

WRAP-UP NOTES TO BUDGET COMMITTEE (November 12, 2013)
2014 – 2023 Recommended Capital Budget and Plan
Rate Supported Program
Summary of Budget Review Process
(\$000s)



PART I: RECOMMENDED FINANCIAL ADJUSTMENTS						
	2014		2015 to 2023		2014 to 2023	
	Gross Exp.	Debt/ CFC	Gross Exp.	Debt/ CFC	Gross Exp.	Debt/ CFC
2014 Staff Recommended Capital Budget & 2015 - 2023 Capital Plan (excluding carry forward funding)	600,691		9,451,754		10,052,445	
Toronto Parking Authority	49,001		346,718		395,719	
Solid Waste Management Services	76,477		609,637		686,114	
Toronto Water	475,213		8,495,399		8,970,612	
2013 Carry Forward Funding (does not impact new debt)	166,171		1,800		167,971	
2014 Staff Recommended Capital Budget & 2015 - 2023 Capital Plan (including carry forward funding) as at November 6, 2013	766,862		9,453,554		10,220,416	
Budget Committee - November 6, 2013						
None						

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Budget Committee– November 6, 2013			
PART II: ITEMS REQUESTED BY BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Taken
Budget Committee Item Motion # 1	The Budget Committee requested the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water, to submit briefing notes to the November 12, 2013 Budget Committee meeting on: 1. How road restoration is estimated in Basement Flooding Relief Projects and how long it takes to complete road restoration after each forecasted Basement Flooding Relief Project. 2. A multi-year water rate increase scenario of 5% and 8% for 2015 and beyond in order to expedite basement flooding and other priority projects.		Adopted
Budget Committee Item Motion # 4	That the General Manager, Toronto Water report back in early 2014 on a coordinated, prioritized Toronto Water and Toronto Region Conservation Authority erosion control strategy and projects."		Referred to Final Wrap-Up Meeting on November 12, 2013
Budget Committee Item Motion # 6	1. City Council amend the draft Capital Plan to reflect a water rate increase of 8% in the years 2015, 2016 and 2017. 2. The General Manager, Toronto Water be requested to make best efforts to report back to the Budget Committee meeting of November 12, 2013 with additional projects to be added to the 10-year Capital Plan to reflect a water rate increase of 8% in the years 2015, 2016 and 2017."		Referred to Final Wrap-Up Meeting on November 12, 2013

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PART III: REPORT BACK BEFORE BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Taken
	None		
PART IV: REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Taken
Budget Committee Item (BU46.1c) Toronto Water Report	<p>The report dated October 30, 2013 entitled "Expansion of the Basement Flooding Protection Program's Priority Study Areas" from the General Manager, Toronto Water recommends that:</p> <ol style="list-style-type: none"> 1. City Council request the General Manager, Toronto Water, to prioritize future Basement Flooding Protection Program studies based on the density of reported basement flooding complaints per sanitary sewer subwatershed for major storm events since 2000. The density of reported basement flooding complaints will be calculated on the basis of the number of complaints of basement flooding received by the City divided by the land area serviced by the sanitary sewer subwatershed. 2. City Council request the General Manager, Toronto Water, to initiate and expedite the completion of new Environmental Assessment studies for Area 35 (Silver Creek subwatershed), Area 36 (Chapman subwatershed), Area 37 (Hillary subwatershed), Area 38 (Etobicoke Creek subwatershed), Area 39 (Berry Creek subwatershed), Area 40 (Forman-Yonge subwatershed), and Area 41 (North Mimico Creek subwatershed). 3. City Council request the General Manager, Toronto Water, to report back on the schedule of future Basement Flooding Protection Program study areas (for Study Area 42 and beyond), across the remainder of the city, as part of Toronto Water's 2015 Budget Submission. 	<p>The purpose of this report is to advise City Council on the expansion of the Basement Flooding Protection Program city wide, to include new study areas, including the budget impacts and the prioritization methodology for new study areas. New study areas are recommended for initiation in 2014 and 2015, and for completion in 2016 and 2017.</p> <p>The Recommended 10-Year Capital Budget and Plan for Toronto Water includes a total of \$962 million in funding (including funds carried forward from 2013 into 2014) for the construction of Basement Flooding Protection Program (BFPP) over ten years. This reflects an overall increase of \$47 million in 10-year funding as compared to the 2013 – 2022 approved Basement Flooding program</p>	<p>Deferred to Final Wrap-Up Meeting on November 12, 2013</p>

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PART IV: REFERRALS AND OTHER REPORTS FOR CONSIDERATION

Agenda Item / Report Name	Requested Action	Status / Response	Action Taken
Budget Committee Item (BU46.1d) Toronto Water Report	The report dated October 30, 2013 entitled " Update on Implementation of the Mandatory Downspout Disconnection Program" from the General Manager, Toronto Water recommends that: 1. The Budget Committee receive this report for information	This report is submitted in response to a request by City Council for the General Manager, Toronto Water, to report through the 2014 budget process with a plan for enforcement of the Mandatory Downspout Disconnection Program Phase 1 (combined sewer areas) and implementation of Phase 2 (basement flooding areas) as set out in Municipal Code Chapter 681, as part of the Basement Flooding Protection Program.	Deferred to Final Wrap-Up Meeting on November 12, 2013

PART IV: REFERRALS AND OTHER REPORTS FOR CONSIDERATION

Agenda Item / Report Name	Requested Action	Status / Response	Action Taken
Budget Committee Item Toronto Water Briefing Note #1	The Briefing Note entitled "Basement Flooding Protection Program — Project List: 2014 to 2018" from the General Manager, Toronto Water.	This Briefing Note is submitted in response to City Council's direction (Council's meeting of September 21, 2011) to the General Manager, Toronto Water to submit an updated five year list of Basement Flooding Protection projects, through the annual Capital Budget submission process, where Class Environmental Assessment studies have been completed.	Deferred to Final Wrap-Up Meeting on November 12, 2013

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Budget Committee– November 12, 2013			
PART II: ITEMS REQUESTED BY BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item Toronto Water Briefing Note # 2	The Budget Committee requested the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water, to submit briefing notes to the November 12, 2013 Budget Committee meeting on: 1. How road restoration is estimated in Basement Flooding Relief Projects and how long it takes to complete road restoration after each forecasted Basement Flooding Relief Project.	The Briefing Note entitled "Permanent Restoration of Basement Flooding Protection Projects" was distributed on November 12, 2013.	Receive for Information
Budget Committee Item Toronto Water Briefing Note # 3	The Budget Committee requested the Deputy City Manager and Chief Financial Officer, and the General Manager, Toronto Water, to submit briefing notes to the November 12, 2013 Budget Committee meeting on a multi-year water rate increase scenario of 5% and 8% for 2015 and beyond in order to expedite basement flooding and other priority projects	The Briefing Note entitled "Scenarios for Increasing the Water Rate and Adding Projects to the 2014-2023 Capital Budget" was distributed on November 12, 2013. This Briefing Note outlines 6 different scenarios that will generate between \$1.001 billion and \$1.472 billion in additional revenues from 2015 to 2023. A list of capital projects which are currently unfunded that align with the funding scenarios is provided.	Receive for Information
PART III: REPORT BACK BEFORE BUDGET COMMITTEE			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
	None		

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Agenda Item / Report Name	Requested Action	Status / Response	Action Required
Budget Committee Item Motion # 4	That the General Manager, Toronto Water report back in early 2014 on a coordinated, prioritized Toronto Water and Toronto Region Conservation Authority erosion control strategy and projects.	This motion was referred to the Final Wrap-Up Meeting on November 12, 2013	Consider
Budget Committee Item Motion # 6	<ol style="list-style-type: none"> 1. City Council amend the draft Capital Plan to reflect a water rate increase of 8% in the years 2015, 2016 and 2017. 2. The General Manager, Toronto Water be requested to make best efforts to report back to the Budget Committee meeting of November 12, 2013 with additional projects to be added to the 10-year Capital Plan to reflect a water rate increase of 8% in the years 2015, 2016 and 2017. 	This motion was referred to the Final Wrap-Up Meeting on November 12, 2013	Consider
Budget Committee Item (BU47.1c) Toronto Water Report	<p>The report dated October 30, 2013 entitled "Expansion of the Basement Flooding Protection Program's Priority Study Areas" from the General Manager, Toronto Water recommends that:</p> <ol style="list-style-type: none"> 1. City Council request the General Manager, Toronto Water, to prioritize future Basement Flooding Protection Program studies based on the density of reported basement flooding complaints per sanitary sewer subwatershed for major storm events since 2000. The density of reported basement flooding complaints will be calculated on the basis of the number of complaints of basement flooding received by the City divided by the land area serviced by the sanitary sewer subwatershed. 2. City Council request the General Manager, Toronto Water, to initiate and expedite the completion of new Environmental Assessment studies for Area 35 (Silver Creek subwatershed), Area 36 (Chapman subwatershed), Area 37 (Hillary subwatershed), Area 38 (Etobicoke Creek subwatershed), Area 39 (Berry Creek subwatershed), Area 40 (Forman-Yonge subwatershed), and Area 41 (North Mimico Creek subwatershed). 	<p>The purpose of this report is to advise City Council on the expansion of the Basement Flooding Protection Program city wide, to include new study areas, including the budget impacts and the prioritization methodology for new study areas. New study areas are recommended for initiation in 2014 and 2015, and for completion in 2016 and 2017.</p> <p>The 10-Year Recommended Capital Budget and Plan for Toronto Water includes a total of \$962 million in funding (including funds carried forward from 2013 into 2014) for the construction of Basement Flooding Protection Program (BFPP) over ten years. This reflects an overall increase of \$47 million in 10-year funding as compared to the 2013 – 2022 approved Basement Flooding program</p>	Adopt

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	<p>3. City Council request the General Manager, Toronto Water, to report back on the schedule of future Basement Flooding Protection Program study areas (for Study Area 42 and beyond), across the remainder of the city, as part of Toronto Water's 2015 Budget Submission.</p>	<p>The funding required to initiate and expedite the completion of new Environmental Assessment studies for areas 35 to 41 will have no impact on the 2014 Recommended Capital Budget; cost in 2015 and beyond will be accommodated within funds available in the 2015 - 2023 Recommended Capital Plan.</p> <p>The estimated cost to construct projects identified by the EA studies in an expanded city-wide BFPP (includes construction projects not presently within the existing 34 priority study areas) will require additional capital funding beyond the 10-Year Capital Plan. The capital cost implications are not known at this time, but can be estimated to be well over \$1 billion.</p>	
<p>Budget Committee Item (BU47.1d)</p> <p>Toronto Water Report</p>	<p>The report dated October 30, 2013 entitled " Update on Implementation of the Mandatory Downspout Disconnection Program" from the General Manager, Toronto Water recommends that:</p> <p>1. The Budget Committee receive this report for information</p>	<p>This report is submitted in response to a request by City Council for the General Manager, Toronto Water, to report through the 2014 budget process with a plan for enforcement of the Mandatory Downspout Disconnection Program Phase 1 (combined sewer areas) and implementation of Phase 2 (basement flooding areas) as set out in Municipal Code Chapter 681, as part of the Basement Flooding Protection Program.</p>	<p>Receive for Information</p>
<p>Budget Committee Item</p> <p>Toronto Water Briefing Note #1</p>	<p>The Briefing Note entitled "Basement Flooding Protection Program — Project List: 2014 to 2018" from the General Manager, Toronto Water.</p>	<p>This Briefing Note is submitted in response to City Council's direction (Council's meeting of September 21, 2011) to the General Manager, Toronto Water to submit an updated five year list of Basement Flooding Protection projects, through the annual Capital Budget</p>	<p>Receive for Information</p>

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		submission process, where Class Environmental Assessment studies have been completed.	
PART IV: REFERRALS AND OTHER REPORTS FOR CONSIDERATION			
Agenda Item / Report Name	Requested Action	Status / Response	Action Required
<p>Budget Committee Item (BU47.1)</p> <p>Staff Recommended 2014 Rate Supported Budgets - Toronto Water</p> <p>Capital Analyst Notes</p>	<p>The City Manager and Chief Financial Officer recommend that:</p> <ol style="list-style-type: none"> 1. City Council approve the 2014 Recommended Capital Budget for Toronto Water with a total project cost of \$968.676 million, and 2014 cash flow of \$613.270 million and future year commitments of \$2.580 billion comprised of the following: <ol style="list-style-type: none"> a) New Cash Flow Funding for: <ol style="list-style-type: none"> i) 260 new / change in scope sub-projects with a 2014 total project cost of \$968.676 million that requires cash flow of (\$181.985 million) in 2014 and a future year cash flow commitment of \$216.870 million in 2015; \$324.884 million in 2016, \$314.215 million in 2017, \$190.590 million in 2018, \$85.214 million in 2019, (\$8.734 million) in 2020; (\$10.609 million) in 2021, (\$13.921) million in 2022, and \$52.152 million in 2023; ii) 216 previously approved sub-projects with a 2014 cash flow of \$657.198 million; and a future year cash flow commitment of \$466.680 million in 2015; \$301.777 million in 2016, \$208.576 million in 2017, \$103.774 million in 2018, \$100.886 million in 2019, \$100.595 million in 2020; \$76.240 million in 2021, and \$70.880 million in 2022; and b) 2013 approved cash flow for 151 previously approved sub-projects with carry forward funding from 2013 into 2014 totaling \$138.057 million. 2. Council approve the 2015-2023 Recommended Capital Plan for 	<p>The Capital Analyst Notes for Toronto Water presents the 2014 Staff Recommended Capital Budget and 2015-2023 Capital Plan and reflects Budget Committee's decisions up to and including its meeting of November 6, 2013</p>	<p>Adopt</p>

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	<p>Toronto Water totaling \$5.915 billion in project estimates, comprised of \$110.798 million in 2015; \$241.121 million in 2016; \$406.364 million in 2017; \$694.490 million in 2018; \$817.183 million in 2019; \$869.353 million in 2020; \$941.077 million in 2021; \$908.333 million in 2022; and \$926.611 million in 2023; and</p> <p>3. Council consider operating costs of \$4.432 million net in 2014, (\$0.370) million net in 2015; \$0.175 million net in 2016; \$5.709 million net in 2017; \$5.875 million net in 2018; \$0.365 million net in 2019; and \$2.504 million net in 2020; and \$0.050 million emanating from the approval of the 2014 Recommended Capital Budget for inclusion in the 2014 and future year operating budgets.</p> <p>4. City Council approve 6 temporary capital positions for the delivery of new 2014 capital projects and that the duration for each temporary position not exceed the life and funding of its respective project / sub-project.</p> <p>5. City Council request the Deputy City Manager and Chief Financial Officer in consultation with the General Manager, Toronto Water to advance the 2015 cashflow for the Basement Flooding project into 2014, should it become evident that greater than planned volume of work can be completed, and that the 2015 – 2023 budgeted cash flows be adjusted accordingly as part of the 2015 Budget process.</p> <p>6. This report be considered concurrently with the 2014 Water and Wastewater Rate Report from the Deputy City Manager and Chief Financial Officer and General Manager for Toronto Water.</p>		
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Agenda Item / Report Name	Requested Action	Status / Response	Action Required
<p>Budget Committee Item (BU47.2)</p> <p>Staff Recommended 2014 Rate Supported Budgets – Solid Waste Management Services</p> <p>Capital Analyst Notes</p>	<p>The City Manager and Chief Financial Officer recommend that:</p> <ol style="list-style-type: none"> 1. City Council approve the 2014 Recommended Capital Budget for Solid Waste Management Services with a total project cost of \$49.521 million, and 2014 cash flow of \$96.573 million and future year commitments of \$252.009 million comprised of the following: <ol style="list-style-type: none"> a) New Cash Flow Funding for: <ol style="list-style-type: none"> i) 33 new / change in scope sub-projects with a 2014 total project cost of \$49.521 million that requires cash flow of \$(25.355) million in 2014 and future year cash flow commitments of \$39.612 million in 2015; \$19.495 million in 2016; \$9.770 million in 2017; \$2.683 million in 2018; \$0.117 million in 2019; \$0.425 million in 2020; \$0.009 million in 2021; \$0.125 million in 2022 and \$2.640 million in 2023; ii) 35 previously approved sub-projects with a 2014 cash flow of \$85.173 million; and future year cash flow commitments of \$44.593 million in 2015; \$33.391 million in 2016; \$17.470 million in 2017; \$18.137 million in 2018; \$17.928 million in 2019; \$16.591 million in 2020; \$13.380 million in 2021 and \$13.843 million in 2022; iii) 13 sub-projects from previously approved projects with carry forward funding from 2012 and prior years requiring 2014 cash flow of \$16.659 million which requires Council to reaffirm its commitment; and b) 2013 approved cash flow for 7 previously approved sub-projects with carry forward funding from 2013 into 2014 	<p>The Capital Analyst Notes for Solid Waste Management Services presents the 2014 Staff Recommended Capital Budget and 2015- 2023 Capital Plan and reflects Budget Committee's decisions up to and including its meeting of November 6, 2013</p>	<p>Adopt</p>

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	<p>totaling \$20.096 million; into 2015 totaling \$0.900 million and into 2016 totaling \$0.900 million.</p> <ol style="list-style-type: none"> 2. City Council approve new debt service costs of \$0.738 million in 2014 and incremental debt costs of \$5.334 million in 2015, \$6.600 million in 2016; \$5.047million in 2017; \$6.296 million in 2018; \$6.024 million in 2019; \$5.347 million in 2020; \$2.110 million in 2021; \$1.807 million in 2022 and \$1.828 million in 2023 resulting from the approval of the 2014 Recommended Capital Budget, to be included in the 2014 and future year operating budgets. 3. City Council approve the 2015-2023 Recommended Capital Plan for Solid Waste Management Services totaling \$359.428 million in project estimates, comprised of \$17.528 million in 2015; \$17.831 million in 2016; \$83.508 million in 2017; \$83.752 million in 2018; \$82.182 million in 2019; \$17.496 million in 2020; \$15.891 million in 2021; \$14.290 million in 2022; and \$27.220 million in 2023. 4. City Council consider operating costs (savings) of \$0.332 million net in 2014, \$(2.784) million net in 2015; \$(1.117) million net in 2016; \$(0.513) million in 2017; \$(0.103) million in 2018; \$16.592 million in 2019; \$(0.105) million in 2020; \$(0.101) million in 2021; \$(0.094) million in 2022; and \$(0.098) million in 2023, emanating from the approval of the 2014 Recommended Capital Budget for inclusion in the 2014 and future year operating budgets. 5. City Council reconfirm 9.5 temporary capital positions for the delivery of the previously approved capital subproject for the SSO Multi-Res Container Implementation project and that the duration for each temporary position not exceed the life and funding of its respective project / sub-project currently estimated to be 2015. 6. All sub-projects with third party financing be approved conditionally, subject to the receipt of such funding in 2014 and/or future years. 7. This report be considered concurrently with the 2014 		
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	<p>Recommended Solid Waste Rates report (November 2013), from the Deputy City Manager and Acting Chief Financial Officer and General Manager for Solid Waste Management Services.</p> <p>8. Pending completion of a capital asset condition assessment, Solid Waste Management staff consult with the Financial Planning Division to review the state of good repair of capital assets and report any changes as part of the 2015 Capital Budget process.</p>		
<p>Budget Committee Item (BU47.3)</p> <p>Staff Recommended 2014 Rate Supported Budgets – Toronto Parking Authority</p> <p>Capital Analyst Notes</p>	<p>The City Manager and Chief Financial Officer recommend that:</p> <ol style="list-style-type: none"> 1. City Council approve the 2014 Recommended Capital Budget for the Toronto Parking Authority with a total project cost of \$49.636 million, and 2014 cash flow of \$57.015 million and future year commitments of \$0.635 million comprised of the following: <ol style="list-style-type: none"> a) New Cash Flow Funding for: <ol style="list-style-type: none"> iv) 48 new / change in scope sub-projects with a 2014 total project cost of \$49.636 million that requires cash flow of \$49.001 million in 2014 and a future year cash flow commitment of \$0.635 million in 2015. b) 2013 approved cash flow for 7 previously approved sub-projects with carry forward funding from 2013 into 2014 totaling \$8.014 million. 2. City Council approve the 2015-2023 Recommended Capital Plan for the Parking Authority totaling \$346.083 million in project estimates, comprised of \$78.786 million in 2015; \$49.260 million in 2016; \$46.235 million in 2017; \$34.312 million in 2018; \$28.039 million in 2019; \$22.568 million in 2020; \$23.597 million in 2021; \$30.127 million in 2022; and \$33.159 million in 2023. 3. City Council consider operating savings of \$2.988 million net in 2015; and \$2.966 million net in 2016, \$0.460 million in 2017, \$0.525 million in 2018, \$0.534 million in 2019, \$0.983 million in 2020, \$1.260 million in 2021, \$1.080 million in 2022, \$1.470 million in 2023 emanating from the approval of the 2014 Recommended Capital Budget for inclusion in the 2014 and future 	<p>This Analyst Notes for Toronto Parking Authority services presents the 2014 Staff Recommended Capital Budget and 2015-2023 Capital Plan and reflects Budget Committee's decisions up to and including its meeting of November 6, 2013</p>	<p>Adopt</p>

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	<p>year operating budgets.</p> <p>4. All sub-projects with third party financing be approved conditionally, subject to the receipt of such funding in 2014.</p>		
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