

Budget Committee

Meeting No.	21 (Special)	Contact	Merle MacDonald, Committee Administrator
Meeting Date	Wednesday, November 14, 2007	Phone	416-392-7340
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 2, City Hall		

Attendance

Members of the Budget Committee were present for some or all of the time periods indicated under the section headed “Meeting Sessions”, which appears at the end of the Minutes.

Councillor Shelley Carroll, Chair	X
Councillor Paul Ainslie, Vice-Chair	X
Councillor Maria Augimeri	X
Councillor A.A. Heaps	R
Councillor Joe Mihevc	X
Councillor Gord Perks	X
Councillor Kyle Rae	X

Also Present:

Councillor Janet Davis	Deputy Mayor Joe Pantalone
Councillor Denzil Minnan-Wong	

BU21.1	ACTION	Deferred		Ward: All
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City of Toronto 2008 Recommended Capital Budget and 2009-2012 Capital Plan

(October 29, 2007) Report from Financial Planning Division

Summary

See Analyst Briefing Notes.

Communications

(September 27, 2007) letter from Claude Bergeron, President, Carleton Village Residents' Association (BU.Main.BU21.1.1)

Decision Advice and Other Information

The Budget Committee:

1. Approved the Total 2008 Budget Committee Recommended Capital Budget and the 2009-2012 Capital Plan (including carry forward funding) as of November 13, 2007, subject to the following amendments:

Citizen Centred Services - A

Economic Development, Culture and Tourism

- a. the allocation of \$0.050M gross/debt to the Economic Development, Culture and Tourism 2008 Capital Budget for continuation of the Mural Program, previously the Employment Revitalization Program, be approved and the Waterfront Museum Feasibility Project be reduced by \$0.050M.
- b. transfer remaining \$20 thousand debt from Waterfront Museum Feasibility Project to Fort York Adding New Buildings and Visitation Centre.
- c. the General Manager, Economic Development, Culture and Tourism be requested to report to Council in Spring 2008 on the feasibility of the Waterfront Museum and any requirement for capital funding.

(Motion by Councillor Rae)

Parks, Forestry and Recreation

- a. the funding allocation for playgrounds be increased from \$75,000 to \$100,000 per playground for a total net impact of \$300,000 in 2008; and that the Deputy City Manager and Chief Financial Officer report to the final wrap-up meeting on how this can be facilitated within the debt envelope.
- b. the General Manager, Parks, Forestry and Recreation be requested to report through the 2009 budget process on options for increasing the 2009-2013 budgets for parks playground equipment from \$75,000 to \$100,000.

(Motion by Councillor Mihevc)

- c. approve, in principle, the addition of the following amounts to the Five Year Bike Plan
 - 2009 – \$1.66 Million
 - 2010 – \$4.815 Million
 - 2011 – \$4.740 Million
 - 2012 – \$6.700 Million

(Motion by Councillor Perks, as amended by Councillor Carroll)

- d. Deputy City Manager Sue Corke and the Deputy City Manager and Chief Financial Officer be requested to report through the 2009 Budget process on how the proposed additions to the Five Year Bike Plan can be facilitated.

(Motion by Councillor Mihevc)

- e. the General Manager of Parks, Forestry and Recreation report to the Budget Committee in May 2008 on the outcome of the Capital Budget Task Force.

(Motion by Councillor Carroll)

- f. the General Manager of Parks, Forestry and Recreation report to the Budget Committee in May 2008 on parkland acquisitions and the required adjustments to be made to the Recommended Five-Year Plan.

(Motion by Councillor Carroll)

Citizen Centred Services - B

Transportation Services

- a. approve the recommendations contained in the report (November 12, 2007) from the Deputy City Manager and Chief Financial Officer, entitled “Funding the First Phase of Six Points” (BU21.1g)
1. authority be granted to the General Manager of Transportation Services to undertake the detailed design of the Dundas Street West realignment as well as the development of the overall construction staging plan for the reconfiguration of the Six Points interchange;
 2. the 2008 Recommended Capital Budget for Transportation Services be increased by \$1.0 million gross, \$0 net; and
 3. this report be considered with the City’s 2008 Capital Budget and 2009 – 2012 Capital Plan.
- b. recommended that the report (August 22, 2007) from the General Manager, Transportation Services, entitled “Scarlett Road/CP Rail Bridge Class Environmental Assessment Study”, contained in PW8.4 referred by City Council on September 26 and 27, 2007, be received. (BU21.1a)

(Motion by Councillor Carroll)

Internal Services

Facilities and Real Estate:

- a. the second floor Office Renovations be moved from 2008-2009 to 2009-2010; and that staff report to the Budget Committee wrap-up meeting on the impact of \$870,000 in 2008 and \$1,900,000 in 2009.

(Motion by Councillor Carroll)

Other Corporate Priorities

Exhibition Place:

- a. approve the recommendations contained in the report (November 7, 2007) from the Chief Executive Officer, Exhibition Place, entitled “Conference Centre Design and Costing Issues – Exhibition Place” (BU21.1b)
 1. Approve of the increase in the overall Conference Centre capital budget from \$29.0M to \$46.88M;
 2. Increase its loan to the Board from \$21.2M to \$35.6M for the renovation of the Automotive Building to a Conference Centre facility with an increase in the interest rate from 4.75 to 5.0 percent and an increase in the amortization period from 20 to 25 years;
 3. As before, allow for the depletion of the full Exhibition Place Capital Reserve which as of September 30, 2007 stands at \$1.966M but will receive interest payments of approximately \$0.059 by 2007 year-end for a total of approximately \$2.025M; and
 4. Request the Preservation Board to report directly to City Council at its meeting of December 11, 2007 on matters relating to the Automotive Building being a “Listed Building”.

(Motion by Councillor Perks)

- b. approve the recommendations contained in the report (November 9, 2007) from the Deputy City Manager and Chief Financial Officer, entitled “Financial Assessment of Increased Loan for the Proposed Conference Centre at Exhibition Place” (BU21.1c)
 1. the terms of the proposed loan from the City to the Board for the conference centre be amended to:
 - a. increase the principal amount from \$21.2 million to \$35.6 million;
 - b. increase the term of the loan from twenty to twenty-five years;
 - c. increase the rate of interest from 4.75% to 5.0%;
 2. the terms of the City loan to the Board of Governors of Exhibition Place be to the satisfaction of the Deputy City Manager and Chief Financial

Officer;

3. Council establish an obligatory reserve fund, called the 'Exhibition Place Conference Centre Reserve Fund, with criteria as defined in Appendix 1, to provide a source of funding for any shortfalls in loan payments to the City from Exhibition Place for a new conference centre;
4. the Board of Governors of Exhibition Place be directed to place the revenues from the current and future Direct Energy Centre naming rights agreements into the 'Exhibition Place Conference Centre Reserve Fund';
5. the 2007-2009 and any subsequent Operating Surplus for Exhibition Place be placed into the 'Exhibition Place Conference Centre Reserve Fund', to be reviewed for 2010 and beyond;
6. Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding the 'Exhibition Place Conference Centre Reserve Fund' to Schedule '14' – Third Party Agreements Reserve Fund; and
7. that leave be granted for the introduction of any necessary bills in Council to give effect thereto;

(Motion by Councillor Perks, as amended by Councillor Carroll)

Climate Change Plan:

Report (November 13, 2007) from Deputy City Manager Butts and Deputy City Manager and Chief Financial Officer Pennachetti, entitled "Climate Change Action Plan – Implementation of Key Program Initiatives (BU21.1h)

- a. Approve the following recommendations:
 1. 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 \$4.375 million in 2009, \$3.985 million in 2010, \$3.295 million in 2011 and \$3.015 million in 2012 be approved;
 2. the Climate Change 2008 Capital Budget and 2009-2012 Capital Plan be approved, with gross expenditures totalling \$20.98 million funded in the amount of \$17.480 million from the Strategic Infrastructure Partnership Reserve Fund and \$3.500 million funded from third party contributions; consisting of FCM grants, Federal and Provincial funding and other sources, to be determined; and
 3. this report with the operating budget impact of \$1.760 million gross, \$1.630 million net in 2008, \$2.124 million gross, \$1.994 million net in

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2009, \$1.922 million gross, \$1.542 million net in 2010, \$1.524 million gross, \$0.894 million net in 2011 and \$1.572 million gross, \$0.942 million net in 2012 be referred to the Budget Committee for consideration with the City's 2008 Operating Budget Process, subject to:

- i. amending Table 6b of the report as follows:

AQ Modelling & Monitoring (consulting services) –
 Reduce 2008 budget to 150,000
 Reduce 2009 budget to 100,000
 Delete the amounts for 2010, 2011 and 2012

Mobile Gas Analyser -
 Delete 2008 budget – 250,000

Computer Work Stations –
 Delete 2011 budget - \$20,000

- ii. amending Table 6a as follows:

Eliminating the budgeted amounts for 2008-2012 for the following projects:

- GHG & AQ Emissions Report (software and data purchases)
- AQ Modelling and Monitoring (students)

(Motion by Councillor Perks)

Toronto Public Library

That the recommendation contained in the letter (October 15, 2007) from the City Librarian, entitled "Toronto Public Library – 2008-2012 Capital Budget – City Manager's Recommended Debt Funding Target" (BU21.1f), be received;

(Motion by Councillor Rae)

2. deferred the following to the Budget Committee wrap-up meeting:

- a. City Planning:

the outstanding request for City Planning to provide an "A-list" and "B-list" of projects to Budget Committee prior to the approval of the 2008 Capital Budget.

- b. Toronto Police Service:

the outstanding request for the Toronto Police Services Board to report to the Budget Committee during the 2008 Capital Budget review process on how the

potential \$9.832 million funding shortfall (i.e. \$4.916 million in 2007, \$2.458 million in 2008, and \$2.458 million in 2009) will be accommodated within the existing recommended debt charges, if approval of Federal DND funding is not received by the end of October 2007.

- c. Toronto Transit Commission

deferred the TTC Capital Budget until the Budget wrap-up meeting.

(Motion by Councillor Carroll)

3. requested the following Briefing Notes for the Budget Committee wrap up meeting:

- a. Economic Development:

on amending the Franklin Carmichael Art Centre Expansion project to move \$100,000 gross and net in design funding from 2012 to 2009 and on a request for the volunteer Board of Directors to produce a fundraising plan in 2008.

(Motion by Councillor Rae)

- b. Toronto Public Library

on the Jane/Sheppard Library Project, such Briefing Note to include detailed usage of the \$100,000 contribution from Parks, Forestry and Recreation to this project and the importance of maintaining the roof structure as originally proposed as it is integral to the entire proposal.

(Motion by Councillor Augimeri)

4. received the following for information:

- a. the response from Dan Brambilla of Sony Centre for the Performing Arts on the status of Board fundraising for determination as to whether Sony Centre proceed with Option A or Option B;

(Motion by Councillor Rae)

- b. report (November 9, 2007) from the Executive Director of Tourism, Economic Development, Culture and Tourism Division, entitled “Review of Market Assessment Analysis for the Proposed Conference Centre Development at Exhibition Place” (BU21.1d);

(Motion by Councillor Perks)

- c. report (September 19, 2007) from the Secretary, Board of Health, entitled “Toronto Public Health 2008-2012 Capital Budget and Plan Submission” (BU21.1e);

(Motion by Councillor Perks)

- d. letter (September 27, 2007) from Claude Bergeron, President, Carleton Village Residents’ Association, regarding undergrounding of wires in St. Clair Gardens (BU21.1.1)

(Motion by Councillor Mihevc)

5. received the following Briefing Notes for information:
1. Funding Required to Implement the Toronto Bike Plan in 2009-2012 (Nov 14 – 008);
 2. Increase funding for playgrounds (Nov 14 – 010);
 3. PF&R Divisional Safety and Security Plan (*CONFIDENTIAL*) (Nov 14 – 011).

(Motion by Councillor Mihevc)

Motions

Amend motion moved by Councillor Paul Ainslie (Lost)

That the Toronto Public Library 2008, 2009 and 2010 debt target be increased by \$1 million annually to \$12 million, which is in addition to the \$0.85 million being recommended for the Kennedy/Eglinton Project resulting from the Neighbourhood Action Team Committee.

(Lost on the following recorded vote:

FOR: Councillors Augimeri, Ainslie

AGAINST: Councillors, Carroll, Mihevc, Perks, Rae)

1a Public Works and Infrastructure Committee Item 8.4 Scarlett Road/CP Rail Bridge Class Environmental Assessment Study

(October 2, 2007) Letter from City Clerk

Summary

City Council on September 26 and 27, 2007, referred this item to the Budget Committee for further consideration, and directed that any change in the status of this project be reported out to Council, through the appropriate Committee, as a discrete item.

Links to Background Information

Public Works and Infrastructure Committee Item 8.4 Scarlett Road/CP Rail Bridge Class Environmental Assessment Study

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8400.pdf>

Attachment 1

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8401.pdf>

1b Conference Centre Design and Costing Issues - Exhibition Place

Confidential Attachment - The security of the property of the municipality or local board

(November 7, 2007) Report from Chief Executive Officer, Exhibition Place

Recommendations

The Board of Governors of Exhibition Place, on the advice of the Chief Executive Officer of Exhibition Place, recommends that City Council:

1. Approve of the increase in the overall Conference Centre capital budget from \$29.0M to \$46.88M;
2. Increase its loan to the Board from \$21.2M to \$35.6M for the renovation of the Automotive Building to a Conference Centre facility with an increase in the interest rate from 4.75 to 5.0 percent and an increase in the amortization period from 20 to 25 years;
3. As before, allow for the depletion of the full Exhibition Place Capital Reserve which as of September 30, 2007 stands at \$1.966M but will receive interest payments of approximately \$0.059 by 2007 year-end for a total of approximately \$2.025M; and
4. Request the Preservation Board to report directly to City Council at its meeting of December 11, 2007 on matters relating to the Automotive Building being a “Listed Building”.

Financial Impact

Increasing the City loan from \$21.2M to \$35.6M (with an amortization period of 25 years) will result in positive cash flow for the Board over 20 years of \$34.45M before debt service and \$13.73 after debt service.

In addition to the positive cash flows noted above, the conference centre will have a positive economic impact for the City. Exhibition Place marketing staff has already received very positive feedback from the marketplace and event organizers have indicated their willingness to go to contract as soon as the construction and opening date of the facility is finalized. There has been strong response from the Canadian Associations market and, as well, a number of the existing shows have indicated that they are increasing their educational component of their trade shows and can only remain at Exhibition Place if the meeting requirements can be met. Exhibition Place is currently bidding on a major citywide event that has never been held in Toronto but can only come if the conference centre is built.

Finally, in part, as a result of the financial commitment of the Board and Council to the development of the conference centre at Exhibition Place, the Board through a publicly tendered Request for Proposals has attracted a very high profile New York hotel developer to the grounds. This private sector development would see the construction of a 300-room hotel

at the sole cost of the private sector developer of approximately \$80.5M. This would be a major economic generator both for Exhibition Place and the City.

Summary

The report on the Conference Centre Design and Costing Issues was considered and unanimously approved by the Board of Governors of Exhibition Place at its meeting of November 7, 2007. At the same meeting, the Board of Governors approved of a report dated November 1, 2007 and entitled “Heritage Elements within the Conference Centre Design”. This second report has been sent to City Planning staff to report this matter to the Preservation Board and then directly to Council for its deliberation on the 2008 Capital Budget.

Links to Background Information

Staff Report - Conference Centre Design & Costing Issues

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8399.pdf>

1c Financial Assessment of Increased Loan for the Proposed Conference Centre at Exhibition Place

(November 9, 2007) Report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that:

1. the terms of the proposed loan from the City to the Board for the conference centre be amended to:
 - a. increase the principal amount from \$21.2 million to \$35.6 million;
 - b. increase the term of the loan from twenty to twenty-five years;
 - c. increase the rate of interest from 4.75% to 5.0%;
2. the terms of the City loan to the Board of Governors of Exhibition Place be to the satisfaction of the Deputy City Manager and Chief Financial Officer;
3. Council establish an obligatory reserve fund, called the ‘Exhibition Place Conference Centre Reserve Fund, with criteria as defined in Appendix 1, to provide a source of funding for any shortfalls in loan payments to the City from Exhibition Place for a new conference centre;
4. the Board of Governors of Exhibition Place be directed to place the revenues from the current and future Direct Energy Centre naming rights agreements into the ‘Exhibition Place Conference Centre Reserve Fund’;
5. the 2007 and any subsequent Operating Surplus for Exhibition Place be placed into the ‘Exhibition Place Conference Centre Reserve Fund’;
6. Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding the ‘Exhibition Place Conference Centre Reserve Fund’ to Schedule ‘14’ – Third Party

Agreements Reserve Fund; and

7. that leave be granted for the introduction of any necessary bills in Council to give effect thereto;

Financial Impact

As discussed in the accompanying report from the Chief Executive Officer of Exhibition Place, the construction cost estimate for the proposed conference centre project has increased from the \$29 million amount originally reported to Council in March, 2007 to \$46.88 million.

In order to finance this additional amount, the Board has proposed revisions to the funding model for the project. In particular, the Board is proposing that the amount of the City loan be increased from \$21.2 million to \$35.6 million. The Board is also proposing that the loan be repaid over a longer term (25 years rather than 20 years).

In addition, the Board is now assuming that \$3.4 million of the furniture, fixtures and equipment (FF&E) cost can be financed through equipment sponsorship or leasing arrangements.

The revised funding model is summarized below:

Summary of Capital Funding (\$ millions) - Proposed by the Board of Exhibition Place	
City Loan	35.60
Food Services Provider Contribution Towards Food & Beverage Fixtures and Equipment	4.00
Exhibition Place Capital Reserve fund	2.02
Exhibition Place 2007 & 2008 Capital Budgets	1.86
Lease, sponsorship funding for Furniture, Fixtures and Equipment	3.40
Total:	46.88

In the Board's updated pro-forma income forecast for the project, the greater debt costs are partially offset by the inclusion of the estimated naming rights revenues for the conference centre. These naming rights revenues were not included in the original financial model for the project. However, as a result of a naming rights revenue analysis prepared by the Board's naming rights consultant, and feedback from potential naming rights sponsors, the Board's staff are now confident that a substantial naming rights agreement can be achieved.

The inclusion of the conference centre naming rights revenue results in a substantial increase in project revenues. However, the forecast conference centre naming rights revenues are insufficient to offset the increase in the initial capital cost. According to the pro-forma income statements, the various direct and indirect revenues generated by the project over the financing term will still fall \$7.5 million short (\$5.5 million in present value terms) of the total combined amounts required to fund the loan payments to the City. However, after repayment of the loan, the Board will have a debt-free facility with an original construction cost of \$46.88 million.

The Board has proposed that any shortfalls in the project revenues be funded using revenues derived from the Board's current and future Direct Energy Centre naming rights agreements. To that end, this report recommends that the naming rights revenue for the Direct Energy

Centre be placed in a City reserve fund to fund any shortfalls in the City loan payments.

Staff have applied the same alternative demand scenarios used in the earlier analysis to determine the potential extent of these shortfalls under adverse demand conditions and to determine whether the Direct Energy Centre naming rights will provide sufficient funding to these offset shortfalls. This analysis has indicated that the Direct Energy Centre naming rights revenues will likely provide a sufficient buffer against these shortfalls. In order to further protect the City from any negative financial impact resulting from this revenue-backed loan (ie. no impact on tax-supported debt), this report recommends that any overall annual surpluses generated by the Board through its operations of Exhibition Place also be placed in an obligatory City reserve fund together with the Direct Energy Centre naming rights revenues.

Moreover, the risk of larger than forecast financial shortfalls must be weighed against the benefits that the project will bring through its contribution to the City's overall attractiveness as a major trade and consumer show destination.

According to a study recently completed by the University of Guelph, 2.3 million people visit the GTA each year to attend trade and consumer shows and these shows result in \$1.1 billion in annual expenditures within the GTA. These expenditures are estimated to support approximately 10,000 jobs in the Toronto region.

Summary

Following Council's original approval of a \$21.2 million loan for the conference centre project in March, 2007, the Board of Governors of Exhibition Place ("the Board") has engaged a project manager, architects and a cost consultant to proceed with a program review and a detailed design. As a result of scope changes arising from a more in-depth examination of the building requirements (which are described in an accompanying report from the Chief Executive Officer of the Board of Governors of Exhibition Place) and allowances for overall construction cost inflation, the overall cost of the project is now estimated to be \$18 million higher than originally forecast.

In order to finance the forecast increase in construction cost, the Board has proposed that the size and term of the loan from the City be increased. The Board is now requesting that the City provide a loan amount of \$35.6 million that would be repaid over a period of twenty-five years beginning in the first full year of conference centre operations.

According to the pro-forma prepared by the Board, the cash flows generated from the operation of the conference centre will not be sufficient to repay the City loan. However, the Board has proposed that the revenues from the naming rights for the Direct Energy Centre be used to cover any shortfall.

Finance staff have used the same type of sensitivity analysis as was described in the Feb. 26, 2007 staff report to assess the potential financial outcomes for the project and to determine whether the Board will have sufficient financial resources to cover shortfalls under adverse demand conditions.

This analysis indicates that under adverse demand conditions cash flows from operations may fall short of the amounts required to repay the City loan. However, the Direct Energy Centre

naming rights should provide adequate revenues to offset these shortfalls.

The project's potential inability to generate revenues that will offset the initial construction cost (exclusive of Direct Energy Centre naming rights revenues) must be weighted against the economic benefits that the project will bring through its contribution to the City's overall attractiveness as a major trade and consumer show destination.

Economic Development, Culture and Tourism staff have been consulted during the preparation of this report and they have indicated their support for the conference centre project.

Links to Background Information

Financial Assessment of Increased Loan for the Proposed Conference Centre at Exhibition Place

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8454.pdf>)

1d Review of Market Assessment Analysis for the Proposed Conference Centre Development at Exhibition Place

(November 9, 2007) Report from Executive Director of Tourism, Economic Development, Culture and Tourism Division

Financial Impact

There is no financial impact resulting from this report. Financial Impacts of the proposed Conference Centre have been identified in a separate report from the Deputy City Manager and Chief Financial Officer titled "Financial Assessment of Increased Loan for the Proposed Conference Centre Development at Exhibition Place."

Summary

This report provides an update on the Economic Development, Culture and Tourism Division's assessment of the current and projected market demand for conference centre facilities in the City of Toronto and comments on the economic impact of meetings, conference, and trade and consumer shows for the City.

The lack of conference facilities connected to the Direct Energy Centre at Exhibition Place has been identified as a barrier to the Direct Energy Centre achieving higher levels of usage. An expanded Conference Centre has been identified in the strategic development plans for Exhibition Place. The current proposal for expanded Conference Centre facilities has been approved by the Board of Governors of Exhibition Place.

The market analysis and revenue projection report commissioned to support the proposed expansion concludes that there is sufficient demand from Canadian corporate meetings, Canadian associations, and local special event and gala markets to justify the expansion. Economic Development, Culture and Tourism staff have reviewed the analysis and support the findings and have identified other market segments that were not considered in the market analysis that give increased confidence that there would be demand for the new facilities.

The proposed conference centre will have a positive economic impact on the City of Toronto.

Links to Background Information

Review of Market Assessment Analysis for the Proposed Conference Centre Development at Exhibition Place

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8455.pdf>)

1e Toronto Public Health 2008 – 2012 Capital Budget and Plan Submission

(September 19, 2007) Letter from Secretary, Board of Health

Recommendations

The Board of Health recommended to the Budget Committee for its consideration during the 2008 budget process that:

1. City Council approve a 2008 Capital Budget with a total project cost of \$1.929 million and a 2008 cash flow of 3.879 million and future year commitments of \$3.237 million as detailed in Appendix 3, “Toronto Public Health 2008 Capital Budget”. The 2008 Capital Budget Submission consists of the following:
 - a. new cash flow funding for:
 - i. our change in scope sub-projects with a 2008 total project cost of \$1.929 million that requires cash flow of \$0.693 million in 2008, \$0.450 million in 2009, (\$0.072) million in 2010, \$0.468 million in 2011 and \$0.391 million in 2012; and
 - ii. four previously approved sub-projects with a 2008 cash flow of \$2.797 million and future year commitments of \$1.436 million in 2009 and \$0.564 million in 2010, totalling \$4.797 million; and
 - b. 2007 approved cash flow for two previously approved sub-projects, with carry-forward funding from 2007 into 2008, totalling \$0.389 million;
2. City Council approve a 2009-2012 Capital Plan of \$10.562 million with future year estimates of \$1.614 million in 2009, \$3.007 million in 2010, \$2.932 million in 2011 and \$3.009 million in 2012 as outlined in Appendix 1; and
3. the net operating impacts \$0.088 million for 2009 and \$0.057 million for 2010 emanating from the approval of the 2008 Capital Budget as detailed in Appendix 2, “Toronto Public Health 2009-2012 Operating Budget Impact of Capital” be considered within the future years’ Toronto Public Health operating budget submissions.

Summary

Advising of the action taken by the Board of Health on September 19, 2007.

Links to Background Information

Letter - Toronto Public Health 2008 ý 2012 Capital Budget and Plan Submission

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8402.pdf>)

Report on Toronto Public Health 2008 ý 2012 Capital Budget and Plan Submission

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8403.pdf>)

Appendix 1, 2 and 3 Toronto Public Health 2008 ý 2012 Capital Budget and Plan Submission

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8404.pdf>)

1f Toronto Public Library - 2008-2012 Capital Budget - City Manager's Recommended Debt Funding Target

(October 15, 2007) Report from Josephine Bryant, City Librarian

Recommendations

The Toronto Public Library Board recommends that:

1. The Debt Target of \$12 million for the years 2008-2011 be maintained as submitted.

Financial Impact

The City Manager's recommended debt targets for 2008 to 2012 will result in capital budget funding reductions of \$3 million gross and debt over the five years resulting from delaying two projects, and reallocation of cash flows between years for a number of projects to meet the debt target in each year. Attachments 1 and 2 detail the impact of the reductions on capital projects.

The Director, Finance and Treasurer has reviewed this report and agrees with the financial impact information.

Summary

The purpose of this report is to inform and request direction from the Board regarding the impact the City Manager's recommended reduction to the 2008-2012 Capital Budget request. The City Manager has recommended that the annual funding debt target for 2008 to 2011 be reduced to \$11 million resulting in a \$1 million annual reduction, and for 2012 to 2103 the debt target be set at \$12 million as submitted.

Links to Background Information

Letter - 2008-2012 Capital Budget - City Manager's Recommended Debt Funding Target

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8405.pdf>)

2008-2012 Capital Budget - Library - City Manager's Recommended

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8406.pdf>)

2008-2012 Capital Budget - Library - City Manager's Recommended.ATT1 & 2

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8407.pdf>)

1g Funding the first phase of Six Points

(November 12, 2007) Report from Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and Chief Financial Officer recommends that:

1. authority be granted to the General Manager of Transportation Services to undertake the detailed design of the Dundas Street West realignment as well as the development of the overall construction staging plan for the reconfiguration of the Six Points interchange;
2. the 2008 Recommended Capital Budget for Transportation Services be increased by \$1.0 million gross, \$0 net; and
3. this report be considered with the City's 2008 Capital Budget and 2009 – 2012 Capital Plan.

Financial Impact

Approval of this report will result in an increase of \$1.0 million in the 2008 Recommended Capital Budget for Transportation Services, \$0 net. The funding will be provided by a third party. Opportunities for third-party funding for the construction of the Dundas Street West realignment and any temporary roads required for construction staging will be considered as part of the 2009 Capital Budget process.

Summary

This report seeks authority to proceed with the detailed design of the Dundas Street West realignment and the development of the overall construction staging plan for the replacement of the Six Point interchange as a preliminary step in the Six Points interchange reconfiguration strategy. Funding will be provided by a third party.

Links to Background Information

Funding the first phase of Six Points

<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8475.pdf>

1h Climate Change Action Plan - Implementation of Key Program Initiatives

(November 13, 2007) Report from Richard Butts, Deputy City Manager and Joseph P. Pennachetti, Deputy City Manager and Chief Financial Officer

Recommendations

The Deputy City Manager and the Deputy City Manager/Chief Financial Officer recommend that:

1. 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 \$4.375 million in 2009, \$3.985 million in 2010, \$3.295 million in 2011 and \$3.015 million in 2012 be approved;
2. the Climate Change 2008 Capital Budget and 2009-2012 Capital Plan be approved, with gross expenditures totalling \$20.98 million funded in the amount of \$17.480 million from the Strategic Infrastructure Partnership Reserve Fund and \$3.500 million funded from third party contributions; consisting of FCM grants, Federal and Provincial funding and other sources, to be determined; and
3. this report with the operating budget impact of \$1.760 million gross, \$1.630 million net in 2008, \$2.124 million gross, \$1.994 million net in 2009, \$1.922 million gross, \$1.542 million net in 2010, \$1.524 million gross, \$0.894 million net in 2011 and \$1.572 million gross, \$0.942 million net in 2012 be referred to the Budget Committee for consideration with the City's 2008 Operating Budget Process.

Financial Impact

Capital Funding

It is currently estimated that programs identified in this report will require capital funding of \$20.980 million. The recommended programs will help to achieve the City's greenhouse and smog emission targets and to deliver on the recommendations of the Climate Change, Clean Air and Sustainable Energy Action Plan:

Climate Change Plan Key Program Initiatives	(000s)					Program Totals
	2008	2009	2010	2011	2012	
Live Green Toronto	1,500	3,300	3,250	3,250	3,250	14,550
Eco-Roof Program	200	800	800	400	200	2,400
Climate Change Adaptation	350	505	825	515	455	2,650
Investigate Phase-Out of Two Stroke Engines	100					100
Investigate Expansion of Deep Lake Water Cooling	100					100
GHG & Air Quality Monitoring & Modelling	580	270	110	130	110	1,190
Total Capital	2,810	4,375	4,985	4,295	4,015	20,980
External Funding	0	500	1,000	1,000	1,000	3,500
Net City Funding	2,810	4,375	3,985	3,295	3,015	17,480

It is anticipated that a minimum of \$3.500 million will come from external funding sources, primarily corporate partnership/sponsorships for the Live Green Toronto initiative. Other external funding will potentially come from FCM grants, Federal and Provincial programs and other sources.

The remaining \$17.480 million will be funded from the Strategic Infrastructure Partnership Reserve Account which was established in 2006 to fund the City's major tax-supported strategic infrastructure projects in partnership with other orders of government and major

strategic tax-supported environmental capital projects conditional on external funding partners.

It is recommended that capital funding required to implement the above key Climate Change Plan initiatives be approved as a part of the Climate Change 2008 Budget and 2009-2012 Capital Plan.

Operating Budget Requirements

In addition to the above capital funding, some of the proposed initiatives require operating budget funding starting in 2008:

Climate Change Plan Key Program Initiatives	(\$000s)					Program Totals
	2008	2009	2010	2011	2012	
Live Green Toronto Transportation Demand Management	1,300	1,800	1,550	1,200	1,200	7,050
Climate Change Adaptation GHG & Air Quality Monitoring & Modelling	280	280	280	280	280	1,400
	85	10	10	10	10	125
	95	34	82	34	82	327
Total Operating	1,760	2,124	1,922	1,524	1,572	8,902
External Funding	130	130	380	630	630	1,900
Net City Funding	1,630	1,994	1,542	894	942	7,002

It is anticipated that the 2008 operating budget requirements of \$1.735 million will be funded partially from external sources (\$0.130 million from the Greater Toronto Transportation Authority for the Smart Commute Initiative) with the funding of \$1.630 million provided by the City from the Strategic Infrastructure Partnership Reserve Account, or net \$0 for the City.

It is recommended that this report be referred for consideration with the 2008 Operating Budget process as a part of the Toronto Environment Office's operating budget.

Summary

This report recommends funding for seven key program areas of the City of Toronto's Climate Change, Clean Air and Sustainable Energy Action Plan (the "Action Plan") and provides descriptions of the programs, including objectives, content and what will be achieved.

The seven programs addressed in this report are those components of the Action Plan assigned to the Toronto Environment Office for program implementation, policy development, monitoring and measurement and project co-ordination. Other components of the Action Plan are addressed through the work plans and program budgets of agencies, boards, commissions and divisions from across the corporation.

The seven programs that this report addresses are: the Live Green Toronto initiative, the Eco-Roofs program, the Transportation Demand Management program, the Climate Change Adaptation Strategy, the Phase Out of Two Stroke Engines, Identification of Opportunities to Expand Deep Lake Water Cooling, and Air Quality and Greenhouse Gas Emissions Monitoring and Modelling.

The implementation of these programs will be coordinated with other City programs, in particular the Sustainable Energy Funds, the Office of Partnerships and the Clean and Beautiful program, as well as programs offered by federal and provincial governments and other agencies. The Director of the Toronto Environment Office will provide regular reports on the progress of these programs and their performance in terms of reducing greenhouse gas and smog causing emissions.

Links to Background Information

Climate Change Action Plan - Implementation of Key Program Initiatives

(<http://www.toronto.ca/legdocs/mmis/2007/bu/bgrd/backgroundfile-8712.pdf>)

Meeting Sessions

Session Date	Session Type	Start Time	End Time	Public or Closed Session
2007-11-14	Morning	9:40 AM	12:15 PM	Public

Chair