

## Budget Committee

<b>Meeting No.</b>	22 (Special)	<b>Contact</b>	Merle MacDonald, Committee Administrator
<b>Meeting Date</b>	Wednesday, November 21, 2007	<b>Phone</b>	416-392-7340
<b>Start Time</b>	9:30 AM	<b>E-mail</b>	buc@toronto.ca
<b>Location</b>	Committee Room 1, City Hall		

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*The Decision Document is for preliminary reference purposes only. Please refer to the Committee's Minutes for the official record.*

*How to Read the Decision Document:*

- *Recommendations of the Committee to Executive Committee appear after the item heading.*
- *Any amendments by the Budget Committee to recommendations appearing in a staff report are italicized.*
- *Action taken by the Committee on its own authority, which does not require Council's approval, is listed in the decision document under the heading "Decision Advice and Other Information".*
- *Declarations of Interest, if any, appear at the end of an item.*

BU22.1	ACTION	Amended		Ward: All
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### **Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan**

(November 15, 2007) Report from Deputy City Manager and Chief Financial Officer

#### **Committee Recommendations**

**The Budget Committee recommended to the Executive Committee 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);

*subject to the following amendments:*

*a. Parks, Forestry and Recreation*

- i. the General Managers of Parks, Forestry and Recreation and Transportation, in consultation with the Deputy City Managers, work together to develop an implementation plan that would ensure the completion of the Toronto Bike Plan by 2012, as per Council's direction; and further, the Deputy City Managers consider opportunities to share and reallocate staff and financial resources to facilitate the completion of the plan and report to Budget Committee in June 2008; and*
- ii. the funding allocation for playgrounds be increased from \$75,000 to \$100,000 per playground for a total impact of \$300,000 gross in 2008 to be funded from the Parkland Acquisition – City Wide Development Reserve Fund (XR2211) with no impact on debt;*

*b. City Planning:*

- i. the "A-List" and "B-List" of the City Planning Division 2008 Civic Improvement Projects – Places and Routes, be approved;*
- ii. Appendix 1 of the 2008 Budget Briefing Note dated November 15, 2007 outlining the "A-List" and "B-List" be appended to the report (November 21, 2007) from the City Manager and the Deputy City Manager and Chief Financial Officer, entitled "Budget Committee Recommended 2008 Capital Budget and 2009-2012 Capital Plan for recommendation to the Executive Committee and Council";*

**c. *Facilities and Real Estate:***

*Defer the Second Floor Renovation Project from 2008-2009 to 2009-2010 and reallocate funds to maintain the recommended debt levels;*

**d. *Toronto Public Library:***

*Increase the 2008 Budget Committee Recommended Capital Budget of \$11.85 million for the Toronto Library Board by \$1.0 million gross and debt to support the completion of an additional two state-of-good-repair projects;*

**e. *Sustainable Energy Plan:***

*That funds in the amount of \$0.955 million of the unallocated Energy Retrofit Program be accelerated from 2010 to 2008, funded from recoverable debt in the amount of \$0.716 million and \$0.239 million from third party funding for boiler/lighting retrofits at Exhibition Place;*

**f. *Exhibition Place:***

*That the HCAV and Lighting at Coliseum Complex and GS Building project for \$1.1 million, funded from non-debt other sources, be deleted, as it is replaced by the allocation of Energy Retrofit funding of \$0.955 million.*

**g. *Toronto Transit Commission:***

*i. Approve \$0.700 million in 2008 cashflow to allow additional commitments and activities to proceed on Transit City EA work to March 31, 2008. Increased project cost commitment of \$3.850 million is required to cover the full scope of EA work to completion in 2009;*

*ii. In addition to the EA work above, approve \$2.500 million in 2008 cashflow and additional project commitments of \$1.500 million for a total of \$4.000 million is required to allow activities to proceed on the engineering, design, staff resources and other work towards implementation of the first priorities up to March 31, 2008;*

*iii. The Toronto Transit Commission commit to a further Unspecified Budget Reduction of \$4.700 million in the 2008 base capital budget to accommodate these increased requirements (\$0.700 million EA cash flow and \$4.000 million First Priorities commitments in the first quarter of 2008) if funding for the project is not approved in the Provincial budget before March 31, 2008;*

*iv. The Toronto Transit Commission and City Staff report to the Budget Committee upon release of the Provincial 2008 budget to confirm project funding and/or to recommend actions required to address any*

*identified funding shortfall;*

- v. *Amend Recommendation 164 (Appendix 6) of the report (November 21, 2007) from the City Manager and the Deputy City Manager and Chief Financial Officer, to reduce the unallocated amount of \$54.4 Million to \$48 Million;*

***h. Economic Development, Culture and Tourism***

- i. *Amend the Franklin Carmichael Art Centre Expansion project to move \$100,000 gross and net in design funding from 2012 to 2009, and defer \$100,000 gross and debt from the Guild Revitalization project from 2009 to 2012 to accommodate this amendment;*

- ii. *Approve the recommendations in the report (November 21, 2007) from Deputy City Manager Sue Corke and Deputy City Manager and Chief Financial Officer Joe Pennachetti, entitled “Toronto Street Food Project Plan”, conditional upon City Council approval to establish the Street Food Project:*

1. *the 2008 Economic Development Culture and Tourism Capital Budget be increased by \$0.700 million gross, \$0.700 million recoverable debt, for the Toronto Street Food Project;*
2. *the \$0.700 million of recoverable debt be available in January 2008 for the period ending on January 30, 2013 at an interest rate of 5.00% per annum, repayable in annual instalments of \$161,682, with an interest free period extending until September 30, 2008 and the first instalment of \$138,350 due on January 30, 2009;*
3. *the repayment of the funding and all related agreements be on terms and conditions satisfactory to the City Solicitor, the Deputy City Manager and Chief Financial Officer as well as Deputy City Manager Sue Corke; and*
4. *the recoverable debt capital funding be deemed to be in the interest of the municipality; and*

10. **Council receive the reports, transmittals and communications that are on file with the City Clerk’s Office including Appendix 7 attached, as considered by the Budget Committee at its 2008 Capital Budget review meetings of November 13, 14 and 21, 2007.**

## **Decision Advice and Other Information**

The Budget Committee:

- a. requested the Toronto Transit Commission to report directly to the Executive Committee on November 26, 2007, on specific reductions of \$6.4 million in 2008, currently shown as unallocated;
- b. received information from the Police Services Board confirming that the \$9.832 million of Federal DND funding for the training facility has been approved by Treasury Board.
- c. approved the technical amendment to Recommendation 1 of the report “Climate Change Action Plan – Implementation of Key Program Initiatives” (BU21.1h) as follows:
 

amend the 2008 Capital Budget for Climate Change Plan key initiatives with a total project cost of \$20.980 million consisting of new cash flow funding for 6 new sub-projects with a 2008 total project costs of \$20.980 million that requires cash flow of \$2.810 million in 2008 and a future year commitment of \$4.875 million in 2009, \$4.985 million in 2010, \$4.295 million in 2011 and \$4.015 million in 2012;
- d. received the following letters/reports:
  - i. report (November 15, 2007) from the Deputy City Manager and Chief Financial Officer, entitled “Budget Committee Recommended 2008 Capital Budget and 2009-2012 Capital Plan” (BU22.1);
  - ii. letter (November 15, 2007) from the Toronto Public Library Board, entitled “Revised 2008-2012 Capital Budget Request” (BU22.1a);
  - iii. letter (November 15, 2007) from the General Secretary, Toronto Transit Commission, entitled “2008-2012 Capital Program and 10-Year Capital Forecast” (BU22.1b);
  - iv. letter (November 15, 2007) from the General Secretary, Toronto Transit Commission, entitled “Project Approval – Transit City Light Rail Plan (First Priorities)” (BU22.1c); and
  - v. (November 19, 2007) fax from Michael Rosenberg, Economics of Technology Working Group (BU.New.BU22.1.1); and
- e. received the following Briefing Notes:
  - 1. Franklin Carmichael Art Centre Expansion (Nov 20-014);
  - 2. 2008 Civic Improvement Capital Projects (Nov 20-016);
  - 3. Jane/Sheppard Library Capital Project (Nov 20-019); and
  - 4. Project Approval – Transit City Light Rail Plan (Nov 20-021).

## Summary

City staff are preparing a corporate report on the 2008 Capital Budget and 2009 – 2012 Capital Plan. This report will present the City of Toronto’s Budget Committee Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan, and recommends approval of the 2008 cash flow

and future year commitments for capital projects. The report will be submitted on the supplemental agenda in accordance with, and subject to the decisions made at the Budget Committee meetings of November 13 and 14, 2007.

### **Background Information**

Report on Budget Committee Recommended 2008 Capital Budget and 2009 y 2012 Capital Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8858.pdf>)

### **Communications**

(November 19, 2007) e-mail from Michael Rosenberg, Economics of Technology Working Group (BU.New.BU22.1.1)

## **1a Toronto Public Library Board - Revised 2008-2012 Capital Budget Request**

(November 15, 2007) Letter from Toronto Public Library Board

### **Summary**

Letter received from Toronto Public Library Board advising of the action taken by the Board on November 12, 2007.

### **Background Information**

Letter on Revised 2008 - 2012 Capital Budget Request

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8859.pdf>)

Attach 1 - 11-2008-2012 Capital Budget Update

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8868.pdf>)

Report on 11-2008-2012 Capital Budget Update

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8869.pdf>)

## **1b Toronto Transit Commission - 2008-2012 Capital Program and 10-Year Capital Forecast**

(November 15, 2007) Letter from General Secretary, Toronto Transit Commission

### **Summary**

Letter received from Toronto Transit Commission advising of the action taken by the Commission on November 14, 2007.

### **Background Information**

Letter from TTC re 2008-2012 Capital Program and 10-Year Capital Forecast

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8862.pdf>)

Report on 2008-2012 Capital Program and 10-Year Capital Forecast

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8863.pdf>)

### **1c Toronto Transit Commission - Project Approval - Transit City Light Rail Plan (First Priorities)**

(November 15, 2007) Letter from General Secretary, Toronto Transit Commission

#### **Summary**

Letter received from Toronto Transit Commission advising of the action taken by the Commission on November 14, 2007.

#### **Background Information**

Letter from TTC re Project Approval - Transit City Light Rail Plan (First Priorities)

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8866.pdf>)

Report on Project Approval - Transit City Light Rail Plan (First Priorities)

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8867.pdf>)

### **1d Budget Committee Recommended 2008 Capital Budget and 2009 – 2012 Capital Plan**

(November 21, 2007) Report from City Manager Deputy City Manager and Chief Financial Officer

#### **Financial Impact**

See report attached.

#### **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.

#### **Background Information**

Report on Budget Committee Recommended 2008 Capital Budget and 2009 - 2012 Capital Plan

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8913.pdf>)

App 1 to 5

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8914.pdf>)

App 6



<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8915.pdf>

## **1e Toronto Street Food Project Plan**

(November 21, 2007) Report from Deputy City Manager Sue Corke Deputy City Manager and Chief Financial Officer

### **Financial Impact**

Issuance of the recoverable debt capital funding is considered to be a financial commitment of the City. The \$700,000 recoverable debt capital funding has an annual payment of \$161,682.35 or \$5,389.41 per cart for 30 carts annually or \$449.12 monthly. Repayment must be generated by each of the 30 carts in order for the repayable funding to be self-sustaining over the 5 year term.

The 2008 Operating Budget Request for the Toronto Street Food Program will be submitted for consideration in the 2008 Operating Budget Process. The attached 5-Year cash flow projection includes \$0.341 million for 2008 revenue and \$0.227 million expenditure, \$0.113 million net surplus. Details of the 2008 Operating Budget will be submitted for consideration in the 2008 Operating Budget process.

### **Summary**

Earlier this year, the Toronto Board of Health requested the Minister of Health and Long Term Care to amend Regulation 562 to allow for a greater variety of food to be sold on the street. On July 7, 2007, the Minister announced an amendment to Regulation 562, which would allow for a greater variety of street food choices, to take effect August 1, 2007.

On July 12, 2007, Council approved a motion implementing city staff recommendations to maintain the existing restrictions on street vending until such time as a comprehensive plan to implement the change could be brought forward. Staff has since been working on developing the Toronto street food project plan to introduce new foods on Toronto streets for Spring 2008.

Councillor Filion is bringing forward a memorandum to the Executive Committee seeking authorization for staff to report through the Executive Committee to Council on issues which need to be addressed to move forward with the Toronto street food project.

To allow for the acquisition of the carts required for this project an amendment to the 2008 EDCT Recommended Capital Budget is required. The proposed funding is to be recovered from the lease payments for use of the carts.

### **Background Information**

Report on Toronto Street Food Project Plan

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8920.pdf>

**Meeting Sessions**

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2007-11-21	Morning	9:45 AM	11:10 AM	Public