

2021 Budget Notes

Toronto and Region Conservation Authority

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Description

We protect, conserve, and restore natural resources and develop resilient communities through education, the application of science, community engagement, service excellence and collaboration with our partners.

Toronto and Region Conservation Authority (TRCA) provides the following services:

- Watershed Studies & Strategies
- Water Risk Management
- Regional Biodiversity
- Greenspace Securement & Management
- Tourism & Recreation
- Planning & Development
- Education & Outreach
- Sustainable Communities
- Corporate Services

TRCA is the largest landowner (almost 18,000 hectares) in the Greater Toronto Area (GTA) region, and it makes its lands available to the community for outdoor and conservation education, recreation, and historic site purposes. TRCA's area of jurisdiction includes 3,467 square kilometres: 2,506 on land and 961 water-based.

Why We Do It

TRCA is one of 36 Conservation Authorities (CA) in Ontario undertaking watershed-based programs that protect people and property from flooding and other natural hazards while conserving natural resources to achieve economic, social and environmental benefits. TRCA is working with the City of Toronto to establish memorandums of understanding and service level agreements for any requested projects or programs that fall outside of a CA Mandatory function as defined by the *Conservation Authorities Act* (CA Act). It is expected that this will be informed by regulations which are expected to be released in late 2020.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

What Services We Provide

Watershed Health

Who We Serve: Government Agencies, Local Municipalities, Residents & Families

What We Deliver: Flood and erosion risk management, watershed monitoring, restoration of Toronto's land and water resources, climate science research programs

How Many Resources (gross operating budget): \$7.9 million

Planning and Sustainable Communities

Who We Serve: Government Agencies, Local Municipalities, Businesses & Associations, Residents and Community Groups

What We Deliver: Review of federal, provincial, and municipal legislation and initiatives from an integrated watershed management perspective, sustainability and resilience development programs

How Many Resources (gross operating budget): \$0.6 million

Education and Recreation

Who We Serve: Schools & Students, Residents, New Immigrants

What We Deliver: Access to conservation areas offering affordable family-oriented programming and recreation opportunities, pre-kindergarten to university level environmental education programs

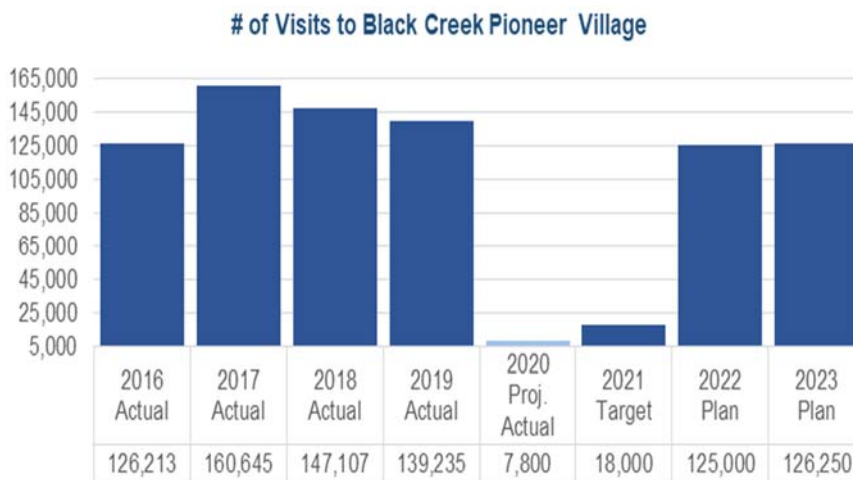
How Many Resources (gross operating budget): \$1.7 million

Budget at a Glance

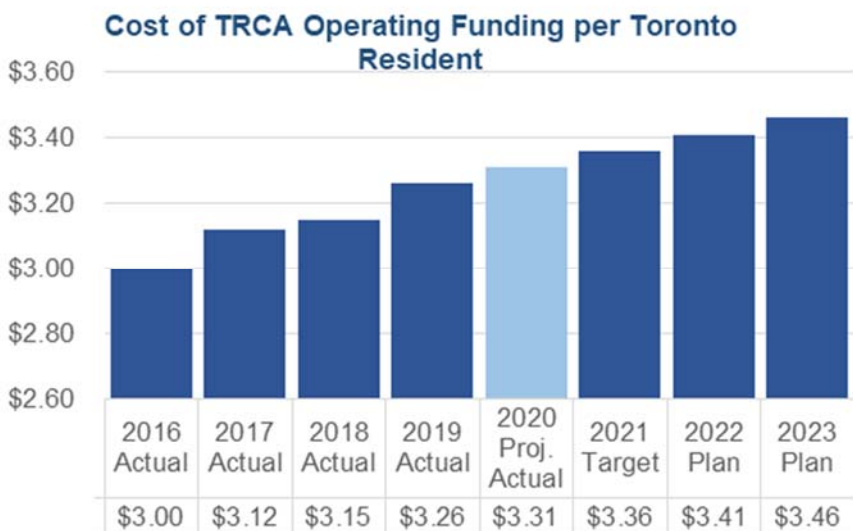
2021 OPERATING BUDGET				2021 - 2030 10-YEAR CAPITAL PLAN			
\$ Millions	2021	2022	2023	\$ Millions	2021	2022-2030	Total
Revenues	\$ 5.3	\$ 5.4	\$ 5.6	Gross Expenditures	\$ 18.2	\$ 187.8	\$ 206.0
Gross Expenditures	\$ 10.2	\$ 10.9	\$ 11.3	Debt	\$ 4.0	\$ 42.2	\$ 46.2
Net Expenditures*	\$ 4.9	\$ 5.5	\$ 5.7				

*TRCA's budgetary requirement, shown above as Gross Expenditures, represents the apportionment pertinent to the City of Toronto under the CA Act. These expenditures are funded from the contribution by Toronto Water (Revenues) and the City of Toronto's property tax base (Net Expenditures).

How Well We Are Doing – Behind the Numbers



- Attendance at Black Creek Pioneer Village is subject to many factors including weather conditions and seasonal fluctuations.
- Attendance targets have been revised for 2020 onwards to be reflective of operating in compliance with anticipated COVID-19 restrictions. The 2021 plan includes virtual field trip visits.



- The costs of TRCA operating funding per Toronto resident include funding from tax levy through property taxes and water rate funding.
- The combined cost per Toronto resident has increased modestly due to the City of Toronto's budgetary constraints in recent years.
- Additional phased-in contributions to TRCA have been included since 2020 to address the existing funding imbalance.

How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Outcome Measures								
Watershed Health	% of erosion hazard control sites inspected (2,717 sites)	100	113*	100	100	100	100	●
Watershed Health	% of conservation lands management planning achieved	60	60	60	60	65	70	●
Education and Recreation	Attendance numbers at Conservation Areas	819,116	1,036,401	828,200	**	836,482	844,847	●
Planning and Sustainable Communities	% of environmental assessment and permit reviews meeting 10-30 business day service level standard	85	85	85	85	85	85	●
*At risk sites are re-inspected following storm events ** 2020 projections are currently under revision ***Attendance projections and targets were revised in 2020 to be reflective of operating in compliance with anticipated COVID-19 restrictions								
Service Level Measures								
Watershed Health	% of flood plain mapping that meets TRCA's service delivery standards	47	62	94	94	100	100	●
Watershed Health	# of Acres of land ownership	44,582	40,031*	40,220	40,220	40,360	40,480	●
Education and Recreation	# of trail users accessing TRCA managed trails**	49,708	69,595	95,000	95,000	**	**	●
Planning and Sustainable Communities	# of Planning and Permit Applications	2,095	1,944	2,200	1,500	2,100	2,100	●
*Land ownership was reduced in 2019 following the transfer of TRCA lands to Parks Canada **This service measure is transitioning to % increase in traffic on TRCA-managed trails in 2021, targets will be developed after examining 2020 data								
Other Measures								
Education and Recreation	% of online ratings that are ranked 4 or higher at Black Creek Pioneer Village	92	90	90	90	90	90	●

COVID-19 IMPACT AND RECOVERY

2020 Impact	2021 Impact and Recovery
<p>Financial Impact (Operating)</p> <ul style="list-style-type: none"> The COVID-19 pandemic and provincially declared emergency resulted in closures of TRCA facilities as well as the cancellation of TRCA events and regularly scheduled programming. These restrictions have dramatically impacted TRCA's business models and associated revenues, primarily in the Education and Training and Parks and Culture Divisions. TRCA's self-generated revenue, 56 % of TRCA's Operating Budget, was significantly impacted as a result of COVID-19 response. Operating expenditures have been reduced in order to mitigate net financial losses to the organization. The City of Toronto's contribution to TRCA's Operating Budget was not impacted as a result of the COVID-19 pandemic. 	<p>Financial Impact (Operating)</p> <ul style="list-style-type: none"> TRCA is prepared to maintain reduced operational expenditures in order to offset ongoing reductions in self-generated revenue that may continue into 2021.
<p>Financial Impact (Capital)</p> <ul style="list-style-type: none"> The introduction of new Health & Safety procedures for staff performing field work allowed TRCA to largely maintain delivery of its capital projects and programs in core service areas. Primary financial impacts to TRCA's Capital Budget include increased expenditures resulting from purchase of personal protective equipment and additional staff time required to adapt to the changing environment. 	<p>Financial Impact (Capital)</p> <ul style="list-style-type: none"> TRCA anticipates that 2020 impacts will continue into 2021.
<p>Service Level Changes</p> <ul style="list-style-type: none"> Introduction of sanitation procedures, social distancing compliance measures, and fee adjustments, to allow for gradual re-opening of facilities in accordance with approved protocols. Transition of in-person meetings and engagement, particularly in TRCA's Education and Outreach and Sustainable Communities divisions to virtual formats. Alternative working arrangements, where possible, to allow staff to perform their duties from home to maintain service levels. In some cases, changes and innovations resulting from COVID-19 are anticipated to have a positive impact on TRCA's service delivery and will likely lead to increased operational efficiency and new opportunities for stakeholder engagement. 	<p>Service Level Changes</p> <ul style="list-style-type: none"> TRCA anticipates that 2020 service level changes will continue into 2021. TRCA will continue to monitor public health, legislative changes, and partner municipality practices to ensure legislative compliance, adaptation to the most current public health requirements and alignment with our partners. Environmental scanning and best practice reviews will continue with our peer conservation authorities, municipalities, not-for-profits, and related associations in 2021. This will ensure the sharing of information and alignment of practices with peers and partners.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Inspected 2,717 erosion hazard and control sites, protected 23 buildings against erosion and slope instability, stabilized 1.6 kilometres of stream and shoreline and protected 0.9 kilometres of linear municipal water and wastewater infrastructure from exposure by erosion across TRCA's jurisdiction.
- With funding from the City of Toronto and W. Garfield Weston Foundation, TRCA is working to transform the existing Gatineau hydro corridor between the Don River ravine and Rouge National Urban Park into a revitalized greenspace with restored meadow habitat and a connected and upgraded multi-use trail.
- TRCA continues to increase fee-for-service work in water risk management with \$25.9 million of work addressing partner municipality strategic objectives in 2020. Major projects include the Ashbridges Bay Treatment Plant Landform Project in addition to Phases I and II of the East Don Trail project.

Key Challenges and Risks

- Ongoing monitoring of public health, legislative changes, and partner municipality practices to ensure compliance, adaptation and responsiveness to the COVID-19 pandemic.
- TRCA's expansive jurisdiction will continue to face significant pressures resulting from urbanization, aging infrastructure, extreme weather impacts, climate change effects, invasive species, and other emerging threats. In order to meet these challenges head-on, TRCA will strive to diversify its revenue sources to enhance long-term financial resilience. As part of this effort, Master Service Agreements and Fee-for-Service Agreements with the City of Toronto will be updated and developed to help achieve shared sustainability objectives.
- Provincial changes to the *Planning Act*, *Conservation Authority Act (CA Act)* and regulations. The revised *CA Act* was released in November 2020, which will directly impact the 2022 budget year. TRCA will continue working with all stakeholders to address natural resource management challenges facing our rapidly growing region.

Priority Actions

- Advance the Scarborough Waterfront Project and other projects that seek to renew City and TRCA shared infrastructure.
- Modernize Corporate Services Information Systems which will allow TRCA to streamline policies and procedures and realize efficiencies including reduced partner or client expense, service time, uncertainty, and/or financial risk.
- Continue to invest in aging infrastructure across TRCA's Conservation Areas and public spaces in order to provide safe, accessible, and functional facilities to the public. TRCA will continue to develop an Asset Management Strategy.
- Measure our impact with a series of key performance indicators relevant to our work will give the ability to align Conservation Authority initiatives to our partner municipality priorities.
- Refinement of the capital needs constraints list throughout 2021 to ensure alignment with the revised *CA Act* and regulations.

RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2021 Operating Budget for Toronto and Region Conservation Authority of \$10.198 million gross, \$5.333 million revenue and \$4.865 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Toronto & Region Conservation Authority:	10,197.9	5,332.9	4,865.0
Total Program Budget	10,197.9	5,332.9	4,865.0

2. City Council approve the 2021 Capital Budget for Toronto and Region Conservation Authority with cash flows totalling \$18.197 million as detailed by project in [Appendix 6a](#).
3. City Council approve the 2022-2030 Capital Plan for Toronto and Region Conservation Authority totalling \$187.753 million in project estimates as detailed by project in [Appendix 6b](#).
4. City Council approve the reallocation of underspent prior year funding transferred to the Toronto and Region Conservation Authority in the amount of \$1.552 million from the Menno-Reesor Restoration Project to the implementation of the Toronto Ravine Strategy in collaboration with Parks, Forestry and Recreation, subject to the following conditions:
 - a. Identified implementation priorities are to the satisfaction of the General Manager, Parks, Forestry and Recreation;
 - b. Achieves deliverables on the implementation priorities which may include, but are not limited to:
 - i. Work within Priority Investment Areas and the Loop Trail;
 - ii. Invasive species management; and
 - iii. Engagement with Indigenous communities and students in Neighbourhood Improvement Areas.

Program / Agency:

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2021 OPERATING BUDGET

2021 OPERATING BUDGET OVERVIEW

Table 1: 2021 Operating Budget by Service

(In \$000s)	2019	2020	2020	2021 Base	2021 New /	2021	Change v. 2020	
	Actual	Budget	Projection*	Budget	Enhanced	Budget	Projection	
	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Toronto and Region Conservation Authority	5,075.9	5,202.8	5,202.8	5,332.9	-	5,332.9	130.1	
Total Revenues	5,075.9	5,202.8	5,202.8	5,332.9		5,332.9	130.1	2.5%
Expenditures								
Toronto and Region Conservation Authority	8,908.7	9,470.4	9,470.4	10,197.9		10,197.9	727.5	
Total Gross Expenditures	8,908.7	9,470.4	9,470.4	10,197.9		10,197.9	727.5	7.7%
Net Expenditures	3,832.8	4,267.6	4,267.6	4,865.0		4,865.0	597.4	14.0%

*2020 Projection based on Q3 Variance Report

** Prior Year Actuals adjusted to represent only the apportionment pertinent to the City of Toronto

COSTS TO MAINTAIN EXISTING SERVICES

Total 2021 Base Budget expenditures of \$10.198 million gross reflect an increase of \$0.728 million in spending above 2020 projected year-end actual, which is attributable to the City of Toronto's phased in CVA payment adjustments approved in 2020.

- Consistent with prior years, the method for apportioning TRCA's operating levy between the City of Toronto and TRCA's other partner municipalities, including the regions of Peel, York and Durham, Town of Mono and the Township of Adjala-Tosoronto, is guided by provincial legislation and is based on a modified current value assessment (CVA) calculation for property situation in each participating municipality. The City of Toronto has the highest proportion of overall assessment and is responsible for 64.2% of the TRCA Operating Levy.
- TRCA experiences budget pressures including increased salary costs in excess of cost of living adjustments, such as employee benefit expenditures which routinely exceed inflation. The impact of these pressures has not been included in the 2021 Staff Recommended Operating Budget for TRCA.
- The 2021 Staff Recommended Operating Budget provides the administrative framework and resources for TRCA programs that provide critical services to the City of Toronto and its residents. These services maintain and improve the region's lands and waters; contribute to public safety from flooding and erosion; and enhance the quality and variety of life in the community by providing lands for inter-regional outdoor recreation, heritage preservation, and conservation education.
- TRCA's Operating Budget consists primarily of levy and self-generated revenues, including development review and permitting fees, user fees at TRCA sites, and a variety of additional fees charged to TRCA stakeholders.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Toronto and Region Conservation Authority's 2021 Operating Budget do not have any significant equity impacts.

2021 OPERATING BUDGET KEY DRIVERS

The 2021 Operating Base Budget for Toronto and Region Conservation Authority is \$10.198 million gross, representing an increase of \$0.728 million or 7.7% higher than the 2020 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget.

Table 2a: 2021 Key Drivers – Base Budget

Key Cost Drivers (\$000s)	2019 Actuals	2020 Budget	2020 Projection*	2021 Base Budget	Change Vs. 2020 Projection	
					\$	%
Expenditures						
1 City of Toronto Contribution to TRCA	8,908.7	9,470.4	9,470.4	10,197.9	727.5	7.7%
Total Expenditures	8,908.7	9,470.4	9,470.4	10,197.9	727.5	7.7%
Revenues						
1 Contribution from Toronto Water	5,075.9	5,202.8	5,202.8	5,332.9	130.1	2.5%
Total Revenues	5,075.9	5,202.8	5,202.8	5,332.9	130.1	2.5%
Net Expenditures	3,832.8	4,267.6	4,267.6	4,865.0	597.4	14.0%

*2020 Projection based on Q3 Variance Report

** Prior Year Actuals adjusted to represent only the apportionment pertinent to the City of Toronto

- Each year, TRCA receives the full funding amount as approved by Council, resulting in no year-end variance. The 2020 projected actuals align with the 2020 Council Approved Operating Budget of \$9.470 million gross, \$4.268 million net.
- The increase of \$0.728 million in gross expenditures over the 2020 projected actual is attributable to the CVA payment adjustment, approved during the 2020 budget. This increase is partially offset by increased contributions from Toronto Water of \$0.130 million or 2.5%. Under the *CA Act*, TRCA has authority to levy for their maintenance and administrative costs to the benefitting partner municipalities.
- Inflationary increases to utilities and contracts, and salaries and benefits have not been applied.
- TRCA continues to address budget pressures by implementing efficiencies where possible, including reducing full time staff complement of approved but not funded positions, improved coordination with partner municipalities, obtaining funding support from senior levels of government (e.g., NDMP, DMAF). However long-term efficiencies may be offset temporarily by increased upfront costs. For example, TRCA has moved to Office365 from Lotus Notes and is transitioning to a comprehensive Human Resource Information System.

Note:

1. For additional information on 2021 key cost drivers refer to [Appendix 2](#).

2022 & 2023 OUTLOOKS

Table 3: 2022 and 2023 Outlooks

(\$000s)	2020 Projection*	2021 Budget	2022 Outlook	2023 Outlook
Revenues	5,202.8	5,332.9	5,466.2	5,602.8
Gross Expenditures	9,470.4	10,197.9	10,925.4	11,318.7
Net Expenditures	4,267.6	4,865.0	5,459.2	5,715.9

*2020 Projection based on Q3 Variance Report

Key drivers

The 2022 Outlook with total gross expenditures of \$10.925 million reflects an anticipated \$0.728 million or 7.1% increase in gross expenditures above the 2021 Operating Budget; the 2023 Outlook expects a further increase of \$0.393 million or 3.6% above 2022 gross expenditures.

2022 Key Drivers

- Toronto Water Contributions:**
 Consistent with previous years, Toronto Water's contribution to the TRCA is anticipated to increase by 2.5% per annum, resulting in total revenues to TRCA of \$5.466 million in 2022.
- Additional Contribution to TRCA:**
 The 2020 Operating Budget and future year Outlooks for TRCA included a phased increase in contributions totalling \$1.698 million including \$0.243 million in 2020; \$0.728 million in 2021; and \$0.728 million in 2022.

2023 Key Drivers

- Toronto Water Contributions:**
 Consistent with previous years, Toronto Water's contribution to the TRCA is anticipated to increase by 2.5% per annum, resulting in total revenues to TRCA of \$5.603 million in 2023.
- Inflationary Impacts:**
 In 2023, increases to the base contribution are forecasted to return to 3.6% resulting in an increase of \$0.393 million in gross expenditures.

Note

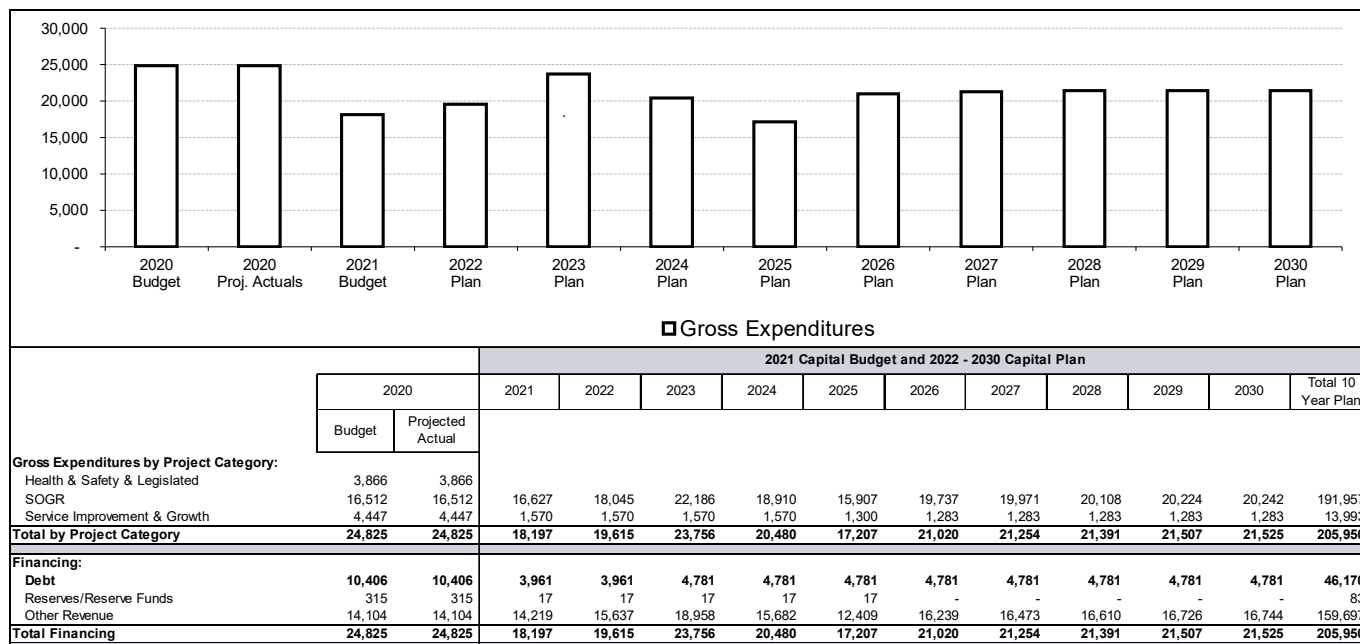
- Changes to the Conservation Authorities Act:**
 There may be changes to the 2022 and 2023 Outlooks pending assessment of the regulations pertaining to Bill 108 which were released in November 2020. TRCA will reassess the levying process throughout the 2021 fiscal year, based on changes to the CA Act.

2021 – 2030
CAPITAL BUDGET AND PLAN

2021 – 2030 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview

(\$000s)



New Projects (\$206.0 Million)

- TRCA does not have any new capital projects in the 10-Year Capital Plan of \$206.0M. The Capital Plan includes ongoing projects with cash flow commitments approved on an annual basis including:
 - \$192.0M for SOGR projects to maintain assets including major maintenance of existing waterfront erosion control structures, environmental rehabilitation, watershed monitoring and management, and facilities retrofits.
 - \$14.0M for Service Improvement / Growth related projects including \$12.8M for the *Long-Term Accommodation – 5 Shoreham* major capital project.


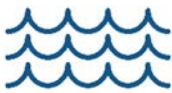


Capital Needs Constraints (\$750.9 Million)

- \$191.8M for Health & Safety or SOGR projects to avoid service disruption or legal claims including the *Scarborough Waterfront* projects.
- \$276.4M for projects that support the implementation of Council approved priorities including \$33.5M for the *Scarborough Bluffs West* project.
- \$106.0M in projects that would reduce the SOGR backlog including \$24.5M related to the *Black Creek Pioneer Village*.

Note:

For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2021 and 2022-2030 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; and [Appendix 8](#) for Capital Needs Constraints, respectively.

2021 – 2030 CAPITAL BUDGET AND PLAN**\$206.0 Million 10-Year Gross Capital Program**

			
Critical Erosion Control and Floodworks	Waterfront Development	Infrastructure	Watershed Management
\$129.6 M 63%	\$14.2 M 7%	\$22.4 M 11%	\$39.7 M 19%
Valley Erosion Hazards Toronto Islands - Gibraltar Point Major Maintenance of Erosion Infrastructure	Scarborough Waterfront Project Keating Channel Dredging Tommy Thompson Park Management Program	TRCA Administrative Office Building Asset & Infrastructure Management Plan Information Technology Management	Regional Watershed Monitoring Program Greenspace Land Acquisition Stewardship Projects and Programs

How the Capital Program is Funded

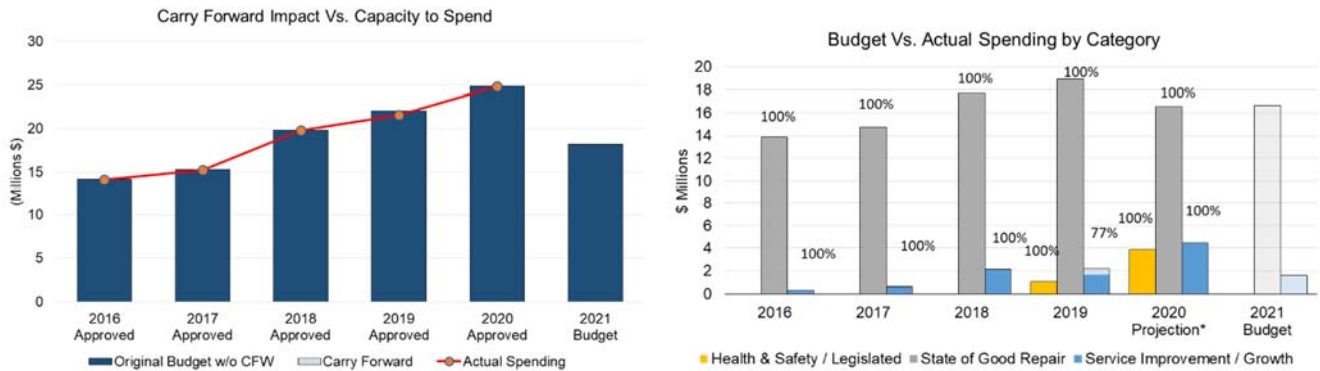
City of Toronto		Provincial Funding	Federal Funding
\$206.0 M 100%		\$0	\$0
Debt	\$ 46.2 M		
Reserve Draws	\$ 0.09 M		
Other Revenue – Toronto Water Contribution	\$ 159.7 M		

CAPACITY TO SPEND REVIEW

The 10-Year Capital Plan for TRCA has been developed with consideration of historical demonstrated ability to spend within any given year of the ten-year capital plan. A review was undertaken to ensure budgets align with TRCA’s ability to spend and the market’s capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below).

Chart 2 – Capacity to Spend



*2020 Projection based on Q3 Variance Report

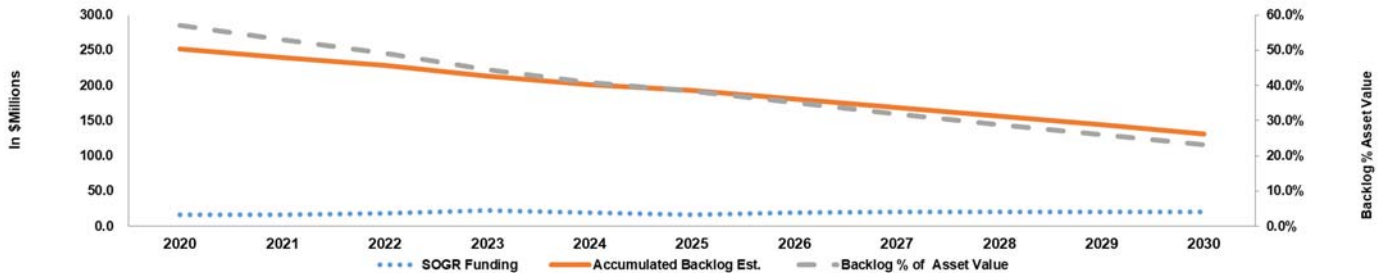
Capacity to Spend Review Impact on the 10-Year Plan

- The majority of the TRCA's capital projects are ongoing or phased projects which arise from multi-year planning. Feasibility studies or needs assessments have been completed and engineering estimates form the basis of costs. TRCA typically receives 100% of its Capital Budget in any given year and does not require funding to be carried forward into future years due to incomplete projects.

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in TRCA: watershed and infrastructure.

Chart 3: Total SOGR Funding & Backlog



\$ Millions	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
SOGR Funding	16.5	16.6	18.0	22.2	18.9	15.9	19.7	20.0	20.1	20.2	20.2
Accumulated Backlog Est.	251.5	240.1	228.7	213.5	201.6	193.0	180.8	168.5	156.2	143.9	131.6
Backlog % of Asset Value	57.2%	53.1%	49.3%	44.5%	40.9%	38.4%	35.1%	31.9%	28.9%	26.0%	23.2%
Total Asset Value	439.9	452.1	464.1	480.2	492.9	502.1	515.1	528.1	541.2	554.3	567.3

- TRCA has stewardship of assets which are comprised of land, land improvements, buildings, infrastructure with a total estimated replacement value at \$439.9 million and capital work-in-progress in the Don, Rouge, Highland, Etobicoke, Mimico and Humber watersheds, as well as along the waterfront.
- In recent years, issues related to erosion and damage from high intensity, localized storms have increased. This has added to the outstanding state of good repair work and to potential safety risks. The 10-Year Capital Plan for TRCA includes a total of \$192.0 million for SOGR projects, funded by \$159.7 million from Toronto Water contributions and \$32.3 million in debt funding.
- SOGR funding continues to provide critical support for TRCA projects and programs related to waterfront and valley erosion control; regional watershed management and watershed monitoring; waterfront development; and critical erosion projects. Key projects in the 10-Year Staff Recommended Capital Plan include:
 - \$107.0 million for *Critical Erosion* projects funded by Toronto Water including \$3.0 million for *Gibraltar Point* erosion work; \$70.8 million for *Waterfront Major Maintenance*; \$31.2 million for *Erosion Major Maintenance*; and \$2.0 million for *Floodworks Major Maintenance*; and
 - \$39.1 million to address SOGR projects identified as part of the *Living City Action Plan* including watershed monitoring; regional watershed management; and regeneration sites.
- SOGR funding is anticipated to reduce the current SOGR backlog of \$240.1 million in 2021 to \$131.6 million in 2030 while addressing emerging and expected repair work required.
- TRCA's total asset value is expected to increase from \$439.9 million in 2020 to \$567.3 million in 2030. The SOGR backlog as a percentage of asset value will decrease from 53% in 2021 to 23% in 2030.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

- TRCA typically absorbs the operating impact of its completed capital projects, except in cases where it transfers an asset arising from a completed project to the City of Toronto to manage on an ongoing basis.
- For example, upon completion of TRCA's capital work on ravine parkland, TRCA transfers over the operation of the park to Parks, Forestry and Recreation (PF&R) under the existing agreement between TRCA and the City. This increased operational responsibility would impact the Operating Budget for PF&R.
- TRCA staff will work closely with City Programs including PF&R, Municipal Licensing Services, Transportation Services, Toronto Water and Financial Planning to ensure that future year budget submissions identify any operating impacts of capital projects in the TRCA's 10-Year Capital Plan.

APPENDICES

Appendix 1

COVID-19 Financial Impact - Operating

N/A

Appendix 2

2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018	2019	2020	2020	2021	2021 Change from	
	Actual	Actual	Budget	Projection*	Budget	2020 Projected	Actual
	\$	\$	\$	\$	\$	\$	%
Contribution from Toronto Water	4,952.1	5,075.9	5,202.8	5,202.8	5,332.9	130.1	2.5%
Total Revenues	4,952.1	5,075.9	5,202.8	5,202.8	5,332.9	130.1	2.5%
City of Toronto Contribution to TRCA	8,602.4	8,908.7	9,470.4	9,470.4	10,197.9	727.5	7.7%
Total Gross Expenditures	8,602.4	8,908.7	9,470.4	9,470.4	10,197.9	727.5	7.7%
Net Expenditures	3,650.3	3,832.8	4,267.6	4,267.6	4,865.0	597.4	14.0%

*Year-End Projection based on Q3 2020 Variance Report

** Prior Year Actuals adjusted to represent only the apportionment pertinent to the City of Toronto

Appendix 3

Summary of 2021 Service Changes

N/A

Appendix 4

Summary of 2021 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2021 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2021 Capital Budget; 2022 - 2030 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2021 - 2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TR001	<i>Black Creek Pioneer Village Retrofit</i>	371	371	371	371	371	371	371	371	371	371	3,710		3,710	
TR002	<i>Critical Erosion #2 Water Funded Enhancements</i>	9,500	10,800	14,000	10,600	7,200	10,900	11,000	11,000	11,000	11,000	107,000		107,000	
TR003	<i>Greenspace Land Acquisition</i>	64	64	64	64	64	64	64	64	64	64	640		640	
TR004	<i>Living City Action Plan</i>	3,360	3,478	3,599	3,723	3,850	3,980	4,114	4,251	4,367	4,385	39,107		39,107	
TR005	<i>Toronto Wildlife Centre Site Restoration</i>	17	17	17	17	17	17	17	17	17	17	83			83
TR006	<i>TRCA Administrative Infrastructure Project</i>	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	16,050		3,220	12,830
TR007	<i>TRCA Information Technology</i>	257	257	257	257	257	257	257	257	257	257	2,570		2,570	
TR008	<i>Waterfront & Valley Erosion Control</i>	1,600	1,600	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	22,560		22,560	
TR009	<i>Waterfront Development</i>	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	14,230		13,150	1,080
Total Expenditures (including carry forward from 2020)		18,197	19,615	23,756	20,480	17,207	21,020	21,254	21,391	21,507	21,525	205,950		191,957	13,993

Appendix 6a

2021 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total 2021 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
TR001	<i>Black Creek Pioneer Village Retrofit</i>	371										371			371
TR002	<i>Critical Erosion #2 Water Funded Enhancements</i>	9,500										9,500			9,500
TR003	<i>Greenspace Land Acquisition</i>	64										64			64
TR004	<i>Living City Action Plan</i>	3,360										3,360			3,360
TR005	<i>Toronto Wildlife Centre Site Restoration</i>	17										17			17
TR006	<i>TRCA Administrative Infrastructure Project</i>	1,605										1,605			1,605
TR007	<i>TRCA Information Technology</i>	257										257			257
TR008	<i>Waterfront & Valley Erosion Control</i>	1,600										1,600			1,600
TR009	<i>Waterfront Development</i>	1,423										1,423			1,423
Total Expenditures (including carry forward from 2020)		18,197										18,197			18,197

The 2021 Cash Flow and Future Year Commitments as noted in the table above, reflects a sub-set of the 10-Year Capital Plan. The 2021 Capital Budget for TRCA totals \$18.197 M in project cost, with cash flow commitments in 2021. TRCA do not have any future year commitments as part of the 2021-2030 Capital Budget & Plan. All future year amounts are planned estimates only.

Appendix 6b

2022 - 2030 Capital Plan

Project Code	(In \$000s)	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2022-2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TR001	<i>Black Creek Pioneer Village Retrofit</i>	371	371	371	371	371	371	371	371	371	3,339		3,339	
TR002	<i>Critical Erosion #2 Water Funded Enhancements</i>	10,800	14,000	10,600	7,200	10,900	11,000	11,000	11,000	11,000	97,500		97,500	
TR003	<i>Greenspace Land Acquisition</i>	64	64	64	64	64	64	64	64	64	576		576	
TR004	<i>Living City Action Plan</i>	3,478	3,599	3,723	3,850	3,980	4,114	4,251	4,367	4,385	35,747		35,747	
TR005	<i>Toronto Wildlife Centre Site Restoration</i>	17	17	17	17						66			66
TR006	<i>TRCA Administrative Infrastructure Project</i>	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	1,605	14,445		2,898	11,547
TR007	<i>TRCA Information Technology</i>	257	257	257	257	257	257	257	257	257	2,313		2,313	
TR008	<i>Waterfront & Valley Erosion Control</i>	1,600	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	20,960		20,960	
TR009	<i>Waterfront Development</i>	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	12,807		11,997	810
	Total Expenditures	19,615	23,756	20,480	17,207	21,020	21,254	21,391	21,507	21,525	187,753		175,330	12,423

Appendix 7

Reporting on Major Capital Projects: Status Update

Division/Project name	2020 Cash Flow			Total Project		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
<i>ADMINISTRATIVE INFRASTRUCTURE PROJECT</i>											
LONG TERM ACCOMODATION - 5 SHOREHAM & INTEREST (CRC103-03 and CRC103-04)	3,862	2,896	3,862	14,821	3,017	Minor Delay	Jan-19	Dec-21	Jul-22	□	□
Comments:	1. The integrated design team has completed the contract documents and 95% of tenders have been closed by the Construction Manager. 2. Construction began January 2020 with the substantial performance expected July 2022. 3. Completed approvals for building permit and SPA. 4. Installed basement, foundations and structural wood; site servicing and furniture, fixture and equipment procurement is underway. Structural wood on site in 2021 but production starts in 2020.										

Appendix 8

Summary of Capital Needs Constraints

(In \$ Millions)

Project Description	Total Project	Non Debt Funding	Debt Required	Cash Flow (In \$ Millions)					
				2021	2022	2023	2024	2025	2026 2030
Scarborough Waterfront									
<i>Scarborough Waterfront Central Construction</i>	38.677	38.677				6.156	3.540	11.070	17.911
<i>Scarborough Waterfront Central Design</i>	1.583		1.583		1.583				
<i>Scarborough Waterfront East Construction</i>	81.625	81.625							81.625
<i>Scarborough Waterfront East Design</i>	3.712		3.712						3.712
<i>Scarborough Waterfront Monitoring</i>	1.975	1.975		0.132	0.132	0.132	0.132	0.132	1.315
<i>Scarborough Waterfront West Segment Construction</i>	64.053	64.053		0.493	16.250	20.472	5.992	10.865	9.981
<i>Scarborough Waterfront West Segment Design Phase 2</i>	2.171		2.171	2.171					
Other Projects									
<i>Scarborough Bluff West Project EA</i>	3.475	3.475		0.875	1.300	1.300			
<i>Scarborough Bluff West Project Implementation</i>	30.000	15.000	15.000			2.000	4.000	4.000	20.000
<i>South Mimico Trail Connection</i>	2.000	1.000	1.000	1.300	0.700				
<i>Tommy Thompson Park Enhancement</i>	17.700	8.850	8.850	1.000	4.200	2.500	2.000	2.000	6.000
Erosion Control									
<i>EC: Lower Don Erosion Restoration Project</i>	4.000	4.000		1.000	0.200	1.200	1.200	1.300	
<i>Waterfront Rehabilitation</i>	100.000		100.000	10.000	10.000	10.000	10.000	10.000	50.000
Asset & Infrastructure Needs									
<i>Asset Management Plan Implementation</i>	5.000		5.000	0.500	0.500	0.500	0.500	0.500	2.500
<i>Black Creek Pioneer Village MP Implem</i>	9.250		9.250	0.463	0.976	0.976	0.976	0.976	4.883
<i>Black Creek Pioneer Village Retrofit</i>	4.000		4.000	4.000	4.000	4.000	4.000	4.000	2.000
<i>Black Creek Pioneer Village SOGR</i>	11.200		11.200	1.120	1.120	1.120	1.120	1.120	5.600
Land Acquisition									
<i>Greenlands Land Acquisition Project</i>	33.250	16.625	16.625	2.250	2.500	2.750	3.000	3.250	19.500
Other Studies and Initiatives									
<i>Post Restoration Long-term Maintenance</i>	0.531	0.531		0.045	0.045	0.048	0.052	0.052	0.286
<i>Restoration Enhancement</i>	0.600	0.600		0.050	0.050	0.054	0.060	0.060	0.322
<i>Sustainable Neighbourhood Retrofit</i>	1.200		1.200	0.250	0.275	0.300	0.375		
<i>Morningside Creek Culvert Replacement</i>	2.000	2.000		1.000	1.000				
<i>Digital Transformation and Enterprise Technology Modernization</i>	38.495		38.495	2.500	3.000	3.999	4.999	4.999	18.998
<i>Ravine Strategy Implementation</i>	2.300		2.300	0.230	0.230	0.230	0.230	0.230	1.150
<i>Future Erosion Hazard Mitigation Strategy - Implementation Plan</i>	62.000		62.000	1.000	5.000	7.000	7.000	7.000	35.000
<i>Trail Strategy Implementation</i>	216.800		216.800	7.200	7.300	14.800	15.100	30.900	141.500
<i>Tommy Thompson Park Transportation Service</i>	1.551		1.551	0.135	0.139	0.143	0.147	0.152	0.835
<i>Etobicoke Creek Barrier Mitigation</i>	0.010		0.010	0.010					
<i>Hydrometrics Program</i>	6.000		6.000	0.600	0.600	0.600	0.600	0.600	3.000
<i>Trail Strategy Administration</i>	4.077		4.077	0.499	0.604	0.611	0.317	0.324	1.722
<i>Corporate Sustainability Program</i>	1.678		1.678	0.154	0.157	0.160	0.163	0.166	0.878
Total Needs Constraints (Not Included)	750.913	238.411	512.502	38.977	61.861	81.051	65.503	93.696	428.718

In addition to the 10-Year Capital Plan of \$206.0 million, staff has also identified \$750.9 million in capital needs constraints for Toronto and Region Conservation Authority as reflected in the table above. The capital needs constraints are substantial in scope and require significant funding. The list will continue to grow as TRCA's infrastructure continues to age. Some of the projects are ready to proceed and others require further analysis.

Key projects include:

Scarborough Waterfront Project (\$193.8 million):

- At its meeting on March 7, 2019 City Council requested the Chief Executive Officer, Toronto and Region Conservation Authority, together with the General Manager, Toronto Water, the General Manager, Transportation Services, the General Manager, Parks, Forestry and Recreation and the Executive Director, Financial Planning, to report back on the results of the Ministry of the Environment, Conservation and Parks review of the Environmental Assessment for the Scarborough Waterfront project and to provide updated project cost estimates, annual cash flow funding requirements, and project timelines based on the outcome of the Ministry review for consideration as part of the 2020 Budget Process.

- On November 5, 2019, the *Scarborough Waterfront Project* received final approval from the MECP. At this time, staff have forecasted sufficient cash flow to carry implementation of the first phases of this project through 2021. The Financial Planning Division will be convening a meeting with TRCA and several City Divisions to advance information regarding cash flow funding requirement and project timelines for 2022.
- The remaining project cost for the *Scarborough Waterfront Project* of \$193.8 million is on the Capital Needs Constraints list and will be subject to the completion of each stage for future funding approval through future year budget processes.

Scarborough Bluffs West Project (\$33.5 million):

- This project explores opportunities for improved access to and along the shoreline between the RC Harris Water Treatment Plant and Bluffer's Park, while providing benefits for public use, shoreline protection, and environmental sustainability. The *Scarborough Bluffs West Project* would be subject to the requirements of an Individual Environmental Assessment (EA) under the provincial EA Act. The EA for the *Scarborough Bluffs West Project* was previously delayed by the pending approval of the *Scarborough Waterfront Project (East)*. With this other planning process complete and in detailed design, the *Scarborough Bluffs West* project is now in a position to proceed as early as Q2 2021 subject to the provision of adequate funding to complete the EA over a multi-year period.
- The total project cost identified on the Capital Needs Constraints list for the *Scarborough Bluffs West* project is \$33.5 million including \$3.5 million for the EA and \$30.0 million for implementation.

Black Creek Pioneer Village Restoration Program (\$24.5 million):

- The SOGR Capital Plan includes a prioritized annual plan to address the current backlog of repairs and end-of-life replacements that have been identified within the Black Creek Pioneer Village. These major repairs and replacements include key infrastructure (e.g. water pipes) and buildings that are critical to support the day-to-day operations. All items that have been identified for replacement within the first five years of the plan are in failing or in imminent failure condition.
- Only the upfront capital costs (including design, permitting and construction) have been included in the plan. The plan does not include any planned enhancements to Black Creek Pioneer Village which will be the focus of the Toronto and Region Conservation Foundation's fundraising campaign.

Appendix 9

2021 User Fee Changes (Excludes User Fees Adjusted for Inflation)

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2021 – 2030 Capital Budget and Plan

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2020 *	Contributions / (Withdrawals)										
			2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Total
XR1220 Tree Canopy Reserve Fund	Beginning Balance	8,772	8,772	5,054	1,690	561	-	-	-	-	-	-	-
	Withdrawals (-)												
	Toronto Wildlife Centre Site Restoration		(17)	(17)	(17)	(17)	(17)	-	-	-	-	-	(83)
	Total Withdrawals		(17)	(17)	(17)	(17)	(17)	(17)	-	-	-	-	-
Other Program/Agency Net Withdrawals and			(3,701)	(3,348)	(1,112)	(545)	17	-	-	-	-	-	(8,688)
Balance at Year-End		8,772	5,054	1,690	561	-	-	-	-	-	-	-	-

* Based on 9-month 2020 Reserve Fund Variance Report

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Levy: TRCA has the legislated ability (under the *CA Act*) to annually request funding from its partner municipalities to operate board approved projects and programs.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

Staff Recommended Operating / Capital Budget: An operating or capital budget recommended by City Manager and Chief Financial Officer and Treasurer to City Council for consideration and approval.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

Value Based Outcome Review (VBOR): The City conducted a Value Based Outcome Review in 2019 for all of its operations and agencies to identify specific opportunities and strategies to maximize the use of tax dollars, enhance its financial sustainability while achieving service outcomes. These opportunities will help the City chart its financial course in the next four years.

Voluntary Separation Program – On July 28th, 2020, City Council approved the implementation of a Voluntary Separation Program for staff who are eligible to retire with an unreduced pension providing a lump sum payment of up to three months' salary to eligible employees, subject to the terms of the program guidelines, funded through savings generated from a combination of permanently eliminating vacated positions and/or holding the positions vacant for a minimum of six months.