

Analyst Briefing Notes

Budget Committee

(October 30, 2008)

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October 17, 2008

PART I: CAPITAL PROGRAM**Executive Summary**

- At June 30, 2008, Toronto and Region Conservation Authority (TRCA) received \$2.006 million or 33.3% of its 2008 Approved Budget of \$6.018 million from the City of Toronto. The Program will receive 100% of its 2008 Approved Budget by year-end.
- The 10-Year Capital Plan and Proposed Forecast will address safety concerns in flood prone areas and where land loss is occurring along river valleys and shorelines as result of erosion; continue waterfront regeneration efforts through parkland and habitat creation along the Lake Ontario waterfront (with associated water quality monitoring); continue environmental rehabilitation through the Toronto Remedial Action Plan; and provide for infrastructure repairs and maintenance in support of the foregoing objectives and activities.
- The 10-Year Capital Plan and Proposed Forecast directly supports strategic priorities such as Make Progress on the Waterfront outlined in the Mayor's Mandate. Through the Toronto Waterfront Revitalization Corporation (TWRC) capital program, TRCA will be involved in the waterfront parks at Port Union and Mimico, the Tommy Thompson Master Plan, and the West Donlands Precinct Plan (flood protection land form – Don Park) over the next 5 years.
- The 2009 Recommended Capital Budget, 2010-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast total \$68.606 million, of which \$32.983 million is projected for the Program's Recommended 5-Year Capital Plan, requiring \$14.752 million in debt. The Recommended 5-Year Capital Plan requires 2009 cash flow of \$6.268 million gross and \$2.801 million debt; \$6.505 million gross and \$2.951 million debt in 2010; \$6.645 million gross and \$3.0 million debt in 2011; \$6.735 million gross and \$3.0 million debt in 2012; and \$6.83 million gross and \$3.0 million debt in 2013. The 10-Year Capital Plan and Forecast's debt requirements are in line with the Council-approved debt target in each of the 10 years.
 - Contributions from Toronto Water also fund TRCA's capital work. The 2009 Recommended Capital Budget, 2010-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast for Toronto Water includes \$38.854 million to partially fund TRCA capital projects, of which \$18.231 million is projected for the Program's 5-Year Capital Plan. Toronto Water's Recommended 5-Year Capital Plan includes cash flows of \$3.467 million in 2009, \$3.554 million in 2010, \$3.645 million in 2011, \$3.735 million in 2012, and \$3.83 million in 2013.
- The 5-Year Recommended Capital Plan requires cash flows of \$6.268 million in 2009, \$6.505 million in 2010, \$6.645 million in 2011, \$6.735 million in 2012 and \$6.830 million in 2013 and will result in:
 - Continuing strategic work on the Toronto Remedial Action Plan for the Great Lakes water quality as well as work on Waterfront & Valley Erosion Control for \$17.354 million.

- Achieving major components of the Waterfront Development Plan such as development of the Keating Channel, Ashbridges Bay, Tommy Thompson Park Cell Capping as well as Environmental Monitoring & maintenance for \$6.294 million.
 - Enhancing service to the public with further development of Tommy Thompson and Arsenal Parks for \$1.891 million.
 - Ensuring historical preservation of cultural assets at Black Creek Pioneer Village for \$1.850 million.
 - Acquiring more greenspace lands and maintaining conservation areas for \$1.434 million.
 - Improving the ability to achieve the Program's mandate with IT projects for \$1.332 million and Major Facilities Retrofits for \$2.415 million.
 - Acquiring land for source water protection within TRCA's jurisdiction. The Recommended 5-Year Capital Plan for Toronto Water includes \$24.0 million for land acquisition for source water protection through TRCA with the following cash flows: \$4.5 million in 2009; \$6.0 million each in 2010, 2011 and 2012; and \$1.5 million in 2013.
- The 2009 Recommended Capital Budget for TRCA is \$6.268 million, supporting 24 new sub-projects within 9 long-established project areas, financed by debt of \$2.801 million and Toronto Water contributions of \$3.467 million, with no future-year commitments. The 2009 Recommended Capital Budget is in line with the Program's \$2.801 million debt target and allocates \$5.912 million (94%) to State of Good Repair work. The remaining \$0.355 million (6%) is allocated toward Service Enhancements in waterfront development.
 - State of Good Repair: continue with activities of the Toronto Remedial Action Plan including watershed monitoring and sustainable communities (\$2.051 million); maintain waterfront & valley erosion control including Meadowcliffe Drive, the Guild Inn Shoreline and Toronto Parks (\$1.446 million); enhance visitors' experience at Black Creek Pioneer Village by maintaining facilities (\$0.350 million) and contribute to waterfront development including the Keating Channel dredging and Ashbridges Bay (\$0.928 million).
 - Service Enhancements: continue improving waterfront development of Tommy Thompson Park as well as Arsenal Park Development (\$0.355 million).
 - The 10-Year Capital Plan and Proposed Forecast totals \$68.606 million, of which 97% (\$66.715 million) is allocated to State of Good Repair projects and the remaining 3% (\$1.891 million) to Service Improvement initiatives. TRCA estimates that its State of Good Repair backlog will be approximately \$163.463 million by the end of 2008. However, TRCA projects the backlog to decline gradually over the next 10 years to \$128.242 million at the end of 2018.

Recommendations

The City Manager and Acting Chief Financial Officer recommends that:

1. Council approve the 2009 Recommended Capital Budget for Toronto and Region Conservation Authority with a total project cost and 2009 cash flow of \$6.268 million comprised of New Cash Flow Funding for 24 new sub-projects with a 2009 total project cost and 2009 cash flow of \$6.268 million;
2. Council approve new debt service costs of \$0.07 million in 2009 and incremental costs of \$0.298 million in 2010 resulting from the approval of the Toronto and Region Conservation Authority 2009 Recommended Capital Budget;
3. Council approve the 2010-2013 Recommended Capital Plan for Toronto and Region Conservation Authority totalling \$26.715 million in project estimates, comprised of \$6.505 million in 2010, \$6.645 million in 2011, \$6.735 million in 2012, and \$6.830 million in 2013;
4. Council approve in principle the 2014-2018 Proposed Capital Forecast for Toronto and Region Conservation Authority totalling \$35.623 million in project estimates, comprised of \$6.925 million in 2014, \$7.021 million in 2015, \$7.122 million in 2016, \$7.225 million in 2017, and \$7.33 million in 2018, and that this forecast be used as a foundation for preparing a firm 2010 to 2019 Capital Plan and Forecast as part of the 2010 budget process; and,
5. The City Manager and Acting Chief Financial Officer work with Toronto and Region Conservation Authority to establish new debt affordability targets for the 2010 to 2019 Capital Plan and Forecast as part of the 2010 Capital Budget Process.

2008 Capital Variance Review

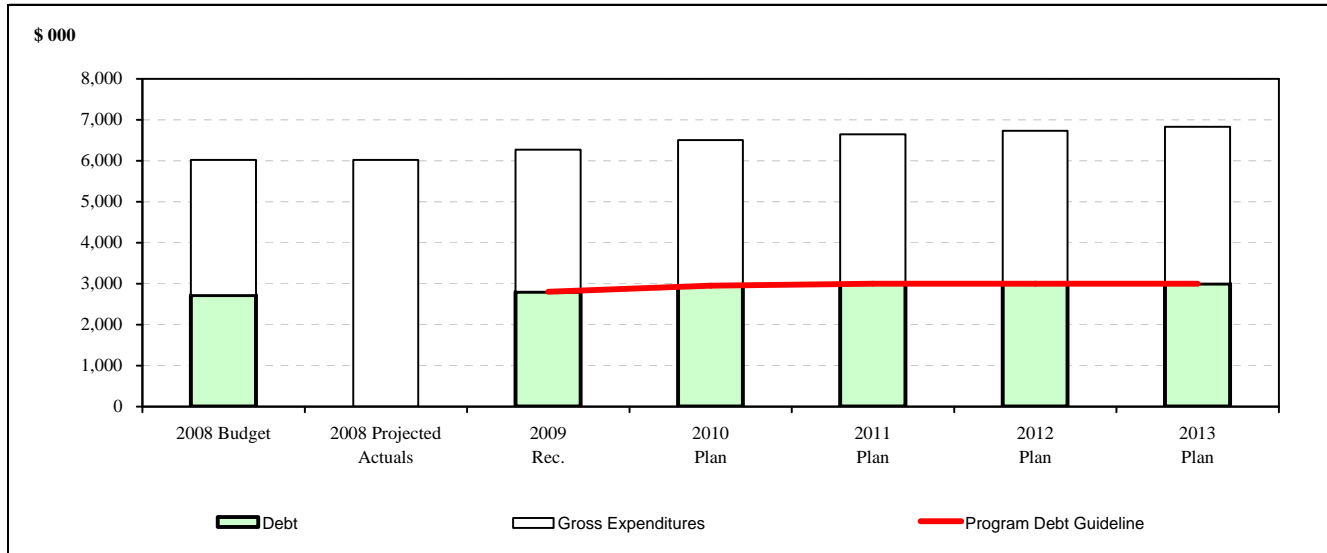
2008 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2008 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
6,018	2,006	33.3%	6,018	100%	0

Comments / Issues:

- As at June 30th, 2008, Toronto and Region Conservation Authority (TRCA) received \$2.006 million or 33.3% of its 2008 Approved Budget of \$6.018 million from the City of Toronto.
- The Program will receive 100% of its 2008 Approved Budget by year-end.

5-Year Capital Plan

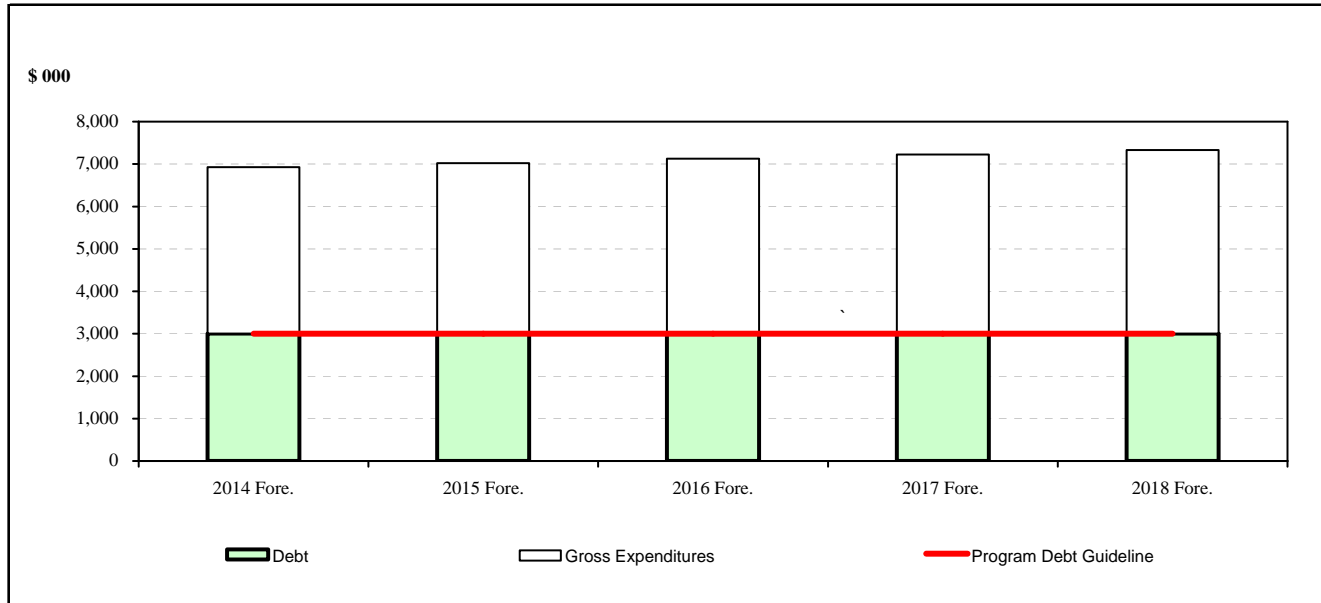
(2009 Recommended Budget, 2010-2013 Plan)



	2008		5-Year Capital Plan					2009-2013	5-Year Total Percent
	Budget	Projected Actual	2009	2010	2011	2012	2013		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments	6,018	6,018							
Recommended Changes to Commitments									
2009 New/Change in Scope and Future Year Commitments			6,268					6,268	
2010 - 2013 Capital Plan Estimates				6,505	6,645	6,735	6,830	26,715	
1-Year Carry Forward to 2009									
Capital Projects Funded By Third-Party Not Proceeding									
Total Gross Annual Expenditures & Plan	6,018	6,018	6,268	6,505	6,645	6,735	6,830	32,983	
Program Debt Target	2,718		2,801	2,951	3,000	3,000	3,000	14,752	
Financing:									
Recommended Debt	2,718		2,801	2,951	3,000	3,000	3,000	14,752	45%
Reserves/Reserve Funds									0%
Development Charges									0%
Federal									0%
Provincial									0%
Other Revenue (Toronto Water Contributions)*	3,300		3,467	3,554	3,645	3,735	3,830	18,231	55%
Total Financing	6,018		6,268	6,505	6,645	6,735	6,830	32,983	100%
By Category:									
Health & Safety									0%
Legislated									0%
SOGR	5,718		5,913	6,074	6,270	6,460	6,375	31,092	94%
Service Improvement	300		355	431	375	275	455	1,891	6%
Growth Related									0%
Total By Category	6,018		6,268	6,505	6,645	6,735	6,830	32,983	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)									
Accumulated Backlog Estimate (end of year)		163,463	160,809	158,382	155,662	152,674	150,112	150,112	
Operating Impact on Program Costs			N/A						
Debt Service Costs			70	368	385	390	390	1,603	

* Toronto Water contributions have been confirmed for each year in the 5-Year Plan.

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast								10-Year Total Percent
	2014	2015	2016	2017	2018	2014-2018	2009-2018		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments									
Recommended Changes to Commitments									
2009 New/Change in Scope and Future Year Commitments							6,267		
2014 - 2018 Capital Forecast Estimates	6,925	7,021	7,122	7,225	7,330	35,623	62,338		
Total Gross Annual Expenditures & Plan	6,925	7,021	7,122	7,225	7,330	35,623	68,605		
Program Debt Target	3,000	3,000	3,000	3,000	3,000	15,000	29,752		
Financing:									
Recommended Debt	3,000	3,000	3,000	3,000	3,000	15,000	29,751		43%
Reserves/Reserve Funds									0%
Development Charges									0%
Federal									0%
Provincial									0%
Other Revenue (Toronto Water contribution) *	3,925	4,021	4,122	4,225	4,330	20,623	38,854		57%
Total Financing	6,925	7,021	7,122	7,225	7,330	35,623	68,605		100%
By Category:									
Health & Safety									0%
Legislated									0%
SOGR	6,925	7,021	7,122	7,225	7,330	35,623	66,714		97%
Service Improvement							1,891		3%
Growth Related									0%
Total By Category	6,925	7,021	7,122	7,225	7,330	35,623	68,605		100%
Yearly SOGR Backlog Estimate (not addressed by current plan)									
Accumulated Backlog Estimate (end of year)	145,738	141,364	136,990	132,616	128,242	128,242	128,242		
Operating Impact on Program Costs	N/A								
Debt Service Costs	390	390	390	390	390	1,950	3,553		

* Toronto Water contributions have been confirmed for each year in the 5-Year Forecast.

10-Year Capital Plan and Forecast Overview

- The capital projects in the 10-Year Capital Plan and Proposed Forecast support the strategic objectives of TRCA's vision for the Living City which encompasses healthy rivers and shorelines, regional biodiversity, sustainable communities and business excellence in stewardship of the environment.
- Toronto and Region Conservation Authority's 2009 Recommended Capital Budget; 2010 to 2013 Recommended Capital Plan and 2014 to 2018 Proposed Capital Forecast meets the Council-approved debt affordability targets in each year.
- Approximately \$66.715 million or 97% of the 10-Year Capital Plan and Proposed Forecast allocates significant resources to state of good repair projects to address flood and erosion, waterfront regeneration, infrastructure repairs and maintenance, and environmental rehabilitation. On average, the annual spending on state of good repair projects is \$6.671 million. The remaining \$1.891 million or 3% is dedicated to service improvement and enhancement projects for waterfront development projects.
- The 10-Year Capital Plan and Proposed Forecast relies on City debt of \$29.752 million (43%) and Toronto Water contributions of \$38.854 million (57%). This capital financing structure is consistently maintained throughout the 10 years.
- At December 31, 2008, the accumulated state of good repair backlog was estimated to be \$163.463 million. Based on 10-Year Capital Plan and Proposed Forecast, the average annual reduction in the state of good repair backlog is \$3.522 million, resulting in an estimated backlog closing balance of \$128.242 million by the end of 2018.
- In accordance with established practice, TRCA will absorb the operating costs, consisting of debt service costs arising from its 10-Year Capital Plan and Proposed Forecast.

Multi-Year Debt Affordability Targets

The 2009 Recommended Capital Budget, 2010-2013 Recommended Capital Plan and 2014-2018 Proposed Capital Forecast meet the Council-approved debt affordability targets in each of the 10 years.

Project Financing

The 2009 Recommended Capital Budget and 2010-2013 Recommended Capital Plan relies on debt funding of \$14.752 million and confirmed funding from Toronto Water of \$18.231 million to partially fund TRCA capital projects related to water quality and quantity: \$3.467 million in 2009, \$3.554 million in 2010, \$3.645 million in 2011, \$3.735 million in 2012, and \$3.83 million in 2013.

The 2014-2018 Proposed Capital Forecast relies on debt funding of \$15.0 million and confirmed contributions from Toronto Water of \$20.623 million - \$3.925 million in 2014, \$4.021 million in 2015, \$4.122 million in 2016, \$4.225 million in 2017, and \$4.33 million in 2018.

State of Good Repair (SOGR) Backlog and Unmet Service Needs

TRCA's accumulated state-of-good-repair backlog at the end of 2008 is estimated to be \$163.463 million. This figure includes maintenance of the natural environment through activities such as erosion control and source water protection; as well as the restoration of facilities requiring retrofitting such as the Black Creek Pioneer Village, Kortright/Living City Centre and TRCA's Head Office building.

In order to reduce the SOGR backlog, \$31.091 million or 94% of the Recommended 5-Year Capital Plan addresses SOGR needs, so that the average annual reduction in the backlog is \$2.670 million resulting in an estimated backlog balance of \$150.112 million by the end of 2013.

During 2014-2018, \$35.623 million or 100% of the Proposed 5-Year Capital Forecast addresses SOGR needs. The average annual reduction in the backlog is \$4.374 million, thereby reducing its backlog balance to \$128.242 million by the end of 2018.

Because of flat-line debt targets, TRCA could not include \$21.301 million of capital projects in the 10-Year Capital Plan and Proposed Forecast. The unmet state of good repair needs arise because of maintenance required on the natural environment and restoration needed on aging facilities. The unmet needs consist of capital work required on three TRCA Administrative Office buildings, Rouge Park heritage assets, Black Creek Pioneer Village, and erosion controls at various sites. The main issues are:

- **Black Creek Pioneer Village:** \$1.3 million has been identified as the need for more SOGR work including the Visitor Centre roof.
- **Administrative Office Design/Build Project:** Replacement of three aging administrative office buildings which no longer meet the needs of TRCA. The estimated cost is \$12.6 million over the next 10 years.
- **Rouge Park Heritage Assets:** Assessment and preservation of heritage assets and structures estimated at \$1.1 million over the next 10 years.
- **Gibraltar Point:** A rough estimate of the cost of the erosion control work is \$14.6 million. If no action is taken, significant land loss and property damage will occur along that shoreline and will pose a risk to public safety.
- **Other Erosion Control:** \$2.2 million in further erosion control projects have been identified.
- **Motel Strip Expropriation – Future-Year Costs:** There will likely be a requirement for City funding in 2009 and beyond for settlement of the expropriation proceedings on land that TRCA acquired in the Motel Strip/Humber Bay Shores area.
- **Land Acquisition:** The 10-Year Capital Plan and Proposed Forecast includes nominal amounts to acquire small, environmentally-significant land parcels. The acquisition of larger parcels of land within TRCA's jurisdiction is not funded through the TRCA Capital Budget, but rather through the Toronto Water Capital Budget.
- **Marie Curtis Park/Arsenal Lands:** The Arsenal Lands property was acquired in 1992 jointly by the former Metro Toronto, the Region of Peel, the City of Mississauga, the Province of Ontario and TRCA. The City of Mississauga has approved funding for the park development but the project is awaiting a funding commitment from the City of Toronto to proceed.

See "Issues for Discussion" on page 14 for details.

Program Capacity and Readiness to Proceed

TRCA is ready to proceed with the projects in the 5-Year Recommended Capital Plan. TRCA has completed feasibility or needs assessments and engineering estimates and formulated solid costing for its projects, the majority of which are ongoing or phased projects which have been in existence for a number of years. Projects in the 5-Year Capital Forecast are based on best estimates available and will be re-evaluated for readiness to proceed at the appropriate planning stage.

Changes to the 5-Year Capital Plan (2009-2013)

The TRCA 2009 Recommended Capital Budget and 2010-2013 Recommended Capital Plan remains broadly unchanged at the project level but contains changes within the approved debt targets to reflect shifting priorities at the sub-project level.

Capital Project Highlights

Strategic Priorities:

Projects in the 10-Year Capital Plan and Proposed Forecast directly support strategic priorities such as Make Progress on the Waterfront outlined in the Mayor's Mandate. Through the Toronto Waterfront Revitalization Corporation (TWRC) capital program, TRCA will be involved in the waterfront parks at Port Union and Mimico, the Tommy Thompson Master Plan, and the West Donlands Precinct Plan (flood protection land form – Don Park) over the next 5 years. Total funding allocated over the 5-Year Recommended Capital Plan for Waterfront Development is \$8.195 million.

Summary of Major Capital Initiatives

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 -2018 Forecast	2009 -2018 Total
Facility Projects: New and Expanded - None								
TRCA Information Technology	264	264	264	270	270	1,332	1,350	2,682
Other Major Capital Initiatives								
Toronto Remedial Action Plan	2,051	2,003	2,155	2,122	2,261	10,592	10,773	21,365
Waterfront Development	1,283	1,446	1,646	1,810	2,000	8,185	10,000	18,185
Waterfront & Valley Erosion Control	1,446	1,496	1,320	1,300	1,200	6,762	10,000	16,762
Major Facilities Retrofit	396	462	625	536	396	2,415	500	2,915
Black Creek Pioneer Village Retrofit	350	350	350	400	400	1,850	1,480	3,330
Public Use Infrastructure	198	198	198	204	204	1,002	1,020	2,022
Greenspace Land Acquisition (Toronto Share)	73	80	87	93	99	432	500	932
Kortright/Living City Centre Retrofit & Expansion	207	206				413		413
Energy Efficiency Projects								
Total	6,268	6,505	6,645	6,735	6,830	32,983	35,623	68,606

- The 10-Year Capital Plan and Proposed Forecast does not include any new and expanded facility projects. The Plan includes \$2.682 million over the next 10 years, for the strategic replacement of obsolete information technology, particularly in the area of geographical information systems.

- Four major areas of continuing investment over the next 10 years and their corresponding percentage of the 10-Year Capital Plan and Proposed Forecast are:
 - Contributing to the clean-up of the water and habitat of the Great lakes through wetland and habitat creation, fish barrier removals and channel naturalizations with the Toronto Remedial Action Plan for \$21.4 million or 31%;
 - Responding to the public demand for access to the City’s waterfront for leisure and recreation activities as well as environmental monitoring and regeneration with the Waterfront Development project for \$18.2 million or 27%;
 - Preventing or reducing the risk of hazard to life and property and protecting the natural attributes of the City’s shorelines with Waterfront & Valley Erosion Control for \$16.8 million or 24% ; and,
 - Preserving the local cultural heritage and providing public amenities and facilities in protected natural areas with Black Creek Pioneer Village Retrofit & Public Use Infrastructure totalling \$5.4 million or 8%.

Operating Budget Impact - 10-Year Plan & Forecast

Incremental Operating Impact Summary

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 - 2018 Forecast	2009-2018 Total
2009 Recommended Capital Budget								
Program Costs (net)						0.0		0.0
Approved Positions						0.00		0.00
Debt Service Costs	70.03	294.11	0.00	0.00	0.00	364.13	0.00	
Recommended 2010-2013 Capital Plan								
Program Costs (net)						0.0		0.0
Approved Positions						0.00		0.00
Debt Service Costs		73.78	384.86	390.00	390.00	1238.63		
Recommended 2014-2018 Capital Forecast								
Program Costs (net)						0.0		0.0
Approved Positions						0.00		0.00
Debt Service Costs							1950.00	
Total								
Program Costs (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Approved Positions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service Costs	70.03	367.88	384.86	390.00	390.00	1602.76	1950.00	3552.76
Debt Service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years								

TRCA typically absorbs the operating impact of its capital projects, except in cases where TRCA hands over a completed project to a City Program or Agency to manage ongoing operations, as is the case in many parkland projects that are transferred to the City’s Parks, Forestry and Recreation Program.

Total 2009 Recommended Cash Flow & Future Year Commitments (\$000s)

	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Recommended	2009 Total Cash Flow Recommended	2009 Debt Target	2008 Carry Forwards	Total 2009 Cash Flow (Incl 2008 C/Fwd)	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Cost
Expenditures																	
Previously Approved Change in Scope New New w/Future Year			6,268	6,268			6,268										6,268
Total Expenditure	-	-	6,268	6,268	-	-	6,268	-	-	-	-	-	-	-	-	-	6,268
Financing																	
Reserves/Res Funds Development Charges Other (Toronto Water contribution) Debt			3,467 2,801	3,467 2,801	2,801		3,467 2,801										3,467 2,801
Total Financing	-	-	6,268	6,268	2,801	-	6,268	-	-	-	-	-	-	-	-	-	6,268

Comments / Issues:

- The 2009 Recommended Capital Budget for TRCA is \$6.268 million gross for new projects, funded by City debt of \$2.801 million (45%) and contributions from Toronto Water of \$3.467 million (55%) for projects related to water quality and quantity.
- No future-year commitments are required.

2009 Recommended Capital Budget

2009 Recommended Capital Budget versus Debt Target

The TRCA 2009 Recommended Capital Budget requires \$2.801 million in debt, which is in line with the Council-approved debt affordability guideline.

Capital Budget by Project Category

State of Good Repair projects to preserve Toronto's natural environment through the Toronto Remedial Action Plan, waterfront and valley erosion control and waterfront development projects account for \$5.913 million or 94% of the 2009 Recommended Capital Budget of \$6.268 million.

Service Improvement projects to develop waterfront parkland account for \$0.355 million or 6% of the 2009 Recommended Capital Budget.

By focussing the 2009 Recommended Capital Budget on state of good repair and service improvements, the mix of project categories supports TRCA's vision for The Living City while meeting its objectives to provide flood and erosion protection, waterfront regeneration, and environmental rehabilitation.

2009 Capital Project Highlights

The Recommended 2009 Budget provides funding to:

- continue with activities of the Toronto Remedial Action Plan including watershed monitoring and sustainable communities (\$2.051 million);
- maintain waterfront & valley erosion control including Meadowcliffe Drive, the Guild Inn Shoreline and Toronto Parks (\$1.446 million);
- contribute to waterfront development including the Keating Channel dredging and Ashbridges Bay (\$0.928 million);
- continue improving waterfront development of Tommy Thompson Park as well as Arsenal Park Development (\$0.355 million); and,
- enhance visitors experience at Black Creek Pioneer Village by maintaining facilities (\$0.350 million).

Capacity and Readiness to Proceed

TRCA is ready to proceed with the projects included in the 2009 Recommended Capital Budget. Feasibility studies or needs assessments have been completed and engineering estimates form the basis of cost. The majority of the capital projects are ongoing or phased projects which have been planned for a number of years.

PART II: ISSUES FOR DISCUSSION**2009 Capital Budget Issues****Marie Curtis Park/Arsenal Lands:**

The Arsenal Lands property was acquired in 1992 jointly by the former Metro Toronto, the Region of Peel, the City of Mississauga, the Province of Ontario and TRCA. The purchase agreement and the subsequent Master Plan provided for the parties to develop the property and the adjacent Marie Curtis Park for use as a regional park. The City of Mississauga has approved funding for the park development and the project is awaiting a funding commitment from the City of Toronto to proceed. Funding will flow through the Parks, Forestry and Recreation 10-Year Capital Plan for a total of \$2.642 million for Marie Curtis Park East, which is solely under Toronto jurisdiction. The 2009 Capital Budget for Parks, Forestry and Recreation includes \$0.200 million for planning and a total of \$2.420 million is included in the Recommended 5-Year Capital Plan for 2010-2012.

2010-2013 Plan and 2014-2018 Forecast Issues**Projects Not Included In the 10-Year Capital Plan and Proposed Forecast**

The following projects are not included in the 10-Year Capital Plan and Proposed Forecast due to funding limitations, but will become increasingly critical over time. Consideration may be given to adding these projects to the Plan in future budget cycles.

State of Good Repair**• Black Creek Pioneer Village:**

TRCA has identified the need for a second tier of state of good repair work at Black Creek Pioneer Village, including the Visitor Centre roof, commencing 2012 at an estimated cost of \$1.25 million, which cannot be accommodated within the 10-Year Capital Plan and Proposed Forecast

• Rouge Park Heritage Assets:

The Rouge Park contains numerous heritage assets and structures in need of assessment and preservation. In order to meet annual debt targets, this project estimated at \$1.127 million over the next 10 years, could not be accommodated within the 10-Year Capital Plan and Proposed Forecast.

Unmet Service Needs

- **Administrative Office Design/Build Project:**

TRCA is proposing to replace three aging administrative office buildings which no longer meet the needs of TRCA. Capital work on the new facilities is proposed at an estimated cost of \$12.549 million over the next 10 years. To meet debt affordability targets, TRCA did not include this new project in its 10-Year Capital Plan and Proposed Forecast. In recognition of the City's funding limitations, TRCA will explore cost-sharing options through the establishment of third-party partnerships.

- **Other Erosion Control:**

The 10-Year Capital Plan and Proposed Forecast excludes \$2.18 million in erosion control projects as a result of funding constraints implemented since 2005. The exclusion of this project enables TRCA to meet funding constraints. However, as time passes, these projects will reach critical status and will have to be addressed.

- **Gibraltar Point:**

The shoreline along Gibraltar Point, in the Toronto Islands, is eroding at a rapid rate. If no action is taken, significant land loss and property damage will occur along that shoreline and will pose a risk to public safety. Figure 1 below shows the shoreline in 1939, 1988 and the projected shoreline in 100 years, if no action is taken. A rough estimate of the cost of the erosion control work is \$14.6 million. Toronto Water, in consultation with TRCA and other key stake holders, are currently assessing the study requirements to protect the Gibraltar Point Beach from further erosion damage. Toronto Water's 10-Year Capital Plan and Proposed Forecast includes \$0.5 million in funding for the study only. No additional funding has been allocated to this project through TRCA's 10-Year Capital Plan.

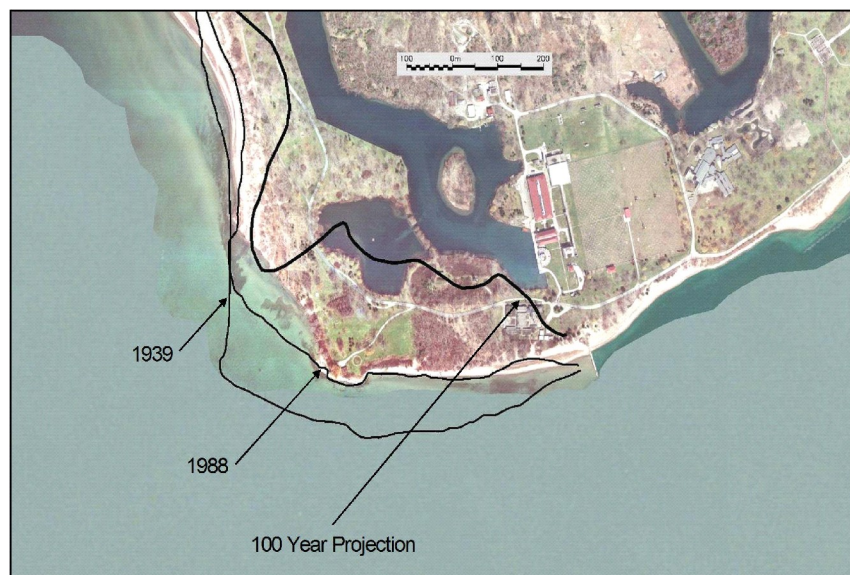


Figure 1: Gibraltar Point - Shoreline Erosion

- **Motel Strip Expropriation – Future-Year Costs**

There will likely be a requirement for City funding in 2009 and beyond for settlement of the expropriation proceedings on land that TRCA acquired in the Motel Strip/Humber Bay Shores area. No provision has been made in the TRCA 10-Year Capital Plan and Proposed Forecast since the funding amounts are still unknown because legal proceedings and negotiations have not yet been concluded.

The required funding amounts will be requested when they become known, either as part of future-year capital budget processes or as in-year increases to future-year capital budgets. Pursuant to an intergovernmental agreement, the City is liable for 50% of the claims against TRCA in this matter and the Province of Ontario is responsible for the other 50%.

- **Land Acquisition**

The 10-Year Capital Plan and Proposed Forecast includes average annual funding of \$0.093 million for Greenspace Land Acquisition, which pertains to nominal amounts and legal costs to acquire small, environmentally-significant land parcels.

The acquisition of larger parcels of land within TRCA's jurisdiction, often located in other municipalities, for source water protection purposes, is not funded through the TRCA Capital Budget, but rather through the Toronto Water Capital Budget. These acquisitions are subject to a specific set of criteria, including a pre-approved list of properties, and follow a process that was approved by City Council in September 2005. Toronto does not fund more than 50% for land parcels outside of the City; in such cases, the balance of the funding comes from a combination of the other municipalities in TRCA's jurisdiction – namely the Regions of Peel, York and Durham, the Town of Mono and the Township of Adjala-Tosorontio – and private or other donors.

The Toronto Water 10-Year Capital Plan and Proposed Forecast includes \$24 million from 2009 to 2013 for land acquisition for source water protection through TRCA: \$4.5 million in 2009, \$6 million in each 2010, 2011, and 2012, and \$1.5 million in 2013.

Appendix 1
2009 Recommended Capital Budget;
2010 to 2013 Plan and 2014 to 2018 Forecast

Appendix 2
2009 Recommended Cash Flow
and Future Year Commitments

Appendix 3
2009 Recommended Capital Projects
with Financing Details