



Josie Scioli
Deputy City Manager, Corporate Services

Environment & Energy Division
Metro Hall, 2nd Fl.
55 John St.
Toronto, ON M5V 3C6

Jim Baxter
Director, Environment
& Energy Division

Tel: (647) 618-2739
jim.baxter@toronto.ca
www.toronto.ca

2021 OPERATING BUDGET BRIEFING NOTE

Greenhouse Gas and Climate Resilience Investment Summary

Issue/Background:

On January 22, 2021, the Budget Committee requested that:

The City Manager prepare a Briefing Note on:

1. The City's proposed 2021 investments related to Resilience, including:
 - a. the financial distribution amongst various City Divisions and a breakdown by tax-supported Operating and Capital budgets, as well as rate-supported budgets; and
 - b. the number of Full Time Equivalents (FTE) dedicated towards coordinating and executing the Resilience strategy.
2. The prioritization and alignment of resources in the City Manager's Office to manage the City's post-pandemic recovery and rebuild strategy.
3. The City's proposed 2021 investments contributing to greenhouse gas (GHG) reduction (i.e. TransformTO), including:
 - a. the financial distribution amongst various City Divisions, and a breakdown by tax-supported operating and capital budgets, as well as rate-supported budgets; and
 - b. a costed list of shovel-ready, or near-shovel-ready, capital projects that could be advanced should funding for Net Zero projects become available from other levels of government.

This briefing note responds to items 1 and 3 above, while item 2 is addressed in a separate briefing note.

Key Points:

Investments in GHG Reductions and Climate Resilience:

- For the first time in Toronto's history, a Climate Lens was utilized in the 2021 budget process to establish a climate spending baseline for City Divisions, Agencies and Corporations. For the first year roll-out the Climate Lens for Budget was voluntary, to enable a period of learning and evaluation. Staff were asked to flag projects that increased the City's climate resilience

and/or reduced greenhouse gas emissions, to begin a cross-corporate culture change that will be further enhanced in the 2022 budget cycle.

- The data reported through the Climate Lens identifies all projects having a component dedicated to reducing GHGs or increasing resilience, and the total cost of these projects. The Environment and Energy Division (EED) is working with the Financial Planning Division (FPD) to capture in future budget cycles the investments directly related to the climate related component of each project.
- New/enhanced (new program/services, expansion of existing programs/services, new user fees) and incremental budget requests were captured for operating programs and work is underway to review the ability to capture the climate component of base budgets for operating programs in future years.
- All capital projects in the 10-year Capital Plan, with the exception of 'Legacy projects' (long-term projects that do not need to submit new business cases due to no changes in budget) were captured under the Climate Lens. EED is working with FPD to incorporate legacy projects under the Climate Lens for the Budget in the future.
- Four operating and 439 capital projects were flagged through the Climate Lens. These projects have been flagged in the business case development process as having a component that either reduces GHG emissions, increases the City's climate resilience, or both reduces GHGs and increases climate resilience.
- The 2021 Capital Budget for the 439 capital projects identified under the Climate Lens as having a climate component is \$611.3 million, and the 2021-2030 Capital Plan for these projects is \$4.8 billion.
- TTC projects are not included in the numbers reflected and it will be a priority to include them through the 2022 Budget Process. Many TTC projects would apply within their 10-year Capital Plan that totals \$11.907 billion, which includes \$1.576 billion alone for vehicles such as buses, streetcars and subway cars, including the acquisition of electric buses.
- EED is currently developing a City-wide Climate Lens Policy that will support and ultimately require Divisions within scope to conduct GHG and climate resilience assessments on their projects and programs. The Climate Lens tools will also be available to Agencies and Corporations.
- The 2021 budget training process included climate-related training and information, as well as a dedicated email handle to answer any climate and budget related inquiries. The implementation of the Climate Lens for Budget revealed the need for additional training for staff regarding climate action, including general information regarding GHGs and climate resilience.

Operating Programs that Support the Toronto Resilience Strategy or TransformTO

- The four operating programs that were flagged by the Climate Lens are detailed in Table 1, below.

Table 1 Operating Programs that Support the Toronto Resilience Strategy or TransformTO (Increase Climate Resilience or Reduce GHGs)				
Tax or Rate Supported	Service Area	Strategy Alignment	No. of Programs	2021 Budget Change* (millions)
Tax-supported	Community and Social Services • Parks, Forestry & Recreation	Resilience Strategy	1	\$0.538
Tax-supported	Infrastructure and Development Services • Transportation Services	TransformTO	2	\$0.396
Rate-supported	City Agency • Toronto Parking Authority	TransformTO	1	\$3.190
Total			4	\$4.124

*As noted above, the Climate Lens only captured operating budget changes to new/enhanced or incremental base business cases and was not applied to unchanged base budget operating programs.

Capital Projects that Contribute Only to GHG Reductions

- The 439 capital projects that were flagged by the Climate Lens are detailed in Tables 2, 3 and 4, below.

Table 2 Capital Projects that Contribute Only to GHG Reductions				
Tax or Rate Supported	Service Area	No. of Projects	2021 Budget (millions)	2021-2030 Plan (millions)
Tax-supported	Community and Social Services • Economic Development & Culture • Parks, Forestry & Recreation (PFR)	45	\$36.928	\$255.882
	Corporate Services • Corporate Real Estate Management (CREM)	2	\$8.636	\$23.636
Rate-supported	Infrastructure and Development Services • Solid Waste Management Services	7	\$2.491	\$50.950
Total		54	\$48.055	\$330.468

Capital Projects that Contribute Only to Climate Resilience

Table 3 Capital Projects that Contribute Only to Climate Resilience				
Tax or Rate Supported	Service Area	No. of Projects	2021 Budget (millions)	2021-2030 Budget (millions)
Tax-supported	Community and Social Services <ul style="list-style-type: none"> • Children's Services • Economic Development & Culture • Parks, Forestry & Recreation 	48	\$18.747	\$164.411
	Infrastructure and Development Services <ul style="list-style-type: none"> • Transportation Services • Waterfront Revitalization Initiative 	69	\$259.512	\$1,675.073
	Corporate Services <ul style="list-style-type: none"> • Corporate Real Estate Management • Environment and Energy 	24	\$47.575	\$423.525
Rate-supported	Infrastructure and Development Services <ul style="list-style-type: none"> • Solid Waste Management Services 	4	\$4.093	\$151.030
	City Agency <ul style="list-style-type: none"> • Toronto Parking Authority 	1	-	\$1.000
Total		146	\$329.927	\$2,415.039

Capital Projects that Contribute to Both GHG Reductions and Climate Resilience

Table 4 Capital Projects that Contribute to Both GHG Reductions and Climate Resilience				
Tax or Rate Supported	Service Area	No. of Projects	2021 Budget (millions)	2021-2030 Budget (millions)
Tax Supported	Community and Social Services <ul style="list-style-type: none"> • Parks, Forestry & Recreation • Toronto Paramedic Services 	213	\$132.574	\$1,586.754
	Corporate Services <ul style="list-style-type: none"> • Corporate Real Estate Management 	17	\$89.313	\$336.800

Table 4 Capital Projects that Contribute to Both GHG Reductions and Climate Resilience				
Tax or Rate Supported	Service Area	No. of Projects	2021 Budget (millions)	2021-2030 Budget (millions)
	<ul style="list-style-type: none"> Environment and Energy 			
	City Agency <ul style="list-style-type: none"> Toronto Public Library Toronto Zoo 	8	\$5.060	\$76.534
Rate Supported	Infrastructure and Development Services <ul style="list-style-type: none"> Solid Waste Management Services 	1	\$6.346	\$29.328
Total		239	\$233.293	\$2,029.416

Full Time Equivalents Working on the Resilience Strategy

- Table 5 lists the number of Full Time Equivalents dedicated towards coordinating and executing the Resilience Strategy.
- The FTE data has been gathered and estimated for the purpose of this briefing note. Staff are working with FPD to consistently track resource allocations for Resilience across the City and within Agencies and Corporations.

Table 5 Full Time Equivalents Working on Initiatives that Support Toronto's Resilience Strategy		
Service Area	Description of Resilience Initiative	No. of FTEs
Infrastructure and Development Services <ul style="list-style-type: none"> Office of Emergency Management Engineering and Construction Services Toronto Water City Planning Transportation Services Solid Waste Management Services 	<ul style="list-style-type: none"> Take action to mitigate the effects of extreme heat Support homeowners and renters to prepare their homes for shocks Institutionalize an integrated, resilience approach to flooding by adopting the Flood Resilient Toronto Charter Integrate resilience into development and land use planning processes Communicate, synthesize and scale up ongoing City efforts to advance a system of green and blue infrastructure Create a city-wide mobility action plan through synthesis of ongoing mobility initiatives and priorities, and identification of resilience gaps. 	58

Table 5 Full Time Equivalents Working on Initiatives that Support Toronto's Resilience Strategy		
Service Area	Description of Resilience Initiative	No. of FTEs
	<ul style="list-style-type: none"> Improve risk management and communication to residents 	
Community and Social Services <ul style="list-style-type: none"> Social Development, Finance & Administration Parks, Forestry & Recreation 	<ul style="list-style-type: none"> Enable wide-scale change in apartment towers to improve resilience through the improvement or retrofit of apartment towers and units Promote a sustainable and resilient food system Take action to mitigate the effects of extreme heat 	33.45
Corporate Services <ul style="list-style-type: none"> Environment and Energy Corporate Real Estate Management City-Wide Real Estate Transformation 	<ul style="list-style-type: none"> Develop a Resilience Lens and apply it to City investments, with a focus on infrastructure Build relationships with Indigenous communities in Toronto around resilience Integrate climate resilience into TransformTO Improve risk management and communication to residents 	15.7
Total		107.15

Shovel-ready Net Zero Projects

- Table 6 lists a series of costed, shovel-ready, or near-shovel-ready, capital projects that through the annual budget process will be presented to Council with incremental Net Zero costs identified, for approval. Should funding for Net Zero or near Net Zero projects become available from other levels of government it can be accessed.
- The source data is EED's green infrastructure roster, which is compiled through a City-wide call-out coordinated by EED and the City Manager's Office (CMO), as well as a COVID-19 infrastructure list developed by the CMO in anticipation of the COVID-19 Resilience Infrastructure Stream.
- The projected start dates of some projects have already passed, they may indicate the initiation of planning and design stages, or delays due to COVID-19, however all projects listed could receive additional funding and be initiated or accelerated.

Table 6 Shovel-ready Net Zero or Near Net Zero Projects					
Project Title	Lead Division	Start Date	Included in 10 yr Capital Plan	Project Costs (\$ millions)	GHG Reduction (Tonnes/year)
Net Zero New Etobicoke Civic Centre Building	CreateTO	04-01-2022	Yes	\$389.3	N/A
330 Progress Avenue EMS Multi-Function Station	CREM	05-29-2020	Yes	\$40.0	N/A
New Fleet Services Building (1050 Ellesmere)	CREM	08-03-2020	Yes	\$35.7	N/A
Building Capital Improvements at Upper Village Daycare Centre	CREM	01-04-2021	Yes	\$2.0	N/A
George Street Revitalization	CREM	2023	Yes	\$500.0	N/A
Waterfront Neighbourhood Centre & EMS Headquarter Deep Retrofits	EED	2019	Yes	\$14.3	662
Western NY CC - Net Zero Energy & Emission new building	PFR	03-20-2020	Yes	\$59.9	277
NE Scarborough CC Net Zero Energy & Emission- New community centre buildings	PFR	03-20-2020	Yes	\$58.5	277
Energy Retrofit Project at Etobicoke Olympium	PFR	02-01-2021	Yes	\$2.8	236
Total				\$1,102.5	1,452

Other Key Points:

- Throughout 2020 during the COVID-19 pandemic, EED continued to implement the priority activities associated with advancing TransformTO to respond to the Climate Emergency. One third of EED staff were redeployed and/or recalled; they supported the Toronto Office of Recovery and Rebuild and provided front-line service to shelter and long-term care clients, among other COVID-19 related emergency services. Timelines and deliverables have been adjusted as a result of EED's contribution to the COVID-19 pandemic response.

Prepared by:

Linda Swanston, Manager Policy & Research, Environment & Energy Division, 416-397-0311,
linda.swanston@toronto.ca

Grant Kozlik, Manager Environment & Energy Program Administration (acting), Environment
& Energy Division, 416-397-9217, grant.kozlik@toronto.ca

Further information:

Jim Baxter, Director, Environment & Energy Division, 416-338-1295, jim.baxter@toronto.ca

Kate Bassil, Director, Executive Administration, City Manager's Office, 416-338-5632,
kate.bassil@toronto.ca

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