

WRAP-UP NOTES TO BUDGET COMMITTEE (February 20, 2019)
2019 Staff Recommended Operating Budget
Rate Supported Programs and Agencies
Summary of Budget Review Process
(\$000s)



RE: BU4.1, BU4.2, BU4.3

PART I: RECOMMENDED FINANCIAL ADJUSTMENTS

	Approved Positions	2019 Operating Budget (\$000s)			Incremental Increase (\$000s)	
		Gross	Revenue	Net	2020	2021
					Net	Net
2019 Staff Recommended Toronto Water Operating Budget*	1,805.6	463,869.0	1,331,236.7	(867,367.8)	(24,469.7)	(21,009.8)
2019 Staff Recommended Solid Waste Management Services Operating Budget*	1,122.8	391,620.1	411,620.2	(20,000.1)	159.3	(6,134.5)
2019 Staff Recommended Toronto Parking Authority Operating Budget	328.5	100,599.4	167,137.6	(66,538.2)	(318.4)	(661.5)
2019 Staff Recommended Rate Operating Budget: January 28, 2019	3,256.9	956,088.4	1,909,994.5	(953,906.3)	(24,628.8)	(27,805.8)
Budget Committee Program/Agency Budget Briefing: February 4-6, 2019 - No Changes						
2019 Staff Recommended Toronto Water Operating Budget	1,805.6	463,869.0	1,331,236.7	(867,367.8)	(24,469.7)	(21,009.8)
2019 Staff Recommended Solid Waste Management Services Operating Budget	1,122.8	391,620.1	411,620.2	(20,000.1)	159.3	(6,134.5)
2019 Staff Recommended Toronto Parking Authority Operating Budget	328.5	100,599.4	167,137.6	(66,538.2)	(318.4)	(661.5)
2019 Staff Recommended Rate Operating Budget: February 6, 2019	3,256.9	956,088.4	1,909,994.5	(953,906.3)	(24,628.8)	(27,805.8)
Budget Committee Wrap-up Meeting: February 13, 2019 - No Changes						
2019 Staff Recommended Toronto Water Operating Budget	1,805.6	463,869.0	1,331,236.7	(867,367.8)	(24,469.7)	(21,009.8)
2019 Staff Recommended Solid Waste Management Services Operating Budget	1,122.8	391,620.1	411,620.2	(20,000.1)	159.3	(6,134.5)
2019 Staff Recommended Toronto Parking Authority Operating Budget	328.5	100,599.4	167,137.6	(66,538.2)	(318.4)	(661.5)
2019 Staff Recommended Rate Operating Budget: February 13, 2019	3,256.9	956,088.4	1,909,994.5	(953,906.3)	(24,628.8)	(27,805.8)

* The net revenue of \$867,367.8 thousand for Toronto Water and \$20,000.1 thousand for Solid Waste Management Services represents Capital-from-Current Contribution amount to be transferred to the respective reserve funds to fund capital projects in the 10-Year Capital Budget and Plan.

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PART I : FINANCIAL ADJUSTMENTS						
	Approved Positions	2019 Operating Budget (\$000s)			Incremental Increase	
		Gross	Revenue	Net	2020 (\$000s)	2021 (\$000s)
					Net	Net
Budget Committee - February 20, 2019						
Financial Impact related to Motions						
Toronto Water (1b)						
Change to the industrial waste surcharge program formula for the calculation of surcharge fees be applied to all treatable parameters that exceed the sewers by-law limits, instead of only the one parameter that exceeds the sewer by-law limits by the greatest amount.	0.0	0.0	203.6	(203.6)	(203.6)	(203.6)
Financial Impact related to Motions Sub-Total	0.0	0.0	203.6	(203.6)	(203.6)	(203.6)
Total Impact from Supplementary Items	0.0	0.0	203.6	(203.6)	(203.6)	(203.6)

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Budget Committee: **February 20, 2019**

PART II: REQUESTED REPORTS AND BRIEFING NOTES

Agenda Item	Requested Action	Status / Response	Action Requested
BU4.1 – Toronto Water			
<p><u>Budget Note #39</u></p>	<p>That the General Manager, Toronto Water, provide a budget briefing note on the following:</p> <p><i>"Address the feasibility under the current policy of charging for the highest parameter covered under the current Industrial Waste Surcharge program of increasing the charges levied on each of the four parameters to reduce the funding deficit in the program. Such briefing note to also advise on how implementing such increases would be phased in."</i></p>	<p>A budget briefing note entitled: "Industrial Waste Surcharge Program – Feasibility of Phased In Surcharge Parameter Fee Increases" was distributed on February 19, 2019 for the February 20, 2019 Budget Committee meeting.</p> <p>The phased in surcharge parameter fee increases are not feasible for the reasons outlined below:</p> <ul style="list-style-type: none"> • The loss in revenue between the costs recovered from all Industrial Waste Surcharge Agreement (IWSA) holders under the Program and the costs incurred by the City for treatment (at full cost recovery) will change with every invoicing period throughout the year. • Surcharge billing is calculated on a quarterly basis and there are a number of factors in any given quarterly period which could impact the loss in revenue including the number of active IWSA holders and parameters listed on each active IWSA holder, the volume of water discharged and the excess concentration of each surcharge parameter. • The surcharge parameter fees under the Program are calculated/designed to reflect the true cost of treatment for each of the parameters. • Increasing the fees for each of the surcharge parameters based on revenue loss would result in the surcharge parameter fees no longer representing the true cost of treatment. 	<p>Receive for Information</p>

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PART II: REQUESTED REPORTS AND BRIEFING NOTES			
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(cont'd) <u>Budget Note #39</u>		<ul style="list-style-type: none"> While fees do not need to correspond precisely to the cost of the treatment service, there needs to be a reasonable connection between the cost of the service provided and the amount charged. 	
BU4.2 – Solid Waste Management Services			
<u>Budget Note #48</u>	<p>That the General Manager, Solid Waste Management Services provide a budget briefing note on:</p> <p><i>"Options to best deliver and fund 2 Community Environment Days per Ward."</i></p>	<p>A budget briefing note entitled: <i>"2019 Community Environment Days"</i> was distributed on February 19, 2019 for the February 20, 2019 Budget Committee meeting that highlights the current costs, services provided and staffing required for Environment Days.</p> <ul style="list-style-type: none"> It has been determined that through further review and rationalization of resources that the Program will be able to provide one additional Environment Day per ward, if requested by the Councillors. 	Receive for Information

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PART III: MOTIONS			
Agenda Item	Requested Action	Status / Response	Action Requested
BU4.1 – Toronto Water			
Motion	<p>That City Council direct that:</p> <p><i>"Effective January 1, 2019, City Council approve that the industrial waste surcharge program formula for the calculation of surcharge fees be applied to all treatable parameters that exceed the sewers by-law limits, instead of only the one parameter that exceeds the sewer by-law limits by the greatest amount, allowing full cost recovery for the wastewater services provided by the City, such surcharge to be phased in over a six year period to mitigate impacts to existing companies."</i></p>	Approval of the industrial waste surcharge program formula for the calculation of surcharge fees to be applied to all treatable parameters that exceed the sewers by-law limits, will result in a revenue increase of approximately \$0.204 million per year, over a six year period, starting in 2019, for a total of approximately \$1.221 million.	Consider
BU4.3 – Toronto Parking Authority			
Motion	<p>That City Council request the Toronto Parking Authority Board to request the President, Toronto Parking Authority to report to Budget Committee on the following for consideration prior to the 2020 Budget Process:</p> <ol style="list-style-type: none"> 1. <i>Ridership changes at Bike Share stations directly adjacent to the Richmond/Adelaide and Bloor St W bike lanes, from before implementation to implementation.</i> 2. <i>The feasibility and financial impact of extending Bike Share travel times from 30 minutes to 45 minutes for annual members.</i> 		Consider

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PART IV: REFERRALS AND REPORTS FOR CONSIDERATION																		
Agenda Item	Requested Action	Status / Response	Action Requested															
BU4.1 – Toronto Water																		
<u>2018 Capital and Operating Budgets (EX31.2)</u>	<p>At its meeting of February 12, 2018 during consideration of the 2018 Operating Budget for Parks, Forestry and Recreation, City Council approved the following Motion:</p> <p><i>"Request the General Manager, Toronto Water bring forward for Council consideration as part of the 2019 budget process a one-time contribution of \$3 million to the Tree Canopy Reserve which would increase Toronto Water's contribution towards tree planting and maintenance from \$1.95 million to \$4.95 million to include funds for front lawn and boulevard sod repair and replacement after completion of various capital works..".</i></p>	<p>This request was considered as a new/enhanced business case during the 2019 Budget Process.</p> <ul style="list-style-type: none"> It is not included in the 2019 Staff Recommended Operating Budget, since the Motion refers to front lawn and boulevard sod repair and replacement work that is regularly performed by Toronto Water after completion of capital projects for which no additional funding is required. 	Receive															
<u>Budget Notes</u>	<p>The City Manager and Chief Financial Officer & Treasurer recommend that:</p> <p>1. <i>City Council approve the 2019 Staff Recommended Operating Budget for Toronto Water of \$463.869 million gross, \$867.368 million net capital-from-current contribution for the following services:</i></p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Service:</u></th> <th style="text-align: right;"><u>Gross</u> <u>(\$000s)</u></th> <th style="text-align: right;"><u>Net</u> <u>(\$000s)</u></th> </tr> </thead> <tbody> <tr> <td>Water Treatment & Supply:</td> <td style="text-align: right;">201,369.5</td> <td style="text-align: right;">384,894.2</td> </tr> <tr> <td>Wastewater Collection & Treatment:</td> <td style="text-align: right;">231,185.0</td> <td style="text-align: right;">508,270.2</td> </tr> <tr> <td>Stormwater Management:</td> <td style="text-align: right;"><u>31,314.4</u></td> <td style="text-align: right;"><u>(25,796.6)</u></td> </tr> <tr> <td>Capital-from-Current Contribution</td> <td style="text-align: right;"><u>463,869.0</u></td> <td style="text-align: right;"><u>867,367.7</u></td> </tr> </tbody> </table>	<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>	Water Treatment & Supply:	201,369.5	384,894.2	Wastewater Collection & Treatment:	231,185.0	508,270.2	Stormwater Management:	<u>31,314.4</u>	<u>(25,796.6)</u>	Capital-from-Current Contribution	<u>463,869.0</u>	<u>867,367.7</u>	<p>The Budget Notes present the 2019 Staff Recommended Operating Budget for Toronto Water and reflect Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <ul style="list-style-type: none"> Approval of the 2019 Staff Recommended Operating Budget for Toronto Water will result in an \$867.368 million capital-from-current contribution. It reflects an increase of \$16.617 million or 3.7% over the 2018 Approved Budget gross expenditures of \$447.252 million and an increase of 25.333 million or 3% over the 2018 Approved Capital Contribution Budget of \$842.035. 	Adopt as amended by the foregoing
<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>																
Water Treatment & Supply:	201,369.5	384,894.2																
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<p>(cont'd)</p> <p>Budget Notes</p>	<ol style="list-style-type: none"> 2. <i>City Council approve the 2019 service levels for Toronto Water as outlined in Appendix 3 of this report, and associated staff complement of 1,805.7 positions, comprising of 84.4 capital positions and 1,721.3 operating positions.</i> 3. <i>City Council direct the General Manager, Toronto Water to provide an update on the implementation progress of the Utility Cut Program, including costs and benefits, through the 2020 Budget process.</i> 4. <i>This report be considered concurrently with the 2019 Water and Wastewater Consumption Rates and Service Fees Report from the Chief Financial Officer & Treasurer and the Acting General Manager for Toronto Water.</i> 	<ul style="list-style-type: none"> • In addition to the Base Budget of \$455.884 million gross and \$873.185 million in capital contribution, approval of the 2019 Staff Recommended Operating Budget will result in approval of \$7.985 million gross in new/enhanced funding for new initiatives such as utility cut repairs and chamber adjustment program, bulk water fill station pilot project and provision of dedicated staff resources for insurance/risk management, legal services and Ontario One Call locate tickets clearing, funded from capital projects and reserve funds. 	
<p>Report Appendices: C D</p>	<p>A report entitled "2019 Water and Wastewater Consumption Rates and Service Fees" was distributed on January 21, 2019 for the February 4, 2019 Budget Committee meeting which recommends that:</p> <ol style="list-style-type: none"> 1. <i>City Council consider this report concurrently with the 2019-2028 Toronto Water Capital Plan and the 2019 Toronto Water Operating Budget.</i> 2. <i>City Council adopt:</i> <ol style="list-style-type: none"> a. <i>Effective April 1, 2019, the combined water and wastewater consumption rates charged to metered consumers as shown below and in Appendix C attached to this report;</i> 	<p>This report presents the recommended 2019 water and wastewater consumption rates and service fees and reflects Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <p>The report recommends the following rate increases effective April 2019:</p> <ul style="list-style-type: none"> • An increase of 3.98% to the water and wastewater consumption rates charged to metered and flat rate customers. • Inflationary increases to various water and wastewater service fees. 	<p>Adopt</p>

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<p>(cont'd)</p> <p>Report Appendices: C D</p>	<table border="1"> <thead> <tr> <th>Annual Consumption</th> <th>Paid on or before the due date, \$/m3</th> <th>Paid after the due date, \$/m3</th> </tr> </thead> <tbody> <tr> <td>Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")</td> <td style="text-align: center;">3.9549</td> <td style="text-align: center;">4.1630</td> </tr> <tr> <td>Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30% reduction from the Block 1 Rate ("Block 2 rate')</td> <td style="text-align: center;">2.7684</td> <td style="text-align: center;">2.9141</td> </tr> </tbody> </table>	Annual Consumption	Paid on or before the due date, \$/m3	Paid after the due date, \$/m3	Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")	3.9549	4.1630	Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30% reduction from the Block 1 Rate ("Block 2 rate')	2.7684	2.9141	<p>Approval of this report will also result in the:</p> <ul style="list-style-type: none"> Implementation and monitoring of a bulk water fill station pilot (Bulk Water Pilot) for the supply, sale and delivery of bulk potable water for industrial, commercial or institutional purposes. Introduction of a new fee for the metered water to be dispensed at any bulk water station owned and operated by the City, including under the Bulk Water Pilot, based on the Block 1 water and wastewater consumption rate, effective April 1, 2019. It is recommended that the General Manager, Toronto Water report back to the Infrastructure and Environment Committee on the outcome of the Bulk Water Pilot once completed. 	
	Annual Consumption	Paid on or before the due date, \$/m3	Paid after the due date, \$/m3									
	Block 1 - All consumers of water, including the first 5,000 cubic metres per year consumed by Industrial users ("Block 1 rate")	3.9549	4.1630									
	Block 2 - Industrial process – use water consumption over 5,000 cubic metres per year, representing a 30% reduction from the Block 1 Rate ("Block 2 rate')	2.7684	2.9141									
<p><i>b. Effective April 1, 2019, an increase of 3.98% to the water and wastewater consumption rates (paid on or before the due date) charged to flat rate consumers, as set out in Appendix C attached to this report;</i></p>												
<p><i>c. Effective April 1, 2019, the water and wastewater service fees as set out in Appendix D attached to this report;</i></p>												
<p>3. <i>City Council adopt with respect to assistance for low-income seniors and low-income disabled persons:</i></p> <p><i>a. Effective April 1, 2019, the water rebate for eligible low-income seniors and low-income disabled persons be set at a rate of \$1.1864 /m3, representing a 30% reduction from the Block 1 rate (paid on or before the due date);</i></p>												

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<p>(cont'd)</p> <p>Report Appendices: C D</p>	<p>4. <i>City Council authorize the implementation and monitoring of a bulk water fill station pilot (Bulk Water Pilot) on the following conditions:</i></p> <ul style="list-style-type: none"> a. <i>Municipal Code Chapter 851 - Water Supply, be amended to authorize the supply, sale and delivery of bulk potable water dispensed from a bulk water station owned and operated by the City for industrial, commercial or institutional purposes only.</i> b. <i>Effective April 1, 2019, Municipal Code Chapter 441 - Fees and Charges, Appendix D, Schedule 2, Water Services, be amended to include a new fee for the metered water to be dispensed at any bulk water station owned and operated by the City, including under the Bulk Water Pilot, based on the Block 1 water and wastewater consumption rate.</i> c. <i>The Bulk Water Pilot be undertaken by Toronto Water for a minimum of 2 years at Toronto Water's Disco Yard located at 150 Disco Road (Etobicoke), or alternate Toronto Water facility at the discretion of the General Manager of Toronto Water, and that it be operated seasonally, from approximately April to October, with 24-hour access.</i> d. <i>The General Manager, Toronto Water be delegated the authority to implement, administer and monitor the Bulk Water Pilot including the authority to develop all related program policies and procedures, to procure all related goods and services necessary to implement and conduct the Bulk Water Pilot and to</i> 		

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PART IV: REFERRALS AND REPORTS FOR CONSIDERATION

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<p>(cont'd)</p> <p>Report Appendices: C D</p>	<p style="text-align: center;"><i>negotiate, enter into and execute any agreements necessary to give effect to the Bulk Water Pilot on terms and conditions acceptable to the General Manager, Toronto Water, and in a form acceptable to the City Solicitor.</i></p> <p style="text-align: center;"><i>e. The General Manager, Toronto Water report back to the Infrastructure and Environment Committee on the outcome of the Bulk Water Pilot once completed.</i></p> <p>5. <i>City Council authorize that the necessary amendments be made to Municipal Code Chapter 441 - Fees and Charges, Municipal Code, Chapter 849 - Water and Sewage Services and Utility Bill, Municipal Code Chapter 851 - Water Supply, and Municipal Code Chapter 681- Sewers, and any other necessary Municipal Code Chapters as may be required, to give effect to these Recommendations.</i></p> <p>6. <i>City Council authorize the City Solicitor to introduce any necessary Bills required to give effect to Council's decision and authorize the City Solicitor to make any necessary clarifications, refinements, including stylistic, format and organization, minor modifications, technical amendments or by-law amendments as may be identified by the City Solicitor, the Chief Financial Officer and Treasurer and the General Manager, Toronto Water.</i></p> <p>7. <i>City Council authorize and direct the appropriate City officials to take the necessary action to give effect to Council's decision thereto.</i></p>		

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BU4.2 – Solid Waste Management Services

<p><u>Member Motion (MM2.3)</u></p>	<p>City Council on January 30 and 31, 2019, adopted the following:</p> <ol style="list-style-type: none"> 1. <i>City Council direct the General Manager, Solid Waste Management Services to provide each City Councillor the opportunity to host a second Community Environment Day and to undertake the administrative process of booking one additional Community Environment Day per Ward for Councillors who request it, in preparation for the 2019 season, with the implementation of the days pending the outcome of the 2019 Budget process.</i> 2. <i>City Council direct the General Manager, Solid Waste Management Services to revise the Community Environment Day booking policy, such that events can be booked on any day of the week and not restricted to weekends.</i> 3. <i>City Council direct that the opportunity for City Councillors to host a second Community Environment Day become the new City of Toronto standard.</i> 	<p>At its meeting on January 31, 2019, City Council directed the Notice of Motion MM2.3 ‘Community Environment Days – Don’t Divide 3 by 2’ to be considered as part of the 2019 Budget process.</p> <ul style="list-style-type: none"> • The 2019 Staff Recommended Operating Budget for Solid Waste Management Services includes expenditures of \$0.605 million for one Community Environment Day in each ward. • It has been determined that through further review and rationalization of resources that the Program will be able to provide one additional Environment Day per ward, if requested by the Councillors. 	<p>Adopt</p>
<p><u>Budget Notes</u></p>	<p>The City Manager and Chief Financial Officer & Treasurer recommend that:</p> <ol style="list-style-type: none"> 1. <i>City Council approve the 2019 Staff Recommended Operating Budget for Solid Waste Management Services of \$391.620 million gross, \$(20.000) million net for the following services:</i> 	<p>The Budget Notes for Solid Waste Management Services present the 2019 Staff Recommended Operating Budget and reflect Budget Committee’s decisions up to and including its meeting of February 4-6, 2019.</p> <ul style="list-style-type: none"> • Approval of the 2019 Staff Recommended Operating Budget for Solid Waste Management Services will result in a \$20.000 million capital-from-current contribution. It reflects an increase of \$8.178 million or 2.1% over the 2018 Approved 	<p>Adopt as amended by the foregoing</p>

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	Gross	Net																												
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Service:																														
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Agenda Item	Requested Action	Status / Response	Action Requested
<p>Report Appendices: A B</p>	<p>A report entitled <i>"2019 Rate Supported Budgets - Solid Waste Management Services and Recommended 2019 Solid Waste Rates and Fees"</i> was distributed on January 6, 2019 for the February 4, 2019 Budget Committee meeting which recommends that:</p> <ol style="list-style-type: none"> 1. <i>City Council adopt the 2019 Solid Waste Management Services Rates and Fees as set out in Appendix A to the report, dated January 30, 2019, from the General Manager, Solid Waste Management Services, and the Chief Financial Officer and Treasurer, retroactive to January 1, 2019.</i> 2. <i>City Council consider this report concurrently with the 2019 Recommended Capital Budget, 2020-2028 Recommended Capital Plan and the 2019 Recommended Operating Budget of the Solid Waste Management Services Division.</i> 3. <i>City Council authorize that the necessary amendments be made to Municipal Code Chapter 441 -Fees and Charges, and any other necessary Municipal Code Chapters as may be required, to give effect to these Recommendations.</i> 4. <i>City Council grant authority to the City Solicitor to introduce any necessary Bills required to implement these Recommendations, subject to any necessary refinements, including stylistic, format and organization, as may be identified by the City Solicitor, the Chief Financial Officer and Treasurer, and General Manager Solid Waste Management Services.</i> 5. <i>City Council direct the following Renewable Natural Gas Initiatives:</i> 	<p>This report presents the recommended 2019 Solid Waste Management Services Rates and Fees and reflects Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p> <p>The report recommends the following rate changes effective January 2019:</p> <ul style="list-style-type: none"> • An increase of 1.0% for multi-residential; • An increase of 2.0% for single family and residential units above commercial; • An increase of 5.2% for bag tags and bin purchases; • An increase of 5.2% for commercial, divisions, agencies, corporations, schools and tipping; and • An increase of 2.2% to the blended rate. <p>Approval of this report will also result in the:</p> <ul style="list-style-type: none"> • Exemption of the renewable natural gas initiative from the City's Carbon Credit Policy; • Development of a Multi-Year Financial Strategy and rate structure; and • Development of a Single Family Residential Low-Income Relief Program. 	<p>Adopt</p>

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<p>(cont'd)</p> <p>Report Appendices: A B</p>	<ul style="list-style-type: none"> a. <i>Fully exempt the Solid Waste Management Services renewable natural gas initiative, including any and all environmental attributes that may result from the program, from the City's Carbon Credit Policy;</i> b. <i>Place net revenues that the City derives from the future sale of renewable natural gas and/or any associated environmental attributes generated under the Solid Waste Management Services renewable natural gas initiative in the Solid Waste Management Reserve Fund XR1404 for the exclusive use of Solid Waste Management Services, which will be used to fund projects identified within the Council approved Long Term Waste Management Strategy and other environmentally sustainable initiatives; and</i> c. <i>Allow only Solid Waste Management Services to hold any unsold environmental attributes associated with the Solid Waste Management Services renewable natural gas initiative on behalf of the City, and the authority to sell the attributes.</i> 6. <i>City Council direct that all the rates, fees and charges set out in Appendix A to this report, adopted by Council in Recommendation 1 above, continue in full force and effect until such time as they are amended or repealed by City Council.</i> 7. <i>City Council direct the General Manager, Solid Waste Management Services, and the Executive Director of Financial Planning, to develop a Multi-Year Financial Strategy and rate</i> 		

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<p>(cont'd)</p> <p>Report Appendices: A B</p>	<p><i>structure for the Program and report back to Budget Committee.</i></p> <p>8. <i>City Council authorize the General Manager, Solid Waste Management Services, or their designate, to develop and implement a Single Family Residential Low-income Relief Program in accordance with the description provided in the report, dated January 30, 2019, from the General Manager, Solid Waste Management Services, and the Chief Financial Officer and Treasurer, including, but not limited to, automatic enrollment for certain qualifying customers.</i></p>		

BU4.3 – Toronto Parking Authority

<p>Item 3.3a</p> <p>Letter Report</p>	<p>The letter dated January 26, 2019 from the Board of Directors of the Toronto Parking Authority entitled "<i>Bike Share Program Financial Considerations</i>", recommends that:</p> <p>1. <i>Forwarded the report (November 20, 2018) from the Acting President, Toronto Parking Authority including the following recommendations of the Acting President, to City Council, through the Budget and Executive Committees, for consideration in the 2019 and future years' Budget processes:</i></p> <p style="margin-left: 20px;">a. <i>City Council approve the principle that Bike Share as a municipal service is an integral component in the City's transportation, transit and mobility network, and as such, there is considerable merit in continuing City investment and support in the program.</i></p> <p style="margin-left: 20px;">b. <i>City Council acknowledges that user/operating revenues alone will not completely cover ongoing operating</i></p>	<p>This report entitled "<i>Bike Share Program Financial Considerations</i>" recommends financial principles for the operation of the Bike Share Toronto Program and actions to fund the outstanding capital and operating deficits of the program including:</p> <ul style="list-style-type: none"> • Outstanding capital requirements from 2016 in the amount of \$301,000; • Remaining cumulative operating cash deficits from 2013-2016 in the amount of \$1,054,000; • 2017 operating cash deficit of \$2,148,000; and • Projected 2018 operating cash deficit of \$2,279,000. <ul style="list-style-type: none"> • The 2019 Staff Recommended Operating Budget for Bike Share Toronto includes \$6.145 million in gross expenditures, \$0.025 million net. The revenue budget for Bike Share Toronto of \$6.120 million includes \$1.500 million in sponsorship funding, 	<p>Consider</p>
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<p>(cont'd)</p> <p>Item 3.3a</p> <p>Letter Report</p>	<p><i>expenses of Bike Share, and municipal subsidy will likely be required to offset capital requirements (State of Good Repair and expansion) and net operating deficits.</i></p> <p>c. <i>City Council approve the "Financial Sustainability Principles" set out in this report, and that funding current outstanding, as well as future Bike Share capital programs and operating deficits, as necessary, be considered as part of the annual budget cycle in accordance with these principles, namely.</i></p> <p>i. <i>Efficiency in operations - the need to continually optimize the expense side of operating the Bike Share system;</i></p> <p>ii. <i>Securing system sponsorship and advertising - as key elements to offset operating deficits and ensure the long-term financial sustainability of Bike Share;</i></p> <p>iii. <i>Commitment to municipal funding subsidies – to address any system shortfalls as well as capital programs, recognizing the value of the municipality continuing to invest in a Bike Share program;</i></p> <p>iv. <i>Subsidy funding would not rely on property tax sources, debt financing or impact operating budgets; and</i></p> <p>v. <i>Future years' net surplus operating funds, if any, be deposited to the Bike Share Reserve.</i></p>	<p>\$4.000 million in user fee revenue, and \$0.620 million in other revenue. It is recommended that Toronto Parking Authority report back to City Council upon securing a long-term sponsor. This is reflected in the 2019 Budget Notes for Toronto Parking Authority.</p> <ul style="list-style-type: none"> • The report also recommends that the 2019 Capital Budget for Toronto Parking Authority include \$1.500 million in Section 37 & Section 45 Planning Act Reserve Funds for the purpose of Bike Share expansion. This is reflected in the 2019 Budget Notes for Toronto Parking Authority. 	

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<p>(cont'd)</p> <p>Item 3.3a</p> <p>Letter Report</p>	<p><i>d. City Council authorize that, in accordance with the principles set out in Recommendation c above, current outstanding unallocated Capital and Operating cash deficits, for Bike Share be funded as follows:</i></p> <p><i>i. Outstanding 2016 capital requirements in the amount of \$301,000: from interest accruing on Metrolinx funds and retained by Toronto Parking Authority (\$123,500); and from the Bike Share Reserve XQ-0013 (\$177,500);</i></p> <p><i>ii. Remaining 2013-2016 cumulative operating cash deficit which has not been covered by existing Bike Share Reserve funds, in the amount of \$1,054,000 from the Public Realm Reserve Fund XR-1410;</i></p> <p><i>iii. 2017 Operating cash deficit of \$2,148,000 from the Public Realm Reserve;</i></p> <p><i>iv. 2018 Operating final cash deficit amount, currently projected to be \$2,279,000, from the Public Realm Reserve Fund XR-1410;</i></p> <p><i>v. Proposed 2019 capital expansion, municipal share under the Ontario Municipal Computer Cycling Program, in the amount of \$1.5 million from received Section 37 and 45 funds.</i></p> <p><i>e. City Council direct that its previous request, namely that the Chief Planner and Executive Director, City Planning and the General Manager, Transportation Services report back on a review of Toronto's parking standards for new</i></p>		

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<p>(cont'd)</p> <p>Item 3.3a</p> <p>Letter Report</p>	<p><i>multi-unit residential and commercial developments with the objective to consider the expansion of public bike sharing programs at net zero costs to the City, be revisited.</i></p>																	
<p>Budget Notes</p>	<p>The City Manager and Chief Financial Officer & Treasurer recommend that:</p> <ol style="list-style-type: none"> <i>City Council approve the 2019 Staff Recommended Operating Budget for Toronto Parking Authority of \$100.599 million gross, (\$66.538 million) net for the following services:</i> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Gross (\$000s)</th> <th style="text-align: right;">Net (\$000s)</th> </tr> </thead> <tbody> <tr> <td>On-Street Parking</td> <td style="text-align: right;">12,091.6</td> <td style="text-align: right;">(45,500.4)</td> </tr> <tr> <td>Off-Street Parking</td> <td style="text-align: right;">82,362.8</td> <td style="text-align: right;">(21,062.8)</td> </tr> <tr> <td>Bike Share</td> <td style="text-align: right;"><u>6,145.0</u></td> <td style="text-align: right;"><u>25.0</u></td> </tr> <tr> <td>Total Program Budget</td> <td style="text-align: right;"><u>100,599.4</u></td> <td style="text-align: right;"><u>(66,538.2)</u></td> </tr> </tbody> </table> <i>City Council approve the 2019 service levels for Toronto Parking Authority as outlined in Appendix 3 of this report, and associated staff complement of 328.5 operating positions.</i> <i>City Council consider the operating revenues of \$0.766 million net in 2019; \$1.516 million net in 2020; \$1.565 million net in 2021; \$1.538 million net in 2022; \$2.075 million net in 2023; \$2.675 million net in 2024; \$3.158 million net in 2025; \$2.620 million net in 2026; \$1.640 million in 2027; and \$0.375 million net resulting from the approval of the 2019 Capital</i> 		Gross (\$000s)	Net (\$000s)	On-Street Parking	12,091.6	(45,500.4)	Off-Street Parking	82,362.8	(21,062.8)	Bike Share	<u>6,145.0</u>	<u>25.0</u>	Total Program Budget	<u>100,599.4</u>	<u>(66,538.2)</u>	<p>The Budget Notes for Toronto Parking Authority present the 2019 Staff Recommended Operating Budget and reflect Budget Committee's decisions up to and including its meeting of February 4-6, 2019.</p>	<p>Adopt as amended by the foregoing</p>
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<p>(cont'd)</p> <p>Budget Notes</p>	<p><i>Budget for inclusion in the 2019 and future year operating budgets.</i></p> <p>4. <i>City Council direct the President, Toronto Parking Authority to report back to Council in 2019 once they have identified and secured a long-term sponsor for the Bike Share Program.</i></p>		