

City of Toronto

2009 – 2013 Recommended Capital Budget and Plan, and 2014 – 2018 Proposed Capital Forecast

December 10, 2008



Agenda

1. Recommended Capital Budget Strategy
2. Capital Budget Guidelines
3. 2009 Recommended Capital Budget & Plan
- What's Being Built
4. 2009 – 2013 Recommended Capital Plan and
2014 – 2018 Proposed Capital Forecast
5. Conclusion

Recommended Capital Budget Strategy

1. Renew Infrastructure to Support Service Levels
2. Make Targeted Investments for Planned Growth
3. Manage Capital Investments during challenging economic times

Capital Budget Guidelines

2009 Capital Budget Guidelines

- Implement 10-Year Capital Budget, Plan and Forecast consisting of:
 - 2009 Capital Budget – first year of the Capital Plan
 - 2009 - 2013 Capital Plan
 - 2014 - 2018 Capital Forecast 
- Staff to recommend capital budget and plan that:
 - implements Council's strategic policy agenda
 - aligns investments to priorities
 - is based on sound financial management principles
 - meets approved debt and Capital from Current (CFC) targets

2009 Capital Budget Guidelines - Continued

- Allocate available funds in the following priority order:
 - Previously approved projects already in progress
 - New Health and Safety, Legislated and SOGR projects
 - Service Improvement and Growth projects
- Growth projects included in the 10-year Capital Plan and Forecast included in the updated 2008 Development Charge Study
- Key Drivers and Constraints:
 - State of Good Repair Backlog
 - Council / Mayor's Priorities
 - Construction Price Index
 - Federal and Provincial Transit Funding Announcements

Mayor and Council Direction

- Make targeted investments to support completion of Mayor's Mandate:
 - City-Building Initiatives – Transit
 - Renew & Improve Public Spaces - Waterfront
 - Environment - Implement Toronto Bike Plan by 2012
- Support initiatives developed & approved during this term of Council:
 - Access to City Services and Information
 - Efficient, Effective Public Service by implementing:
 - 311 Technology
 - Financial Planning, Analysis and Reporting System (FPARS)

Recommended Capital Budget & Plan - What's Being Built

Public Works & Infrastructure

- Rehabilitate 420 kms of roads, rehabilitate 80 bridges and structures in a safe and hazard-free state and to minimize life cycle costs of the assets (2009 \$173.193 M, 2009 – 2013 \$836.679 M)
- Construct an underpass to eliminate the Dufferin Street Jog creating a regular intersection to facilitate existing and future area traffic operations (2009 \$24.770 M, 2009 – 2013 \$26.270 M)
- Complete Morningside Avenue/Finch Avenue East grade separation to improve safety and reduce delays to traffic at the railway crossing (2009 \$4.150 M)



Public Safety and Emergency Services

- Replace 11 and 14 Division Police station by 2011 and 2012 respectively (2009 \$3.272 M, 2009 – 2013 \$61.502 M)
- Construction of 3 ambulance stations at Bathurst & York Downs, Chaplin Crescent and McCowan & Sheppard (2009 \$3.303 M, 2009 – 2013 \$5.628 M)
- Improve Emergency Services communications across Police and Fire Services (2009 \$2.000 M, 2009 – 2013 \$69.500 M) and complete Central Ambulance Communication Centre (2009 \$0.600 M)
- Restore Beaches Heritage Fire Hall and Training Facility, complete Toryork Maintenance Facility and begin design of Station D at Midland & Eglinton (2009 \$4.373 M, 2009 – 2018 \$24.984 M)



Transit

- Purchase of 360 new subway cars (60 train sets) to replace existing subway cars which will also increase capacity by 9% with delivery to start by 2010 (2009 \$105.945 M, 2009 – 2013 \$728.481 M)
- Delivery of 130 new replacement buses for a total of 410 new buses to be purchased by 2014 (2009 \$106.956 M, 2009 – 2013 \$280.6 M)
- Purchase of 204 low floor accessible Light Rail Vehicles to replace existing streetcar fleet plus 21 growth cars with delivery to start in 2010 (2009 \$81.261 M, 2009 – 2013 \$656.025 M)
- Continue construction of Islington subway station and an interregional bus terminal at Kipling station which will be shared with GO Transit and Mississauga Transit (2009 \$14.841 M, 2009 – 2013 \$30.702 M)



Transit - continued

- Complete St. Clair West dedicated transit way (2009 \$14.983 M, 2009 – 2013 \$14.983 M)
- Install state-of-the-art signaling systems on the Yonge – University - Spadina subway line as well as power and communications requirements and safety upgrades (2009 \$73.685 M, 2009 – 2013 \$442.940 M)
- Design and construction on enhanced accessibility features at subway stations (2009 \$12.722 M, 2009 – 2013 \$154.358 M)
- Continue Bus Rapid Transit way (BRT) construction from Downsview to York University and development of a BRT via Yonge Street from Finch station to Steeles Ave. (2009 \$12.209 M, 2009 – 2013 \$40.256 M)



Public Spaces

- Revitalize Nathan Phillips Square
(2009 \$6.219 M, 2009 – 2013 \$38.492 M)
- Complete Bloor Street transformation road and pedestrian improvements from Church to Avenue Road (2009 \$12.000 M)
- Improve Public Spaces across the City as part of the Civic Improvement initiative (2009 \$3.967 M, 2009 – 2013 \$13.446 M)



Public Spaces – Waterfront Renewal

Continue implementation of Waterfront Renewal, focussing on public investment in parks and public spaces, transit, community facilities, brownfield remediation, and building sustainable communities such as:

- Develop West Don Lands and East Bayfront precincts including the introduction of transit and a George Brown College academic/student residence campus (2009 \$36.300 M, 2009 – 2013 \$161.200 M)
- Complete Port Union and Mimico Parks (2009 \$1.700 M, 2009 – 2013 \$10.300 M)
- Complete Fort York Pedestrian Bridge (2009 \$2.000 M, 2009 – 2013 \$17.000 M)
- Complete EAs on the Gardiner Expressway (2009 \$5.000 M, 2009 – 2013 \$10.000 M)



Public Spaces – Waterfront Renewal - Continued

- Development of the Union Station Subway Platform upgrade (2009 \$0.000, 2009 – 2013 \$53.400 M)
- Development of the Central Waterfront Public Realm (2009 \$11.500 M, 2009 – 2013 \$29.800 M)



The Environment

- Complete the Bike Plan - construct 410 KM of bicycle lanes, 122 KM of shared roadways and 83 KM of off road paths in 2009 – 2013 on various streets throughout the City
(2009 \$7.990 M, 2009 – 2013 \$70.290 M)
- Continue Green Fleet Initiative to lower emissions and save fuel, using innovative green technology
(2009 \$0.899 M, 2009 – 2013 \$2.899 M)
- Implement World-leading Sustainable Energy Action Plan to cut greenhouse gas emissions
(2009 \$22.200 M, 2009 - 2013 \$103.772 M)



Community and Recreation Services

- Construct 4 Community Centres
(2009 \$17.100, 2009 – 2013 \$57.300 M)
- Increase SOGR funding for Long-Term Care Homes
(2009 \$7.600 M, 2009 – 2013 \$34.300 M)
- Perform safety retrofits on 2 Toronto Island Ferries over 2 years (2009 \$2.500 M, 2009 – 2013 \$5.000 M)
- Construct 3 Child Care Centres adding 174 spaces (2009 \$3.886 M, 2009 – 2013 \$7.151 M)



Community and Recreation Services - Continued

- Develop a web based client solution to access Ontario Works on-line applications including income and change forms (2009 \$0.600 M, 2009 – 2013 \$1.800 M)
- Begin construction of the West Waterfront (2009 \$0.736 M, 2009 – 2013 \$7.420 M) and Scarborough Centre Neighborhood (2009 \$0.180 M, 2009 – 2013 \$8.229 M) Libraries
- Begin renovation and expansion of the St. Lawrence Neighborhood Library (2009 \$0.227 M, 2009 – 2013 11.098 M) and the Malvern District Library (2009 \$1.069 M, 2009 – 2013 \$2.250 M)
- Begin installation of self service check-out system with no operating costs in 9 libraries in order to increase hours of operation by 67.5 per week (2009 \$1.860 M, 2009 – 2013 \$6.600 M)



Community and Recreation Services - Continued

- Complete construction of the 129 Peter Street Shelter and Referral Centre with 40 beds including streetscape enhancements (2009 \$0.947 M)
- Begin Delivery of Infrastructure for Regent Park Revitalization:
 - Replace Regent Park Child Care Centre (2009 \$1.250 M)
 - Start work on the Main Park and Community Centre (2009 \$0.500 M, 2009 – 2013 \$27.250 M)
 - Roads Works - various (2009 \$0.000 M, 2009 – 2013 \$2.761 M)



Improve Public Service

- Launch 311 technology in 2009 to give citizens one number to contact the City for general information or request non-emergency City services (2009 \$9.236 M, 2009 – 2013 \$13.970 M)
- Continue to deliver a Performance Based Planning and Budget System in 2011 (2009 \$5.826 M, 2009 – 2013 \$9.865 M)



Job Retention & Creation from Capital Plan

City Program	Capital 2009-2018 (\$Billions)	Jobs 2009-2018
TTC	7.092	115,000
Transportation	2.420	29,000
Water	7.684	82,000
Waste	0.562	6,000
Other/Buildings	8.080	65,000
Total	25.838	297,000

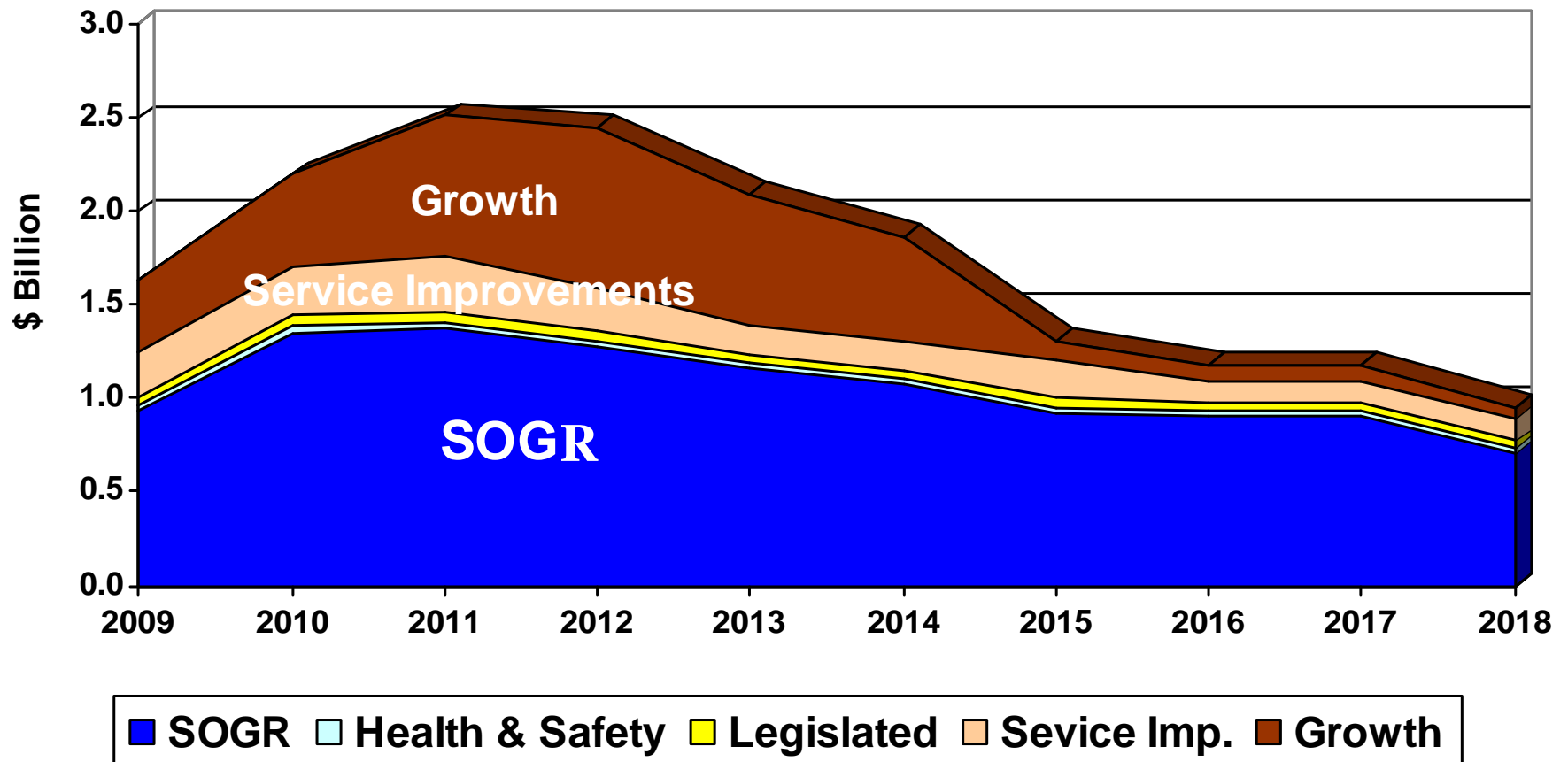
Source: Job Estimates per FCM Model

2009 - 2018 Recommended Capital Plan and Proposed Forecast

2009 - 2013 Rec'd Capital Plan and 2014 - 2018 Proposed Capital Forecast - by Category

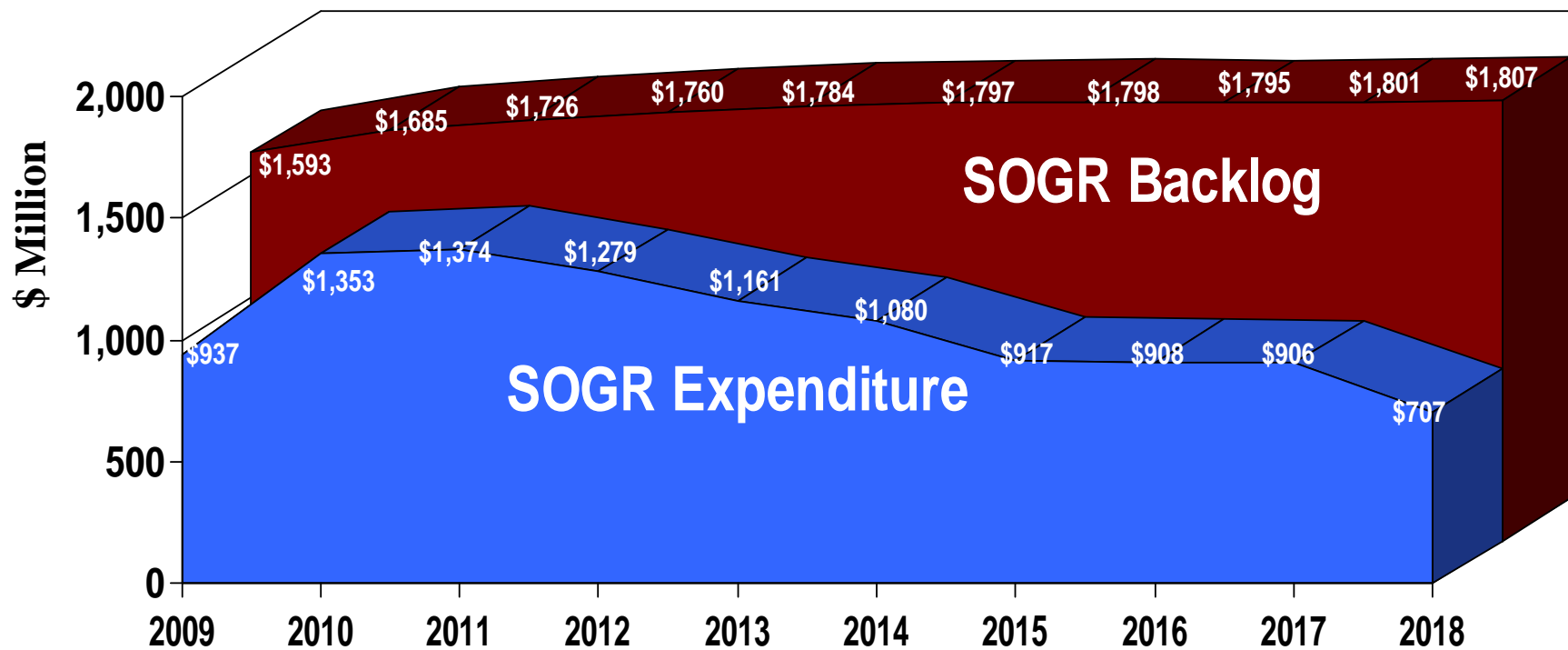
\$Millions	Capital Plan					2009 - 2013		2009 - 2018	
	2009	2010	2011	2012	2013	Total	%	Total	%
Expenditures									
Health and Safety	36	33	24	28	29	151	1.4%	295	1.7%
Legislated	46	57	62	52	46	263	2.4%	476	2.7%
State of Good Repair	937	1,341	1,363	1,279	1,161	6,081	56.0%	10,599	61.2%
Service Improvements	238	264	294	229	156	1,181	10.9%	1,873	10.8%
Growth Related	380	485	758	861	696	3,179	29.3%	4,090	23.6%
Total Expenditures	1,637	2,180	2,501	2,449	2,089	10,856	100%	17,333	100.0%
Funded By:									
Provincial	295	338	444	532	441	2,051	18.9%	2,967	17.2%
Federal	240	296	417	463	404	1,821	16.8%	2,963	17.1%
Reserves	103	95	89	89	119	496	4.6%	962	5.6%
Reserve Funds	188	176	179	93	54	690	6.4%	786	4.5%
Capital from Current	150	165	182	200	220	917	8.4%	2,394	13.8%
Development Charges	84	88	76	60	55	364	3.4%	561	3.2%
Other	202	282	448	443	329	1,704	15.7%	2,290	13.2%
Debt	375	739	666	567	465	2,813	25.9%	4,410	25.4%
Total Funding	1,637	2,180	2,501	2,449	2,089	10,856	100.0%	17,333	100.0%

\$10.6 Billion or 61% of 10-Year Capital Plan Allocated to SOGR



Backlog Stabilizing in 2014

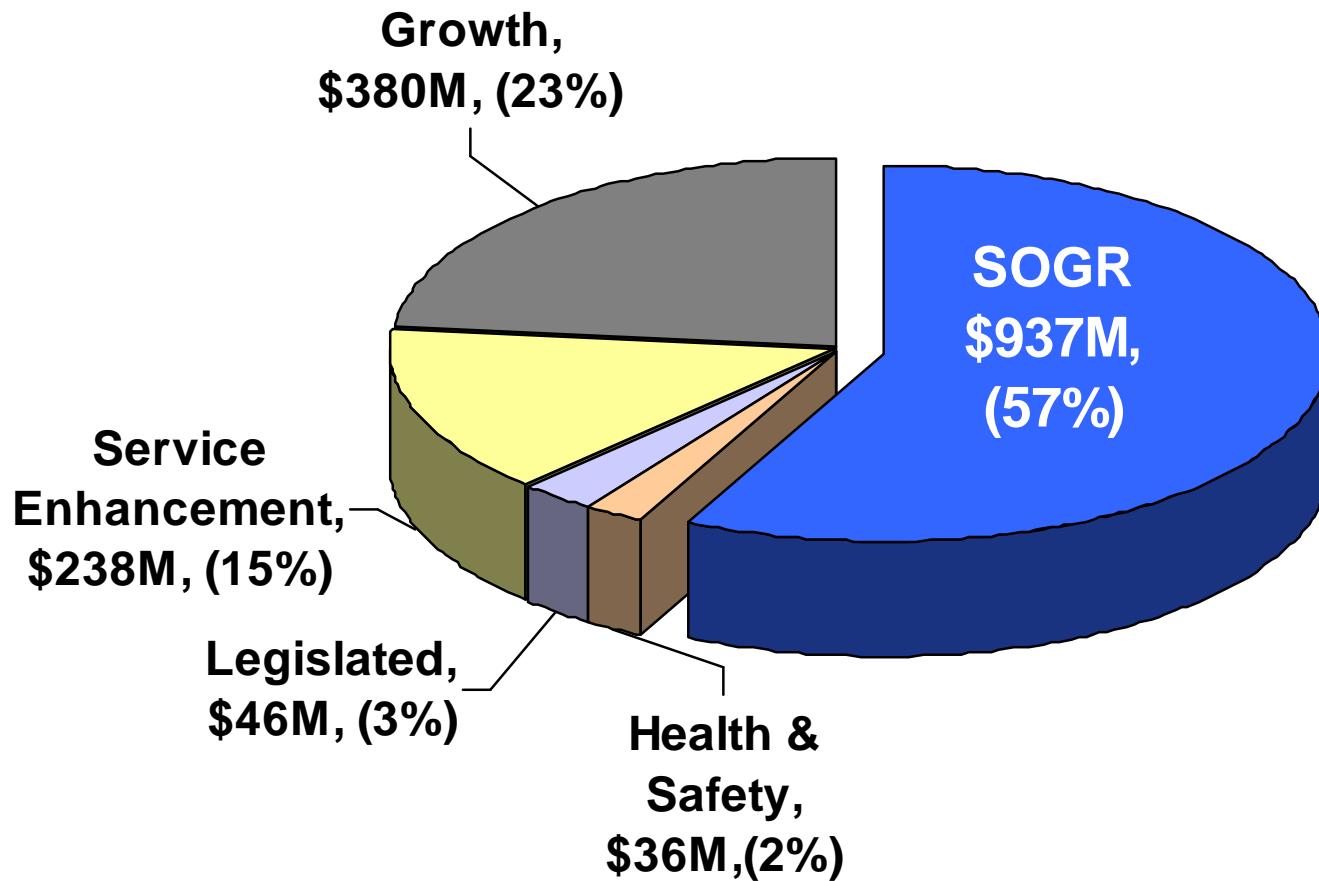
- Commitment of \$10.6 Billion to SOGR



2009 Recommended Capital Budget

- 57% Committed to State of Good Repair

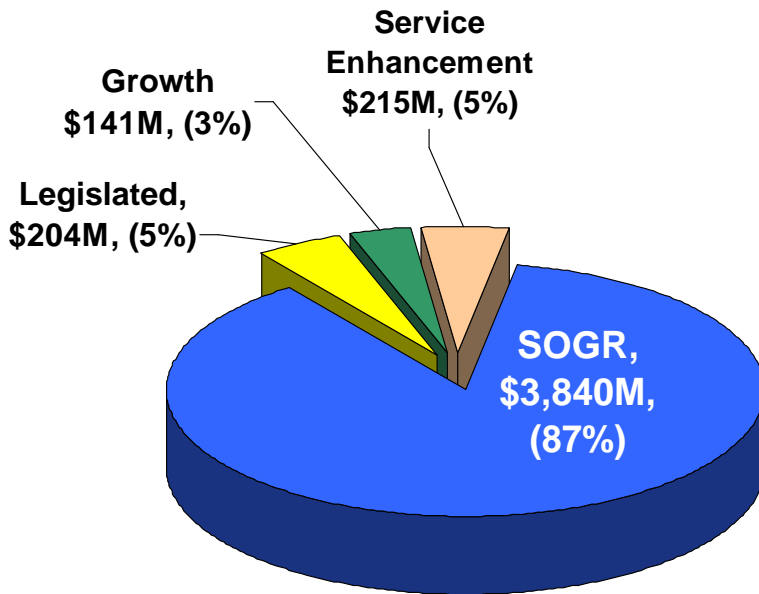
\$1.637 Billion



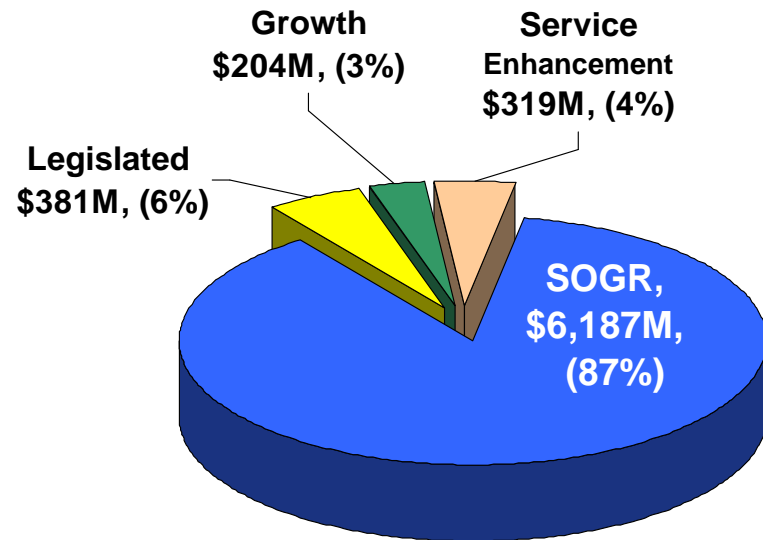
Toronto Transit Commission

- 2009 - 2018 Capital Plan & Forecast by Category

2009 – 2013
Total Expenditures
\$4,400 Million

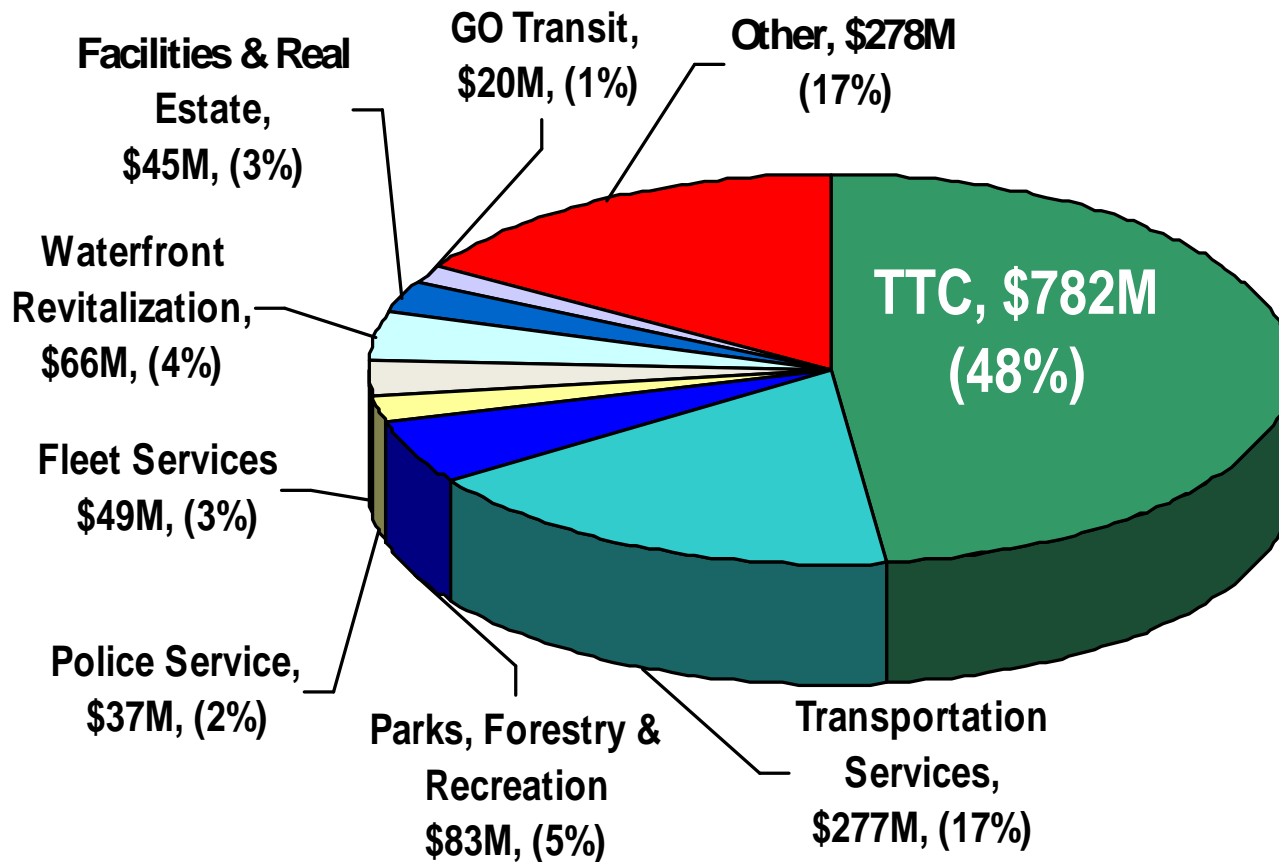


2009 – 2018
Total Expenditures
\$7,091 Million



2009 Recommended Capital Budget - 48% Allocated to Transit

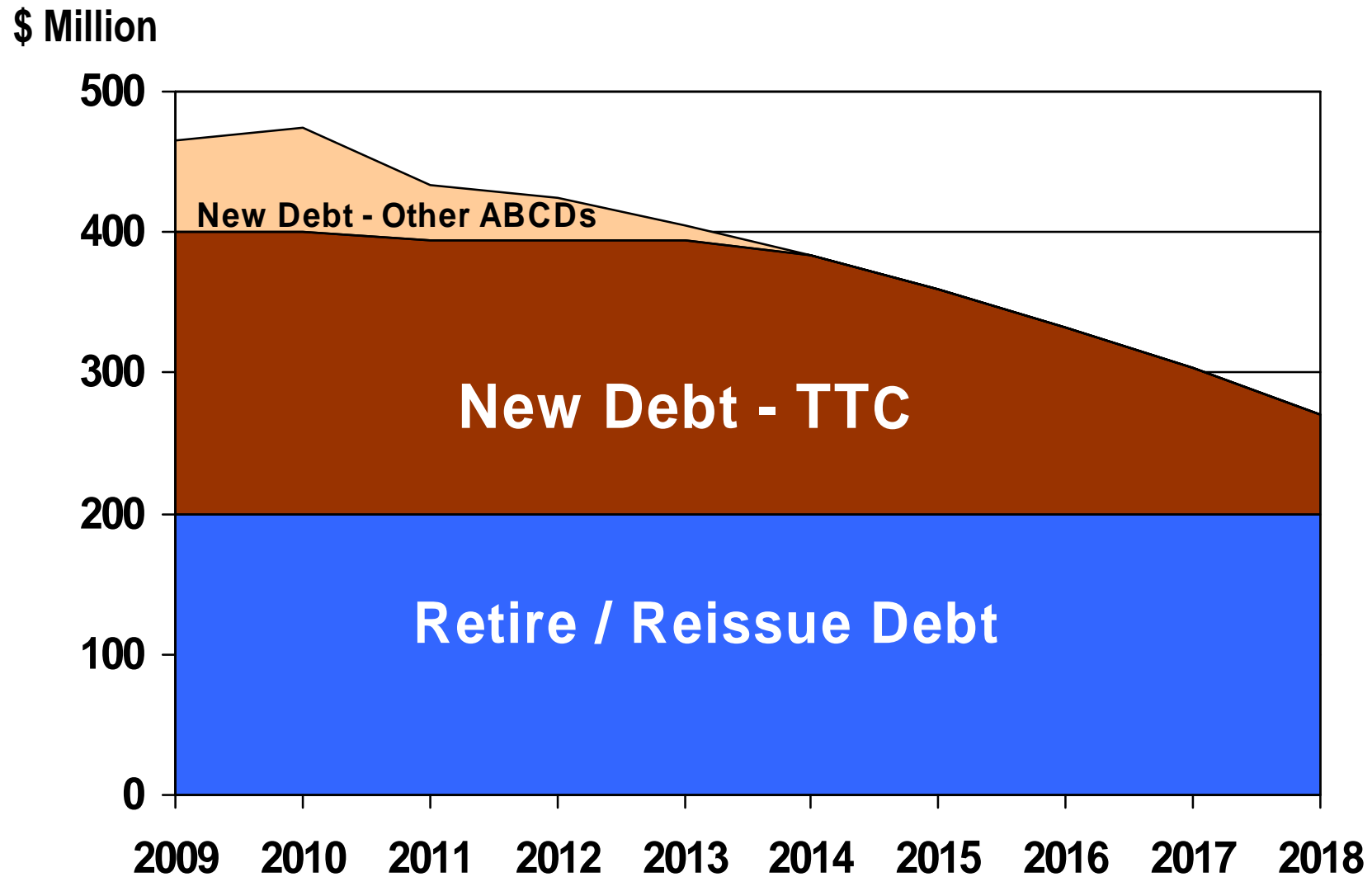
\$1.637 Billion



Council Approved Debt / CFC Target

		\$ Million							
	2008 Council Approved Debt / CFC	Capital Plan					Total 2009 - 2013	Forecast 2014 - 2018	Total 2009- 2018
		2009	2010	2011	2012	2013			
Baseline Debt - Retire /Reissue	200	225	225	225	225	225	1,125	1,125	2,250
New Debt:									
TTC	167	200	200	194	194	180	969	523	1,491
City	97	40	49	14	6	0	109	0	110
Total New Debt	264	240	249	208	200	180	1,078	523	1,601
Total Debt	464	465	474	433	425	405	2,203	1,648	3,851
Capital from Current (CFC)	136	150	165	182	200	220	917	1,477	2,394
Total Debt & CFC	600	615	639	615	625	625	3,120	3,125	6,245

No more New Debt after 2013 Except for TTC

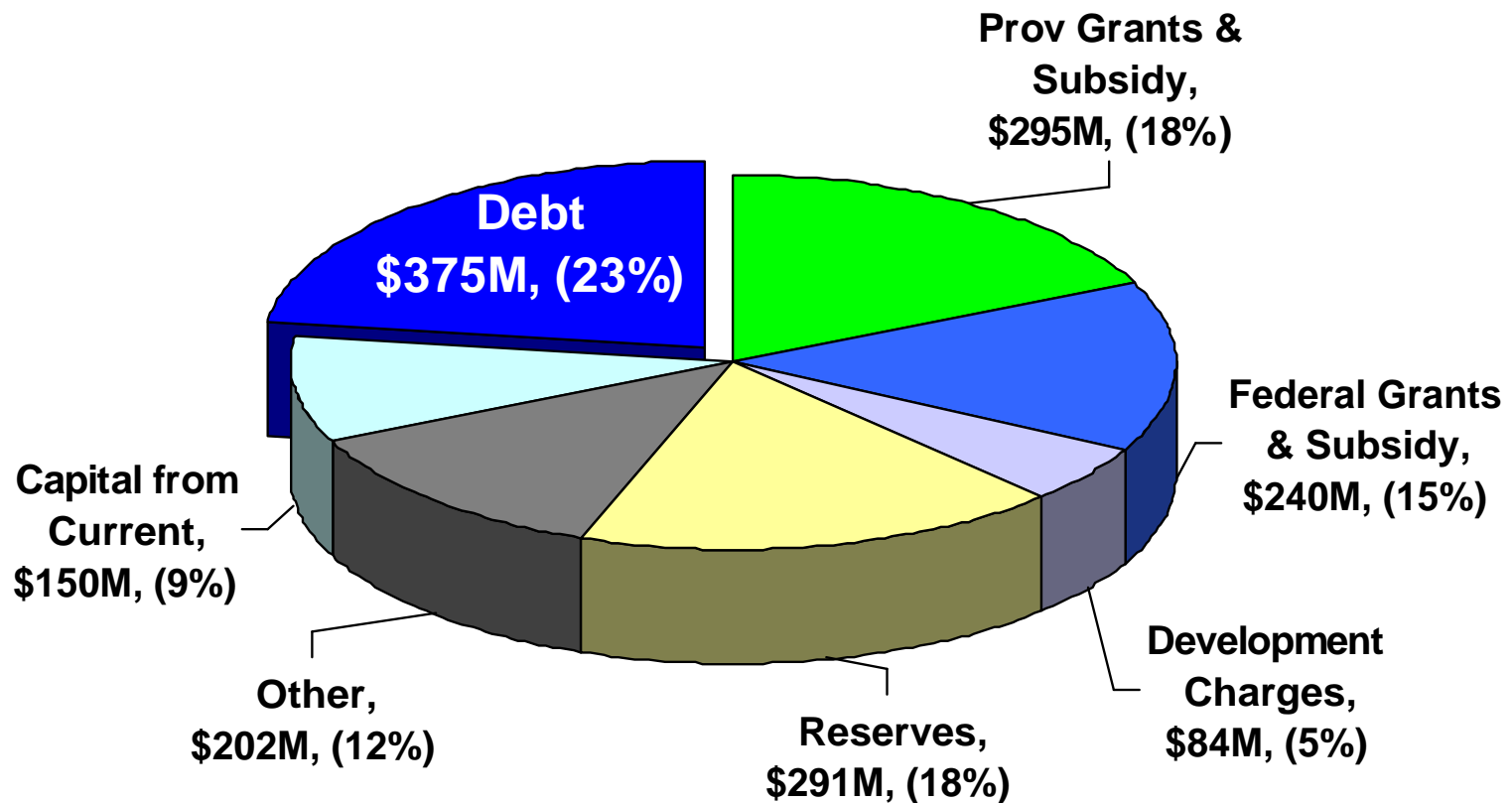


2009 – 2018 Recommended Capital Plan and Proposed Forecast – by Cluster

\$Millions												
	2009 Capital Budget				2009 - 2013 Capital Plan				2009 - 2018 Capital Plan and Forecast			
	Gross	Debt / CFC	Target	Over / (Under) Target	Gross	Debt / CFC	Target	Over / (Under) Target	Gross	Debt / CFC	Target	Over / (Under) Target
Citizen Centred Services 'A'	138	62	62	(0)	611	333	335	(2)	1,146	733	709	24
Citizen Centred Services 'B'	361	190	190	0	1,648	1,038	1,038	0	2,946	2,145	2,140	5
Internal Services	147	54	55	(2)	711	250	250	0	1,336	506	457	49
Other City Programs	76	33	35	(3)	653	131	131	0	849	241	238	3
Total City Operations	722	338	343	(5)	3,623	1,752	1,754	(2)	6,277	3,625	3,543	82
ABCs Excluding TTC	134	63	73	(10)	691	386	384	2	1,375	812	747	65
Total Tax Supported Excl. TTC	856	401	416	(15)	4,314	2,138	2,138	0	7,652	4,437	4,290	147
TTC Conventional	675	124	200	(76)	4,400	1,592	983	609	7,091	2,366	1,955	411
Total Before Spadina Subway and Transit City Plan	1,531	525	616	(91)	8,714	3,730	3,121	610	14,743	6,803	6,245	558
Spadina Subway Extension	89				2,125			0	2,573			
Transit City Plan	17				17			0	17			
Total	1,637	525	616	(91)	10,856	3,730	3,121	610	17,333	6,803	6,245	558

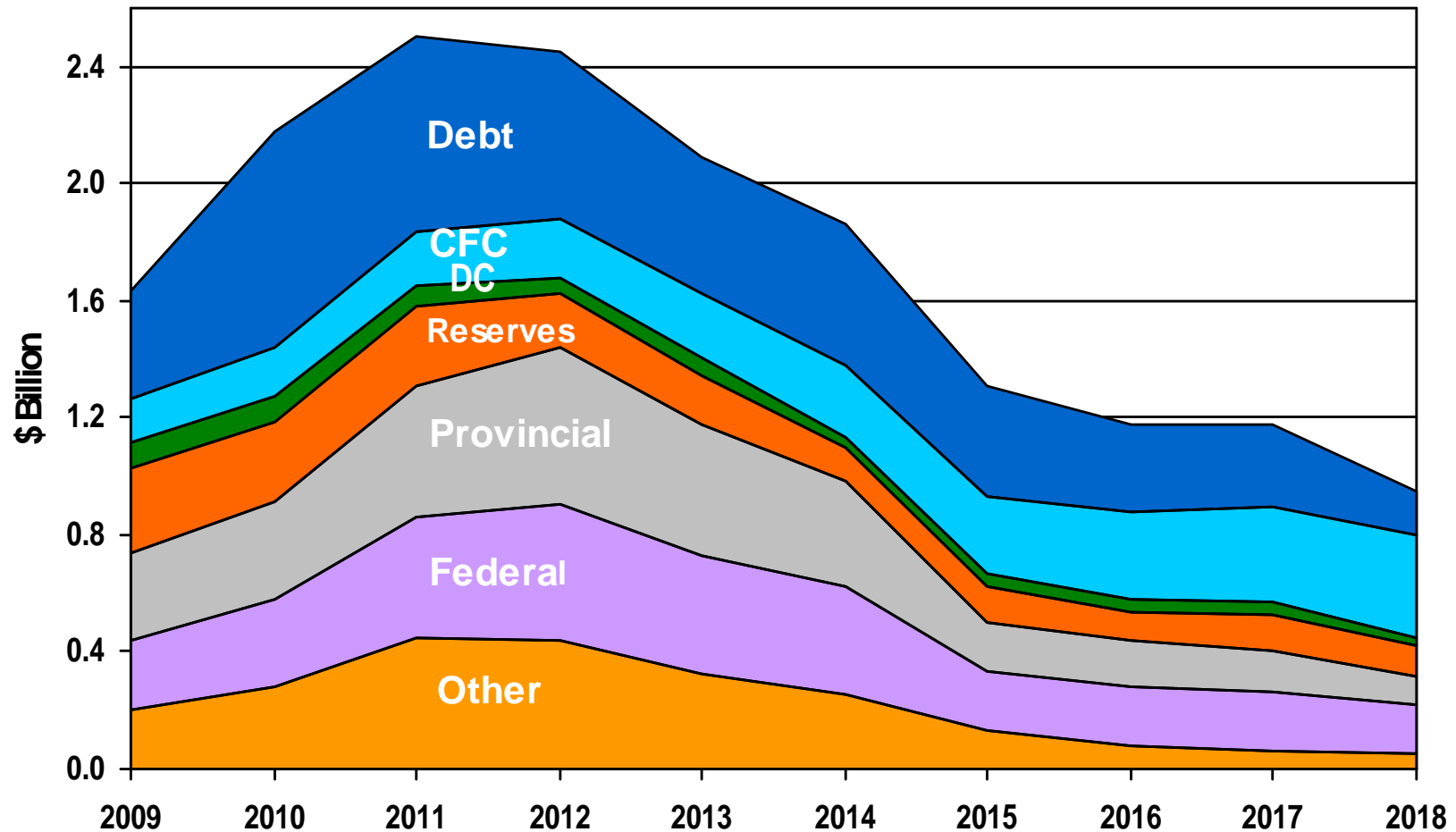
2009 Recommended Capital Budget Financing

\$1.637 Billion

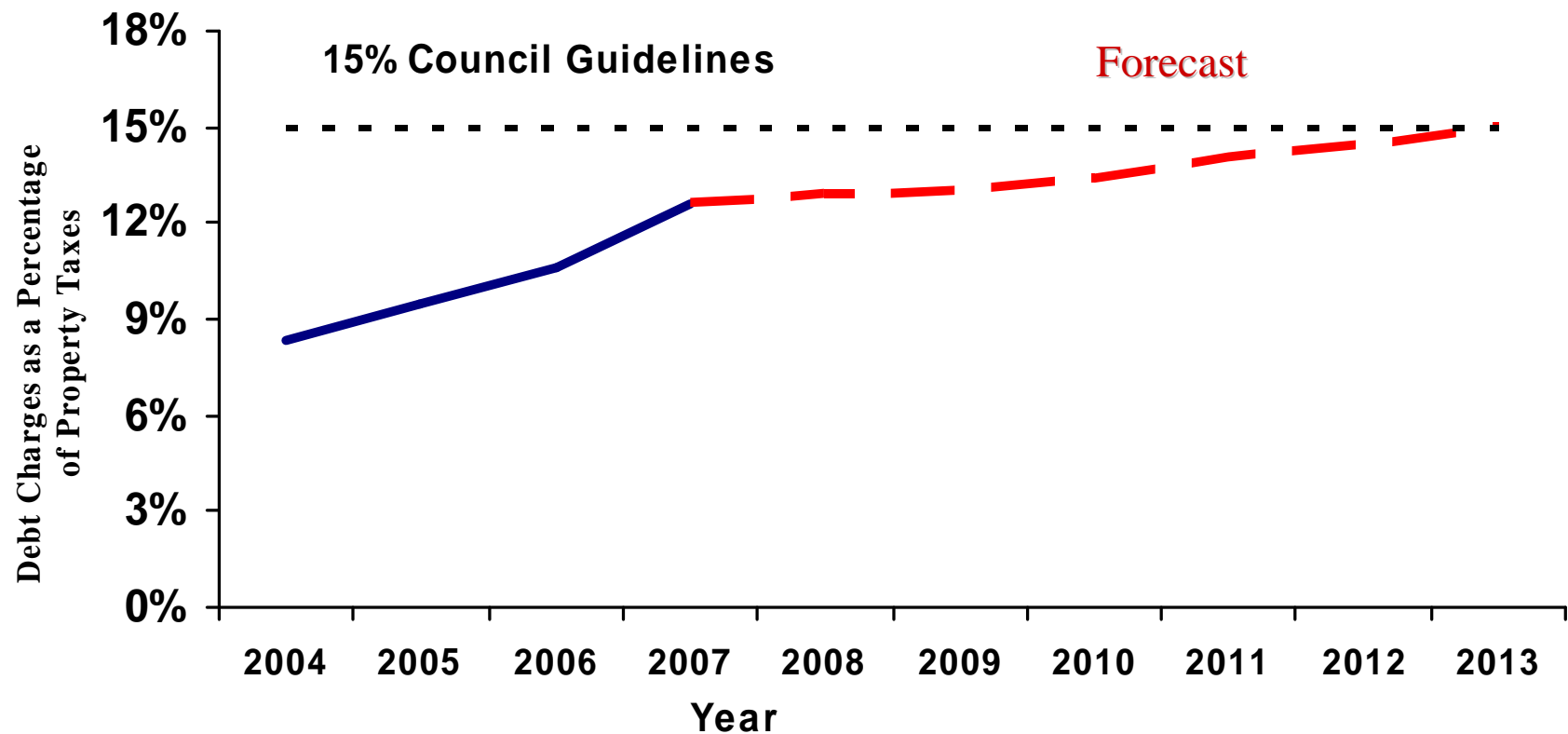


2009 – 2018 Recommended Capital Plan and Forecast

- \$4.410 Billion or 25% Financed by Debt



Debt Charges within Council's Guideline

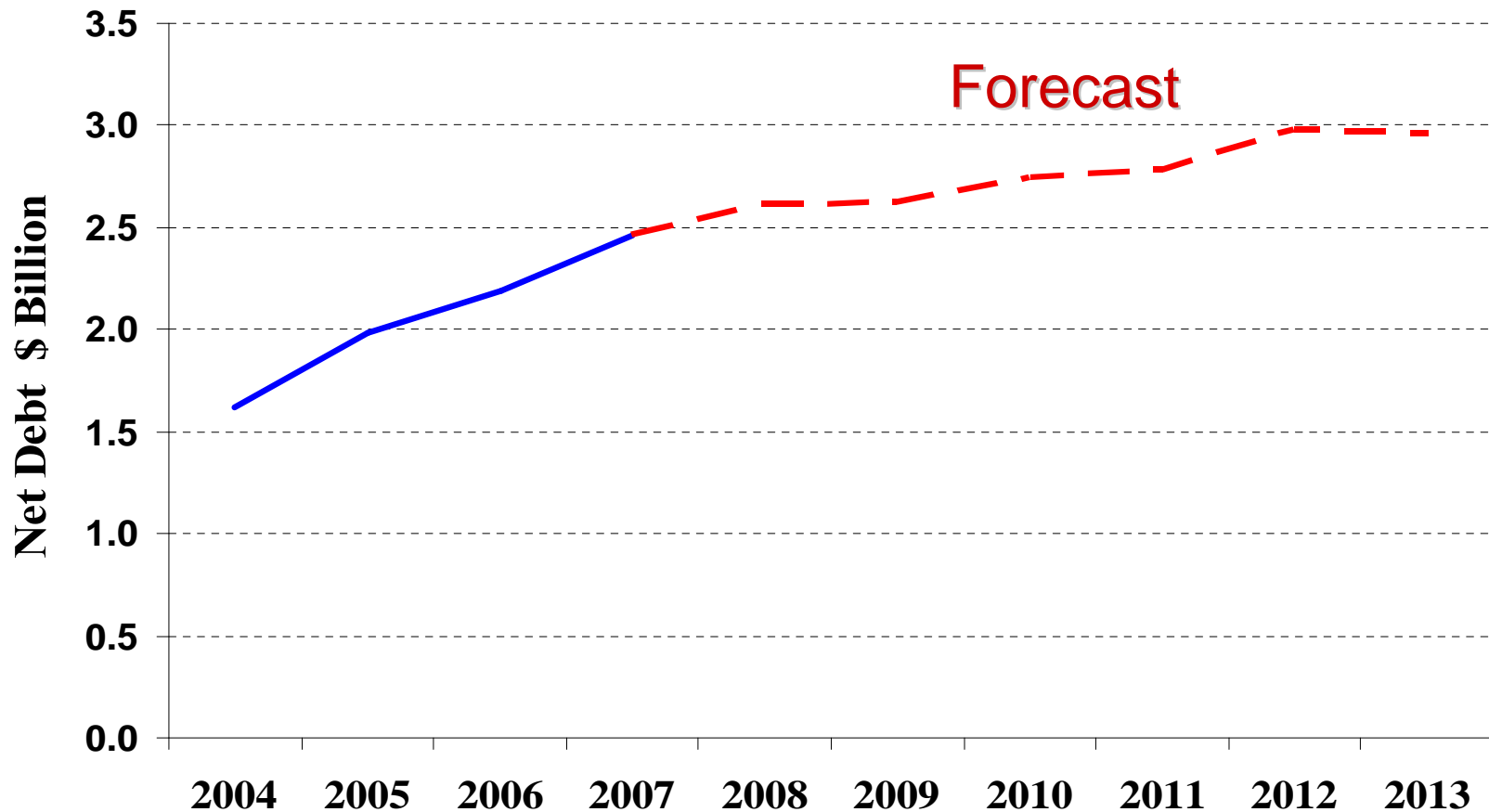


2003 – 2013 Capital Plan

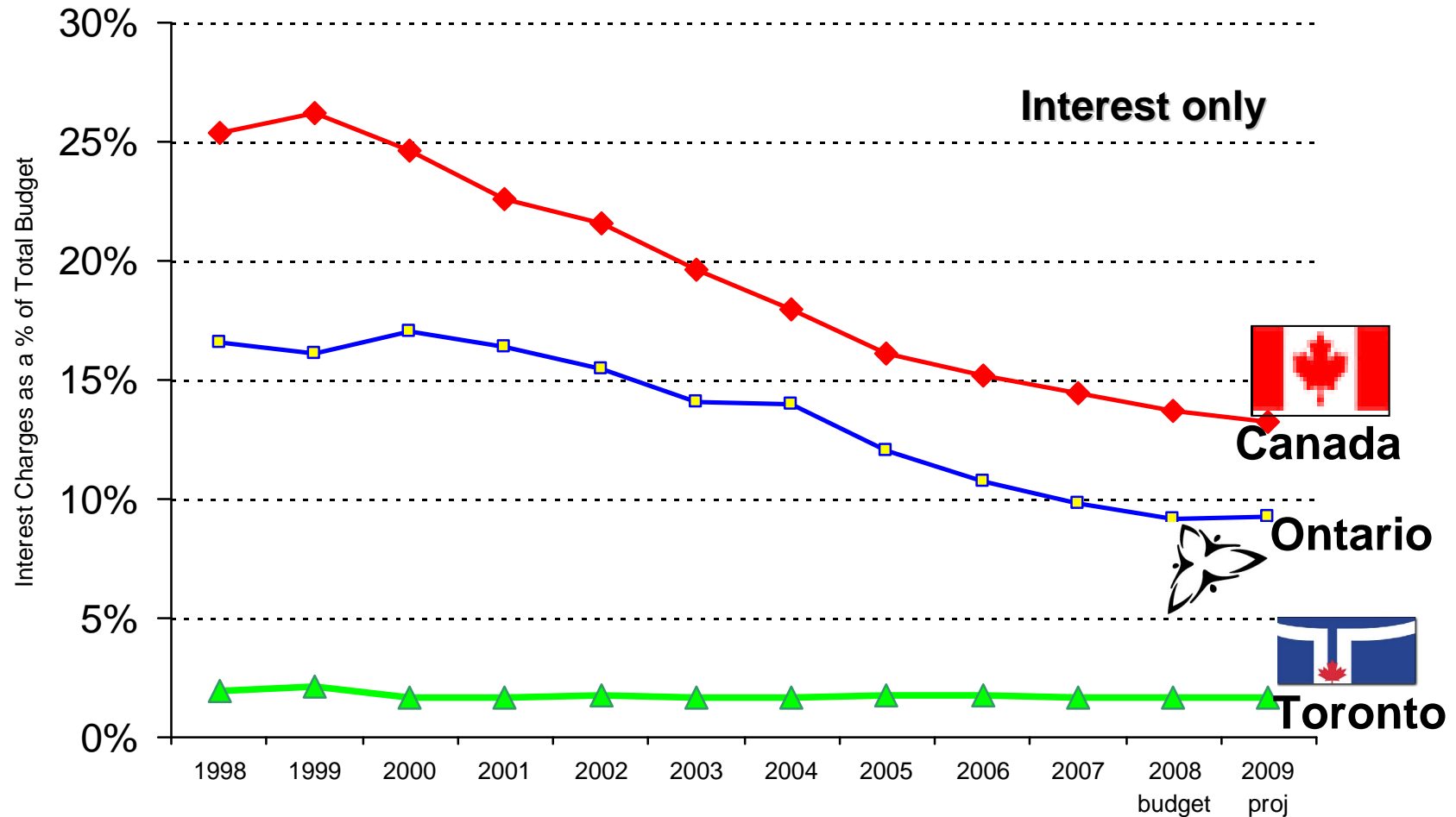
Debt charges include principal and interest payments

Cumulative Net Debt – Tax Supported

- \$2.955 Billion as of 2013



Comparison of Debt Charges of the Three Orders of Government



Source: Federal Fiscal Reference Table & Federal Economic & Fiscal Statement, Fall 2008
 Ontario Economic Outlook & Fiscal Review, Fall 2008
 City of Toronto budgets

Conclusion

Conclusion

- The 2009 - 2018 Capital Plan and Forecast Strategy is achieved:
 - ✓ Significant Investment in capital infrastructure to reduce SOGR backlog to support service levels
 - ✓ Targeted investment in planned growth projects in accordance with the Mayor's mandate and Council policy agenda
 - ✓ Meets Council approved debt guidelines

