

2020 Budget Notes

Toronto & Region Conservation Authority

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What we do

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 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 a memorandum of understanding and service level agreements for any requested projects or programs that fall outside of CA core mandate as defined by the *Conservation Authorities Act* and forthcoming regulations.

Who we serve

Watershed Studies & Strategies

- Government Agencies
- Municipalities

Water Risk Management

- Municipalities
- Residents & Families

Regional Biodiversity

- Municipalities
- Residents & Families

Greenspace Securement & Management

- General Public
- Municipalities

Tourism & Recreation

- Residents & Families
- Businesses and Associations

Planning & Development

- Government Agencies
- Municipalities
- Businesses & Associations

Education & Outreach

- Schools & Students
- Volunteers & Youth

Sustainable Communities

- Businesses & Associations
- Community Groups

Corporate Services

- Government Agencies
- Municipalities

Beneficiaries

- General Public
 - Other Levels of Government
 - Residents
 - Businesses / Business Associations
-

Budget at a glance

STAFF RECOMMENDED OPERATING BUDGET			
\$ Millions	2020	2021	2022
Revenues	\$ 5.2	\$ 5.3	\$ 5.5
Gross Expenditures	\$ 9.5	\$ 10.3	\$ 10.6
Net Expenditures	\$ 4.3	\$ 5.0	\$ 5.2

STAFF RECOMMENDED 10-YEAR CAPITAL PLAN			
\$ Millions	2020	2021-2029	Total
Gross Expenditures	\$ 24.8	\$ 186.5	\$ 211.3
Debt	\$ 10.4	\$ 43.4	\$ 53.8

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

Key service outcomes

Outcome	Description
Improved Planning and Permit Application Service Standards	<ul style="list-style-type: none"> TRCA will build support for the protection, acquisition and sound management of greenspace in urbanizing environments through timely reviews of projects and plans considering regulatory requirements, TRCA plans and strategies, and streamlining initiatives to the needs of stakeholders.
Prevent, eliminate or reduce the risk to life and property from flooding, erosion and slope instability	<ul style="list-style-type: none"> TRCA will continue to support efforts to respond to the risks of flooding and erosion by communicating risks to the public and stakeholders and providing partner municipalities with the knowledge and technologies they require. TRCA will leverage its knowledge and expertise for municipal partners in monitoring and addressing erosion and slope instability hazards, streams and shorelines, and municipal water and wastewater infrastructure.
Support, maintain & enhance existing biodiversity and ecological functions of the Region's natural heritage system	<ul style="list-style-type: none"> As the population within TRCA's jurisdiction continues to grow, TRCA will work to improve and expand the system of protected greenspace in order to meet the needs of communities while protecting natural heritage.

Goals and metrics

Planned Activities to Achieve Outcomes		2018 Actual	2019 Proj. Actual	2020 Target	Status
	Planning and Permit Applications	2,095	2,150	2,200	●
	# of Engineered Floodplain Area Managed (Ha)	15,285	15,468	15,500	●
	# of acres of Land Ownership	44,582	40,100*	40,220	●

*2019 projection was updated following transfer of TRCA lands to Parks Canada

Our experience and success

- Inspected 4,643 erosion hazard and control sites, protected 31 buildings against erosion and slope instability, stabilized 2.7 kilometres of stream and shoreline and protected 1.5 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 Gattineau 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 increased fee-for-service work in water risk management by 81% to a total value of \$19.3 million to address partner municipality strategic objectives. One project of note is the Ashbridges Bay Treatment Plant Landform Project which addresses navigation risks at the harbour entrance of Coatsworth Cut, manages shoreline erosion, and will provide aquatic habitat enhancements.

Key challenges and risks

- Provincial changes to the *CAA, Planning Act*, and subsequent changes to the regulations - TRCA will continue working with all stakeholders to address natural resource management challenges facing our rapidly growing region. Funds are required to advance EAs to help position projects for senior government support and funding.
- Change in Wildlife Centre funding as a result of *CAA* changes and potential opportunities to re-allocate the approved funds to other TRCA and City of Toronto priorities.
- Aging physical and information technology infrastructure requiring resources to service and maintain.
- External forces impacting revenue sources such as weather and school participation which can impact attendance for the Conservation Areas, Black Creek Pioneer Village and Kortright Centre.
- Addition of one-time payment of future interest owed for the new administrative office building into the 2020 budget process.

Priority actions

- Advancing the Scarborough Waterfront Project and other projects that seek to renew City and TRCA shared infrastructure.
- Modernization of 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.
- Development of Asset Management Strategy that will inform the 2021 budget submission.
- Refine capital needs constraints list for 2021 budget process following *CAA* changes and release of subsequent regulations.

Our key service levels



Manage TRCA parks & recreational facilities used by over 800,000 visitors, and Black Creek Pioneer Village used by over 100,000 visitors annually



The service level standard of a 20-day turnaround for environmental assessment and permit reviews was met 85% of the time in 2018



TRCA is updating 53% of its floodplain data to meet the service delivery standard requiring that data is no more than 10 years old

Key service deliverables

- Deliver programs and services to further the conservation, restoration, development and management of natural resources in TRCA's jurisdiction, which includes 100% of the City, and over 12,000 acres of land resources within Toronto.
- Maintenance of engineered floodplain data for a total of 1,611 kilometres of watercourse in TRCA's 9 watersheds in addition to the Lake Ontario Waterfront.
- Initiate major studies including the capital asset management plan; and an update of the Greenspace Master Plan for Acquisition.
- Protect the integrity and health of the rivers and creeks in the jurisdiction, developing a system of green and natural spaces that sustain local ecosystems, and advancing sustainable practices that will improve people's lives within our growing region.

RECOMMENDATIONS

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

1. City Council approve the 2020 Staff Recommended Operating Budget for Toronto and Region Conservation Authority of \$9.470 million gross, \$4.268 million net for the following services:

Service:	Gross (\$000s)	Revenue (\$000s)	Net (\$000s)
Toronto & Region Conservation Authority:	\$9,470.4	\$5,202.8	\$4,267.6
Total Program Budget	\$9,470.4	\$5,202.8	\$4,267.6

2. City Council approve the 2020 Staff Recommended Capital Budget for Toronto and Region Conservation Authority with cash flows totalling \$24.825 million as detailed by project in Appendix 5a.
3. City Council approve the 2021-2029 Staff Recommended Capital Plan for Toronto and Region Conservation Authority totalling \$186.498 million in project estimates as detailed by project in Appendix 5b.
4. City Council direct that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2020 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

Program / Agency:

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2020 STAFF RECOMMENDED OPERATING BUDGET

2020 OPERATING BUDGET OVERVIEW

Table 1: 2020 Staff Recommended Operating Budget by Service

(\$000s)	2018 Actual*	2019 Projected Actual*	2020 Base Budget	2020 New / Enhanced	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
By Service	\$	\$	\$	\$	\$	\$	%
Revenues							
Toronto & Region Conservation Authority	4,952.1	5,075.9	5,202.8		5,202.8	126.9	2.5%
Total Revenues	4,952.1	5,075.9	5,202.8	0.0	5,202.8	126.9	2.5%
Expenditures							
Toronto & Region Conservation Authority	8,602.4	8,908.7	9,470.4		9,470.4	561.7	6.3%
Total Gross Expenditures	8,602.4	8,908.7	9,470.4	0.0	9,470.4	561.7	6.3%
Net Expenditures	3,650.3	3,832.8	4,267.6	0.0	4,267.6	434.8	11.3%

*2018 Actual and 2019 Projected Actual (based on Q3 2019) adjusted to represent only the apportionment pertinent to the City of Toronto.

COSTS TO MAINTAIN EXISTING SERVICES

Total 2020 Base Budget expenditures of \$9.470 million gross reflecting an increase of \$0.562 million in spending above 2019 projected year-end actuals. These figures reflect only the apportionment pertinent to the City of Toronto.

- The 2020 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.
- 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-Tosorontio, 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 is experiencing 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 2020 Staff Recommended Operating Budget for TRCA.
- The Province's Bill 108, the *More Homes, More Choice Act*, received Royal Assent on June 6, 2019. The Bill amends 13 different statutes that impact municipalities and land use planning processes including the CAA. The potential impacts of the changes cannot be fully understood until the final regulations are released by the Province. There may be changes to TRCA's project and program funding models as a result of the modifications.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Toronto and Region Conservation Authority's 2020 Operating Budget do not have any significant equity impacts.

2020 STAFF RECOMMENDED OPERATING BUDGET KEY DRIVERS

The 2020 Staff Recommended Operating Budget for Toronto and Region Conservation Authority is \$9.470 million gross, representing an increase of \$0.562 million or 6.3% over the 2019 Projected Actuals. Table 2a below summarizes the changes for the base budget.

Table 2a: 2020 Key Drivers – Base Budget

Key Cost Drivers (\$000)	2018 Actual*	2019 Projected Actual*	2020 Staff Rec'd Base Budget	Year over Year Changes	
				\$	%
Expenditures					
1 City of Toronto Contribution to TRCA	8,602.4	8,908.7	9,470.4	561.7	6.3%
Total Expenditures	8,602.4	8,908.7	9,470.4	561.7	6.3%
Revenues					
1 Contribution from Toronto Water	4,952.1	5,075.9	5,202.8	126.9	2.5%
Total Revenues	4,952.1	5,075.9	5,202.8	126.9	2.5%
Net Expenditures	3,650.3	3,832.8	4,267.6	434.8	11.3%

*2018 Actual and 2019 Projected Actual (based on Q3 2019) 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 2019 projected actuals align with the 2019 Council Approved Operating Budget of \$8.909 million gross, \$3.833 million net.

The increase of \$0.562 million in gross expenditures over the 2019 projected actual is primarily attributable to inflationary increases to utilities and contracts, and salaries and benefits. These increases are partially offset by increased contributions from Toronto Water of \$0.127 million or 2.5%. Under the CAA, TRCA has authority to levy for their maintenance and administrative costs to the benefitting partner municipalities. However, TRCA is not a City Agency and therefore the City of Toronto has no authority over the TRCA Total Operating Budget including staff complement.

Due to budgetary constraints, the City has been challenged to increase its payments in proportion to other partner municipalities in recent years. This has resulted in the City's under contribution against its 64.2% proportion and the need for TRCA to introduce a non-CVA levy which represents the amount that TRCA's partner municipalities are paying in excess to the City of Toronto's ratio. To address the existing funding imbalance, the 2020 Staff Recommended Operating Budget includes a base increase of \$0.319 million and an additional contribution to TRCA of \$0.243 million for a total of \$0.562 million in 2020 as well as phased-in additional contributions in 2021 and 2022. Additional details are provided on the following page.

TRCA continues to address budget pressures by implementing efficiencies where possible, including reducing full-time staff complement of approved but unfunded positions, improved coordination with partner municipalities, and obtaining funding from other levels of government (e.g. National Disaster Mitigation Program; Disaster Mitigation and Adaptation Fund). However, long-term efficiencies may be temporarily offset by increased upfront costs. For example, TRCA has moved from Lotus Notes to Office365 and is transitioning to a comprehensive Human Resource Information System.

Note:

- For additional information on 2020 key cost drivers refer to [Appendix 1](#) as well as [Appendix 2](#) for a more detailed listing and descriptions of the 2020 Staff Recommended Service Changes and [Appendix 3](#) for the 2020 Staff Recommended & Pending New and Enhanced Service Priorities, respectively.

2021 & 2022 OUTLOOKS**Table 3: 2021 and 2022 Outlooks**

(\$000s)	2019 Projected Actual*	2020 Staff Rec'd Budget	2021 Outlook	2022 Outlook
	\$	\$	\$	\$
Contribution from Toronto Water	5,075.9	5,202.8	5,332.9	5,466.2
Gross Expenditures	8,908.7	9,470.4	10,286.3	10,631.3
Net Expenditures	3,832.8	4,267.6	4,953.4	5,165.1

*2019 Projected Actual (based on Q3 2019) adjusted to represent only the apportionment pertinent to the City of Toronto.

Key 2021 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 \$5.333 million in 2021.

Additional Contribution to TRCA:

- The 2020 Staff Recommended Operating Budget for TRCA includes a phased increase in contributions to the TRCA to address the current funding imbalance between the City of Toronto and partner municipalities. The 2020 Staff Recommended Operating Budget and future year Outlooks for TRCA includes 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.
- Other anticipated increases in 2021 include an additional \$0.332 million in base budget funding attributable to inflationary impacts, resulting in a total expected gross expenditure of \$10.286 million in 2021.

Changes to the *Conservation Authorities Act*:

- There may be changes to the 2021 and 2022 Outlooks pending the release of the regulations pertaining to Bill 108. TRCA will reassess the levying process for the 2021 fiscal year, based on changes to the CAA.

Key 2022 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.

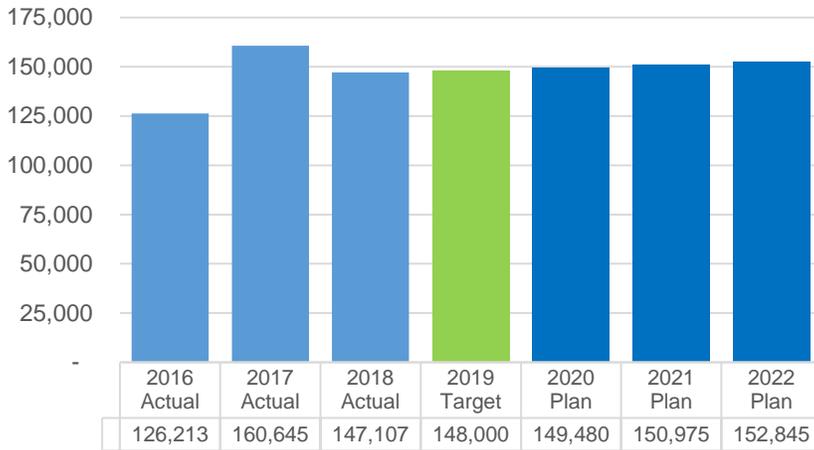
Additional Contribution to TRCA:

- The 2022 Outlook for TRCA includes an incremental \$0.345 million for base budget increases and an additional contribution of \$0.728 million to address the current funding imbalance, resulting in a total anticipated gross expenditure of \$10.631 million.

How well we are doing

Performance measures

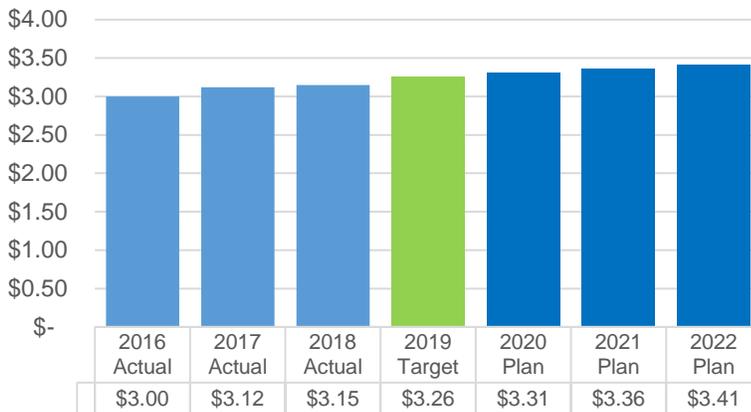
of Visits to Black Creek Pioneer Village



Behind the numbers

- Attendance at Black Creek Pioneer Village is subject to many factors including weather conditions and seasonal fluctuations.
- The number of visits to Black Creek Pioneer Village was high in 2017 due to special Canada 150 programming. The 2018 actual metric was provided, and the 2019-2022 targets have been updated to better reflect the expected number of visits.
- In 2019, TRCA is projecting a total of 148,000 visitors to Black Creek Pioneer Village, an increase of 0.6% over 2018.
- Attendance is expected to continue increasing in 2020 due to the proximity of the Pioneer Village subway station.

Cost of TRCA Operating Funding per Toronto Resident



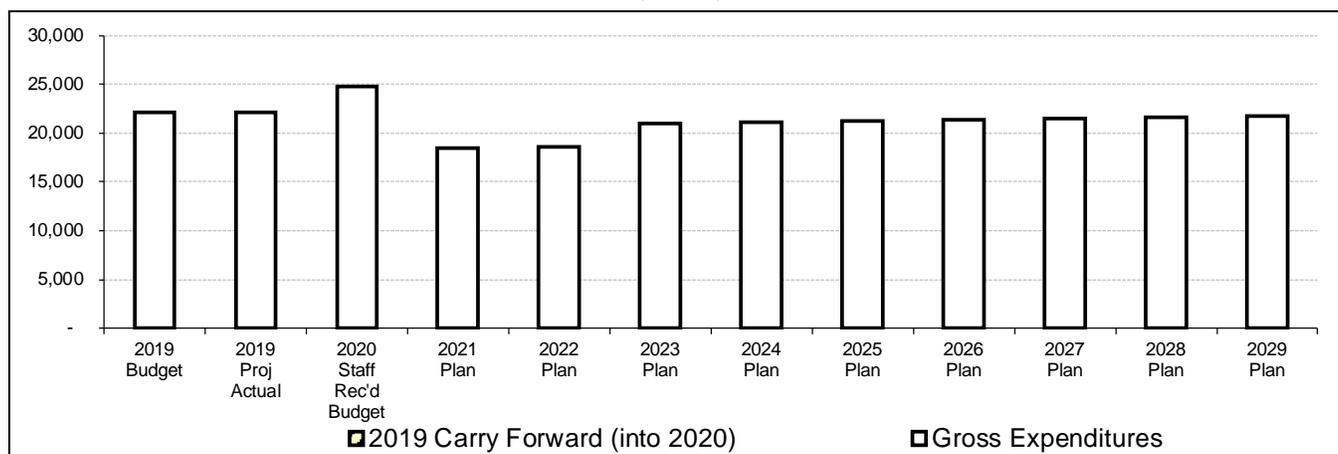
- The costs of TRCA operating funding per Toronto resident include funding from tax levy through property taxes and water rate funding.
- The combined cost per Toronto resident has increased modestly due to the City of Toronto’s budgetary constraints in recent years.
- 2019-2022 targets were updated to reflect current operating forecasts following receipt of the 2018 actual metric.

2020 – 2029 STAFF RECOMMENDED CAPITAL BUDGET AND PLAN

2020 – 2029 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview

(\$000s)



	2020 Staff Recommended Capital Budget and 2021 - 2029 Capital Plan									
	2019		2020	2021	2022	2023	2024	2020 - 2024	2025-2029	Total 10 Year Plan
	Budget	Projected Actual								
Gross Expenditures by Project Category:										
Health & Safety & Legislated	1,029	1,029	3,866	-	-	-	-	3,866	-	3,866
SOGR	18,900	18,900	16,512	16,627	16,745	19,186	19,310	88,380	99,847	188,227
Service Improvement & Growth	2,152	1,704	4,447	1,822	1,817	1,807	1,802	11,695	7,535	19,230
Total by Project Category	22,081	21,633	24,825	18,449	18,562	20,993	21,112	103,941	107,382	211,323
Financing:										
Debt	5,450	5,450	10,406	4,180	4,180	5,000	5,000	28,766	25,000	53,766
Reserves/Reserve Funds	2,000	1,552	315	50	45	35	30	475	25	500
Capital from Current	639	639	-	-	-	-	-	-	-	-
Other Revenue	13,992	13,992	14,104	14,219	14,337	15,958	16,082	74,700	82,357	157,057
Total Financing	22,081	21,633	24,825	18,449	18,562	20,993	21,112	103,941	107,382	211,323

New Projects

- TRCA does not have any brand new capital projects in the 10-Year Capital Plan of \$211.3M. The Capital Plan includes ongoing projects with cash flow commitments approved on an annual basis including:
- \$188.2M for SOGR projects to maintain assets including major maintenance of existing waterfront erosion control structures, environmental rehabilitation, watershed monitoring and management, and facilities retrofits.
- \$19.2M for Service Improvement / Growth related projects including \$17.4M for the *Long Term Accommodation – 5 Shoreham* major capital project.
- \$3.9M for the Health & Safety projects for the construction of Brimley Road as part of the *Asset & Infrastructure Management Plan*.

Capital Needs Constraints

(\$333.5M)

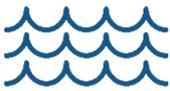
- \$181.5M for Health & Safety or SOGR projects to avoid service disruption or legal claims including the *Scarborough Waterfront* projects.
- \$53.2M for projects that support the implementation of Council approved priorities including \$33.5M for the *Scarborough Bluffs West* project.
- \$63.2M in projects that would reduce the SOGR backlog including \$17.5M related to the *Black Creek Pioneer Village*.

Note:

For additional information, refer to [Appendix 5](#) for a more detailed listing of the 2020 and 2021-2029 Capital Budget & Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; and [Appendix 7](#) for Capital Needs Constraints, respectively.

2020 – 2029 CAPITAL BUDGET AND PLAN

\$211.3 Million 10-Year Gross Capital Program

			
Critical Erosion Control and Floodworks	Waterfront Development	Infrastructure	Watershed Management
\$127.2 M 60%	\$14.2 M 7%	\$31.3 M 15%	\$38.6 M 18%
Valley Erosion Hazards Toronto Islands - Gibraltar Point Major Maintenance of Erosion Infrastructure	Ashbridges Bay Coatsworth Cut Dredging 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

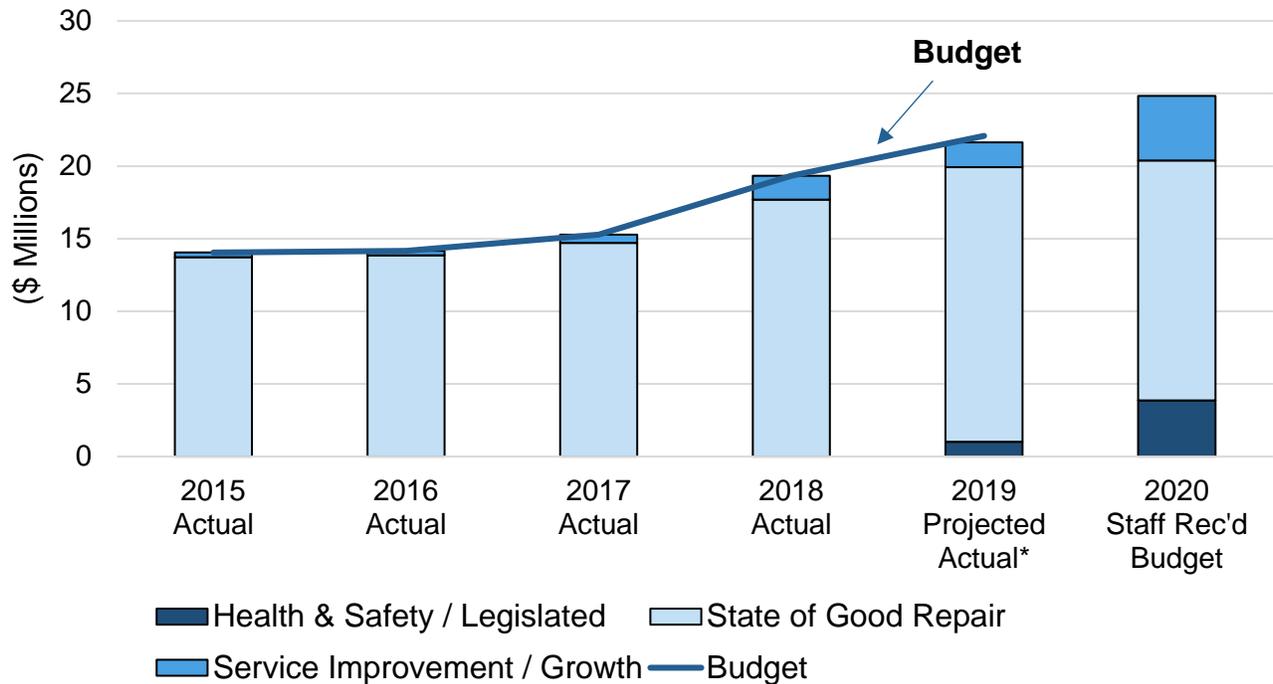
City of Toronto		Provincial Funding	Federal Funding
\$211.3 M 100 %		\$0	\$0
Debt	\$ 53.8 M		
Reserve Draws	\$ 0.5 M		
Other Revenue – Toronto Water Contribution	\$ 157.1 M		

CAPACITY TO SPEND REVIEW

The 10-Year Staff Recommended 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.

Key components in determining an appropriate level of annual cash flows include historical capacity to spend reviews by project categories (Chart 2 below).

Chart 2 – Capacity to Spend



Category (in \$ Millions)	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Projected Actual*	2020 Staff Rec'd Budget
Health & Safety / Legislated			-	-	1.029	3.866
State of Good Repair	13.729	13.851	14.713	17.690	18.900	16.512
Service Improvement / Growth	0.320	0.320	0.574	1.640	1.704	4.447
Total	14.049	14.171	15.287	19.330	21.633	24.825
% Spent	100%	100%	100%	100%	98%	

*2019 Projected Actual (based on Q3 2019) adjusted to represent only the apportionment pertinent to the City of Toronto.

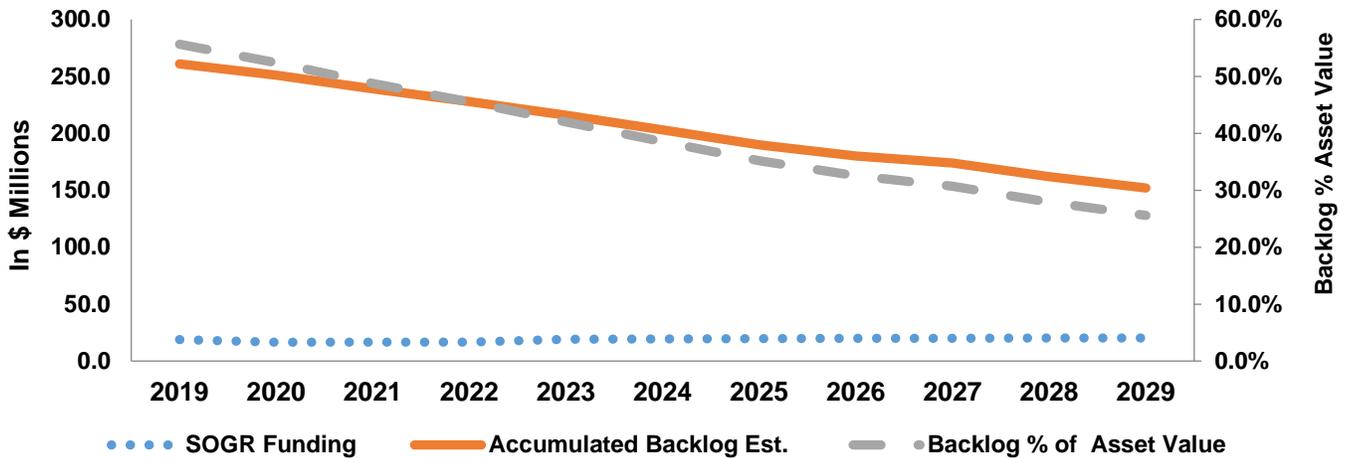
Capacity to Spend Review Impact on the Recommended 10-Year Plan

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	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
SOGR Funding	18.9	16.5	16.6	16.7	19.2	19.3	19.7	19.8	20.0	20.1	20.2
Accumulated Backlog Est.	261.0	251.0	239.0	228.0	216.0	203.0	190.0	180.0	174.0	162.0	152.0
Backlog % of Asset Value	55.7%	52.4%	48.8%	45.5%	42.0%	38.5%	35.2%	32.5%	30.7%	27.9%	25.6%
Total Asset Value	469.0	479.0	490.0	501.0	514.0	527.0	540.0	553.0	567.0	580.0	594.0

- TRCA has stewardship of assets which are comprised of land, land improvements, buildings, infrastructure with a total estimated replacement value at almost \$470 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 \$188.2 million for SOGR projects, funded by \$157.1 million from Toronto Water contributions and \$31.2 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:
 - \$105.5 million for *Critical Erosion* projects funded by Toronto Water including \$7.7 million for Gibraltar Point erosion work; \$63.0 million for Waterfront Major Maintenance; \$32.8 million for Erosion Major Maintenance; and \$2.0 million for Floodworks Major Maintenance; and
 - \$38.0 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 \$251 million in 2020 to \$152 million in 2029 while addressing emerging and expected repair work required.
- TRCA's total asset value is expected to increase from \$479 million in 2020 to \$594 million in 2029. The SOGR backlog as a percentage of asset value will decrease from 52% in 2020 to 26% in 2029.

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

2020 Staff Recommended Operating Budget by Expenditure Category

Category (In \$000s)	2017 Actual*	2018 Actual*	2019 Budget*	2019 Projected Actual*	2020 Total Staff Rec'd Budget	2020 Change from 2019 Projected Actual	
	\$	\$	\$	\$	\$	\$	%
Contribution from Toronto Water	4,831.0	4,952.1	5,075.9	5,075.9	5,202.8	126.9	2.5%
Total Revenues	4,831.0	4,952.1	5,075.9	5,075.9	5,202.8	126.9	2.5%
City of Toronto Contribution to TRCA	8,392.3	8,602.4	8,908.7	8,908.7	9,470.4	561.7	6.3%
Total Gross Expenditures	8,392.3	8,602.4	8,908.7	8,908.7	9,470.4	561.7	6.3%
Net Expenditures	3,561.3	3,650.3	3,832.8	3,832.8	4,267.6	434.8	11.3%

*Prior Year Actuals and 2019 Budget / Projected Actual (based on Q3 2019) adjusted to represent only the apportionment pertinent to the City of Toronto.

Appendix 2

Summary of 2020 Service Changes

Not Applicable for TRCA

Appendix 3

Summary of 2020 New / Enhanced Service Priorities Included in Budget

Not Applicable for TRCA

Appendix 4

Summary of 2020 New / Enhanced Service Priorities Not Included in Budget

New / Enhanced Service Description (in \$000s)	2020 Total			Incremental Change			
	\$	\$	Position	2021 Plan		2022 Plan	
	Gross	Net	#	Net	Pos.	Net	Pos.
New Service Priorities							
Referred to Budget Process:							
Tommy Thompson Shuttle Service	130.0	130.0					
Sub-Total Referred to Budget Process	130.0	130.0					
Total 2020 New / Enhanced Services	130.0	130.0					

- At its meeting on March 7, 2019, City Council requested the Chief Financial Officer and Treasurer and the Deputy City Manager, Community and Social Services to consider, as part of the 2020 Budget Process, increasing the City's funding for the Toronto and Region Conservation Authority by \$130,000 to fund the operation of a public shuttle service in Tommy Thompson Park, and City Council request that, as a part of those considerations the General Manager, Parks Forestry and Recreation (PFR), in conjunction with the Toronto and Region Conservation Authority, review other sources for these funds, including requesting financial assistance from the Toronto Port Authority for this public shuttle service, and provide an update on these efforts to the September 9, 2019 meeting of the Infrastructure and Environment Committee.
- The Tommy Thompson Park Shuttle Service would be in operation while the park is open to the public to improve safety and accessibility to all visitors. While Tommy Thompson Park features 17 kilometres of accessible trails, parts of the Park are inaccessible to people who cannot travel long distances by self-powered methods (such as walking or cycling), especially since the park is located on a peninsula that extends into Lake Ontario and the only entrances and parking lot are at the north end, five kilometres from the tip. By providing a free, accessible shuttle service within Tommy Thompson Park during the hours the park is open to the public, access to Tommy Thompson Park will become equitable for all visitors.
- TRCA will continue to work with PFR, Ports Toronto and others to seek funding for the Tommy Thompson Park shuttle for 2020 and beyond.

Appendix 5

2020 Capital Budget; 2021 - 2029 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2020 Budget	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2020 - 2029 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	9,500	9,500	11,000	11,000	11,000	11,000	11,000	11,000	11,000	105,500		105,500	
TR003	<i>Greenspace Land Acquisition (Toronto Share)</i>	64	64	64	64	64	64	64	64	64	64	640		640	
TR004	<i>Living City Action Plan</i>	3,245	3,360	3,478	3,599	3,723	3,850	3,980	4,114	4,251	4,367	37,967		37,967	
TR005	<i>Toronto Wildlife Centre Site Restoration</i>	315	50	45	35	30	25					500			500
TR006	<i>TRCA - Asset & Infrastructure Management Plan</i>	3,866										3,866	3,866		
TR007	<i>TRCA Administrative Infrastructure Project</i>	4,184	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	20,600		3,220	17,380
TR008	<i>TRCA Information Technology</i>	257	257	257	257	257	257	257	257	257	257	2,570		2,570	
TR009	<i>Waterfront & Valley Erosion Control</i>	1,600	1,600	1,600	2,420	2,420	2,420	2,420	2,420	2,420	2,420	21,740		21,740	
TR010	<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		12,880	1,350
Total Expenditures (including carry forward from 2019)		24,825	18,449	18,562	20,993	21,112	21,234	21,339	21,473	21,610	21,726	211,323	3,866	188,227	19,230

Appendix 5a

2020 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total 2020 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
TR001	Black Creek Pioneer Village Retrofit	371										371			371
TR002	Critical Erosion #2 Water Funded Enhancements	9,500										9,500			9,500
TR003	Greenspace Land Acquisition (Toronto Share)	64										64			64
TR004	Living City Action Plan	3,245										3,245			3,245
TR005	Toronto Wildlife Centre Site Restoration	315										315			315
TR006	TRCA - Asset & Infrastructure Management Plan	3,866										3,866			3,866
TR007	TRCA Administrative Infrastructure Project	4,184										4,184			4,184
TR008	TRCA Information Technology	257										257			257
TR009	Waterfront & Valley Erosion Control	1,600										1,600			1,600
TR010	Waterfront Development	1,423										1,423			1,423
Total Expenditures (including carry forward from 2019)		24,825	-	-	-	-	-	-	-	-	-	24,825	-	-	24,825

The 2020 Cash Flow and Future Year Commitments as noted in the table above, reflects a sub-set of the 10-Year Capital Plan. The 2020 Staff Recommended Capital Budget for TRCA totals \$24.825M in project cost, with cash flow commitments in 2020. TRCA do not have any future year commitments as part of the 2020-2029 Capital Budget & Plan. All future year amounts are planned estimates only.

Appendix 5b

2021 - 2029 Capital Plan

Project Code	(In \$000s)	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2021 - 2029 Plan Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TR001	Black Creek Pioneer Village Retrofit	371	371	371	371	371	371	371	371	371	3,339		3,339	
TR002	Critical Erosion #2 Water Funded Enhancements	9,500	9,500	11,000	11,000	11,000	11,000	11,000	11,000	11,000	96,000		96,000	
TR003	Greenspace Land Acquisition (Toronto Share)	64	64	64	64	64	64	64	64	64	576		576	
TR004	Living City Action Plan	3,360	3,478	3,599	3,723	3,850	3,980	4,114	4,251	4,367	34,722		34,722	
TR005	Toronto Wildlife Centre Site Restoration	50	45	35	30	25					185			185
TR007	TRCA Administrative Infrastructure Project	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	16,416		2,898	13,518
TR008	TRCA Information Technology	257	257	257	257	257	257	257	257	257	2,313		2,313	
TR009	Waterfront & Valley Erosion Control	1,600	1,600	2,420	2,420	2,420	2,420	2,420	2,420	2,420	20,140		20,140	
TR010	Waterfront Development	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	12,807		11,727	1,080
	Total Expenditures	18,449	18,562	20,993	21,112	21,234	21,339	21,473	21,610	21,726	186,498	-	171,715	14,783

Appendix 6

Reporting on Major Capital Projects: Status Update

Division / Project Name \$000s	2019 Cash Flow			Total Project Cost		Status	Start Date	End Date		On Budget	On Time
	Approved	YTD Spend	YE Project Spend	Appr. Budget	Life to Date			Planned	Revised		
<i>Toronto & Region Conservation Authority</i>											
Long-Term Accomodation - 5 Shoreham and Interest	382	308	382	39,200	1,012	Minor Delay	Jan-18	Dec-19	Nov-21	Ⓢ	Ⓢ
Comments:	The integrated design team has completed the contract documents and all tenders were issued and have closed. The overall tender amount received was over the project construction budget but within the overall project budget. The design team, in conjunction with the construction manager, continue to go through a value engineering exercise to align the construction cost with the project budget. This process continues and is anticipated to be complete by November, 2019. Construction is scheduled to start in November 2019 and be completed November 2021.										
Explanation for Delay:	The Notice of Approval of Conditions (NOAC) was issues on November 8, approximately six months beyond the planned schedule which caused the delay in SPA and building permit issuance. The delay was due to unexpected protracted negotiations with the site access neighbour, Tennis Canada concerning TRCA site access over their leased City property. City Planning staff requested that an agreement be in place prior to issuing NOAC. It should be noted that an agreement with Tennis Canada for site access was not originally included in City planning SPA comments or draft NOAC.										

- On/Ahead of Schedule Ⓢ >70% of Approved Project Cost
- Minor Delay < 6 months Ⓢ Between 50% and 70%
- Significant Delay > 6 months Ⓢ < 50% or > 100% of Approved

Appendix 7

Summary of Capital Needs Constraints (In \$ Millions)

Project Description	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)					
				2020	2021	2022	2023	2024	2025 - 2029
Scarborough Waterfront									
<i>Scarborough Waterfront Central Construction</i>	38.677	38.677	-	-	-	-	-	6.355	32.322
<i>Scarborough Waterfront Central Design</i>	1.583	-	1.583	-	-	-	-	0.554	1.029
<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>	1.939	1.939	-	0.122	0.132	0.132	0.122	0.122	1.309
<i>Scarborough Waterfront West Segment Construction</i>	37.337	37.337	-	0.305	4.815	21.028	11.189	-	-
<i>Scarborough Waterfront West Segment Design Ph. 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 Bluffs 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: Flood Mitigation Priority Enhancements</i>	1.500	1.500	-	0.150	0.150	0.150	0.150	0.150	0.750
<i>EC: Floodline Mapping Enhancement</i>	0.680	0.680	-	0.680	-	-	-	-	-
<i>EC: Lower Don Erosion Restoration Project</i>	4.000	4.000	-	0.100	0.200	1.200	1.200	1.300	-
<i>EC: Special Policy and Flood Vulnerable Areas Rev</i>	0.150	0.150	-	0.150	-	-	-	-	-
Asset & Infrastructure Needs									
<i>TRCA Asset: Assets Management Plan Implementation</i>	5.000	-	5.000	0.500	0.500	0.500	0.500	0.500	2.500
<i>TRCA Asset: Black Creek Pioneer Village MP Implem.</i>	0.500	-	0.500	0.100	0.200	0.200	-	-	-
<i>TRCA Asset: Black Creek Pioneer Village Retrofit</i>	4.000	-	4.000	0.400	0.400	0.400	0.400	0.400	2.000
<i>TRCA Asset: Black Creek Pioneer Village SOGR</i>	13.000	-	13.000	1.300	1.300	1.300	1.300	1.300	6.500
<i>TRCA Asset: High Lake Effect and Windstorm</i>	16.376	8.188	8.188	6.214	4.150	3.040	1.060	1.912	-
Land Acquisition									
<i>Land Acquisition: Greenlands Acquisition Project</i>	33.250	16.625	16.625	2.250	2.500	2.750	3.000	3.250	19.500
Other Studies & Initiatives									
<i>Other Initiatives: CA Trail Digital Mapping</i>	0.052	-	0.052	0.052	-	-	-	-	-
<i>Other Initiatives: Outdoor Education</i>	26.936	-	26.936	3.108	3.108	3.108	3.108	2.590	11.914
<i>Other Initiatives: Post Restoration Long-term Maintenance</i>	0.531	0.531	-	0.045	0.048	0.048	0.052	0.052	0.286
<i>Other Initiatives: Restoration Enhancement</i>	0.600	0.600	-	0.050	0.054	0.054	0.060	0.060	0.322
<i>Other Initiatives: Sustainable Neighborhood Retrofit</i>	1.200	-	1.200	0.250	0.275	0.300	0.375	-	-
<i>Other Studies: Climate Research and Resilience</i>	0.750	-	0.750	0.075	0.075	0.075	0.075	0.075	0.375
<i>Other Studies: PPG-Eco-Business Zone-Toronto East</i>	2.480	-	2.480	0.320	0.370	0.250	0.250	0.250	1.040
<i>Other Studies: Watershed Plan Development</i>	2.070	1.040	1.030	0.207	0.207	0.207	0.207	0.207	1.035
<i>Other: Compensation Restoration Habitat Bank</i>	0.060	-	0.060	0.030	0.030	-	-	-	-
<i>Other: Morningside Creek Culvert Replacement</i>	0.150	0.150	-	0.150	-	-	-	-	-
Total	333.504	221.367	112.137	19.733	26.885	40.542	29.048	25.077	192.219

In addition to the Recommended 10-Year Capital Plan of \$211.3 million, staff have also identified \$333.5 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 (\$3.866 million in 10-Year Capital Plan; \$167.0 million in Capital Needs Constraints):

- 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.
- The 10-Year Staff Recommended Capital Plan includes \$3.866 million in 2020 for the *Scarborough Waterfront: Brimley Road Construction* project. The remaining project cost for the *Scarborough Waterfront Project* of \$167.0 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 in Capital Needs Constraints):

- 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. While background work is underway, the formal commencement of an EA has been deliberately delayed by TRCA and the City until the Scarborough Waterfront Project receives a decision from the Minister of Environment, Conservation and Parks.
- 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 (\$3.7 million in 10-Year Capital Plan; \$17.5 million in Capital Needs Constraints):

- 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 8

2020 User Fee Changes
(Excludes User Fees Adjusted for Inflation)
Not Applicable for TRCA

Appendix 9

Inflows and Outflows to/from Reserves and Reserve Funds

2020 – 2029 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, 2019 *	Contributions / (Withdrawals)										Total
			2020 Budget	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	
XR1220 Tree Canopy Reserve Fund	Beginning Balance	7,724	7,724	2,206	(3,047)	(7,112)	(7,147)	(7,177)	(7,202)	(7,202)	(7,202)	(7,202)	
	<i>Withdrawals (-)</i>												
	<i>Toronto Wildlife Centre Site Restoration</i>		(315)	(50)	(45)	(35)	(30)	(25)	-	-	-	-	(500)
	Total Withdrawals		(315)	(50)	(45)	(35)	(30)	(25)	-	-	-	-	(500)
Other Program/Agency Net Withdrawals and Contributions			(5,203)	(5,203)	(4,020)	-	-	-	-	-	-	-	(14,426)
Balance at Year-End		7,724	2,206	(3,047)	(7,112)	(7,147)	(7,177)	(7,202)	(7,202)	(7,202)	(7,202)	(7,202)	

* Based on 9-month 2019 Reserve Fund Variance Report

Appendix 10

Glossary of Terms

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 CAA) 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.