each in the amount of \$170 million) and the actual projected cost of the Front Street Extension (\$255 million), and any future cost overruns; and

- (111) City Council direct the appropriate City staff, in consultation with the Toronto Revitalization Corporation, to undertake a consultation process with the citizens of Toronto to determine what the public's priorities for scarce waterfront funds are, and at the completion of the consultation process, that City Council request Mayor David Miller to lead a delegation of City Council representatives to renegotiate waterfront funding commitments from senior levels of government with a view to aligning them with the priorities of the citizens of Toronto.

Action taken by the Budget Advisory Committee

The Budget Advisory Committee requested the Commissioner of Urban Development Services, in consultation with TWRCA, to report to the Works Committee on options that:

- (a) include public transit projects that would increase east west access to the downtown core along the waterfront area;
- (b) would permit complete or partial dismantling of the Gardiner Expressway in the absence of the Front Street Extension Project; with the primary emphasis being public transit to improve public access to the downtown core; and
- (c) a list of Waterfront projects that could go forward if the Front Street Project does not go forward.

Corporate Services:

City Clerk's Office:

- (112) the 2005-2014 capital program request for the City Clerk's Office, with a 2005 cash flow of \$3.774 million and total 10-year project cost of \$2.596 million be received;
- (113) the 2005 BAC Recommended Capital Budget for the City Clerk's Office with a total project cost of \$2.596 million and a 2005 cash flow of \$3.995 million and future year commitments of \$2.716 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) three new sub-projects with a 2005 total project cost of \$2.596 million that requires cash flow of \$1.750 million in 2005 and future year commitments of \$0.080 million in 2006, and \$0.216 million in 2007; and
 - (ii) one previously approved sub-project with a 2005 cash flow of \$1.266 million and a future year commitment of \$2.420 million in 2006; and
 - (b) 2004 Approved cash flow for three previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.979 million;

- (114) new debt service costs of \$0.038 million in 2005 and incremental costs of \$0.212 million in 2006 resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets; and
- (115) operating impacts of \$0 million for 2005, and 2006 emanating from the approval of the 2005 Capital Budget for new and change in scope projects be considered within the overall scope of the City Clerk's Office program's 2005 and future years' operating budget submissions.

Technology End of Lease Strategy:

- (116) the 2005 Capital Budget for Technology End of Lease Strategy with a 2005 cash flow of \$62.474 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) three previously approved sub-projects with a 2005 cash flow of \$34.328 million with no future year commitments; and
 - (b) 2004 Approved cash flow for four previously approved sub-projects with carry forward funding from 2004 into 2005 of \$28.146 million.

Facilities and Real Estate:

- (117) the 2005-2014 capital program request of Facilities and Real Estate, with a 2005 cash flow of \$38.885 million and total 10-year project cost of \$229.912 million be received;
- (118) the 2005 BAC Recommended Capital Budget for Facilities and Real Estate with a total project cost of \$35.326 million and a 2005 cash flow of \$41.820 million and future year commitments of \$32.084 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New cash flow funding for:
 - (i) 40 new sub-projects and 10 change in scope sub-projects with a 2005 total project cost of \$35.326 million that requires cash flow of \$10.092 million in 2005 and future year commitments of \$7.684 million in 2006, \$6.694 million in 2007, \$2.066 million in 2008 and \$0.202 million in 2009; and
 - (ii) 37 previously approved sub-projects with a 2005 cash flow of \$24.563 million and future year commitments of \$13.668 million in 2006, \$1.207 million in 2007, \$0.469 million in 2008 and \$ 0.094 million in 2009; and
 - (b) 2004 Approved cash flow for 46 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$7.165 million; and

- (119) new debt service costs of \$0.303 million in 2005 and incremental costs of \$1.341 million in 2006, \$1.079 million in 2007, \$0.845 million in 2008 and \$0.245 million in 2009, be approved for inclusion in the 2005 and future year operating budgets.

Fleet Services:

- (120) the 2005-2014 capital program request for Fleet Services, with a 2005 cash flow of \$73.643 million and total 10-year project cost of \$46.111 million be received;

- (121) the 2005 BAC Recommended Capital Budget for Fleet Services with a total project cost of \$53.711 million and a 2005 cash flow of \$67.304 million and future year commitments of \$24.704 million be approved. The Recommended Capital Budget consists of the following:

(a) New Cash Flow Funding for:

- (i) 18 new sub-projects with a 2005 total project cost of \$36.882 million that requires cash flow of \$21.001 million in 2005 and future year commitments of \$3.790 million in 2006 and \$12.091 million in 2007;

- (ii) 12 previously approved sub-projects with a 2005 cash flow of \$8.006 million and future year commitments of \$8.823 million in 2006; and

- (iii) 33 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$18.238 million that requires Council to reaffirm its commitment; and

- (b) 2004 Approved cash flow for 15 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$20.059 million;

- (122) the Commissioner of Corporate Services develop a five year plan for the 2006 budget process that projects planned vehicle and equipment replacement needs of City Programs and participating ABCs, and a capital forecast for years six through 10 based on replacement schedules and that addresses backlog; and

- (123) recommended the adoption of Recommendations (1), (2), (3), (4), (5) and (7) in the report (September 13, 2004) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, subject to amending Recommendation (1) by deleting "2005" and replacing with "2006", so that the Recommendations now read:

- (a) commencing in 2006, all Programs commit to the policy of increasing their 2004 contribution to the Vehicle Equipment Replacement Reserve for all new vehicles by an amount based on the following calculation:

$$\frac{\text{Future replacement costs less end of life salvage value}}{\text{Projected useful life in months;}}$$

- (b) Fleet Services establish the reserve contribution amount based on the above formula and collect reserve contributions using interdepartmental chargebacks on a monthly basis;
- (c) Fleet Services develop a vehicle/equipment chargeback rate program for the 2006 budget cycle; the internal charge shall be all inclusive of vehicle and equipment operating costs (not including fuel that will be a direct charge);
- (d) commencing in 2005, Fleet Services report, as part of its annual capital/operating budget presentation, on the progress to date to reduce the backlog of overdue vehicles, and uncommitted balance in the Vehicle and Equipment Replacement Reserve available for fleet replacement;
- (e) Council establish a cost centre within the Stabilization Reserve Fund called 'Fleet Services Stabilization' to fund any deficit in the Fleet Services Operations or to be transferred to the Vehicle and Equipment Replacement Reserve to fund any backlog of vehicles needing to be replaced and that Municipal Code Chapter 227 (Reserve and Reserve Funds) be amended by adding this cost centre to Schedule '4' (Stabilization Reserve Funds); and
- (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Information and Technology:

- (124) the 2005-2014 capital program request for Information & Technology with a 2005 cash flow of \$13.678 million and total 10-year project cost of \$40.247 million be received;
- (125) the 2005 Capital Budget for Information & Technology with a total project cost of \$8.921 million and a 2005 cash flow of \$13.098 million and future year commitments of \$33.802 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) three new sub-projects and two change in scope sub-projects, with a 2005 total project cost of \$8.921 million that requires cash flow of \$2.544 million in 2005 and future year commitments of \$5.673 million in 2006, \$5.041 million in 2007, \$6.764 million in 2008 and \$5.829 million in 2009;
 - (ii) one previously approved sub-project with a 2005 cash flow of \$0.150 million with no future year commitments; and

- (iii) 10 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$2.603 million and future year commitments of \$4.817 million in 2006, \$2.566 million in 2007, \$1.078 million in 2008 and \$0.207 million in 2009 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 19 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$7.801 million;
- (126) new debt service costs of \$0.174 million in 2005 and incremental costs of \$0.937 million in 2006, \$1.327 million in 2007, \$1.072 million in 2008 and \$1.044 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (127) operating impacts of \$0.795 million for 2005, \$0.988 for 2006 million, \$0.792 for 2007 million, \$1.046 for 2008 million and \$0.848 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Information & Technology 2005 and future years' operating budget submissions; and
- (128) the Program review the 2006 to 2010 Capital Plan prior to the 2006 Capital Budget process to smooth the estimates in the 5-year plan.

Finance Department:

Finance:

- (129) the 2005-2014 capital program request of the Finance Department, with a 2005 cash flow of \$7.290 million and total 10-year project cost of \$23.210 million be received;
- (130) the 2005 BAC Recommended Capital Budget for the Finance Department with a total project cost of \$0.200 million and a 2005 cash flow of \$5.277 million and future year commitments of \$6.690 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) one change in scope sub-project, with a 2005 total project cost of \$0.200 million that requires cash flow of \$0.200 million in 2005;
 - (ii) six previously approved sub-projects with a 2005 cash flow of \$1.912 million and a future year commitment of \$4.963 million in 2006; and
 - (iii) three sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$1.041 million and a future year commitment of \$1.727 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and

- (b) 2004 Approved cash flow for six previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.124 million;
- (131) new debt service costs of \$0.068 million in 2005 and incremental costs of \$0.372 million in 2006 and \$0.449 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (132) operating impacts of \$0.141 million for 2006, and \$0.180 million for 2007, and savings of \$0.385 million for 2008 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Finance Department's 2005 and future years' operating budget submissions.

Other:

Energy Retrofit:

- (133) the 2005 Recommended Capital Budget for the Energy Retrofit with no new project costs and a 2005 cash flow of \$11.465 million and a future year commitment of \$8.137 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) four previously approved sub-projects with a 2005 cash flow of \$9.765 million and future year commitment of \$4.400 million in 2006 and \$3.737 million in 2007; and
 - (b) 2004 Approved cash flow for two previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.700 million and 2006 cash flow of \$0.363 million which will form part of the affordability target for 2006;
- (134) new debt service costs of \$0.341 million in 2005 and incremental costs of \$1.277 million in 2006, and \$0.636 million in 2007, and \$0.429 million in 2008, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (135) each Program/ABC receiving ERP project funding report back during 2005 on the results of the energy audit, including the actual savings to be achieved by the project;
- (136) as part of the 2006 budget process, appropriate staff report to the Works Committee on the next phase of the Energy Retrofit Program, such report to include eligible contracts with applicable business cases; and
- (137) the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services report to the Budget Advisory Committee on energy retrofit expenditures since amalgamation on City buildings and the resulting savings realized to date and projections for future details of buildings involved and reduction in utilities consumption.

Union Station:

- (138) the 2005-2014 capital program request for Union Station, with a 2005 cash flow of \$8.784 million and total 10-year project cost of \$27.034 million be received;
- (139) the 2005 Capital Budget for Union Station with a total project cost of \$3.757 million and a 2005 cash flow of \$7.528 million and future year commitments of \$7.379 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) three new projects with a 2005 total project cost of \$3.757 million that requires cash flow of \$1.745 million in 2005 and a future year commitment of \$2.290 million in 2006; and
 - (ii) six previously approved sub-projects with a 2005 cash flow of \$4.818 million and a future year commitment of \$5.089 million in 2006; and
 - (b) 2004 Approved cash flow for 2 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.965 million;
- (140) new debt service costs of \$0.052 million in 2005 and incremental costs of \$0.261 million in 2006 and \$0.252 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (141) the Commissioner of Corporate Services report back to the Administration Committee following the finalization of the lease agreement negotiations between the City and Union Pearson Group on the financial implications to the City for state of good repair costs for Union Station in 2005 and for the following five year period.

Yonge Dundas Square:

- (142) the 2005-2014 capital program request of Yonge Dundas Square, with a 2005 cash flow of \$1.445 million and total 10-year project cost of \$1.445 million be received;
- (143) the 2005 Capital Budget for Yonge Dundas Square with a total project cost of \$0.478 million and a 2005 cash flow of \$1.455 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) one new sub-project and 1 change in scope project with 2005 total project costs of \$0.478 million that requires cash flow of \$0.478 million in 2005; and

- (b) 2004 Approved cash flow for 1 previously approved project with carry forward funding from 2004 into 2005 totalling \$0.977 million;
- (144) new debt service costs of \$0.014 million in 2005 and incremental debt costs of \$0.053 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Yonge Dundas Square operating budgets;
- (145) incremental operating impacts of \$(0.022) million in 2006 and \$(0.023) million in 2007 emanating from approval of the 2005 Capital Budget be considered within the future years' operating budget submissions from Yonge Dundas Square; and
- (146) beginning in 2005, the Commissioner of Economic Development, Culture and Tourism report annually on the Yonge Dundas Square Capital Budget and that the Commissioners of Urban Development Services and Corporate Services continue to provide support for the original Yonge Dundas Square construction project.

Agencies, Boards and Commissions:

Exhibition Place:

- (147) the 2005-2014 capital program request of Exhibition Place, with a 2005 cash flow of \$10.805 million and total 10-year project cost of \$50.425 million be received;
- (148) the 2005 Capital Budget for Exhibition Place with a total project cost of \$5.010 million and a 2005 cash flow of \$6.447 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 28 new sub-projects and two new change in scope sub-project, with a 2005 total project cost of \$5.010 million that requires cash flow of \$5.010 million in 2005 and no future year commitments; and
 - (ii) one previously approved sub-project with a 2005 cash flow of \$0.540 million; and
 - (b) 2004 Approved cash flow for 9 previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.897 million;
- (149) new debt service costs of \$0.167 million in 2005 and incremental costs of \$0.610 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (150) Exhibition Place submit to the Chief Financial Officer and Treasurer, prior to the 2006 Capital Budget process, the asset inventory and the state of good repair assessment for the buildings and structures on the grounds of Exhibition Place; and

- (151) the General Manager and Chief Executive Officer of Exhibition Place with the assistance of the Chief Financial Officer and Treasurer, develop a process of identifying and tracking the savings and debt repayments on future Operating Budgets, as required by the guidelines for the Energy Retrofit Program adopted by Council.

Toronto and Region Conservation Authority:

- (152) the 2004-2014 capital program request of Toronto & Region Conservation Authority (TRCA), with a 2005 cash flow of \$5.946 million and total 10-year project cost of \$77.380 million be received;
- (153) the 2005 Capital Budget for TRCA with a 2005 cash flow of \$5.946 million and future year commitments of \$0.832 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) nine new projects, with 2005 project costs of \$6.778 million that requires cash flow of \$5.946 million in 2005 and a future year commitment of \$0.832 million in 2006;
- (154) new debt service costs of \$0.105 million in 2005 and incremental costs of \$0.360 million in 2006, and \$0.048 million in 2007, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets;
- (155) the operating impacts related to the 2005 TRCA capital program be absorbed by the TRCA, as has been the established practice, with no future impact on the operating levy to the City of Toronto;
- (156) any/all over-expenditures of the 2005 TRCA capital program be absorbed by the TRCA, as has been the established practice, with no future impact on the operating levy to the City of Toronto; and
- (157) the Kortright/Living City Centre capital sub-project be approved with funding of \$0.208 million for 2005, and a future-year commitment of \$0.832 million in 2006, with the following conditions:
- (a) a comprehensive business plan outlining the key phases and anticipated payback within this project be provided to the Chief Financial Officer & Treasurer;
 - (b) Water/Wastewater funding attributed towards this project be confirmed; and
 - (c) any other third party financing contributions towards this project in 2005 and beyond be confirmed through a Memorandum of Understanding.

Toronto Parking Enforcement Unit:

- (158) the 2005-2014 capital program request of the Parking Enforcement Unit, with a 2005 cash flow of \$4.534 million and total 10-year project cost of \$8.440 million be received;
- (159) the 2005 BAC Recommended Capital Budget for the Parking Enforcement Unit with a total project cost of \$4.534 million and a 2005 cash flow of \$4.534 million with no future year commitments be approved. The Recommended Capital Budget consists of new cash flow funding for the following two new projects:
 - (a) handheld parking device project with a 2005 project cost of \$4.100 million that requires cash flow of \$4.100 million in 2005; and
 - (b) Vehicle and Equipment Replacement project with a 2005 project cost of \$0.434 million that requires cash flow of \$0.434 million in 2005;
- (160) new debt service costs of \$0.123 million in 2005 and incremental costs of \$0.451 million in 2006 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (161) operating impacts of \$0.261 million for 2005 attributable to the Toronto Police Service, Parking Enforcement Unit, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Parking Enforcement Unit 2005 Operating Budget;
- (162) total annualized net savings of approximately \$0.853 million with \$0.130 million net cost attributable to the Toronto Police Service, Parking Enforcement Unit; \$0.450 million savings to the Finance Department, Revenue Services Division; and \$0.533 million increase in Parking Tag revenue be considered within the overall scope of the Parking Enforcement Unit, Finance Revenue Services and Parking Tag Revenues 2006 and future years' operating budget submissions; and
- (163) the Chief Financial Officer and Treasurer report to the Administration Committee in 2005 on developments pertaining to the procurement and implementation milestones of the handheld parking device project.

Toronto Police Service:

- (164) the 2005-2014 capital program request of the Toronto Police Service, with a 2005 cash flow of \$53.721 million and total 10-year project cost of \$354.761 million be received;
- (165) the 2005 Capital Budget for the Toronto Police Service with a total project cost of \$60.819 million and a 2005 cash flow of \$44.254 million and future year commitments of \$95.321 million be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) 23 new projects with a 2005 total project cost of \$60.819 million that requires cash flow of \$28.279 million in 2005 and future year commitments of \$15.915 million in 2006, \$11.670 million in 2007 and \$4.955 million in 2008; and
 - (ii) six previously approved projects with a 2005 cash flow of \$15.975 million and future year commitments of \$21.031 million in 2006, \$17.470 million in 2007, \$12.780 million in 2008 and \$11.500 million in 2009; and
- (b) 2004 Approved cash flow for 7 previously approved projects with carry forward funding from 2004 into 2005 totalling \$20.965 million;
- (166) new debt service costs of \$0.989 million in 2005 and incremental costs of \$4.736 million in 2006, \$5.084 million in 2007, \$3.972 million in 2008 and \$2.442 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the City's 2005 and future year Operating Budgets;
- (167) operating impacts of \$2.402 million for 2005, and \$3.347 million for 2006, \$0.540 million for 2007, (\$0.050) million for 2008 and \$0.485 million for 2009 emanating from the approval of the 2005 BAC Recommended Capital Budget be considered within the overall scope of the Toronto Police Service 2005 and future years' operating budget submissions;
- (168) the Toronto Police Service and the Facilities and Real Estate Division report back to the Budget Advisory Committee, before the 2006 Budget process, on the Service's asset inventory, backlog and planned State of Good Repair future requirements;
- (169) the Toronto Police Service report back to the Budget Advisory Committee, before the 2006 Budget process, on the Service's Reserve/Reserve Fund opening balances and proposed withdrawals for 2005 and schedule of withdrawals projected in the next five years consistent with the five year capital plan; and
- (170) the Toronto Police Service report back to the Budget Advisory Committee, prior to the start of the 2006 Capital Budget process on a five year plan for new and replacement facilities, regarding future year projections that reflect the Service's ability to spend and the City's ability to fund any new and replacement facilities as well as the operating budget consequences thereof.

Public Health:

- (171) the 2005-2014 capital program request for Public Health, with a 2005 cash flow of \$4.545 million and total 10-year project cost of \$33.098 million be received;
- (172) the 2005 BAC Recommended Capital Budget for Public Health, with a total project cost of \$1.112 million and a 2005 cash flow of \$4.545 million and no future year commitments, be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) four new sub-projects, with a 2005 total project cost of \$1.112 million that requires cash flow of \$1.112 million in 2005 and no future year commitments;
 - (ii) two previously approved sub-projects with a 2005 cash flow of \$1.070 million and no future year commitments; and
 - (iii) one previously approved project with a carry forward funding from 2003 requiring 2005 cash flow of \$0.120 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 3 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.243 million;
- (173) new debt service costs of \$0.022 million in 2005 and incremental costs of \$0.082 million in 2006, resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (174) approval of the \$0.628 million Integrated Public Health Information System (iPHIS), be conditional on receiving \$0.345 million funding from the Province;
- (175) the Toronto Medical Officer of Health seek provincial subsidies for the 2005 capital projects that support cost-shared programs, estimated to be \$1.035 million; and
- (176) Council establish a discretionary reserve fund called “Public Health Efficiency Reserve Fund”, as detailed below and in Appendix 5 of the Analyst Notes for the Budget Advisory Committee Review dated December 14, 2004:
- (a) to fund capital projects that will result in Public Health future operating efficiencies and to fund specific Public Health operating initiatives, as approved by the Board of Health and Council;
 - (b) initial contributions to the reserve fund come from operating efficiencies resulting from the implementation of the South Regional Animal Centre Capital project and the Toronto Community Health Information System (formerly known as Community Nursing Customer Management System), as follows;
 - (c) the amounts of \$1.090 million in 2005, \$1.149 million in 2006, \$1.149 million in 2007, \$1.069 million in 2008 and \$0.819 million thereafter until the costs of implementation and financing of the South Regional Animal Centre Capital project and the Toronto Community Health Information System are completely offset;
 - (d) the Board of Health and Council approval be required for any additional contribution made to the reserve fund from operating savings or from one-time provincial, federal or third-party funding sources;

- (e) Municipal Code Chapter 227 ((Reserve and Reserve Funds) be amended by adding the “Public Health Efficiency Reserve Fund” to schedule #3 – Corporate Discretionary Reserve Fund; and
- (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Toronto Public Library:

- (177) the 2005-2014 capital program request for Toronto Public Library, with a 2005 cash flow of \$12.667 million and a total 10-year project cost of \$126.652 million be received;
- (178) the 2005 BAC Recommended Capital Budget for the Toronto Public Library with a total project cost of \$38.615 million and a 2005 cash flow of \$14.216 million and future year commitments of \$18.350 million, be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) eight new projects, with 2005 project cost of \$7.634 million, and 2 Change in Scope projects of \$0.350 million, that requires cash flow of \$7.984 million in 2005 and future year commitments of \$7.372 million in 2006 and \$7.964 million in 2007;
 - (ii) nine previously approved projects with a 2005 cash flow of \$5.249 million and future year commitment of \$2.916 million in 2006; and
 - (iii) one previously approved project with a carry forward funding from 2003 requiring 2005 cash flow of \$0.483 million and a future commitment of \$0.098 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 7 previously approved project with a carry forward budget from 2004 into 2005 totalling \$1.878 million;
- (179) operating impacts of \$0.361 million for 2005, \$0.223 million for 2006, \$0.485 million in 2007 and \$0.419 million in 2008, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Toronto Public Library program’s 2005 and future years’ operating budget submissions;
- (180) new debt service costs of \$0.300 million in 2005 and incremental costs of \$1.355 million in 2006, \$1.107 million in 2007 and \$0.637 million in 2008, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets; and

- (181) the Thorncliffe Library / Jenner Jean-Marie Community Centre Project be funded \$0.090 million by debt in 2005, to keep the Toronto Public Library Capital Budget within the \$10 million Capital guideline set by the Council and further that this project not affect any projects within the 2005 Toronto Library Capital Program.

Toronto Zoo:

- (182) the 2005-2014 capital program request of the Toronto Zoo, with a 2005 cash flow of \$6.488 million and total 10-year project cost of \$117.467 million be received;
- (183) the 2005 Capital Budget for the Toronto Zoo with a total project cost of \$1.765 million and a 2005 cash flow of \$6.747 million and future year commitments of \$0.604 million be approved. The Recommended Capital Budget consists of the following:
- (a) New Cash Flow Funding for:
 - (i) seven new sub-projects and two new change in scope sub-projects with a total project cost of \$1.765 million that require cash flow of \$1.257 million in 2005 and a future year commitment of \$0.508 million in 2006;
 - (ii) four previously approved sub-projects for 2005 with a cash flow of \$3.245 million and a future year commitment of \$0.096 million in 2006; and
 - (iii) two previously approved sub-projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.537 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for five previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.708 million;
- (184) new debt service costs of \$0.151 million in 2005 and incremental costs of \$0.572 million in 2006 and \$0.066 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (185) operating impacts of \$0.100 million for 2005, \$0.036 million for 2006 and \$0.050 million for 2007 emanating from the approval of the 2005 BAC Recommended Capital Budget be considered within the overall scope of the Toronto Zoo's 2005 and future years' operating budget submissions;
- (186) the General Manager of the Toronto Zoo, with the assistance of the Chief Administrative Officer and the Chief Financial Officer and Treasurer, continue work to develop an approach to the Zoo's capital financing requirements and its need to secure other significant non-City sources of funding, particularly in light of the \$29 million North Site Redevelopment Project, and report to the Budget Advisory Committee by June 2005;

- (187) the General Manager of the Toronto Zoo, with the assistance of the Chief Financial Officer and Treasurer revise the Zoo's five year Capital Plan in light of available funding sources prior to the 2006 budget process;
- (188) City Council direct the General Manager and CEO, Toronto Zoo, in consultation with appropriate City staff and the Toronto and Region Conservation Authority, to issue a "Request for Proposal" with regard to Valley Halla; and
- (189) the General Manager and CEO of the Toronto Zoo, in consultation with appropriate City staff and the Toronto and Region Conservation Authority, upon City Council approval and following the receipt of the results of the Request for Proposal, make recommendations to the Toronto Zoo Board regarding the appropriate disposition of Valley Halla.

Toronto Transit Commission:

- (190) the 2005-2014 Capital Program request of Toronto Transit Commission, with a 2005 cash flow of \$368.624 million and total 10-year project cost of \$4.2 billion excluding the Sheppard Subway project be received;
- (191) the 2005 Capital Budget of the Sheppard Subway project be increased by \$13.5 million to \$16.981 million and financed by debt be approved;
- (192) the 2005 Capital Budget for the TTC, excluding the Sheppard Subway, with a total project cost of \$539.0 million and a cash flow of \$368.624 million and future year commitments of \$600.548 million for a total cash flow and future year commitments totalling \$969.172 million, be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 70 new sub-projects and 17 new change in scope sub-projects, excluding the Sheppard Subway project, with 2005 total project costs of \$539.0 million that requires cash flow of \$78.695 million in 2005 and future year commitments of \$292.409 million in 2006, \$149.873 million in 2007, \$16.678 million in 2008 and \$1.345 million in 2009; and
 - (ii) 73 previously approved sub-projects, excluding the Sheppard Subway project, with a 2005 cash flow of \$243.450 million and future year commitments of \$109.531 million in 2006 and \$29.868 million in 2007, \$0.669 million in 2008 and \$0.175 million in 2009; and
 - (b) the 2004 Approved cash flow for 40 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$46.479 million be approved;
- (193) new debt service costs of \$8.295 million in 2005 and incremental costs of \$36.144 million in 2006 and \$34.407 million in 2007 resulting from the approval of the 2005 Recommended Capital budget, be approved for inclusion in the 2005 and future year operating budgets;

- (194) the TTC and the City of Toronto consider seeking corporate sponsorship to assist in the financing of the hybrid bus technology initiative and an increased funding commitment from the other Orders of Government be obtained in the amount of \$67.2 million to fund the increased cost of the hybrid bus premium;
- (195) the Chief General Manager and Chair of the TTC outline the purpose of the future year unspecified program amounts in its future year cash flow estimates totalling \$62.4 million over the ten years prior to the 2006 budget process;
- (196) the Chief General Manager and Chair of the TTC report back to the Budget Advisory Committee on ways to implement alternative fuel technologies in 2005 on its non-revenue vehicle fleet with the 2006-2010 Budget Submission;
- (197) the TTC and the City of Toronto work jointly to encourage the Government of Canada to put forward an alternative fuel strategy that is based on emission reductions rather than on propulsion technology;
- (198) the Chief General Manager and Chair of the TTC be requested to adjust the Commission's budget schedule in 2005 so that it more closely matches the scheduled requirements of the City of Toronto's budget review process for 2006 and beyond;
- (199) the City immediately begin negotiations with the federal government on the allocation of the federal gas tax, based on the formula of trips/population (25 percent/75 percent) which would realize an additional \$10 million of revenues for TTC in the 2005 Capital Budget; and
- (200) that the matter of moving towards funding certainty for the Toronto Transit Commission, be referred to the Chief Administrative Officer and Chief Financial Officer and Treasurer to work with the Toronto Transit Commission staff in determining appropriate mechanisms in the pursuit of long term financial stability.

Toronto Parking Authority:

- (201) the 2005-2014 capital program request for the Toronto Parking Authority, with a 2005 cash flow of \$32.792 million and total 10-year project cost of \$118.79 million be received;
- (202) the 2005 Capital Budget for the Toronto Parking Authority with a total project cost of \$16.956 million and a 2005 cash flow of \$32.792 million and future year commitments of \$1.535 million be approved. The 2005 BAC Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) eight new projects, with 2005 project costs of \$16.136 million and three change in scope projects of \$0.820 million; and

- (ii) 14 previously approved projects, with a cash flow of \$7.235 million in 2005 and a future year commitment of \$1.535 million in 2006; and
- (b) 2004 approved cash flow for 11 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$8.601 million.

Background:

Capital Budget Issues – Directions, Policies and Guidelines:

At its meeting of September 28, 29, 30 and October 1, 2004, Council adopted recommendations contained in a staff report which proposed capital definitions, policies and guidelines for 2005 and future years. The report confirmed that the City's capital budget process is in line with best practices recommended by the Government Finance Officers' Association (GFOA). Nonetheless, it objectively recognized the need to establish and approve capital plans beyond the current fiscal year; and proposed that by approving a 5-year Capital Plan, the City would provide predictability and stability in the capital planning process in an effort to ensure the cost-effective management of City assets.

Council approved all recommendations contained in the above titled report and in so doing provided a framework for better management of its capital assets. The recommendations, which set the framework for the 2005 capital budget process, are as follows:

- (1) City Council approve a firm 5-Year Capital Plan for the 2006 Budget that is based on the following:
 - (a) detailed projects for each year of the plan based on readiness;
 - (b) projects in years 1 and 2 must be preceded by feasibility studies and needs assessments while projects in years 3 to 5 may reflect the need for various planning work to be undertaken;
 - (c) the 5-year plan must be developed within an approved fiscal affordability framework;
 - (d) to ensure that the approved 5-year plan remains within the approved fiscal affordability framework, acceleration of any capital project in the plan must be offset through deferral of a project of equal value; and
 - (e) introduction of any new project must be approved by Council first, with the identification of a project deferral of equal value.
- (2) future year operating budget impacts of the 5-year capital plan be approved by Council; and
- (3) 2005 be considered a transition year for establishing the firm five-year capital plan and that all the current and related policies and principles outlined in that report be applied.

Finally, the report identified the need for further review on the specific issues of establishing capital expenditure thresholds and policies. In particular, establishing capital expenditure thresholds was delayed in order to fully assess their financial impact on the City's already challenged Operating Budget. As a result, it was determined that the implementation of capital expenditure thresholds and other capital policies be delayed until the 2006 capital budget process.

2005 Capital Budget Process:

General Guidelines for the 2005 Capital Budget and 10-year Capital Plan process were detailed in a Staff Report entitled 2005 Budget Process which was approved by Council at its meeting of September 28, 29, 30 and October 1, 2004. The budget process was designed to ensure that the budget constitutes a strategic tool that enables Council to:

- (i) deal with the stressful fiscal challenges of increasing service demands and a constrained revenue base;
- (ii) identify issues critical to helping Council formulate its corporate goals and objectives, and to put fiscal context on the corporate decision making process;
- (iii) determine the financial and service level impact of Provincial downloading and side-loading initiatives;
- (iv) allocate scarce resources to maintain the City's infrastructure in a State of Good Repair, and assuring expansion to satisfy growing community demands; and
- (v) establish long-term capital program debt financing and sustainability limits.

Guidelines for the 2005 Capital Budget Process required City Programs and Agencies, Boards and Commissions (ABCs) to prioritize their request within the same categories prescribed in fiscal 2004. Given the City's fiscal sustainability and affordability challenges, priorities were again given to Health and Safety, Legislated/City Policy and State of Good Repair projects. While the need for growth and service improvement projects was recognized, the City continued to be challenged to balance the need to meet service gaps with the need to ensure that it does not unduly increase its debt burden beyond what it can reasonably afford. Notwithstanding the need to invest in infrastructure expansion to satisfy growing population demands, it was necessary to carefully balance expansion needs against the goal of ensuring that existing capital assets are maintained in a state of good repair.

In accordance with directions issued by the Chief Administrative Officer (CAO) and Chief Financial Officer and Treasurer (CFO&T), a 10-year capital plan was submitted by City Programs and ABCs. Staff submitted capital project business cases that demonstrated and justified the need for the projects included in their capital budget and capital plan submissions. The business case justification was critical for the assessment of projects on a corporate basis, in order to ensure that the most effective resource allocation decisions were made.

2005 Budget Objectives, Principles and Guidelines:

In consideration of the fiscal environment and realities in which the City operates, the 2005 Capital Budget and 2006–2014 Capital Plan was developed based on principles that committed all staff to be responsive to cost containment strategies essential to dealing with the City's Long Term Fiscal goals and Council priorities. The 2005 BAC Recommended Capital Budget achieves prescribed principles and guidelines, which includes:

- (i) ensuring that the capital program remains within an affordable fiscal framework;
- (ii) maximizing partnerships in order to minimize debt;
- (iii) minimizing the incremental impact of the Capital Budget on the Operating Budget;
- (iv) using historical trends as part of the analysis and justification of capital project and capital budget requests; and
- (v) ensuring that all stakeholders have an opportunity to participate in the budget process.

In addition to the above, the capital budget review process focused on assuring compliance with capital asset management practices designed to ensure that acquisition and/or creation of capital assets are properly planned; that capital assets are justified based on cost-benefit analysis; that the most effective financial option is selected; and that risks are analyzed and carefully managed.

Listening to Toronto - November 2004 confirmed the City's commitment to engage stakeholders in the budget process. Excellent attendance at the November 28, 2004 session demonstrated continuing public interest in the City's priority setting exercise. The public strongly supported Council's adopted priorities for the remainder of its term of office and encouraged Council to continue negotiating with the other orders of government to 'Get the right powers and funding for Toronto to succeed'.

Capital budgeting guidelines approved by Council required that each capital project contained in the 2005 Capital Budget and 2006–2014 Capital Plan conforms with the following specific principles/policies:

- (i) **Useful Life:** Capital expenditures must relate to items with a useful life that matches or exceeds the standard debenture term of 10 years. The exception being fleet and related equipment covered under a separate policy where the useful life has a threshold of five years. Assets consumed or fully depreciated during the fiscal year and costs to maintain an asset in its original state are to be funded from operating sources.
- (ii) **Physical Characteristics:** Expenditures must be reasonably related to the acquisition, betterment, or replacement of a physical asset with a multi-year life. Betterment is defined as enhancing the service potential or extending the useful life of the asset.
- (iii) **Expenditure Thresholds:** The gross expenditure threshold for defining a capital item is a sub-project that has a minimum expenditure level of \$50,000.

- (iv) Timing: The capital budget must include only those projects that can reasonably be completed during the timeframe proposed in the business case.
- (v) External Funding: Capital projects funded by external sources such as donations or grants, shall not be started until and unless all external funding sources are received or guaranteed.

Capital Project Prioritization Categories:

The 2005 Capital Budget process incorporated strategies to prioritize projects so as to ensure that limited resources were allocated in an effective manner. To facilitate the prioritization process, and in recognition of fiscal realities, the following categories were established to help focus on priorities:

- (i) Health and Safety: project that is required to alleviate existing health and safety hazard.
- (ii) Legislated/Policy: project that must be done to satisfy legislative requirements or Council By-law or Policy mandates.
- (iii) State of Good Repair: project is critical to save the structural integrity of existing facility or repair significant structural deterioration.
- (iv) Service Improvement and Enhancement: project improves service delivery above the current Council approved standard or provides the introduction of new services.
- (v) Growth Related: project supports growth and development across the City.

As part of the 2005 Capital Budget process, City Programs and ABCs prioritized their projects within the above categories in order to assist senior management to allocate scarce resources in an informed manner. As well, to foster the best resource allocation decisions, previously approved projects with new commitments underwent a full review based on eligibility criteria established by the Executive Management Team, and priorities approved by Council.

Carry Forward Policy:

A capital carry-forward project is a previously approved project where the planned capital work was not completed and its associated cash flow budget was not fully spent and / or committed in the year of approval and the total unspent amount, or a portion thereof, is required in future years in order to complete the project. In the context of cash flow commitments, carry-forward funding refers to the unspent cashflow balance that was approved in a preceding year and is required in the current year in order to proceed with or to complete a capital project. Key elements of the carry-forward policy include:

- (i) cash flow funding approval will continue to exist for *one fiscal year* in addition to the year in which the project/sub-project was approved when the project is not complete. In effect, City Programs and ABCs will be allowed to carry forward unspent cash flow funds for capital projects/sub-projects for a period of one year subsequent to the year of original approval to establish spending authority for the fiscal year;

- (ii) carry-forward funding requests for projects approved in the previous fiscal year will not form part of the budget-year debt affordability targets. However, Council approval to carry forward the unspent amount must be obtained to establish spending authority;
- (iii) where a project is not completed and approved funds are still not fully spent cash flow by the end of the second fiscal year, any subsequent carry-forward funding request will be treated as *new* and any further spending/funding request will form part of that year's debt affordability targets;
- (iv) change in cash flows and/or project costs related to Change in Scope projects will not constitute carry-forward funding, under the premises of the policy. Change in Scope projects are to be identified as new capital projects with incremental funding requirements;
- (v) during the capital budget process, City Programs and ABCs will conduct a complete review of all previously approved projects to determine their completion status. Projects that will not be completed by the end of the current fiscal year should be identified for carry forward spending approval in the next fiscal year; and
- (vi) on a project/sub-project basis, the carry forward cash flow amount will not exceed the difference between the actual expenditures and the approved cash flow. Carry-forward requests included in the capital budget submissions are initially based on projected actuals. Therefore, during the capital budget review process, City Programs and ABCs, together with the Financial Planning Division, will be provided with an opportunity to update their carry forward estimates.

The 2005 BAC Recommended Capital Budget includes carry-forward expenditures for 2004 projects totalling \$1.292 billion. These projects were carefully evaluated to confirm that the principles prescribed in the carry-forward policy were met.

Capital Expenditure and Financing Principles:

For the City of Toronto, capital expenditures generally include any expenditure on an asset, which has been acquired, constructed or developed with the intention of being used on a continuous basis beyond the current budget year, and where the assets are not intended for sale in the ordinary course of business. Capital expenditures also include improvements, the purpose of which is to alter or modernize an asset in order to appreciably prolong its useful life or improve its physical output or service capacity. Capital expenditures are included in the capital budget and are financed from various sources of capital funds.

The City relies on a number of sources to fund its capital expenditures. These include Reserves and Reserve Funds, Provincial and Federal Grants, Development Charges, Capital from Current funding (or pay-as-you-go financing), Debt and Other Funding sources not listed above, such as donations.

Guiding principles influencing the selection of funding sources for specific capital projects include the Equity principle, which is aimed at ensuring that beneficiaries or consumers of a capital asset or service pay for it. In effect, if a project provides benefits to a specific group, then that group is made to pay for development and related capital costs through user fees. Projects that benefit the entire community are appropriately funded from property tax revenues such as Capital from Current funding.

The effective financing principle focuses on ensuring that sufficient funds are available when needed to proceed with a capital project. This principle recognizes that required funds are not always available from the operating budget to pay for capital projects. Therefore, the City must rely on other funding sources to generate the benefits required by its constituents such as debt and reserve and reserve funds.

In selecting amongst available funding sources, the City imputes the cost of borrowing along with other administrative costs associated with competing funding options. It also examines the impact of funding options on the operating budget with a view toward ensuring, in accordance with the efficiency principle, that the most cost-effective funding source is utilized.

Annually, the City undertakes an affordability analysis to determine the amount of capital funds available for the capital budget and program. This review assesses the amount of non-debt funds available, and the amount of debt that the City can afford based on its long-term fiscal plan, general state of its assets, and infrastructure expansion requirements to meet growing demands for services. Factors influencing the debt affordability determination include the cost of borrowing, policies on debenture / long term borrowing, the outstanding debt, the impact on credit ratings, and the impact of borrowing on the current account or operating budget.

New Deal and The City of Toronto Act:

Because of the slower than anticipated support from the other orders of government, it is becoming increasingly more difficult to fully maintain the City's sizeable and aging infrastructure. While the federal and provincial governments have made some progress by providing a portion of the gas tax revenues to municipalities and by affording them a 100 percent Goods and Services Tax rebate, the new revenues are significantly shy of what is required to maintain the City's capital assets. Increasingly, the City has had to deplete its reserves and reserve funds to meet the shortfall in assistance received from both the provincial and federal governments – particularly with regards to the TTC capital program. For Toronto to continue to remain the economic engine of the country, and the major sender of tax revenues to the other orders of government, it must receive a fairer share of the tax revenues it generates.

The City continues to negotiate for a new relationship with the other orders of government in order to obtain long-term fiscal tools and solutions. A long-term strategy must rationalize existing revenue and cost sharing arrangements with the federal and provincial governments. The long-term strategy has to recognize the significant role the City plays in the national and provincial economies and the need to address the structural fiscal problem that has placed stress on the ability to maintain the City's infrastructure in a state of good repair and to address the growth demands in the community.

During 2004, progress was made in establishing a new relationship. However, all benefits of the commitments have not been realized, resulting in significant funding pressures in 2005 that will continue to 2007. Initiatives under the new deal include the following:

Federal Government:

- (i) 100 percent Goods and services tax rebate was fully implemented effective February 1, 2004. This provides ongoing cost relief estimated at \$48.0 million to the City, (both Operating and Capital Budgets); and
- (ii) announcement of a 5-cent share of the federal gas tax revenues accruing the City, which is to be phased in beginning in 2005. As yet, the allocation formula is not known (which must include a transit ridership component), and in addition, the City is advocating for flexible eligibility criteria (both state of good repair and growth related projects).

Provincial Government:

- (i) City's share of 2 cents of the provincial gas tax revenues to be distributed to municipalities to be phased in at the beginning of October 2004. The City's share is estimated at \$92.0 million for 2005, and is being allocated to transit related operating expenditures; and
- (ii) review of the City of Toronto Act is another provincial initiative that will address the fiscal challenges faced by the City.

In addition to the above, a tripartite Canada Strategic Infrastructure Fund (CSIF) was entered into with the other two orders of government to finance transit capital projects. This totals \$1.0 billion over five years equally distributed between the three orders of government. A final Memorandum of Understanding has been approved which sets eligibility criteria and funding or participation rates for each partner to the agreement. Four major projects identified include: Modernizing Canada's First Subway, Saving the Streetcar, Integrated Bus Network and Integrated Ticketing System. While the City welcomes the above initiatives, permanent sources of funding are needed to ensure that the City achieves a sustainable financial position.

Administrative Review:

In conjunction with City Programs and ABCs, the Financial Planning Division staff reviewed the 2005 Capital Budget and 2006-2014 Capital Plan and Forecast submissions to ensure compliance with prescribed policies and guidelines. Findings and recommendations of this review were considered by the CAO and CFO and Treasurer, and other Commissioners in arriving at the Staff Recommended 2005 Capital Budget and 2006-2014 Capital Plan.

Excluding TTC and GO Transit, the 2005 Capital Budget submissions for City Programs and ABCs totalled \$736.437 million (net of 2004 carry-forward funding). The debt required to finance these submissions totalled \$358.193 million thereby requiring new debt of \$223.193. This level of new debt exceeded the original affordability target of \$150 million set for Tax supported programs excluding TTC and GO Transit by \$73.193 million (see Table 3 below). Finance Department's analysis confirmed that this level of new debt was not sustainable over the

long-term and that a strategy was required to address this untenable debt burden, without substantively compromising the state of good repair or eroding the useful-life and utility of the City's infrastructure and capital assets. The debt reduction strategy addressed the need to slowdown the rapid increase of the City's debt-load and the associated debt service cost pressures on the operating budget.

In establishing the 2005 Staff Recommended Capital Budget, the Executive Management Team (EMT) gave priority to previously approved projects that contributed to public safety, Council priorities (that is, Parks and Recreation, Transit, and Clean and Beautiful City) and fulfilled the objective of maintaining existing assets in a state of good repairs.

Table 3				
City of Toronto				
2005 Capital Budget - Debt Affordability				
	2005 Program Request	2005 Affordable Targets	2005 Staff Rec'd	2005 BAC Rec'd
Financing Sources				
Excluding TTC and GO Transit				
Provincial/Federal Assistance	6.265	0.525	6.265	6.487
Reserves/Reserve Funds	88.704	31.549	94.596	93.176
Development Charges	39.485	10.339	38.959	42.335
Capital From Current	124.172	124.172	124.172	124.172
Other	119.618	154.589	116.066	91.676
Base Debt (Retire/Reissue)	135.000	135.000	135.000	135.000
Sub-Total	513.244	456.174	515.058	492.846
New Debt	223.193	89.955	154.932	135.278
Total Excluding TTC and GO Transit	736.437	546.129	669.990	628.124
TTC Debt			295.205	237.005
GO			19.437	19.437
Total New Debt			469.574	391.720

As shown in Table 3 above, after thorough review and evaluation, excluding TTC and GO Transit, staff recommended a 2005 Capital Budget of \$669.990 million to BAC (excluding 2004 carry-forward funding). This Staff Recommended Capital Budget included total debt financing of \$289.932 million, and therefore, new debt of \$154.932 million. EMT determined that the recommended debt increase of \$4.932 above the affordability target was necessary to meet Council priorities and corporate goals. The total 2005 Staff Recommended Tax Supported Gross Capital Budget (including TTC and GO Transit) was \$1.120 billion.

Standing Committee Review:

Standing Committees reviewed the 2005 Staff Recommended Capital Budget for programs within their respective jurisdictions. Collectively, these committees decreased the 2005 Staff Recommended Capital Budget by \$36.7 million gross while increasing debt by \$1.824 million,

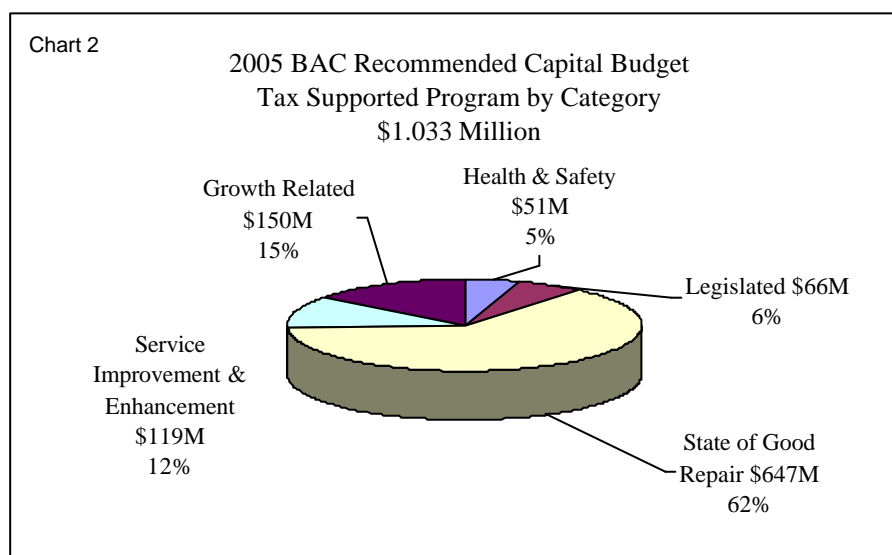
and recommended a budget of \$1.083 billion gross with a debt and internal financing requirement of \$593.229 million (excluding carry-forwards). Standing Committee recommendations were presented to the Budget Advisory Committee for review.

2005 BAC Recommended Capital Budget and 2006 – 2009 Capital Plan:

The Budget Advisory Committee reviewed the 2005 Staff Recommended Capital Budget, taking into consideration recommendations of Standing Committees, and recommended expenditure reductions totalling \$87.016 million and a corresponding debt reduction of \$64.904 million from the 2005 Staff Recommended Budget. The BAC recommended a 2005 Capital Budget of \$1.033 million with debt financing of \$526.720 million.

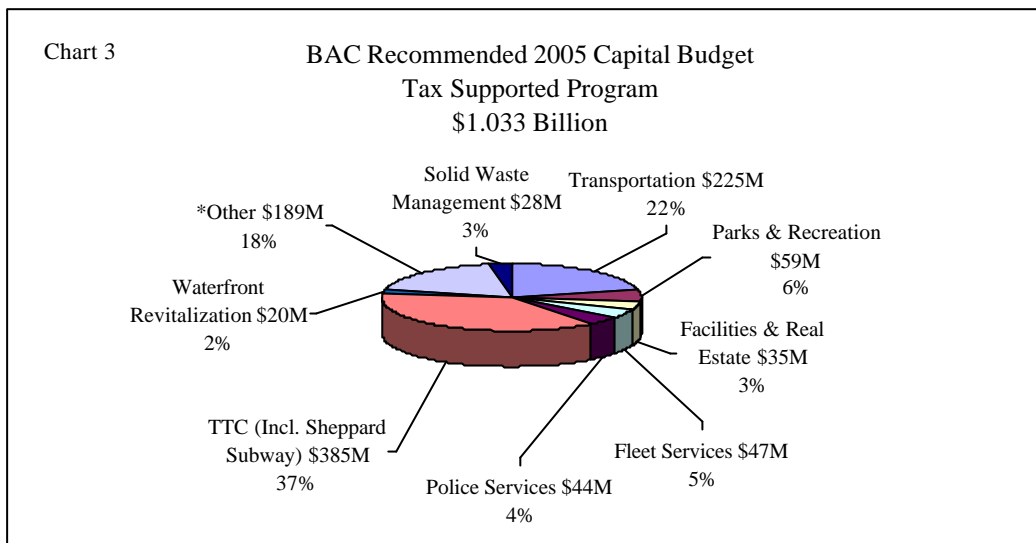
2005 Tax Supported Capital Budget by Category:

Chart 2 below shows that 62 percent of the 2005 Recommended Capital Budget is allocated to state of good repair projects. This is consistent with the direction to give high priority to ensuring that existing assets are properly maintained in order to maximize utility of the assets.



2005 Tax Supported Capital Budget by Major Program:

Chart 3 below illustrates the 2005 BAC Recommended Tax Supported Capital Budget net of carry-forward funding of \$1.033 billion, by major Program. As indicated in this chart, TTC and Transportation account for \$610.581 million or 59 percent of the total tax supported program. All other City Programs and ABCs combined represents \$422.585 million or 41 percent of the total Capital Budget.

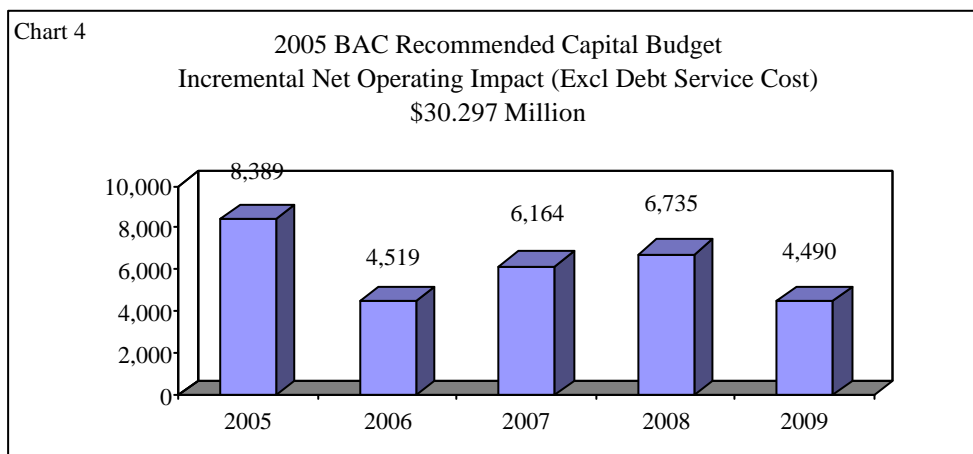


2005 BAC Capital Budget - Incremental Operating Impacts:

Typically, the capital program may impact the operating budget in four areas:

- (i) increased operating costs related to new or expanded facilities;
- (ii). Efficiency savings from investments that reduce operating costs;
- (iii) Direct contributions to Capital from the Operating Fund which reduce the annual borrowing requirements, and
- (iv) Principal and interest payments on debt issued for the capital program.

Chart 4 highlights the future year operating budget costs, excluding debt services costs, resulting from the 2005 BAC Recommended Capital Budget. Over the years 2005 to 2009, the incremental operating impact is estimated to be \$30.615 million.



In summary, the 2005 BAC Recommended Capital Budget satisfies the immediate objective of maintaining the City's infrastructure and capital assets in a relative State of Good Repair. This notwithstanding, the City has a significant backlog of unmet needs that must be addressed in the near future. Given fiscal realities, it was necessary in 2005 to balance between the strategic objectives of maintaining capital assets in a state of good repair with the need to remain in a financially stable position. This existing gap between program needs and affordability will only be solved in a financially prudent manner with a New Deal and funding partnership with the other orders of government.

Budget Highlights:

Toronto Transit Commission Capital Funding:

The 2005 BAC Recommended TTC Capital Budget is \$385.605 million gross and \$237.005 million debt. This budget reflects approximately \$130 million in funding from the provincial and federal governments, which includes estimated gas tax revenue from the federal government of \$33 million and tripartite funding of \$97 million. Approval of the 2005 BAC Recommended Capital Budget results in current and future year commitments of \$986.153 million: \$385.605 million required for 2005; \$401.940 million required in 2006; \$179.741 million in 2007; \$17.347 million in 2008 and \$152 million in 2009. During 2005, the TTC plans to take delivery of 250 new 40-foot low floor diesel buses and will continue to maintain its existing infrastructure in a state of good repair. Of the TTC 2005 capital expenditure, 84 percent is dedicated to replacing and maintaining existing vehicles and infrastructure. The TTC Capital Plan proposes capital expenditures of \$633.642 million in 2006 and \$711.317 million in 2007 due mostly to the increased requirements of vehicle replacement, especially subway cars and refurbishing existing streetcars.

The TTC's capital forecast amounts to an investment of \$4.7 billion over the next ten years to provide for the reinvestment and rehabilitation of physical infrastructure as well as the replacement of revenue vehicles, to ensure service safety and reliability. A significant portion of these needs relates to fixed rail systems (Subway, Streetcar, and SRT) which are unique to large transit systems.

Clean and Beautiful City Initiative:

The Clean and Beautiful City Initiative is one of Council's priorities that was considered in preparing the 2005 Capital Budget. At its meeting of March 1 to 3, 2004, City Council unanimously approved a two-stage approach for the implementation of this initiative. Stage 1 of the program focused on making the City clean. Stage 2 introduces actions to beautify Toronto with the participation and assistance of the public and private sectors. As detailed in Appendix 6 of this report, the Clean and Beautiful initiative includes sub-projects in Corporate Services, Works and Emergency Services, Urban Development Services and Economic Development, Culture and Tourism.

The five-point City action plan to Make Toronto a Clean and Beautiful City was approved by Council at its meeting on November 30, December 1 and 2, 2004. The five key actions are Sweep It, Design It, Grow It, Build It and Celebrate It which are implemented over a 3-year period (2005 – 2007). Included in the Capital Budget is base funding of \$7.337 million and

\$8.616 million of new funding over a three-year period as follows: \$5.598 million in 2005, \$1.400 million in 2006 and \$1.618 million in 2007 as shown in Table 4 below. The total recommended capital funding of \$8.616 million is financed by a combination of Development Charges (\$1.975 million) and debt (\$6.641 million).

Actions	Base Budget	New Funding			Total New Funding
	2005	2005	2006	2007	
1. SWEEP IT	-	-	-	-	-
2. DESIGN IT	0.408	1.589	0.400	0.315	2.304
3. GROW IT		2.971	-	0.303	3.274
4. BUILD IT	6.529	1.000	1.000	1.000	3.000
5. CELEBRATE IT	0.400	0.038	-	-	0.038
Total	7.337	5.598	1.400	1.618	8.616
Financed by:					
Development Charge		0.915	0.530	0.530	1.975
Debt		4.683	0.870	1.088	6.641

Other Key Highlights:

Children's Services:

- (i) Ongoing Health and Safety maintenance and retrofit of playgrounds to required safety standards (\$5.000 million with \$4.000 million conditional on funding from the Province).
- (ii) Construction of four new child care centres (at a total estimated cost of \$7.895 million) in under-served areas; the second of five phases to be funded from Childcare Capital Reserve Fund of \$1.946 million.
- (iii) Completion of \$2.0 million Enderby Childcare Centre serving 62 children (\$0.702 million gross and \$0.300 million debt).

Homes For The Aged:

- (i) Completion of the \$24.5 million True Davidson Acres redevelopment in 2005 (\$4.984 million gross and \$3.635 million debt).
- (ii) Ongoing maintenance projects to be funded from the Homes for the Aged Capital Reserve Fund (\$3.500 million gross).

- (iii) Redevelopment of the existing Albion Lodge into a Supportive Housing facility totalling \$2.000 million; final payment to Toronto Community Housing Company (\$1.000 million gross and debt).

Shelter, Housing and Support:

- (i) Construction of the \$2.200 million Bethlehem United Shelter to be completed in 2006 (\$1.329 million gross and \$0.250 million debt).
- (ii) Automation of program operational-reporting requirements of the \$3.649 million client-information-reporting system expected to be completed in 2006 (\$1.248 million gross and \$0.293 million debt).
- (iii) Beginning the redevelopment of the \$2.500 million Metropolitan United Church Shelter projects to be completed by 2008 (\$0.800 million gross and debt).

Social Services:

- (i) Completion of the IT Refresh initiative totalling \$7.304 million (\$2.330 million gross and \$0.390 million debt).

Emergency Management Plan:

- (i) The HUSAR (Heavy Urban Search and Rescue) facility will be located at the Special Operations Training Centre allowing co-ordinated and safe training. The Centre will include a new building for the Base of Operations from which the Toronto HUSAR Taskforce will operate (\$2.1 million gross 2004-2006, \$0.525 million debt, of which the 2005 cashflow amounts to \$1.4 million gross and \$0.350 million debt).

Emergency Management Services:

- (i) Asset management projects including the maintenance and repair of various roofing, HVAC and paving projects throughout existing ambulance stations (\$1.258 million gross and debt).
- (ii) Second phase of the electronic data collection project (\$1.200 million gross and debt).
- (iii) Public access defibrillator program - to train a select group of City of Toronto employees as "first responders" in CPR and in the use of an Automated External Defibrillator (AED) for victims of sudden cardiac arrest (\$0.450 million gross and debt).

Fire Services:

- (i) Various asset management projects related to the state of good repair of fire stations and facilities (\$2.152 million gross and debt).
- (ii) Acquisition of additional portable radios (\$0.470 million gross and debt).

- (iii) Construction of the new Station C on Sheppard east of Leslie (\$0.200 million gross and \$0.100 million debt).

Solid Waste Management Services:

- (i) Acquisition of Split Body Collection Vehicles in order to implement the Three Stream system recommended by the Waste Diversion 2010 Task Force (\$1.700 million gross and debt).
- (ii) Implementation of the Three Stream system recommended by the Waste Diversion 2010 Task Force - modifications at transfer stations (\$1.310 million gross and debt).
- (iii) Ongoing work to provide additional Source Separated Organics Processing capacity (\$1.5 million gross and debt)

Transportation Services:

- (i) resurfacing and reconstruction of local and major roads (\$60.458 million gross and debt);
- (ii) rehabilitation of City bridge including the Leaside Bridge project at a total cost \$8.800 million gross and \$6.100 million debt (\$25.800 million gross and \$23.100 million debt for 2005); and
- (iii) carry-forward funding provided to cover costs for Front Street Extension project activities currently underway (\$13.349 million gross and \$0.0 debt). The balance of 2005 funding of \$58.698 million deferred pending Council consideration of the Gardner Expressway dismantling.

Works and Emergency Services Departmental:

- (i) Funding Health and Safety and State of Good Repair projects of various shared yard facilities (\$2.0 million gross and debt).
- (ii) The Toronto Infrastructure Data Standards project (TIADS) will establish a computer-based, integrated data base and information system, that will describe the physical condition and location of the City's transportation system, water distribution network, sewer collectors, etc. When completed in 2006, it will become an important management tool for a number of City programs including Transportation Services and Toronto Water. The total cost is \$3.9 million and is to be fully funded through debt.

Culture:

- (i) Casa Loma structural repair and masonry restoration (\$2.102 million gross, \$1.302 million debt);
- (ii) Todmorden Mills Museum and Art Centre restoration (\$1.516 million gross and debt); and

- (iii) Fort York restoration (\$0.677 million gross and debt).

Economic Development:

- (i) Ongoing streetscape improvements in 20 Business Improvement Areas in the City (\$0.839 million gross, \$0.419 million debt);
- (ii) Commercial Façade Improvement grants in seven areas in the City (\$0.246 million gross and debt);
- (iii) Ongoing Employment Revitalization Area programs in seven areas in the City (\$0.306 million gross and debt).
- (iv) New funding for streetscape improvements in 45 Business Improvement Areas in the City including \$0.142 M for the Korea Town BIA (\$3.331 million gross and \$1.939 million debt).
- (v) New funding for grants to improve commercial building facades in seven areas (\$0.327 million gross and debt); and
- (vi) New funding for improvements to nine employment revitalization areas (\$0.466 million gross and debt).

Parks and Recreation:

- (i) improve outdoor recreation facilities, including skateboard parks (\$4.958 million gross and \$3.201 million debt);
- (ii) develop new parks and make improvements to existing ones (\$14.274 million gross and \$4.250 million debt);
- (iii) purchase new grass cutting machines and tree service vehicles to support Council's "Clean and Beautiful City" initiative (\$2.971 million gross and debt);
- (iv) repair and refurbish tennis courts and parking lots (\$1.506 million gross and debt);
- (v) refurbish and improve playground and water play facilities (\$3.044 million gross and \$2.022 million debt)
- (vi) repair and refurbish indoor and outdoor pool facilities (\$3.413 million gross and \$3.394 million debt);
- (vii) refurbish and improve indoor and outdoor arena facilities (\$9.053 million gross and \$7.484 million debt);
- (viii) refurbish and improve trails and pathways (\$1.757 million gross and \$1.440 million debt);

- (ix) restore and maintain the City's natural environment, including the Tree Advocate Program and environment education initiatives (\$3.254 million gross and \$2.512 million debt);
- (x) refurbish and improve a number of special facilities, including the City's three conservatories – the Civic Garden Centre, Allen Gardens and the Centennial Park Conservatory (\$3.965 million gross and \$3.351 million debt); and
- (xi) refurbish, improve and develop additional community centre facilities (\$4.510 million gross and \$3.012 million debt).

Tourism:

- (i) Design creation of Canada's Walk of Fame to make it more accessible as an attraction (\$0.075 million gross and \$0.038 million debt).

Urban Development Services:

- (i) Implementation of 8 Streetscape improvement projects across the City, including enhancements to Beecroft Rd., Bathurst St., Royal York Rd., Ellesmere Rd., and The Queensway (\$1.190 million gross and \$0.718 million debt);
- (ii) Implementation of Council's Clean and Beautiful City Initiative through expanded Civic Improvement project initiatives which include an additional 6 sites across the City (\$1.0 million gross and \$0.669 million debt);
- (iii) Continued development of the New Citywide Zoning By-Law (\$1.514 million gross and debt); and
- (iv) Enhancements to programs Integrated Business Management System (IBMS) in order to ensure flexibility to support Council's priority to improve public services (\$0.836 million gross and debt). Enhancements include MLS, Web Disclosure, Internet Pilot Project, and Bill 124 Performance Management.

Waterfront Revitalization Initiative:

- (i) realignment of 2005 cashflow and revised 5 year Business Plan to address City Council's policies regarding "making progress on the Waterfront" and "Transit first" (\$20.028 million gross and \$19.827 million debt). This year's projects include improvements to the Martin Goodman Trail and Leslie Street Corridor, the development of Parks and other public amenities, and the implementation of East Bayfront and West Donlands Precinct Plans, including construction of light rapid transit to service these precincts.

Facilities and Real Estate:

- (i) funding for a design competition for Nathan Philips Square (\$0.275 million gross and debt); related to Clean and Beautiful City initiative.

Information & Technology:

- (i) Telecomm Management System – a new inventory and billing system to manage the land line and cellular contracts (\$0.250 million gross and debt).

Yonge Dundas Square:

- (i) complete the Yonge Dundas Square Redevelopment Project (\$0.128 million gross and debt); and
- (ii) construct a permanent canopy over the stage on the Square (\$0.350 million gross and debt).

Exhibition Place:

- (i) address deterioration in the Princes Gates (\$0.540 million gross and debt).
- (ii) replace the Bandshell Canopy (\$0.900 million gross and debt).
- (iii) enclose the court yard at the Better Living Building (\$0.470 million gross and debt).
- (iv) install Equipment for Parking Security System, Electrical and Transformers (\$1.515 million gross and debt).
- (v) replace windows and various repairs in the Queen Elizabeth Building (\$0.500 million gross and debt).

Toronto and Region Conservation Authority:

- (i) Various erosion control projects including Fishleigh Drive; Wicksteed Ave.; the Guild Inn; Manitoba Road; etc. (\$1.800 million gross and \$0.900 million debt);
- (ii) Waterfront development projects including Ashbridge's Bay; East Point Park; Tommy Thompson Park; Arsenal Park Development; etc. (\$1.193 million gross and \$0.893 million debt);
- (iii) Black Creek Pioneer Village Retrofit (\$0.350 million gross and debt); and
- (iv) Improvement of public use infrastructure including improvements to conservation areas. (\$0.171 million gross and debt).

Toronto Parking Enforcement Operations:

- (i) Implementation of computerized handheld parking enforcement devices (\$4.1 million gross and debt).

Toronto Police Service:

- (i) completion of 43 Division (\$4 million gross and debt);
- (ii) initial work on the new training facility (\$3.8 million gross and debt);
- (iii) 41 Division land acquisition (\$3.254 million gross and \$0 debt); and
- (iv) 14 Division preliminary work (0.75 million gross and debt).

Toronto Public Health:

- (i) Final phase of the \$7.5 million Toronto Community Health Information System designed provide an integrated City-wide client database replacing 30 incompatible legacy systems (\$1.070 million gross and \$0.251 million debt);
- (ii) Replacement of systems that are more than 10 years of age and to enable access to a national database to support the communicable disease control (\$0.628 million gross and \$0.283 million debt); and
- (iii) Ongoing facilities state of good repair maintenance (\$0.604 million gross and debt).

Toronto Public Library:

- (i) new building projects include first year funding for the design and drawings for; Thorncliffe Library/Jenner Jean-Marie Community Centre Project (\$0.090 million gross and debt); Bloor/Gladstone Renovation and Expansion for (\$0.345 million gross and \$0.027 million debt); S.W. Stewart Renovation for (\$0.240 million gross and \$0.068 million debt); multi-branch minor renovations for (\$1.624 million gross and \$1.563 million debt); and on-going repair and retrofit of the Toronto Reference Library (\$1.604 million gross and \$1.577 million debt).
- (ii) building projects expected for completion in 2005 include the following: Runnymede Renovation (\$0.640 million gross and debt), Beaches (\$0.845 million gross and debt), and Long Branch (\$1.140 million gross and debt); and
- (iii) IT equipment replacement and upgrades, web site upgrades and replacements, upgrades to the Children's web sites, additional disc space and replacement of the Integrated Library System (\$3.711 million gross and \$1.5 million debt).

Toronto Transit Commission:

- (i) Acquisition of 250 Orion VII buses (\$122.042 million gross);
- (ii) Vehicle Overhaul Programs including buses, SRT cars and streetcars (\$45.5 million gross);
- (iii) Track Program (\$44.0 million gross);
- (iv) New Mount Dennis Bus Facility (\$13.5 million gross); and
- (v) SOGR of Signals Systems, Traction Power and Subway Car Communication, Reconstruction of Streetcar Overhead and Power Distribution and Electrical Systems (\$38.0 million gross).

Toronto Zoo:

- (i) completion of a detailed design phase of the North Site Redevelopment project (\$2.215 million gross and debt); and
- (ii) construction of a new Quarantine Facility to meet current animal health requirements as new animals arrive at the Zoo (\$1.372 million gross and debt).

Toronto Parking Authority:

- (i) On-Street Pay and Display - Replacement of single space meters with pay and display machines has proven very successful and will continue with an annual increment of 130 machines in 2005, 2006 and 2007 (\$1.886 million gross 2005, \$0 debt); and
- (ii) College/University - Development of parking to service the Medical and Research Services (MARS) facility (\$7.5 million gross 2005, \$0 debt).

The 2005 BAC Capital Budget fulfils the goal of ensuring that the City’s infrastructure and capital assets are maintained in a state of good repair and provides assurance that health and safety risks are minimized. Further, the 2005 Capital Budget and 2006 to 2014 Capital Plan incorporates reasonable service expansion and growth to meet the increasing demands of a growing population for City services.

Capital Financing - Historical Comparison (1998–2005):

Table 5 below represents a historical summary of the City’s budget by financing source. Evident is that debt continues to be the largest financing source and that the other orders of government provide relatively small and inconsistent subsidies. For example, the Province of Ontario capital financing contribution declined from 38 percent of the 1998 Capital Budget including (Sheppard Subway funding) to an estimated seven percent of the 2005 BAC Recommended Capital Budget.

Funding Sources	1998	1999	2000	2001	2002	2003	2004	2005	
								Staff Rec'd	BAC Rec'd
Prov. Grants & Subsidies	359.1	25.2	75.5	22.8	103.7	112.2	75.8	80.4	82.6
Federal Subsidy	0.0	0.0	0.0	0.0	76.5	103.6	70.0	20.8	53.9
Cap. fr. Current	118.4	143.4	146.2	148.2	146.5	124.2	124.2	124.2	124.2
Res./Res. Funds	98.4	370.9	89.1	170.2	143.9	131.5	132.1	94.6	93.2
Developmental Chrges	0.0	0.0	8.7	4.5	8.1	20.2	24.0	40.5	43.8
Other	79.6	50.3	337.2	311.1	170.2	111.9	161.0	133.2	108.8
Debt	288.9	613.0	324.3	463.2	304.1	361.6	321.0	626.2	526.7
Total - Tax Supported	944	1,203	981	1,120	953	965	908	1,120	1,033

Maintaining the City’s infrastructure valued at over \$52 billion without adequate assistance from the other orders of government has been a major challenge during the past several years and, it is becoming increasingly more difficult given the City’s relatively inelastic sources of revenue. Request for a New Deal has yielded some returns in the form of a 100 percent Goods and Services Tax (GST) rebate, a share of the gas tax revenues, and the TTC tripartite capital funding agreement.

To a large extent, the City has exhausted its non-debt internal capital financing sources to compensate for the shortfall in financial support from the federal and provincial governments. This has resulted in increased reliance on debt, and a significant capital asset maintenance backlog.

Capital Budget by Category - Historical Comparison (1999–2005):

Table 6 below shows that State of Good Repair spending has been by far the largest capital expenditure category since amalgamation. Yet, estimates as at December 2004 suggest significant deferred maintenance or backlog. Evidently, insufficient funding of the City’s capital program has resulted in significant accumulated state of good repair backlog. Instead, fiscal analysis confirms that the infrastructure deficit problem will continue well into the future if new and sustainable revenue and capital financing opportunities are not found.

Category	1999	2000	2001	2002	2003	2004	2005	
							Staff Rec'd	BAC Rec'd
Health & Safety				33.8	21.1	48.0	52.0	50.5
Legislated	19.6	96.4	104.9	67.7	74.5	75.0	66.0	65.6
State of Good Repair	897.4	541.2	694.5	599.4	682.3	571.0	713.0	647.3
Service Improvement	40.5	71.1	100.3	89.0	70.0	103.0	125.0	119.4
Growth	239.6	272.6	220.8	163.0	117.2	108.0	164.0	150.3
Total - Tax Supported	1,197.1	981.3	1,120.5	952.9	965.1	905.0	1,120.0	1,033.1

2005 Capital Budget and 2006 to 2009 Capital Plan – Current and Future Year Estimates:

Future Year Estimates refer to cash flows associated with project/sub-project proposals included in the capital plan. Current and Future Year Estimates is the annual values of the cash flows required for current budget and future year capital work. As indicated in Table 7 below, the current and future year estimates included in the 2005–2009 BAC Recommended Capital Budget and Plan totals \$6.851 billion.

Tax-Supported:	Approved	BAC Rec'd	Capital Forecast				Total 2005-2009
	2004	2005	2006	2007	2008	2009	
Community and Neighbourhood Services	21,326	25,629	29,015	27,134	21,587	20,734	124,099
Works and Emergency Services	263,118	274,892	484,475	374,229	373,187	365,580	1,872,363
Economic Devel., Culture and Tourism	63,569	71,180	114,869	105,500	82,754	89,371	463,674
Urban Development Services	24,110	27,582	101,111	81,688	70,720	34,284	315,385
Corporate Services	148,248	124,541	94,327	88,064	77,902	75,538	460,372
Finance	4,034	3,153	8,890	2,005	3,525	3,875	21,448
Other City Departments	22,741	16,806	18,987	13,957	6,212	0	55,962
Special Purpose Bodies (Excl. TTC & GO)	75,630	84,341	110,321	97,566	100,860	105,006	498,094
Total Tax Supported Programs (Excl. TTC & GO)	622,776	628,124	961,995	790,143	736,747	694,388	3,811,397
GO Transit	0	19,437	21,700	22,900	20,300	18,400	102,737
Toronto Transit Commission - Sheppard Subway	(2,248)	16,981	0	0	0	0	16,981
Toronto Transit Commission (Excl. R.T.E.P.)	285,000	368,624	640,322	699,917	599,661	501,409	2,809,933
Total Tax Supported Programs (Incl. TTC & GO)	905,528	1,033,166	1,624,017	1,512,960	1,356,708	1,214,197	6,741,048
Toronto Parking Authority	22,744	24,191	22,671	21,136	21,000	21,200	110,198
Total City	928,272	1,057,357	1,646,688	1,534,096	1,377,708	1,235,397	6,851,246

It is evident from the comparative historical and forecast analysis above that the City has focused on maintaining its infrastructure and other capital assets in a state of good repair, and where possible meet the demand for growth and service enhancement. However, this has been done with an historical under-funding from the other orders of government. As a result, the City has had to fill the resulting funding gap by drawing from reserves and reserve funds and issuing debt.

On average, capital expenditure forecast for Tax Supported Programs and ABCs is estimated at \$1.348 billion per year. This approximates an annual additional expenditure increase of more than \$300 million, which will require new sources of revenue simply to maintain the City's capital infrastructure in a state of good repair. Further review of future capital needs within the context of the City's fiscal affordability will be required.

Capital Budget Financing:

Appendix 2 summarizes the 2005 Recommended Capital Budget by financing source. For the Tax Supported Program, the principal financing sources are debt of \$526.765 million, and Reserves and Reserve Funds of \$93.176 million.

The Chief Financial Officer and Treasurer, in accordance with requirements of Provincial regulations, confirms that expenditures in the amount of \$1.033 billion for projected borrowing requirements (i) can be financed by the issuance of debentures; (ii) is within the City's updated Debt and Financial Obligation Limit; and (iii) authority for debenture terms not exceeding 10 years is being recommended. The CFO and Treasurer further confirms that funds are available from the other financing sources as summarized in Table 2 (page 2 above).

Conclusions:

The 2005 BAC Recommended Total Tax Supported Capital Budget and 2006–2014 Capital Plan totals \$2.713 billion in gross capital expenditures, while the 2005 Capital Budget cash flow is \$1.259 billion (see Appendix 1.(i)). Carry forward expenditures included in the above amount totals \$234.776 million (see Appendix 1.(v)).

Approval of the 2005 BAC Recommended Tax Supported Capital Budget will result in the following future year commitments (excluding 2004 carry forwards): \$822.381 million in 2006; \$377.595 million in 2007; \$128.990 million in 2008 and \$49.946 million in 2009, and \$75.179 million for the five years 2010 to 2014 for a total cost of \$2.487 billion, as outlined in Appendix 1.(ii).

The 2005 Rate Supported Capital Budget includes the following estimated cash flows for the Toronto Parking Authority before carry forward expenditures: \$24.191 million in gross capital expenditures in 2005 and \$1.535 million in 2006 for a total cost of \$25.726 million, as outlined in Appendix 1.(ii).

In conclusion, the 2005 BAC Recommended Capital Budget addresses the City's Health and Safety, Legislated and State of Good Repair needs in an optimal way – given existing fiscal challenges. While priority was given to the three categories listed above, the capital program also fulfils the short-term need for growth in strategic areas, and for service expansion in key program areas to accommodate demands and expectations of constituents. Managing the City's

debt burden without compromising the state of good repair of existing assets or the health and safety of its citizens has been a major consideration. Nevertheless, there continues to be a gap between spending needs as identified in program submissions and what can be afforded as detailed in the BAC recommended budget. It is imperative that this gap be addressed within the next few years in order to ensure that the City's assets are maintained in a state of good repair and that maximum utility is derived from its infrastructure and capital assets.

Only an equitable New Deal that includes new revenue sources and financial tools will enable the City to address this gap. A first step has been taken in the recently announced federal and provincial gas tax sharing arrangements, the tripartite Canada Strategic Infrastructure Fund and the goods and services tax exemption. However, predictable funding tools must be realized to ensure both short-term (2005/2006) and long-term sustainable capital financing plan to meet the City's needs. 2005 is a transitional year towards the approval of a 5-year Capital Plan in 2006. During 2005, City Programs and ABCs together with the Financial Planning Division will review the 5-year Plan in context of affordability and readiness.

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List of Attachments:

Appendix 1 (i) - Capital Budget and Future Year Commitments – Including 2004 Carry Forwards.

Appendix 1 (ii) - 2005 Capital Budget and Future Year Commitments – Excluding 2004 Carry Forwards

Appendix 1 (iii) - 2005 Capital Budget and Future Year Commitments – New and Change in Scope Projects

Appendix 1 (iv) - 2005 Capital Budget and Future Year Commitments – Previously Approved Projects

Appendix 1 (v) - 2004 Carry Forwards by Program and Financing Sources

Appendix 2 2005 Capital Budget by Financing Sources – Excluding 2004 Carry Forwards

Appendix 3 2005 Capital Budget Summary of Gross Expenditures by Program and Category- Excluding 2004 Carry Forwards

Appendix 4 2005 BAC Recommended Capital Budget and Future Year Commitments - Financing Sources by Year

Appendix 5 2005 Capital Budget and 2006 – 2014 Capital Plan – Excluding 2004 Carry Forwards

Appendix 6 Clean and Beautiful City Initiative – Three Year Program

Appendix 7 Budget Advisory Committee Transmittal

Appendix 1(i)

CITY OF TORONTO
2005 BAC Recommended Capital Budget
2005 Cash Flow & 2006 - 2014 Commitments (Including 2004 Carry Forwards)



	Total Cash Flow 2005-2014	Cash Flow					Financing Sources					Debt/Internal Sources				
		2005	2006	2007	2008	2009	2010 to 2014	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds		Capital from Current	Other		
(8000s)																
Community and Neighbourhood Services																
Children's Services	12,976	0	0	0	0	0	0	0	0	0	0	0	0	0	2,390	
Homes for the Aged	11,734	0	0	0	0	0	0	0	0	0	0	0	0	0	(16,007)	
Shelter, Housing & Support	32,723	7,543	15,690	7,495	1,995	0	0	0	0	0	0	0	0	6,095	26,625	
Social Services	2,708	0	0	0	0	0	0	0	0	0	0	0	0	1,940	768	
Department Total	60,141	34,961	15,690	7,495	1,995	0	0	0	0	0	0	0	0	8,035	13,776	
Works and Emergency Services																
Emergency Medical Services	13,424	8,030	4,344	750	300	0	0	0	0	0	0	0	0	0	600	12,332
Emergency Management Plan	5,951	3,804	2,147	0	0	0	0	0	0	0	0	0	0	0	2,950	3,001
Fire	17,157	9,769	3,160	3,934	294	0	0	0	0	0	0	0	0	0	0	13,803
Solid Waste Management	80,726	35,987	29,194	15,503	421	0	0	0	0	0	0	0	0	0	0	61,176
Transportation	454,413	282,736	133,458	24,259	13,960	0	0	0	0	0	0	0	0	0	58,170	319,985
Works & Emergency Services	10,512	7,949	2,518	45	0	0	0	0	0	0	0	0	0	0	1,465	9,047
Department Total	582,183	348,275	174,821	44,491	14,596	0	0	0	0	0	0	0	0	0	63,185	419,364
Economic Development, Culture and Tourism																
Culture	13,405	9,503	3,902	0	0	0	0	0	0	0	0	0	0	0	0	8,843
Economic Development	8,316	6,608	1,908	0	0	0	0	0	0	0	0	0	0	0	0	5,400
Parks & Recreation	96,681	82,510	13,977	194	0	0	0	0	0	0	0	0	0	0	0	52,235
Tourism	75	75	0	0	0	0	0	0	0	0	0	0	0	0	0	38
Department Total	118,677	98,696	19,787	194	0	0	0	0	0	0	0	0	0	0	0	66,516
Urban Development Services																
Urban Development Services	14,184	9,681	2,865	1,638	0	0	0	0	0	0	0	0	0	0	0	11,992
Waterfront Revitalization	376,867	36,238	93,086	75,580	66,940	0	0	0	0	0	0	0	0	0	179	376,509
Department Total	391,051	45,919	95,951	77,018	66,940	0	0	0	0	0	0	0	0	0	179	388,501
Corporate Services																
City Clerk's Office	7,261	3,995	2,500	216	0	0	0	0	0	0	0	0	0	0	0	4,495
Court Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Lease Strategy	62,474	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facilities and Real Estate	73,904	41,820	21,352	7,901	2,535	0	0	0	0	0	0	0	0	0	0	15,982
Fleet Services	92,008	67,304	12,613	12,091	296	0	0	0	0	0	0	0	0	0	0	73,154
Information Technology	45,073	13,098	10,490	7,607	7,842	0	0	0	0	0	0	0	0	0	0	0
Department Total	280,720	188,691	46,965	27,815	10,377	0	0	0	0	0	0	0	0	0	0	45,073
Finance																
Finance	11,967	5,277	6,690	0	0	0	0	0	0	0	0	0	0	0	0	138,704
Finance	11,967	5,277	6,690	0	0	0	0	0	0	0	0	0	0	0	0	7,654
Department Total	11,967	5,277	6,690	0	0	0	0	0	0	0	0	0	0	0	0	7,654
Other																
Energy Retrofit Program	19,602	11,465	4,400	3,737	0	0	0	0	0	0	0	0	0	0	0	14,595
Union Station	14,907	7,528	7,379	0	0	0	0	0	0	0	0	0	0	0	0	6,976
Yonge-Dundas Project	1,455	1,455	0	0	0	0	0	0	0	0	0	0	0	0	0	1,455
Department Total	35,964	20,448	11,779	3,737	0	0	0	0	0	0	0	0	0	0	0	23,026
Total City Operations	1,480,703	742,267	371,673	160,750	93,908	0	0	0	0	0	0	0	0	0	121,862	1,057,541



CITY OF TORONTO
2005 BAC Recommended Capital Budget
2005 Cash Flow & 2006 - 2014 Commitments (Including 2004 Carry Forwards)

Appendix I(i)

	Cash Flow						Financing Sources						
	2005	2006	2007	2008	2009	2010 to 2014	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other	Debt/Interest Sources
Total Cash Flow 2005-2014													
Special Purpose Bodies & Other	6,447	0	0	0	0	0	0	0	0	0	0	0	6,447
Exhibition Place	5,946	832	0	0	0	0	0	0	3,562	0	0	0	3,416
Toronto And Region Conservation Authority	4,534	0	0	0	0	0	0	0	434	0	0	0	4,100
Toronto Parking Enforcement Operations	65,219	36,946	29,140	17,735	11,500	0	0	11,552	11,693	0	3,652	0	133,643
Toronto Police Service	3,000	0	0	0	0	0	0	0	0	0	0	0	3,000
Toronto Port Authority	4,545	0	0	0	0	0	556	0	0	0	0	8,855	14,866
Toronto Public Health	15,594	10,386	7,964	0	0	0	0	5,734	0	348	0	3,589	24,273
Toronto Public Library	6,747	604	0	0	0	0	0	0	0	0	0	0	7,351
Toronto Zoo	112,833	48,768	37,104	17,735	11,500	0	556	5,734	15,552	15,837	0	16,096	177,364
Special Purpose Bodies & Other Total													
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	854,299	420,441	197,854	111,643	48,426	75,179	30,147	98,580	15,999	190,253	0	137,958	1,234,905
Transit	19,437	0	0	0	0	0	0	0	0	0	0	0	19,437
GO Transit	16,981	0	0	0	0	0	0	0	0	0	0	0	16,981
Toronto Transit Commission - Sheppard Subway	368,624	401,940	179,741	17,347	1,520	0	464,179	12,003	0	0	0	325,187	167,803
Toronto Transit Commission (Excl. R.T.E.P.)	405,042	401,940	179,741	17,347	1,520	0	464,179	12,003	0	0	0	325,187	204,221
Total Transit	1,259,241	822,381	377,595	128,990	49,946	75,179	494,326	110,583	15,999	190,253	0	463,145	1,439,126
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)													
RATE SUPPORTED PROGRAM	32,792	1,535	0	0	0	0	0	0	0	2,270	0	32,057	0
Toronto Parking Authority	32,792	1,535	0	0	0	0	0	0	0	2,270	0	32,057	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	32,792	1,535	0	0	0	0	0	0	0	2,270	0	32,057	0
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,292,133	823,916	377,595	128,990	49,946	75,179	494,326	110,583	15,999	192,523	0	495,202	1,439,126

Appendix 1(i)



CITY OF TORONTO
2005 BAC Recommended Capital Budget
2005 Cash Flow & 2006 - 2014 Commitments (Excluding 2004 Carry Forwards)

	Total Cash Flow 2005-2014	Cash Flow					Financing Sources								
		2005	2006	2007	2008	2009	2010 to 2014	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other	Debt/Internal Sources	
(000s)															
Special Purpose Bodies & Other															
Exhibition Place	5,550	0	0	0	0	0	0	0	0	0	0	0	0	0	5,550
Toronto And Region Conservation Authority	6,778	832	0	0	0	0	0	0	0	0	3,362	0	0	0	3,416
Toronto Parking Enforcement Operations	4,534	0	0	0	0	0	0	0	0	0	434	0	0	0	4,100
Toronto Police Service	139,575	44,254	36,946	29,140	17,735	11,500	0	0	11,552	3,254	0	0	0	0	124,769
Toronto Port Authority	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000
Toronto Public Health	2,302	0	0	0	0	0	0	0	0	0	0	0	0	0	(7,018)
Toronto Public Library	13,716	10,386	7,964	0	0	0	0	0	0	0	348	0	0	0	24,273
Toronto Zoo	5,039	604	0	0	0	0	0	0	0	0	0	0	0	0	5,643
Special Purpose Bodies & Other Total	199,448	48,768	37,104	17,735	11,500	0	0	0	11,552	7,398	0	0	0	11,066	163,733
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	1,481,667	628,124	420,441	197,884	111,643	48,426	75,179	0	14,400	120,852	0	0	0	113,542	1,121,442
Transit															
GO Transit	19,437	0	0	0	0	0	0	0	0	0	0	0	0	0	19,437
Toronto Transit Commission - Sheppard Subway	16,981	0	0	0	0	0	0	0	0	0	0	0	0	0	16,981
Toronto Transit Commission (Excl. R.T.E.P.)	969,172	401,940	179,741	17,347	1,520	1,520	0	0	0	0	0	0	0	0	1,678,803
Total Transit	1,005,590	401,940	179,741	17,347	1,520	1,520	0	0	0	0	0	0	0	325,187	204,221
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	2,487,257	1,033,166	822,381	377,595	128,990	49,946	75,179	0	14,400	120,852	0	0	0	438,729	1,325,663
RATE SUPPORTED PROGRAM															
Toronto Parking Authority	25,726	1,535	0	0	0	0	0	0	0	1,700	0	0	0	24,026	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	25,726	1,535	0	0	0	0	0	0	0	1,700	0	0	0	24,026	0
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	2,512,983	1,057,357	823,916	377,595	128,990	49,946	75,179	0	14,400	122,552	0	0	0	462,755	1,325,663



CITY OF TORONTO

2005 BAC Recommended Capital Budget

2005 Cash Flow & 2006-2014 Commitments - New & Change in Scope Projects

Appendix I (iii)

(\$000s)	Total Cash Flow 2005-2014	Cash Flow					Financing Sources								
		2005	2006	2007	2008	2009	2010 to 2014	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other	Debt/Internal Sources	
Special Purpose Bodies & Other															
Bibliothèque Place	5,010	0	0	0	0	0	0	0	0	0	0	0	0	0	5,010
Toronto And Region Conservation Authority	5,946	832	0	0	0	0	0	0	0	0	3,362	0	0	0	3,416
Toronto Parking Enforcement Operations	4,534	0	0	0	0	0	0	0	0	0	434	0	0	0	4,100
Toronto Police Service	31,035	15,915	11,670	4,955	0	0	0	0	0	0	11,552	3,254	0	0	48,769
Toronto Port Authority	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000
Toronto Public Health	1,112	0	0	0	0	0	0	0	0	0	0	0	0	0	767
Toronto Public Library	7,984	7,372	7,964	0	0	0	0	0	0	0	0	0	0	0	17,725
Toronto Zoo	1,765	508	0	0	0	0	0	0	0	0	0	0	0	0	1,765
Special Purpose Bodies & Other Total	189,094	24,627	19,634	4,955	0	0	0	0	0	0	11,552	6,015	0	0	84,552
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	809,507	183,802	110,291	74,665	21,637	62,162	0	4,817	51,141	14,400	75,377	0	42,557	0	621,215
Transit															
GO Transit	19,437	0	0	0	0	0	0	0	0	0	0	0	0	0	19,437
Toronto Transit Commission - Sheppard Subway	13,500	0	0	0	0	0	0	0	0	0	0	0	0	0	13,500
Toronto Transit Commission (Excl. R.T.E.P.)	539,000	292,409	149,873	16,678	1,345	0	0	352,003	7,687	0	0	0	0	0	486,365
Total Transit	571,937	292,409	149,873	16,678	1,345	0	0	352,003	7,687	0	0	0	0	0	(15,428)
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,381,444	476,211	260,164	91,343	22,982	62,162	0	356,820	58,828	14,400	75,377	0	270,232	0	605,787
RATE SUPPORTED PROGRAM															
Toronto Parking Authority	16,956	0	0	0	0	0	0	0	0	0	500	0	16,456	0	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	16,956	0	0	0	0	0	0	0	0	0	500	0	16,456	0	0
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,398,400	476,211	260,164	91,343	22,982	62,162	0	356,820	58,828	14,400	75,877	0	286,688	0	605,787

Appendix I(iv)



CITY OF TORONTO
2005 BAC Recommended Capital Budget
2005 Cash Flow & 2006-2014 Commitments - Previously Approved Projects

(\$000s)	Total Cash Flow 2005-2014	Cash Flow					Financing Sources								
		2005	2006	2007	2008	2009	2010 to 2014	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other	Debt/Internal Sources	
Community and Neighbourhood Services	482	0	0	0	0	0	0	0	0	0	482	0	0	0	
Children's Services	5,984	0	0	0	0	0	0	0	0	0	0	0	0	(16,007)	
Homes for the Aged	30,927	4,942	16,495	7,495	1,995	0	0	0	0	0	0	0	4,674	26,250	
Shelter, Housing & Support	2,330	0	0	0	0	0	0	0	0	0	0	0	1,940	390	
Social Services	39,723	13,738	16,495	7,495	1,995	0	0	0	0	0	482	0	5,614	10,653	
Department Total															
Works and Emergency Services	3,052	1,530	1,072	450	0	0	0	0	0	0	0	0	0	3,052	
Emergency Medical Services	3,777	2,130	1,647	0	0	0	0	0	0	0	0	0	1,980	1,797	
Emergency Management Plan	4,978	4,978	0	0	0	0	0	0	0	0	0	0	0	4,978	
Fire	65,163	20,424	29,194	15,503	42	0	0	0	0	0	17,690	0	0	47,473	
Solid Waste Management	142,086	50,961	79,836	10,319	970	0	0	0	0	0	1,989	0	13,349	101,653	
Transportation	2,954	1,524	1,385	45	0	0	0	0	0	0	0	0	500	2,454	
Works & Emergency Services	222,010	81,547	113,134	26,317	1,012	0	0	0	0	0	19,679	0	15,829	161,407	
Department Total															
Economic Development, Culture and Tourism	4,516	3,537	979	0	0	0	0	0	0	0	0	0	0	2,236	
Culture	1,703	1,391	312	0	0	0	0	0	0	0	204	0	1,631	0	
Economic Development	17,226	13,381	3,651	194	0	0	0	0	0	0	0	0	613	1,090	
Parks & Recreation	0	0	0	0	0	0	0	0	0	0	0	0	1,840	4,092	
Tourism	23,445	18,309	4,942	194	0	0	0	0	0	0	0	0	0	0	
Department Total															
Urban Development Services	1,191	991	200	0	0	0	0	0	0	0	0	0	0	873	
Urban Development Services	150,311	33,442	40,643	28,277	19,644	14,988	13,017	0	0	0	0	0	179	149,953	
Waterfront Revitalization	151,802	34,433	40,843	28,577	19,644	14,988	13,017	0	0	0	0	0	179	150,826	
Department Total															
Corporate Services	3,686	1,266	2,420	0	0	0	0	0	0	0	0	0	0	3,686	
City Clerk's Office	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Court Services	34,328	34,328	0	0	0	0	0	0	0	0	0	0	0	0	
End of Lease Strategy	40,001	24,563	13,668	1,207	469	94	0	0	0	0	222	0	20,249	13,857	
Facilities and Real Estate	18,238	18,238	0	0	0	0	0	0	0	0	0	0	0	40,001	
Fleet Services	11,421	2,753	4,817	2,566	1,078	207	0	0	0	0	18,238	0	0	0	
Information Technology	107,674	81,148	20,905	3,773	1,547	301	0	0	0	0	18,460	0	20,249	11,421	
Department Total															
Finance	9,643	2,953	6,690	0	0	0	0	0	0	0	300	0	2,787	6,356	
Finance	9,643	2,953	6,690	0	0	0	0	0	0	0	300	0	2,787	6,356	
Department Total															
Other	17,902	9,765	4,400	3,737	0	0	0	0	0	0	0	0	4,457	13,445	
Energy Retrofit Program	9,907	4,818	5,089	0	0	0	0	0	0	0	0	0	7,991	1,976	
Union Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Yonge-Dundas Project	27,909	14,583	9,489	3,737	0	0	0	0	0	0	0	0	12,388	15,421	
Department Total															
Total City Operations	581,806	246,711	212,498	70,091	24,198	15,289	13,017	0	0	0	44,092	0	62,138	421,046	



CITY OF TORONTO
2005 BAC Recommended Capital Budget
2005 Cash Flow & 2006-2014 Commitments - Previously Approved Projects

Appendix 1(iv)

	Total Cash Flow 2005-2014	Cash Flow					Financing Sources					Dep/Int'l Sources					
		2005	2006	2007	2008	2009	2010 to 2014	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds		Capital from Current	Other			
(5000s)																	
Special Purpose Bodies & Other	540	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	540
Exhibition Place	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Toronto And Region Conservation Authority	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Toronto Parking Enforcement Operations	76,000	21,031	17,470	12,730	11,500	0	0	0	0	0	0	0	0	0	0	0	76,000
Toronto Police Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Toronto Port Authority	1,190	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,190
Toronto Public Health	8,746	3,014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,746
Toronto Public Library	3,878	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,878
Toronto Zoo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special Purpose Bodies & Other - Total	90,351	24,141	17,470	12,730	11,500	0	0	0	0	0	0	0	0	0	0	0	90,351
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	672,160	271,174	236,639	87,563	36,978	26,789	13,017	22,718	32,755	0	45,475	0	70,995	0	500,277		
Transit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GO Transit	3,481	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,481
Toronto Transit Commission - Sheppard Subway	430,172	109,531	29,868	669	175	0	0	112,176	4,316	0	0	0	0	0	0	0	216,168
Toronto Transit Commission (Excl. R.T.E.P.)	433,653	293,410	29,868	669	175	0	0	112,176	4,316	0	0	0	0	0	0	0	219,649
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,105,813	564,584	346,170	117,431	37,647	26,964	13,017	134,894	37,071	0	45,475	0	168,497	0	719,876		
RATE SUPPORTED PROGRAM	8,770	7,235	1,535	0	0	0	0	0	0	0	1,200	0	7,570	0	0	0	0
Toronto Parking Authority	8,770	7,235	1,535	0	0	0	0	0	0	0	1,200	0	7,570	0	0	0	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	8,770	7,235	1,535	0	0	0	0	0	0	0	1,200	0	7,570	0	0	0	0
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,114,583	571,819	347,705	117,431	37,647	26,964	13,017	134,894	37,071	0	46,675	0	176,067	0	719,876		



CITY OF TORONTO
2005 BAC Recommended Capital Budget
2004 Carry Forwards

Appendix 1(v)

	2004 Carry-forward	Financing Sources							Debt/Internal Sources
		Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other		
(\$000s)									
Community and Neighbourhood Services									
Childrens Services	4,758	2,419	0	0	1,739	0	0	600	0
Homes for the Aged	2,000	0	0	0	2,000	0	0	0	0
Shelter, Housing & Support	2,196	0	0	0	0	0	1,421	775	0
Social Services	378	0	0	0	0	0	0	378	0
Department Total	9,332	2,419	0	0	3,739	0	1,421	1,753	0
Works and Emergency Services									
Emergency Medical Services	1,414	0	0	0	0	0	600	814	0
Emergency Management Plan	968	0	0	0	0	0	145	823	0
Fire	1,889	0	904	0	0	0	0	985	0
Solid Waste Management	7,563	0	0	1,419	91	0	0	6,053	0
Transportation	57,760	0	6,766	0	3,276	0	9,231	38,487	0
Works & Emergency Services	3,789	0	0	0	0	0	807	2,982	0
Department Total	73,383	0	7,670	1,419	3,367	0	10,783	59,144	0
Economic Development, Culture and Tourism									
Culture	2,832	0	0	0	495	0	466	1,871	0
Economic Development	1,093	0	0	0	0	0	432	661	0
Parks & Recreation	23,591	102	4,514	10	11,413	0	2,026	5,526	0
Tourism	0	0	0	0	0	0	0	0	0
Department Total	27,516	102	4,514	10	11,908	0	2,924	8,058	0
Urban Development Services									
Urban Development Services	2,127	0	0	0	0	0	0	2,127	0
Waterfront Revitalization	16,210	0	0	0	0	0	0	16,210	0
Department Total	18,337	0	0	0	0	0	0	18,337	0
Corporate Services									
City Clerk's Office	979	0	0	170	0	0	0	809	0
Court Services	0	0	0	0	0	0	0	0	0
End of Lease Strategy	28,146	0	2,000	0	21,389	0	2,632	2,125	0
Facilities and Real Estate	7,165	0	0	0	0	0	750	6,415	0
Fleet Services	20,059	0	0	0	20,059	0	0	0	0
Information Technology	7,801	0	0	0	0	0	0	7,801	0
Department Total	64,150	0	2,000	170	41,448	0	3,382	17,150	0



CITY OF TORONTO
2005 BAC Recommended Capital Budget
2004 Carry Forwards

Appendix I(v)

	2004 Carry-forward	Financing Sources						Debt/Internal Sources
		Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other	
((\$000s))								
Finance	2,124	0	0	0	0	500	326	1,298
Department Total	2,124	0	0	0	0	500	326	1,298
Other:								
Energy Retrofit Program	1,700	0	0	0	0	0	550	1,150
Union Station	965	0	0	0	0	0	0	965
Yonge-Dundas Project	977	0	0	0	0	0	0	977
Department Total	3,642	0	0	0	0	0	550	3,092
Total City Operations	198,484	2,521	14,184	1,599	60,962	0	19,386	99,832
Special Purpose Bodies & Other								
Exhibition Place	897	0	0	0	0	0	0	897
Toronto And Region Conservation Authority	0	0	0	0	0	0	0	0
Toronto Parking Enforcement Operations	0	0	0	0	0	0	0	0
Toronto Police Service	20,965	0	0	0	8,439	0	3,652	8,874
Toronto Port Authority	0	0	0	0	0	0	0	0
Toronto Public Health	2,243	91	0	0	0	0	0	2,152
Toronto Public Library	1,878	0	500	0	0	0	1,378	0
Toronto Zoo	1,708	0	0	0	0	0	0	1,708
Special Purpose Bodies & Other Total	27,691	91	500	0	8,439	0	5,030	13,631
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	226,175	2,612	14,684	1,599	69,401	0	24,416	113,463
Transit								
GO Transit	0	0	0	0	0	0	0	0
Toronto Transit Commission - Sheppard Subway	0	0	0	0	0	0	0	0
Toronto Transit Commission (Excl. R.T.E.P.)	0	0	0	0	0	0	0	0
Total Transit	0	0	0	0	0	0	0	0
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	226,175	2,612	14,684	1,599	69,401	0	24,416	113,463
RATE SUPPORTED PROGRAM								
Toronto Parking Authority	8,601	0	0	0	570	0	8,031	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	8,601	0	0	0	570	0	8,031	0
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	234,776	2,612	14,684	1,599	69,971	0	32,447	113,463

Appendix 2

Toronto
CITY OF TORONTO
2005 BAC Recommended Capital Budget
Excluding 2004 Carry Forwards

	2005 Cash Flow	Financing Sources						Debt/Internal Sources
		Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other	
(5000s)								
Community and Neighbourhood Services								
Children's Services	8,218	4,000	0	0	2,428	0	0	1,790
Homes for the Aged	9,734	1,349	0	250	3,500	0	0	4,635
Shelter, Housing & Support	5,347	3	0	0	0	0	2,634	2,710
Social Services	2,330	0	0	0	0	0	1,940	390
Department Total	25,629	5,352	0	250	5,928	0	4,574	9,525
Works and Emergency Services								
Emergency Medical Services	6,616	472	0	0	0	0	0	6,144
Emergency Management Plan	2,836	0	0	0	0	0	1,050	1,786
Fire	7,880	0	100	0	0	0	0	7,780
Solid Waste Management	28,424	0	0	0	5,601	0	0	22,823
Transportation	224,976	0	29,538	0	4,289	0	48,939	142,210
Works & Emergency Services	4,160	0	0	0	0	0	349	3,811
Department Total	274,892	472	29,638	0	9,890	0	50,338	184,554
Economic Development, Culture and Tourism								
Culture	6,671	0	0	0	1,090	0	1,414	4,167
Economic Development	5,515	0	0	0	0	0	1,986	3,529
Parks & Recreation	58,919	0	9,025	2	8,521	0	1,890	39,481
Tourism	75	0	0	0	0	0	37	38
Department Total	71,180	0	9,025	2	9,611	0	5,327	47,215
Urban Development Services								
Urban Development Services	7,554	0	2,059	0	0	0	0	5,495
Waterfront Revitalization	20,028	99	0	0	0	0	99	19,830
Department Total	27,582	99	2,059	0	0	0	99	25,325
Corporate Services								
City Clerk's Office	3,016	0	0	1,750	0	0	0	1,266
Court Services	0	0	0	0	0	0	0	0
End of Lease Strategy	34,328	0	0	0	222	0	20,249	13,857
Facilities and Real Estate	34,655	0	0	0	0	0	0	34,655
Fleet Services	47,245	0	0	0	47,245	0	0	0
Information Technology	5,297	0	0	0	0	0	0	5,297
Department Total	124,541	0	0	1,750	47,467	0	20,249	55,075
Finance								
Finance	3,153	0	200	0	0	0	682	2,271
Department Total	3,153	0	200	0	0	0	682	2,271
Other								
Energy Retrofit Program	9,765	0	0	0	0	0	2,387	7,378
Union Station	6,563	0	0	0	0	0	4,818	1,745
Young-Dundas Project	478	0	0	0	0	0	0	478
Department Total	16,806	0	0	0	0	0	7,205	9,601
Total City Operations	543,783	5,923	40,922	2,002	72,896	0	88,474	333,566

Appendix 2

Toronto
CITY OF TORONTO
2005 BAC Recommended Capital Budget
Excluding 2004 Carry Forwards

	2005 Cash Flow	Financing Sources							Debt/Internal Sources
		Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Capital from Current	Other		
Special Purpose Bodies & Other									
Exhibition Place	5,550	0	0	0	0	0	0	0	5,550
Toronto And Region Conservation Authority	5,946	0	0	0	2,946	0	0	0	3,000
Toronto Parking Enforcement Operations	4,534	0	0	0	434	0	0	0	4,100
Toronto Police Service	44,254	0	0	11,552	3,254	0	0	0	29,448
Toronto Port Authority	3,000	0	0	0	0	0	0	0	3,000
Toronto Public Health	2,302	465	0	0	0	0	0	1,090	747
Toronto Public Library	13,716	0	1,413	0	92	0	0	2,211	10,000
Toronto Zoo	5,039	0	0	0	0	0	0	0	5,039
Special Purpose Bodies & Other Total	84,341	465	1,413	11,552	6,726	0	0	3,301	60,884
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	628,124	6,388	42,335	13,554	79,622	0	0	91,775	394,450
Transit									
GO Transit	19,437	0	0	0	0	0	0	0	19,437
Toronto Transit Commission - Sheppard Subway	16,981	0	0	0	0	0	0	0	16,981
Toronto Transit Commission (Excl. R.T.E.P.)	368,624	76,200	1,500	0	0	0	0	70,900	220,024
Total Transit	405,042	76,200	1,500	0	0	0	0	70,900	256,442
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,033,166	82,588	43,835	13,554	79,622	0	0	162,675	650,892
RATE SUPPORTED PROGRAM									
Toronto Parking Authority	24,191	0	0	0	1,700	0	0	22,491	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	24,191	0	0	0	1,700	0	0	22,491	0
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	1,057,357	82,588	43,835	13,554	81,322	0	0	185,166	650,892

APPENDIX 3

CITY OF TORONTO
2005 BAC Tax Supported Recommended Capital Budget
2005 Summary by Program by Category - Excluding 2004 Carry Forwards



	Health & Safety		Legislated		State of Good Repair		Service Improvement & Enhancement		Growth Related		Program Total	
	Gross	Debt/Internal Sources	Gross	Debt/Internal Sources	Gross	Debt/Internal Sources	Gross	Debt/Internal Sources	Gross	Debt/Internal Sources	Gross	Debt/Internal Sources
Community and Neighbourhood Services												
Children's Services	5,000	1,000	0	0	490	490	2,728	300			8,218	1,790
Homes for the Aged	1,500	0	5,234	3,635	3,000	1,000	4,540	2,306			9,734	4,635
Shelter, Housing & Support	807	404	2,330	390							5,347	2,710
Social Services											2,330	390
Department Total	7,307	1,404	7,564	4,025	3,490	1,490	7,268	2,606	0	0	25,629	9,525
Works and Emergency Services												
Emergency Management Plan			1,400	350			1,436	1,436			2,836	1,786
Emergency Medical Services	1,078	1,078	450	450	3,388	2,916	1,700	1,700			6,616	6,144
Fire	550	550			7,130	7,130			200	100	7,880	7,780
Solid Waste Management			25,237	19,636	3,187	3,187					28,424	22,823
Transportation	7,740	4,740			127,378	123,978	12,445	9,735	77,413	3,757	224,976	142,210
Works & Emergency Services	91	55			2,886	2,764	1,183	992			4,160	3,811
Department Total	9,459	6,423	27,087	20,416	143,969	139,975	16,764	13,863	77,613	3,857	274,892	184,554
Economic Development, Culture and Tourism												
Culture	2,302	1,502	80	80	2,938	2,055	1,121	350	230	180	6,671	4,167
Economic Development					4,942	2,955	573	573			5,515	3,528
Parks & Recreation	949	337	661	219	30,525	27,054	20,596	10,332	6,188	1,519	58,919	39,481
Tourism							75	38			75	38
Department Total	3,251	1,839	741	299	38,405	32,064	22,365	11,313	6,418	1,699	71,180	47,214
Urban Development Services												
Urban Development Services			2,660	2,194			576	576	4,318	2,725	7,554	5,495
Waterfront Revitalization									20,028	19,830	20,028	19,830
Department Total	0	0	2,660	2,194	0	0	576	576	24,346	22,555	27,582	25,325
Corporate Services												
City Clerk's Office	50		200		1,500		1,266	1,266			3,016	1,266
End of Lease Strategy					34,328	13,857					34,328	13,857
Facilities and Real Estate	24,452	24,452	7,689	7,689	80	80	2,434	2,434			34,655	34,655
Fleet Services			547	0	46,698	0	0	0	0	0	47,245	0
Information Technology			131	131	4,559	4,559	607	607			5,297	5,297
Department Total	24,502	24,452	8,567	7,820	87,165	18,496	4,307	4,307	0	0	124,541	55,075
Finance												
Finance			220	20	1,128	1,128	1,805	1,123			3,153	2,271
Department Total	0	0	220	20	1,128	1,128	1,805	1,123	0	0	3,153	2,271

APPENDIX 3

CITY OF TORONTO
2005 BAC Tax Supported Recommended Capital Budget
2005 Summary by Program by Category - Excluding 2004 Carry Forwards



	Health & Safety Debt/Internal		Legislated Debt/Internal		State of Good Repair Debt/Internal		Service Improvement & Enhancement Debt/Internal		Growth Related Debt/Internal		Program Total Debt/Internal	
	Gross	Sources	Gross	Sources	Gross	Sources	Gross	Sources	Gross	Sources	Gross	Sources
Others												
Energy Retrofit Program												
Union Station	4,818				1,745	1,745	9,765	7,160			9,765	7,160
Yonge-Dundas Project							350	350	128	128	6,563	1,745
Department Total	4,818	0	0	0	1,745	1,745	10,115	7,510	128	128	478	478
Total City Operations	49,337	34,118	46,839	34,794	275,902	194,898	63,200	41,298	108,505	28,239	543,783	333,347
Special Purpose Bodies & Other												
Exhibition Place	650	650	85	85	4,045	4,045	470	470	300	300	5,550	5,550
Toronto And Region Conservation Authority					5,523	2,577	423	423			5,946	3,000
Toronto Parking Enforcement Operations					434	4,100	4,100	4,100			4,534	4,100
Toronto Police Service					21,319	18,065	22,935	11,383			44,254	29,448
Toronto Port Authority											3,000	3,000
Toronto Public Health	69				535	484	1,070	(20)			2,302	747
Toronto Public Library					13,190	9,688	312	312	214	214	13,716	10,000
Toronto Zoo	489	489	1,330	1,330	3,120	3,120	100	100			5,039	5,039
Special Purpose Bodies & Other Total	1,208	1,139	5,043	4,698	48,166	37,979	29,410	16,768	514	300	84,341	60,884
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	50,545	35,257	51,882	39,492	324,068	232,877	92,610	58,066	109,019	28,539	628,124	394,231
Transit												
GO Transit												
Toronto Transit Commission - Sheppard Subway									19,437	19,437	19,437	19,437
Toronto Transit Commission (Excl. R.T.E.P.)					323,293	191,127	26,808	15,147	16,981	16,981	16,981	16,981
Total Transit	0	0	13,673	10,136	323,293	191,127	26,808	15,147	4,850	3,614	368,624	220,024
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	50,545	35,257	65,555	49,628	647,361	424,004	119,418	73,213	150,287	68,571	1,033,166	650,673



CITY OF TORONTO

2005 BAC Recommended Tax Supported Capital Budget and Future Year Commitments - Financing Sources by Year

Financing Sources

Cash Flow (\$000s)

APPENDIX 4

	Cash Flow					Total 2005 to 2009
	2005	2006	2007	2008	2009	
(\$000s)						
Total Previously Approved Projects (Excl. 2004 Carry Forward)	564,384					
Total New Projects	468,582					
Total Gross Expenditure (Excluding 2004 Carry Forward)	1,033,166					
Financing Sources						
Provincial /Federal Grants & Subsidies	6,487	2,016	1,431	1,431	1,431	12,796
Provincial Subsidy - TTC	76,200	140,200	70,638	55,241	121,900	464,179
Federal Subsidy - TTC	53,800	92,700	47,767	40,090		234,357
Development Charges	43,835	28,031	16,676	6,342	1,015	95,899
Reserves	13,554	80	216	0	0	13,850
Reserve Funds	79,622	23,394	17,836	0	0	120,852
Other	108,776	32,648	21,236	19,419	18,019	200,098
Debt/Internal Sources	650,892	503,312	201,795	6,467	(92,419)	1,270,047
Total Financing	1,033,166	822,381	377,595	128,990	49,946	2,412,078

APPENDIX 5
CITY OF TORONTO
2005 BAC Recommended Capital Budget
2005 Capital Budget and 2006 - 2014 Capital Plan - Excluding 2004 Carry Forwards

	Council Approved Capital Budget	2005 Gross Request	2005 EMT Recommended Gross	2005 BAC Recommended Gross	Future Year Commitments and Estimates					Program Total 2005 - 2014	Program Total 2010 - 2014	Program Total 2005 - 2014
					2006	2007	2008	2009	2009			
Community and Neighbourhood Services												
Children's Services	6,938	8,840	8,138	8,218	6,946	4,446	1,557	5,100	21,167	21,167	21,167	
Homes for the Aged	5,040	9,734	9,734	9,734	5,100	5,100	5,100	5,100	30,134	30,134	30,134	
Shelter, Housing & Support	3,796	8,685	6,815	5,347	16,759	17,235	14,150	10,444	63,935	46,476	110,411	
Social Services	5,532	2,460	2,330	2,330	210	333	780	5,190	8,863	8,116	16,979	
Department Total	21,306	29,719	27,017	25,629	29,015	27,134	21,587	20,734	124,099	54,592	178,691	
Works & Emergency Services												
Emergency Management Plan	1,221	2,236	2,236	2,836	2,147	7,142	5,237	4,348	4,983	9,735	4,983	
Emergency Medical Services	6,074	7,778	6,616	6,616	14,216	7,142	6,616	7,142	37,559	9,735	47,294	
Fire	7,910	12,029	7,880	7,880	9,099	11,754	7,148	28,924	43,199	48,107	91,306	
Solid Waste Management	35,900	30,607	29,224	28,424	65,889	50,807	33,149	204,193	204,193	71,699	275,892	
Transportation	205,343	277,769	251,135	224,976	386,404	300,539	327,930	322,490	1,562,439	1,598,975	3,161,414	
Works & Emergency Services	6,670	5,360	4,160	4,160	6,720	3,887	2,723	2,500	19,990	19,990	19,990	
Department Total	263,118	335,779	301,251	274,892	484,475	374,229	373,187	365,580	1,872,363	1,728,516	3,600,879	
Economic Development, Culture and Tourism												
Culture	6,154	6,564	5,376	6,671	15,802	10,700	9,202	12,494	54,869	29,650	84,519	
Economic Development	4,818	4,845	4,905	5,515	5,651	5,191	5,461	5,634	27,452	34,704	62,156	
Parks & Recreation	52,597	73,438	59,546	58,919	93,416	89,609	68,091	71,243	381,278	347,661	728,939	
Tourism	125	125	75	75	75	75	75	75	75	75	75	
Department Total	63,569	84,972	69,902	71,180	114,869	105,500	82,754	89,371	463,674	412,015	875,689	
Urban Development Services												
Urban Development Services	3,813	8,191	7,283	7,554	8,025	6,308	3,780	3,690	29,357	17,750	47,107	
Waterfront Revitalization	20,297	36,703	26,036	20,028	93,086	75,380	66,940	30,594	286,028	74,639	360,667	
Department Total	24,110	44,894	33,319	27,582	101,111	81,688	70,720	34,284	315,385	92,379	407,764	
Corporate Services												
City Clerk's Office	1,183	3,016	3,016	3,016	2,900	216	-	-	5,732	550	6,282	
Court Services	4,983	-	-	-	1,000	2,000	2,000	-	5,000	-	5,000	
End of Lease Strategy	48,147	34,328	34,328	34,328	16,000	17,000	18,000	19,000	104,328	104,328	104,328	
Facilities and Real Estate	34,570	36,634	36,634	34,655	48,377	46,394	46,393	46,392	222,211	40,646	262,857	
Fleet Services	47,207	50,752	48,773	47,245	12,613	12,091	11,509	10,146	71,949	71,949	71,949	
Information Technology	12,158	5,877	5,877	5,297	13,837	10,163	11,509	10,146	51,152	51,152	51,152	
Department Total	148,248	130,607	128,628	124,541	94,327	88,664	77,902	75,538	460,372	41,196	501,568	
Finance												
Finance	4,054	5,166	3,453	3,153	8,890	2,005	3,525	3,875	21,443	11,405	32,853	
Department Total	4,054	5,166	3,453	3,153	8,890	2,005	3,525	3,875	21,443	11,405	32,853	
Other Programs												
Energy Retrofit Program	20,000	8,900	13,665	9,765	4,763	3,737	-	-	18,265	-	18,265	
Union Station	1,305	8,565	8,565	6,563	14,224	10,220	6,212	-	37,219	-	37,219	
Young Dudes Project	1,436	478	478	478	-	-	-	-	478	-	478	
Total Other Programs	22,741	17,943	22,708	16,806	18,987	13,957	6,212	-	55,962	-	55,962	

APPENDIX 5

CITY OF TORONTO
2005 RAC Recommended Capital Budget
2005 Capital Budget and 2006 - 2014 Capital Plan - Excluding 2004 Carry Forwards

	Council Approved Capital Budget	2005 Gross Request	2005 RMT Recommendation, Gross	2005 RAC Recommendation, Gross	Future Year Commitments and Estimates					Program Total 2010 - 2014	Program Total 2005 - 2014
					2006	2007	2008	2009	2005 - 2009		
Special Purpose Bodies											
Exhibition Place	5,619	6,405	5,620	5,550	6,830	6,790	6,605	6,940	32,915	32,915	
Toronto And Region Conservation Authority	5,926	7,597	5,946	5,946	8,674	7,831	8,118	8,489	35,038	35,038	
Toronto Parking Enforcement Operations	2,100	4,534	4,534	4,534	434	434	434	434	2,170	2,170	
Toronto Police Service	40,090	44,254	44,254	44,254	55,411	45,591	45,139	45,846	236,151	398,167	
Toronto Port Authority	3,000	3,000	3,000	3,000	-	-	-	-	3,000	3,000	
Toronto Public Health	3,209	3,072	2,182	2,302	9,918	8,397	5,491	4,589	36,697	2,728	
Toronto Public Library	10,895	12,167	13,626	13,716	18,795	20,128	16,695	15,032	88,366	106,583	
Toronto Zoo	4,591	6,328	5,000	5,039	10,239	8,485	18,178	19,676	61,637	59,488	
Special Purpose Bodies Total	75,630	87,557	84,162	84,341	110,331	97,566	100,860	105,006	498,094	371,307	
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. TTC & GO Transit)	622,776	736,437	670,448	628,324	961,995	790,143	736,247	694,388	3,811,397	2,711,410	
Transit											
GO Transit											
Toronto Transit Commission - Sheppard Subway	2,248	19,437	19,437	19,437	21,700	22,900	20,300	18,400	102,737	31,400	
Toronto Transit Commission (excl. R.T.E.P.)	283,000	3,481	3,481	3,481	640,372	699,917	599,661	501,409	1,6981	16,981	
Transit Total	282,752	449,742	449,742	405,042	662,072	722,817	619,961	519,809	2,929,651	1,865,128	
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. TTC & GO Transit)	905,528	1,186,179	1,120,192	1,033,366	1,624,017	1,512,960	1,356,208	1,214,197	6,741,048	4,576,538	
Rate Supported Programs											
Parking Authority	22,744	24,191	24,191	24,191	22,671	21,136	21,000	21,200	110,198	110,198	
TOTAL RATE SUPPORTED CAPITAL PROGRAM	22,744	24,191	24,191	24,191	22,671	21,136	21,000	21,200	110,198	110,198	
TOTAL CAPITAL PROGRAM (Incl. TTC & GO Transit)	928,272	1,210,370	1,144,373	1,057,557	1,646,688	1,534,096	1,377,208	1,235,397	6,851,246	4,576,538	
										11,427,784	

**Appendix 6
CITY OF TORONTO CLEAN & BEAUTIFUL CITY INITIATIVE
THREE-YEAR CAPITAL PROGRAM (\$)**

DESIGN IT: Activities related to getting projects ready for delivery, including designing, fundraising and implementation.									
2. DESIGN IT	Lead	DESCRIPTION	BUDGET	Base Budget		New Funding			
				2005	2005	2006	2007	Total	
2.1	CS	Lead By Example - Nathan Phillips Square Competition	CAP	283,000	274,000			274,000	
2.2	WES/UDS	Unified Street Furniture Program	CAP		200,000	85,000		285,000	
2.3	UDS	Civic Improvement Program - existing staff (see also 4.1)	CAP						
2.4	UDS	Gateways: City-wide Beautification Projects	DC CAP		600,000			600,000	
2.8	UDS	Avenues Studies	DC CAP	125,000	315,000	315,000	315,000	945,000	
2.9	UDS	(d) Design Studies: Kings West	DC CAP		200,000			200,000	
TOTAL CAPITAL BUDGET - ANNUAL CASHFLOW					408,000	1,589,000	400,000	315,000	2,304,000
DEVELOPMENT CHARGE FUNDED						594,000	209,000	209,000	1,012,000
DEBT FUNDED						995,000	191,000	106,000	1,292,000
GROW IT: Activities about restoring and enhancing the system of parks, gardens, ravines and trees that make Toronto green and healthy.									
3. GROW IT		DESCRIPTION	BUDGET	Base Budget		New Funding			
				2005	2005	2006	2007	Total	
3.1	EDCT	Parks Renaissance Grass Cutting Equipment	CAP		2,061,000			2,061,000	
3.2	EDCT	Urban Forestry Tree Maintenance Equipment	CAP		910,300		303,404	1,213,704	
TOTAL CAPITAL BUDGET - ANNUAL CASHFLOW					2,971,300	-	303,404	3,274,704	
BUILD IT: Actions that relate to the actual bricks and mortar construction of projects.									
4. BUILD IT		DESCRIPTION	BUDGET	Base Budget		New Funding			
				2005	2005	2006	2007	Total	
4.1	UDS	Civic Improvement Program	CAP	1,500,000	1,000,000	1,000,000	1,000,000	3,000,000	
4.3	WES	Gardiner Expressway Restoration/Clean-up - no new funds requested	CAP	500,000					
4.4	EDCT	BIA - Streetscapes - no new funds requested	CAP	3,341,000					
4.5	EDCT	ERA - Employment Revitalization Program - no new funds requested	CAP	640,000					
4.6	EDCT	Façade Improvement Program - no new funds requested	CAP	513,000					
4.7	EDCT	Banner & Mural Program - no new funds requested	CAP	35,000					
TOTAL CAPITAL BUDGET - ANNUAL CASHFLOW					6,529,000	1,000,000	1,000,000	1,000,000	3,000,000
DEVELOPMENT CHARGE FUNDED						321,000	321,000	321,000	963,000
DEBT FUNDED						679,000	679,000	679,000	2,037,000
CELEBRATE IT: Activities that recognize the collective achievements of the Toronto Public Service, the community and the private sector in beautifying Toronto.									
5. CELEBRATE IT		DESCRIPTION	BUDGET	Base Budget		New Funding			
				2005	2005	2006	2007	Total	
5.3	EDCT	Art In Public Places	CAP	400,000					
5.7	UDS/EDCT/WES	Walk of Fame	CAP		38,000			38,000	
TOTAL CAPITAL BUDGET - ANNUAL CASHFLOW					400,000	38,000	-	-	38,000
GRAND TOTALS				Base Budget		New Funding			
					2005	2005	2006	2007	Total
TOTAL CAPITAL BUDGET - ANNUAL CASHFLOW					7,337,000	5,598,300	1,400,000	1,618,404	8,616,704
DEVELOPMENT CHARGE FUNDED						915,000	530,000	530,000	1,975,000
DEBT FUNDED						4,683,300	870,000	1,088,404	6,641,704

February 7, 2005

Appendix 7

City of Toronto 2005 Capital Budget

Budget Advisory Committee Transmittal

Recommendations:

The Budget Advisory Committee recommended to the Policy and Finance Committee, and Council:

COMMUNITY AND NEIGHBOURHOOD SERVICES DEPARTMENT

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 11, 2005) from the Community Services Committee, forwarding the 2005 Capital Budget Recommendations under its purview.

1.1 CHILDREN'S SERVICES

The adoption of the 2005-2014 EMT Recommended Capital Program for Children's Services, as recommended by the Community Services Committee, including technical adjustments.

Community Services Committee Recommendation

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Children's Services be approved.

EMT Recommendations

- (1) The 2005-2014 capital program request of Children's Services, with a 2005 cash flow of \$9.140 million and total 10-year project cost of \$21.685 million be received;
- (2) the 2005 Capital Budget for Children's Services with a total project cost of \$7.736 million and a 2005 cash flow of \$11.738 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 4 new sub-projects and one new change in scope sub-project, with a 2005 total project cost of \$7.736 million that requires cash flow of \$7.736 million in 2005 and no future year commitments;

- (ii) 1 previously approved sub-project with a 2005 cash flow of \$0.104 million and no future year commitments;
 - (iii) 1 sub-project from a previously approved project with carry forward funding from 2003 requiring 2005 cash flow of \$0.298 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 3 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$3.600 million;
- (3) new debt service costs of \$0.054 million in 2005 and incremental costs of \$0.197 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (4) approval of \$4.0 million of the \$5.0 million gross expenditure for the Health and Safety / Playground project, corresponding to Provincial subsidies, be conditional on receiving this funding from the Province.

1.2 HOMES FOR THE AGED

The adoption of the 2005-2014 EMT Recommended Capital Program for Homes for the Aged, as recommended by the Community Services Committee, including technical adjustments, subject to the following amendments:

- (1) City Council establish a Cost Centre called "HFA Community-Based Services", within the Community Initiatives Reserve Fund, to be used to purchase furnishings, equipment and amenities as required by the Homes for the Aged and other TCHC seniors' supportive housing community-based programs;
- (2) that funds in the amount of \$250,000.00 from the HFA Capital Reserve be made available in 2005 to furnish and equip the amenity space at Albion Lodge;
- (3) that funds totalling \$1.450 million, plus applicable interest, be transferred from the HFA Capital Reserve to the Corporate Capital Financing Reserve Fund; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Action taken by the Committee:

The Budget Advisory Committee received the following communication (December 7, 2004) from the City Clerk, entitled, "Homes for the Aged - Community-Based Services Furnishings and Equipment".

Community Services Committee Recommendation

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Homes for the Aged be approved.

EMT Recommendations

- (1) The 2005-2013 capital program request of the Homes for the Aged with a 2005 cash flow of \$11.734 million and total 10-year project cost of \$32.134 million be received;
- (2) the 2005 Capital Budget for the Homes for the Aged with a total project costs of \$3.75 million and a 2005 cash flow of \$11.734 million and no future year commitments be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 3 new subprojects, with 2005 project costs of \$3.750 million that requires cash flow of \$3.750 million in 2005, with no future year commitments; and
 - (ii) 2 previously approved projects with a 2005 cash flow of \$5.984 million.
 - (b) 2004 approved cash flow for 3 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$2.000 million.

1.3 SHELTER, HOUSING AND SUPPORT

The adoption of the 2005-2014 EMT Recommended Capital Program for Shelter, Housing and Support, as recommended by the Community Services Committee, including the additional adjustments resulting in no increase in Department pressures and other technical adjustments.

Community Services Committee Recommendations

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Shelter, Housing and Support be approved.

EMT Recommendations

- (1) The 2005-2013 capital program request of the Shelter, Housing and Support with a 2005 cash flow of \$10.734 million and total 10-year project cost of \$120.063 million be received;

- (2) the 2005 Capital Budget for Shelter, Housing and Support with a total project cost of \$(0.400) million, 2005 cash flow of \$8.761 million and future year commitments of \$22.825 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 1 new project and 3 change in scope projects, with a total 2005 project cost that total a reduction of \$(0.400) million, with cash flow of \$1.555 million in 2005 and future year commitment of \$(1.955) million reduction in 2006;
 - (ii) 12 previously approved projects with a 2005 cash flow of \$5.260 million and future year commitments of \$15.290 million in 2006; \$7.495 million in 2007; and \$1.995 million in 2008; and
 - (b) 2005 approved cash flow for 9 previously approved projects with carry forward funding from 2004 into 2005 totalling \$1.946 million;
- (3) new debt service costs of \$.047 million in 2005 and incremental costs of \$0.112 million in 2006, and \$(0.215) million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Operating impacts of \$0.106 million for 2005; \$1.132 million for 2006; \$1.528 million for 2007; \$1.031 million for 2008, emanating from the approval of the 2005 capital budget be considered within the overall scope of the Shelter, Housing and Support 2005 and future years' operating budget submissions; and
- (5) Shelter, Housing and Support program review the 5 Year Capital Plan prior to the 2006 process to ensure the future year commitments are achievable.

1.5 SOCIAL SERVICES

The adoption of the 2005-2014 EMT Recommended Capital Program for Social Services, as recommended by the Community Services Committee, including technical adjustments.

Community Services Committee Recommendation

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Social Services be approved.

EMT Recommendations

- (1) Shelter, Housing and Support program review the 5 Year Capital Plan prior to the 2006 process to ensure the future year commitments are achievable;

- (2) the 2005 Capital Budget for Social Services with a total project cost of \$2.330 million and a 2005 cash flow of \$2.330 million and no future year commitments be approved; the Recommended Capital Budget consists of the following:
 - (a) new Cash Flow Funding for 1 previously approved sub-project with a 2005 cash flow of \$2.330 million and no future year commitments;
- (3) new debt service costs of \$0.012 million in 2005 and incremental costs of \$0.043 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets.

WORKS AND EMERGENCY SERVICES DEPARTMENT

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 6, 2005) from the Works Committee and the Community Services Committee, forwarding the 2005 Capital Budget Recommendations under its purview.

1.6 EMERGENCY MANAGEMENT PLAN

The adoption of the 2005-2014 EMT Recommended Capital Program for the Emergency Management Plan, as recommended by the Community Services Committee, including technical adjustments, subject to adding \$1,400,000 gross (excluding \$193,000 carry forward) \$350,000 net in 2005 and \$500,000 gross \$125,000 net in 2006 for the HUSAR Project, resulting in a total project cost of \$2.1 million gross, \$525,000 net, subject to 75/25 funding from the Federal Government - Joint Emergency Preparedness Program (JEPP) grants.

Action taken by the Committee:

The Budget Advisory Committee requested the Acting Commissioner of Works and Emergency Services to report to the Budget Advisory Committee, on the status of the project funding, once the design phase is complete, should the entire JEPP funding not materialize, given that JEPP funding has only been approved for the design phase of the project.

Community Services Committee Recommendations

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for the Emergency Management Plan be approved.

EMT Recommendations

- (1) The 2005-2014 capital program request for the Emergency Management Plan, with a 2005 cash flow of \$3.124 million and total 10-year cost of \$4.771 million be received;
- (2) the 2005 Capital Budget for the Emergency Management Plan with a total project cost of \$0.106 million and a 2005 cash flow of \$3.124 million and future year commitments of \$1.647 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 1 new project, with a 2005 project cost of \$0.106 million and a 2005 cash flow of \$0.106 million with no future year commitment; and
 - (ii) 2 previously approved projects and 1 sub project with a 2005 cash flow of \$2.130 million; and
 - (b) 2004 Approved cash flow for the previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.888 million;
- (3) Operating impacts of \$0.005 million for 2005, emanating from the approval of the 2005 Capital Budget, be considered within the overall scope of the Emergency Management Plan 2005 Operating Budget submission;
- (4) new debt service costs of \$0.065 million for 2005 and incremental costs of \$0.246 million in 2006 and \$0.029 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (5) the Acting Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer, report back to the Budget Advisory Committee, prior to the 2006 budget process, on a proposal to transfer the entire Emergency Management Plan capital budget to the appropriate program areas within the Works and Emergency Services Department.

1.7 EMERGENCY MEDICAL SERVICES

The adoption of the 2005-2014 EMT Recommended Capital Program for Emergency Medical Services, as recommended by the Community Services Committee, including technical adjustments.

Community Services Committee Recommendations:

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Emergency Medical Services be approved.

EMT Recommendations

- (1) The 2004-2014 Capital Program request of Emergency Medical Services, with a 2005 cash flow of \$9.698 million and total 10 year project cost of \$53.519 million be received;
- (2) the 2005 Capital Budget for Emergency Medical Services with a total project cost of \$13.424 with a cash flow of \$8.030 million future year commitments of \$5.394 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 8 new sub projects, with a total project cost of \$8.958 million that requires cash flow of \$5.086 million in 2005 and future year commitments of \$3.272 million in 2006, \$0.300 million in 2007, and \$0.300 million in 2008;
 - (ii) 4 previously approved sub projects with a 2005 cash flow of \$1.530 million and future year commitments of \$1.072 million in 2006, and \$0.450 million in 2007; and
 - (b) 2004 Approved cash flow for 4 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$1.414 million;
- (3) new debt service costs of \$0.199 million in 2005 and incremental costs of \$0.858 million in 2006, \$0.504 million in 2007, \$0.097 million in 2008, and \$0.035 million in 2009, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Operating Impacts of \$0.237 million for 2005, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the EMS 2005 and future year operating budget submissions;
- (5) the Acting Commissioner of Works and Emergency Services report to Council on the results of the Multiple Book-On feasibility study upon completion, and amend the 5-Year EMS Capital Budget Plan to reflect the cost of the resulting capital strategy;
- (6) EMS staff continue discussions regarding the provincial under funding with the Provincial Officials and report to Council on any achieved outcomes;

- (7) EMS, in consultation with Financial Planning:
 - (a) develop a “smooth” distribution of cash flows within the current 5-Year Plan (based on the SOGR expenditures related to the current 40-station service dispatch model); and
 - (b) the resulting cash flows within the 5-Year Plan be subject to affordability constraints; and
- (8) the cash flow commitments related to the Station 21 project of \$3.092 million and \$1.719 million, in 2012 and 2013, respectively, be removed from the EMS cash flow commitments plan with it remaining a priority within the EMS 10-Year capital plan.

1.8 FIRE SERVICES

The adoption of the 2005-2014 EMT Recommended Capital Program for Fire Services, as recommended by the Community Services Committee, including technical adjustments.

Community Services Committee Recommendation

The Community Services Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Fire Services be approved.

EMT Recommendations

- (1) The 2005-2014 capital program request of Toronto Fire Services, with a 2005 cash flow of \$13.918 million and total 10-year project cost of \$86.443 million be received;
- (2) the 2005 Capital Budget for Toronto Fire Services with a total project cost of \$10.066 million and a 2005 cash flow of \$9.769 million and future year commitments of \$7.388 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 9 new sub-projects, with a 2005 total project cost of \$10.066 million that requires cash flow of \$2.902 million in 2005 and future year commitments of \$3.160 million in 2006, \$3.934 million in 2007 and \$0.294 million in 2008;
 - (ii) 3 previously approved sub-projects with a 2005 cash flow of \$1.834 million with no future year commitments; and

- (iii) 1 sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$3.144 million with no future year commitment which forms part of the affordability targets that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 7 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.889 million;
- (3) new debt service costs of \$0.084 million in 2005 and incremental costs of \$0.380 million in 2006, \$0.345 million in 2007, \$0.282 million in 2008 and \$0.034 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Operating impacts of \$0.017 million in 2005, \$0.0 million for 2006, and \$0.042 million for 2007, \$0.146 million for 2008 and \$0.087 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Toronto Fire Services 2005 and future years' operating budget submissions;
- (5) the Acting Commissioner of Works and Emergency Services and the Fire Chief report back to the Budget Advisory Committee with the detailed status of project readiness for each project as outlined in the 5-year plan;
- (6) the Acting Commissioner of Works and Emergency Services, in consultation with the Fire Chief, revise the 10-year plan to adjust the planned timing of Fire Station Rebuild and Relocation projects in order to achieve less condensed cash flow estimates and report to Budget Advisory Committee prior to the 2006 Capital Budget process;
- (7) the Acting Commissioner of Works and Emergency Services, in consultation with the Fire Chief and the Chief Financial Officer and Treasurer report to the Budget Advisory Committee on the feasibility and requirements to allocate resources to fund a reserve for the specific purpose of replacing the current Fire Boat; and
- (8) the cash flow commitments related to the Station G-Sunnybrook project of \$1.241 million and \$1.613 million, in 2012 and 2013 respectively, be removed from the Fire Services cash flow commitments plan; the Station G project will remain a priority within the Fire Services 10-year capital plan.

1.9 SOLID WASTE MANAGEMENT SERVICES

The adoption of the 2005-2014 EMT Recommended Capital Program for Solid Waste Management, as recommended by the Works Committee, including technical adjustments, subject to the following amendments:

- (1) the reduction of \$250,000 for the New and Emerging Technologies Program;
- (2) the reduction of \$550,000 for the Re-Use Centre; and
- (3) deferring \$3.5 million for the Capital Project on Additional Source-Separated Organics Processing Capacity until 2006.

Action taken by the Committee:

The Budget Advisory Committee received the report (January 12, 2005) from the Acting Commissioner of Works and Emergency Services, entitled "2005 Budget Review of Solid Waste Management Services, Source-separated Organics Program Roll-out".

Works Committee Recommendation

The Works Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for the Solid Waste Management Services Division be approved.

EMT Recommendations

- (1) The 2005-2014 capital program request for the Solid Waste Management Services, with a 2005 cash flow of \$36.487 million and total 10-year project cost of \$281.964 million be received;
- (2) the 2005 Capital Budget for the Solid Waste Management Services with a total project cost of \$8.800 million for new and change in scope projects and a 2005 cash flow of \$36.487 million and future year commitments of \$41.239 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 4 new projects, with a 2005 total project cost of \$6.200 million, and 5 change in scope project of \$2.600 million, that requires cash flow of \$8.800 million in 2005 and no future year commitments; and
 - (ii) 14 previously approved projects with a 2005 cash flow of \$20.424 million and future year commitments of \$25.694 million in 2006, \$15.503 million in 2007, and \$0.042 million in 2008; and
 - (b) 2004 Approved cash flow for 9 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$7.263 million;
- (3) new debt service costs of \$0.899 million in 2005 and incremental costs of \$3.867 million in 2006, \$2.432 million in 2007, \$1.124 million in 2008, and \$0.005 million in 2009, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets;

- (4) Operating impacts of \$3.788 million for 2005, (\$0.547) million for 2006, (\$0.900) million for 2007, \$1.665 million for 2008 and \$1.030 million for 2009 resulting from the approval of the 2005 EMT Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets; and
- (5) the Acting Commissioner of Works and Emergency Services report back to the Budget Advisory Committee, before the start of the 2006 Capital Budget process, on a 5-year Capital Plan within the 2005 affordability guidelines.

1.10 TRANSPORTATION SERVICES

The adoption of the 2005-2014 EMT Recommended Capital Program for Transportation Services, as recommended by the Works Committee, including technical adjustments, subject to the following amendments:

- (1) the Cycling Infrastructure - Road Crossing Program be \$200,000 in the year 2005, \$150,000 in 2006 and 2007 thereby reducing the Cycling Infrastructure Program by \$300,000 for 2005;
- (2) the Facilities Improvements Budget be increased by \$200,000;
- (3) \$13,349,000 gross and \$0 net be added back to the 2005 Transportation Capital Budget to fund current obligations for the Front Street Extension Project and that the Chief Financial Officer and Treasurer be authorized to allocate the funds to the appropriate previously approved projects;
- (4) that the Kennedy/Steeles Grade Separation and the Morningside/Finch Avenue Grade Separation Projects be included in the 2005-2009 five-year Capital Works Program for Transportation, simultaneously, with construction to begin in 2006, to be funded by possible deferral of other projects at the discretion of the Acting Commissioner of Works and Emergency Services (total \$34 million over three years);
- (5) the adoption of the following recommendations, in the Recommendation Section of the report (January 20, 2005) from the Acting Commissioner of Works and Emergency Services, on a three-year accelerated Light Emitting Diode (LED) Conversion Program, subject to amending such Recommendations to read:
 - (1) authority be granted, in principle, to amend the Transportation Services Division's 2006-2014 Capital Program to support an accelerated LED conversion program for completion by the end of 2008;
 - (2) the Chief Financial Officer and Treasurer, in consultation with the Acting Commissioner of Works and Emergency Services, be requested to determine the most effective financial strategy for the implementation of an accelerated LED conversion program, taking into consideration a loan from the Toronto Atmospheric Fund (TAF), or other external funding opportunities through Toronto Hydro based on Energy Conservation and

Demand Management Strategies, as well as any other possible funding sources in an effort to minimize capital budget impacts;

- (3) authority be granted to proceed with the LED signal lamp procurement process in 2005, in consultation with the Purchasing and Materials Management Division, to establish a multiple year supply contract to support the accelerated LED conversion program for installation in 2006, 2007 and 2008;
- (4) the appropriate City officials be authorized and directed that, upon the publication of the new Institute of Transportation Engineers (ITE) standard for LED Vehicle Traffic Control Signal Heads, LED vehicle yellow displays be incorporated into the LED conversion program for traffic signal lamps as availability, schedule and budget permit;
- (5) authority be granted to amend the Transportation Services Division's 2005 Operating Budget submission to provide for an additional temporary Engineering Technologist position at an annual cost of \$62,000.00 to support the accelerated LED conversion program with funding to be provided from the Transportation Capital Budget; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and

Works Committee Recommendations

The Works Committee recommended that the EMT recommendations pertaining to the 2005-2014 Capital Program for Transportation Services be approved, subject to the following amendments:

- (a) that, with respect to the Front Street Extension project, City Council be advised that the Works Committee does not support the \$255 million for the Front Street Extension and does not consider the project to be a Council priority; and further that:
 - (i) all funding allocated to the Front Street Extension project, including any carry forward amounts, be deleted from the 2005 Capital Program for Transportation Services;
 - (ii) that the Front Street Extension project remain in the Transportation Services work plan, but not as a Capital item, and that the amounts in the Transportation Services Capital Program be shown as zero; and further that no funding be spent on this project until monies are transferred from the provincial and federal governments;

- (iii) that the Acting Commissioner of Works and Emergency Services be requested to advise the Works Committee at the earliest opportunity after funding for this project has been made available to the Works and Emergency Services Department;
 - (iv) that any significant financial commitments to the Front Street Extension be deferred until such time as City Council considers the matter of taking down the F. G. Gardiner Expressway;
 - (v) that City Council request the Commissioner of Urban Development Services, the Chief Financial Officer and Treasurer, and the Toronto Waterfront Revitalization Corporation to report to Council on the source of funds for the shortfall between the agreed-upon contribution by the provincial and federal governments for the Front Street Extension (one-third each in the amount of \$170 million) and the actual projected cost of the Front Street Extension (\$255 million), and any future cost overruns;
 - (vi) that City Council direct the appropriate City staff, in consultation with the Toronto Waterfront Revitalization Corporation, to undertake a consultation process with the citizens of Toronto to determine what the public's priorities for scarce waterfront funds are; and
 - (vii) that, at the completion of the consultation process described in Recommendation (a)(vi), City Council request Mayor David Miller to lead a delegation of City Council representatives to renegotiate waterfront funding commitments from senior levels of government with a view to aligning them with the priorities of the citizens of Toronto;
- (b) that any major changes to scope and costs of pre-approved and proposed multi-year projects be identified in the Works and Emergency Services covering report attached to the Capital variance report and be considered by the Works Committee on a quarterly basis; and further that the Acting Commissioner of Works and Emergency Services be requested to provide a briefing note on this matter to the March 8, 2005, meeting of the Works Committee;
- (c) that funding for the following projects in the amounts listed below be deferred until 2006 and that these funds be transferred to Cycling Infrastructure (Bike Plan) for 2005:
- (i) \$200,000.00 from the Leaside Bridge project;
 - (ii) \$200,000.00 from the Leslie/Sheppard project;
 - (iii) \$300,000.00 from Pole Replacement/Street Lighting Asset Management; and
 - (iv) \$200,000.00 from Facility Improvements;

- (d) that the Traffic Plant Requirements/Signal Asset Management allocation be reduced by \$1,600,000.00, and that these funds be reallocated, as follows:
 - (i) \$100,000.00 to Cycling Infrastructure (Bike Plan);
 - (ii) \$600,000.00 to the Street Tree Planting program;
 - (iii) \$500,000.00 to Road Crossing Signals in the Cycling Infrastructure budget (Gatineau Hydro Corridor, etc.); and
 - (iv) \$400,000.00 for Traffic Calming;

- (e) that the Acting Commissioner of Works and Emergency Services be requested to report to the March 8, 2005 meeting of the Works Committee on a proposed street tree planting program that outlines, amongst other things:
 - (i) the area to be planted;
 - (ii) the number of trees to be planted;
 - (iii) the species to be planted; and
 - (iv) the maintenance plan;

- (f) that City Council request Toronto Hydro to accelerate its commitment to provide a reduction in energy costs associated with the LED Conversion Program;

- (g) that:
 - (i) City Council's approval of the Steeles Avenue East/GO Transit Grade Separation EA Addendum, design, and property acquisition be accelerated to commence in 2005 following provincial EA approval, and that construction be advanced to the 2006-2007 time frame thereby restoring this Bridge in the priority order; and
 - (ii) the construction of the Morningside Avenue/Finch Avenue Grade Separation be rescheduled and ranked after the Steeles/Kennedy Grade Separation, as was its original ranking; and

- (h) the \$110,000.00 allocation to the Street Name Sign Duplication Project be deleted from the 2005 Transportation Capital Budget.

EMT Recommendations

- (1) The 2005-2014 capital program request of Transportation Services, with a 2005 cash flow of \$309.682 million and total 10-year project cost of \$3,014.942 million be received;

- (2) the 2005 EMT Recommended Capital Budget for Transportation Services with a total project cost of \$226.072 million and a 2005 cash flow of \$313.920 million and future year commitments of \$308.250 million be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
- (i) 47 new sub-projects, with a 2005 total project cost of \$226.072 million that requires cash flow of \$177.242 million in 2005 and future year commitments of \$37.825 million in 2006 and \$1.000 million in 2007
 - (ii) 13 previously approved sub-projects with a 2005 cash flow of \$49.362 million and future year commitments of \$246.097 million in 2006, \$9.588 million in 2007 and \$0.970 million in 2008; and
 - (iii) 1 sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$24.531 million with no future year commitment which forms part of the affordability targets that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 35 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$62.785 million;
- (3) new debt service costs of \$3.521 million in 2005; \$14.322 million in 2006, \$5.194 million in 2007 and \$0.081 million in 2008 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (4) new debt service costs of \$3.521 million in 2005; \$14.322 million in 2006, \$5.194 million in 2007 and \$0.081 million in 2008 resulting from the approval of the 2005 Recommended Capital Program be approved for inclusion in the 2005 and future year operating budgets.

1.11 WATER AND WASTEWATER SERVICES

(The Water and Wastewater Services Capital Budget was approved, as amended, by City Council at its special meeting of December 6, 2004 – Clause 49a, Report 9 of the Policy and Finance Committee)

Action taken by the Committee:

The Budget Advisory Committee received the report (January 28, 2005) from the Acting Commissioner of Works and Emergency Services, entitled “Criteria for Funding Operating and Capital Expenses from Toronto Water”.

1.14 WES - DEPARTMENTAL

The adoption of the 2005-2014 EMT Recommended Capital Program for WES - Departmental, as recommended by the Works Committee, including technical adjustments.

Works Committee Recommendation

The Works Committee recommended that the EMT recommendations pertaining to the 2005 - 2014 Capital Program for the Works and Emergency Services Department be approved.

EMT Recommendations

- (1) The 2005-2014 capital program request of the Works and Emergency Services, with a 2005 cash flow of \$7.013 million and total 10-year project cost of \$22.843 million be received;
- (2) the 2005 Capital Budget for the Works and Emergency Services with a total project cost of \$3.967 million and a 2005 cash flow of \$7.013 million and future year commitments of \$2.563 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 4 new projects and no change in scope projects, with a 2005 project cost of \$3.967 million that requires cash flow of \$2.834 million in 2005 and future year commitments of \$1.133 million in 2006;
 - (ii) 7 previously approved projects with a 2005 cash flow of \$4.179 million and a future year commitment of \$1.385 million in 2006; and
 - (iii) 1 sub-project from previously approved projects with carry forwards budgets from 2003 and prior of \$0.050 million which forms part of the affordability targets that requires Council to reaffirm its commitment;
 - (b) 2004 Approved cash flow for 7 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$2.853 million;
- (3) Operating impacts of \$0.175 million for 2005 and \$0.393 million in 2006 emanating from the approval of the 2005 Capital Budget for previously approved and new projects be considered within the overall scope of the WES Support Services program's 2005 and future years' operating budget submissions; and
- (4) new debt service costs totalling \$0.555 million and consisting of incremental costs of \$0.100 million in 2005; \$0.385 million in 2006; \$0.070 million in 2007 be approved for inclusion in the 2005 and future year operating budgets.

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM DEPARTMENT

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 12, 2005) from the Economic Development and Parks Committee, forwarding the 2005 Capital Budget Recommendations under its purview.

1.15 CULTURE

The adoption of the 2005-2014 EMT Recommended Capital Program for Culture, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Economic Development and Parks Committee Recommendation

The Economic Development and Parks Committee recommended the adoption of the EMT recommendations pertaining to the 2005-2014 Capital Program for Culture.

EMT Recommendations

- (1) The 2005-2014 capital program request of Culture, with a 2005 cash flow of \$7.748 million and total 10-year project cost of \$85.246 million be received;
- (2) the 2005 Capital Budget for Culture with a total project cost of \$5.902 million and a 2005 cash flow of \$5.376 million and future year commitments of \$3.442 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 21 new sub-projects with a 2005 total project cost of \$5.902 million that requires cash flow of \$3.334 million in 2005 and a future year commitment of \$2.723 million in 2006;
 - (ii) 9 previously approved sub-projects with a 2005 cash flow of \$1.935 million and a future year commitment of \$0.719 million in 2006; and
 - (iii) 1 sub-project from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$0.107 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 approved cash flow for 18 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.372 million;

- (3) new debt service costs of \$0.073 million in 2005 and incremental costs of \$0.339 million in 2006, \$0.258 million in 2007, resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Operating impacts of \$0.009 million for 2006, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of Culture's 2005 and future years' operating budget submissions;
- (5) all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
- (6) the Culture Division develop and implement asset management tools for the 2006 Capital Budget Review to facilitate strategic decision making in particular for reviewing the state of good repair backlog and health and safety requirements of assets under management; and
- (7) the Commissioner of Economic Development, Culture and Tourism review the Division's 5-year Capital Plan to ensure that annual cash flow requests are achievable given resources available and the affordability guidelines of the City prior to the 2006 Capital Budget process.

1.17 ECONOMIC DEVELOPMENT

The adoption of the 2005-2014 EMT Recommended Capital Program for Economic Development, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended the adoption of the EMT recommendations pertaining to the 2005-2014 Capital Program for Economic Development, subject to adding the following:

- (1) \$120,000.00 (gross) to undertake the streetscape beautification projects of the Queens Quay Harbourfront BIA, which was established by Council at its meeting of November 30, December 1 and 2, 2004, after submission of the Economic Development, Culture and Tourism Capital Budget, subject to the BIA approving its budget at the first Annual General Meeting;
- (2) \$72,000.00 (gross), for a total new request of \$102,000.00 (gross) for Roncesvalles BIA to undertake the streetscape beautification projects, necessary repairs to the electrical infrastructure to provide decorative tree lighting in the area, having received a quote for the repairs following submission of the Economic Development, Culture and Tourism Capital Budget submission;

- (3) \$142,000.00 (gross) to undertake the streetscape beautification projects for the Korea Town BIA, which was established by Council at its meeting of November 30, December 1 and 2, 2004, after submission of the Economic Development, Culture and Tourism Capital Budget, subject to the BIA approving its budget at the first Annual General Meeting; and
- (4) \$10,000.00 (gross) for the Dovercourt Village BIA to undertake the streetscape beautification projects of the BIA.

EMT Recommendations

- (1) The 2005-2014 capital program request of Economic Development, with a 2005 cash flow of \$5.865 million and total 10-year project costs of \$62.506 million be received;
- (2) the 2005 Capital Budget for Economic Development with a total project cost of \$5.376 million and a 2005 cash flow of \$5.865 million and future year commitments of \$2.021 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 3 new projects, with a 2005 total project cost of \$5.376 million that requires cash flow of \$3.780 million in 2005 and a future year commitment of \$1.596 million in 2006;
 - (ii) 13 previously approved sub-projects with a 2005 cash flow of \$0.809 million and a future year commitment of \$0.244 million in 2006;
 - (iii) 4 sub-projects from previously approved sub-projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$0.316 million and a future year commitment of \$0.068 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 approved cash flow for 3 previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.960 million, and a future year commitment of \$0.113 million in 2006, which will form part of the affordability target for 2006;
- (3) new debt service costs of \$0.176 million in 2005 and incremental costs of \$0.693 million in 2006, and \$0.175 million in 2007, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future years operating budget;

- (4) all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs; and
- (5) the Commissioner of Economic Development Culture and Tourism report back to the Budget Advisory Committee when an agreement has been reached with the Toronto Parking Authority for the use of three parking spaces for the Chinese Archway Phase Two project and the Chinese Chamber of Commerce has secured \$0.325 million for its 50 percent share of the project cost.

1.18 PARKS AND RECREATION

The adoption of the 2005-2014 EMT Recommended Capital Program for Parks and Recreation, as recommended by the Economic Development and Parks Committee, including technical adjustments, subject to the following amendments:

- (1) deferring Sub-project 249, Outdoor Recreation Centres, JJ Piccinini, Convert Bocce to Fitness Facility, until 2006 for savings of \$600,000;
- (2) deferring Sub-project 319, Park Development, Berner Trail Park Redevelopment, until 2006 for savings of \$500,000;
- (3) reducing Sub-project 145, Parking Lots and Tennis Courts, CAMP (SGR) Parking Lots to \$1 million for savings of \$250,000;
- (4) deferring Sub-project 211, Playgrounds/Waterplay, Play Area Enhancements to 2006 for savings of \$133,000;
- (5) deferring Sub-project 208, Trails and Pathways, Riverdale Park East Lighting of Path until 2006 for savings of \$325,000;
- (6) deferring Sub-project 167, Trails and Pathways, Sunnybrook Park, New Pedestrian Walkway until 2006 for savings of \$275,000;
- (7) deferring Sub-project 48, Special Facilities, Riverdale Farm Residence Retrofit until 2006 for savings of \$375,000;
- (8) deferring Sub-project 75, Special Facilities, Tam O'Shanter Storage Building until 2006 for savings of \$225,000;
- (9) deferring the rebuilding of James Gardens Parking Lot to 2006 for savings of \$350,000 from Parking Lots and Tennis Courts, Sub-project 211 and a further reduction of \$50,000 within the 2005 Capital Budget of Parks and Recreation, such reduction to be determined by the Commissioner of Economic Development, Culture and Tourism;

- (10) transferring Sub-project Park No. 81 from 2006 to 2005 (5055 Dundas Street) for total funding of \$710,000; with no construction to commence until the full funding is secured through various Section 37 Agreements;
- (11) confirming the transferring of the Jenner Jean-Marie Community Centre in Thorncliffe Park from 2006 to 2005, as included in the Economic Development and Parks Committee recommendations, but reducing the amount of \$200,000, such funding be through reallocation from the following two projects:
 - (a) reducing the Community Centres - Capital Asset Management Project by \$80,000; and
 - (b) reducing the CAMP Pools Indoors by \$120,000;
- (12) transferring the Edithvale Community Centre Design Work from 2006 to 2005 in the amount of \$480,000, such funding to be withdrawn from the Ward 23 Parks and Recreation Improvement Reserve Fund (SAP Cost Centre – X-3202);
- (13) a total project cost of \$4,892,000 million with a 2005 cash flow of \$1,396,000 and a 2006 cash flow of \$3,495,500 for an automated work order system for Parks and Recreation, Forestry TMMS system upgrade, and Forestry Call Centre be approved and added to the 2005 Recommended Capital Budget for Parks and Recreation; and that the 2005 cash flow of \$1,396,000 be funded from the Capital Financing Reserve Fund. (See – Other - 3-1-1 Project Operating Budget – 1.57)

Action taken by the Committee:

The Budget Advisory Committee received the following communication and report:

- (a) communication (December 6, 2004) from the City Clerk, entitled “Centennial Park Snow Centre Service Improvement Initiative”; and
- (b) report (January 21, 2005) from the Commissioner of Economic Development, Culture and Tourism, entitled “Toronto Bike Plan Related Project City-wide”.

Economic Development and Parks Committee Recommendations

The adoption of the EMT recommendations pertaining to the 2005-2014 Capital Program for Parks and Recreation, subject to adding the following:

- (1) finding ways and means for additional \$500,000.00 for tree planting through the Tree Advocacy Planting Program;
- (2) capital funds included in PKS000021 Arena FY2005 (Camp Arena sub project 155) for a state of good repair project at East York Curling club being amended to allocate \$240,000.00 for the completion of the project at the East York Curling Club, and the remainder, \$300,000.00, be re-allocated to a skateboard park in Ward 31, and further, that an appropriate account for these purposes be included in the 2005 Capital Program;

- (3) \$275,000.00 be brought forward from 2006 to 2005, for the drawings of the gymnasium expansion at Jenner Jean Marie Community Centre in Thorncliffe Park, as the Library portion of the project is commencing in 2005, and that no other project be deferred as a consequence of this transaction;
- (4) \$288,000.00 for the Wellington Place Project; and further, the Commissioner of Economic Development, Culture and Tourism report to the Budget Advisory Committee on January 20, 2005, on a funding source; and
- (5) \$600,000.00 to provide for soil remediation of the Wychwood Car Barns site, such remediation required to allow for the affordable housing portion of the project to proceed.

EMT Recommendations

- (1) The 2005-2014 capital program request of Parks and Recreation, with a 2005 cash flow of \$90.0 million and a total 10-year project cost of \$684.490 million be received;
- (2) the 2005 Capital Budget for Parks and Recreation with a total project cost of \$51.311 million and a 2005 cash flow of \$77.634 million and future year commitments of \$9.120 million be approved. The 2005 EMT Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 88 new sub-projects with a 2005 total project cost of \$51.311 million that requires cash flow of \$46.036 million in 2005 and a future year commitment of \$5.275 million in 2006;
 - (ii) 6 previously approved sub-projects with a 2005 cash flow of \$6.185 million and a future year commitment of \$1.309 million in 2006; and
 - (iii) 23 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$7.325 million and future year commitments of \$2.342 million in 2006 and \$0.194 million in 2007, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 approved cash flow for 70 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$18.088 million;
- (3) new debt service costs of \$1.288 million in 2005 and incremental costs of \$4.789 million in 2006 and \$0.240 million in 2007 resulting from the approval of the 2005 EMT Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;

- (4) all sub-projects with third party financing be approved conditionally, subject to the receipt of such funding during 2005 and if such financing is not received, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
- (5) funding of \$2.061 million for the Spring Grass Cutting Machines, a capital sub-project that emanates from the City's Clean and Beautiful Initiative, while pre-approved, be contingent upon corresponding approval in the 2005 Parks and Recreation Operating Budget, and if the operating approval is not forthcoming, a report back on how this equipment will be absorbed into the ongoing fleet replacement is required;
- (6) the sub-project for Capital Emergencies be approved with funding of \$0.750 million for 2005 with the following conditions:
 - (a) projects funded must be demonstrable emergencies presenting a safety or security hazard, or impacting current operations, with a potential for significant damage resulting from the continuation of the problem identified;
 - (b) all projects charged to the fund must be reported to Finance staff to ensure structures are provided to ensure accountability;
 - (c) use of the funding must be reported in all variance reports and to Budget Advisory Committee at the time of consideration of the 2006 capital budget; and
 - (d) any unspent balance at year-end cannot be carried forward; and
- (7) a costing and priority framework be developed by June 2005 for managing the growth demands and public expectations associated with the Parks and Recreation's various strategic reports, its SOGR backlog and its asset audits and that needs be reviewed collectively in order to revise the Program's 2006-2010 Capital Plan at a sustainable debt funding level.

1.19 TOURISM

The adoption of the 2005-2014 EMT Recommended Capital Program for Tourism, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Economic Development and Parks Committee Recommendations

The adoption of the EMT recommendations pertaining to the 2005-2014 Capital Program for Tourism.

EMT Recommendations

- (1) The 2005-2014 capital program request of Tourism, with a 2005 cash flow of \$0.125 million and total project cost of \$0.125 million be received;
- (2) the 2005 Capital Budget for Tourism with a total project cost of \$0.075 million and a 2005 cash flow of \$0.075 million and no future year commitments be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 1 new project with 2005 total project costs of \$0.075 million that requires cash flow of \$0.075 million in 2005 and no future year commitments;
- (3) new debt service costs of \$0.001 million in 2005 and incremental costs of \$0.004 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets; and
- (4) the Walk of Fame project be approved conditionally, subject to finalizing the agreement between the City and the Canadian Walk of Fame, and receipt of the third party funding.

1.20 YONGE DUNDAS SQUARE:

The adoption of the 2005-2014 EMT Recommended Capital Program for Yonge-Dundas Square, as recommended by the Economic Development and Parks Committee, including technical adjustments.

Economic Development and Parks Committee Recommendations:

The adoption of the EMT recommendations pertaining to the 2005-2014 Capital Program for Yonge Dundas Square.

EMT Recommendations:

- (1) The 2005-2014 capital program request of Yonge Dundas Square, with a 2005 cash flow of \$1.445 million and total 10-year project cost of \$1.445 million be received;
- (2) the 2005 Capital Budget for Yonge Dundas Square with a total project cost of \$0.478 million and a 2005 cash flow of \$1.455 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:

- (i) 1 new sub-project and 1 change in scope project with 2005 total project costs of \$0.478 million that requires cash flow of \$0.478 million in 2005; and
 - (b) 2004 approved cash flow for 1 previously approved project with carry forward funding from 2004 into 2005 totalling \$0.977 million;
- (3) new debt service costs of \$0.014 million in 2005 and incremental debt costs of \$0.053 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Yonge Dundas Square operating budgets;
- (4) incremental operating impacts of \$(0.022) million in 2006 and \$(0.023) million in 2007 emanating from approval of the 2005 Capital Budget be considered within the future years' operating budget submissions from Yonge Dundas Square; and
- (5) beginning in 2005, the Commissioner of Economic Development, Culture and Tourism report annually on the Yonge Dundas Square Capital Budget and that the Commissioners of Urban Development Services and Corporate Services continue to provide support for the original Yonge Dundas Square construction project.

URBAN DEVELOPMENT SERVICES DEPARTMENT:

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 4, 2005) from the Planning and Transportation Committee forwarding the 2005 Capital Budget Recommendations under its purview.

1.22 URBAN DEVELOPMENT SERVICES:

The adoption of the 2005-2014 EMT Recommended Capital Program for Urban Development Services, as recommended by the Planning and Transportation Committee, including technical adjustments, subject to the following amendments:

- (1) adding \$500,000 for the Union Station Project;
- (2) deferring \$200,000 of the New Official Plan - Mediation Support Costs until 2006;
- (3) deleting \$40,000 for the 2004 Croft Street Project;
- (4) reducing the Croft Street, College to Vankoughnet, Reconstruction Routes Project to \$50,000;
- (5) reducing the 2005 funding for the Ellesmere Road, Brimley to Midland, Resurfacing Routes Project from \$200,000 to \$120,000;

- (6) deferring \$200,000 for the St. Clair Avenue West, Alvin to Tweedsmuir, Routes Project until 2006; and
- (7) adopt the 2005 Beautiful City Routes and Beautiful City Places Budget as it relates to the Clean and Beautiful City Initiative in the amount of \$1.0 million gross \$0.786 million net; and
- (8) authorization be granted to reallocate funding to substitute Civic Improvement Projects identified during the budget process, should those approved in the 2005 Capital Budget not proceed due to anticipated changes in the Transportation/Toronto Water capital program, such that all in-year reallocations not exceed the 2005 approved funding for the Routes 2005, Places 2005, Beautiful City Routes 2005 and Beautiful City Places 2005 projects, respectively, and that such project reallocations be reported out with the Capital Variance reporting process.

Action taken by the Committee:

The Budget Advisory Committee received a report (January 13, 2005) from the Commissioner of Urban Development Services, entitled, "2005 Operating and Capital Budget - Statistics Regarding Complaints Relating to Private Property".

Planning and Transportation Committee Recommendations:

The Planning and Transportation Committee recommended:

- (1) adoption of the 2005 EMT recommended Capital Budget respecting Urban Development Services, Waterfront Revitalization Initiatives; and Yonge Dundas Redevelopment Project, subject to deferring consideration of the \$4.083 million identified for the Front Street Extension until the reconstituted Waterfront Corporation has had an opportunity to review and establish the strategic priorities for Waterfront renewal; and
- (2) adoption of the staff recommendations in the Recommendations Section of the report (December 15, 2004) from the Commissioner of Urban Development Services, entitled "Union Station Precinct Urban Design Study Budget Submission, 61-71 Front Street West, Toronto Centre-Rosedale, Ward 28".

EMT Recommendations:

- (1) The 2005-2014 capital program request of Urban Development Services, with a 2005 cash flow of \$8.816 million and total 10-year project cost of \$10.951 million be received;
- (2) the 2005 Recommended Capital Budget for Urban Development Services, with a total project cost of \$13.111 million and a 2005 cash flow of \$8.308 million and future year commitments of \$4.803 million be approved. The Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) 19 new sub-projects and 1 new change in scope sub-projects with a 2005 total project cost of \$11.176 million requiring cash flow of \$6.373 million in 2005 and future year commitments of \$3.165 million in 2006 and \$1.638 million in 2007;
 - (ii) 3 previously approved sub-projects with a 2005 cash flow of \$0.213 million and no future year commitments;
 - (iii) 2 sub-projects from previously approved projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.697 million and no future year commitments, of which \$0.379 million forms part of the affordability targets that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 8 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.025 million;
- (3) 2005 cash flows of all development charge-funded projects recommended in the 2005 UDS Capital Budget be conditionally approved, subject to the funds being received by the City;
- (4) new debt service costs of \$0.157 million in 2005 and incremental costs of \$0.669 million in 2006, \$0.405 million in 2007 and \$0.188 million in 2008 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
- (5) Operating impacts in the Parks and Recreation Operating Budget of \$0.003 million for 2006, and \$0.074 million for 2007, \$0.086 million for each of 2008 and 2009 for streetscape enhancement tree maintenance emanating from the approval of the 2005 Capital Budget for Civic Improvement Projects be considered within the overall scope of the Parks and Recreation 2005 and future years' operating budget submissions;
- (6) the 2005 EMT Recommended cash flow of \$0.033 million for the IBMS SAP Integration project be approved, conditional upon the project being undertaken by IT and Finance;
- (7) the Commissioner, Urban Development Services, report to the Planning and Transportation Committee on the results of the IBMS Remote Computing Pilot during the 2006 Budget process, prior to the approval of additional funds for its full-scale implementation;
- (8) the Commissioner, Urban Development Services, include the 5-year cash flow requirements of future IBMS enhancements in the 2006 UDS Capital Budget Submission; and

- (9) the Commissioner of Urban Development Services, provide a report for information to the Planning and Transportation Committee prior to the 2006 Budget process, outlining the Natural Heritage Inventory project 5-year work plan phases and future-year estimates to accurately reflect the financial requirements of each phase.

1.23 WATERFRONT REVITALIZATION INITIATIVES:

The Budget Advisory Committee recommended the adoption of the 2005-2014 EMT Recommended Capital Program for the Waterfront Revitalization Initiatives, as recommended by Planning and Transportation Committee, including technical adjustments, subject to the following amendments:

- (1) City Council authorize the City to act as proponent or co-proponent for environmental assessment processes as may be required associated with waterfront revitalization initiatives that are approved as part of the 2005 Capital Budget; such initiatives include the creation of Commissioners Park, Interim Playing Fields, and the Western Beaches Watercourse Facility; as well as transit, roads in West Donlands and East Bayfront, storm and sanitary sewer facilities, community facilities, and parks and public spaces initiatives in East Bayfront and West Don Lands;
- (2) the 2005 Cash Flow for the Waterfront Revitalization Initiative be revised as outlined in the Briefing Note, dated January 18, 2005, entitled "Briefing Note re 2005-2014 Capital Works Program for the Waterfront Revitalization Initiative", and that the Commissioner of Urban Development Services be requested to report on the TWRC's 5 year business plan in the spring of 2005, noting that 2006 and beyond are estimates only;
- (3) deferring the Front Street Extension Project to be considered when Toronto City Council meet to deal with the Gardiner Expressway and its possible dismantling, such meeting expected later in 2005, and that, as a consequence:
 - (a) no significant additional expenditures be undertaken in 2005 relating to the Front Street Extension; and
 - (b) all motions relating to Front Street Extension also be deferred to the above mentioned City Council meeting;
- (4) the adoption of the recommendations in the Recommendation Section of the confidential report (January 21, 2005) from the City Solicitor and because the subject matter deals with possible litigation under the *Municipal Act, 2001*, discussion be held in-camera;
- (5) that City Council request the Commissioner of Urban Development Services, the Chief Financial Officer and Treasurer, and the Toronto Waterfront Revitalization Corporation to report to Council on the source of funds for the shortfall between the agreed-upon contribution by the provincial and federal governments for the

Front Street Extension (one-third each in the amount of \$170 million) and the actual projected cost of the Front Street Extension (\$255 million), and any future cost overruns;

- (6) that City Council direct the appropriate City staff, in consultation with the Toronto Waterfront Revitalization Corporation, to undertake a consultation process with the citizens of Toronto to determine what the public's priorities for scarce waterfront funds are; and
- (7) that, at the completion of the consultation process described in Recommendation (6), City Council request Mayor David Miller to lead a delegation of City Council representatives to renegotiate waterfront funding commitments from senior levels of government with a view to aligning them with the priorities of the citizens of Toronto.

Action taken by the Committee:

The Budget Advisory Committee requested the Commissioner of Urban Development Services, in consultation with TWRCA, to report to the Works Committee on options that:

- (a) include public transit projects that would increase east west access to the downtown core along the waterfront area;
- (b) would permit complete or partial dismantling of the Gardiner Expressway in the absence of the Front Street Extension Project; with the primary emphasis being public transit to improve public access to the downtown core; and
- (c) a list of Waterfront projects that could go forward if the Front Street Project does not go forward.

Planning and Transportation Committee Recommendation:

The Planning and Transportation Committee recommended to the Budget Advisory Committee the adoption of the 2004-2013 Capital Program for the Waterfront Revitalization Initiative.

EMT Recommendations:

- (1) The 2005-2014 capital program request of the Waterfront Revitalization Initiative, with a 2005 cash flow of \$50.583 million and total 10-year project cost of \$216.945 million be received;
- (2) the 2005 Capital Budget for the Waterfront Revitalization Initiative with a total project cost of \$211.279 million and a 2005 cash flow of \$39.919 million and future year commitments of \$62.050 million in 2006, \$54.645 million in 2007, \$49.419 million in 2008, \$17.532 million in 2009 and \$150.686 million in 2010-2014 be approved at this time, subject to Recommendation (3); the Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) 1 new sub-project and 1 new change in scope sub-project, with 2005 total project costs of \$211.279 million that requires cash flow of \$(11.406) million in 2005 and future year commitments of \$26.262 million in 2006, \$26.068 million in 2007, \$29.775 million in 2008, \$2.913 million in 2009 and \$137.668 million in 2010-2014;
 - (ii) 3 previously approved sub-projects with a 2005 cash flow of \$37.442 million and future year commitments of \$35.788 million in 2006, \$28.577 million in 2007, \$19.644 million in 2008, \$14.619 million in 2009, and \$ 13.017 million in 2010-2014;
 - (b) 2004 Approved cash flow for 1 previously approved sub-project with carry forward funding from 2004 into 2005 totalling \$13.883 million;
- (3) that the 2005 EMT Recommended Capital Budget and Future Year Commitments be approved conditional on the Commissioner of Urban Development Services:
- (a) submitting the 5-year TWRC Business Plan to Council for approval in February 2005; and
 - (b) reporting back to the Budget Advisory Committee on the financial impacts the proposed plan will have on the 2005 EMT Recommended Capital Budget and Future Year Commitments;
- (4) new debt service costs of \$0.775 million in 2005 and incremental costs of \$4.704 million in 2006, \$8.738 million in 2007, and \$8.014 million in 2008, \$6.297 million in 2009 and \$2.016 million in 2010 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year Urban Development Services operating budgets, subject to Recommendation (3); this assumes that all of the City's contribution will be funded by debt; however, once TWRC's 5-Year Business Plan is approved by Council, the Commissioner of Urban Development Services, in consultation with the Chief Financial Officer and Treasurer, will also be reporting back on how the City will finance its contribution, which will be a combination of debt, Development Charges, land, etc.;
- (5) the \$4.000 million net City funding recommended for the construction of a Dragon Boat/Multi-Sport Watercourse be conditional on contributions of \$15.000 million from the Federal Government and \$4.000 million from the Provincial Government; and
- (6) prior to the expenditure of funds on the Gardiner Environmental Assessment, the Commissioner of Urban Development Services report to Council in 2005 following the receipt of the report from the TWRC on the options for improving the Gardiner/Lakeshore corridor, to seek direction as to whether or not an environmental assessment will be undertaken for a preferred option.

CORPORATE SERVICES DEPARTMENT:

Action taken by the Committee:

The Budget Advisory Committee received the communication (January 7, 2005) from the Administration Committee, forwarding the 2005 Capital Budget Recommendations under its purview.

1.24 CITY CLERK'S OFFICE:

The adoption of the 2005-2014 EMT Recommended Capital Program for the City Clerk's Office, as recommended by the Administration Committee.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Budget for City Clerk's Office.

EMT Recommendations:

- (1) The 2005-2014 capital program request of City Clerk's Office, with a 2005 cash flow of \$3.774 million and total 10-year project cost of \$2.596 million be received;
- (2) the 2005 Capital Budget for City Clerk's Office with a total project cost of \$2.596 million and a 2005 cash flow of \$3.774 million and future year commitments of \$2.716 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 3 new sub-projects with 2005 total project costs of \$2.596 million that requires cash flow of \$1.750 million in 2005 and future year commitments of \$0.080 million in 2006, and \$0.216 million in 2007;
 - (ii) 1 previously approved sub-project with a 2005 cash flow of \$1.266 million and future year commitments of \$2.420 million in 2006; and
 - (b) 2004 Approved cash flow for 1 previously approved sub-project with carry forward funding from 2004 into 2005 totalling \$0.758 million.

1.27 FACILITIES AND REAL ESTATE:

The adoption of the 2005-2014 EMT Recommended Capital Program for Facilities and Real Estate, as recommended by the Administration Committee, including technical adjustments.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Program for Facilities and Real Estate.

EMT Recommendations:

- (1) The 2005-2014 capital program request of Facilities and Real Estate, with a 2005 cash flow of \$38.885 million and total 10-year project cost of \$229.912 million be received;
- (2) the 2005 Capital Budget for Facilities and Real Estate with a total project cost of 35.326 million and a 2005 cash flow of \$36.906 million and future year commitments of \$32.084 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New cash flow funding for:
 - (i) 40 new sub-projects and 10 change in scope sub-projects with 2005 total project costs of \$35.326 million that requires cash flow of \$10.092 million in 2005 and future year commitments of \$7.684 million in 2006, \$6.694 million in 2007, \$2.066 million in 2008 and \$0.202 million in 2009; and
 - (ii) 37 previously approved sub-projects with a 2005 cash flow of \$24.563 million and future year commitments of \$13.668 million in 2006, \$1.207 million in 2007, \$0.469 million in 2008 and \$0.094 million in 2009; and
 - (b) 2004 approved cash flow for 8 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.251 million; and
- (3) new debt service costs of \$0.303 million in 2005 and incremental costs of \$1.341 million in 2006, \$1.079 million in 2007, \$0.845 million in 2008 and \$0.245 million in 2009, be approved for inclusion in the 2005 and future year operating budgets.

1.28 FLEET SERVICES:

The adoption of the 2005-2014 EMT Recommended Capital Program for Fleet Services, as recommended by the Administration Committee, including technical adjustments.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Program for Fleet Services.

EMT Recommendations:

- (1) The 2005 Capital Budget for Fleet Services with a total project cost of \$46.111 million and a 2005 cash flow of \$73.643 million and future year commitments of \$18.104 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 18 new sub-projects with a 2005 total project cost of \$46.111 million that requires cash flow of \$20.001 million in 2005 and future year commitments of \$0.490 million in 2006 and \$8.791 million in 2007;
 - (ii) 12 previously approved sub-projects with a 2005 cash flow of \$8.006 million and future year commitments of \$8.823 million in 2006;
 - (iii) 15 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$22.745 million that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 15 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$22.891 million;
- (2) the Fleet Services Capital Budget be adjusted to agree with Programs' 2005 budgeted contributions to the Vehicle and Equipment Reserve, to reflect any changes recommended to the contributions from other Program budgets during the 2005 budget process; and
- (3) the Commissioner of Corporate Services develop a 5-year plan for the 2006 budget process that projects planned vehicle and equipment replacement needs of City Programs and participating ABCs, and a capital forecast for years 6 through 10 based on replacement schedules and that addresses backlog.

1.30 INFORMATION AND TECHNOLOGY:

The adoption of the 2005-2014 EMT Recommended Capital Program for Information and Technology, as recommended by the Administration Committee, including technical adjustments, subject to reducing the Network Upgrade Project – Sub Project Network Technology Lifecycle Management by \$80,000 in 2005.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Program for Information and Technology.

EMT Recommendations:

- (1) The 2005-2014 capital program request by the Information and Technology program requiring a 2005 cash flow of \$13.678 million and total 10-year project cost of \$40.247 million be received;
- (2) the 2005 Capital Budget for Information and Technology with a total project cost of \$8.921 million and a 2005 cash flow of \$13.678 million and future year commitments of \$33.222 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 3 new sub-projects and 2 change in scope sub-projects, with a 2005 total project cost of \$8.921 million that requires cash flow of \$3.124 million in 2005 and future year commitments of \$5.093 million in 2006, \$5.041 million in 2007, \$6.764 million in 2008 and \$5.829 million in 2009;
 - (ii) 1 previously approved sub-project with a 2005 cash flow of \$0.150 million with no future year commitments;
 - (iii) 10 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$2.603 million and future year commitments of \$4.817 million in 2006, \$2.566 million in 2007, \$1.078 million in 2008 and \$0.207 million in 2009 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 19 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$7.801 million;
- (3) new debt service costs of \$0.094 million in 2005 and incremental costs of \$0.496 million in 2006, \$0.712 million in 2007, \$0.757 million in 2008 and \$0.919 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Operating impacts of \$1.170 million for 2005, \$0.962 for 2006 million, \$0.846 for 2007 million, \$1.078 for 2008 million and \$0.861 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Information and Technology 2005 and future years' operating budget submissions; and
- (5) the program revisit the 2006 to 2010 Capital Plan during the 2006 Capital Budget process to smooth the 5-year plan.

1.33 UNION STATION:

The adoption of the 2005-2014 EMT Recommended Capital Budget for Union Station, as recommended by the Administration Committee, including technical adjustments.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Program for Union Station.

EMT Recommendations:

- (1) The 2005-2014 capital program request for Union Station, with a 2005 cash flow of \$9.420 million and total 10-year project cost of \$27.034 million be received;
- (2) the 2005 Capital Budget for Union Station with a total project cost of \$3.757 million and a 2005 cash flow of \$9.420 million and future year commitments of \$5.377 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 3 new projects with a 2005 total project cost of \$4.035 million that requires cash flow of \$2.890 million in 2005 and a future year commitment of \$1.145 million in 2006;
 - (ii) 6 previously approved sub-projects with a 2005 cash flow of \$5.675 million and a future year commitment of \$4.232 million in 2006; and
 - (b) 2004 Approved cash flow for 2 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.855 million;
- (3) new debt service costs of \$0.087 million in 2005 and incremental costs of \$0.352 million in 2006 and \$0.126 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) the Commissioner of Corporate Services report back to the Administration Committee following the finalization of the lease agreement negotiations between the City and Union Pearson Group on the financial implications to the City for state of good repair costs for Union Station in 2005 and for the following 5 year period.

1.34 END OF LEASE STRATEGY:

The adoption of the 2005-2014 EMT Recommended Capital Budget for the End of Lease Strategy, as recommended by the Administration Committee.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Program for the End of Lease Strategy.

EMT Recommendations:

- (1) The 2005 Capital Budget for Technology End of Lease Strategy with a 2005 cash flow of \$62.474 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 3 previously approved sub-projects with a 2005 cash flow of \$34.328 million with no future year commitments; and
 - (b) 2004 Approved cash flow for 4 previously approved sub-projects with carry forward funding from 2004 into 2005 of \$22.151 million and \$5.995 million for remaining lease payments.

FINANCE DEPARTMENT:

1.35 FINANCE DEPARTMENT:

The adoption of the 2005-2014 EMT Recommended Capital Program for the Finance Department, as recommended by the Administration Committee, including technical adjustments.

Administration Committee Recommendation:

The Administration Committee recommended the adoption of the 2005-2014 EMT recommended Capital Program for Finance.

EMT Recommendations:

- (1) The 2005-2014 capital program request of the Finance Department, with a 2005 cash flow of \$7.290 million and total 10-year project cost of \$23.210 million be received;
- (2) the 2005 Capital Budget for the Finance Department with a total project cost of \$0.200 million and a 2005 cash flow of \$5.577 million and future year commitments of \$6.390 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 1 new change in scope sub-project, with a 2005 total project cost of \$0.200 million that requires cash flow of \$0.200 million in 2005;

- (ii) 6 previously approved sub-projects with a 2005 cash flow of \$2.212 million and a future year commitment of \$4.663 million in 2006; and
 - (iii) 3 sub-projects from previously approved projects with carry forward funding from 2003 and prior years requiring 2005 cash flow of \$1.041 million and a future year commitment of \$1.727 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
- (b) 2004 Approved cash flow for 6 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$2.124 million; and
- (3) Operating impacts of \$0.141 million for 2006, and \$0.180 million for 2007, and savings of \$0.385 million for 2008 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Finance Department's 2005 and future years' operating budget submissions.

AGENCIES, BOARDS AND COMMISSIONS:

1.43 EXHIBITION PLACE:

The adoption of the 2005-2014 EMT Recommended Capital Program for Exhibition Place, including technical adjustments, subject to the following amendments:

- (1) deferring Sub-project 18 in the National Trade Centre, "add vestibule doors to three entrances to Halls A and B", until 2006; and
- (2) reducing the budget by \$70,000.00 gross and \$70,000.00 net debt.

Action taken by the Committee:

The Budget Advisory Committee received the communication (December 6, 2004) from the City Clerk, entitled "Trigeneration Project Exhibition Place Loan, Agreement with the Federation of Canadian Municipalities".

EMT Recommendations:

- (1) The 2005-2014 capital program request of Exhibition Place, with a 2005 cash flow of \$10.805 million and total 10-year project cost of \$50.425 million be received;
- (2) the 2005 Capital Budget for Exhibition Place with a total project cost of \$5.080 million and a 2005 cash flow of \$6.227 million and no future year commitments be approved; the Recommended Capital Budget consists of the following:

- (a) New Cash Flow Funding for:
 - (i) 30 new sub-projects and 2 new change in scope sub-project, with a 2005 total project cost of \$5.080 million that requires cash flow of \$5.080 million in 2005 and no future year commitments; and
 - (ii) 1 previously approved sub-project with a 2005 cash flow of \$0.540 million; and
- (b) 2004 Approved cash flow for 10 previously approved projects with carry forward funding from 2004 into 2005 totalling \$0.607 million;
- (3) new debt service costs of \$0.169 million in 2005 and incremental costs of \$0.618 million in 2006 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Exhibition Place submit to the Chief Financial Officer and Treasurer, prior to the 2006 Capital Budget process, the asset inventory and the state of good repair assessment for the buildings and structures on the grounds of Exhibition Place; and
- (5) the General Manager and Chief Executive Officer of Exhibition Place with the assistance of the Chief Financial Officer and Treasurer, report to Budget Advisory Committee, prior to the 2006 budget process, on the determination of saving from the Energy Retrofit Program projects and the resulting debt repayment schedule.

1.45 TORONTO AND REGION CONSERVATION AUTHORITY:

The adoption of the EMT Recommended 2005-2014 Capital Program for the Toronto and Region Conservation Authority, including technical adjustments, subject to adding the following amendment:

WHEREAS the 2005 Toronto and Region Conservation Authority (TRCA) capital program includes a single new, multi-year commitment project called “The Kortright/Living City Centre Retrofit”; and

WHEREAS the “Kortright/Living City Centre Retrofit” project is a vital project in the pursuit of the TRCA mission; and

WHEREAS “The Kortright/Living City Centre Retrofit” project with a total project cost of \$11.0 million, requesting a City of Toronto contribution of \$1.040 million, or 9.4 percent of the total project cost, incurring cash flows of \$0.208 million and \$0.832 million in 2005 and 2006 respectively; and

WHEREAS of the 135,000 annual Kortright/Living Centre attendees, 35 percent or 47,250 are City of Toronto residents; and

WHEREAS this project is intended to be financed by 50 percent debt issuance, 50 percent Water/Wastewater Reserve contribution; and

WHEREAS this project is recommended conditionally on the TRCA submitting a comprehensive business plan, outlining the key phases and expected financial cost savings based on a 10-year period; and

WHEREAS this project is recommended conditionally on Water/Wastewater participation of 50 percent of the City of Toronto contribution, representing \$0.520 million of the total City of Toronto contribution of \$1.040 million; and

WHEREAS this project is recommended conditionally on all other funding partner contributions being confirmed via a Memorandum of Understanding; and

WHEREAS Water/Wastewater requested its 2005 contribution of \$0.104 million to be reallocated towards the Remedial Action Plan Project;

NOW THEREFORE BE IT RESOLVED THAT this technical adjustment be received, whereby the 2005 Water/Wastewater contribution of \$0.104 million be reassigned towards "The Kortright/Living City Centre Retrofit" project, from the Remedial Action Plan project, subject to the above conditions, with no impact to the 2005 TRCA Recommended Capital Budget of \$5.946 million gross and \$3.0 million net.

EMT Recommendations:

- (1) The 2005-2014 capital program request of Toronto and Region Conservation Authority (TRCA), with a 2005 cash flow of \$5.946 million and total 10-year project cost of \$77.380 million be received;
- (2) the 2005 Capital Budget for TRCA with a 2005 cash flow of \$5.946 million and future year commitments of \$0.832 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 9 new projects, with 2005 project costs of \$6.778 million that requires cash flow of \$5.946 million in 2005 and a future year commitment of \$0.832 million in 2006;
- (3) new debt service costs of \$0.105 million in 2005 and incremental costs of \$0.360 million in 2006, and \$0.048 million in 2007, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) the operating impacts related to the 2005 TRCA capital program be absorbed by the TRCA, as has been the established practice, with no future impact on the operating levy to the City of Toronto;

- (5) any/all over-expenditures of the 2005 TRCA capital program be absorbed by the TRCA, as has been the established practice, with no future impact on the operating levy to the City of Toronto;
- (6) the General Manager, Water Wastewater, in consultation with the Chief Financial Officer and Treasurer, report back on the possibility of increasing the Water/Wastewater net contribution by \$0.177 million, to be directed towards cost pressures attributable towards source protection projects; and
- (7) the Kortright/Living City Centre capital sub-project be approved with funding of \$0.104 million for 2005, and a future-year commitment of \$0.832 million in 2006, with the following conditions:
 - (a) a comprehensive business plan outlining the key phases within this project be provided to Financial Planning; and
 - (b) Water/Wastewater funding attributed towards this project be confirmed; and
 - (c) any other third party financing contributions towards this project in 2005 and beyond be confirmed through a Memorandum of Understanding.

1.47 TORONTO PARKING AUTHORITY:

The adoption of the 2005-2014 EMT Recommended Capital Program for the Toronto Parking Authority, including technical adjustments.

EMT Recommendations:

- (1) The 2005-2014 capital program request for the Toronto Parking Authority, with a 2005 cash flow of \$32.792 million and total 10-year project cost of \$18.799 million be received;
- (2) the 2005 Capital Budget for the Toronto Parking Authority with a total project cost of \$34.327 million and a 2005 cash flow of \$32.792 million and future year commitments of \$1.535 million be approved. The 2005 EMT Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (ii) 8 new projects, with 2005 project costs of \$16.136 million and 3 change in scope projects of \$0.820 million;
 - (ii) 14 previously approved projects, with 2005 previous commitments of \$7.235 million;
 - (b) 2004 approved cash flow for 11 previously approved projects with carry forward budgets from 2004 into 2005 totalling \$8.601 million;

- (3) incremental operating revenue of \$0.000 million for 2005, \$0.848 million for 2006, \$0.293 million for 2007, \$0.294 million for 2008, and \$0.180 million for 2009 resulting from the approval of the 2005 EMT Recommended Capital Budget, be approved for inclusion in the 2006 and future year operating budgets;
- (4) the Budget Advisory Committee, in January 2005, support a reduction to the Redevelopment of CP32 (Lakeshore/Bay) project cost in the amount of \$5.500 million; and
- (5) the Toronto Parking Authority submit a 2005–2014 Capital Budget to the Financial Planning Division in accordance with the “City of Toronto, 2005 Budget Submission, Guidelines and Instructions”.

1.48 TORONTO POLICE SERVICE:

The adoption of the 2005-2014 Capital Program for the Toronto Police Service, including technical adjustments, as recommended by the Toronto Police Services Board in November 2004.

EMT Recommendations:

- (1) The 2005-2014 capital program request of the Toronto Police Service, with a 2005 cash flow of \$53.721 million and total 10-year project cost of \$354.761 million be received;
- (2) The 2005 Capital Budget for the Toronto Police Service with a total project cost of \$56.269 million and a 2005 cash flow of \$53.721 million and future year commitments of \$95.321 million be approved. The Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 23 new projects with 2005 total project costs of \$56.269 million that requires cash flow of \$28.279 million in 2005 and future year commitments of \$15.915 million in 2006, \$11.670 million in 2007 and \$4.955 million in 2008;
 - (ii) 6 previously approved projects with a 2005 cash flow of \$15.975 million and future year commitments of \$21.031 million in 2006, \$17.470 million in 2007, \$12.780 million in 2008 and \$11.500 million in 2009;
 - (b) 2004 Approved cash flow for 7 previously approved projects with carry forward funding from 2004 into 2005 totalling \$9.468 million;
- (3) new debt service costs of \$0.989 million in 2005 and incremental costs of \$4.736 million in 2006, \$5.084 million in 2007, \$3.972 million in 2008 and \$2.442 million in 2009 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the City’s 2005 and future year Operating Budgets;

- (4) Operating impacts of \$2.402 million for 2005, and \$3.347 million for 2006, \$0.540 million for 2007, (\$0.050) million for 2008 and \$0.485 million for 2009 emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Toronto Police Service 2005 and future years' operating budget submissions;
- (5) the Toronto Police Service report back to the Budget Advisory Committee, prior to the start of the 2006 Capital Budget process on a 5-year plan for new and replacement facilities, regarding future year projections that reflect the Service's ability to spend and the City's ability to fund any new and replacement facilities as well as the operating budget consequences thereof;
- (6) the Toronto Police Service and the Facilities and Real Estate Division report back to the Budget Advisory Committee, before the adoption of the 2005 Capital Budget, on the Service's asset inventory, backlog and planned State of Good Repair future requirements; and
- (7) the Toronto Police Service report back to the Budget Advisory Committee, before the adoption of the 2005 Capital Budget, on the Service's Reserve/Reserve Fund opening balances and proposed withdrawals for 2005 and schedule of withdrawals projected in the next five years consistent with the 5-year capital plan.

1.51 PARKING ENFORCEMENT UNIT:

The adoption of the 2005-2014 EMT Recommended Capital Program for the Parking Enforcement Unit.

EMT Recommendations:

- (1) The 2005-2014 capital program request of the Parking Enforcement Unit, with a 2005 cash flow of \$4.534 million and total 10-year project cost of \$8.440 million be received;
- (2) the 2005 Capital Budget for the Parking Enforcement Unit with a total project cost of \$4.534 million and a 2005 cash flow of \$4.534 million with no future year commitments be approved; the Recommended Capital Budget consists of new cash flow funding for the following 2 new projects:
 - (a) Handheld Parking Device project with a 2005 project cost of \$4.100 million that requires cash flow of \$4.100 million in 2005; and
 - (b) Vehicle and Equipment Replacement project with a 2005 project cost of \$0.434 million that requires cash flow of \$0.434 million in 2005;
- (3) new debt service costs of \$0.123 million in 2005 and incremental costs of \$0.451 million in 2006 resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;

- (4) Operating impacts of \$0.261 million for 2005 attributable to the Toronto Police Service, Parking Enforcement Unit, emanating from the approval of the 2005 Capital Budget be considered within the overall scope of the Parking Enforcement Unit 2005 Operating Budget;
- (5) total annualized net savings of approximately \$0.853 million with \$0.130 million net cost attributable to the Toronto Police Service, Parking Enforcement Unit; \$0.450 million savings to the Finance Department, Revenue Services Division; and \$0.533 million increase in Parking Tag revenue be considered within the overall scope of the Parking Enforcement Unit, Finance Revenue Services and Parking Tag Revenues 2006 and future years' operating budget submissions; and,
- (6) the Chief Financial Officer and Treasurer report to the Administration Committee in 2005 on developments pertaining to the procurement and implementation milestones of the handheld parking device project.

1.52 PUBLIC HEALTH:

The adoption 2005-2014 EMT Recommended Capital Program for Public Health, as recommended by the Board of Health, including technical adjustments.

Action taken by the Committee:

The Budget Advisory Committee received the communication (November 27, 2004) from the Board of Health, entitled, "Toronto Public Health - 2005-2009 Capital Plan and Budget".

Board of Health Recommendations:

The Board of Health recommended that:

- (1) the 2005-2014 Public Health Capital Plan and Budget be endorsed;
- (2) a 2005 Capital Budget for Toronto Public Health with a cash flow of \$3,655 thousand be approved consisting of \$1,070 thousand from previously approved commitments, \$1,112 thousand for new and change in scope projects and \$1,473 thousand of carry-forward budget from 2004 into 2005 related to a previously approved project;
- (3) the capital project for Facilities State of Good Repair – Renovations in the amount of \$76,000.00 be transferred from the 2005 Toronto Public Health Capital Budget Request to the 2005 Toronto Public Health Operating Budget Request in the amount of \$76,000.00 gross/\$34,200.00 net, based on the City's capital thresholds and Toronto Public Health eligibility for 55 percent provincial cost-sharing; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

EMT Recommendations:

- (1) The 2005-2014 capital program request of Public Health, with a 2005 cash flow of \$4.545 million and total 10-year project cost of \$33.098 million be received;
- (2) the 2005 Capital Budget for Public Health, with a total project cost of \$2.182 million and a 2005 cash flow of \$4.155 million and no future year commitments, be approved. The Recommended Capital Budget consists of the following:
 - (a) New cash flow funding for:
 - (i) 5 new sub-projects, with a 2005 total project cost of \$1.112 million that requires cash flow of \$1.112 million in 2005 and no future year commitments;
 - (ii) 2 previously approved sub-projects with a 2005 cash flow of \$1.070 million and no future year commitments; and
 - (b) 2004 approved cash flow for 1 previously approved sub-project with carry forward funding from 2004 into 2005 totalling \$1.973 million;
- (3) new debt service costs of \$0.022 million in 2005 and incremental costs of \$0.082 million in 2006, resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) approval of the \$0.628 million Integrated Public Health Information System (iPHIS), be conditional on receiving \$0.345 million funding from the Province;
- (5) the Toronto Medical Officer of Health seek provincial subsidies for the 2005 capital projects that support cost-shared programs, estimated to be \$1.035 million;
- (6) the Toronto Medical Officer of Health provide a briefing note summarizing I&T initiatives undertaken over the last three years and those included in the 2005-2009 capital plan, indicating the program / service that each support and the old technology that is being replaced; and
- (7) Council establish a discretionary reserve fund called "Public Health Efficiency Reserve Fund", as detailed below and in the Appendix 5:
 - (a) to fund capital projects that will result in Public Health future operating efficiencies and to fund specific Public Health operating initiatives, as approved by the Board of Health and Council;
 - (b) initial contributions to the reserve fund come from operating efficiencies resulting from the implementation of the South Regional Animal Centre Capital project and the Toronto Community Health Information System (formerly known as Community Nursing Customer Management System), as follows:

- (i) the amounts of \$1.090 million in 2005, \$1.149 million in 2006, \$1.149 million in 2007, \$1.069 million in 2008 and \$0.819 million thereafter until the costs of implementation and financing of the South Regional Animal Centre Capital project and the Toronto Community Health Information System are completely offset;
- (c) the Board of Health and Council approval be required for any additional contribution made to the reserve fund from operating savings or from one-time provincial, federal or third-party funding sources;
- (d) Municipal Code Chapter 227 (Reserve and Reserve Funds) be amended by adding the “Public Health Efficiency Reserve Fund” to schedule 3 - Corporate Discretionary Reserve Fund; and
- (e) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

1.53 TORONTO PUBLIC LIBRARY:

The adoption of the 2005-2014 EMT Recommended Capital Program for the Toronto Public Library, including technical amendments, subject to adding \$90,000 for the Thorncliffe Library Project, such project to be funded by debt, to keep the Toronto Library Capital Budget within the \$10 million Capital guideline set by Council and further that this project not affect any projects within the 2005 Toronto Library Capital Program.

EMT Recommendations:

- (1) The 2005-2014 capital program request for the Toronto Public Library, with a 2005 cash flow of \$12.667 million and a total 10-year project cost of \$126.652 million be received;
- (2) the 2005 Capital Budget for the Library Services with a total project cost of \$38.525 million and a 2005 cash flow of \$14.126 million and future year commitments of \$18.350 million, be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 7 new projects, with 2005 project cost of \$7.544 million, and 2 Change in Scope projects of \$0.350 million, that requires cash flow of \$7.894 million in 2005 and future year commitments of \$7.372 million in 2006 and \$7.964 million in 2007;
 - (ii) 9 previously approved projects with a 2005 cash flow of \$5.249 million and future year commitment of \$2.916 million in 2006; and

- (iii) 1 previously approved project with a carry forward funding from 2003 requiring 2005 cash flow of \$0.483 million and a future commitment of \$0.098 million in 2006 which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 Approved cash flow for 1 previously approved project with a carry forward budget from 2004 into 2005 totaling \$0.500 million;
- (3) Operating impacts of \$0.361 million for 2005, \$0.223 million for 2006, \$0.485 million in 2007 and \$0.419 million in 2008, emanating from the approval of the 2005 capital budget be considered within the overall scope of the Toronto Public Library program's 2005 and future years' operating budget submissions;
- (4) new debt service costs of \$0.297 million in 2005 and incremental costs of \$1.345 million in 2006, \$1.107 million in 2007 and \$0.637 million in 2008, resulting from the approval of the 2005 recommended capital program, be approved for inclusion in the 2005 and future year operating budgets; and
- (5) the operating impacts related to enhanced services associated with the S.W. Stewart project not be approved and that they be included as part of the 2007 Operating Budget Submission.

1.54 *TORONTO TRANSIT COMMISSION:

(The Budget Advisory Committee, at its meeting on February 10, 2005, will finalize the 2005 Capital Budget for the Toronto Transit Commission and any further adjustments will be forwarded to the Policy and Finance Committee for consideration.)

- (1) The adoption of the Toronto Transit Commission 2005 Capital Budget of \$444 million subject to the following amendments:
 - (a) reducing the subsidy by \$45 million;
 - (b) adding \$13.5 million for the Sheppard Subway Capital Program to be financed by debt;
 - (c) defer projects related to the "Easier Access" Program for savings of \$3 million;
 - (d) deferring funding for the following projects for savings in the amount of \$10.2 million:
 - (i) Russell Carhouse platform modifications be reduced by \$0.8 million;
 - (ii) Overhead Speed Doors – Arrow/Egl/Duncan be reduced by \$1.2 million;

- (iii) On-Grade Paving – Kennedy, Hillcrest be reduced by \$2.0 million;
 - (iv) Structural Paving – Design be reduced by \$0.5 million;
 - (v) Office Space Management – Inglis 4th floor be reduced by \$1.0 million;
 - (vi) Purchase Auto Non-Revenue Vehicle be reduced by \$0.3 million;
 - (vii) Vehicle Eng – remove 3 air compressors be reduced by \$0.1 million;
 - (viii) Transit Shelters and Loops be reduced by \$1.5 million;
 - (ix) Wilson – Traffic Separation be reduced by \$1.4 million; and
 - (x) Fire Ventilation Upgrade – deceleration of Second Exits be reduced by \$1.4 million;
- (2) that the City immediately begin negotiations with the federal government on the allocation of the federal gas tax, based on the formula of trips/population (25 percent/75 percent) which would realize an additional \$10 million of revenues for TTC in the 2005 Capital Budget; and
- (3) that the Mayor’s Office be requested to negotiate with the Federal government in an expedited manner to advance gas tax revenues.

Action taken by the Committee:

The Budget Advisory Committee:

- (a) requested the Chief General Manager of the Toronto Transit Commission to co-ordinate its internal 2006 budget review with that of the Budget Advisory Committee; and
- (b) received the following communications:
 - (i) (September 23, 2004) from the General Secretary, Toronto Transit Commission, entitled “Toronto Transit Commission - Procurement Authorization Design and Supply of Low Voltage Power Supply and Inverter for CLRV Fleet as Part of the CLRV Life Extension Program”; and
 - (ii) (November 19, 2004) from the General Secretary, Toronto Transit Commission, entitled, “2005-2009 TTC Capital Program and 10-Year Capital Forecast”.

EMT Recommendations:

- (1) The 2005-2014 capital program request of Toronto Transit Commission, with a 2005 cash flow of \$426.824 million and total 10-year project cost of \$4.207 billion excluding the Sheppard Subway project be received;
- (2) the 2005-2014 capital program request of the Toronto Transit Commission for the Sheppard Subway project, with a 2005 cash flow of \$3.481 million be received;
- (3) the 2005 Capital Budget for the Toronto Transit Commission with a total project cost of \$1.285 billion and a 2005 cash flow of \$426.824 million be received;
- (4) the 2004 Approved cash flow for 40 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$46.479 million be approved;
- (5) the 73 previously approved sub-projects with a 2005 cash flow of \$251.285 million and future year commitments of \$101.666 million in 2006 and \$29.868 million in 2007, totalling \$512.707 million from 2005 through 2009 be reviewed and that projects recommended be subject to the availability of committed funding from the other Orders of Government;
- (6) the 70 new sub-projects and 17 new change in scope sub-projects, with 2005 total project costs of \$1.284 billion that requires cash flow of \$129.060 million in 2005 and future year commitments of \$407.909 million in 2006 and \$259.632 million in 2007, totalling \$1.229 billion from 2005 through 2009 be received;
- (7) the Chief General Manager of the Toronto Transit Commission (TTC) report back to the Budget Advisory Committee in January 2005 with a list of potential capital project deferrals for which the 2005 cash flow and future year commitments match the estimated provincial and federal funding cash flow and that will minimize the level of debt in 2005;
- (8) Projects that should be considered for deferral to reduce 2005-2007 cash flow requirements include:
 - (a) the implications of deferring the subway car procurement plan program for one year prior to committing to the future year cash flows commencing in 2005 and totalling \$703.5 million over the next five years;
 - (b) the implications of deferring for one year the streetcar rehabilitation project at \$70.520 million over five years; and
 - (c) any other projects which may be deferred in order to reduce 2005-2009 cash flows to match available funding;

- (9) the TTC and the City of Toronto consider seeking corporate sponsorship to assist in the financing of the hybrid bus technology initiative and an increased funding commitment from the other Orders of Government be obtained in the amount of \$67.2 million to fund the increased cost of the hybrid bus premium;
- (10) the Chief General Manager of the TTC outline in January 2005 the purpose of the future year unspecified program amounts in its future year cash flow estimates totalling 62.4 million over the 10 years;
- (11) the Chief General Manager of the TTC report back to the Budget Advisory Committee in January 2005 with specific details relating to the 86 permanent additional positions added to the 2005 Capital Program;
- (12) the Chief General Manager of the TTC report back to the Budget Advisory Committee on ways to implement alternative fuel technologies on its non-revenue vehicle fleet with the 2006-2010 Budget Submission;
- (13) the TTC and the City of Toronto work jointly to encourage the Government of Canada to put forward an alternative fuel strategy that is based on emissions reductions rather than on propulsion technology;
- (14) the Chief General Manager and Chair of the TTC be requested to adjust the Commission's budget schedule in 2005 so that it more closely matches the scheduled requirements of the City of Toronto's budget review process for 2006 and beyond.

1.55 TORONTO ZOO:

- (1) The adoption of the 2005-2014 Capital Program for the Toronto Zoo, as recommended by the Toronto Zoo Board, including technical adjustments, subject to reducing the funding for refurbishing Valley Halla to \$37,000;
- (2) that the General Manager and CEO, Toronto Zoo, in consultation with appropriate City staff and the Toronto and Region Conservation Authority, be directed to issue a "Request for Proposal" with regard to the Valley Halla; and
- (3) that the General Manager and CEO of the Toronto Zoo, in consultation with appropriate City staff and the Toronto and Region Conservation Authority, upon City Council approval and following the receipt of the results of the Request for Proposal, to make recommendations to the Toronto Zoo Board with respect to the appropriate disposition of the Valley Hall.

Action taken by the Committee:

The Budget Advisory Committee received the confidential report (December 2, 2004) from the Commissioner of Corporate Services, entitled, "Proposed Divestiture of Valley Halla".

EMT Recommendations:

- (1) The 2005-2014 capital program request of the Toronto Zoo, with a 2005 cash flow of \$6.488 million and total 10-year project cost of \$117.467 million be received;
- (2) the 2005 Capital Budget for the Toronto Zoo with a total project cost of \$1.940 million and a 2005 cash flow of \$6.708 million and future year commitments of \$0.604 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 7 new sub-projects and 2 new change in scope sub-projects with a total project cost of \$1.940 million that require cash flow of \$1.432 million in 2005 and a future year commitment of \$0.508 million in 2006;
 - (ii) 4 previously approved sub-projects for 2005 with a cash flow of \$3.245 million and a future year commitment of \$0.096 million in 2006; and
 - (iii) 2 previously approved sub-projects with carry forward funding from 2003 requiring 2005 cash flow of \$0.323 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - (b) 2004 approved cash flow for 5 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$1.708 million;
- (3) new debt service costs of \$0.150 million in 2005 and incremental costs of \$0.568 million in 2006 and \$0.066 million in 2007 resulting from the approval of the 2005 Recommended Capital Program, be approved for inclusion in the 2005 and future year operating budgets;
- (4) Operating impacts of \$0.100 million for 2005, \$0.036 million for 2006 and \$0.050 million for 2007 emanating from the approval of the 2005 Recommended Capital Budget be considered within the overall scope of the Toronto Zoo's 2005 and future years' operating budget submissions;
- (5) the General Manager of the Toronto Zoo, with the assistance of the Chief Administrative Officer and the Chief Financial Officer and Treasurer, continue work to develop an approach to the Zoo's capital financing requirements and its need to secure other significant non-City sources of funding, particularly in light of the \$29 million North Site Redevelopment Project, and report to the Budget Advisory Committee by June 2005; and

- (6) the General Manager of the Toronto Zoo, with the assistance of the Chief Financial Officer and Treasurer revise the Zoo's 5-year capital Budget plan in light of available funding sources prior to the 2006 budget process.

OTHER - ENERGY RETROFIT:

1.56 ENERGY RETROFIT:

Action taken by the Committee:

The Budget Advisory Committee requested:

- (1) that, as part of the 2006 budget process, the appropriate staff report to the Works Committee on the next phase of the Energy Retrofit Program, such report to include eligible contracts with applicable business cases; and
- (2) the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services report to the Budget Advisory Committee on Energy Retrofit expenditures since amalgamation on City buildings and the resulting savings realized to date and projections for future details of buildings involved and reduction in utilities consumption.

EMT Recommendations:

- (1) The 2005 EMT Recommended Capital Budget for the Energy Retrofit Program with a 2005 cash flow of \$14.165 million and a future year commitment of \$4.674 million be approved; the Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - (i) 4 previously approved sub-projects with a 2005 cash flow of \$13.215 million and a future year commitment of \$4.524 million in 2006 and \$0.150 million in 2007;
 - (b) 2004 approved cash flow for 2 previously approved sub-projects with carry forward funding from 2004 into 2005 totalling \$0.950 million.
 - (2) new debt service costs of \$0.462 million in 2005 and incremental costs of \$1.678 million in 2006, \$0.525 million in 2007, and 40.017 million in 2008, resulting from the approval of the 2005 Recommended Capital Budget, be approved for inclusion in the 2005 and future years operating budget; and
 - (3) each Program/ABC receiving ERP project funding report back during 2005 on the results of the energy audit, including the actual savings to be achieved by the project.

Background:

The Budget Advisory Committee at its meetings held on January 20, 24, 25, 26, 27, 28, 31 and February 4, 2005, reviewed the 2005 Recommended Capital Program for the City of Toronto’s departments, agencies, boards and commissions, and recommended adoption of the reports listed in Appendix 7(A).

The Budget Advisory Committee also had before it during consideration of the 2005 Capital Program the following:

- (a) reports with recommendations which were received by the Budget Advisory Committee listed in Appendix 7(C); and
- (b) reports and communications listed in Appendix 7(D), copies of which are on file in the office of the City Clerk.

No.	Appendix 7(A) (Capital Budget) Reports Recommended for Adoption by the Budget Advisory Committee
	WORKS AND EMERGENCY SERVICES DEPARTMENT
	Transportation Services
(1)	(January 20, 2005) from the Acting Commissioner of Works and Emergency Services, entitled “Light Emitting Diode (LED) City-wide Conversion Program for Traffic Signal Lamps”, as amended.
	URBAN DEVELOPMENT SERVICES DEPARTMENT
	Waterfront Initiatives
(2)	Confidential report (January 21, 2005) from the City Solicitor, entitled “Expenditure of Funds for Certain Approved Transactions – Front Street Extension Project (Ward 19 Trinity-Spadina)”

(Report dated January 20, 2005 addressed to the Budget Advisory Committee from the Acting Commissioner of Works and Emergency Services)

Purpose:

To respond to a request by the Works Committee, at its meeting of January 5 and 6, 2005, that the Acting Commissioner of Works and Emergency Services report to the Budget Advisory Committee on a three-year accelerated Light Emitting Diode (LED) Conversion Program, including financing options.

Financial Implications and Impact Statement:

Based on the results obtained from the 2003 LED Conversion Pilot Project, the estimated cost to complete a City-wide LED Conversion Program for 1,920 signalized intersections within the City of Toronto is \$17,700,000.00. Funds for the LED Conversion Program were identified in the Transportation Services Division's 10 Year Capital Works budget submission (2004-2013). Funds in the amount of \$1,000,000.00 to cover the first year cash flow requirement for the conversion of 110 signalized intersections were approved in the Transportation Services Division's 2004 Capital Works budget. Funds in the amount of \$2,500,000.00 to cover the second year cash flow requirement for the conversion of 270 signalized intersections have been identified in the Transportation Services Division's 2005 Capital Works budget submission.

To support an accelerated completion of the conversion program in a subsequent three years, the estimated annual budget is approximately \$4,730,000.00 in each of the following years, being 2006, 2007 and 2008. This would result in the conversion of approximately 513 signalized intersections in each of these respective years. Also, the accelerated LED conversion program would require an additional temporary Engineering Technologist position at an annual cost of \$62,000.00 under the Transportation Services Division's Operating budget with funding provided from Capital Funds of the accelerated LED conversion program.

The annual savings generated from a complete City-wide LED Conversion Program is approximately \$2,050,000.00. These annual savings should be accrued in a reserve fund to offset the future costs associated with an LED traffic signal lamp replacement cycle.

This report has been reviewed by the Chief Financial Officer and Treasurer who concurs with the financial impact statement.

Recommendations:

It is recommended that City Council confirm the eight year implementation plan for the City-wide LED Conversion Program, as reported under Clause 9 embodied in Report 2 of the Works Committee, as adopted by the Council of the City of Toronto at its meeting held on March 1, 2 and 3, 2004;

OR

if City Council wishes to adopt an accelerated LED conversion program, it is recommended that:

- (1) authority be granted to amend the Transportation Services Division's 2005-2014 Capital Program to support an accelerated LED conversion program for completion by the end of 2008;
- (2) the Chief Financial Officer and Treasurer, in consultation with the Acting Commissioner of Works and Emergency Services, be requested to determine the most effective financial strategy for the implementation of an accelerated LED conversion program, taking into consideration a loan from the Toronto Atmospheric Fund (TAF), or other external funding opportunities through Toronto Hydro based on Energy Conservation and Demand Management Strategies, as well as any other possible funding sources in an effort to minimize capital budget impacts;

- (3) authority be granted to proceed with the LED signal lamp procurement process in 2005, in consultation with the Purchasing and Materials Management Division, to establish a multiple year supply contract to support the accelerated LED conversion program for installation in 2006, 2007 and 2008;
- (4) the appropriate City officials be authorized and directed that, upon the publication of the new Institute of Transportation Engineers (ITE) standard for LED Vehicle Traffic Control Signal Heads, LED vehicle yellow displays be incorporated into the LED conversion program for traffic signal lamps as availability, schedule and budget permit;
- (5) authority be granted to amend the Transportation Services Division's 2005 Operating Budget submission to provide for an additional temporary Engineering Technologist position at an annual cost of \$62,000.00 to support the accelerated LED conversion program with funding to be provided from the Transportation Capital Budget; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

As of January 1, 2003, all new signalized intersections installed in the City of Toronto have LED traffic signal lamps. However, in 2004, there remained 1,920 signalized intersections that utilize incandescent lamps. At its meeting held on March 1, 2 and 3, 2004, under Clause 9 embodied in Report 2 of the Works Committee, Council adopted the report, entitled, "Light Emitting Diode (LED) Conversion Program for Traffic Signal Lamps". The report identified the program scope as the conversion of 1,920 signalized intersections over an eight year period. In 2004, the City-wide LED Conversion Program included 110 signalized intersections funded from the Transportation Services Division's 2004 Capital budget. Funds to cover the second year of the City-wide LED Conversion Program have been identified in the Transportation Services Division's 2005 Capital Works budget submission. This provides for the continuation of the program with the conversion of approximately 270 intersections.

On December 8, 2004, the Acting Commissioner of Works and Emergency Services received correspondence from the Chair of the Toronto Atmospheric Fund (TAF) Board, Councillor David Soknacki, with respect to possible TAF support to help overcome any barriers in terms of an accelerated LED conversion program for traffic signal lamps. In response to a proposed accelerated LED conversion program, Transportation Services Division staff prepared a briefing note identifying the key issues. The briefing note, titled "Light Emitting Diode (LED) Conversion Program for Traffic Signal Lamps", was received by the Works Committee at its meeting of January 5 and 6, 2005. Action taken by the Works Committee at this meeting requested the Acting Commissioner of Works and Emergency Services to report to the Budget Advisory Committee prior to final approval of the Works and Emergency Services Capital Program, on a three year accelerated LED conversion program, including financing options.

Comments:

The annual savings from the implementation of the City-wide LED Conversion Program will accrue from a combination of energy savings and maintenance savings. Based on converting 1,920 traffic signals in the City of Toronto to LED traffic signal lamps, the estimated annual savings will reach approximately \$2,050,000.00. These estimated annual savings are based on the completion of the City-wide LED Conversion Program and it is important to note that the annual savings from each year of the project implementation will only be fully achieved during the subsequent year. Under the accelerated program outlined in this report, the full annual savings would be achieved three years sooner than the original eight year project schedule. In addition, the full benefits of reducing the City's load demand through energy reductions, as well as the equivalent CO₂ reductions, would also be achieved three years sooner.

The accelerated program outlined in this report would result in the same capital project funding requirement as identified in the Transportation Services Division's 2005 Capital Works budget submission. However, to complete the conversion program by the end of 2008, estimated funds in the amount of \$4,730,000.00 would be required in each of the remaining years. The table below outlines the proposed schedule to complete the accelerated LED conversion program.

Project Year	Calendar Year	Capital Budget	Cumulative Signalized Intersections Converted	Percentage Signalized Intersections Converted
1	2004	\$1.00 million	110	6 Percent
2	2005	\$2.50 million	380	20 Percent
3	2006	\$4.73 million	893	46 Percent
4	2007	\$4.73 million	1,406	73 Percent
5	2008	\$4.73 million	1,920	100 Percent
Total:		\$17.7 million		

The options available to fund this accelerated conversion program could be:

- (1) Works and Emergency Services Capital Works Program budget;
- (2) Loan from the Toronto Atmospheric Fund (TAF), with repayment schedule funded by annual savings;
- (3) External funding opportunities through Toronto Hydro based on Conservation and Demand Management Strategies; and
- (4) A combination of Items (1) through (3) above.

If funding for the accelerated LED conversion program is acquired through TAF, the savings from the conversion program will be used to repay the TAF loan. If the accelerated LED conversion program is funded solely from the Works and Emergency Services Department's Capital Works budget, it is recommended that a dedicated reserve fund be established to accrue the savings to offset the future costs of the LED signal lamp replacement cycle. All of the above

funding options require further investigation and review by the Chief Financial Officer and Treasurer to determine the most effective financial strategy for implementation of the accelerated LED conversion program for traffic signal lamps.

The accelerated LED conversion program does not provide for a smooth transition to an LED signal lamp replacement schedule. Based on an eight year operating life of the LED traffic signal lamp, the original eight year installation schedule provided for a seamless transition to a continuous replacement cycle that involved replacing one eighth of the total number of LEDs each year. The accelerated LED conversion program will result in a surge in LED replacement costs with Capital Budget implications in the future.

An accelerated LED conversion program also has some disadvantages with respect to procurement of the LED signal lamps. The key LED signal lamp procurement issues are:

- (1) Quantities of each type and size of LED traffic signal lamps will need to be determined for tendering purposes. The total number of LED signal lamps that are required to complete the conversion program is approximately 43,500 units. An eight year conversion program, dealing with smaller quantities, provides more opportunity to implement an adequate quality control program. In order to accelerate the LED conversion program, the procurement process must begin as soon as practicable and a multiple-year supply contract must be issued in order to ensure the successful manufacturer can support quality control practices and meet the delivery schedule.
- (2) Under an accelerated LED conversion program, in order to meet delivery schedules, all supplied LED signal lamps will need to be in accordance with the existing standards. The Institute of Transportation Engineers (ITE) is currently revising the standards for LED Vehicle Traffic Control Signal Heads and these new standards are to be released in 2005. Significant changes in the new standard include luminous intensity levels and expanded viewing angles. It is anticipated that manufacturers will be given a one year grace period to adjust to the new standard. Based on the timelines to review and evaluate the new products, supply will not likely be available until the end of 2007.
- (3) In addition, under the City-wide LED Conversion Program, vehicle yellow indications are not being converted to LED lamps. However, the new ITE standard will incorporate vehicle yellow indications and, therefore, the City of Toronto should include these in the conversion program. It is recommended that, following the publication of the new ITE standard, if schedule and budget permit, staff include the vehicle yellow displays in the conversion program.
- (4) To support an accelerated LED conversion program, additional staff resources are required to be in place immediately to support the following activities:
 - (i) inventory assessment;
 - (ii) preparation of tenders;
 - (iii) establishing the energy load profiles;
 - (iv) preparing for material tracking;
 - (v) monitoring contract progress; and
 - (vi) ensuring adjustment of the Toronto Hydro energy billings.

The conversion to LED traffic signal lamps is more involved than replacing incandescent signal lamps and issues will arise with respect to compatibility of the existing traffic signal plant. This is particularly true for the City of Toronto, as compared to other municipalities in the Greater Toronto Area, given the age of the traffic control signal plant. In support of the LED conversion program, two additional temporary positions have been requested under the Transportation Services Division's 2005 Operating Budget submission. Should Council approve the accelerated program outlined in this report, an additional Engineering Technologist position at a cost of \$62,000.00 should be added to the Transportation Services request, to deal with the challenges and increased workload in administering an accelerated LED conversion program.

Conclusions:

If the accelerated LED conversion program for traffic signal lamps is adopted, it will result in achieving annual savings of approximately \$2,050,000.00 three years sooner than the original eight year project schedule. In addition, the City's energy reduction and equivalent CO₂ emissions reduction will also be achieved three years sooner. Based on the installation schedule outlined in this report, the accelerated LED conversion program will be completed by the end of 2008. However, as outlined in this report, there are technology, procurement, and budgetary issues that are more effectively addressed by the originally adopted eight year schedule.

Contact Name:

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Confidential report (January 21, 2005) from the City Solicitor, on the Waterfront Revitalization Initiative, and because the subject matter deals with possible litigation under the *Municipal Act, 2001*, discussions be held in-camera.

The Policy and Finance Committee also considered the following communications:

- (1) confidential communication (February 10, 2005) from the Toronto Transit Commission with respect to the Sheppard Subway;
- (2) (February 11, 2005) from Nazat Alnayeem
- (3) (February 14, 2005) from Chief General Manager, Toronto Transit Commission;
- (4) (February 15, 2005) Final Wrap-Up Notes;
- (5) from Councillor Gloria Lindsay Luby, Councillor Gay Cowbourne, Councillor David Soknacki, Councillor Sylvia Watson, and Councillor Janet Davis, respecting Budget Town Hall meetings in their respective wards;

- (6) 2005 Capital and Operating Budget Briefing Notes; and
- (7) communication (February 7, 2005) from the Policy and Finance Committee and the Budget Advisory Committee advising the Committees met jointly on February 7, 2005, to hear deputations from the following persons respecting the 2005 Capital and Operating Budgets:
- Judith Andrew, Vice President, Canadian Federation of Independent Business;
 - David G. Fleet and Phil Giller, Toronto Office Coalition, c/o Poole Milligan LLP, Barristers and Solicitors; and filed a copy of his submission;
 - Allan Kasperski, Fieldsports; and filed a copy of his submission;
 - Glen Grunwald, President and CEO, Toronto Board of Trade; and filed a copy of his submission;
 - S. Michael Brooks, Executive Director, Canadian Institute of Public and Private Real Estate Companies; and filed a copy of his submission;
 - Eva Ligeti, Executive Director, Clean Air Partnership; and filed a copy of her submission;
 - Helen Lai-Man Poon, Executive Director, Chinese Canadian National Council Toronto Chapter; and filed a copy of her submission;
 - Kevin Lee, Executive Director, Scadding Court Community Centre; and filed a copy of his submission;
 - Shahina Sayani, For Youth Initiatives and Valerie Mitchell; and filed a copy of their submission;
 - Robert Lamb, Canadian Opera Company and Kevin Garland, The National Ballet of Canada also on behalf of the Toronto Symphony Orchestra, The Gardiner Museum of Ceramic Art and the National Ballet School;
 - Jerry Smith, Director, Lakeshore Arts;
 - Lilita Tannis, Executive Director, Urban Arts, Community Arts Council;
 - Carl Sprogis, Chair, Arts Etobicoke; and presented a four-minute video;
 - Karin Eaton, Executive Director, Scarborough Arts Council;
 - William Duron, CEO, Royal Agricultural Winter Fair, National Trade Centre, Exhibition Place; and filed a copy of his submission;
 - Richard Christie, Toronto District School Board;
 - Janet McKay, Executive Director, LEAF;
 - Fiona Nelson;
 - Ann Fitzpatrick, Housing Action Now; and filed a copy of her submission;
 - Frank Chester, Pride Toronto; and filed a copy of his submission;
 - Brad Butt, Executive Director, Greater Toronto Apartment Association; and filed a copy of his submission;
 - Todd Irvine, Toronto Public Space Committee;
 - Tasha Kheiriddin, Director, Canadian Taxpayers Federation; and filed a copy of her submission;
 - Faye Lyons, Government Relations Specialist, Canadian Auto Association; a filed a copy of her submission;
 - Albert Veira, Board Member, LAMP CHC; and filed a copy of his submission;
 - Susan Zalepa, Swansea Memorial Library Friends; and filed a copy of her submission and a 23 page petition signed by members of the community asking for additional opening hours for the Swansea Library;

- Janice Juman, Chris Cassidy, and Mary Grace Lacap, Youthlink;
- Helen Armstrong, Program Coordinator, LAMP Community Health Centre and Etobicoke Lakeshore Housing Task Force; and filed a copy of her submission;
- Ed Castro, Co-Chair, Scarborough Civic Action Network;
- Seema Opal, Alliance for South Asian AIDS Prevention;
- Jeff Brown, Sierra Club of Canada; and filed a copy of his submission;
- Lewis Beasley;
- Lela Gary, c/o Air Pollution Coalition; and filed a copy of her submission;
- Joy Hughes, Cedar Ridge Studio Gallery;
- Michael Rosenberg; and filed a copy of his submission;
- Lyle Hall, Chair, Tourism Toronto; and filed a copy of his submission;
- Julie Beddoes, External Vice President, Gooderham & Worts Neighbourhood Association; and filed a copy of her submission;
- Richmond Ansu, Toronto Youth Cabinet; and filed a copy of his submission;
- Dan Wigglesworth; and e-mailed a copy of his submission;
- Joan Doiron, Better Transportation Coalition; and filed a copy of her submission;
- Siva Kandiah, President, Blue Ribbon Child Care Society;
- Susan Preston, Board of Directors, OASW Central Ontario Branch; and e-mailed a copy of her submission;
- Malston Anderson & Michaelann George, Black Coalition for AIDS Prevention;
- Ann Egger, Registered Nurse, Regent Park Community Health Centre; and filed a copy of her submission;
- John Cartwright, President, Toronto and Region Labour Council; and filed a copy of his submission;
- Gord Perks, Senior Campaigner, Toronto Environmental Alliance;
- Martin Koob, Member, Toronto Bicycling Network; and e-mailed a copy of his submission;
- Marilyn Roy, Harbourfront Community Centre; and filed a copy of her submission;
- Christopher Ridabock, Director, Greater Toronto Marketing Alliance; and filed a copy of his submission;
- Howard Watson, Chair of Housing, Metro Chapter, Canadian Pensioners Concerned; and filed a copy of his submission;
- Alejandra Bravo, Chair, St. Clair West Village Residents' Association;
- David White, Front and Centre, Spokesperson; and filed a copy of his submission;
- Hamish Wilson; and filed a copy of his submission;
- Bill Guthrie, Vice President, Toronto Civic Employees Union Local 416; and filed a copy of his submission;
- Michael Shapcott, Toronto Disaster Relief Committee; and filed a copy of his submission;
- Michelle Adams and Sophia Luguya, AWARE Project;
- Russ Ford, The Toronto Neighbourhood Centres; and filed a copy of his submission;
- Ryan Hayes, Stefany Hanson, Paul Lewkowicz and Adam Chaleff-Freudenthaler, Toronto Youth Cabinet; and filed a copy of their submission;
- John Campey, Executive Director, Community Social Planning Council for Toronto; and filed a copy of his submission;
- Sharon Howarth;

- Bob Gerard, Treasurer, Canadian Condominium Institute; and filed a copy of his submission;
- Ian Wheal, Director, Black Creek Conservation Project; and filed a copy of his submission;
- Raymond Micah, Executive Director, African Canadian Social Development Council;
- Robert Eisenberg, Liberty Village BIA; and filed a copy of his submission;
- Tony Jno Baptiste, East Scarborough Boys & Girls Club; and filed a copy of his submission; and
- Michael Noble.

Councillor Jane Pitfield, Don Valley West, appeared before the Policy and Finance Committee.

(A copy of the 2005 Capital Budget - Summary of Budget Review Process (Final Wrap Up Notes) referred to in the foregoing report was forwarded to all Members of Council with the February 15, 2005, agenda of the Policy and Finance Committee and a copy thereof is also on file in the office of the City Clerk, City Hall.)

City Council – February 21, 22, 23, 24, 25, 28 and March 1, 2005

Report (September 13, 2004) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, entitled “Contributions to the Vehicle and Equipment Replacement Reserve”, referred to in Recommendation (123) contained in Clause 1 of Report 3 of the Policy and Finance Committee, entitled “City of Toronto 2005 Budget Advisory Committee Recommended Capital Budget and 2006 – 2014 Capital Plan”:

Purpose:

This report recommends a long-term strategy for funding contributions to the Vehicle and Equipment Replacement Reserve so that necessary replacements can be sustained on a timely basis and the current replacement backlog of vehicles to be replaced is discussed.

Financial Implications and Impact Statement:

There are no financial implications as a result of this report for 2004. For 2005, the operating budget could increase from \$2-\$4 million depending on the final reserve contribution level and the number of vehicles delivered from the 2005 replacement program (this would be the first installment of the sustainable contribution over the assets’ projected life). The gap of some \$12 million, which now exists, between the current aggregate contributions to the Vehicle and Equipment Replacement Reserve and the annual replacement requirements needs to be reduced as does the 2004 projected year end \$51.4 million worth of vehicles needing to be replaced.

Recommendations:

It is recommended that:

- (1) *commencing in 2005, all Programs commit to the policy of increasing their 2004 contribution to the Vehicle and Equipment Replacement Reserve for all new vehicles by an amount based on the following calculation:*

$$\frac{\text{Future replacement cost less end of life salvage value}}{\text{Projected useful life in months}}$$

- (2) *Fleet Services establish the reserve contribution amount based on the above formula and collect reserve contributions using interdepartmental charge-backs on a monthly basis;*
- (3) *Fleet Services develop a vehicle / equipment charge-back rate program for the 2006 budget cycle. The internal charge shall be all inclusive of vehicle and equipment operating costs (not including fuel that will be a direct charge);*
- (4) *commencing in 2005, Fleet Services report, as part of its annual capital / operating budget presentation, on the progress to date to reduce the backlog of overdue vehicles, and the uncommitted balance in the Vehicle and Equipment Replacement Reserve available for fleet replacement;*
- (5) *Council establish a cost centre within the Stabilization Reserve Fund called 'Fleet Services Stabilization' to fund any deficit in the Fleet Services Operations or to be transferred to the Vehicle and Equipment Replacement Reserve to fund any backlog of vehicles needing to be replaced and that Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding this cost centre to Schedule '4' (Stabilization Reserve Fund);*
- (6) *this report be forwarded to the Budget Advisory Committee for consideration; and*
- (7) *the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.*

Background:

At its special meeting of April 15 and 16, 2004, Council adopted Clause No. 2a of Report No. 2 of the Audit Committee entitled 'Fleet Operation Review – Phase One.' which recommended among other things that, " as recommended by the Budget Advisory Committee in February 2002, the Commissioner, Corporate Services, and Chief Financial Officer and Treasurer report back on the long term strategy for operating contributions to the Vehicle and Equipment Reserve."

Comments:

Replacement programs are required to replace vehicles and other major pieces of equipment owned by the City or its agents. Replacement is required when the assets have reached the end of their useful life, are beyond economical repair or are no longer suitable for the task they are required to perform. The lack of a sustainable reserve will result in vehicles and equipment that are extended beyond their useful life. This will decrease the availability and safety to the extent that City services can no longer be reliably supported. The intention of this report is to sustain the reserve and strengthen the existing policy on reserve contributions.

There are a number of different mechanisms for funding the replacement of vehicles and equipment. The City has chosen to have Programs make a contribution to a vehicle and equipment replacement reserve. The reserve approach has been deemed to be most appropriate for the City because this method of funding is likely to provide for stability both in the Operating Budget expenses and long term reserve sustainability. The City has based its funding levels to date on historic contributions that were embedded in the Program base budgets at amalgamation and such adjustments have been approved by Council since then.

There are three issues facing the Vehicle and Equipment Replacement Reserve:

- A: Long term sustainability*
- B: The appropriate contribution level*
- C: Backlog of vehicles / equipment needing to be replaced*

A: Long term sustainability of the Reserve

The opening reserve balance as at January 1, 1998 consolidated from the former municipalities at amalgamation was \$81.7 million. Although annual reserve contributions have increased since then by using the 'pay as you go' model, the result of these adjustments has been that, until recently, reserve draws have exceeded contributions. This ultimately led to an erosion of the Vehicle and Equipment Replacement Reserve (see Appendix 1 for Reserve History). As well, the City's policy in light of this erosion has been to restrict withdrawals to contribution levels for each Program. It is estimated that by the 2004 year end the City wide reserve balance will be \$29.2 million after purchases and commitments.

The annual replacement requirement depends on several factors including the projected lifecycle of the asset and the level of replacements in prior years. For example, if a procurement cycle was skipped in 1999, the replacement of these units is simply deferred to a future point. It is estimated that a sustainable replacement program for the corporate fleet (excluding Police, Fire and Emergency Medical Services) requires approximately \$35 million worth of vehicles and equipment to be replaced each year on average. In 2004, contributions to the reserve for the corporate fleet are estimated at \$22.5 million. For the three Programs (Police, Fire, and Emergency Medical Services), not administered by Fleet Services, but which contribute to the Vehicle and Equipment Replacement Reserve, the comparable figures are \$16 million and \$15 million.

At its meeting of July 28th and 29th, 1999, Council adopted the report (July 13, 1999) from the Chief Financial Officer and Treasurer entitled, '1999 Vehicle and Equipment Replacement Program.' The report recommended that the CFO and the Acting Commissioner of Corporate Services report on the feasibility of leasing the corporation's fleet requirements or a portion thereof. The report highlighted the projected shortfall between the funds available for replacement and replacement requirement, and thus, suggested that leasing might be an appropriate solution to the pending problem. An RFP was issued and evaluated in 2000 but it was determined that leasing was not financially advantageous. The report also noted Council's priorities for that term to not incur any new debt and to maintain service delivery – combined, these priorities were used as guiding principals to establish a sustainable reserve program.

For the budget year 2003, due to the mismatch of contributions and withdrawals, and the depletion of the reserve, the Executive Management Team (EMT) adopted a 'pay as you go' policy to halt the erosion of the reserve and ensure accountability by Program for contributions and draws. The 'pay as you go' program has halted this erosion by maintaining near term, in-year replacement requirements, however it does not address overdue equipment. Any Capital requests, for vehicle or equipment replacement, must not exceed the amount that has been committed to be transferred from the approved Operating Budget for that year. For example, if a Program wishes to purchase \$2 million worth of vehicles it must set aside \$2 million in its respective Operating Budget in order to do so. The current 'pay as you go' reserve contribution program does not include sustainable contributions for future procurement of the replacement nor deal with the accumulated shortfall/backlog from prior years. To help track Program contributions and net balances, the reserve is being re-organized by providing cost centres for each Program. This will provide a tracking mechanism for Finance to ensure Programs do not withdraw more than they have contributed and ensure proceeds from salvage are distributed appropriately. This practice will allow each Program to track its respective reserve contributions and monitor the balance. In the 2004 budget cycle, Programs have followed this practice. However, the decision making concerning the level of contribution to the reserve, has been predominately based on a level of affordability that balances competing service priorities rather than the contribution being based upon the need to maintain a Fleet in good state of repair.

Vehicles that are extended beyond their useful lives require additional technician / mechanic resources and maintenance funds to ensure that operator and public safety remains a top priority. As of June 2004, there were 752 active vehicles overdue for replacement without reserve funding available. In the first 6 months, the above vehicles / equipment have cost \$1.9 million to maintain or approximately \$3.8 million per year.

The current 'pay as you go' reserve contribution model is maintaining in-year replacement requirements, however:

- (1) It does not address overdue equipment*
- (2) It is not a long term sustainable model*
- (3) It remains subject to budgetary reductions to meet other pressures*

B: Calculation of the contribution

There are a number of potentially sustainable models, as noted below, that could be followed. The first three approaches are related to different methodologies for calculating the contribution to the reserve and the fourth is an alternative to direct contributions by Programs to the reserve.

(a) 'Pay-as-you-go' model

This method was adopted in 2003 and remains the current process in place. Contributions are made in year by Programs based on the current replacement value of the new items requested and adjusted to accommodate in-year budget pressures. There are two advantages to this method:

- (1) The City avoids any financing costs associated with capital procurement.*
- (2) Programs have flexibility to adjust the level of reserve contributions as competing service priorities arise.*

The disadvantage is that many necessary purchases are postponed to help offset other financial pressures, resulting in higher maintenance costs, increased downtime and a fluctuating inventory of vehicles/equipment, which complicates future planning of replacements and required reserve financing. Another disadvantage of this model is that unless purchases are constant over time, which for most Programs they are not, there can be significant fluctuations in the Operating Budget requirements from year to year. Although the 'pay as you go' model has helped to increase accountability of reserve contributions by Program, it has not addressed long term sustainability, nor has it impacted on the backlog of vehicles due for replacement.

(b) Depreciation model

The basis of this option is that the contribution to the reserve in any given year should reflect the amount of the useful life that has been expended in that year. There are a number of ways to calculate this. One such formula could be based on a straight-line depreciated value of the fleet. For example, the contribution in any given year would be equal to:

$$\frac{\text{Replacement Cost less Contribution to the Reserve to Date less Salvage Value}}{\text{Remaining Useful Life Left in Years}}$$

The advantage of this method would be that it links useful life to the contribution level and would allow for differing estimates, between Programs, on what they regard as 'useful life.' For example, a car used by an inspector for one shift a day may last beyond the current projected lifecycle of 8 years; however, the same vehicle used for three shifts a day or in a demanding environment may last only 5 years. Therefore, the level of contribution for the replacement of the car needs to be adjusted accordingly. The disadvantage of this model is that as the vehicle ages, not only are reserve contributions increasing, but maintenance costs are increasing as well. This model would also place considerable pressure on the Operating Budget as it would be applied to existing vehicles/equipment in service. The 'remaining useful life' may be 1 year and therefore

the reserve contributions would be significant in order to fully fund the replacement. The result is that in the last few years before replacement, the Program faces budget pressure from growing maintenance costs and increasing contributions to the reserve. However, the model only works if the Program identifies the useful lifecycle up front and is diligent with its reserve contributions over the expected life based on that estimation. If the Program chooses to use planned contributions to offset other pressures the model will fail.

A similar model was looked at using Revenue Canada's capital cost allowance (CCA) method which is, for cars, a 30% allowance on a diminishing balance. This method would 'front end' contributions in the early years of the asset life, which is advantageous because the maintenance costs would be low and many repairs would be covered under warranty. The City's current situation has been brought on by its inability to raise contributions to a sustainable level. While there is appeal to this type of formula, there would be significant additional pressure on the operating budget from this front end method of depreciation, which is not sustainable in the current context.

(c) *Straight Allocation of Contribution Over Useful life model*

Using this method would build a stable contribution each year over the life of the asset. A Program would base its contribution on the replacement value of the asset over the expected life. Appendix 2 illustrates how the model would function over an 8 year period. The advantage of this method is that the reserve contribution would be static over the life of the asset. The potential disadvantage is that a Program could over or under contribute to the reserve based on projected future replacement values; however this risk is minimal and adjustments could be made over the life of the asset to compensate for any discrepancies.

The contribution in any given month would be equal to:

$$\frac{\text{Future replacement cost less salvage value}}{\text{Projected useful life in months}}$$

(d) *Embed the Contribution into a Charge-back Rate*

Another approach to solving the problem of a sustainable contribution level, is to secure contributions through a 'charge-back rate'. In this model Fleet Services would charge Programs an internal charge-back rate for the vehicles that they use. A reserve contribution component would be factored into a monthly charge-back rate. Fleet Services would establish the reserve contribution amount based on the formula outlined in method 'c', and use interdepartmental charge backs to collect the reserve contribution. Postponement of replenishment is not a possibility because, in order to use the vehicle, the Program would have to pay the charge-back rate and would thus be obliged to pay the full cost of the use of the vehicle which includes the appropriate contribution to the reserve. The reserve is now provided with a sustainable means of self-support. This model provides greater accountability by increasing the frequency of billing, however it does remove the option, or flexibility, of reducing contributions to offset other pressures. In other words, if the vehicle is used, the Program will be charged by Fleet Services.

In the first year of operation, the 'charge-back rate' would be comprised of the reserve contribution only. In 2006, it is recommended that the charge-back rate would become an all inclusive amount that would capture maintenance, insurance, reserve contribution, licensing and all other operating expenses with the exception of fuel. This model will simplify the interdepartmental charge-back for Programs and enhance both future planning and a sustainable reserve. The all inclusive charge-back rate model is used by a number of other Canadian municipalities and was the method of internal charge-back used by the former City of Toronto.

Fundamentally there have been two challenges associated with sustaining the Vehicle and Equipment Replacement Reserve so that it can provide timely funding for required replacements. The first is pressure to maintain the existing service level of the Programs and stay within the previous year's Operating Budget envelope. This has often encouraged Programs to reduce their reserve contributions in order to preserve funding for other elements of their programs. Secondly, the City has not been in a strong enough financial position to replace assets on a timely basis consistent with life cycle management.

To initiate a sustainable lifecycle management program, it is being recommended that options 'c' and 'd' be implemented as the best approach to a long-term strategy to ensure operating contributions to the reserve are consistent with replacement requirements. It should be noted, however, that this is a fundamental change to the way the City manages Fleet business, specifically in that the chargeback cost would be a fixed amount, billed monthly over the lifecycle of the asset. This approach will ensure that Programs carefully consider any replacements due to the long-term financial commitment, thereby increasing accountability and more accurately reflecting the cost of service delivery. It would be necessary for operating Programs to take stock of their inventory monthly and consider the financial implications of a long-term sustainable program. Programs who wish to utilize the assets would enter into a charge-back agreement with Fleet Services for a stipulated term. The reserve contributions from the 2005 operating budget would be used for the procurement of the requested vehicles as per usual. Upon receipt of the new asset, the Program would be billed the 'charge-back rate' comprised of the depreciation to sustain the reserve. This is appropriate because the asset has a life greater than one year and has helped to provide service over the course of its life.

As with all of the options explored above, there remains the risk that any model will fail without a commitment to both the sustainable reserve contribution and the capital required to address in year replacement demands.

In 2004, Fleet Services started renting out the recently introduced hybrid pick up trucks to various Programs with two specific goals:

- (1) to expose and evaluate the technology to a variety of operations under varying conditions; and*
- (2) to evaluate the operational feasibility of an all inclusive charge-back program which also includes a contribution for a sustainable reserve.*

The charge-back program has, by all accounts, been a success for the operating Programs, for Fleet Services and for the environment.

The demand for hybrid vehicles has been high. All of Fleet's light duty hybrid vehicles have been rented out at an all inclusive rate (excluding fuel) that includes a component cost for sustainable reserve contributions. The rate is competitive with external supplier rental rates for conventional vehicles. Programs sign an internal-charge-back agreement, at a set rate, for a stipulated length of time. Programs prefer to use City vehicles rather than tendering a rental contract themselves because the need for the vehicle is usually immediate and they are equipped with the appropriate identification, emergency lighting and safety equipment.

C: Backlog

The inherent weakness of any of the proposed models is that they will not immediately address the current backlog of vehicles due for replacement. The projected 2004 year-end inventory of unfunded assets that are beyond their forecasted expected life is \$51.4 million dollars. There are insufficient funds within the reserve to finance action on all of the overdue vehicles and turning to the Operating Budget would be too much of a financial burden to not impact on service levels. Also, in order for the reserve to remain sustainable, theoretically, equal contributions would need to start at the very beginning of the life cycle for every vehicle/equipment that the City owns. This poses a problem for the existing inventory because contributions are triggered at the end of an asset's life. The current 'pay as you go' policy could be used as a starting point for an asset to begin its cycle within the charge-back program. Eventually, all the City's assets would become part of the charge-back program, which would begin the cycle of stabilizing operating contributions to the reserve. It is estimated that it will take approximately 14 years before all of the corporate fleet assets bridge over to the new 'charge-back rate' program.

To bring all of the City's vehicles/equipment into a status within their lifecycle, alternative sources of financing would need to be considered. In 2001, 2002 and 2003, Police Services received a fully funded commitment from the Vehicle and Equipment Replacement Reserve in the amount of \$12 million. In 2004 and 2005, \$5M and \$5.1M will be recovered from the repatriation of Police Services OMERS Surplus respectively and the 2004 recovery of \$5M is reflected in the estimated 2004 year end reserve balance. Fleet Services would utilize this funding to take action on vehicles with high maintenance costs and/or overdue for replacement. Commencing in 2005, Fleet Services will report, as part of its annual capital / operating budget presentation, on the progress to date to reduce the backlog. As well, the 2001, 2002 and 2003 capital accounts will be closed and the remaining \$1.9 million will be returned to the reserve and used to reduce overdue or high maintenance vehicles.

It is possible that the reduction of the backlog and the potential efficiencies from the charge-back system could result in a surplus in the Fleet Service Operating Budget. Thus, it is being recommended that a Fleet Stabilization account be established in the Stabilization Reserve Fund to capture such surpluses. This account could be used to fund part of the backlog and to offset any future deficit in the Fleet Service Operating Budget resulting from the application of the charge-back system. This account would have the attributes outlined in Appendix 3.

As a last resort only, short term debt financing might be considered to provide additional short term funding to address the backlog issue.

Conclusions:

In consideration of Council's priorities for this term, option "d) Embed the Contribution into a Charge-back Rate" and the application of the contribution formula as per option 'c':

$$\frac{\text{Future replacement cost less end of life salvage value}}{\text{Projected useful life in months}}$$

represents a viable solution by using time as the equalizer towards a sustainable reserve program without incurring new debt.

Vehicles and equipment represent a significant portion of the service delivery cost, and as a long-term strategy, the cost of vehicle replacement should be spread out over the life of the asset. It is reasonable to assume that a portion of the operating expenditures should be dedicated to a sustainable vehicle and equipment reserve to support the delivery of services. This would be done through annual operating contributions to the Vehicle and Equipment Replacement Reserve. The practice of operating contributions to the reserve should not be considered discretionary spending subject to deferrals. Inevitably, the asset will need to be replaced and it is better to smooth out the contributions over time by capturing all relevant costs, rather than be faced with an overwhelming need in one year. This practice also requires a secured reserve for future years and any balance should not be subject to re-allocation. The charge-back program will commit Programs to pay for the vehicles that they use. Should adjustments be required to meet other financial pressures, the Programs would be required to forfeit the vehicle / equipment for re-assignment / disposal. To ensure consistent contributions, it is better to have a 'built-in' mechanism, which collects contributions without the option of deferral, and that mechanism is achieved through a charge-back rate model.

Starting in 2006, it is being recommended that the Fleet Services all inclusive internal charge-back program be expanded to include all vehicles / equipment in the inventory excluding Police, Fire and EMS. Initially, the charge-back rate will include all operating expenses except for reserve contribution which will only apply to vehicles procured in 2005 and beyond. This new model would be a significant change to the way in which Fleet Services collects its internal charge-backs, but it will also simplify Program and Fleet Services budgeting, increase accountability, provide a sustainable reserve over time and more accurately reflect the cost of service delivery. The inclusion of operating expenses in the new model will not add any additional pressure to the Program's Operating Budget. The first phase of introduction would focus on the assets with high maintenance costs and the light duty vehicles. Receipt of any new assets, through the 'pay as you go model,' in 2005 would begin the cycle of consistent contributions and a sustainable long term vehicle and equipment reserve.

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Appendix I
Continuity Schedule
Vehicle and Equipment Replacement Reserve

	1998	1999	2000	2001	2002	2003	2004 Est.
Opening Balance	81,711	74,874	25,550	12,500	9,653	4,792	10,505
Fleet Administration Contributions	12,213	8,888	14,607	18,514	16,510	20,372	22,503
Contributions - TPS, EMS & Fire	5,784	6,843	7,564	13,685	12,460	14,571	14,960
Contributions - Non-Program	0	396	7,000	7,000	0	2,850	300
Contributions from Reserves/Res. Funds			1,211	0	0	1,853	2,699
Other Revenue(+ Return of funds)	2,959	1,749	-20	1,442	32,094	2,438	6,811
Purchases	27,792	14,387	376	42	0	0	
Contributions to Current(Police/EMS)					10,598	6,838	0
Contributions to Capital (+ 02/03 accruals)		52,814	43,035	43,446	34,910	10,385	0
Commitments(Capital Budget+ C/F)					20,417	19,149	28,609
Closing Balance(with projected commitments) *	74,874	25,550	12,500	9,653	4,792	10,505	29,168

*Notes:

1. Year end balances for 1998 - 2001 agree with SAP. The balances for 2002 - 2004 are adjusted back with accruals and commitments due to the change of funding method started from 2002.
2. 2004 balance is projected with the approved budget amounts for contributions/capital withdrawals, return of funds from close-outs, auction proceeds and proceeds from sale of replaced vehicles, and prior year projects' adjustments - accruals.
3. The \$29.2 million is allocated as follows: equipment (10.4); Wheel Trans (4.4); Police OMERS return (5.0); solid waste repayment (4.4); auction proceeds (2.2); closed capital accounts (4.2)

*Appendix 2
 Reserve Contribution*

	Replacement Cost	Contribution per Year	Accumulated Contribution
Year 1	\$27,500	\$3,438	\$3,438
Year 2	27,500	3,438	\$6,876
Year 3	27,500	3,438	\$10,314
Year 4	27,500	3,438	\$13,752
Year 5	27,500	3,438	\$17,190
Year 6	27,500	3,438	\$20,628
Year 7	27,500	3,438	\$24,066
Year 8	27,500	3,438	\$27,504

Assumptions:

Original purchase price at start of Year 1 - \$25,000

Expected life – 8 years

At the end of year 8 salvage value of vehicle is \$2,500 or 10% of original cost and a replacement vehicle costs \$30,000 or a 20% Increase

Formula is:

$$\frac{\text{Future replacement cost less end of life salvage value}}{\text{Projected useful life in months}}$$

$$\frac{30,000 - 2,500}{8}$$

$$= 3,438$$

Appendix 3

Instructions For The Creation Of Reserve/Reserve Funds

Statement of Purpose

To fund any deficit in the Fleet Services Operations or to be transferred to the Vehicle and Equipment Replacement Reserve to fund any backlog of vehicles needing to be replaced

'Owner'

Fleet Services

Contribution Policy

At the year-end, the Chief Financial Officer & Treasurer in consultation with the Commissioner of Corporate Services, will determine whether a contribution is warranted on the basis of an operating surplus in the Fleet Services Operating Budget, and should it be, the level of the contribution will be determined at that time.

Withdrawal Policy

- (a) At the year-end, the Chief Financial Officer & Treasurer in consultation with the Commissioner of Corporate Services, will determine whether a withdrawal is warranted on the basis of an operating deficit in the Fleet Services Operating Budget, and should it be, the level of the contribution will be determined at that time.*
- (b) In the course of the review of the Capital Budget, given that there is a balance in the account, the Chief Financial Officer & Treasurer in consultation with the Commissioner of Corporate Services, will determine whether a transfer to the Vehicle and Equipment Replacement Reserve is warranted, and should it be, the level of the contribution will be determined.*

Review Cycle

Every five years.

Communication (February 14, 2005) from the Chief General Manager, Toronto Transit Commission respecting the implications of the commitment for the next TTC bus procurement contract of 330 buses which was approved by the Commission on February 9, 2005, referred to in Clause 1 of Report 3 of the Policy and Finance Committee, entitled "City of Toronto 2005 Budget Advisory Committee Recommended Capital Budget and 2006-2014 Capital Plan":

During its wrap-up session on February 10th, 2005, the Budget Advisory Committee (BAC) considered the implications of the commitment for the next TTC bus procurement contract of 330 buses which was approved by the Commission on February 9, 2005. BAC requested that the TTC report to the Policy and Finance Committee and provide “an update on funding from other levels of government and contract costs relating to bus procurement”.

The following key factors should be noted.

Contract cost per bus: Diesel Bus - \$443,522; Hybrid Bus - \$564,612

Federal Funding

- *Canada Strategic Infrastructure Fund (CSIF) includes projects under the Memorandum of Understanding signed by the City in December 2004.*
- *A requirement for funding under CSIF is that 66% of bus purchases in the years 2006-2008 must be alternate fuelled buses.*
- *Federal funding of hybrid buses is included under the CSIF MOU Schedule A on 58% of the expenditures at the funding rate of 50%.*

Provincial Funding

- *Ontario Transit Vehicle Program (OTVP) provides funding for revenue vehicle purchases and life extension overhauls at the rate of one-third of the expended cost.*
- *OTVP incentive funding of a one-third bonus is available for alternative fuelled buses based on the incremental cost over a base bus cost (hybrid premium of \$221k each).*
- *The Province’s commitment under CSIF for vehicles is being paid out through the OTVP program.*

Taxes

- *PST - a refund of 8% is available on the accessible features costs (\$18,469) of each bus; however, hybrid buses are not eligible for a full refund under the current RST legislation (unlike CNG buses).*
- *GST - a full refund of 7% tax paid is available on the full project expenditures.*

In total, the Federal/Provincial/Municipal shares of funding on this project are 16%/39%/45% respectively. Details of the bus order and funding are included in Table 1 and Attachment A as presented to the committee members on February 10th.

TTC staff have reviewed the contract costs (\$208~1 million less \$12.7 million GST rebate) to determine the estimated impacts on future budgets. To be clear, there are no savings available in the contract for 330 buses with Orion. The contract includes fixed unit costs which were arrived at through lengthy negotiations and based on changes in the mix and timing of diesel/hybrid vehicle deliveries as directed by the Commission. Further, there are no impacts upon the 2005 budget for this future year contract.

This project was included in the 2005-2009 Capital Program under program 4.11 Purchase of Buses with an estimated cost of \$211.6 million. The changes in the timing, mix and contract award for these bus purchases has resulted in a lower estimated project cost of \$201.3 million for an anticipated net budget reduction of \$10.3 million (increase of \$3.7 million in 2006 due to advancement of hybrids; reduction of \$14.0 million in 2007 resulting from lower unit costs). TTC staff will be incorporating these cost changes during the 2006-2010 Capital Program budget process. Table I provides the estimated future budget impact for these projected cost changes. This represents a further refinement to my letter of December 21st to BAC (copy attached) on the subject of these buses.

I trust that this confirms the information requirements as requested by BAC and for consideration by the Policy and Finance Committee.

Table 1

**TTC 2005-2009 Capital Program
Bus Purchases – Contract for 150 Hybrid/ 180 Diesel Buses
As approved by the Commission February 9th, 2005**

((\$000's))	2006	2007	2005-2009
Total Quantity - Bus Purchases:			
Original Plan	130	50	180
Diesel Buses			
Hybrid Buses	100	50	150
Total	230	100	330
Revised Plan	80	100	180
Diesel Buses			
Hybrid Buses	150	-	150
Total – Revised Bus Delivery Plan	230	100	330

BUDGET IMPACT (\$000's)	2006	2007	2005-2009
Original Plan 2005-2009 Capital Program	\$146.7	\$64.9	\$211.6
Revised Plan (Commission)– December 15, 2004	159.0	52.6	211.6
Revised Project Estimate– February 9, 2005 *	150.4	50.9	201.3
Net Change from 2005-2009 Capital Program	\$3.7	-\$14.0	-\$10.3

REVISED FUNDING (\$000's)	2006	2007	2005-2009	
Federal	\$31.8		\$31.8	15.8%
Provincial	61.2	17.0	78.2	38.8%
City	57.4	33.9	91.3	45.4%
Total – Revised Cost / Funding	\$150.4	\$50.9	\$201.3	100.0%

Notes:
Federal funding under CSIF for hybrids only at 50% rate for 58% of bus expenditures (29% effective rate)
Provincial funding for hybrids includes incentive bonus funding of additional 1/3 of hybrid bus premium (\$221k per bus)
City funding portion is the balance

* based on contract award plus internal costs

Attachment A

**PROCUREMENT OF 330 BUSES
ANALYSIS OF PROJECT EXPENDITURES AND FUNDING**

	Diesel		Hybrid		Total	
	2006	2007	2006	2007	2006	2007
<u>Contract Cost per Bus</u>						
<u>Number of Buses</u>	80	100	150	0	230	100
		\$ 443,522		\$ 604,612		330
		180		150		
<u>Project Expenditures (\$millions)</u>						
Orion Bus Contract	41.8	52.3	114.0	-	155.8	52.3
GST Rebate	(2.5)	(3.2)	(6.9)	-	(9.5)	(3.2)
Other Project Costs *	1.4	1.8	2.7	-	4.1	1.8
Total Bus Project Costs	40.6	50.9	109.8	-	150.4	50.9
		91.6		109.7		201.3
<u>Project Funding (\$millions)</u>						
Provincial Funding - OTVP	13.5	17.0	36.6	-	50.1	17.0
Provincial Funding - Incentive Bonus	-	-	11.1	-	11.1	-
Federal Funding - CSIF	-	-	31.8	-	31.8	-
Total Funding	13.5	17.0	79.5	-	93.0	17.0
		30.5		79.5		110.0
Net City Cost - 330 Buses	\$ 27.1	\$ 33.9	\$ 30.3	\$ -	\$ 57.4	\$ 33.9
City Net Share of Buses					38%	67%
		67%		28%		45%

* Includes: project management, engineering and quality control; resident inspection and travel; Pre-Delivery Inspection and TTC preparation for service & equipment installation; time, contingency.

*Communication dated December 21, 2004
from the Chief General Manager, Toronto Transit Commission
addressed to the Chair, Budget Advisory Committee*

Based on approval given by the Commission on December 15th to proceed with the next bus order for 330 buses, steps will be taken over the next 2 months to finalize the contract terms with the intended award of a contract by March 2005. This will allow for Council approval of the 2005-2009 Capital Budget and for the project commitment for buses.

The Commission recommended purchase option will be for delivery of 230 buses in 2006 (80 diesel and 150 hybrids) and for an additional 100 Ridership Growth buses in 2007 (100 diesel). While this combination of diesel and hybrid bus components is consistent with the 2005-2009 Capital Program budget in total (180 diesel and 150 hybrids) the timing of the diesel/hybrid propulsion options will have a budget cash flow impact of an increase of \$12.3 million in 2006 offset by a corresponding \$12.3 million reduction in 2007. This timing impact relates to the hybrid premium and is outlined in the attached table. Please consider this budget amendment in the context of the budget and commitments going forward for Council approval at the end of February 2005. There is no resultant change proposed to the current estimated final cost. The revised project cash flow has been forwarded to City staff to be factored into the revised budget request under review.

**TTC 2005-2009 Capital Program
Amendment for Bus Purchases – 330 Hybrid/Diesel Buses
As approved by the Commission December 15th, 2004**

(\$000's)	2006	2007	2005-2009
Total Quantity - Bus Purchases:			
Original Plan			
Diesel Buses	130	50	180
Hybrid Buses	100	50	150
Total	230	100	330
Revised Plan			
Diesel Buses	80	100	180
Hybrid Buses	150	-	150
Total	230	100	330

BUDGET IMPACT (\$000's)			
Original Plan	\$146.7	\$64.9	\$211.6
Revised Plan	159.0	52.6	211.6
Net Budget Change	\$12.3	-\$12.3	\$-

REVISED FUNDING (\$000's)				
Federal	\$34.3	\$-	\$34.3	16.2%
Provincial	64.3	17.5	81.8	38.7%
City	60.4	35.1	95.5	45.1%
Total Cost	\$159.0	\$52.6	\$211.6	100.0%

Notes:

Federal funding under CSIF for hybrids only at 50% rate for 60% of bus expenditures (30% effective rate)
Provincial funding for hybrids includes incentive bonus funding of additional 1/3 of hybrid bus premium (\$25.2K on this order)
City funding portion is the balance

Analyst Notes referred to in Recommendation (176) is one file in the City Clerk's office.

Council also considered the following:

Communication (February 21, 2005) from Mayor David Miller and Councillor David Soknacki, Chair, Budget Advisory Committee, entitled "Framework for the 2005 Budget Debate" [Communication 3(a)]:

This report is in response to the request from the Policy and Finance Committee that the Mayor and Chair of the Budget Advisory Committee prepare a framework for the 2005 budget debate.

We recommend:

- (1) that the order of business for the 2005 budget debate be:*
- (a) consideration and voting on this report immediately prior to the consideration of the clauses;*

Capital Budget:

- (b) presentations by staff on capital budget, to be followed by questions of staff from Members of Council on the presentations only;*
- (c) determination of program capital budgets to be held for consideration and approval of those capital budgets not held;*
- (d) questions and debate on outstanding program capital budgets;*
- (e) voting on each program capital budget immediately after all motions have been made on each respective program capital budget;*

Operating Budget:

- (f) presentations by staff on the operating budget, to be followed by questions of staff from Members of Council on the presentations only;*
- (g) determination of program operating budgets to be held for consideration and approval of those operating budgets not held;*
- (h) questions and debate on outstanding program operating budgets;*
- (i) voting on each program operating budget immediately after all motions have been made on each respective program operating budget;*

General Budget Matters:

- (j) debate on general budget matters only that are not program-specific, and include process issues and recommendations 1 to 8 in the 2005 capital budget (Clause 1) and recommendations 1 to 6 in the 2005 operating budget (Clause 2);*

- (k) *voting on motions which apply to general matters only; and*
- (l) *consideration of 2005 tax levy by-laws and related matters (Clause 3); and*
- (2) *that Council agrees to these principles for the 2005 budget debate:*
 - (a) *that if any capital or operating expenditure increase is proposed, the resolution must also include a funding source which can be used for the purpose of offsetting that expenditure. If the resolution does not contain such a funding source, then the resolution is deemed not to be in order. Favourable variances are deemed not to be an appropriate funding source;*
 - (b) *if funds from one program budget are to be used to offset or fund another program budget(s), Members must hold all such budgets open and move their motions on the affected budgets during consideration of the first of these program budgets. When all motions have been voted on for the first affected program budget, that budget shall be closed. The other affected program budgets shall be adjusted accordingly and remain open except as it relates to the actions of Council on the first (now closed) program budget; and*
 - (c) *that in keeping with the Financial Control by-law and the Council Procedures by-law the CFO and Treasurer will give a financial impact statement with each proposed motion immediately prior to voting on each motion.*

Communication (February 22, 2005) from the Budget Advisory Committee, forwarding recommendations from its meeting on February 22, 2005 [Communication 2(g)]:

Subject: City of Toronto 2005 Capital and Operating Budget

Recommendations:

The Budget Advisory Committee:

- (1) *recommended that the following measures be taken to offset the Provincial funding shortfall of \$45 million in the 2005 Budget Advisory Committee Recommended Operating Budget:*
 - (a) *further program-specific expenditure reductions of \$5.24 million:*
 - (i) *additional gapping of \$0.500 million in the Fraud Control and Prevention function in Social Services;*
 - (ii) *reduction of \$0.5 million in Shelter, Housing and Support, to reflect gapping and increased efficiencies;*

- (iii) *Urban Development Services 2005 revenue increase of \$0.150 million to implement Council's approved planning fee based on 100 percent cost recovery effective February 21, 2005;*
 - (iv) *\$1.0 million reduction in Fire Services contribution to the Vehicle and Equipment Reserve for the acquisition of fire vehicles and equipment;*
 - (v) *\$0.080 million gross and \$0.040 million net reduction in Emergency Medical Services and a \$0.050 million reduction in WES Support Services utility costs for a net reduction of \$0.090 million;*
 - (vi) *savings of \$1.0 million already recommended by Budget Advisory Committee from a reduction in utility costs in Solid Waste Management Services (\$0.400 million) and Transportation Services (\$0.600 million);*
 - (vii) *reduction of \$0.5 million in Transportation Services and \$0.5 million in Solid Waste Management Services reflecting a combination of gapping and higher than anticipated revenues, respectively; and*
 - (viii) *\$1.0 million reduction in debt service costs contained in Capital and Corporate Financing based on the 2004 actual experience;*
- (b) *given the Provincial funding shortfall for cost shared programs, it is necessary that \$19.76 million be drawn from the following reserve funds:*
- (i) *\$5.5 million from the Homes for the Aged Stabilization Reserve Fund;*
 - (ii) *\$13.928 million from the Social Housing Stabilization Reserve Fund; and*
 - (iii) *\$0.332 million from the inactive Building Maintenance Reserve Fund;*
- (It should be noted that the reserve funding has been allocated from the 2004 surplus.)*
- (c) *in accordance with the Provincial Loan Agreement approved by City Council in 2003, that City land be sold to the Province of Ontario and that proceeds be applied against the 2005 provincial loan repayment of \$20.0 million by the City; and*
- (d) *City staff work with Provincial staff during 2005 to ensure appropriate Provincial funding of cost shared programs in accordance with legislation to eliminate the over reliance on property tax revenue, and inappropriate use of reserve funds;*
- (2) *received the report (February 22, 2005) from the Chief Financial Officer and Treasurer, entitled "2004 Preliminary Year-end Capital Variance Report", and directed that the report be forwarded to City Council for information;*

- (3) *received the report (February 22, 2005) from the Chief Financial Officer and Treasurer, entitled “2004 Preliminary Operating Variance Report”, and directed that the report be forwarded to City Council for information; and*
- (4) *recommended the adoption of the staff recommendations in the Recommendations Section of the report (February 22, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer:*

Recommendations:

It is recommended that:

- (1) *the City-owned lands at 770 Don Mills Road (Ontario Science Centre) described as part of Lots 9 and 10, Concession 3, Fronting the Bay, designated as Parts 2, 3 and 5 on Plan RS-882 (the “Property”) be declared surplus to City requirements, subject to the existing 99 year lease, and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken;*
- (2) *City staff be authorized to negotiate the transfer of this property to the Province of Ontario under the provisions of the Debenture, Asset Identification and Transfer Process Agreement, dated June 22, 2004;*
- (3) *the transfer be used to satisfy the 2005 repayment amount of \$20 million, and the value of the land in excess of the \$20 million required for the 2005 repayment obligation be used to offset future payments under the loan agreement;*
- (4) *this transfer be conditional on the Province refunding the January 15, 2005 payment of \$10 million by the City to the Province in connection with this loan;*
- (5) *the Chief Financial Officer and Treasurer be directed to report back to Council on the details of the transfer, and on a process for the identification of other appropriate City assets that could be used to satisfy its future loan obligations; and*
- (6) *the appropriate officials be authorized to take the necessary action to give effect thereto, and authority be granted for the introduction of the necessary Bills in Council.*

Background:

The Budget Advisory Committee, at a special meeting on February 22, 2005, considered the following reports:

- (a) *(February 22, 2005) from the Chief Financial Officer and Treasurer, entitled “2004 Preliminary Year-end Capital Variance Report”,*

- (b) (February 22, 2005) from the Chief Financial Officer and Treasurer, entitled “2004 Preliminary Operating Variance Report”; and
- (c) (February 22, 2005) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, entitled “Transfer of City-owned Lands at 770 Don Mills Road (Ontario Science Centre) to the Province of Ontario to Offset the City’s Repayment Obligation in Connection with an Outstanding Provincial Loan”.

Report dated February 22, 2005, from the Chief Financial Officer and Treasurer,
entitled “2004 Preliminary Year-end Capital Variance Report”

Purpose:

The purpose of this report is to present the City of Toronto Preliminary Capital Variance Report for the twelve-month period ended December 31, 2004.

Financial Implications and Impact Statement:

As shown in Table 1 below, capital expenditures for the twelve-month period ended December 31, 2004 totalled \$1.0 billion or 68.3% of the 2004 Council Approved Cash Flow (see Appendix 1, column (b) for spending rate by program). Actual spending was \$163 million less than the projected actuals reported in the September 30, 2004 Capital Variance Report. Principal causes for the under-spending included discovery of contaminants on project sites which required unplanned remedial work, difficulties finding appropriate sites, delays in obtaining commitment from the Province and other funding partners, OMB appeals, legal matters, land acquisition and staff hiring, and delay in receiving approval of specifications from the Province.

Table 1 Corporate Capital Variance Summary For the Twelve Month Period Ended December 31, 2004 (\$000's)			
	2004		
	Approved Budget	Actuals to Dec. 31	% Spent
Tax Supported	1,180,713	801,131	67.9%
Rate Supported	283,435	198,456	70.0%
Total	1,464,148	999,587	68.3%

In accordance with the City’s carry-forward policy \$234.8 million of unspent 2004 funding has been included in the 2005 Policy and Finance Recommended Capital Budget in order to complete in-progress projects. The carry-forward request is before Council for consideration at its budget review meeting of February 21 to 23, 2005.

Recommendation:

It is recommended that the Preliminary 2004 Capital Variance Report be forwarded to Council for information.

Comments:

2004 Consolidated Capital Expenditures

At its meeting of April 18 to 29, 2004 Council approved the 2004 Capital Budget with a total cash flow of \$1.448 billion for Tax and Rate Supported capital works. In-year Council approvals have increased the 2004 cash flow to \$1.464 billion. As indicated in Appendix 1, \$1.181 billion of the approved cash flow is allocated to Tax Supported Programs and \$283.4 million to Rate Supported Programs.

Capital expenditures for the period January 1 to December 31, 2004 are summarized in the schedule herewith attached as Appendix 1. The schedule represents a summary by department and program of 2004 capital budget and expenditures on projects approved by Council. Actual expenditures for tax supported programs totalled \$801.1 million, or 67.9% of the 2004 Council approved capital budget cash-flow of \$1.181 billion. Rate supported programs spent \$198.5 million or 70.0% of the 2004 approved cash flow of \$283.4 million. In total, \$1.0 billion or 68.3% of the 2004 Council Approved Capital Budget was spent. Comparatively, capital spending in 2003 was \$963.5 million or 65.4% of the approved cash flow.

Several uncontrollable factors impacted implementation of the 2004 Capital Budget in accordance with plans. Principal among these were delays in obtaining firm funding commitments for cost-shared projects from other levels of governments; late closing of land acquisition transactions and approval of specifications from the Province. Explanation of variances for those programs with substantive under-expenditure is provided below.

Community and Neighbourhood Services (CNS)

In 2004 the CNS department spent \$25.4 million or 57.1 % of the Council Approved Capital Budget of \$44.5 million. The following programs contributed to the \$25.4 million or 42.9% under-spending:

Children's Services spent \$5.3 million or 54.3% of its Capital Budget \$9.8 million. The unspent cash flow has been carried forward into the 2005 Budget appropriately. The under-expenditure is attributed primarily to the following projects:

- *Health and Safety / Playground Program – implementation of part of this project was subject to receipt of provincial funding. The Province only recently approved funding for the project, hence the delay. The project will be completed during the first six months of 2005.*

- *Child Care Centre, 118 Enderby - The project scope and schedule were revised when it was determined that it was more cost effective to re-build rather than renovate. Discovery of contaminants and the fulfilment of Site Plan Review requirements in order to obtain a building permit further delayed the start of construction. It is anticipated that a tender will be issued in February 2005 and construction will commence in the second quarter of 2005.*
- *New Child Care Centre - This project was delayed because of difficulty finding an appropriate site. Children's Services is working with Facilities and Real Estate and Toronto School Boards to acquire an appropriate site in an under-served ward. The entire 2004 approved cash flow of \$0.5 million has been carried forward into the 2005 Capital Budget.*

Homes for the Aged - The Program spent \$12.2 million or 89.1% of its approved cash flow of \$13.8 million. The \$2.7 million under-expenditure in the Maintenance Program, which is due to the late start-up of a few projects within the Maintenance Program, is offset by \$1.1 million over-expenditure in the Site Redevelopment project. The TDA Redevelopment project has moved forward more quickly than the budgeted timelines. Construction will be completed by March of 2005.

Social Services - Social Services spent \$0.8 million or 14.5% of its 2004 Approved Capital Budget during 2004. The \$4.7 million under-expenditure is mainly attributed to the IT Refresh Initiative project. Planned hardware purchases could not be completed on schedule due to delays in finalizing the City's contract with the supplier. Purchases will be completed in 2005 as soon as the contract is in place. The unspent cash flow has been carried forward to 2005.

Shelter, Housing & Support - At the end of 2004, Shelter, Housing and Support had spent \$7.0 million or 45.7% of the 2004 approved Capital Budget of \$15.4 million. For the most part, capital work was delayed due to an unforeseen need for a Phase II Environmental Assessment for the Christie Ossington Coed project; an OMB appeal associated with the Eva's Youth Shelter which has delayed construction; and delays in finding a suitable site location for the Women's Harm Reduction Program. Prolonged negotiations with the Federal government over a cost-shared agreement for the Shelter Management Information System delayed spending on some projects.

Works and Emergency Services (WES)

The WES Department spent \$231.043 million or 60.5 of its 2004 Approved Tax Levy Supported Capital Budget of \$381.9 million. With regards to the Rate supported Capital Budget, Toronto Water spent \$191.2 million or 76.6% of its capital budget of \$249.5 million cash flow. The Water Program spent \$124.8 million or 87.7% of its 2004 Approved cash flow, while the Wastewater Program spent \$66.4 million or 62.0%. Principal reasons for the Department's under-spending are discussed below.

Transportation Services spent \$180.4 million or 60.5% of its 2004 Approved Capital Budget. Excluding five Infrastructure Enhancement projects (Front Street Extension, Simcoe Street Underpass, Dufferin Jog Elimination, Milner Connector and Parklawn Off-ramp), which were delayed beyond the program's control, expenditures for the balance of Transportation's projects

in 2004 totalled \$178.3 million and represent a spending rate of 81.3% of the 2004 approved cash flow. To ensure that in-progress projects are completed in 2005, \$74.962 million of the unspent funds is currently committed and has been included in the 2005 Recommended Capital Budget in compliance with the carry-forward policy.

Emergency Medical Services (EMS) spent \$3.341 million or 44.9% of its approved cash flow of \$7.438 million. In compliance with City's policy, EMS had to delay proceeding with cost-shared projects since guarantees from the Province for its share of funding were not received in accordance with plans. As a direct result of this, EMS will be recommending closure of 36 sub-projects.

Fire Services spent \$6.17 million or 56.5% of its 2004 approved cash flow of \$10.921 million. The issues, which caused the delay on the Computer Aided Dispatch/Record Management System (CAD/RMS) have been resolved, thus allowing some partial payments to be made. The project is scheduled for completion early in 2005. Late approval of the 2004 budget resulted in delays in the process of awarding contracts thereby impeding delivery on several projects. These projects are now rescheduled for completion in 2005 and unspent funds have been carried-forward in accordance with plans.

Solid Waste Management Services spent 67.9 or \$36.412 million of its 2004 approved cash flow of \$53.599 million. The under-expenditure is mainly attributable to the following:

- *Diversion Facilities - A large portion of under-spending is attributed to the \$6.661 million Additional Source Separated Organic Processing Capacity Project. At its meeting held on October 26, 27 and 28, 2004, Council adopted the recommendation of the Works Committee that a sub-committee be struck to develop and steer the Source Separated Organic Business Plan to focus on expansion of the Dufferin Organic Processing Facility. The under-spending of the Single Stream Materials Recovery Facility, which accounts for \$2,330K, was delayed primarily due to unanticipated soil conditions and delays getting the building permit.*
- *Multi-Unit Residential Containers - The under-spending was due to the lengthy tendering process for the purchase and installation of the re-designed containers for multi-unit residential units. The under-spent funds have been carried-forward to 2005.*
- *Keele Valley Development - The under-spending is attributed to delays in site grading, topsoil placement and seeding for Avondale Final restoration (\$350,000) as a result of inadequate supply of good quality topsoil from outside contractors. The S.E. Borrow Pit Final Restoration (\$146,000) in grading, topsoil placement, seeding and landscaping will not be done in 2004 as planned due to lack of supply of good quality topsoil from outside contractors, and will be carried forward to 2005. Roof repairs (\$90,000) will be deferred to 2005.*
- *Perpetual Care of Landfills - under-spending is mainly due to the postponement of investigative and construction work at various old landfills and at the Keele Valley Landfill with respect to its closure. Time projections for the projects within the overall work plan were extended due to more than anticipated technical complication in conducting investigative work, obtaining approvals and in undertaking the construction.*

Works and Emergency Services Departmental Capital Program spent \$4.006 million or 40.6% of the 2004 approved cash flow of \$9.872 million. The following projects contributed to the under-spending:

- *The WES IT Disaster Recovery project was delayed due to a prolonged RFP process.*
- *Toronto Infrastructure Data Standard - Phase IV Data Conversion for the water and wastewater services data clean-up will continue in 2005. Middleware integration will begin later in 2005 since the Corporate Middleware will not be developed until that time. Middleware integration will continue into 2006 creating links into the operational systems for data maintenance / extraction.*
- *Development Application Tracking System - the Project Tracking Portal is a capital project system harmonization initiative for Technical Services. The project is proceeding well. Version 1 was rolled out in late June 2004 with subsequent releases scheduled later in the year as well as 2005. All of Tech Services will be on the system by the end of the 2005. Cost, complexity and the feasibility of linkages with other systems are also being reviewed. The project expenditures are behind schedule for several reasons:*
 - *the project required considerable hardware and software infrastructure upgrades; several invoices have been submitted by the contractor but they have not been fully processed;*
 - *development work was slowed down in order to adjust to WES I&T capacity to accept knowledge transfer from contractors;*
 - *it was necessary to co-ordinate with Corporate initiatives to acquire document management system and integration software; and, to ensure comprehensive planning for future system integration projects.*
- *Plan/ Drawing Database - The specifications for storage to support the day forward and the historic drawing database records have been completed and forwarded to WES I&T for review. Common standards for the drawing database have been rolled out to the districts and are largely being implemented on a go forward basis. Short-term system enhancements have been implemented where possible. Work is continuing on system configuration for Works Facilities and Structures. Accounts have been created for Development Services so this group can gain access to the scanned images posted in the database. Training in use of database is ongoing.*

To ensure that these projects are completed in 2005, \$3.839 million of the unspent funds has been committed and was included in the 2005 Capital Budget in compliance with the carry-forward policy.

Economic Development, Culture & Tourism (EDCT)

EDCT spent \$58.859 million or 62.5% of its 2004 approved cash flow of \$94.143 million. While the Economic Development program achieved a 73% spending performance, Parks and Recreation spent 62.8%. The reason for the department's less than forecasted performance as at the end of the September 2004 are as follows:

Parks and Recreation's completion rate for the year was 14.8%, lower than the 75% forecasted at the end of September. The 2004 outdoor construction season was considered an above average wet season. No year since 1992 lost more construction work days. This had a significant effect on the delivery of outdoor projects such as Park Development, Environmental Initiatives, Trails & Pathways, and Parking Lots & Tennis Courts. In addition, many projects including trails, bridges and environmental initiatives were delayed due to prolonged third party approval processes of the Toronto and Region Conservation Authority, the Department of Fisheries & Oceans, and the Ministry of the Environment.

Culture Division spent \$6.006 million or 53.9% of its 2004 capital budget of \$11.134 million. For the most part, the Division's under-spending is attributed to the following projects:

- *Todmorden Mills Theatre Restoration is a complex project involving restoration, new construction and technical enhancements at an historic site. During excavation, unexpected archaeological deposits were exposed which stopped construction so that appropriate mitigation measures could be taken, thus delaying progress on the project.*
- *The Don Valley Brickworks site restoration is being funded largely through a single donation. Project review and approval by the donor was much slower than anticipated, and consequently delayed the entire project. Similarly, the Guild Restoration involves a private sector partnership that has not yet been secured.*
- *Public Art is a significant component of the Culture Division capital budget, and the competition for two major projects were delayed due to changing terms of reference. Further, the Culture Division elected to cancel tenders that came in over-budget for several mid-sized projects.*

Urban Development Services (UDS)

In 2004, Urban Development Services spent \$6.307 million or 59.5% of its approved cash flow of \$10.6 million. The Yonge Dundas project was under-spent by \$1.23 million due to delays in the completion of the TTC connection and outstanding tenant settlements. The Civic Improvement program was under-spent mainly due to project scheduling changes. The OMB hearings for the Official Plan have been delayed until 2005, resulting in under expenditures in legal and mediation fees.

Waterfront Revitalization expenditures to the end of December, 2004 total \$9.952 million or 37.8% of the 2004 approved Capital Budget of \$26.3 million. This spending rate is primarily attributed to delays in signing the contribution agreements with the Government of Canada. During the 2004 budget meetings, Council directed that the City not flow funds to the Toronto Waterfront Revitalization Commissions (TWRC) until all three funding partners were "equalized", which occurred in late spring. As a result TWRC slowed its activities considerably until resolutions were reached.

Of the \$9.952 million spent at year-end, \$9.838 million was released to the TWRC for such initiatives as Portlands Preparation, Precinct Planning, Sports Fields & Facilities & Parks Development (land acquisition for Commissioner's Park), Harbourfront - Water's Edge, Union

Station Subway Platform Expansion, and Corporate Costs. This represents an under-expenditure in the 2004 budget for funding the TWRC of \$16.1 million, which is in large part due to delays in the Front Street Extension project.

Corporate Services

Actual expenditures for Corporate Services for the year ended December 31, 2004 totalled \$95.813 million or 47.3% of an approved cash flow of \$202.4 million. The following programs contributed to the under-expenditure:

City Clerk's Office spent \$0.359 million or 27.0% of its approved cash flow of \$1.331 million. The City Clerk's Office Capital Budget was under-spent by \$0.972 million due to two capital projects:

- *The Programmable Paper Sizer purchase project is delayed by the manufacturer who did not have a cutter in stock and delivery must await the production of the equipment.*
- *Council Automation & Meeting Management project - There has been a change in scope submitted in the 2004 capital budget for the Council Automation project resulting in a carry-forward due to delayed start attributed to the need for a comprehensive review of process and procedural requirements, the determination of configuration and specification and scope of the project, and the recruitment of temporary staff to work on the project.*

Court Services spent 74.1% of its approved 2004 budget of \$9.309 million. Under-expenditures resulted mainly because of delay in obtaining approval of specifications from the Province relative to the Application Development sub-project. In view of the difficulties experienced in getting the approval, it is anticipated that the Information and Technology project in 2004 be closed and deferred to 2006 when an agreed upon business case can be presented.

Facilities & Real Estate - Projected completion rate based on a comparison of approved cash flow plans and requested carry forward funding, is 85%. A significant part of the carry forwards can be attributed to two large projects:

- *519 Church Street and Union Station - The 519 Church Street Community Centre has been trying to raise funds for the past few years to support construction/renovation work at the community centre. Funds were received in 2004, which were added to the City's existing state of good repair program. The project was delayed in part due to the discovery of asbestos at the site. \$750K of the carry forward represents community funding.*
- *Union Station - A carry forward is required for work at Union Station due to negotiations with GO Transit on work to be done on the York Street expansion joint. The need to retender has also created a delay with the Waiting Room Skylight sub-project and will result in a carry forward of funds to 2005.*

Fleet Services - As at December 31st, Fleet Services has spent 44.8% of the 2004 approved cash flow. The under-spending is due in part to the establishment of vehicle specification standards for procurements. Also, Fleet's resources for procurement were focused on the new Fleet requirements for Solid Waste, and Water and Wastewater. For Solid Waste, Water and Wastewater, the complexity of the specifications lengthened the lead times for supplier build-outs, which impacted the timing of delivery.

Total Information Technology program expenditures during 2004 were \$10.3 million or 15.1% of the approved Capital Cash Flow Budget of \$68.2 million. The main reason for the under-expenditure is the delay in implementation of the Technology End of Lease (TELS) project, which represents \$48.2 million or 70.6% of the total I&T approved Capital Budget. Expenditures to year-end for the TELS project are 14.0% of the approved budget. The TELS project is behind schedule due to: (i) delay in obtaining Council Approval to proceed; and (ii) Council direction that the RFP be reviewed by the eCity Committee prior to its release. Consequently, contract negotiations for deployment, and delays in acquiring imaging software have resulted in delays in testing activities and full implementation of the project. A large number of the projects commenced late in 2004 due to lack of staff resources and delays in the RFQ and RFP process contributed to the under-spending in 2004. Some projects are charged for costs at the completion of predetermined milestones. The project is expected to be completed in 2005.

Excluding TELS from the variance analysis, the program would have spent 32.1% of its remaining capital budget in 2004. Late approval of the capital budget, delays in finalizing contracts and delays in issuing RFP's and RFQ's have contributed to under spending in other projects.

Finance

Finance spent \$1.707 million or 28.4% of its 2004 approved cash flow during 2004. Under spending is mainly due to a delay in the start up of the TES Replacement project and delays in document management and imaging initiatives. In addition, the Collective Agreement Implementation project is subject to the timing of negotiations and mediation/arbitration awards with the bargaining units.

Special Purpose Bodies (SPBs)

Collectively, Special Purpose Bodies have spent \$362.7 million or 94.1% of their 2004 approved cash flow of \$385.6 million. The following programs have contributed to the under-spending:

Toronto Public Health - Toronto Public Health spent \$4.2 million or 67.7% of its approved cash flow of \$6.2 million. The variance is due to the Toronto Community Health Information (TCHIS) Project, which is attributed to the following:

- *unexpected procurement delays and other delays linked to dependencies on enterprise negotiations such as the finalization of the corporate Oracle licensing approach, Bill 31 interpretation, etc.;*

- *redeployment of Corporate and Public Health I&T support staff to projects such as TELS, 3-1-1 Toronto; project staff retention problems and the ensuring need for ongoing recruitment.*

Toronto Public Library - Toronto Public Library spent \$10.0 million or 80.2 per cent of the 2004 approved cash flow of \$12.4 million. Of the \$2.5 million under-expenditure, the Jane/Sheppard Neighbourhood Library Relocation project accounts for \$1.1 million. This was due to delays pending Shelter, Housing & Support securing partnerships. The remaining under-expenditure was due to 6 projects, which experienced unexpected minor delays.

Exhibition Place had a 2004 spending plan of \$6.324 million, of which \$5.369 million, or 84.9%, was spent by year-end. The 2004 capital construction program at Exhibition Place has proceeded basically on schedule with numerous contracts being awarded during the year. With the volume of work to be completed and the complicating factor of the major events being held on the grounds during the prime construction period, unspent funds have been carried-forward to 2005 to ensure completion of the projects in progress.

In addition two factors have contributed to the requested carry-forward of capital funding into 2005. Because of labour disputes in the window manufacturing business, we have been unable to complete capital projects to upgrade windows at Exhibition Place (approximately \$250,000). Also another project requires a major power shutdown affecting various buildings and there has been a delay in scheduling a time for this shutdown that does not adversely affect the tenants and other business activities on the site (also approximately \$250,000).

Toronto Parking Enforcement Unit spent \$0.466 million or 14.4% of its 2005 capital budget. The under-expenditure is due to a scope change in the Hand-held Parking Issuance Device project, requiring additional resources and the harmonization of parking bylaws of the seven former municipalities prior to proceeding with the project.

Toronto Police Services spent \$45.3 million or 83.6% of its 2004 approved Capital Budget of \$54.2 million. The following projects contributed to the spending performance during the first nine-month period:

- *51 Division - At the time of previous year-end reporting, only \$0.5 million of cash flow carry forward was reported; however, work was delayed and additional cash carry forward was realized. This project is now complete and spending is within the total budget.*
- *Livescan Fingerprinting System - This project provides for the replacement of the present manual system with an inkless electronic system and was scheduled to be completed in 2004; however, the project is slightly behind schedule. The 2004 unspent amount of \$0.29 million will be carried forward to 2005 for final acceptance and remaining equipment purchases.*
- *Police Integration System - This is a four-year project with expected completion in 2005. The components of the project allow for the creation of network connections between internal and external systems and interfaces between internal systems in order to provide more timely and accurate information. Integrating the Service's current inventory/asset management systems with the human resource and financial systems (via a new*

integrated system) was a major project planned for 2004. However, due to unacceptable responses to a Request for Proposal (RFP), the project was delayed and a cash flow deferral to 2005 resulted. The RFP will be re-issued in 2005. The funding allocated in 2005 along with the cash flow deferral of \$0.7 million from 2004 will allow the Service to complete the project in 2005.

- *State of Good Repair, Police - This project provides funds for the on-going maintenance and repair of Police buildings managed by TPS ' Facilities Management. This project is overspent in 2004 by \$0.17 million due to renovations required to accommodate operational requirements in Detective Services. The 2004 overspent amount will reduce the amount available in 2005 so that the overall program total budget is not affected.*
- *New Training Facility - This project provides for the construction of a new Police college (replacing C.O. Bick), a training facility for Firearm/Defensive Tactics and a Police Vehicle Operation (PVO). Land for the new college has been acquired by the City. The environmental assessment and foundation assessment contract has been awarded. Currently the TPS is adjusting the feasibility study to include the Department of National Defence (DND) requirements. Discussions between TPS, the City and DND have commenced in order to reach a partnership agreement. The 2004 unspent amount of \$0.75 million will be carried forward to the year 2005.*
- *23 Division - Currently the TPS has applied for Site Plan approval and that process is underway (Committee of Adjustment approval has been obtained). Design, working drawings and specifications are complete and the construction management contract has been awarded by the Board. It is expected that construction work will begin in 2005. The 2004 unspent amount of \$1.6 million will be carried forward to the year 2005.*
- *TPS Headquarter Renovation - This project provides funds for renovations within Headquarters in order to improve working conditions and enhance the operational efficiency of units (by situating them more strategically). The 2004 year-end spending of this project is \$0.25 million. The remaining amount of \$0.33 million will be carried forward to 2005. Due to a number of requests for unscheduled work, staffing resources were not available to complete the 2004 program. The work is currently underway and will be completed in 2005.*
- *43 Division - This project is well underway and the construction is about 35% complete. The facility will be completed in the fall of 2005 with a planned opening date of January 2006. The 2004 year-end expenditure for this project is \$4.2 million. The remaining amount of \$1.4 million will be carried forward to 2005.*
- *Mobile Data Network Conversion - This project was scheduled to start in 2004; however, it is currently on hold awaiting a determination of the type of network to be used. The entire available funding of \$0.9 million will be carried forward to 2005.*
- *Voice Logging System - This project provides for replacing all current voice logging systems at both the 703 Don Mills Road and 4330 Dufferin Street sites. A vendor has been selected. The Service is now waiting for the vendor to provide a detailed implementation plan including materials and associated cost. It is expected that full installation, testing and acceptance will be completed in March 2005. The 2004 year-end expenditure for this project is \$0.03 million. The remaining amount of \$0.37 million will be carried forward to 2005.*

- *Lawfully Authorized Electronic Surveillance - This project was scheduled to start in 2004; however, the project was delayed until 2005 as the Ontario Provincial Police expressed an interest in creating a joint location in the City of Toronto. Real estate options were considered, but no suitable site has yet been located. The joint venture will continue in 2005. The entire available funding of \$1.9 million will be carried forward to 2005.*
- *Investigative Voice Radio System - Due to operational needs, more radios were ordered in 2004 resulting in a greater expenditure than planned; however, the total expenditure remains within the approved project cost.*
- *Mobile Command Post Vehicle - This vehicle is custom made and requires extensive construction, and the required technology is very complex (computer, telecommunications including radio, satellite, video, and landline telephone). TPS is presently researching the best technologies to integrate into this Mobile Command Post Vehicle. Construction of the vehicle has commenced and the 2004 year-end expenditure was \$0.3 million. The remaining amount of \$0.45 million will be carried forward to 2005.*
- *Police Command Centre - This project provides for the construction of an improved Police Command Centre operating out of Toronto Police Service's Communications Services site at 703 Don Mills Road. The planning and consultation phase did not conclude until late December 2004 and, as a result, the construction did not commence until the first week of January 2005. The construction phase is progressing well and should be completed in March 2005. The 2004 year-end expenditure for this project is \$0.04 million. The remaining amount of \$0.56 million will be carried forward to 2005.*
- *Facility Fencing - This is a four-year project to erect fences in various police facilities. Only \$0.3 million of the available \$0.9 million was spent in 2004 for Divisions 52, 53 and 22 due to requirements for regulatory approvals from the City of Toronto. The remaining amount of \$0.6 million will be carried forward to 2005.*

Toronto Transit Commission

In 2004, TTC spent 99.3% or \$286.6 million of its 2004 approved cash flow of \$288.7 (inclusive of Sheppard Subway). Principal reasons for the minor under-spending included late delivery of 38 buses from 2003 and advanced delivery of 17 buses from 2005, lower tender pricing at Downsview and Kennedy North lots and, for the SRT Car Overhaul, work slipped to future years due to expanded testing of prototypes and delay in award of contract on CLRV Life Extension Program.

As at December 31, 2004 the Province of Ontario and the Federal Governments had committed a total of \$64.4 million. Given the minimal funding guarantees to date, this has resulted in an actual funding shortfall in 2004 of \$75.6 million. Should additional funding support not be received, the TTC capital program under-funding would result in an additional and unplanned debt burden on the City. Every effort will be made to recover the approved funding support from the other orders of government.

Table 2			
2004 TTC Capital Funding Shortfall (net of Sheppard Subway) (\$000's)			
	Partnership Funding (one-third funding)	2004 Budget Approved Funding	Committed Funding
	(a)	(b)	(c)
Approved Capital Budget	<u>285,000</u>	<u>285,000</u>	<u>277,568</u>
Sources of Funding:			
Provincial Funding	95,000	70,000	51,800
Federal Funding	95,000	70,000	12,600
City Debt	77,163	127,163	196,968
Other - City Funding	17,837	17,837	16,200
Total Funding	285,000	285,000	277,568

Toronto Parking Authority

In 2004, the Toronto Parking Authority spent \$7.246 million or 21.4% of its approved 2004 cash flow of \$33.924 million. The significant under-expenditure resulted from a combination of factors, including delays arising from the unavailability of appropriate sites, projects that have been cancelled because of a low probability of finding an appropriate site and delay on funds from developers.

Conclusion:

Capital expenditures during the twelve-month period ended December 31, 2004 totalled \$1.0 billion, or 68.3% of the total 2004 capital budget of \$1.464 billion. Tax supported programs spent \$801.1 million or 67.9% of their approved cash-flow of \$1.181 billion, while rate supported programs spent \$198.5 million or 70.0% of their approved 2004 Council Approved Capital Budget of \$283.4 million. By comparison, spending in 2003 approximated 65.4% or \$963.5 million of the Council approved budget of \$1.472 billion.

Contacts:

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List of Attachment:

Appendix 1 – Consolidated Statement of 2004 Preliminary Year-End Capital Variance Report.

Appendix 1
CITY OF TORONTO
2004 Preliminary Capital Variance Report
for the Year-Ended December 31, 2004

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	Year Ended December 31, 2004			
	Approved 2004 Plan \$ (a)	Actuals Per Program \$ (b)	Unspent \$ (c)-(a)-(b)	% Spent (d)-(b)/(a)
Community and Neighbourhood Services				
Children's Services	9,841,205	5,348,450	4,492,755	54.3%
Homes for the Aged	13,750,000	12,250,653	1,499,347	89.1%
Shelter, Housing & Support	15,379,000	7,025,649	8,353,351	45.7%
Social Services	5,532,000	800,038	4,731,962	14.5%
Department Total	44,502,205	25,424,810	19,077,395	57.1%
Works and Emergency Services				
Emergency Medical Services	7,438,000	3,341,417	4,096,583	44.9%
Emergency Management Plan	1,597,000	659,692	937,308	41.3%
Fire Services	10,921,000	6,169,734	4,751,266	56.5%
Solid Waste Management Services	53,599,000	36,412,423	17,186,577	67.9%
Transportation Services	298,488,000	180,453,960	118,034,040	60.5%
Works and Emergency Services	9,872,000	4,005,802	5,866,198	40.6%
Department Total	381,915,000	231,043,028	150,871,972	60.5%
Economic Development, Culture and Tourism				
Culture	11,134,000	6,006,048	5,127,952	53.9%
Economic Development	6,763,000	4,949,315	1,813,685	73.2%
Parks & Recreation	76,246,000	47,904,176	28,341,824	62.8%
Department Total	94,143,000	58,859,539	35,283,461	62.5%
Urban Development Services				
Urban Development Services	10,606,000	6,307,000	4,299,000	59.5%
Waterfront Revitalization	26,325,000	9,952,100	16,372,900	37.8%
Department Total	36,931,000	16,259,100	20,671,900	44.0%
Corporate Services				
City Clerk's Office	1,331,000	359,071	971,929	27.0%
Court Services	9,309,000	6,900,359	2,408,641	74.1%
Facilities & Real Estate	57,158,725	48,541,837	8,616,888	84.9%
Fleet Services	66,356,000	29,695,406	36,660,594	44.8%
Information & Technology	68,224,000	10,316,738	57,907,262	15.1%
Department Total	202,378,725	95,813,411	106,565,314	47.3%

Appendix 1
CITY OF TORONTO
2004 Preliminary Capital Variance Report
For the Year-Ended December 31, 2004

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Year Ended December 31, 2004					
	Approved 2004 Plan \$ (a)	Actuals Per Program \$ (b)	Unspent \$ (c)=(a)-(b)	% Spent (d)=(b)/(a)	
Finance					
Finance	6,005,000	1,707,209	4,297,791		28.4%
Department Total	6,005,000	1,707,209	4,297,791		28.4%
Other Projects					
Investment in Enwave Dist.	9,280,796	9,280,796	0		100.0%
Energy Retrofit Program	20,000,000	38	19,999,962		0.0%
Department Total	29,280,796	9,280,834	19,999,962		31.7%
TOTAL - CITY OPERATIONS	795,155,726	438,387,931	356,767,795		55.1%
Special Purpose Bodies					
Exhibition Place	6,324,000	5,369,315	954,685		84.9%
Toronto & Region Conservation Authority	5,926,000	5,926,000	0		100.0%
Toronto Port Authority	3,000,000	3,000,000	0		100.0%
Toronto Police Services	54,172,000	45,308,325	8,863,675		83.6%
Toronto Parking Enforcement Unit	3,249,000	466,256	2,782,744		14.4%
Toronto Public Health	6,207,700	4,201,682	2,006,018		67.7%
Toronto Public Library	12,414,000	9,953,738	2,460,262		80.2%
Toronto Transit Commission	288,652,000	286,601,000	2,051,000		99.3%
Toronto Zoo	5,613,000	1,916,800	3,696,200		34.1%
Total Special Purpose Bodies	385,557,700	362,743,116	22,814,584		94.1%
TOTAL - TAX SUPPORTED PROGRAM	1,180,713,426	801,131,047	379,582,379		67.9%
Other Tax Supported Programs					
Parking Authority	33,924,000	7,245,583	26,678,417		21.4%
Water Program	142,290,365	124,784,586	17,505,779		87.7%
Wastewater Program	107,220,330	66,425,844	40,794,486		62.0%
TOTAL RATE SUPPORTED PROGRAM	283,434,695	198,456,013	84,978,682		70.0%
TOTAL ALL PROGRAMS	1,464,148,121	999,587,060	464,561,061		68.3%

*Report dated February 22, 2005, from the Chief Financial Officer and Treasurer,
entitled "2004 Preliminary Operating Variance Report"*

Purpose:

The purpose of this report is to provide the City of Toronto Preliminary Operating Variance report for the twelve months of operations ended December 31, 2004. A final report will be prepared following the annual audit of the City's accounts and financial statements.

Financial Implications and Impact Statement:

The 2004 Council approved net expenditure budget was overspent, resulting in a preliminary net operating deficit of \$0.4 million. While the largest over expenditures occurred in City Operations, the major contributors of offsetting surpluses were the ABCs and Corporate Accounts.

Recommendation:

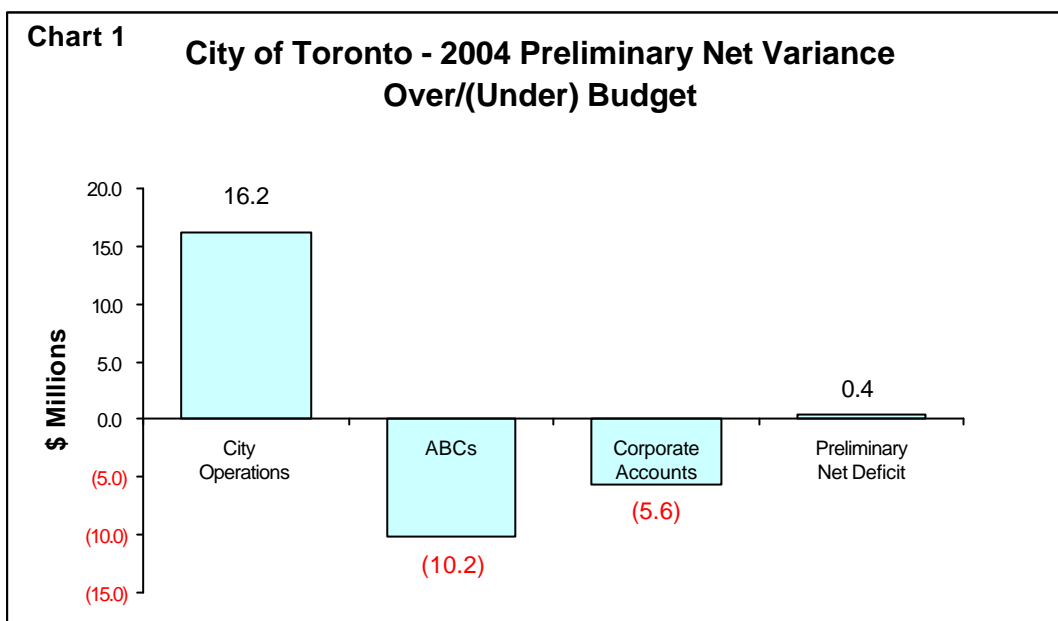
It is recommended that the Preliminary 2004 Operating Variance Report be forwarded to Council for information.

Comments:

Overview

This variance report was prepared based on accounting information as at December 31, 2004. The annual audit of the City's accounts and financial statements will be completed in April 2005, accordingly, this variance report should be considered as preliminary.

Appendices A, B and C attached compare actual expenditures and revenues to budget for City Operations, ABCs and Corporate Accounts. As summarized in Chart 1 below, City Operations were overspent by \$16.2 million, while ABCs and Corporate Accounts were underspent by \$10.2 million and \$5.6 million respectively. In total, the City was overspent by \$0.4 million. While gross revenues were over achieved by \$19.4 million in 2004, this was offset by the over spending of \$19.8 million in gross expenditures.



The following comments address the significant preliminary Department/Program variances found in Appendices A, B and C:

City Operations

Shelter, Housing and Support had a surplus of \$2.3 million primarily due to reductions in expenditures and revenues resulting from a lower than budgeted volume of clients in Hostel Services. The over expenditure of \$17.6 million in Social Services was mainly due to unfavourable year-end net expenditure variances of \$35.8 million offset by one-time Provincial revenues of \$18.2 million. The unfavourable year-end net expenditure variances were primarily comprised of: \$14.0 million for Provincial Downloaded programs (ODSP Program Benefits and Delivery, ODB, and other Mandatory Benefits); \$17.5 million for the Ontario Works (OW) Cost of Administration; and \$4.3 million shortfall in GTA Pooling Revenues. The over expenditure of \$9.8 million in EMS was due to unilateral Provincial caps on basic costs, such as salary costs. Provincial funding is provided based on eligibility criteria established by the Province. Salary increases were not fully covered by the eligibility criteria resulting in subsidy shortfalls (i.e. the labour arbitration award of a 5% wage increase) and the Province is not funding their share of service costs. As a result of reduced funding, the City has incurred additional costs to maintain EMS service levels. The surplus of \$3.0 million in Solid Waste Management Services was mainly attributed to the loss of paid private waste tonnage received at Transfer Stations (resulting in reduced net expenditures). Transportation Services was underspent by \$5.7 million primarily due to higher than planned collection of doubtful accounts, higher than planned utility cut repair revenues and lower than planned inter-departmental charges from WES Support/Technical Services. Parks and Recreation suffered a \$5.9 million over expenditure primarily due to incurring higher than planned utility costs and reduced revenues compared to budget (increased use of Toronto's Welcome Policy and lower Ferry and Golf Course revenues). UDS savings of \$1.6 million was primarily due to staff vacancies (hiring freeze impact), discretionary spending savings and project deferrals. The surplus of \$1.1 million in Service Improvement and

Innovation was due primarily to staff vacancies (hiring delays) and cost-containment savings. Information and Technology had a \$2.0 million favourable variance mainly due to lower expenditures for maintenance costs related to the ITLA agreement.

ABCs

ABCs reported a net surplus of \$10.2 million or 0.9 percent. The Toronto Public Health surplus of \$4.4 million was due mainly to hiring freeze savings, staff recruitment and retention problems, delays in capital project implementation, under spending for the WNV Program (staff recruitment/retention and unusually cool summer), and staff recruitment issues resulting in lower costs for the Dental Program. The Toronto Public Library had an unfavourable net expenditure variance of \$6.8 million due to the retroactive Wage Harmonization Award approved in late 2004. The Toronto Transit Commission (TTC) net budget surplus of \$11.2 million (Conventional and Wheel Trans) resulted primarily from increased ridership during 2004. The Toronto Police Service savings of \$1.6 million are mainly due to realizing higher than planned revenues.

Corporate Accounts

Corporate Accounts under expenditures of \$5.6 million were largely due to delays in issuing debt for capital projects resulting in reduced debt charges (Capital & Corporate Financing \$8.6 million) and higher than anticipated Supplementary Taxes (\$21.6 million). These positive budget variances were partially offset by a revenue shortfall in payments-in-lieu of taxes (\$4.3 million) and higher than anticipated tax deficiencies (\$21.2 million).

Year-end Transfers to/from Reserve Funds:

In accordance with Council directives and Provincial Legislation, the following Programs transferred their surpluses (or portions thereof) to Reserves: Children's Services transferred \$1.4 million to the Childcare Capital Reserve; Homes for the Aged transferred \$3.5 million to the HFA Capital Reserve and \$3.5 million to the HFA Stabilization Reserve; Shelter; Housing & Support Services transferred \$14.0 million to the Social Housing Stabilization Reserve (\$11.0 million related to the 2003 GTA Pooling reconciliation adjustment and \$3.0 million related to the Social Housing Download); and Solid Waste Management Services transferred \$8.3 million to the Waste Management Reserve (see Table 1).

The net expenditures represented in Appendices A, B and C are after reserve fund transfers.

Table 1

Reserve Fund (RF) Transfers (000's)	Net Expenditure Before RF Transfers Over/(Under)	Reserve Fund Transfers	Net Expenditure After RF Transfers Over/(Under)
(a) Children's Services	(1,429.4)	1,429.4	(0.0)
(b) Homes for the Aged	(7,406.4)	6,989.9	(416.6)
(c) Shelter, Housing and Support Services	(16,311.0)	14,003.5	(2,307.5)
(d) Solid Waste Management Services	(11,320.6)	8,323.8	(2,996.8)
Tax Supported Program Transfers	(36,467.3)	30,746.5	(5,720.8)

Conclusion:

A preliminary year-end budget deficit of \$0.4 million is estimated at this time.

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List of Attachments:

Appendix A – Net Expenditures

Appendix B – Gross Expenditures

Appendix C – Gross Revenues



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CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000's)

Appendix A

	December 31, 2004			
	Year-End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Community and Neighbourhood Services				
Children's Services	64,932.8	64,932.8	(0.0)	0.0%
Homes for the Aged	28,231.3	27,814.7	(416.6)	-1.5%
Shelter, Housing & Support	270,187.3	267,879.8	(2,307.5)	-0.9%
Social Development & Administration	8,812.6	8,684.1	(128.5)	-1.5%
Social Services	219,717.3	237,316.3	17,599.0	8.0%
Department Total	591,881.3	606,627.7	14,746.4	2.5%
Works and Emergency Services				
Emergency Medical Services	49,007.8	58,836.0	9,828.2	20.1%
Solid Waste Management Services	158,075.2	155,078.4	(2,996.8)	-1.9%
Fire Services	298,417.4	297,944.9	(472.5)	-0.2%
Transportation Services	175,067.0	169,376.1	(5,690.9)	-3.3%
WES - Support Services	0.0	0.0	0.0	n/a
WES - Technical Services	5,495.1	7,206.3	1,711.2	31.1%
Department Total	686,062.5	688,441.7	2,379.2	0.3%
Economic Development, Culture and Tourism				
Culture	8,986.1	8,946.1	(40.0)	-0.4%
Customer & Business Support	17,414.9	17,949.7	534.8	3.1%
Economic Development	7,462.6	7,303.4	(159.2)	-2.1%
Parks & Recreation	163,183.0	169,159.9	5,976.9	3.7%
Tourism	7,514.7	7,649.6	134.9	1.8%
Economic Recovery	200.0	181.4	(18.6)	-9.3%
Department Total	204,761.3	211,190.2	6,428.9	3.1%
Urban Development Services				
Urban Development Services	15,369.6	13,777.7	(1,591.9)	-10.4%
Department Total	15,369.6	13,777.7	(1,591.9)	-10.4%
Corporate Services				
City Clerk's Office	19,286.7	19,531.6	244.9	1.3%
Court Services	(9,636.5)	(9,644.6)	(8.1)	0.1%
Service Improvement & Innovation	6,642.3	5,590.0	(1,052.3)	-15.8%
Corporate Communications	6,336.4	6,144.5	(191.9)	-3.0%
Facilities & Real Estate	32,369.9	31,857.5	(512.4)	-1.6%
Fleet Services	0.0	235.1	235.1	n/a
Human Resources	24,420.7	24,999.1	578.4	2.4%
Information & Technology	40,724.8	38,716.4	(2,008.4)	-4.9%
Legal Services	16,716.7	16,032.3	(684.4)	-4.1%
Department Total	136,861.0	133,462.0	(3,399.0)	-2.5%
Finance				
Finance	34,754.3	34,196.4	(557.9)	-1.6%
Department Total	34,754.3	34,196.4	(557.9)	-1.6%
Other City Departments				
Auditor General's Office	3,151.5	2,956.6	(194.9)	-6.2%
Chief Administrator's Office	5,482.3	5,330.2	(152.1)	-2.8%
Council	17,706.0	16,344.3	(1,361.7)	-7.7%
Mayor's Office	1,745.1	1,660.2	(84.9)	-4.9%
Department Total	28,084.9	26,291.3	(1,793.6)	-6.4%
TOTAL - CITY OPERATIONS	1,697,774.9	1,713,987.0	16,212.1	1.0%

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Appendix A



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000's)

	December 31, 2004			
	Budget	Year-End Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Special Purpose Bodies				
Toronto Public Health	72,927.2	68,501.8	(4,425.4)	-6.1%
Toronto Public Library	128,730.3	135,532.3	6,802.0	5.3%
Association of Community Centres	5,263.5	5,269.3	5.8	0.1%
Exhibition Place	(249.6)	(249.6)	0.0	0.0%
Heritage Toronto	297.9	298.8	0.9	0.3%
Theatres	2,669.1	3,206.2	537.1	20.1%
Toronto Zoo	10,639.8	10,288.3	(351.5)	-3.3%
Arena Boards of Management	143.2	262.6	119.4	83.4%
Yonge Dundas Square	551.0	497.3	(53.7)	-9.7%
Toronto & Region Conservation Authority	2,744.6	2,744.6	0.0	0.0%
Toronto Transit Commission - Conventional	129,584.1	118,356.1	(11,228.0)	-8.7%
Toronto Transit Commission - Wheel Trans	50,518.5	50,518.5	0.0	0.0%
Toronto Police Service & TPS Board	679,340.0	677,744.7	(1,595.3)	-0.2%
TOTAL - SPECIAL PURPOSE BODIES	1,083,159.6	1,072,970.9	(10,188.7)	-0.9%
Corporate Accounts				
Community Partnership and Investment Program	36,773.3	36,616.5	(156.8)	-0.4%
Capital & Corporate Financing	386,529.9	377,976.3	(8,553.6)	-2.2%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	74,251.4	95,424.6	21,173.2	28.5%
- Assessment Function (MPAC)	29,200.0	29,003.9	(196.1)	-0.7%
- Temporary Borrowing	400.0	4.3	(395.7)	-98.9%
- Funding of Employee Related Liabilities	25,482.6	25,749.0	266.4	1.0%
- Other Corporate Expenditures	(75.3)	636.1	711.4	-944.8%
- Insurance Premiums & Claims	16,300.0	16,300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	39,972.7	39,460.3	(512.4)	-1.3%
- Programs Funded from Reserve Funds	0.0	0.0	0.0	n/a
- Vacancy Rebate Program	12,000.0	14,956.2	2,956.2	24.6%
- Corporate Utilities	22,811.3	20,292.5	(2,518.8)	-11.0%
- Computer Leasing & External Contract Inquiry	0.0	69.1	69.1	n/a
Non-Program Expenditures	220,342.7	241,896.0	21,553.3	9.8%
Non-Program Revenue				
- Payments in Lieu of Taxes	(83,674.2)	(79,387.4)	4,286.8	-5.1%
- Supplementary Taxes	(27,000.0)	(48,559.0)	(21,559.0)	79.8%
- Tax Penalties	(29,000.0)	(26,692.2)	2,307.8	-8.0%
- Interest/Investment Earnings	(61,000.0)	(57,338.9)	3,661.1	-6.0%
- Prior Year Surplus	(15,184.0)	(15,067.7)	116.3	-0.8%
- Other Corporate Revenues	(2,318.1)	(9,764.8)	(7,446.7)	321.2%
- Toronto Hydro Revenues	(91,655.7)	(91,655.7)	0.0	0.0%
- Parking Authority Revenues	(29,394.0)	(29,320.9)	73.1	-0.2%
- Administrative Support Recoveries - Water	(18,973.0)	(18,973.0)	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	(17,302.0)	(17,302.0)	0.0	0.0%
- Parking Tag Enforcement & Oper.	(72,667.6)	(75,653.7)	(2,986.1)	4.1%
- Other Tax Revenues	(17,030.0)	(13,970.5)	3,059.5	-18.0%
- Woodbine Slots	(15,700.0)	(15,702.8)	(2.8)	0.0%
Non-Program Revenues	(480,898.6)	(499,388.6)	(18,490.0)	3.8%
TOTAL - CORPORATE ACCOUNTS	162,747.3	157,100.2	(5,647.1)	-3.5%
NET OPERATING TAX LEVY	2,943,681.8	2,944,058.0	376.2	0.0%

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Appendix B



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000's)

	December 31, 2004			
	Year-End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Community and Neighbourhood Services				
Children's Services	289,785.2	274,262.8	(15,522.4)	-5.4%
Homes for the Aged	168,787.9	166,997.4	(1,790.5)	-1.1%
Shelter, Housing & Support	631,014.2	621,379.1	(9,635.1)	-1.5%
Social Development & Administration	18,626.3	17,933.7	(692.6)	-3.7%
Social Services	940,125.1	895,139.6	(44,985.5)	-4.8%
Department Total	2,048,338.7	1,975,712.6	(72,626.1)	-3.5%
Works and Emergency Services				
Emergency Medical Services	125,932.7	136,985.2	11,052.5	8.8%
Solid Waste Management Services	216,116.8	209,089.2	(7,027.6)	-3.3%
Fire Services	302,995.3	304,280.7	1,285.4	0.4%
Transportation Services	254,548.8	251,574.3	(2,974.5)	-1.2%
WES - Support Services	35,379.4	33,548.6	(1,830.8)	-5.2%
WES - Technical Services	52,789.0	49,823.3	(2,965.7)	-5.6%
Department Total	987,762.0	985,301.3	(2,460.7)	-0.2%
Economic Development, Culture and Tourism				
Culture	12,792.6	13,185.8	393.2	3.1%
Customer & Business Support	19,618.4	20,351.4	733.0	3.7%
Economic Development	9,232.3	9,091.0	(141.3)	-1.5%
Parks & Recreation	240,763.4	238,200.1	(2,563.3)	-1.1%
Tourism	10,986.6	9,019.1	(1,967.5)	-17.9%
Economic Recovery	200.0	181.4	(18.6)	-9.3%
Department Total	293,593.3	290,028.7	(3,564.6)	-1.2%
Urban Development Services				
Urban Development Services	93,120.8	89,600.1	(3,520.7)	-3.8%
Department Total	93,120.8	89,600.1	(3,520.7)	-3.8%
Corporate Services				
City Clerk's Office	39,625.9	38,563.0	(1,062.9)	-2.7%
Court Services	27,663.5	27,750.7	87.2	0.3%
Service Improvement & Innovation	7,261.4	6,095.6	(1,165.8)	-16.1%
Corporate Communications	6,446.0	6,292.3	(153.7)	-2.4%
Facilities & Real Estate	86,994.6	91,597.3	4,602.7	5.3%
Fleet Services	30,722.6	33,882.6	3,160.0	10.3%
Human Resources	26,216.9	26,641.4	424.5	1.6%
Information & Technology	45,306.0	41,228.4	(4,077.6)	-9.0%
Legal Services	24,404.6	23,146.2	(1,258.4)	-5.2%
Department Total	294,641.5	295,197.4	555.9	0.2%
Finance				
Finance	67,774.7	65,565.3	(2,209.4)	-3.3%
Department Total	67,774.7	65,565.3	(2,209.4)	-3.3%
Other City Departments				
Auditor General's Office	3,151.5	2,956.7	(194.8)	-6.2%
Chief Administrator's Office	5,639.7	5,501.3	(138.4)	-2.5%
Council	17,706.0	16,347.2	(1,358.8)	-7.7%
Mayor's Office	1,745.1	1,660.2	(84.9)	-4.9%
Department Total	28,242.3	26,465.4	(1,776.9)	-6.3%
TOTAL - CITY OPERATIONS	3,813,473.3	3,727,870.8	(85,602.5)	-2.2%

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Appendix B



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000's)

	December 31, 2004			
	Year-End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under) %	
Special Purpose Bodies				
Toronto Public Health	184,397.2	171,375.5	(13,021.7)	-7.1%
Toronto Public Library	143,436.3	159,000.7	15,564.4	10.9%
Association of Community Centres	5,430.3	5,436.1	5.8	0.1%
Exhibition Place	42,406.8	41,147.0	(1,259.8)	-3.0%
Heritage Toronto	464.0	414.5	(49.5)	-10.7%
Theatres	20,005.9	20,749.9	744.0	3.7%
Toronto Zoo	34,473.3	34,114.3	(359.0)	-1.0%
Arena Boards of Management	5,386.1	5,717.7	331.6	6.2%
Yonge Dundas Square	910.4	975.3	64.9	7.1%
Toronto & Region Conservation Authority	26,650.8	27,590.9	940.1	3.5%
Toronto Transit Commission - Conventional	928,636.5	933,361.5	4,725.0	0.5%
Toronto Transit Commission - Wheel Trans	53,221.1	53,221.1	0.0	0.0%
Toronto Police Service & TPS Board	707,801.7	708,620.7	819.0	0.1%
TOTAL - SPECIAL PURPOSE BODIES	2,153,220.4	2,161,725.1	8,504.7	0.4%
Corporate Accounts				
Community Partnership and Investment Program	41,981.5	41,717.3	(264.2)	-0.6%
Capital & Corporate Financing	394,663.9	388,463.0	(6,200.9)	-1.6%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	74,251.4	95,424.6	21,173.2	28.5%
- Assessment Function (MPAC)	29,200.0	29,003.9	(196.1)	-0.7%
- Temporary Borrowing	400.0	4.3	(395.7)	-98.9%
- Funding of Employee Related Liabilities	25,482.6	25,749.0	266.4	1.0%
- Other Corporate Expenditures	17,742.7	18,469.2	726.5	4.1%
- Insurance Premiums & Claims	16,300.0	16,300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	39,972.7	39,460.3	(512.4)	-1.3%
- Programs Funded from Reserve Funds	3,243.9	85,257.4	82,013.5	2528.2%
- Vacancy Rebate Program	12,000.0	14,956.2	2,956.2	24.6%
- Corporate Utilities	28,453.0	25,607.4	(2,845.6)	-10.0%
- Computer Leasing & External Contract Inquiry	4,549.0	4,676.9	127.9	2.8%
Non-Program Expenditures	251,595.3	354,909.2	103,313.9	41.1%
TOTAL - CORPORATE ACCOUNTS	688,240.7	785,089.5	96,848.8	0.0%
LEVY OPERATING GROSS EXPENDITURES	6,654,934.4	6,674,685.5	19,751.1	0.3%
NON LEVY OPERATIONS				
Toronto Parking Authority	52,322.9	51,948.8	(374.1)	-0.7%
Toronto Water Services	555,185.4	556,260.6	1,075.2	0.2%
NON LEVY OPER. GROSS EXPENDITURES	607,508.3	608,209.4	701.1	0.1%



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CITY OF TORONTO
CONSOLIDATED GROSS REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000's)

Appendix C

	December 31, 2004			
	Year-End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under) %	
Community and Neighbourhood Services				
Children's Services	224,852.4	209,330.0	(15,522.4)	-6.9%
Homes for the Aged	140,556.6	139,182.7	(1,373.9)	-1.0%
Shelter, Housing & Support	360,826.9	353,499.3	(7,327.6)	-2.0%
Social Development & Administration	9,813.7	9,249.6	(564.1)	-5.7%
Social Services	720,407.8	657,823.3	(62,584.5)	-8.7%
Department Total	1,456,457.4	1,369,084.9	(87,372.5)	-6.0%
Works and Emergency Services				
Emergency Medical Services	76,924.9	78,149.2	1,224.3	1.6%
Solid Waste Management Services	58,041.6	54,010.8	(4,030.8)	-6.9%
Fire Services	4,577.9	6,335.8	1,757.9	38.4%
Transportation Services	79,481.8	82,198.2	2,716.4	3.4%
WES - Support Services	35,379.4	33,548.6	(1,830.8)	-5.2%
WES - Technical Services	47,293.9	42,616.9	(4,677.0)	-9.9%
Department Total	301,699.5	296,859.5	(4,840.0)	-1.6%
Economic Development, Culture and Tourism				
Culture	3,806.5	4,239.7	433.2	11.4%
Customer & Business Support	2,203.5	2,401.7	198.2	9.0%
Economic Development	1,769.7	1,787.5	17.8	1.0%
Parks & Recreation	77,580.4	69,040.2	(8,540.2)	-11.0%
Tourism	3,471.9	1,369.4	(2,102.5)	-60.6%
Economic Recovery	0.0	0.0	0.0	n/a
Department Total	88,832.0	78,838.5	(9,993.5)	-11.2%
Urban Development Services				
Urban Development Services	77,751.2	75,822.4	(1,928.8)	-2.5%
Department Total	77,751.2	75,822.4	(1,928.8)	-2.5%
Corporate Services				
City Clerk's Office	20,339.2	19,031.3	(1,307.9)	-6.4%
Court Services	37,300.0	37,395.3	95.3	0.3%
Service Improvement & Innovation	619.1	505.6	(113.5)	-18.3%
Corporate Communications	109.6	147.9	38.3	34.9%
Facilities & Real Estate	54,624.7	59,739.8	5,115.1	9.4%
Fleet Services	30,722.6	33,647.5	2,924.9	9.5%
Human Resources	1,796.2	1,642.2	(154.0)	-8.6%
Information & Technology	4,581.2	2,512.0	(2,069.2)	-45.2%
Legal Services	7,687.9	7,114.0	(573.9)	-7.5%
Department Total	157,780.5	161,735.5	3,955.0	2.5%
Finance				
Finance	33,020.4	31,368.9	(1,651.5)	-5.0%
Department Total	33,020.4	31,368.9	(1,651.5)	-5.0%
Other City Departments				
Auditor General's Office	0.0	0.1	0.1	n/a
Chief Administrator's Office	157.4	171.1	13.7	8.7%
Council	0.0	2.8	2.8	n/a
Mayor's Office	0.0	0.0	0.0	n/a
Department Total	157.4	174.1	16.7	10.6%
TOTAL - CITY OPERATIONS	2,115,698.4	2,013,883.8	(101,814.6)	-4.8%



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CITY OF TORONTO
CONSOLIDATED GROSS REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000's)

Appendix C

	December 31, 2004			
	Budget	Year-End Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Special Purpose Bodies				
Toronto Public Health	111,470.0	102,873.7	(8,596.3)	-7.7%
Toronto Public Library	14,706.0	23,468.4	8,762.4	59.6%
Association of Community Centres	166.8	166.8	0.0	0.0%
Exhibition Place	42,656.4	41,396.6	(1,259.8)	-3.0%
Heritage Toronto	166.1	115.7	(50.4)	-30.3%
Theatres	17,336.8	17,543.7	206.9	1.2%
Toronto Zoo	23,833.5	23,826.0	(7.5)	0.0%
Arena Boards of Management	5,242.9	5,455.1	212.2	4.0%
Yonge Dundas Square	359.4	478.0	118.6	33.0%
Toronto & Region Conservation Authority	23,906.2	24,846.3	940.1	3.9%
Toronto Transit Commission - Conventional*	799,052.4	815,005.4	15,953.0	2.0%
Toronto Transit Commission - Wheel Trans	2,702.6	2,702.6	0.0	0.0%
Toronto Police Service & TPS Board	28,461.7	30,876.0	2,414.3	8.5%
TOTAL - SPECIAL PURPOSE BODIES	1,070,060.8	1,088,754.3	18,693.5	1.7%
Corporate Accounts				
Community Partnership and Investment Program	5,208.2	5,100.8	(107.4)	-2.1%
Capital & Corporate Financing	8,134.0	10,486.7	2,352.7	28.9%
Non-Program Expenditures				
- Other Corporate Expenditures	17,818.0	17,833.1	15.1	0.1%
- Programs Funded from Reserve Funds	3,243.9	85,257.4	82,013.5	2528.2%
- Corporate Utilities	5,641.7	5,314.9	(326.8)	-5.8%
- Computer Leasing & External Contract Inquiry	4,549.0	4,607.8	58.8	1.3%
Non-Program Expenditures	31,252.6	113,013.2	81,760.6	261.6%
Non-Program Revenue				
- Payments in Lieu of Taxes	83,674.2	79,387.4	(4,286.8)	-5.1%
- Supplementary Taxes	27,000.0	48,559.0	21,559.0	79.8%
- Tax Penalties	29,000.0	26,692.2	(2,307.8)	-8.0%
- Interest/Investment Earnings	61,000.0	57,338.9	(3,661.1)	-6.0%
- Prior Year Surplus	15,184.0	15,067.7	(116.3)	-0.8%
- Other Corporate Revenues	2,318.1	9,764.8	7,446.7	321.2%
- Toronto Hydro Revenues	91,655.7	91,655.7	0.0	0.0%
- Parking Authority Revenues	29,394.0	29,320.9	(73.1)	-0.2%
- Administrative Support Recoveries - Water	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	17,302.0	17,302.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	72,667.6	75,653.7	2,986.1	4.1%
- Other Tax Revenues	17,030.0	13,970.5	(3,059.5)	-18.0%
- Woodbine Slots	15,700.0	15,702.8	2.8	0.0%
Non-Program Revenues	480,898.6	499,388.6	18,490.0	3.8%
TOTAL - CORPORATE ACCOUNTS	525,493.4	627,989.3	102,495.9	19.5%
LEVY OPERATING REVENUES	3,711,252.6	3,730,627.4	19,374.8	0.5%
NON LEVY OPERATIONS				
Toronto Parking Authority	95,335.1	97,521.9	2,186.8	2.3%
Toronto Water Services	555,185.4	519,956.6	(35,228.8)	-6.3%
NON LEVY OPERATING REVENUES	650,520.5	617,478.5	(33,042.0)	-5.1%

* Toronto Transit Commission - Conventional year-end revenue budget includes the \$70.0 M Provincial subsidy and \$20.0 M gas tax revenue.

*Report dated February 22, 2005, from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, entitled
“Transfer of City-Owned Lands at 770 Don Mills Road (Ontario Science Centre) to the Province of Ontario to offset the City’s repayment obligation in connection with an outstanding Provincial Loan”*

Purpose:

To authorize the transfer of City-owned lands at 770 Don Mills Road to the Province of Ontario to offset the City’s repayment obligation in connection with the Provincial amalgamation loan to the City.

Financial Implications and Impact Statement:

The transfer of this land, currently assessed at \$35.2 million, to the Province will offset the City’s repayment obligation to the Province of the \$20 million due in 2005, with the balance being used to offset future obligations under the loan agreement.

Recommendations:

It is recommended that:

- (1) the City-owned lands at 770 Don Mills Road (Ontario Science Centre) described as part of Lots 9 and 10, Concession 3, Fronting the Bay, designated as Parts 2, 3 and 5 on Plan RS-882 (the “Property”) be declared surplus to City requirements, subject to the existing 99 year lease, and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken;*
- (2) City staff be authorized to negotiate the transfer of this property to the Province of Ontario under the provisions of the Debenture, Asset Identification and Transfer Process Agreement, dated June 22, 2004;*
- (3) the transfer be used to satisfy the 2005 repayment amount of \$20 million, and the value of the land in excess of the \$20 million required for the 2005 repayment obligation be used to offset future payments under the loan agreement;*
- (4) this transfer be conditional on the Province refunding the January 15, 2005 payment of \$10 million by the City to the Province in connection with this loan;*
- (5) the Chief Financial Officer and Treasurer be directed to report back to Council on the details of the transfer, and on a process for the identification of other appropriate City assets that could be used to satisfy its future loan obligations; and*
- (6) the appropriate officials be authorized to take the necessary action to give effect thereto, and authority be granted for the introduction of the necessary Bills in Council.*

Background:

In May 2003, the City of Toronto undertook a \$183.75 million debenture issuance to the Province of Ontario in connection with refinancing of outstanding provincial loans from 1998 and 1999.

In June 2004, the debenture was reissued by the City to take into account the deferral of the \$20 million 2004 loan repayment, leaving an outstanding balance at of December 31, 2004 of \$175,330,772.70. The January 15, 2005 interest and principal payment of \$10 million towards its 2005 obligation of \$20 million was transferred to the Province.

The agreement provides an opportunity during the term of the agreement for either the City or the Ministry of Municipal Affairs and Housing to identify property owned by the City, which if deemed suitable by the Province, may be transferred to the Province to offset part of the amounts owing.

Comments:

Given the Province's recent decision to not permit the \$20 million loan payment deferral for 2005, the City would like to pursue this offset option. The objective in the short term would be to agree to sufficient sale of property to offset the 2005/2006 payment with an agreement to discuss further sale of properties and/or payments to offset the loan.

The City has tabled the Ontario Science Centre property (770 Don Mills Road - parking lot, etc. of approximately 20 acres) which is no longer required by the City and which we assume may be of longer term interest to the Province or its Agency. The parcel is currently assessed by MPAC at \$35.2 million. While an appropriate process can be worked out to agree on a monetary value, it is apparent that the current or future use is well in excess of \$20 million.

Accordingly, City staff would like to enter into negotiations immediately with the intent of this property being transferred in 2005 to the Province to offset the 2005 loan payment amount.

The Property was originally acquired to accommodate a possible future interchange at Eglinton Avenue East and Don Mills Road. The former Metropolitan Toronto and the former Metro Toronto Region Conservation Authority, now referred to as the Toronto and Region Conservation Authority ("TRCA"), entered into a 99-year lease for City and TRCA lands with The Centennial Centre of Science and Technology, now referred to as the Ontario Science Centre ("OSC"), on July 1, 1965 at a nominal rent fee of \$1 per annum. The use of additional City lands for parking purposes was also included in the Schedule of the said lease. In 1973, a separate lease renewal between the former Metro Toronto and the OSC was generated to permit the use of a portion of the City's lands, shown as Parts 2 and 5 on Plan RS-882, for parking purposes. The lease renewal was for a five-year term with the potential for further renewals.

Metro Council, at its meeting held on June 21 and 24, 1988, adopted Clause No. 3 of Report No. 10 of the Parks, Recreation and Property Committee report, approving a lease renewal agreement for the parking over Parts 2 and 5 on said Plan. The terms for the parking lot at this point were for a 5-year lease commencing July 1, 1988 at a rate of \$30,000 per annum.

At its meeting held on June 1 to 2, 1994, Metro Council adopted Clause No. 10 of Report No. 18 of the Management Committee, thereby approving a lease renewal agreement for the same area. The terms for the parking lot included another 5-year lease commencing July 1, 1993 at a rate increased to \$40,000 per annum. The latest lease renewal between the City and the OSC was effective July 1, 1998 for a five-year term at the same rate as the previous agreement.

Details of the Property to be declared surplus are as follows:

<i>Subject Property:</i>	<i>Ontario Science Centre Parking Lot A portion of 770 Don Mills Road</i>
<i>Assessment Roll Number:</i>	<i>1908-10-1-520-00300</i>
<i>Legal Description:</i>	<i>Part of Lots 9 and 10, Concession 3, Fronting the Bay, designated as Parts 2, 3 and 5 on Plan RS-882</i>
<i>Approximate Site Area:</i>	<i>19.84 ac (80,298.07 m²)</i>
<i>Current Status:</i>	<i>Parking Lot</i>
<i>Zoning:</i>	<i>O3</i>
<i>Existing Official Plan:</i>	<i>G-INS – General-Institutional</i>
<i>New Official Plan:</i>	<i>Institutional Areas</i>

In order to proceed with the disposal of the Property, the City must comply with the procedures governing disposal of property. Section 268 of the Municipal Act, 2001, requires that, before selling any property, Council must declare the property to be surplus by by-law or resolution, give notice to the public of the proposed sale and obtain at least one appraisal of the market value of the property, unless exempted from doing so.

Conclusions:

The transfer of the surplus City-owned land at 770 Don Mills Road to the Province will alleviate the 2005 Operating Budget pressure of \$20 million associated with the City's loan obligation. The report recommends that a process for the identification of other appropriate City assets that could be used to satisfy its future loan obligations be undertaken with the Province.

Contact:

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Communications:

- *(February 16, 2005) from Gabriel Morka [Communication 1(a)(1)]; and*
- *(February 15, 2005) from Tom M. Singer, Chair, East Carleton Residents' Association, addressed to the Minister of the Environment, submitted by Councillor Cesar Palacio, Ward 17, Davenport, and a communication (February 9, 2005) from Councillor Cesar Palacio, Ward 17, Davenport, addressed to J.G. Ashbee, Senior Project Engineer, GO Trip [Communication 1(b)].*

Presentation (February 21, 2005) from the Chief Financial Officer and Treasurer, entitled "2005 Policy and Finance Committee Recommended Capital Budget" [Communication 1(c)].

Confidential communication (February 15, 2005) from the Policy and Finance Committee [Confidential Communication C.1(a)(1)]. This communication remains confidential, in its entirety, in accordance with the provisions of the Municipal Act, 2001, as it contains information that is subject to solicitor-client privilege.

Confidential communication (February 15, 2005) from the Policy and Finance Committee [Confidential Communication C.1(a)(2)], now public in its entirety, forwarding the following:

- *Confidential communication (February 10, 2005) from the Chief General Manager, Toronto Transit Commission [Confidential Communication C.1(a)(2)(i)]. This communication remains confidential, in accordance with the provisions of the Municipal Act, 2001, as it contains information that is subject to solicitor-client privilege, with the exception of the following recommendations contained in the Recommendations Section of an appended report (December 9, 2004) from the Chief Financial Officer and Treasurer, which are now public:*

"It is recommended that:

- (1) Council authorize an increase to the Toronto Transit Commission 2005 Capital Budget for the Sheppard Subway Project of \$13.5 million increasing the budget from \$3.481 million to \$16.981 million to be debt financed; and*
- (2) the 2005 TTC Capital Budget be amended accordingly and be incorporated into the Council consideration of the 2005 Capital Budget in February 2005."; and*

- *Confidential report (January 21, 2005) from the City Solicitor [Confidential Communication C.1(a)(2)(ii)]. The following staff recommendations contained in the Recommendations Section of the report are now public and the balance of the report remains confidential, in accordance with the provisions of the Municipal Act, 2001, as it contains information that is subject to solicitor-client privilege:*

“It is recommended that:

- (1) any deferral or deletion of funds from previously approved capital budgets and any prohibitions on the expenditure of funds for the Front Street Extension project exclude all previously approved funds required to satisfy the terms of any legally binding agreements, including, without limitation, the acquisition of 9 Hanna Avenue and the acquisition of certain lands on the west side of Strachan Avenue, as more particularly detailed in the body of this report; and*
 - (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”*
- *Confidential report (November 29, 2004) from the City Solicitor [Confidential Communication C.1(a)(3)]. This report remains confidential, in its entirety, in accordance with the provisions of the Municipal Act, 2001, as it contains information that is subject to solicitor-client privilege.*

Councillor Ford declared an interest in this Clause, as it applies to the City Clerk’s Office, as his family owns a printing company.

Councillor Jenkins declared an interest in this Clause, as it applies to the End of Lease Strategy, as he is a retired pensioned employee of IBM Canada Ltd.

Councillor Shiner declared an interest in this Clause, as it applies to the Parks and Recreation Budget for the Victoria Memorial Square Restoration, as his family owns property within the immediate area.

Councillor Walker declared an interest in this Clause, as it applies to the Toronto Port Authority, as his daughter is an employee of the Outer Harbour Marina.