



2013 - 2022

City of Toronto

Staff Recommended Tax Supported Capital Budget and Plan

November 29, 2012

Agenda

1. Budget Context
2. What's Being Built
3. 2013– 2022 Staff Rec'd Capital Budget and Plan
4. TTC and Transportation Services 10-Year Capital Budget and Plan – 2013 vs. 2012
5. 2013 – 2022 Capital Plan Debt Charges Impact
6. Conclusion

Budget Context

- The Challenge
 - Increased investment need in SOGR for Transportation and TTC
 - Accommodate Ridership Growth
 - Uncertainty over Federal and Provincial Funding
 - Keep Debt Service costs below the 15% guideline

Budget Directions

- Firm assigned debt targets
- Ensure that the Capital Budget and Plan submissions:
 - ✓ are affordable
 - ✓ finance highest priority projects
 - ✓ are based on project readiness, spending capacity
 - ✓ include strategies to maintain capital assets in a state of good repair and to reduce backlog
 - ✓ address service gaps and priorities
- Once Service Efficiency Studies are completed, Capital Plan may need to be adjusted

Budget Directions

- Maximize use of development charge funding to replace debt
- Clearly identify IT which will be reviewed on a City wide portfolio basis
- Clearly identify operating impacts of capital projects
 - ✓ key consideration for 2013 - 2015 Operating Budgets

Capital Strategies

- Review Program capacity based on historic spending results
- Assess merit / need (business cases) for key projects
- Focus on SOGR Backlog to determine recommended project funding
- Maximize DC funding to replace debt
- Review IT projects City-wide to establish priority and plan, inclusive of efficiency study recommendation implementation

The Need to Manage Debt

- 2012 to 2021 Budget and Plan was \$14.8 Billion
- 2013 to 2023 Budget and Plan is \$15.3 Billion, with increased investments in:
 - TTC \$535 million
 - Transportation Services \$670 million (Gardiner Expressway and Roads SOGR)

The Need to Manage Debt

- The increased investment request is addressed by non-debt funding strategies comprised of:
 - Continuation of Surplus Management Policy
(75% of surplus allocated to Capital)
 - Use of Asset Monetization Revenues/ Dividends
 - Maximize Development Charge Funding
 - Provincial and Federal funding

What's Being Built

Transportation and Transit

- Maintain 1,000 km of roads, 50 km of expressways, 600 km of sidewalks and 150 bridges and structures in a safe and hazard-free state (2013 – 2022 \$2.264 billion).
- Complete up to 100 km of off-street bicycle paths, 80 km of critical on-street connections and 8,000 new bicycle parking spaces throughout the City (2013 – 2022 \$90.757 million).
- Continue to address health and safety concerns through major signal modifications, accessible pedestrian signals (audible signals), and pedestrian safety and infrastructure programs (2013 – 2022 \$40.484 million).

Transportation and Transit

- Continue construction of the second platform and concourse improvements at Union Station (2013 – 2014 \$17.968 million)
- Purchase 138 of 360 new subway cars (23 of 60 train sets) to replace aging subway cars and increase capacity by 9% (2013 – 2016 \$71.302 million)
- Acquire 153 new articulated buses and 99 new forty foot diesel buses to improve service by 2017 (2013 – 2022 \$222.159 million)
- Purchase 204 low-floor, accessible light rail vehicles to replace the existing streetcar fleet (2013 – 2019 \$781.357 million)

Transportation and Transit

- Make progress on the Easier Access Program to ensure that the TTC is fully accessible by 2025 (2013 – 2022 \$383.916 million)
- Continue installation of state-of-the-art signalling systems on the Yonge-University-Spadina line to increase train capacity by allowing trains to run more frequently and closer together (2013 – 2019 \$255.984 million)
- Continue to revitalize Union Station with improvements to its transportation and retail spaces; including the Northwest Path (2013 – 2016 \$360.662 million)

Public Safety and Emergency Services

- Replace the radio communication system shared by the Toronto Police Service, Fire Services and Emergency Medical Services by 2014 (2013 – 2014, \$41.758 million)
- Replace firefighters bunker suits (2015 & 2020, \$8.200 million), self-contained breathing apparatus (2013, \$5.824 million), defibrillators (2016 \$1.000 million) and portable radios (2017 \$5.000 million)
- Replace EMS defibrillators (2015 – 2017, \$7.000 million) and portable radios (2016 \$1.000 million)

Public Safety and Emergency Services

- Complete construction of the new Fire Station D in Scarborough (2013, \$4.275 million); Chaplin Fire Station (2013 – 2014, \$4.685 million)
- Construct new Fire Station B in Downsview (2013 –2014, \$9.885 million)
- Construct new Fire Station A near Highway 27 and Rexdale Blvd. (2014 – 2016, \$7.242 million)
- Construct new Fire Station G in the Sunnybrook area (2021 – 2022, \$9.619 million)
- Construct a new ambulance station at Plewes Rd (2013 – 2015, \$11.200 million)
- Construct a new facility for EMS District 5 – Service District Centre which will allow EMS to consolidate Special Operations Units under one building (2018₁₄ – 2022, \$7.200 million)

Public Safety and Emergency Services

- Construct a new ambulance station to improve emergency response times at the Queensway and Royal York area (2019 – 2021, \$3.660 million)
- Expansion of EMS Station #39 to improve emergency response times at the East Mall Etobicoke area (2020 – 2022, \$3.260 million)
- Complete renovation of the 330 Progress area for property and evidence management facility (2013, \$5.831 million) and to accommodate parking enforcement requirements (2013-2014, \$9 million).
- Relocate and replace Police Service's 54 Division (2014 – 2016, \$36.296 million) and 41 Division (2016 – 2019, \$38.928 million)

Public Safety and Emergency Services

- Relocate and replace Police Service's 13 Division (2018 – 2021 \$38.929 million)
- Renovate Police Service's 52 Divisions (2022 \$2.948 million)

Community and Recreation Services

- Continue to deliver SOGR capital upgrades in the 26 municipally owned child care centres in City-owned facilities, (2013-2022, \$13.344 million)
- Construct Child Care Centre #5 (2014-2018, \$3.900 million) with 100 new spaces;
- Continue the redevelopment of parkland such as June Callwood Park (2013, \$2.317 million), Regent Park Redevelopment (TCHC) Phase 2 (2013, \$2.750 million), Grange Park (2013 – 2014, \$4.876 million), and dogs-off-leash area improvements (2013 – 2016, \$2.000 million)
- Construct various community centres, including York Community Centre (2013 – 2014 \$23.443 million) and Regent Park Community Centre (2013 – 2014 \$18.070 million)

Community and Recreation Services

- Continue the expansion of the Leaside Memorial Gardens Arena (2013 \$7.3 million)
- Maintain in a state of good repair the harbourfront, marine service and seawall (2013 \$1.850 million) and special facility building structures (2013 \$3.450 million).
- Continue to deliver SOGR capital upgrades for 16 shelter sites (2013-2022 \$9.000 million);
- Redevelop Seaton House shelter (2013-2019 \$21.850 million)
- Continue the planning, design and construction of Regional Sports Complex and Central Waterfront Public Realm (2013 – 2015 \$35.962 million)

Community and Recreation Services

- Complete the Mount Dennis Library renovation (2013 - \$1.577 million)
- Continue the construction of two new library branches:
 - That will provide a new library to serve the needs of the growing community due to recent residential development (2013-2015 \$7.405 million)
 - A new facility located at Fort York Blvd. and Bathurst Street to serve the rapidly growing community scheduled to open by 2014 (2013-2014 \$6.495 million)

Community and Recreation Services

- Relocate the Library materials processing centre at 1076 Ellesmere to facilitate high volume materials handling and distribution services (2013-2014, \$9.080 million)
- Continue the revitalization of the Toronto Reference Library (2013-2015, \$10.913 million)

Public Spaces

- Continue the Places Civic Improvements project to enhance the quality of the City's open spaces within the road (2013 – 2022, \$27.826 million).
- Revitalize Nathan Phillips Square to host a greater number and variety of public activities and special events (2013 – 2014 \$7.436 million).
- Improve Business Improvement Areas (BIA) streetscapes (2013 – 2014 \$5.562 million).
- Continue restoration of Casa Loma (2013 – 2015 \$5.633 million).

Improve Customer Service

- Continue Electronic Service Delivery for the public to access and interact on-line, examples include:
 - On-line access to Municipal Licensing and Standards information and services (2013-2016, \$1.469 million);
 - On-line and permit approval (2013-2016, \$4.645 million); and Technical Services – engineering and survey file and document management
 - On-line service for access to tender and construction documents (2013-2015, \$0.850 million)
- Complete 311 Toronto's cross-divisional scheduler for court rooms and meeting rooms and other city appointments (2013, \$1.641 million)

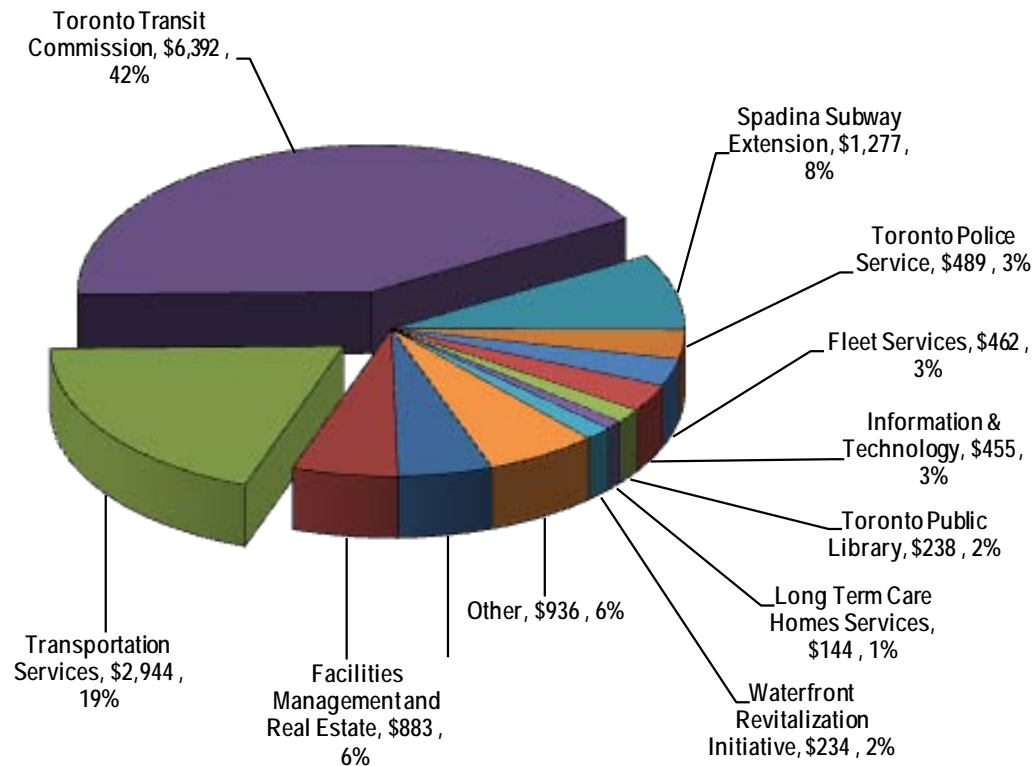
Improve Customer Service

- Complete the integration of recreation registration – 311 Toronto (2015, \$1.500 million)
- Continue Web Foundation and implementation for greater customer access to City information (2013-2017, \$9.721 million)
- Continue the implementation of the Infectious Disease Control System project that will implement a new national public health (2013-2015, \$2.145 million).

2013 - 2022 Staff Recommended Tax Supported Capital Budget and Plan

Where the Money Goes - 2013 to 2022 Tax Supported Capital Budget and Plan - \$15.250 Billion

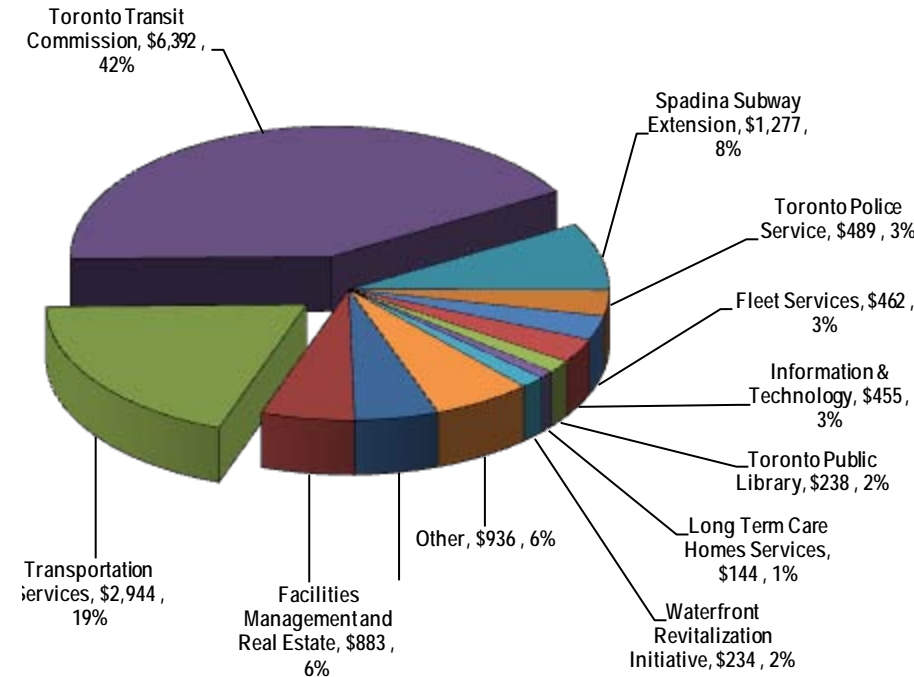
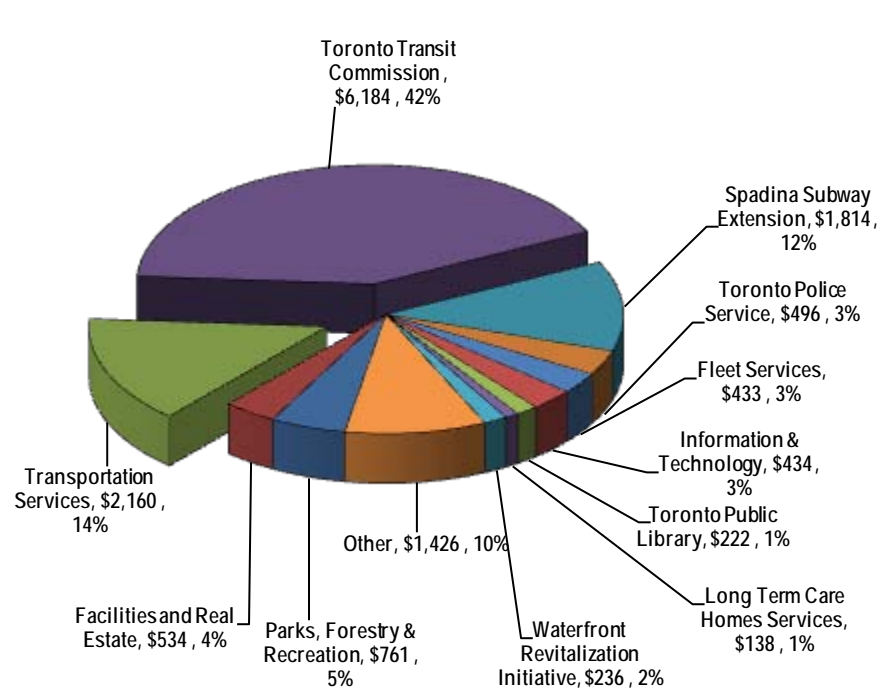
\$ Million



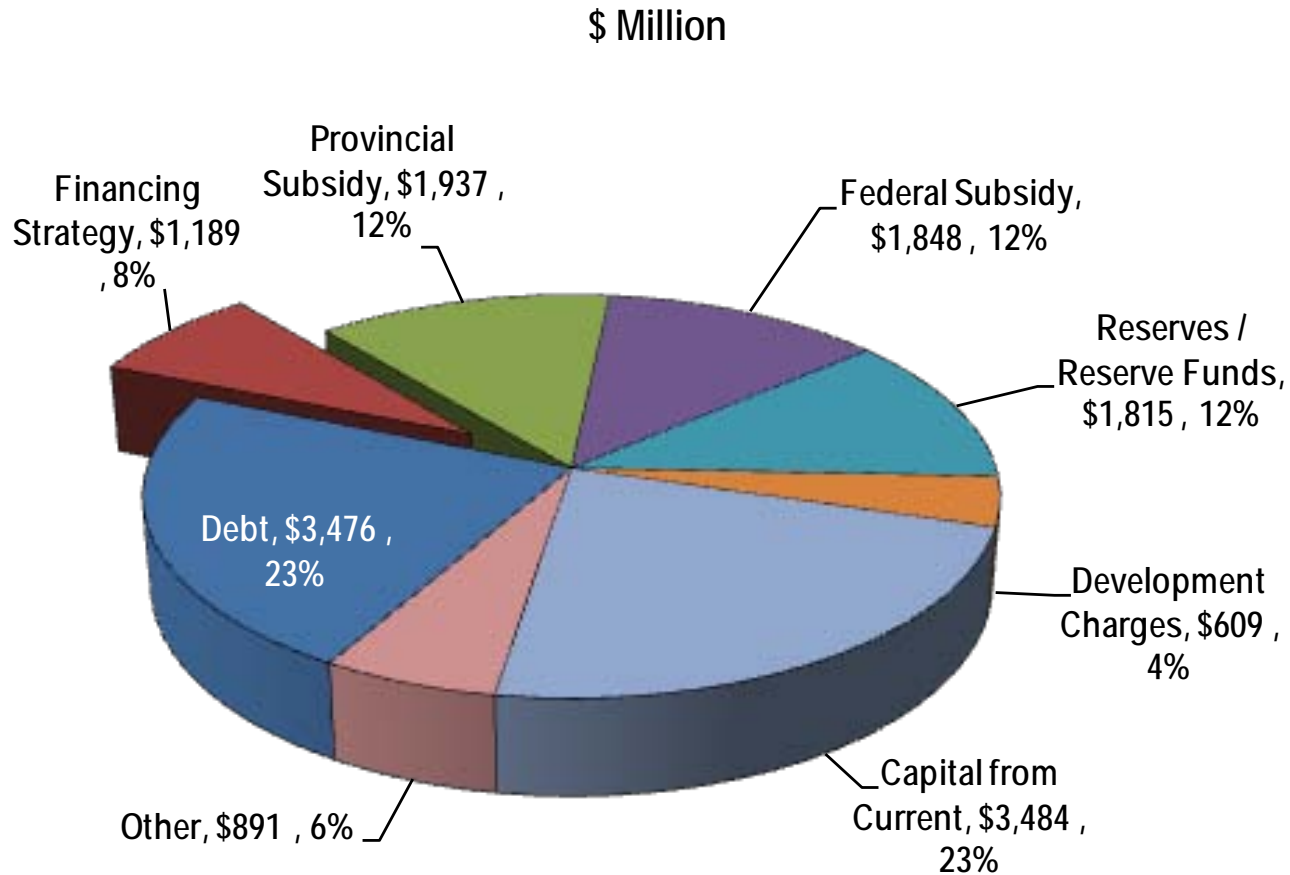
Comparison to 2012 to 2021 Capital Budget and Plan – Gross Expenditures

2012 – 2021 Capital Budget & Plan
56% TTC & Transportation
\$14.836 Billion

2013 – 2022 Capital Budget and Plan
61% TTC & Transportation
\$15.250 Billion

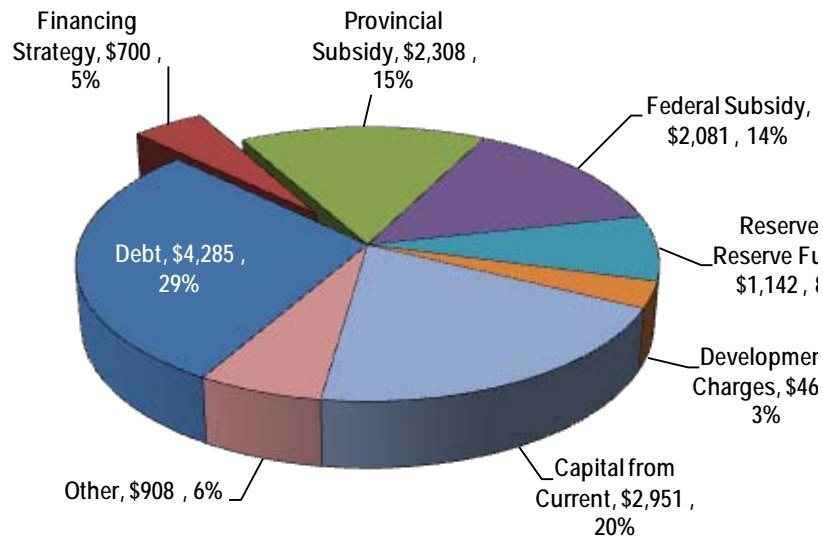


2013 – 2022 Tax Supported Capital Budget & Plan Financing - \$15.250 Billion

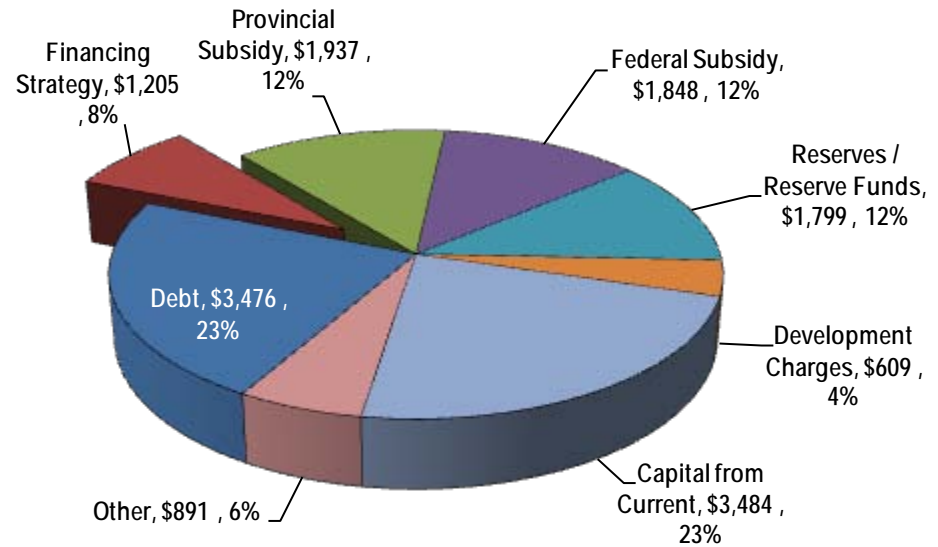


Comparison to 2012 to 2021 Capital Budget and Plan – Funding Sources

2012 – 2021 Capital Budget & Plan
Debt Funding 29%
\$14.836 Billion



2013 – 2022 Capital Budget and Plan
Debt Funding 23%
\$15.250 Billion

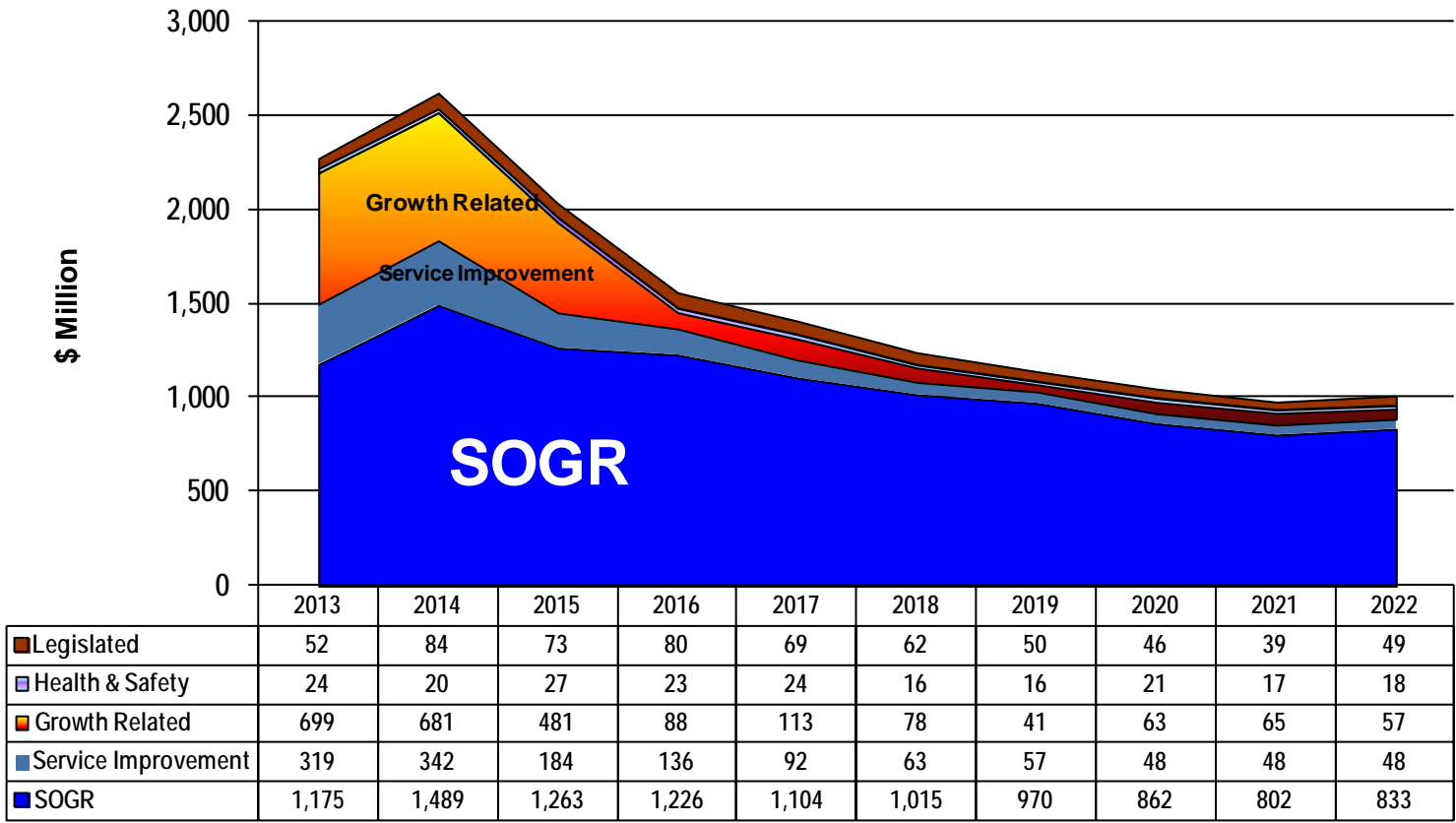


2013 – 2022 Capital Budget and Plan - by Category and Financing Source

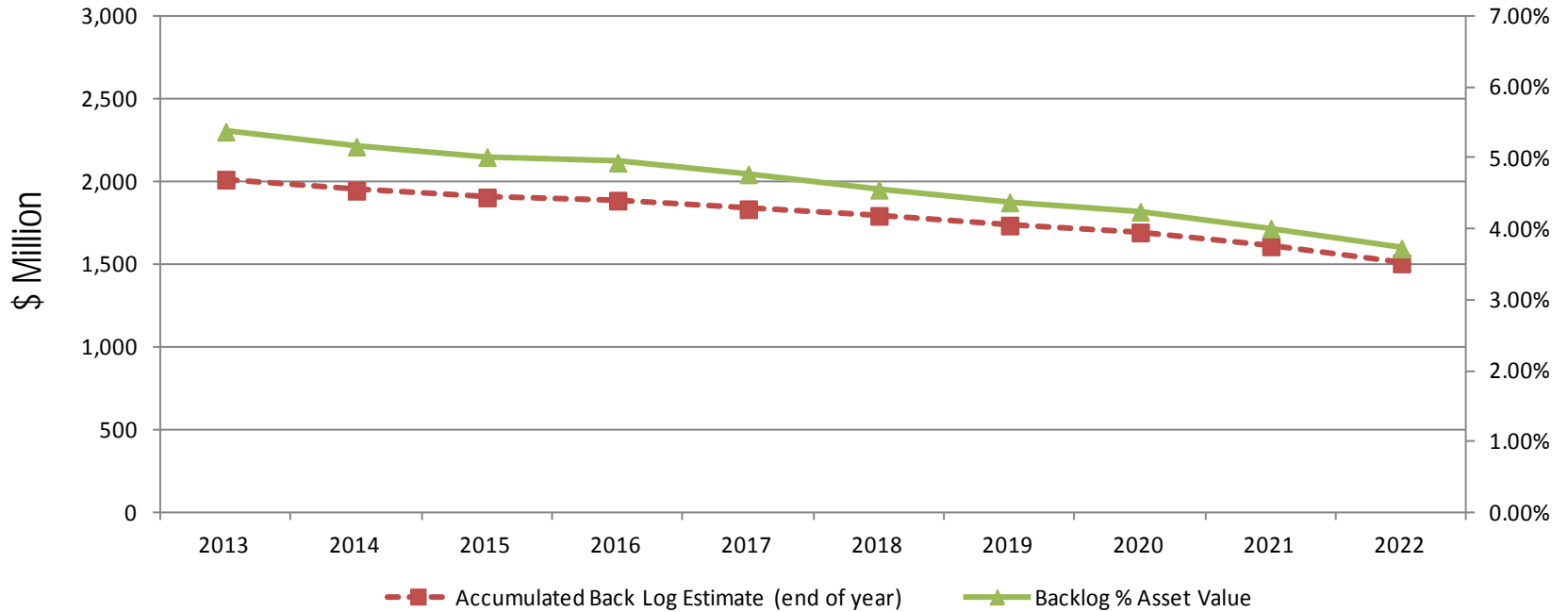
(\$ Million)

Expenditures	Capital Plan					2013-2017		2018 - 2022		2013 - 2022	
	2013	2014	2015	2016	2017	Total	%	Total	%	Total	%
Health and Safety	24	20	27	23	24	118	1.2%	88	1.6%	206	1.4%
Legislated	52	84	73	80	69	358	3.6%	246	4.6%	604	4.0%
State of Good Repair	1,175	1,489	1,263	1,226	1,104	6,257	63.4%	4,480	83.2%	10,737	70.4%
Service Improvement	319	342	184	136	92	1,073	10.9%	264	4.9%	1,337	8.8%
Growth Related	699	681	481	88	113	2,062	20.9%	303	5.6%	2,365	15.5%
Total Expenditures	2,268	2,617	2,027	1,553	1,402	9,868	100%	5,382	100%	15,250	100.0%
Funded By:											
Provincial	406	558	327	119	112	1,523	15.4%	414	7.7%	1,937	12.7%
Federal	277	270	217	156	155	1,076	10.9%	773	14.4%	1,848	12.1%
Reserves	172	432	408	354	333	1,699	17.2%	1,083	20.1%	2,782	18.2%
Reserve Funds	56	38	13	20	18	145	1.5%	77	1.4%	222	1.5%
Debt Rec	54	54	60	24	2	194	2.0%	8	0.1%	201	1.3%
DC	129	60	51	57	62	360	3.6%	249	4.6%	609	4.0%
Other	186	199	165	60	56	665	6.7%	226	4.2%	891	5.8%
Capital from Current	219	240	265	291	320	1,335	13.5%	2,149	39.9%	3,484	22.8%
Debt	768	766	521	473	344	2,872	29.1%	403	7.5%	3,274	21.5%
Total Funding	2,268	2,617	2,027	1,553	1,402	9,868	100.0%	5,382	100.0%	15,250	100.0%

\$10.737 Billion or 70% of the 2013 – 2022 Capital Plan Allocated to SOGR



SOGR Backlog as a % of Capital Asset Value



SOGR Backlog by Program

\$ Million	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Transportation Services	949.0	916.8	886.3	871.7	835.8	785.5	784.6	764.0	740.1	696.0	696.0
Parks, Forestry & Recreation	309.6	301.2	318.7	351.4	366.4	411.2	388.7	396.4	363.3	325.3	325.3
Facilities Management and Real Estate	302.6	282.4	263.6	238.7	218.6	196.5	173.6	154.3	132.8	117.4	117.4
Toronto & Region Conservation Authority	186.8	184.7	182.4	179.9	177.3	174.6	171.9	169.0	166.2	163.2	163.2
Toronto Zoo	93.7	102.6	102.9	99.2	95.3	91.1	87.3	83.3	81.7	82.4	82.4
Other	175.3	162.2	155.4	149.3	145.0	139.1	133.7	130.9	129.8	126.6	126.6
Total SOGR Backlog	2,016.9	1,949.9	1,909.3	1,890.2	1,838.4	1,798.0	1,739.7	1,698.0	1,613.9	1,510.9	1,510.9
SOGR as % Asset Value	5.38%	5.17%	5.02%	4.95%	4.78%	4.56%	4.38%	4.25%	4.02%	3.74%	3.74%

Transportation Services – Backlog % Asset Value Declining from 9.7% to 5.6%

(\$Millions)

Transportation Services (\$Millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
State of Good Repair Funding		15	32	31	15	36	50	1	21	24	44
Accumulated Backlog Est. (yr end)	964	949	917	886	872	836	786	785	764	740	696
Backlog %Asset Value	9.7%	9.6%	9.1%	8.5%	8.2%	7.7%	6.9%	6.8%	6.4%	6.1%	5.6%
Asset Value	9,890	9,890	10,129	10,410	10,622	10,837	11,372	11,614	11,850	12,095	12,341

F.G. Gardiner											
State of Good Repair Funding		25	50	49	51	52	53	54	56	57	58
Accumulated Backlog Est. (yr end)	626	601	552	502	452	400	347	292	237	180	121

Roads - Major											
State of Good Repair Funding		(13)	1	(6)	2	12	(1)	(44)	(39)	(33)	(28)
Accumulated Backlog Est. (yr end)	67	80	79	86	84	72	73	116	155	188	216

Roads - Local											
State of Good Repair Funding		(4)	(24)	(19)	(39)	(36)	(16)	(11)	(6)	(0)	7
Accumulated Backlog Est. (yr end)	132	136	160	179	219	255	271	282	288	288	281

Bridge Rehabilitation											
State of Good Repair Funding		1	0	(0)	(3)	2	9	(4)	4	(3)	3
Accumulated Backlog Est. (yr end)	46	46	46	46	48	46	37	41	37	40	37

Expressways (Excluding F.G. Gardiner)											
State of Good Repair Funding		6	6	6	4	7	7	7	7	7	7
Accumulated Backlog Est. (yr end)	78	71	65	58	54	47	41	34	27	20	14

Sidewalks											
State of Good Repair Funding		(0)	(1)	0	(0)	(1)	(2)	(2)	(2)	(3)	(3)
Accumulated Backlog Est. (yr end)	14	14	15	15	15	16	17	19	21	24	27

*Excludes the F.G. Gardiner asset value, this will be assessed as part of the Strategic Rehabilitation Plan

Transportation Services and TTC
10 - Year Capital Budget and Plan
2013 vs. 2012

TTC Funding Solutions

TTC Debt Shortfall - 2013-2022	
	\$Millions
2013-2022 Debt Target Shortfall	687
2013-2022 Deferrals	
Toronto Rocket Yard & Storage Track Accommodation	(40)
Purchase of Wheel-Trans Vehicles	(34)
Total Project Deferrals	(74)
Funding Increase (Development Charges)	(79)
Total Funding Increase	(79)
2013-2022 Debt Target Shortfall	534
Operating Surplus/Asset Monetization	
Proceeds/Provincial and/or Federal Funding	(534)
2013-2022 Revised Debt Target Variance - Over/(Under)	-

Transportation Services Funding Solutions

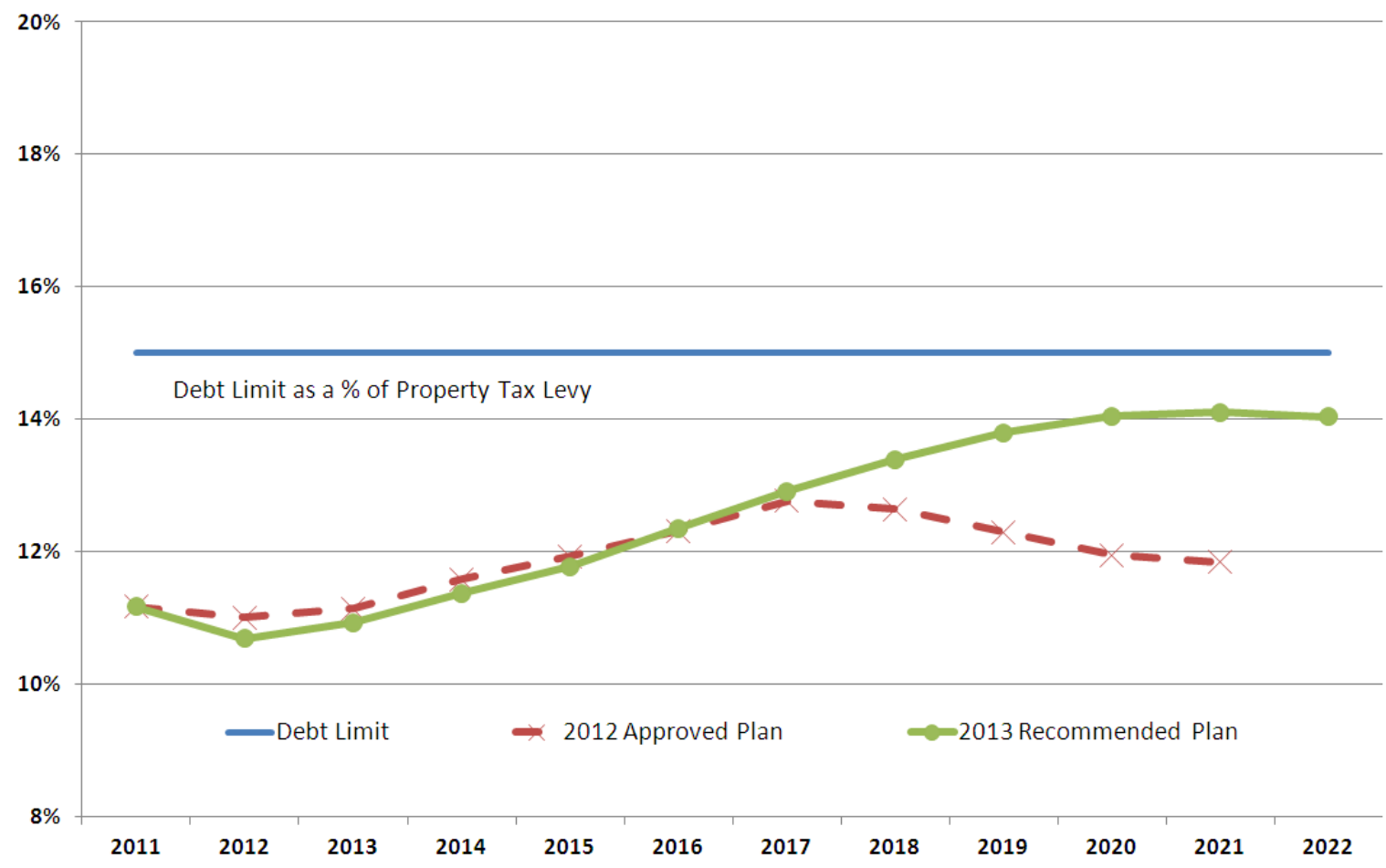
Transportation Debt Shortfall - 2013-2022	
	\$Millions
2013-2022 Debt Target Shortfall	748
2013 Project Reductions	
Various reductions based on Capacity to Spend	(8)
Total Project Reductions	(8)
Funding Increase (Development Charges)	(69)
Total Funding Increase	(69)
2013-2022 Debt Target Shortfall	671
Operating Surplus/Asset Monetization Proceeds/Provincial and/or Federal Funding	(671)
2013-2022 Revised Debt Target Variance - Over/(Under)	-

2013 – 2022 Capital Plan Debt Charges Impact

2013 – 2022 Capital Budget and Plan – Debt Target

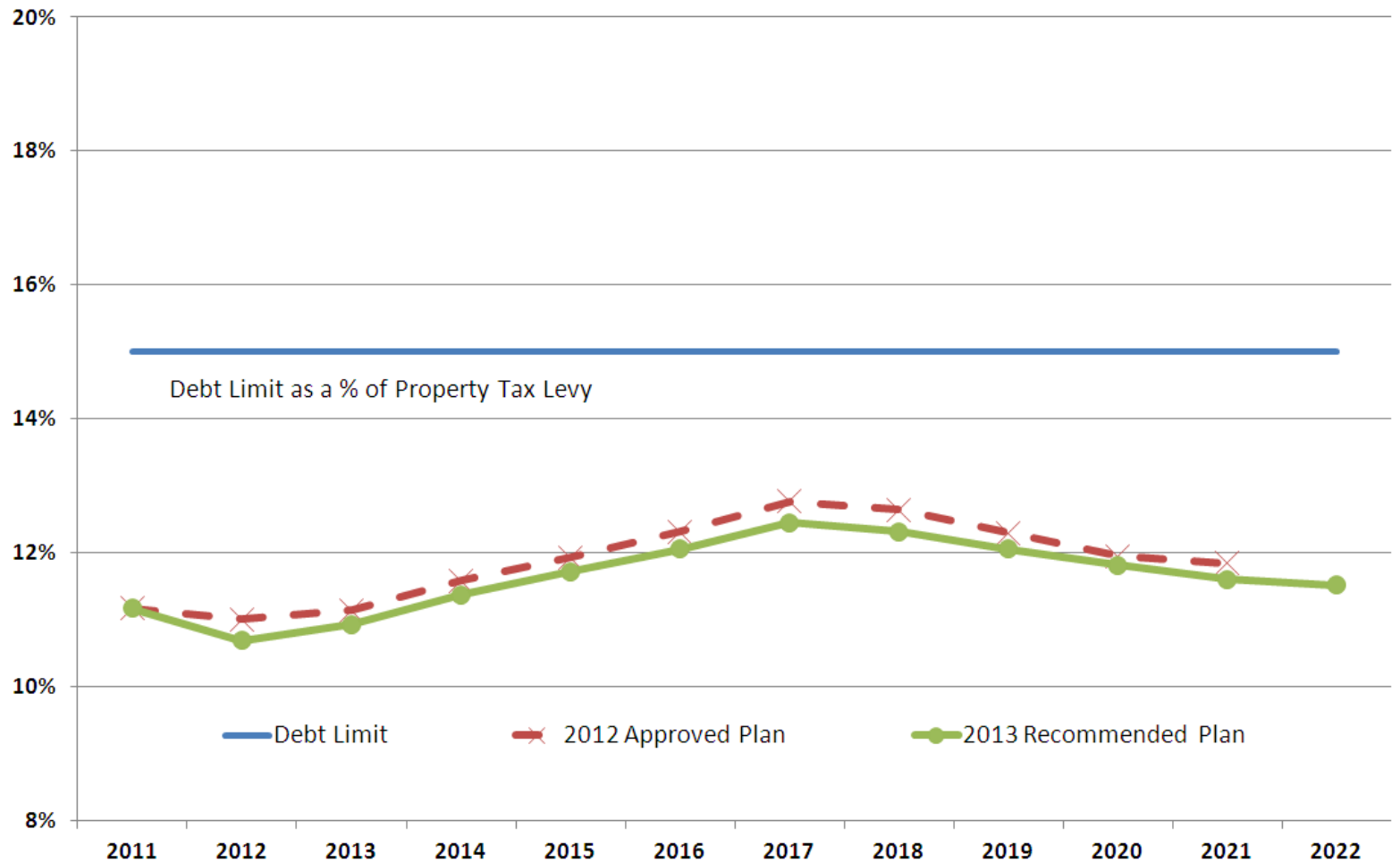
Debt Charges as % of Tax Levy

– with Additional TTC and Transportation Request



Debt Charges as % of Tax Levy

- with Funding Strategy



Conclusion

- The 2013 - 2022 Capital Budget and Plan Strategy is achieved:
 - Accommodates Transportation and TTC's recommended 10 Year Capital Plan increased needs
 - Achieves a balance between maintaining existing City assets and addressing service/growth needs on a City-wide basis
 - Utilizes Operating Surplus, Asset monetization/dividends, new Provincial and Federal funding to minimize debt
 - Debt Charges stabilized below 15% guideline over the life of the plan and now averaging at about 12%
 - In conclusion our debt management strategies are working but hinge on continued fiscal discipline to use operating surpluses to avoid debt

