

February 23, 2007

Appendix 7

City of Toronto 2007 Capital Budget

Budget Committee Transmittal

Recommendations:

The Budget Committee recommended to the Executive Committee that:

- 1. Council approve the 2007 BC Recommended Tax Supported and Toronto Parking Authority Capital Budget (including 2006 carry forward projects) with a total project cost of \$1.380 billion that requires 2007 cash flow of \$1.747 billion and future year commitments of \$881.296 million in 2008; \$506.245 million in 2009; \$292.108 million in 2010; \$158.228 million in 2011; and \$252.262 million in 2012 - 2016 as detailed below:**
 - a. New Cash Flow for:**
 - i. new and change in scope projects with a total project cost of \$1.380 billion requiring: 2007 cash flow of \$555.284 million and future year commitments of \$527.677 million in 2008; \$200.044 million in 2009; \$118.955 million in 2010; \$23.198 million in 2011;**
 - ii. previously approved projects totalling \$2.119 billion requiring: 2007 cash flow of \$853.813 million and future year commitments of \$353.619 million in 2008; \$306.201 million in 2009; \$173.153 million in 2010, \$135.030 million in 2011 and \$297.627 million in 2012 - 2016;**
 - iii. previously approved projects with carry-forward funding from 2005 and prior years requiring 2007 cash flow of \$40.134 million, which forms part of the affordability and requires Council to reaffirm its commitment; and,**
 - b. 2006 cash flow for previously approved projects with carry-forward funding from 2006 into 2007 totalling \$298.427 million;**

2. **Council approve financing sources for the 2007 BC Recommended Tax Supported Capital Budget (including 2006 carry forward projects) comprised of: \$252.022 million from Reserves and Reserve Funds; \$124.172 million of Capital from Current funding; \$77.103 million of Developmental Charge funding; \$194.889 million from other sources; \$235.484 million of Provincial Grants and Subsidies; \$230.673 million of Federal Subsidies; and debt of \$605.808 million (inclusive of 2006 carry-forward debt funding of \$98.452 million);**
3. **Council approve debenture financing not to exceed \$507 million for the 2007 Tax Supported Capital Budget, for a term of up to, but not exceeding 10 years;**
4. **Council approve new debt service costs of \$17.665 million in 2007 and incremental costs of \$75.442 million in 2008; \$44.087 million in 2009; \$23.555 million in 2010; and, \$12.279 million in 2011, for inclusion in the 2007 and future operating budgets;**
5. **Council consider the operating impacts emanating from approval of the 2007 BC Recommended Capital Budget of \$4.393 million in 2007 and incremental costs of \$9.235 million in 2008; \$6.102 million in 2009; \$3.576 million in 2010; and, \$1.846 million in 2011, for inclusion in the 2007 and future operating budgets;**
6. **Council approve the BC Recommended 2008 – 2011 Capital Plan for the City of Toronto (excluding Toronto Water) comprised of \$1.424 billion in 2008, \$1.427 billion in 2009; \$1.346 billion in 2010; and \$1.192 billion in 2011;**
7. **Council receive for information the 2007 – 2016 Capital Forecast for the City of Toronto (excluding Toronto Water) totalling \$13.506 billion as detailed by Program, Agency, Board and Commission in Appendix 5;**
8. **Council approve the detailed 2007 BC Recommended Capital Budget and 2008 – 2011 Capital Plan Program Recommendations (Appendix 6), subject to the following amendments;**
 - a. **Parks, Forestry and Recreation:**
 1. **Amend Recommendation 27 to read as follows:**

“(27) the Chairs of the Budget Committee, the Parks and Environment Committee, and the Community Development and Recreation Committee form a task force:

 1. **to investigate ways of improving the capital project completion rate within Parks, Forestry and Recreation; and**

2. to find ways and means of increasing the capital allocation for Parks, Forestry and Recreation in 2008 and beyond, while respecting the City-wide corporate debt guideline;

and that they work in conjunction with the City Manager's Office and other appropriate staff;"

2. redirect \$215 thousand from the \$4.5 million allocated to Sub-project #171, Camp (SGR) Arena Indoors 2007 (sub-project East York Curling Rink concrete floor, cost \$350 thousand) to the following health and safety and state of good repair projects:
 - \$150 thousand for completion of the Cullen Bryant Park Stairs into Taylor Creek Park; and
 - \$65 thousand for retrofit and resurfacing of the Dentonia Park Splash Pad.";
3. approve the following recommendations contained in the report (February 20, 2007) from the Deputy City Manager and Chief Financial Officer and the General Manager, Parks, Forestry and Recreation, entitled "Authority for TRCA as Sole Source Provider on Parks, Forestry and Recreation Natural Environment Projects" (BU8-7b):
 - i. Council authorize the General Manager of Parks, Forestry and Recreation to enter into sole source purchase orders totalling up to \$5 million for 2007, including all taxes and charges, with the Toronto and Region Conservation Authority (TRCA), to expedite and complete various natural environment projects included in the 2007 Parks, Forestry and Recreation 2007 Capital Budget, as listed in Table 1 of this report; and
 - ii. Council authorize the appropriate City officials to take the necessary action to give effect thereto;"

b. Shelter, Support and Housing Administration:

Adjust the 2007 Recommended Capital Budget for Shelter, Support and Housing Administration as follows:

1. the change of scope for Eva's Youth Replacement Shelter of \$0.939 million currently funded from SCPI, be funded \$0.139 million from SCPI and \$0.800 million from the Mayor's Homelessness Initiative Reserve Fund;
2. the gross budget for the Bethlehem United Shelter be increased in 2007 by \$1.037 million to \$3.387 million and funded by SCPI;

3. **the gross budget for the 110 Edward Street Assessment and Referral Centre and Shelter be increased in 2007 by \$0.912 million to \$5.501 million and funded by SCPI;**
4. **the General Manager, Shelter, Support and Housing Administration be authorized to seek funding from the new Federal Government program, the Homelessness Partnering Strategy, for Eva's Youth Replacement Shelter, once the terms and conditions of the new program are known, any additional funding be used to offset the contribution of \$0.800 million from the Mayor's Homelessness Initiative Reserve Fund;**

c. Transportation Services:

1. **Include a technical adjustment to the 2007 cash flow for the Keele/Wilson sub-project in the amount of \$1.000 million gross and \$0.500 million debt, and the Princes Gates sub-project in the amount of \$0.009 million gross and \$0.009 million capital from current in order to reclassify these amounts from 2-year carry forwards to 1-year carry forwards;**
2. **include \$7.000 million for Hydro Enhancements with \$4.000 million for 2007 and \$3.000 million for 2008. Funding for this change in scope has been accommodated by \$0.700 million in re-allocation from Local Road Reconstruction Projects and \$6.300 million in unspecified reductions; and**
3. **request the General Manager of Transportation Services to report with the June 30, 2007 Capital Variance Report identifying projects to offset these enhancements;**

d. Waterfront Revitalization Initiative

That \$1 million in 2010 and \$50.752 million in 2012-2016 currently allocated to the Front Street Extension be removed from the Waterfront Revitalization Initiative Capital Program and placed into an unallocated capital funding account within the Waterfront Revitalization Initiative, subject to the Director of the Waterfront Secretariat Initiative, in consultation with the City Solicitor, reporting back to the March 7, 2007 meeting of City Council on whether this amendment is in contravention of any existing agreements;

e. Facilities and Real Estate:

- i. **Approve the following recommendations contained in the report (February 20, 2007) from the Chief Corporate Officer, entitled "Recommendations to Adjust the Scope of Work for the City Hall Second Floor Renovations (BU8.7a):**

- “1. the City Hall second floor renovations be reduced in scope to consider adding one large committee room, a protocol/media studio, and the consolidation of the Mayor’s Office space to accommodate staff; and**
 - 2. the Facilities and Real Estate Division’s 2007 Recommended Capital Budget be adjusted to reflect a reduction of \$1.0 million gross; zero net and the 2008 Capital Plan be reduced by \$2.3 million; zero net for a total reduction of \$3.3 million gross; zero net;”**
 - ii. establish a protocol for the proposed Media Studio/Protocol Room in conjunction with the Press Gallery, and that the Capital and Operating Budgets for the new Media Studio portion of the operation be established in consultation with the Press Gallery;**
- f. Fleet Services:**

Amend the 2007 Recommended Capital Budget for Fleet Services to include future year commitments of \$2.750 million in 2008 for Fire Services to enable the award of a multi-year contract for the purchase of fire vehicles;
- g. Union Station:**

Approve the contribution agreement between the City and the Federal Government to secure grant funding of \$4.280 million for security upgrades at Union Station. and authorize the appropriate City officials to sign the agreement on behalf of the City;
- h. Toronto Police Service:**
 - 1. The Annual debt for the Toronto Police Service Capital Budget be set at \$32.7 million for each of the years 2007 to 2011; and**
 - 2. the Chair of the Toronto Police Services Board be requested to report back to the Budget Committee by September 2007 with an updated plan for 2008 to 2011;**
- 9. Council approve the following recommendations in the report (February 1, 2007) from the Deputy City Manager and Chief Financial Officer, headed “Capital Financing and Debenture Authorities” (BU7.1):**
 - “1. authority be granted for 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 2007 not to exceed \$500 million;**

2. **the 2007 sinking fund levies of \$167,683,949.02 for the City of Toronto and \$2,293,802.99 for the Toronto District School Board be approved;**
 3. **the 15 percent debt charges as a per cent of tax levy guideline approved by Council in 2006 be reaffirmed for 2007 and the recommended debt issuance and resultant debt charges to finance the 2007 Capital Budget adhere to this capital management guideline;**
 4. **City Programs and Agencies, Boards and Commissions' capital financing requirements be included in the Five Year Capital Budget and submitted through the Deputy City Manager and Chief Financial Officer (DCM/CFO) for consideration of Council;**
 5. **authority be granted for the introduction of the necessary Bills in Council to give effect to the foregoing; and**
 6. **the appropriate City officials be authorized to take the necessary action to give effect thereto.”;**
10. **Approve the following recommendations contained in the report (February 20, 2007) from the Deputy City Manager and Chief Financial Officer, entitled “Financing of Capital Works Policy and Goals” (BU8-2):**
- “1. **Council approve the City of Toronto’s Financing of Capital Works Policy and Goals as contained in Appendix A of the report; and**
 2. **Council authorize the appropriate City of Toronto officials to take the necessary action to give effect thereto;”;**
11. **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 2007 Capital Budget review meetings; and**
12. **Council authorize and direct the appropriate City officials to take the necessary action to give effect thereto.**

Decision Advice and Other Information:

The Budget Committee:

- a. received the following reports/communications listed in Appendix 7(C):
 1. (December 15, 2006) from the General Manager of Parks, Forestry and Recreation (BU7.2);
 2. (October 2, 2006) from the City Clerk (BU7.2a);

3. (February 2, 2007) from the General Secretary, Toronto Transit Commission, The 2007-2011 TTC Capital Program and 10-Year Capital Forecast (BU7.3);
 4. (February 6, 2007) from the General Secretary, Toronto Transit Commission, Customer Information Systems, \$.500 million in 2007 funding is included in the 2007 Recommended Capital Budget (BU7.4);
 5. (December 19, 2006) from the General Secretary, Toronto Transit Commission, Victoria Park Bus Terminal Replacement – Approval of Conceptual Design, \$34.4 million in funding is included in the Recommended 2007-2011 5-Year Capital Plan (BU7.5);
 6. confidential communication (December 20, 2006) from the General Secretary, Toronto Transit Commission, Birchmount Garage (BU7.6) (Included in the 2007 Recommended Capital Budget);
 7. confidential communication (September 21, 2006) from the General Secretary, Toronto Transit Commission, Warden Station – Approval of Conceptual Design and Property Implications, funds are in budget (BU7.7);
 8. confidential communication (December 20, 2006) from the General Secretary, Toronto Transit Commission, Warden Station – Budget Amendment and Approval to Proceed, \$18.5 million in funding is included in the Recommended 2007-2011 5-Year Plan (BU7.8);
 9. (September 21, 2006) from the General Secretary, Toronto Transit Commission, Warden Station – Declaration of Surplus Property (BU7.9);
 10. confidential communication (September 12, 2006) from the Economic Development and Parks Committee (BU7.10);
 11. (September 11, 2006) from the Works Committee (BU7.12);
 12. (September 15, 2006) from the Budget Advisory Committee (BU7.13);
 13. (January 24, 2007) from Councillor Suzan Hall, Ward 1 Etobicoke North, Environmental Assessment (EA) Study – Focusing on Rapid Transit, funds in the amount of \$.500 million funded by development charges are included in the Recommended 2007-2011 5-Year Capital Plan (BU7.14);
 14. (October 2, 2006) from the City Clerk (BU7.16); and
 15. (February 14, 2007) from Councillor John Filion, Ward 23 Willowdale (BU7.18);
- b. referred the following to the 2007 Operating Budget Process:
1. the communication (December 5, 2006) from the Toronto Centre for the Arts Board of Directors, Use of Livent Claims Request (BU7.17);
 2. the requested operating budget increases of \$1.06 million in 2007, with an annualization of \$0.19 million for 2008 contained in the communication (October 2, 2006) from the City Clerk, Process to Address Tree Preservation Requirements Related to Development and Construction Applications (BU7.11);
- c. requested the Deputy City Manager and Chief Financial Officer to report to City Council on March 7, 2007, providing the cumulative dollar amount of debt over a five-year period;
- d. received the following request contained in the communication (October 2, 2006) from the City Clerk:

“the one-time capital request of \$0.11 million to address Tree Preservation Requirements Related to Development and Construction Applications be approved;”;

e. received the following Briefing Notes listed in Appendix 7(B):

Corporate Issues

1. 2005 Storm Damage Costs (Feb 15 – 1)
2. Comparison of Total Capital Transit Budget to other Cities’ Total Capital Budget (Feb 15 – 17)

Citizen Centred Services “A”

Parks, Forestry and Recreation:

3. New Community Centre – Ward 24 (Feb 22 – 32)
4. Parks, Forestry and Recreation Capital Budget (Feb 16 - 30)
5. Redirection of \$254K from 2007 Indoor Arenas, Ward 31 and Goulding Park Community Centre Arena Renovation (Feb 22 – 34)
6. Status of Lambton Kingsway Outdoor Ice Pad (Feb 15 – 19)
7. Status of Queensway Fieldhouse and Rink Capital Projects (Feb 15 – 20)

Citizen Centred Services “B”

City Planning:

8. 2007 Civic Improvement Capital Projects (Feb 15 – 21)

Transportation Services:

9. Transportation Capital Works Program – Roadwork Needs (Feb 15 – 25)

Agencies, Boards and Commissions

Toronto Police Service:

10. Chronology of Toronto Police Service’s New Training Facility (Feb 15- 27)
11. Options to Achieve Budget Committee Targets (Feb 22 – 36)

Toronto Transit Commission:

12. Customer Information Systems (Feb 23 – 44)

Background:

The Budget Committee on February 23, 2007, considered the following reports and communications:

- a. (February 22, 2007) from the City Manager and the Deputy City Manager and Chief Financial Officer, presenting the City of Toronto 2007 Budget Committee (BC)

Recommended Capital Budget and 2008 - 2011 Capital Plan, and recommending approval of 2007 cash flow and future year commitments for capital projects;

- b. (February 1, 2007) from the Deputy City Manager and Chief Financial Officer, entitled “Capital Financing and Debenture Authorities” (BU7-1);
- c. (December 15, 2006) from the General Manager of Parks, Forestry and Recreation, entitled “Update on the State of Good Repair Capital Investment Program for Harbourfront Centre” (BU7.2);
- d. (October 2, 2006) from the City Clerk, entitled “New Operating Grant Agreement and State of Good Repair Capital Investment Program for Harbourfront Centre (Ward 20 Trinity-Spadina)” (BU7.2a);
- e. (February 2, 2007) from the General Secretary, Toronto Transit Commission, entitled “The 2007-2011 TTC Capital Program and 10-Year Capital Forecast” (BU7.3);
- f. (February 6, 2007) from the General Secretary, Toronto Transit Commission, entitled “Customer Information Systems” (BU7.4);
- g. (December 19, 2006) from the General Secretary, Toronto Transit Commission, entitled “Victoria Park Bus Terminal Replacement – Approval of Conceptual Design” (BU7.5);
- h. confidential communication (December 20, 2006) from the General Secretary, Toronto Transit Commission, entitled “Birchmount Garage” (BU7.6);
- i. confidential communication (September 21, 2006) from the General Secretary, Toronto Transit Commission, entitled “Warden Station – Approval of Conceptual Design and Property Implications” (BU7.7);
- j. confidential communication (December 20, 2006) from the General Secretary, Toronto Transit Commission, entitled “Warden Station – Budget Amendment and Approval to Proceed” (BU7.8);
- k. (September 21, 2006) from the General Secretary, Toronto Transit Commission, entitled “Warden Station – Declaration of Surplus Property” (BU7.9);
- l. confidential communication (September 12, 2006) from the Economic Development and Parks Committee, entitled “Parks, Forestry and Recreation Safety and Security Plan – Operating and Capital Funding Requirements (All Wards)” (BU7.10);
- m. (October 2, 2006) from the City Clerk, entitled “Process to Address Tree Preservation Requirements Related to Development and Construction Applications” (BU7.11);
- n. (September 11, 2006) from the Works Committee, entitled “St. Clair Avenue West Transit Improvement Project – Impact on State of Good Repair Capital Projects (Ward 11 York South-Weston; Ward 17 Davenport; Ward 21 St. Paul’s and Ward 22 St. Paul’s)” (BU7.12);

- o. (September 15, 2006) from the Budget Advisory Committee, entitled “Toronto Public Health 2007 – 2011 Capital Budget and Plan Submission (BU7.13);
- p. (January 24, 2007) from Councillor Suzan Hall, Ward 1 Etobicoke North, entitled “Environmental Assessment (EA) Study – Focusing on Rapid Transit” (BU7.14);
- q. Notice of Motion by Councillor Gord Perks, entitled “Capital Budget Adjustment – Transfer of Funds from Various Reserve Accounts to Parks, Forestry and Recreation Capital Account for 40-50 Wabash Field House Project” (BU7-15);
- r. (October 2, 2006) from the City Clerk “War of 1812 Bicentennial” (BU7.16);
- s. the communication (December 5, 2006) from the Toronto Centre for the Arts Board of Directors, entitled “Use of Livent Claims Request” (BU7.17);
- t. (February 14, 2007) from Councillor John Filion, Ward 23 Willowdale, entitled “Goulding Community Centre - Renovation (BU7.18);
- u. (February 20, 2007) from the Deputy City Manager and Chief Financial Officer, entitled “Financing of Capital Works Policy and Goals” (BU8-2);
- v. (February 20, 2007) from the Chief Corporate Officer, entitled “Recommendations to Adjust the Scope of Work for the City Hall Second Floor Renovations” (BU8-7a); and
- w. (February 20, 2007) from the Deputy City Manager and Chief Financial Officer and the General Manager, Parks, Forestry and Recreation, entitled “Authority for TRCA as Sole Source Provider on Parks and Recreation Natural Environment Projects” (BU8-7b).

The following persons addressed the Budget Committee on February 9 and 14, 2007:

- Arnold Witt, Sir Sandford Fleming Academy;
- Hamid Ayubi, Sir Sandford Fleming Academy;
- Chaitali Chauhan, Sir Sandford Fleming Academy;
- Carmel Pereira, St. Francis de Sales Elementary School;
- Johnnie Opoku, St. Francis de Sales Elementary School;
- Jennie Nguyen, St. Francis de Sales Elementary School;
- Faye Lyons, Government Relations Specialist, Canadian Automobile Association (CAA);
- Katrina Miller, The Toronto Environmental Alliance;
- Doug Bennett, President, The Wabash Building Society;
- Martin Koob;
- Cheri DiNovo, MPP, Parkdale-High Park;
- Sahar Badawy, President, Flemington Park Parents Association;
- Dr. Judy Adler;
- Ron Fletcher, Toronto Bicycling Network;
- Oliver Carroll, Chair, Toronto Catholic District School Board;
- Michael Rosenberg, Economics of Technology Working Group;

- Councillor Peter Milczyn;
- Councillor Denzil Minnan-Wong.

The following Members of Council were present at the Budget Committee meeting on February 23, 2007:

- Council Speaker Sandra Bussin;
- Councillor Raymond Cho;
- Councillor Janet Davis;
- Councillor Doug Holyday;
- Councillor Pam McConnell;
- Councillor Denzil Minnan-Wong;
- Councillor David Shiner;
- Councillor Michael Thompson;
- Councillor Adam Vaughan; and
- Councillor Michael Walker.

for City Clerk

Merle MacDonald/mh
G:\sec\2007\Standing\Budget\Letters\20070223\Appendix 7.doc

List of Attachments:

Appendix 7(A) – Reports Recommended for Adoption

Appendix 7(B) – 2007 Capital Briefing Notes

Appendix 7(C) – Reports and Communications Recommended to be Received