STAFF REPORT
ACTION REQUIRED

Budget Committee Recommended
2008 Capital Budget and 2009 – 2012 Capital Plan

Date:	November 21, 2007
To:	Executive Committee
From:	City Manager Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2007\Internal Services\FP\ec07032Fp (AFS #6060)

SUMMARY

This report presents the City of Toronto Budget Committee (BC) Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan, and recommends approval of 2008 cash flow and future years' commitments for capital projects, authority for the Mayor and the Deputy City Manager and Chief Financial Officer to negotiate and enter into agreements for the issuance of debentures in 2008 to support the City's capital program. Furthermore, the report recommends approval of the 2009 – 2012 Capital Plan, which will form the basis for developing future capital budgets, in accordance with the City's multi-year financial planning and budgeting process.

2008 – 2012 Capital Budget and Plan

The Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan builds on the foundation established in the 2007 – 2011 Council Approved Capital Budget and Plan. The Capital Budget and Plan invests in capital projects that fulfil Council's strategic priorities, and maintain the City's existing infrastructure and physical assets in a state of good repair. Over the five-years 2008 – 2012, recommended capital spending totals $8.487 billion (including Toronto Parking Authority of $136.196 million) of which $6.449 billion or 76% is allocated to health and safety, legislated and state of good repair projects. While emphasis has been placed on maintaining and protecting the City's infrastructure and physical assets, the capital budget and plan also provides for growth in strategic areas and priority service expansion projects in key Program areas to accommodate service demands and expectations of the public.

The Budget Committee Recommended Tax Supported 2008 Capital Budget and 2009 –

2012 Capital Plan totals $8.351 billion (excluding 2007 carry forward projects) as shown in Table 1. TTC alone accounts for more than one-half of the five-year capital spending plan. As indicated in Table 1 below, the TTC 2008 Capital Budget and 2009 – 2012 Capital Plan (inclusive of Spadina Subway extension) is $4.344 billion - 52% of the City's recommended capital spending plan; and Transportation Services totals $1.132 billion or 14% of the total capital spending plan. Between them, TTC and Transportation Services comprise two-thirds of the Capital Budget and Plan.

Table 1
2008 Tax Supported Capital Budget and 2009 - 2012 Capital Plan
Commitments and Estimates (in $000)

	Approved 2007	2008 Budget	Capital Plan 2009	2010	2011	2012	2009 - 2012	2008 - 2012	% of Total
Citizen Centred Services "A"	113,600	127,340	115,942	103,478	84,390	80,469	384,279	511,619	6.1%
Citizen Centred Services "B"	336,716	387,680	383,483	421,057	351,250	342,331	1,498,121	1,885,801	22.6%
Internal Services	117,560	117,866	145,541	125,522	124,531	103,013	498,607	616,473	7.4%
Other City Programs	33,919	43,251	76,301	93,891	47,143	26,042	243,377	286,628	3.4%
Agencies Boards and Commissions - Excl. TTC	112,450	178,950	139,362	144,422	134,222	110,117	528,123	707,073	8.5%
Total Tax Supported Programs (Excl. TTC)	714,245	855,087	860,629	888,370	741,536	661,972	3,152,507	4,007,594	48.0%
Toronto Transit Commission - Excl. Spadina	717,304	697,248	875,345	770,516	676,609	1,103,705	3,426,175	4,123,423	49.4%
Toronto Transit Commission - Spadina		56,098	131,200	32,752	0	0	163,952	220,050	2.6%
Total Tax Supported Programs	1,431,549	1,608,433	1,867,174	1,691,638	1,418,145	1,765,677	6,742,634	8,351,067	100.0%

Diminished capital reserves and reduced other non-debt funding sources continue to constrain capital spending. Until the City has a share of revenues that grow with the economy, the growth and service improvement requirement will continue to receive limited funding and minimize debt financing. In order to stabilize the increase in debt financing and maintain / enhance the City's credit rating, the recommendations include implementation of Council's 2005 policy decision to increase contribution from current (CFC) funding by 10% annually, which will begin in 2008 and will add $12.0 million to the 2008 Operating Budget. Notwithstanding significant funding challenges, the 2008 Capital Budget and 2009 – 2012 Capital Plan is fiscally prudent; it balances the capital spending needs for infrastructure maintenance with the objective of ensuring that the City's debt burden is kept within the Council approved debt service charge to property tax ratio of 15%. However, it must be noted that the recommended TTC Budget Capital Budget and Plan is subject to substantial Provincial and Federal funding.

Debt is the primary funding source for the Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan. Totalling $2.684 billion, debt represents 32% of the five year funding requirement. On average, about $200.0 million of debt is retired annually. Therefore, after adjusting for retired debt of $1.000 billion over the five year term of the Capital Plan, new debt will approximate $1.684 billion. This level of new debt is within affordability limits; however, 81% is allocated to the Toronto Transit

Commission (TTC) leaving little room to fully address the infrastructure maintenance and expansion needs of other City Programs, Agencies, Boards and Commissions.

It is noted that even with capital investments averaging $1.670 billion per year during the period 2008 - 2012, a substantive infrastructure *gap* exists between capital investment needs and available funds. This gap has resulted in an SOGR backlog for Tax Supported Programs estimated at $1.671 billion at the end of 2012. Notwithstanding capital funding constraints, infrastructure maintenance backlog has been limited to about 5% of the City's total estimated capital asset value of about $30 billion (excluding Toronto Water).

Notwithstanding the debt guideline pressure, it must be emphasized that approximately $106 million is included in Climate Change / Environmental initiatives that are financed from the Strategic Infrastructure Reserve Fund.

Contents

RECOMMENDATIONS

The Budget Committee (BC) recommends that:

1) Council approve the Budget Committee Recommended 2008 Tax Supported and Toronto Parking Authority Capital Budget, which incorporates all decisions made at its meeting of November 14, 2007, with total project costs of $2.983 billion and requiring 2008 cash flows of $1.937 billion and future year commitments of $1.251 billion in 2009; $706.966 million in 2010; $381.103 million in 2011; $514.938 million in 2012 and $767.143 million in 2013 - 2017 as detailed below:

a) New Cash Flow Funding for:

   i) new and change in scope projects with a total project cost of $2.983 billion that require: 2008 cash flow of $686.418 million and future year commitments of $637.295 million in 2009; $415.494 million in 2010; $214.467 million in 2011; $455.132 million in 2012 and $574.210 million in 2013 to 2017 (see Appendix 2.(i));

   ii) previously approved projects totalling $2.269 billion requiring: 2008 cash flow of $945.111 million and future year commitments of $613.307 million in 2009; $291.472 million in 2010; $166.636 million in 2011, $59.806 million in 2012 and $192.933 million in 2013 – 2017 (see Appendix 2.(ii));

   iii) previously approved projects with carry forward funding from 2006 and prior years requiring 2008 cash flow of $41.418 million, which form part of the affordability target and require Council to reaffirm its commitment; and

b) 2007 cash flow for previously approved projects with carry forward funding from 2007 into 2008 totalling $305.122 million (see Appendix 2(iii));

2) Council approve financing sources for the Budget Committee Recommended 2008 Tax Supported Capital Budget (including 2007 carry forward projects) comprised of: $273.941 million from Reserves and Reserve Funds; $136.000 million of Capital from Current funding; $34.696 million of Developmental Charge funding; $288.180 million from other sources; $299.432 million of Provincial Grants and Subsidies; $285.964 million of Federal Subsidies; and debt of $591.692 million (inclusive of 2007 carry forward debt funding of $132.546 million);

3) Council authorize the Mayor and the Deputy City Manager and Chief Financial Officer to enter into an agreement or agreements with a purchaser or purchasers for the sale and issuance of debentures, to provide an amount in 2008 not to exceed $500 million;

4) Council approve new debt service costs of $6.479 million in 2008 and incremental costs of $34.147 million in 2009; $47.237 million in 2010; $47.827 million in 2011; and, $39.594 million in 2012, for inclusion in the 2008 and future operating budgets;

5) Council consider the operating impacts emanating from approval of the Budget Committee Recommended 2008 Capital Budget of $9.293 million in 2008 and incremental costs of $15.692 million in 2009; $12.299 million in 2010; $9.755 million in 2011; and, $5.854 million in 2012, for inclusion in the 2008 and future operating budgets;

6) Council approve the Budget Committee Recommended 2009 – 2012 Capital Plan for the City of Toronto (excluding Toronto Water) totalling $6.855 billion and comprised

of $1.898 billion in 2009, $1.720 billion in 2010; $1.439 billion in 2011; and $1.798 billion in 2012;

7) Council receive for information the 2008 – 2017 Capital Forecast for the City of Toronto (excluding Toronto Water) totalling $14.930 billion as detailed by Program, Agency, Board and Commission in Appendix 4;

8) Council approve the BC Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan Program Recommendations by Category and Funding Source as detailed in Appendix 5;

9) Council approve the detailed BC Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan Program Recommendations (Appendix 6); and

10) Council receive 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 Committee at its 2008 Capital Budget review meetings of November 13, 14 and 21, 2007.

FINANCIAL IMPLICATIONS

OVERVIEW

Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan

The 2008 Capital Budget and 2009 - 2012 Capital Plan is prioritized into five categories as shown in Table 2 below. Consistent with Council's directions and guidelines, the recommended Capital Budget and Plan focuses on maintaining and rehabilitating existing infrastructure to support the protection of services that are needed by the citizens of Toronto. Table 2 shows that $6.443 billion or 77.1 of the 2008 Budget Committee Recommended Tax Supported Capital Budget of $8.351 billion is allocated to Legislated, Health and Safety, and SOGR projects. This emphasis on protection and preservation of existing infrastructure continues throughout the five-year term of the Capital Plan as graphically illustrated in Chart 1.

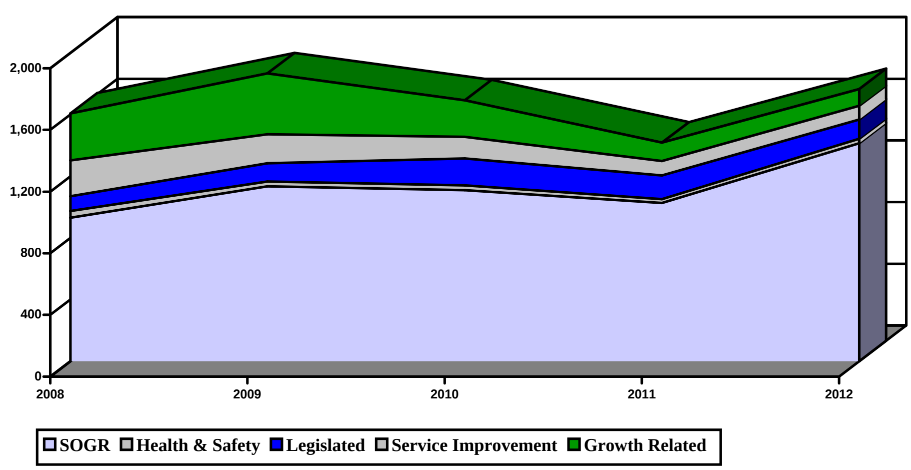
Table 2
2008 Rec'd Tax Supported Capital Budget and 2009 - 2012 Capital Plan
- by Category and Financing Source

$Millions

Expenditures	2008 Budget	Capital Plan 2009	2010	2011	2012	TOTAL 2009 - 2012	TOTAL 2008 - 2012	Percent of Total
Health and Safety	43	33	31	26	29	119	162	1.9%
Legislated	96	117	174	154	126	571	667	8.0%
State of Good Repair	931	1,134	1,110	1,026	1,413	4,683	5,614	67.2%
Service Improvement and Enhancement	234	187	141	93	88	509	743	8.9%
Growth Related	304	396	236	119	110	861	1,165	14.0%
Total Gross Expenditures	**1,608**	**1,867**	**1,692**	**1,418**	**1,766**	**6,743**	**8,351**	**100.0%**
Funded By:								
Provincial	265	290	228	185	313	1,017	1,282	15.4%
Federal	282	291	248	236	367	1,142	1,425	17.1%
Development Charge	31	92	25	24	27	169	200	2.4%
Reserve / Reserve Funds	211	203	167	125	131	626	837	10.0%
Capital from Current	136	150	165	182	200	697	833	10.0%
Other	152	207	182	115	76	580	732	8.8%
Debt	459	557	588	483	596	2,225	2,684	32.1%
Debt - Recoverable	72	76	89	68	54	287	358	4.3%
Total Funding	**1,608**	**1,867**	**1,692**	**1,418**	**1,766**	**6,743**	**8,351**	**100.0%**

It is noted that despite the growing requirement for investment in infrastructure maintenance, the Five-Year Capital Plan recognizes and addresses the need to also invest in essential service improvement and growth related projects to meet changing priorities and the increasing service demands of a growing population. The Budget Committee recommends capital spending totalling $1.908 billion, or approximately 23% of the 2008

Chart 1
2008 Capital Budget and 2009 - 2012 Capital Plan
- by Category ($Millions)



Capital Budget and 2009 – 2012 Capital Plan on growth-related and service improvement projects.

Provincial and Federal Funding - TTC

Financing sources for the 2008 Capital Budget and 2009 – 2012 Capital Plan are summarized in Table 2. A prevailing assumption of this 5 year Capital Plan is that the Federal and Provincial governments will fund $2.707 billion or 32% of the five-year Capital, primarily for transit capital expenditures. Investment in transit meets Council's vision of making Toronto a transit friendly and a clean and beautiful City, and addresses the City's strategies on the environment and climate change. However, the City lacks the resources to maintain its vast and aging infrastructure which is critical to its ability to remain the major contributor to the national economy. As a result, the TTC capital budget and plan has significant assumptions related to Provincial and Federal assistance. The Federal and Provincial governments must commit financial assistance to address the sizable transit infrastructure funding gap that continues to undermine the City's competitiveness and to impair its ability to fuel the national economy.

In the absence of sufficient alternative sources of funds, 32% of the five-year capital spending plan or $2.684 billion is debt financed (see Table 2 above). This does not include recoverable debt of $358 million, which represents 4.3% of the capital spending plan. (Recoverable debt refers to debt that is fully recoverable from projects that will generate revenues in future years and do not require tax funding.) Other financing sources include: reserve and reserve funds of $837 million or approximately 10% of total funding requirement; capital from current of $833 million; development charges of $200 million and other funding sources of $732 million, which includes donations, contribution from developers, retained earnings (Toronto Parking Authority), and third party funding.

Sections 71-10 and 71-11 of the Financial Control By-law specify (i) that no expenditure shall be made and no account shall be paid by or on behalf of the City, except with Council approval; and (ii) that no commitment shall be made except where cash flow funding has been provided in the … capital budget to the satisfaction of the Chief Financial Officer". Therefore, approval of the 2009 – 2012 Capital Plan does not constitute cash flow or spending approval; this is achieved through the approval of the annual capital budget. The Five-Year Capital Plan represents a long-term framework for planning and implementing capital activities, and the basis for developing the annual capital budget.

Debt Financing

Consistent with prior years, debt is the largest funding source for the Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan. As shown in Table 3, Council approved a debt affordability guideline of $464 million for 2008 and a total of $2.249 billion for 2008 – 2012. After adjusting for retired debt averaging $200 million annually, the new debt requirement associated with this debt target is $264 million for

Table 3 2008 Capital Budget and 2009 - 2012 Capital Plan 2008 - 2012 Debt Guidelines							
	2007 Council Approved Debt/CFC	2008	2009	2010	2011	2012	Total 2008-2012
Baseline Debt (Retire / Reissue)	200	200	200	200	200	200	1,000
New Debt:							
TTC	200	167	200	200	194	194	955
City	107	97	65	74	38	20	294
Total New Debt	**307**	**264**	**265**	**274**	**232**	**214**	**1,249**
Total Debt	**507**	**464**	**465**	**474**	**432**	**414**	**2,249**
Capital from Current (CFC)	124	136	150	165	182	200	833
Total Debt & CFC	**631**	**600**	**615**	**639**	**614**	**614**	**3,082**

2008 and $1.249 billion for the five years 2008 – 2012. Over the five-year term of the Capital Budget and Plan, $955 million or 76% of the new debt guideline has been allocated to the Toronto Transit Commission (see Table 3). In part, this is due to the allocation of increased capital from current funding to City municipal operations.

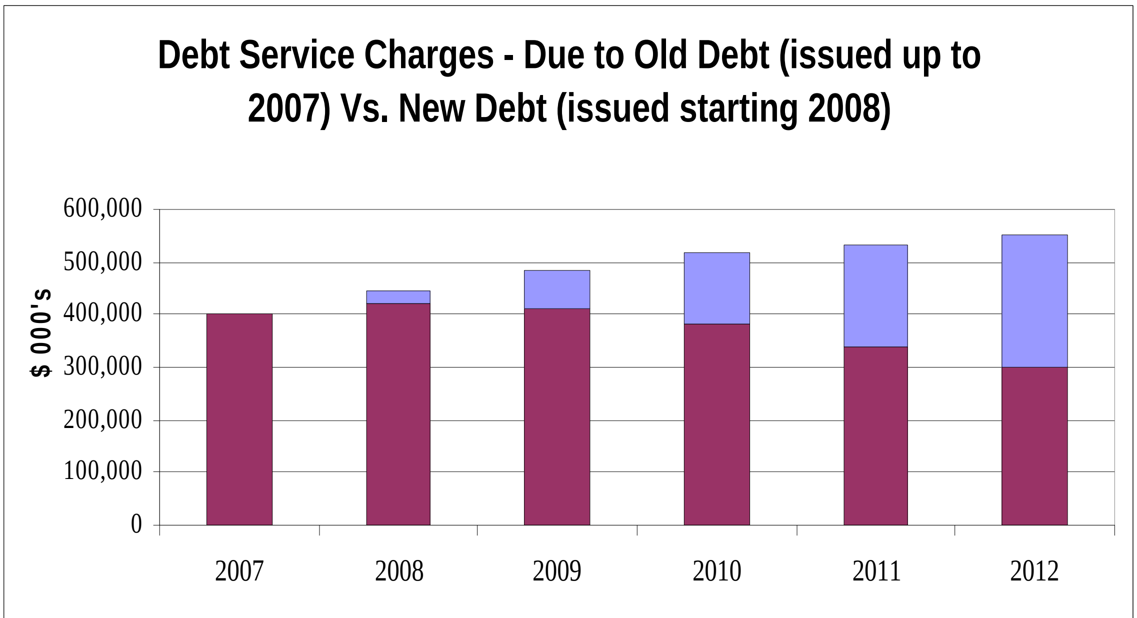
The Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan requires debt financing of $2.684 billion, approximately 32% of the total funding requirement. This debt level exceeds the 2008 – 2012 debt affordability guidelines by $434.208 million. It is noted *that $420.208 million or 97% of the over-target debt amount is attributed to TTC*. The TTC over-target debt amount is driven by the following: advancing the purchase of new subway cars; the purchase of 204 light rail vehicles in 2012; acquisition of new Scarborough Rapid Transit cars and re-signalling of the Yonge / University / Spadina subway. These projects are not affordable within the City's affordable debt guidelines. To secure funding for these initiatives, staff will continue negotiations with the other order s of government with a focus on advancing the Provincial Move Ontario 2020 funding in 2009 – 2012. Since the TTC's capital budget and plan is subject to Provincial and Federal funding, there will be no debt commitment in 2009 – 2012 for the above projects until funding is confirmed.

The Deputy City Manager & Chief Financial Officer confirms that borrowing $459 million to fund 2008 capital expenditures: (i) can be financed by the issuance of debentures with terms that do not exceed 10 years; and, (ii) is within the City's updated Debt and Financial Obligation Limit. The DCM & CFO further confirms that funds are available from the other funding sources identified in the Budget Committee Recommended 2008 Capital Budget.

Debt Service Ratio

At the meeting of June 27-29, 2006 (Policy and Finance Committee, Report 5, Clause 25) Council affirmed that the maximum limit of debt service charges as a percentage of total property tax be established at 15% as a benchmark for evaluating capital expenditure levels.

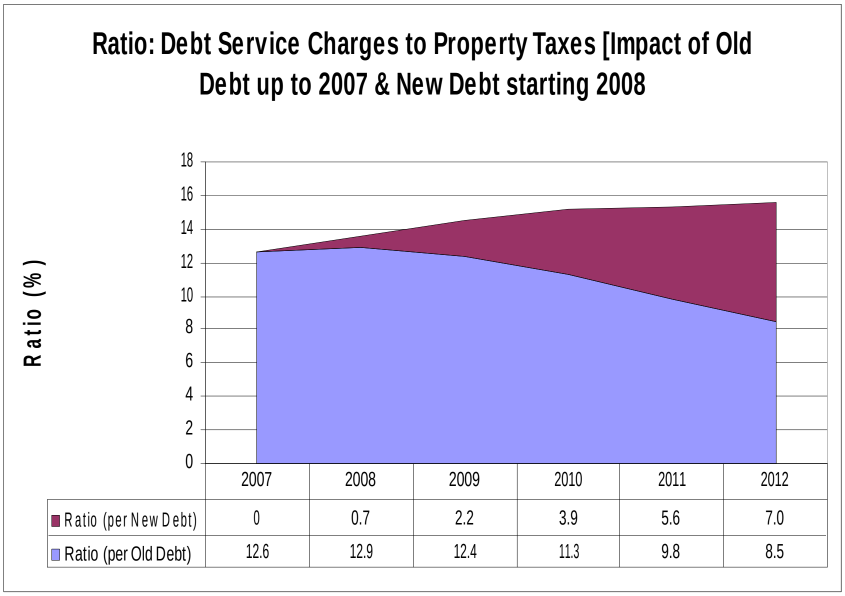
At the Budget Committee meeting of October 29, 2007, Staff Recommended a 2008 Capital Budget and 2009-2012 Capital Plan, which incorporated planned debt issuance as follows: $464 million in 2008, $465 million in 2009, $474 million in 2010, $432 million in 2011 and $414 million in 2012, excluding financing for Green Lane Landfill (see graph below). Based on the assumptions that the TTC's debt target is met (through increased subsidy or expenditure reductions), the debt service ratio will achieve the policy guideline of less than 15%.



Debt Service (New Debt)		21,909	71,735	132,770	193,772	249,850
Debt Service (Old Debt)	402,823	421,158	412,919	384,202	339,008	301,624
Total Debt Service	402,823	443,067	484,654	516,972	532,780	551,474

Based on the Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan, total debt service charges are estimated to increase by approximately $30 million per year, from $403 million in 2007 to $551 in 2012, as illustrated below.

The graph below illustrates the progression of the overall ratio over 2008-2012 period from estimated 13.6% in 2008 to 15.5% in 2012. The ratio forecast is comparable to the forecast for the 2007 capital plan, although the new forecast incorporates increased capital from current contributions which will help reduce debt and keep the ratio down. Other factors that could reduce the forecast debt ratio include higher levels of capital



from current funding (such as might be affordable if a share of sales tax revenues were obtained), achieving a 50% operating subsidy for transit which would permit reallocation of Provincial gas tax revenue to capital, upload of funding responsibility for GO Transit capital expansion, greater than assumed property tax revenues, increased development charges funding, or cuts and deferrals to capital expenditures in the Plan.

Authority to Issue Debentures During 2008

The proceeds from debentures to be issued under the authority recommended in this report will be used to finance capital expenditures that have been incurred or committed for approved projects. Authority of up to $500 million for City purposes is being recommended in order to maintain flexibility and the ability to finance:

i) capital expenditures that were previously approved but not yet permanently financed, and;

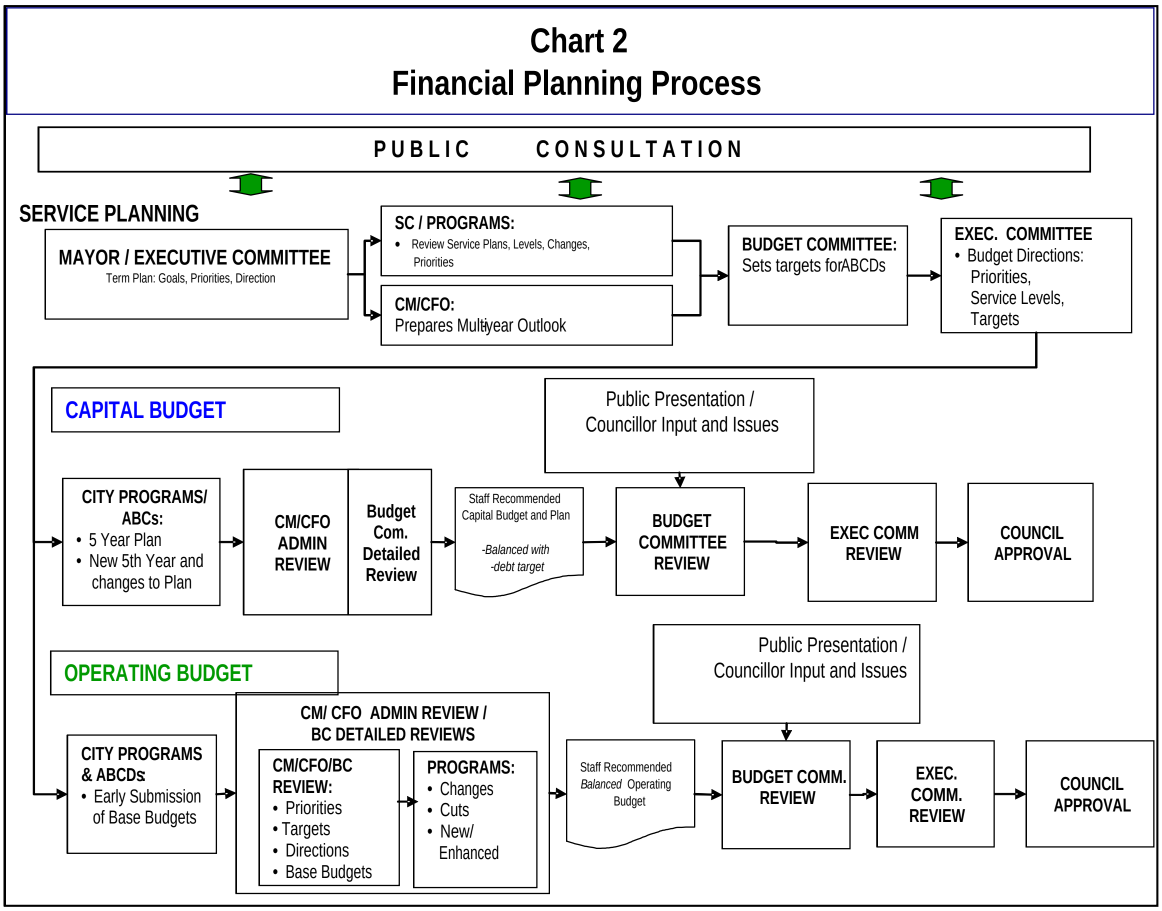
ii) debenture requirements as contained in the Budget Committee Recommended 2008 Capital Budget and 2009-2012 Capital Plan that will be considered by Council in December 2007.

During 2007, debt totalling $300 million was successfully issued in the capital markets with an additional $200 million recently issued in November 2007.

COMMENTS

The 2008 Capital Budget Process

Chart 2 below illustrates the City of Toronto Financial Planning Process, of which the Capital Budget Process is an integral part. The capital budget and multi-year capital plan details capital projects required to deliver the services and services levels needed by the citizens of Toronto over the long-term, and shows how these projects will be funded.



Key elements of this capital budget process include the following:

- Council establishes priorities and provides upfront directions and guidelines which sets the framework for staff to develop a balanced capital budget that implements its strategic policy agenda; aligns resources to priorities; is based on sound financial management principles; and, meets prescribed budgetary targets;
- The City Manager, and Deputy City Manager and Chief Financial Officer review submissions by City Programs, Agencies, Boards and Commissions to ensure compliance with budget policies, Council directions and that the multi-year capital plan rules of engagement are applied.

- The Budget Committee performs detailed reviews of individual City Program and ABC budgets to confirm that Executive Committee's guidelines and directions are met;
- On behalf of the Executive Committee, the Budget Committee holds formal meetings to hear public presentations and to receive input from councillors on any issues they may raise, and where warranted, recommends amendments to the staff recommended capital budget and plan;
- The Budget Committee recommends a Five-Year Capital Plan (the first year of which represents the capital budget) to the Executive Committee. At a minimum, the 5-year Capital Plan must strategically align resources to Council priorities; highlights expected results and outcomes; and confirm recommended financial strategies;
- The Executive Committee reviews the budget to ensure that it addresses major fiscal and policy issues and confirms the budget as a strategic financial plan that will implement Council policies and priorities, and meet community service demands; and,
- On behalf of the Executive Committee, the Mayor presents the 2008 Capital Budget and 2009 – 2012 Capital Plan to City Council.

On March 7, 2007 Council approved the 2007 Capital Budget and 2008 – 2011 Capital Plan. This first, firm five-year capital plan fulfilled the need for a long-term financial planning perspective that guides strategic financial management and decision making. It also simplified the process of developing subsequent Capital Plans which, for the most part, requires adding a new fifth year (2012), and where warranted, making changes that reflect more current information and assumptions.

To ensure the integrity of the Five-Year Capital Plan, projects are firmly placed in the year in which they will be implemented or developed. Moreover, as a policy and accountability requirement, approved capital investment and funding plans cannot be changed without explicit approval by Council. It is noted that some flexibility is provided by enabling acceleration or deferral of projects but only with the approval of Council. Furthermore, funding associated with acceleration or deferral of specific project(s) in any year, must be fully offset by shifting another project or projects with equal value.

Carry Forward of Previously Approved Project Funding

A capital carry forward project is a previously approved project for which the capital work was not completed on schedule and the associated cash flow budget was not fully spent and / or committed in the year of approval and therefore, the unspent amount, or a portion thereof, is required in future years to complete the project. Key elements of the carry forward policy include the following:

- Cash flow funding approval will continue to exist for one fiscal year subsequent to the year in which the project / sub-project was approved. In effect, City Programs and ABCs will be allowed to carry forward unspent funds for capital projects / sub-projects for a period of one year subsequent to the year of original approval;

- Carry forward funding requests for projects approved in the previous fiscal year will not form part of the budget year's debt affordability targets. However, Council approval to carry forward the unspent amount must be obtained in order to establish spending authority;
- Where a project is not completed and approved funds are still not fully spent by the end of the second fiscal year, any 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;
- Change in cash flows and / or project costs that change the scope of projects will not constitute carry forward funding, under the premise of this policy. Change in Scope projects are to be considered new capital projects requiring new funding authority;
- 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,
- 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 funding requests included in capital budget submissions are initially based on projected actual expenditures to year-end. Therefore, during the capital budget review process, and again as part of the First Quarter Capital Variance Report of the budget year, City Programs and ABCs will be permitted to update their carry forward requirements.

City Manager and Deputy City Manager & Chief Financial Officer Review

To ensure compliance with capital and financial policies, Council guidelines and direction, and achievement of debt targets, the City Manager (CM) and Deputy City Manager and Chief Financial Officer (DCM & CFO) reviewed the capital plan submissions from City Programs and ABCs and recommended a balanced Five-Year Capital Plan to the Budget Committee. The CM and DCM & CFO reviews focussed on the following:

- Ensuring that assigned debt affordability targets were met;
- Confirming that the capital plans achieved the objective of maintaining existing assets in a state of good repair (SOGR) and that reasonable service improvement and growth demands that achieve Council's priorities were addressed;
- Ensuring that available resources are utilized to mitigate SOGR backlog and risks associated with the delayed maintenance of the City's aging infrastructure;
- Evaluating assumptions and rationale used to confirm that projects included in the capital plan satisfy key Council priorities; and the extent to which needs analysis,

effective scheduling, and ability to spend were factors influencing project prioritization;

- Ensuring that cost-shared partnerships were explored in order to leverage capital program spending;
- Assuring that challenges and risks to effective delivery of services and service levels were appropriately addressed; and,
- Evaluating operating impacts to ensure reasonableness and that the operating budget is not unduly burdened.

City Programs and ABCs exercised due diligence in developing effective capital plans. Despite major capital spending needs, the majority of City Programs achieved their debt. In general, capital plan submissions complied with guidelines, focussed on maintaining existing infrastructure and despite funding constraints, included strategic investments in service improvement and expansion projects in order to satisfy growth demands without compromising health and safety. Nonetheless, some challenges continue to exist: SOGR backlog will continue to increase by an estimated $245 million from 2008 to 2012, and there continues to be unmet service improvement needs.

Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan

The Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan satisfies Council's policy agenda, is fiscally responsible and focuses on infrastructure rehabilitation. It places priority on projects that protect the health and safety of citizens, meet legislated requirements, and those that maintain the City's infrastructure and physical assets in a state of good repair. Balancing the extensive capital maintenance needs of the City's massive and aging infrastructure against demands for new investments to satisfy the service and service level requirements of a growing community and emergent priorities is a challenge. Nevertheless, the recommended Capital Budget and Plan strategically addresses these competing demands.

The recommended 2008 Capital Budget and 2009 – 2012 Capital Plan achieves the following objectives:

- It focuses spending on maintaining and protecting the City's infrastructure in order to ensure that services demanded by the citizens of Toronto will be delivered in the long-term.
- It slows down the rate of growth of state of good repair backlog.
- It aligns new investments with the Mayor's and Council's policy agenda, and resources to strategic priorities. It includes reasonable investment in service expansion and growth projects that are critical to the achievement of key priorities such as making a safe city safer, building a clean, green and beautiful waterfront, and making Toronto a transit friendly city.

- It meets Council approved 2008 – 2012 affordable debt guidelines (subject to TTC guidelines for Move Ontario 2020 Provincial Funding).

The Budget Committee Recommended Tax Supported 2008 Capital Budget and 2009 – 2012 Capital Plan totals $8.351 billion (excluding 2007 carryforward projects) as shown in Table 4. TTC alone accounts for more than one half of the five-year capital spending plan. As indicated in Table 4 below, the TTC 2008 Capital Budget and 2009 – 2012 Capital Plan (inclusive of Spadina Subway extension) is $4.344 billion - 52% of the City's recommended capital spending plan; and Transportation Services totals $1.132 billion or 14% of the total capital spending plan. Between them, TTC and Transportation Services comprise two-thirds of the Capital Budget and Plan.

Table 4

2008 CAPITAL BUDGET AND 2009 - 2012 CAPITAL PLAN

Commitments and Estimates (in $000)

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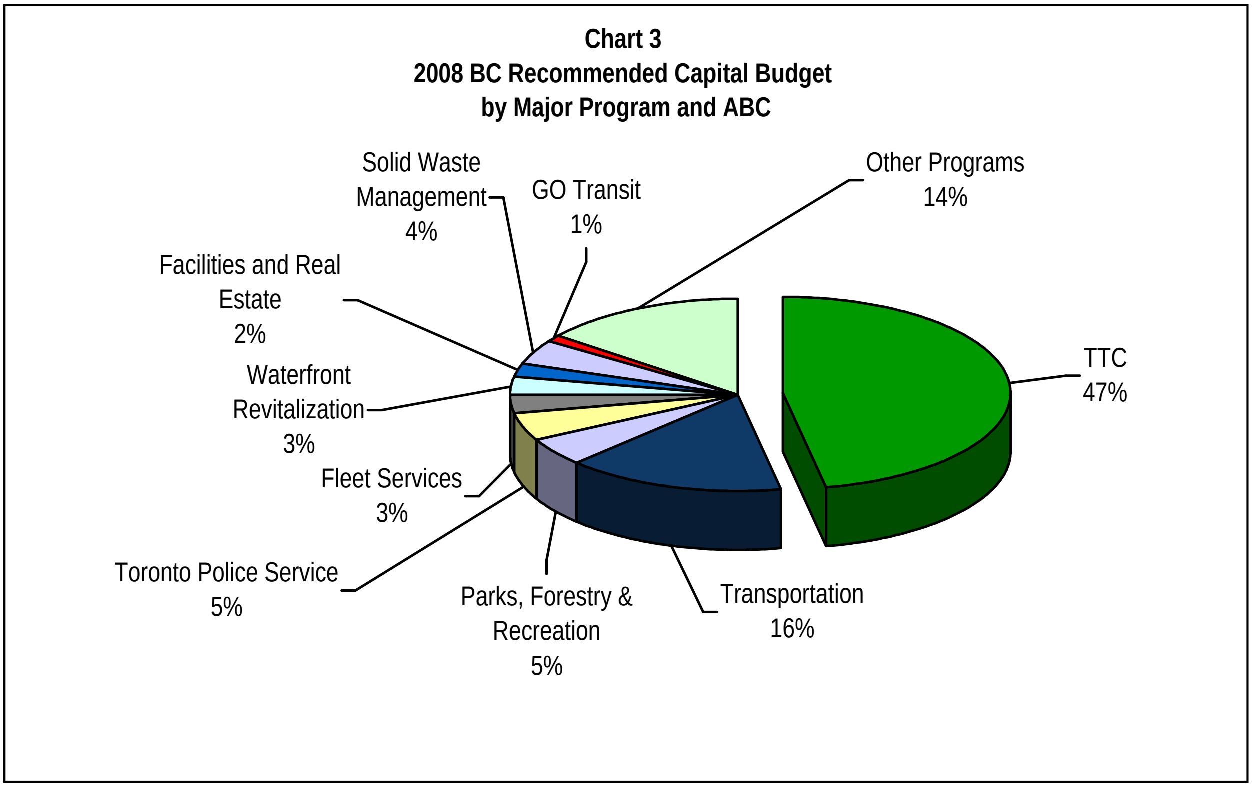
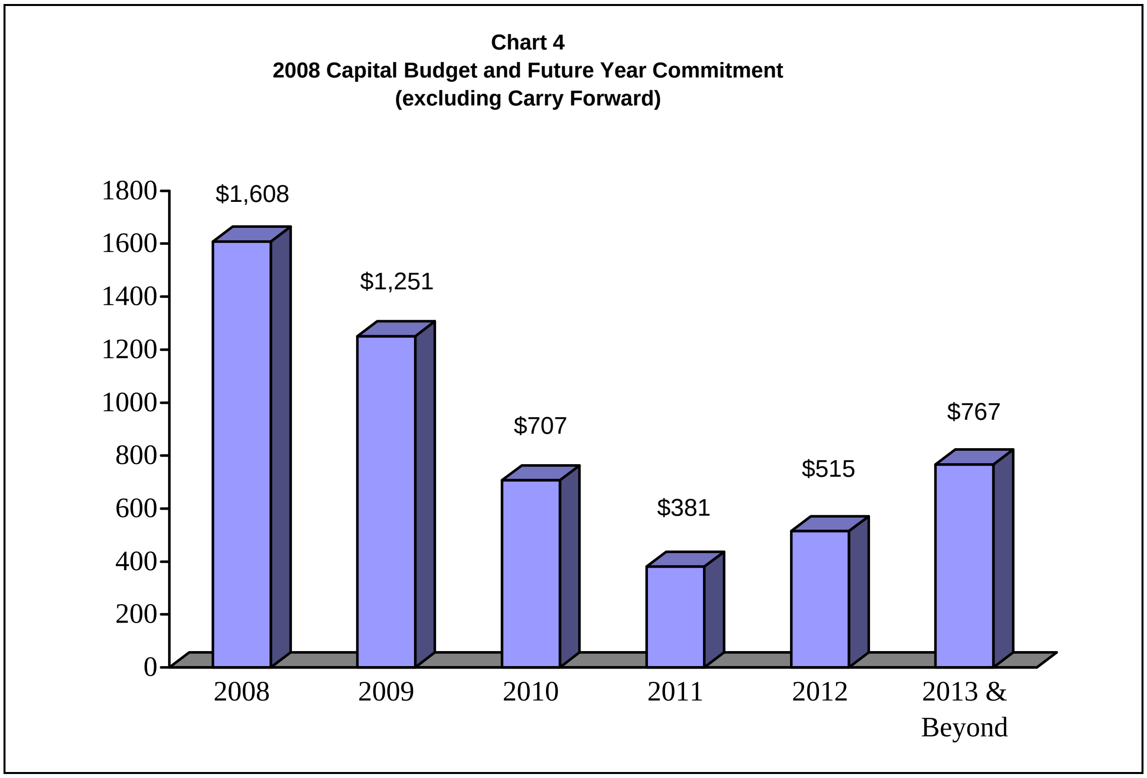
Tax Supported 2008 Capital Budget by Major Program

Chart 3 below shows the BC Recommended Tax Supported 2008 Capital Budget of $1.608 billion by major Program and ABC. TTC represents approximately one-half of the 2008 Capital Budget, followed by Transportation Services which accounts for 16%; and Toronto Police Service for 5%. With a substantive increase in its debt affordability target, Parks, Forestry and Recreation's 2008 Capital Budget now accounts for 5% of the total Capital Budget. This allocation is consistent over the five year plan.



2008 Capital Budget and Future Year Commitments

Approval of the Budget Committee Recommended Tax Supported 2008 Capital Budget (excluding 2007 carry forward projects) will require the following cash flow and future year commitments: $1.608 billion in 2008; $1.251 billion in 2009; $707.0 million in 2010; $381.1 million in 2011; $515.0 million in 2012 and $767.1 million in 2013 and beyond, for a total of $5.229 billion (see Chart 4).



2008 Recommended Capital Budget Including Carry Forward Funding

In accordance with the City's Carry Forward Funding Policy, financing to continue work on 2007 projects that were not completed as planned, require Council approval and are included in the 2008 recommended cash flow. A key element of the carry forward policy discussed earlier, prescribes that:

> Cash flow funding approval will continue to exist for *one fiscal year* subsequent to the year in which the project / sub-project funding was approved. In effect, City Programs and ABCs will be allowed to carry forward unspent funds for capital projects / sub-projects for a period of one year subsequent to the year of original approval, after which they become part of the debt target.

In accordance with the carry forward policy, cash flow requirements for 2007 capital projects that were not completed as planned and for which work must continue in 2008 totals $301.5 million. In summary, the 2008 Recommended Cash Flow of $1.910 billion is comprised of funding for the following: 2007 Carry Forward project of $305.1 million; New and Change in Scope project of $667 million; and, Previously Approved projects of $941 million (see Table 5).

Table 5 2008 Budget Committee Recommended Tax Supported Cash Flow - Including 2007 Carry Forward Funding ($Millions)						
		2008 BC Recommended Cash Flow				
			2008 Capital Budget			
Programs / ABCs	**2007 Council Approved Cash Flow**	**2007 Carry Forward Funding**	**New and Change in Scope Projects**	**Previously Approved Projects**	**2008 Capital Budget**	**Total 2008 Cash Flow**
Citizen Centred Services 'A'	114	61	81	47	128	189
Citizen Centred Services 'B'	337	67	195	193	388	455
Internal Services	118	23	58	60	118	141
Other City Programs	34	10	24	19	43	53
Agencies, Boards and Commissions - before TTC	112	39	108	71	179	218
Total City Operations Before TTC	**714**	**200**	**466**	**390**	**856**	**1,056**
Toronto Transit Commission	717	101	201	552	753	854
Total - Tax Supported Program	**1,432**	**301**	**667**	**942**	**1,609**	**1,910**

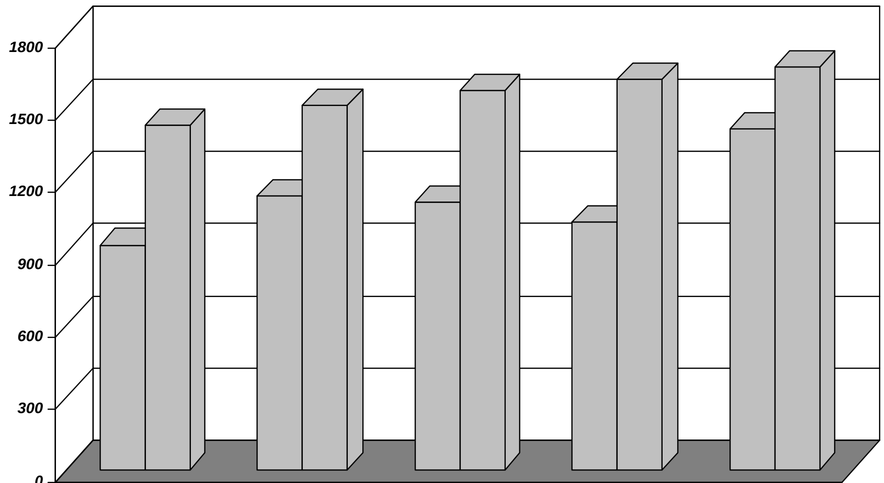
State of Good Repair Backlog

Properly maintaining the City's infrastructure and physical assets is essential. Moreover, managing the significant accumulated SOGR backlog is a key capital planning priority. The City's expansive infrastructure is aging and places a huge burden on its limited own-source revenues just to be kept in good repair. Neglecting to maintain the City's infrastructure on a timely basis could lead to higher major rehabilitation, restoration and replacement costs to taxpayers in the future.

More than two-thirds of the total 2008 Capital Budget and 2009 – 2012 Capital Plan has been allocated to SOGR as illustrated in Chart 5 below. Adding health and safety, and legislated projects increases the capital spending on infrastructure and physical asset maintenance to 76%. As evident in the chart, SOGR backlog continues to increase despite annual SOGR spending of approximately $1.288 billion. Nonetheless, it is estimated that SOGR backlog will increase to $1.671 billion at the end of 2012 – an increase of $245 million or 15% when compared to the 2008 year-end estimate.

The City needs sustainable and predictable funding to invest in capital maintenance and replacement in order to restore its infrastructure to the desired state of good repair. Limited own source revenues prevents the City from fully addressing the SOGR backlog and growth-related infrastructure deficit alone. It is noted that new debt issuance is not a tenable option due to the structural fiscal deficit that confronts the City. Increasing new debt would increase debt service costs thereby exacerbating the significant annual operating budget pressure. The City will continue to ensure that available resources are used effectively to ensure that the highest priority and most urgent capital maintenance projects proceed and that risks of further deterioration of the existing infrastructure is mitigated.

Chart 5
2008 – 2012 Backlog versus State of Good Repair Spending
($Million)



	2008	2009	2010	2011	2012
2008 SOGR	931	1,134	1,110	1,026	1,413
2008 SOGR Backlog	1,426	1,511	1,572	1,619	1,671

Evaluating and Prioritizing New and Expansion Facility Capital Projects

Among the many challenges facing the City is the need to address the increasing SOGR backlog and at the same time fulfilling requirements for new or upgraded facilities to address unmet service needs and growing demand for new services. The 2008-2017 Capital Forecast for new and expansion facility projects is comprised of 130 projects with total cost estimates of $690 million.

The existing capital project review process does not evaluate and compare facility projects on a city-wide basis. Instead, City Programs and Agencies, Boards and Commissions (ABCs) with responsibility for developing and managing their own facilities tend to prioritize projects within their assigned capital program. By not prioritizing facility projects on a city-wide basis, there is currently little opportunity to find synergies and it is probable that lower priority projects are approved for funding ahead of higher priority ones.

Accordingly, it is proposed that a framework for evaluating and prioritizing new and expansion facility capital projects be put in place for the 2009 capital budget process. The proposed facility project evaluation framework should provide a coordinated, objective and consistent approach to assessing, on a city-wide basis, new and enhanced service related facility projects. Further, the review should establish a more structured approach to determining which facility projects should be undertaken first and the order in which future projects should be funded within the corporate Five-Year Capital Plan and Ten-Year Forecast.

In the spring of 2008, staff will propose a framework for evaluating and prioritizing new and expansion capital projects. The framework will recommend a process and criteria for ranking facility projects to be implemented with the 2009 Capital Budget and Plan process.

Incremental Operating Impacts

Prior to recommending a capital project for Council approval, any incremental cost impact on the operating budget over the life of each project is evaluated. The objective of this evaluation is to ensure that operating cost increases associated with the capital budget and plan are both accurate and affordable, and to factor these cost increases in the annual operating budget and forecasts. Capital projects tend to impact the operating budget in the following ways:

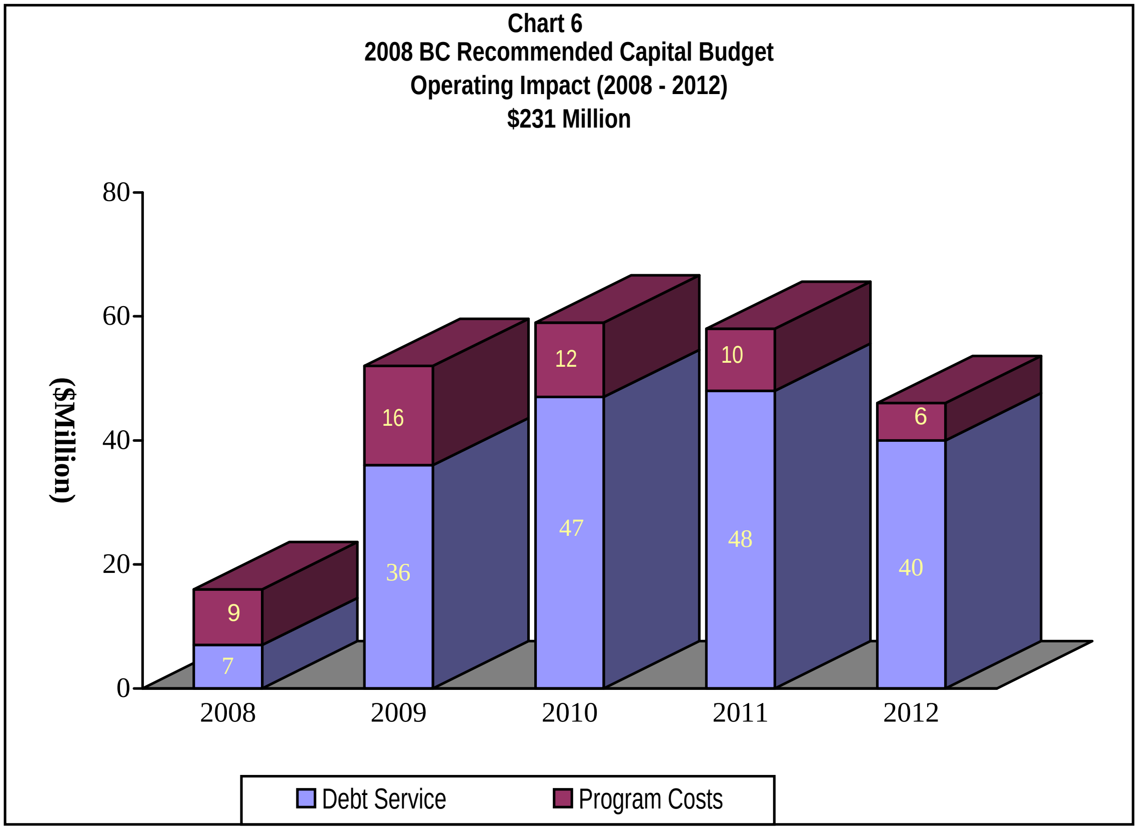
i. Principal repayment and interest payments on debt issued to finance the capital program;

ii. Increased operating costs such as those required for new infrastructure of capital assets, or change or expanded facilities;

iii. Efficiency savings from capital investments that reduce operating costs; and,

iv. Direct contributions from the Operating Fund to finance pay as you go capital projects thereby reducing the annual borrowing requirements.

The incremental impact (including debt services charges) of the BC Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan on the Operating Budget over the five years totals $231 million (see Chart 6). Annual operating impacts range from a low of $16 million in 2008 to a high of $59 million in 2010. Incremental debt service charges, which represent interest and principal repayment on new debt, total $178 million while incremental increases to Program costs are estimated at $53 million. Program costs will be included in the operating budget of the impacted City Programs and ABCs; while debt service costs will be included in the City's Capital and Corporate Financing account in the Non-Program operating budget.



What's in the 2008 Capital Budget – Project Highlights

Following are highlights of projects included in the 2008 Capital Budget. These projects are listed under key themes, with indication of the project deliverable/outcome, delivery date, project cost and 2008 cash flow.

Public Spaces

The City is investing in public spaces that are developed and maintained, clean and beautiful for the general community:

- Begin development of the Sony Centre for the Performing Arts, including renovation of the theatre and the addition of an "Arts & Heritage Awareness" Centre, planned to act as a resident/tourist promotional link to the cultural attractions in the Greater Toronto Area and beyond. Total project cost of $75.000 M will be funded by third-party sources, 2008 cash flow is $12.500 million
- Begin redevelopment of a new conference facility at the Automotive Building, Exhibition Place which is expected to attract major citywide events. The total project cost of $46.885 million is funded by a City loan of $35.600 million, Exhibition Place Capital Reserve Fund of $2.025 million, debt of $1.860 million, and third-party funding of $7.400 million. The 2008 cash flow is $44.550 million

- Undertake detailed architectural and related design work to implement the Council endorsed winning design for revitalization of Nathan Phillips Square ($1.989 M)
- Continue the construction of the South Access Tunnel at Union Station ($3.000 M) and begin the construction of a new loading dock at Union Station ($1.440 M)
- Continue development of mixed-use, transit-friendly, sustainable Waterfront communities that include parks and public spaces in East Bayfront and West Donlands as well as Port Union and Mimico Linear Parks ($55.131 M)
- Improve public spaces in a number of BIA areas across the City through City / BIA partnerships improving streetscapes with pedestrian lighting, planters, benches and landscaping.($4.666 M)
- Continue the multi-year restoration of Casa Loma ($2.040 M)
- Redevelop the Tundra Biome, the first phase of the North Site Redevelopment (Canadian Wilderness) at the Toronto Zoo which will feature an expanded polar bear exhibit and Tundra exhibits, to be largely completed in 2008 for an early 2009 opening ($3.260 M)
- Continue implementation of Neighbourhood Improvement Projects which dedicates up to $0.080 M per ward, per year to support projects that make Toronto's neighbourhoods even more clean and beautiful ($3.520 M).

Environment

City Council has recognized the need for improved environmental stewardship while achieving the City's infrastructure maintenance and development objectives:

- Begin implementation of the Sustainable Energy Action Plan, including Toronto Energy Conservation Fund project which provides funding for energy retrofits to municipalities, academic, social service and health entities ($6.000 M); City of Toronto Green Fund project which provides funding to acquire technology for renewable energy ($3.000 M); City Facilities Upgrades ($1.500 M); and Deep Lake Water Cooling (Total for City Hall and Police Headquarters is $5.035 M)
- Continue with conversion of conventional cooling at Old City Hall to Deep Lake Water Cooling which will result in future energy efficiency savings ($0.545 M)
- Begin implementation of electrical, heating and ventilation systems upgrades at Old City Hall ($0.250 M)
- Continue the Better Buildings Partnership project ($1.963 M) that promotes energy savings from better design and construction
- Adopt an energy efficiency plan at Exhibition Place consisting of 7 new green energy projects totalling $11.475 M
- Continue the City's energy retrofit projects, to reduce energy consumption for Community Centre Facilities, Police Buildings, 8 Transfer Stations and begin work on Community Centre Lighting, Ambulance Station retrofit, Public Health Buildings and Children's Services Facilities ($1.600M)

- Begin implementation of Climate Change Action Plan Key Program Initiatives that will include programs such as Live Green Toronto, Eco-Roofs Program, Transportation Demand Management, Air Quality and Greenhouse Gas Emission Monitoring and Modelling, Climate Change Adaptation and also phase out the use of two-stroke engines and identify further opportunities for expansion of Deep Lake Water Cooling technology ($2.460 M)
- Continue Green Fleet Initiative to lower emissions and save fuel, using innovative greener technology ($1.149 M)
- Continue implementation of the 70% Waste Diversion Plan: new garbage carts and larger recycling carts, new recycling upgrades and green bin programs for multi-residential buildings; a network of new Reuse Centres, Source Separated Organics (SSO), and implementation of curbside collection of durable goods ($59.696 M)
- Conduct a tree canopy study and plant trees through the Tree Advocacy Program ($1.350 M)
- Develop bike trails in the former rail corridor and maintain trails and pathways. Continue implementation of 90 kms in Bikeways and various cycling infrastructure such as bike lockers and rings ($9.325 M)

Improve Public Service

To provide residents with direct and simple access to City staff and services.

- Continue to implement 3-1-1 technology to give citizens one number to contact the City for general information or to request non-emergency City services ($7.952 M)
- Begin to improve the City's website to make it more user-friendly ($2.237 M)
- Begin to improve Registry Services for death registration, marriage licence issuance, gaming and liquor license tracking and polling by December 31, 2008 ($0.355 M)
- Implement a work order system for Parks, Forestry and Recreation to deal with public requests more efficiently ($4.026 M)
- Continue development of Toronto Public Library’s Virtual Branch Services ($2.127 M) to allow more services and materials to be made available through the internet
- Develop new case management tool to provide quality assurance and to integrate all components of the Ontario Works program outside of eligibility assessment and social assistance financial management ($2.000 M)
- Continue ongoing development of two IT Systems: the Shelter Management Information System and the Social Housing Information System to improve operational efficiencies ($2.642 M)

- Continue with the development of a new national Public Health Surveillance and Management System to maintain public immunization records and other public health information ($1.098 M)
- Complete the Personal Health Information Protection Act (PHIPA) System Compliance ($0.895 M) that will ensure that the existing Public Health information systems that contain personal health information are compliant with PHIPA.
- Continue with the deliverables of the Financial Planning Analysis and Reporting System multi-year planning and budgeting system to support a performance based service model implementation in time for the 2010 Budget process ($2.000 M)
- Begin to upgrade the SAP Systems, and to begin to improve SAP applications for human resources and financial systems, that will enhance personnel development qualifications and financial planning, analysis, and reporting. ($2.932 million)
- Continue implementation of Business Sustainment Systems which includes support / enhancements for IBMS projects that span various programs such as Building and MLS that are designed to enhance efficiency and improve public service ($2.551 M).

Community and Recreation Services

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

- Complete the construction / renovation / expansion of 4 community centres: renovation of Goulding CC, addition at Jenner Jean-Marie CC, expansion of O'Connor CC and South Etobicoke CC ($9.561 M)
- Complete upgrade of Flemingdon Park, sports field improvements and addition of 12 mini soccer fields ($1.425 M)
- Build new field house at the Queensway Park ($1.200 M)
- Rehabilitate / upgrade 12 playgrounds ($1.200 M)
- Continue / complete 5 waterplay splashpads: Empringham Park (Shawn Blu Rose Park), Morningside Park, McGregor Park, Eastview Park and Ancaster Park ($1.200 M)
- Advance the strategic priority to invest in the City's 13 Priority Neighbourhoods:
  - Provide new outdoor recreation facilities and a playground in at least 4 priority neighbourhoods: provide accessible playground and equipment at Crescent Town – Eastdale Parkette; renovate tennis court to create multi-sport complex at Dorset Park – McGregor CC; cricket pitch / soccer field at Jamestown -- Panorama Park and provide outdoor multipurpose sports pad at Steeles / L'Amoreaux – Chester Le, Leacock Park ($1.400 M)
  - Add additional Youth space to the Warden Corridor Community Centre ($1.600 M)

  - Create additional community and youth space at 1652 Keele Street ($0.335 M)
  - Start the renovation of Father Henry Carr High School into a Community Hub and Satellite Community Health Centre ($3.200 M)
  - Begin construction of two new Child Care Centres in high-need areas ($2.087 M) including additional community spaces
  - Begin construction of the Kennedy / Eglinton Library expansion ($0.950 M) and the new West Waterfront Library construction ($0.431 M)
- Begin the Regent Park Child Care Replacement Project ($0.950 M) to accommodate infants and toddlers from Regent Park Day Care Centre that will be demolished by March 2009 as part of Phase 2 of the Regent Park Revitalization Initiative
- Complete the construction of the new Thorncliffe Child Care Centre preserving service for 57 children in high-need area including service for infants ($1.226 M)
- Complete the construction of the Jane / Dundas Library renovation ($0.531 M) the Bloor / Gladstone Library renovation & expansion ($2.983 M), the Cliffcrest Library relocation & expansion ($0.450 M), Dufferin / St. Clair Library renovation ($1.373 M), and S. and Walter Steward Library renovation ($1.896 M)
- Continue construction of the Shelter and Referral Centre at 129 Peter Street (40 beds) formerly located at 110 Edward Street ($2.429 M)
- Complete 92 new and replacement shelter beds which includes: the new Bethlehem United Shelter (60 beds), ($0.250 M); and the replacement of Eva's Youth Shelter (32 beds), ($0.500 M)
- Ensure that a safe and comfortable living environment is provided for long-term care residents through Health and Safety ($7.000 M) and State of Good Repair ($1.400 M) at the City's 10 Homes for the Aged

Public Works & Infrastructure

The City has an extensive and aging infrastructure which has to be managed effectively to ensure that the services required by its citizens continue to be provided. To ensure that the City's infrastructure is maintained in a state of good repair, the Capital Budget will:

- Continue to maintain 124 kms of roads, rehabilitate 16 bridges and structures in a safe and hazard-free state and to minimize life cycle costs of these transportation assets ($112.500 M)
- Continue to increase transportation service, safety and capacity – by replacing streetcar track, St. Clair Ave. West and the Simcoe Street Underpass ($42.653 M)
- Complete Morningside Avenue / Finch Avenue East grade separation to improve safety and reduce delays to traffic at the railway crossing ($18.747 M)

- Continue implementation of 90 kms in Bikeways and various cycling infrastructure such as bike lockers and rings ($5.500 M)

Public Safety and Emergency Services

Quality and effective emergency services and public safety constitute a major demand of the citizens of Toronto. To this end, the 2008 Capital Budget will:

- Continue construction of the 11th Division Police Station and a New Training Facility, provide funding for ongoing Police Vehicle and Handheld Radio Replacements, and continue investments in information technology ($69.111 M)
- Continue the implementation of EMS' Public Access Defibrillator (PAD) Program to City of Toronto workplaces and facilities ($0.250 M)
- Complete the critical upgrades to EMS / Fire Headquarters Power Supply System to ensure that integrity of all the power feeds, linkages and back-up systems are maintained and that all primary or back up power feeds to the facility are operational in the event of power disruptions ($3.116 M)
- Continue ongoing Fire station and facilities maintenance which includes the expansion of the Toryork Fire Vehicle Maintenance Facility to minimize vehicle down-time ($3.935 M)
- Continue to implement a security plan for the City's parks ($1.365 M)
- Continue construction on the Dufferin Street Jog Elimination project designed to improve traffic flow and reduce congestion ($16.054 M).
- Continue implementation of traffic calming measures designed to reduced traffic impacts on residential neighbourhoods in the City ($0.373 M).
- Continue reconstruction of sidewalks that can no longer be economically maintained throughout the City ($4.845M)

Transit

A major priority of Council is to make Toronto a city that moves people by transit. The 2008 Capital Budget will:

- Deliver new buses for TTC conventional service (193) plus Wheel-Trans (50) ($175.526 M) for a total of 908 new conventional buses to be purchased by 2017
- Commence purchase of 204 low floor accessible Light Rail Vehicles to replace existing streetcar fleet plus 21 growth cars with delivery of a prototype in 2010 ($54.992 M)
- Make milestone payments on 234 new subway cars (39 train sets) to replace existing subway cars which will also increase capacity by 8% ($79.405 M)
- Start construction of a new Islington subway station and an interregional bus terminal at Kipling station which will be shared with GO Transit and Mississauga Transit ($19.865 M)

- Begin construction of a Bus Rapid Transit way (BRT) from Downsview to York University and continue development of a BRT via Yonge Street from Finch station to Steeles Ave ($16.015 M)
- Begin construction on 13 subway stations to make them more accessible ($10.910 M)
- Replace more than 32,000 double track feet of surface rail with a focus on Bathurst St., Dufferin St., Church St., Richmond St., McCaul St., Parliament St. and Wellington St. ($20.424 M)
- Design state-of-the-art train control and signaling systems on the Yonge-University-Spadina subway line as well as power, communications and safety upgrades ($54.829 M)
- Complete St. Clair West dedicated transit way ($32.977 M)
- Commence fire ventilation upgrade work on 3 stations (Stage 1) and continue second exit egress work ($19.000 M)
- Initiate engineering, project management, construction and related activities on the Spadina Subway Extension ($56.800 M)

Toronto Parking Authority – 2008 Budget Committee

The Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Plan for Toronto Parking Authority totals $136.196 million as shown in Table 6 below. The Capital Budget and Plan is primarily funded from the Authority's future retained earnings, which account for approximately 90% or $121.946 million. Reserve funds and other sources of financing, such as the proceeds from the sale of air rights, account for the remaining 10% or $14.250 million.

Table 6
Toronto Parking Authority
2008 Recommended Capital Budget and 2009 - 2012 Capital Plan
- by Category and Financing Source
$Millions

		Capital Plan						
Expenditures	**2008 Budget**	**2009**	**2010**	**2011**	**2012**	**TOTAL 2009 - 2012**	**TOTAL 2008 - 2012**	**Percent of Total**
Health and Safety	500	600				600	1,100	0.8%
State of Good Repair	4,475	900	100	100	100	1,200	5,675	4.2%
Service Improvement and Enhancement	6,540	22,000	20,000	8,000	7,200	57,200	63,740	46.8%
Growth Related	11,581	7,500	8,100	13,000	25,500	54,100	65,681	48.2%
Total Gross Expenditures	**23,096**	**31,000**	**28,200**	**21,100**	**32,800**	**113,100**	**136,196**	**100.0%**
Funded By:								
Reserve / Reserve Funds	1,650	100	2,100	100	1,300	3,600	5,250	3.9%
Other	21,446	30,900	26,100	21,000	31,500	109,500	130,946	96.1%
Total Funding	**23,096**	**31,000**	**28,200**	**21,100**	**32,800**	**113,100**	**136,196**	**100.0%**

As indicated in Table 6, 48% of the Recommended Capital Budget and Plan is allocated to growth related projects and 47% to service improvement and enhancement projects. The capital budget and plan provides funding to continue implementation of the solar powered and environmentally friendly pay-and-display technology; to acquire property and develop new facilities to satisfy future demand for off-street parking; and, to expand and/or redevelop existing parking infrastructure. It is noted that the Toronto Parking Authority has no SOGR backlog.

Approval of the 2008 Recommended Capital Budget will result in incremental operating revenue generated from user fees of $0.857 million in 2009; $0.420 million in 2010; $0.120 million in 2011; and, $0.120 million in 2012. In total, the incremental revenue generated from user fees amounts to $1.517 million. Note that the operating impacts do not include potential savings from energy efficiency projects.

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City Manager

Joseph P. Pennachetti
Deputy City Manager and
Chief Financial Officer

ATTACHMENTS

Appendix 1	2008 Capital Budget and Future Year Commitments – Including 2007 Carry Forward
Appendix 2	2008 Capital Budget and Future Year Commitments – Excluding 2007 Carry Forward
Appendix 2(i)	2008 Capital Budget and Future Year Commitments – New and Change in Scope
Appendix 2(ii)	2008 Capital Budget and Future Year Commitments – Previously Approved
Appendix 2(iii)	2008 Capital Budget and Future Year Commitments – 2007 Carry Forward
Appendix 3	2008 Capital Budget by Program and Financing Sources – Excluding 2007 Carry Forward
Appendix 4	2008 Capital Budget and 2009 – 2017 Capital Plan and Forecast by Financing Sources
Appendix 5	2008 - 2017 Capital Forecast
Appendix 6	Program Recommendations
Appendix 7	City Clerks Office - Reports, Transmittals and Communications