

2023 Budget Notes

Corporate Real Estate Management

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Description

Corporate Real Estate Management (CREM) are stewards of City real estate assets. As a service delivery focused City division, CREM delivers excellence and value in real estate solutions by creating accessible, welcoming, and safe environments for all City employees, residents, and communities.

CREM leads life cycle asset management and improvements at 478 City-owned facilities with an approximate replacement value of \$5.9 billion, covering more than 12.0 million square feet. Approximately 20% of the City-wide portfolio of facilities are under direct capital management of CREM with functions such as real estate transactions and property management, security, capital project delivery and facilities maintenance services being provided across the City portfolio.

Why We Do It

Corporate Real Estate Management is a valuable partner in the City's program service delivery that works collaboratively with City Divisions, Agencies, Boards and Commissions to advance City-wide priorities. CREM aims to provide seamless services, ensuring:

- City staff and the public have access to **safe, clean and operational** City facilities.
- City facilities are economically and environmentally sustainable.
 - Economic sustainability includes **maximizing value from City facilities** while environmental sustainability includes **minimizing GHG emissions from City facilities** in support of meeting the City's GHG emission targets.

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

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What Service We Provide

Facilities Management

Who We Serve: Staff in City Divisions, Agencies, Boards and Commissions, residential and commercial tenants, and community groups.

What We Deliver: Life cycle asset management, custodial, energy management, project delivery services and security and life safety services.

How Much Resources (gross 2023 operating budget): \$173.3 million

Real Estate

Who We Serve: Staff in City Divisions, Agencies, Boards and Commissions, residential and commercial tenants, and community groups.

What We Deliver: Portfolio and property management, leasing administration, acquisitions and disposals, and appraisal services.

How Much Resources (gross 2023 operating budget): \$34.2 million

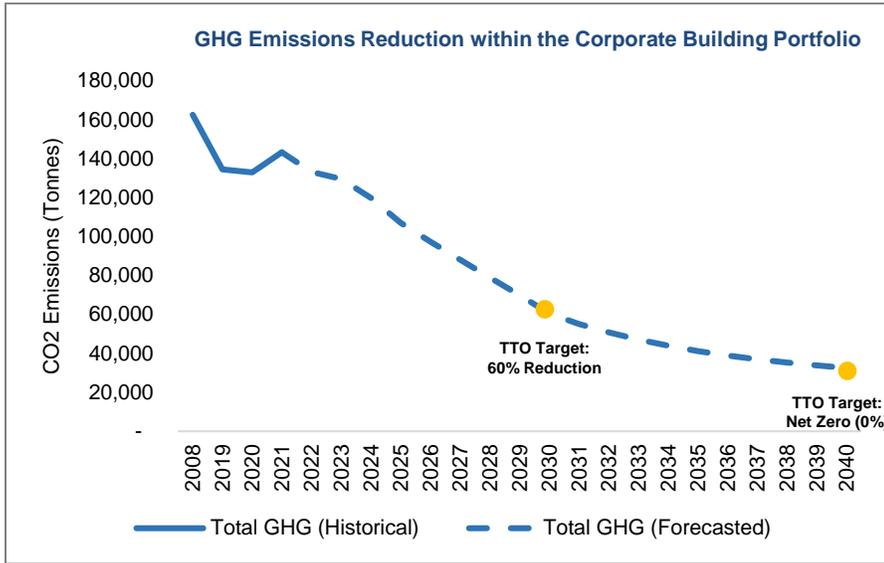
Budget at a Glance

| 2023 OPERATING BUDGET | | | |
|-----------------------|-------------|-------------|-------------|
| <u>\$Million</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| Revenues | \$96.5 | \$91.6 | \$91.6 |
| Gross Expenditures | \$207.5 | \$209.4 | \$209.6 |
| Net Expenditures | \$111.0 | \$117.8 | \$118.0 |
| Approved Positions | 1,030.4 | 1,030.4 | 1,030.4 |

| 2023 - 2032 10-YEAR CAPITAL PLAN | | | |
|---|-------------|------------------|------------------|
| <u>\$Million</u> | <u>2023</u> | <u>2024-2032</u> | <u>Total</u> |
| Gross Expenditures | \$334.5 | \$1,224.3 | \$1,558.8 |
| Debt | \$182.0 | \$536.3 | \$718.3 |
| Note: Includes 2022 carry forward funding | | | |

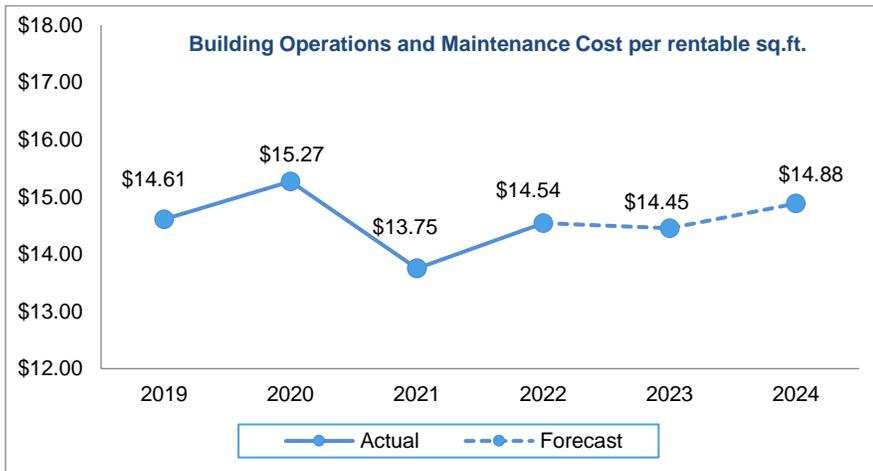
How Well We Are Doing – Behind the Numbers

Figure 1: GHG Emissions Reductions within the Corporate Building Portfolio



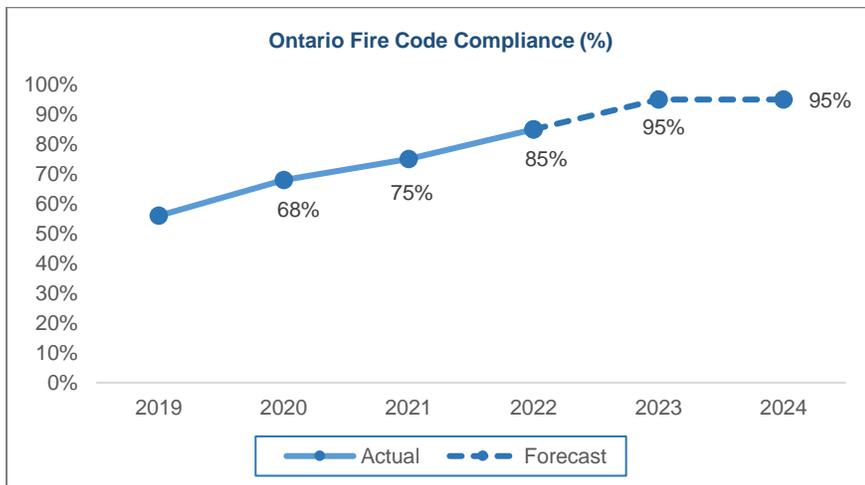
- Figure 1 shows the actual and forecasted Greenhouse Gas Emissions (GHG) at the City's corporate buildings in support of TransformTO goals of a 60% reduction by 2030 and net zero by 2040.
- By 2040, net-zero emissions will be achieved by offsetting any remaining building emissions through the purchase of carbon offsets or by working with regulators to allow long-term Power Purchase Agreements (PPAs) for off-set zero carbon energy.
- City Council adopted CREM's Net Zero Carbon Plan that includes objectives to reduce GHG emissions through fuel switching, drive efficient energy usage, and improve administration of the City's utilities portfolio.
- Incremental capital investment is required to implement this plan to drive reductions in GHG emissions, supporting the City's net zero targets. If incremental funding is not secured, meeting the City's long term targets will be in jeopardy.

Figure 2: Building Operations and Maintenance Cost per rentable square foot



- Figure 2 illustrates the actual and forecasted cost per rentable square foot, inclusive of custodial, building maintenance & repairs, security, and utilities costs.
- The average cost per square foot across Canadian municipalities is between \$14-\$16 per square foot.
- In 2022 improvements were made to service delivery continues to be modernized, shifting from reactive to preventative maintenance, which has allowed CREM to mitigate some inflationary pressures in both internal and contracted services.
- In 2023, continued inflationary pressures will be mitigated through reductions to service delivery in cleaning and maintenance. Plans will be developed to restore service levels in 2024 and beyond through continued modernization, implementation of the City-Wide Real Estate Model and changes to service delivery models.

Figure 3: Ontario Fire Code Compliance (%)



- Figure 3 illustrates the substantial progress made to bring City of Toronto buildings into compliance with the Ontario Fire Code, and to meet the industry leading standard of 95%.
- To achieve this high standard, CREM will leverage contracted and internal resources to standardize services city-wide, and in addition, has on-boarded a new training team for the development of a city-wide training program.

Figure 4: Lease Revenue Maximization (\$ in millions)



- Figure 4 illustrates impacts the COVID pandemic had on leasing revenues in 2021, including Union Station, and the slow recovery experienced in 2022.
- The downward trend in lease revenues starting in 2024 is primarily attributed to the Provincial Courts vacating Old City Hall by mid-2023. A reduction in gross revenues of \$10 million over 2023 and 2024 will be experienced as a result, with 2023 offset by other incremental leasing revenue. CREM is working with CreateTO and other City Divisions on planning investments and improvements to the space and are exploring future uses and other leasing opportunities.
- CREM continues to build out its property management functions and will focus on keeping leases up-to-date and at market rates that will ensure the City receives optimal value from its lease portfolio.

How Well We Are Doing

| Service | Measure | 2020 Actual | 2021 Actual | 2022 Target | 2022 Projection | Status | 2023 Target | 2024 Target |
|-------------------------------|---|-------------|-------------|-------------|-----------------|--------|-------------|-------------|
| Outcome Measures | | | | | | | | |
| Real Estate | Lease revenue maximization (\$ in Million) | \$57.78 | \$52.16 | \$57.76 | \$52.16 | ● | \$56.57 | \$52.70 |
| Facilities Management | % of all demand maintenance work orders completed within standards | 83.9% | 80.1% | 85.0% | 83.0% | ● | 75.0% | 75.0% |
| Facilities Management | GHG emissions at corporate building portfolio (Tonne) | 120,668 | 143,297 | 133,190 | 138,856 | ● | 129,523 | 119,865 |
| Service Level Measures | | | | | | | | |
| Facilities Management | % of preventative maintenance work orders completed on schedule | 92.9% | 90.7% | 90.0% | 90.1% | ● | 80.0% | 80.0% |
| Facilities Management | % of completed construction projects meeting cost, schedule and scope defined within project charters | 98.4% | 97.3% | 95.0% | 98.4% | ● | 95.0% | 95.0% |
| Real Estate | % of acquisition price to appraised value | 99.6% | 95.7% | 100.0% | 98.5% | ● | 100.0% | 100.0% |
| Other Measures | | | | | | | | |
| Facilities Management | Building operations and maintenance cost per rentable sq. ft. | \$15.27 | \$13.75 | \$15.00 | \$14.54 | ● | \$14.54 | \$14.88 |
| Facilities Management | Completion rate (%) of SOGR capital projects | 77.4% | 43.8% | 80.0% | 61.5% | ● | 80.0% | 80.0% |

2022 Projection to 2022 Target Comparison
 ● 80% - 100% ● 64 - 79% ● 63% and Under

COVID 19 IMPACT AND RECOVERY

2023 Impact and Recovery

Operating Budget Impact

- Losses in leasing revenue from Toronto Parking Authority and Union Station are expected to continue in 2023 as it is expected commuter traffic will continue to be below pre-pandemic levels.
- Additional expenditures are expected to continue into 2023 to address required security services in City parks.

Service Level Changes

- No impacts to service levels in 2023.
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EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Implementation of the ModernTO Workplace Modernization Program continues, in collaboration with CreateTO, the program has collapsed 13 of a total 32 leases to date, generating approximately \$4.6 million in annual operating cost savings, and reduced City office floor area by 122,000 square feet.
- Provided strategic planning and execution of the City's Return-to-Office Program for a safe transition back into the office across the organization.
- Generated over \$52 million in annual leasing revenue across the City's rental portfolio.
- Completed over 107,000 work orders, an increase of 16% over last year, at buildings across the City to ensure these facilities remain operational, safe and secure for City staff and the public.
- Addressed critical State of Good Repair (SOGR) needs across a portfolio of 478 City-owned properties by completing 91 projects in 2022 and over \$36 million in capital work.
- Completed the Union Station Revitalization Project, allowing the station to become a commercial retail hub and world class destination, while ensuring future financial sustainability with the expected opening of 160,000 square feet of rentable retail space.
- Continued implementation of the strategic plan to comply with Provincial legislation for the Accessibility for Ontarians with Disabilities Act (AODA) at City facilities with 223 active projects, including 90 in the construction phase.

Key Challenges and Risks

- **Planning for Growth** – Organizational readiness and access to tools and technology to provide scalable, integrated and centralized facilities and real estate services across the City, as mandated by City Council as part of the City-Wide Real Estate initiative.
- **Aging Assets** – Aging facilities requiring an innovative and strategic approach to managing the City's building portfolio while prioritizing initiatives aimed at reducing GHG emissions in support of TransformTO goals and objectives.
- **Market Conditions and Global Supply Chain Issues** – Throughout the pandemic, supply chain issues have had an economic impact in a variety of areas, and relevant impacts have been significant cost escalations for construction materials and the delivery of such materials. This has impacted the ability to execute on SOGR and major projects both in flight and upcoming in the capital plan.
- **Financial Sustainability** – Financing, executing, and sustaining major revitalization initiatives in City facilities, including AODA, St. Lawrence Market, Old City Hall and various Civic Centres as part of the ModernTO Workplace Modernization Program and managing growing cost pressures related to maintenance and operations of City facilities.

Priority Actions

- **Centralization of Real Estate and Facilities Management Functions** – Centralize stewardship and planning of the City's real estate assets, budgets and services, as well as modernizing and standardizing service delivery. This is a multi-year initiative that will align CREM services to industry best practices in order to achieve operational excellence and support financial sustainability, through the City-Wide Real Estate strategy.
- **Sustainability Initiatives** – Commence the implementation of the Council adopted Net Zero Carbon Plan in order to achieve the net zero emission targets for the City's building portfolio and the development of a Life Cycle Asset Management program to effectively and efficiently maintain the City's aging building portfolio.
- **City Building Initiatives** – Continue to support key City-wide priorities such as transit expansion, housing initiatives, the implementation of the ModernTO Workplace Modernization Program, construction on the new Etobicoke Civic Centre and continued plans to bring all City facilities in compliance with the Accessibility for Ontarians with Disabilities Act.
- **People and Culture** – Recruitment of critical positions that align with CREM's priority actions and strategic actions; and investment in staff through training and development with emphasis on complementing enterprise level diversity, equity and inclusion initiatives.
- **Technology, Data and Processes** – Implement and adopt tools and practices to enable data-driven decision making to support operations and service delivery.

TABLED BUDGET

The City Manager and Chief Financial Officer and Treasurer have tabled that:

1. The 2023 Operating Budget for Corporate Real Estate Management of \$207.523 million gross, \$96.517 million revenue and \$111.006 million net for the following services:

Service:

| | Gross Expenditures (\$000s) | Revenue (\$000s) | Net Expenditures (\$000s) |
|-----------------------------|------------------------------------|-------------------------|----------------------------------|
| Facilities Management | 173,335.4 | 29,409.4 | 143,926.0 |
| Real Estate | 34,187.5 | 67,107.5 | (32,920.0) |
| Total Program Budget | 207,522.9 | 96,516.9 | 111,006.0 |

- The above includes a 2023 budgeted staff complement for Corporate Real Estate Management of 1,030.4 positions comprised of 89.5 capital positions and 940.9 operating positions.
2. City Council approve 2023 Capital Budget for Corporate Real Estate Management with cash flows and future year commitments totaling \$1,102.185 million as detailed by project in [Appendix 6a](#).
 3. City Council approve the 2024-2032 Capital Plan for Corporate Real Estate Management totalling \$456.589 million in project estimates as detailed by project in [Appendix 6b](#).
 4. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2023 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

| (In \$000s) | 2021 Actual | 2022 Budget | 2022 Projection* | 2023 Base Budget | 2023 New / Enhanced | 2023 Budget | Change v. 2022 Projection | |
|---|------------------|------------------|------------------|------------------|---------------------|------------------|---------------------------|----------------|
| By Service | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Revenues | | | | | | | | |
| Facilities Management | 26,769.4 | 27,937.0 | 26,471.6 | 29,409.4 | | 29,409.4 | 2,937.7 | 11.1% |
| Real Estate | 58,120.5 | 67,422.2 | 62,251.5 | 67,107.5 | | 67,107.5 | 4,856.0 | 7.8% |
| Total Revenues | 84,889.9 | 95,359.2 | 88,723.1 | 96,516.9 | | 96,516.9 | 7,793.7 | 8.8% |
| Expenditures | | | | | | | | |
| Facilities Management | 159,657.7 | 173,307.7 | 171,933.6 | 173,335.4 | | 173,335.4 | 1,401.7 | 0.8% |
| Real Estate | 26,575.0 | 33,580.9 | 30,699.4 | 34,187.5 | | 34,187.5 | 3,488.1 | 11.4% |
| Total Gross Expenditures | 186,232.7 | 206,888.6 | 202,633.0 | 207,522.9 | | 207,522.9 | 4,889.9 | 2.4% |
| Net Expenditures (including COVID-19) | 101,342.8 | 111,529.4 | 113,909.9 | 111,006.0 | | 111,006.0 | (2,903.9) | (2.5%) |
| Required COVID-19 Support | (1,149.4) | 6,732.0 | 7,753.8 | 3,935.7 | | 3,935.7 | (3,818.1) | (49.2%) |
| Net Budget (excluding COVID-19 supports) | 102,492.2 | 104,797.4 | 106,156.0 | 107,070.3 | | 107,070.3 | 914.2 | 0.9% |
| Approved Positions** | 1,025.4 | 1,025.4 | N/A | 1,030.4 | | 1,030.4 | N/A | N/A |

*2022 Projection based on 9 Month Variance

**YoY comparison based on approved positions

The 2023 Budget of \$111.006 million in net expenditure reflects a \$2.904 million or 2.5% decrease from 2022 projections comprised of:

- \$3.818 million or 49.2% net decrease in COVID-19 impacts expected in 2023 compared to 2022 projections; and
- \$0.914 million or 0.9% net increase in the 2023 Net Budget (excluding COVID) compared to 2022 projections.

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Budget expenditures of \$207.523 million gross reflect an increase of \$4.890 million in spending above 2022 projected year-end actuals, predominantly arising from:

- Increase in salaries and benefits due to inflationary impacts and to align with staffing plans.
- Inflationary increases on utilities, including the City transitions to using renewable natural gas.
- Inflationary contractual increases for custodial, maintenance and security service providers.
- Reduction to COVID-19 enhanced cleaning and disinfection services at City facilities.
- Various affordability measures, including changes to operational services.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Corporate Real Estate Management's 2023 Operating Budget do not have any significant equity impacts.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for Corporate Real Estate Management of \$207.523 million in gross expenditures is \$4.890 million or 2.4% higher than the 2022 Projected Actuals, with an overall net decrease of 2.5% below 2022 projections. Table 2 below summarizes the changes by revenue and expenditure category for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

| Category (In \$000s) | 2020 Actual | 2021 Actual | 2022 Budget | 2022 Projection* | 2023 Budget | 2023 Change from 2022 Projection | |
|--|------------------|------------------|------------------|---------------------|------------------|-------------------------------------|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Federal Subsidies | | | 206.0 | | 206.0 | 206.0 | |
| User Fees & Donations | 55,211.9 | 48,058.9 | 50,063.1 | 48,234.4 | 47,842.1 | (392.3) | (0.8%) |
| Transfers From Capital | 8,051.0 | 12,632.5 | 14,080.4 | 14,145.9 | 15,954.4 | 1,808.4 | 12.8% |
| Contribution From Reserves/Reserve Funds | 108.5 | 79.3 | 1,249.1 | 1,692.2 | 1,572.0 | (120.1) | (7.1%) |
| Sundry and Other Revenues | 8,628.0 | 11,944.3 | 17,090.3 | 11,647.5 | 17,090.5 | 5,443.0 | 46.7% |
| Inter-Divisional Recoveries | 13,823.6 | 12,174.9 | 12,670.4 | 13,003.2 | 13,852.0 | 848.8 | 6.5% |
| Total Revenues | 85,823.0 | 84,889.9 | 95,359.2 | 88,723.1 | 96,516.9 | 7,793.7 | 8.8% |
| Salaries and Benefits | 90,986.6 | 91,363.9 | 100,470.5 | 99,354.0 | 102,101.3 | 2,747.3 | 2.8% |
| Materials & Supplies | 30,114.3 | 30,998.4 | 35,675.7 | 36,399.0 | 37,798.2 | 1,399.1 | 3.8% |
| Equipment | 692.0 | 836.3 | 520.1 | 869.1 | 487.4 | (381.7) | (43.9%) |
| Service and Rent | 62,536.9 | 56,891.0 | 67,039.9 | 62,491.8 | 64,016.5 | 1,524.6 | 2.4% |
| Contribution To Reserves/Reserve Funds | 3,705.4 | 2,004.1 | 689.5 | 682.5 | 2,204.4 | 1,521.9 | 223.0% |
| Other Expenditures | 4,093.2 | 3,486.6 | 2,380.6 | 2,385.7 | 837.4 | (1,548.2) | (64.9%) |
| Inter-Divisional Charges | 28.7 | 652.3 | 112.3 | 450.8 | 77.6 | (373.2) | (82.8%) |
| Total Gross Expenditures | 192,157.1 | 186,232.7 | 206,888.6 | 202,633.0 | 207,522.9 | 4,889.9 | 2.4% |
| Net Expenditures | 106,334.1 | 101,342.8 | 111,529.4 | 113,909.9 | 111,006.0 | (2,903.9) | (2.5%) |

*Projection based on 9 Month Variance

Key Base Drivers:**Salaries & Benefits:**

Increase reflects annualization of staff hired in 2022, inflationary increases outlined in collective agreements for staffed positions as well as anticipated staffing plans for 2023.

Materials and Supplies:

Includes inflationary increases on utilities primarily driven by prices increases across all utilities and the implementation of renewable natural gas in support of TransformTO goals.

Services and Rents:

Increase is mainly driven by inflationary increases on externally contracted services for custodial, maintenance and security service providers. The inflationary pressures are partially offset by efficiencies in contract management and service level changes related to custodial cleaning, security coverage and facilities maintenance tabled as affordability measures. Additional offsets include the elimination of COVID-19 enhanced cleaning at certain City facilities and return to office costs that are no longer required.

Revenue Changes:

Increase in revenues is driven by inflationary impacts within the general leasing portfolio, new lease and license agreements, lease reconciliations completed in 2022, increased recoveries from capital for staff implementing major capital initiatives, and the opening of additional retail space at Union Station. This is partially offset by the loss of lease revenues related to the Provincial Courts vacating its space at Old City Hall.

Offsets and Efficiencies:

The 2023 operating budget includes savings from efficiencies and operational adjustments related to contract management, and alignment of custodial services with building occupancy levels driven by the continued hybrid work model. Also included are budget reductions that result in lower service levels necessary to meet City budget and affordability constraints. These include reduced service levels related to custodial services, adjustments to security coverage at City facilities, deferral of non-critical maintenance at City facilities and a reduction in public operating hours at Civic Centres, City Hall and Metro Hall.

Note:

- For additional information on 2023 key cost drivers please refer to [Appendix 2](#) for a summary of Affordability Measures, [Appendix 3](#) for a more detailed listing and descriptions of the 2023 Service Changes, respectively.

2024 & 2025 OUTLOOKS**Table 3: 2024 and 2025 Outlooks**

| (\$000s) | 2023 Budget | 2024 Incremental Outlook | 2025 Incremental Outlook |
|---------------------------------|------------------|--------------------------|--------------------------|
| Revenues | | | |
| Growth | | 278.9 | 4.7 |
| Impacts of 2023 | | (5,192.2) | |
| Total Revenues | 96,516.9 | (4,913.3) | 4.7 |
| Gross Expenditures | | | |
| Salaries and Benefits | | 2,002.1 | 164.1 |
| Inflationary Impacts | | 543.2 | 21.8 |
| Growth | | 2,320.9 | 28.5 |
| Impacts of 2023 | | (3,014.8) | |
| Total Gross Expenditures | 207,522.9 | 1,851.4 | 214.5 |
| Net Expenditures | 111,006.0 | 6,764.7 | 209.7 |
| Approved Positions | 1,030.4 | 0.0 | 0.0 |

Key drivers

The 2024 Outlook with total gross expenditures of \$209.374 million reflects an anticipated \$1.851 million or 0.9% increase in gross expenditures above the 2023 Operating Budget; The 2025 Outlook expects a further increase of \$0.215 million or 0.1% above 2024 gross expenditures.

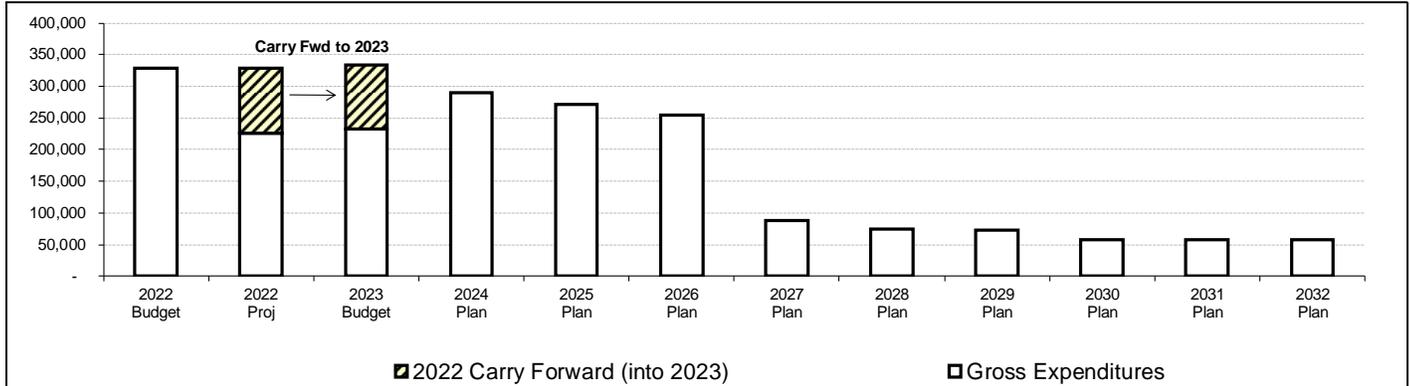
These changes arise from the following:

- Salaries and Benefits**
 Cost-of-Living (COLA) and step increases for unionized staff. **(2024 & 2025)**
- Inflationary Impacts**
 Increases on utilities, external contracts and property taxes. **(2024 & 2025)**
- Growth**
 The opening of the St. Lawrence Market North and increasing Union Station leasing space, resulting in growth in revenues and associated operating costs. **(2024 & 2025)**
- Impacts of 2023**
 Reduction in revenue and associated costs from Old City Hall due to the Provincial Courts vacating the space it currently occupies in 2023. **(2024 only)**

**2023 – 2032
CAPITAL BUDGET AND PLAN**

2023 2032 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview
(\$'000)



| In \$'000's | 2022 | | 2023 Capital Budget and 2024 - 2032 Capital Plan | | | | | | | | | | Total 10 Year Plan |
|----------------------------------|--|------------------|--|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| | Budget | Projected Actual | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | |
| | Gross Expenditures by Project Category: | | | | | | | | | | | | |
| Health & Safety & Legislated | 70,764 | 56,344 | 68,950 | 21,798 | 16,049 | 8,751 | 8,750 | 4,250 | 3,250 | 3,250 | 3,250 | 3,250 | 141,548 |
| SOGR | 104,575 | 50,940 | 85,105 | 73,356 | 54,573 | 38,833 | 44,517 | 61,026 | 63,379 | 47,633 | 48,170 | 48,335 | 564,927 |
| Service Improvement & Growth | 152,926 | 119,418 | 180,389 | 194,367 | 201,055 | 207,699 | 34,690 | 8,900 | 6,650 | 6,650 | 5,950 | 5,950 | 852,299 |
| Total by Project Category | 328,265 | 226,701 | 334,444 | 289,521 | 271,677 | 255,283 | 87,958 | 74,176 | 73,279 | 57,533 | 57,370 | 57,535 | 1,558,774 |
| Financing: | | | | | | | | | | | | | |
| Debt | 210,337 | 142,630 | 182,042 | 81,506 | 78,358 | 40,641 | 50,686 | 63,779 | 60,341 | 52,925 | 53,975 | 54,065 | 718,317 |
| City Buidling Fund | | | | | | | | | | | | | - |
| Reserves/Reserve Funds | 48,114 | 39,318 | 48,996 | 7,500 | 76,022 | 175,950 | 2,250 | 3,854 | 8,991 | 914 | - | 451 | 324,928 |
| Development Charges | | | | | | | | | | | | | - |
| Provincial | 1,338 | 870 | 713 | 320 | 416 | 1,578 | 1,731 | 3,544 | 947 | 694 | 395 | 19 | 10,356 |
| Federal | 3,023 | 3,023 | 7,500 | 7,500 | - | - | - | - | - | - | - | - | 15,000 |
| Debt Recoverable | 30,335 | 17,133 | 48,678 | 96,081 | 63,219 | 31,113 | 28,290 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 282,380 |
| Other Revenue | 35,119 | 23,728 | 46,515 | 96,614 | 53,663 | 6,001 | 5,000 | - | - | - | - | - | 207,792 |
| Total Financing | 328,265 | 226,701 | 334,444 | 289,521 | 271,677 | 255,283 | 87,956 | 74,176 | 73,279 | 57,533 | 57,370 | 57,535 | 1,558,774 |

| Changes to Existing Projects (\$15.3 Million) | New Projects (\$74.4 Million) | Capital Needs Constraints (\$1,694.4 Million) |
|--|--|--|
| <p>The 2023-2032 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2023-2031):</p> <ul style="list-style-type: none"> • \$37.2M increase for strategic property acquisition for the future site of a new Toronto Transit Commission ("T.T.C.") garage, (CC38.19) providing a new opportunity for the City to acquire additional industrial lands for municipal purposes, funded from the Land Acquisition Reserve Fund • \$2.0M increase for Building Automation System (BAS) primarily in BAS & component renewal at various locations • \$1.1M increase for State of Good Repair (SOGR) related to material and labor cost escalations impacted the SOGR program • \$24.8M decrease in in core State of Good Repair (SOGR) such as sitework, mechanical and electrical, small capital works to partially offset new capital priorities | <p>The 2023-2032 Capital Budget and Plan includes new projects. Key projects are as follows:</p> <ul style="list-style-type: none"> • \$63.6M to address critical SOGR requirements at City facilities, includes mechanical & electrical, elevator modernization, structural/building envelope work • \$4.1M in city-wide physical security enhancements as part of the corporate security program • \$2.0M to address compliance with legislated requirements under the Fire & Life Safety programs as well as City-wide enhancements to keep facilities efficient, safe and secure • \$2.0M investments in business solutions to support CREM's implementation of the City-Wide Real Estate model, enhancing the use of process tools and data analytics to support operations • \$2.0M for feasibility studies on special projects including building condition assessments, climate change, energy audits, Net Zero emission study, and strategic projects in conjunction with CreateTO | <p>Corporate Real Estate Management has significant unfunded capital needs within the 10-year planning horizon:</p> <ul style="list-style-type: none"> • \$1,281.8M to address backlog SOGR requirements identified from building condition audits at City facilities over the next 10 years • \$349.9M Net Zero Carbon Plan transition City buildings to net zero emissions through comprehensive energy retrofits • \$42.1M estimated for the redevelopment of Old City Hall. Future uses will continue to be evaluated and funding needs will be confirmed once plans are developed • \$20.6M for the re-design of the lower level of St. Lawrence Market South |

Note:

For additional information, please refer to [Appendix 6](#) for a more detailed listing of the 2023 and 2024-2032 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; [Appendix 8](#) for Capacity to Spend Review; and [Appendix 9](#) for Capital Needs Constraints, respectively.

2023 – 2032 CAPITAL BUDGET AND PLAN

\$1,558.8 Million 10-Year Gross Capital Program

| | | |
|---|--|--|
|  |  |  |
| <p>Aging Infrastructure/SOGR</p> | <p>Service Improvement, Enhancement and Growth</p> | <p>Health and Safety & Legislated</p> |
| <p>\$564.9 Million 36.2%</p> | <p>\$852.3 Million 54.7%</p> | <p>\$141.6 Million 9.1%</p> |
| <ul style="list-style-type: none"> • <i>Accessibility for Ontarians with Disabilities Act (AODA)</i> • <i>Structural/Building Envelope</i> ✓ • <i>Mechanical/ Electrical</i> ✓ • <i>Emergency Capital Repairs</i> • <i>Renovations</i> • <i>Sitework</i> • <i>Union Station SOGR</i> | <ul style="list-style-type: none"> • <i>St. Lawrence Market North</i> ✓ • <i>New Etobicoke Civic Centre</i> ✓✓ • <i>Old City Hall</i> • <i>ModernTO Workplace Modernization Program</i> ✓ • <i>Wellington Destructor</i> ✓ • <i>Relocation of Fire Hall 332 to 55 John Street (Metro Hall)</i> • <i>Property Acquisitions for Strategic City Building using the City-Wide Real Estate Model</i> • <i>City support of the IRSS legacy sculpture and memorial garden</i> ✓ | <ul style="list-style-type: none"> • <i>Preventative Maintenance</i> • <i>Management Reporting Initiative</i> • <i>Building Automation System</i> ✓ • <i>City-wide Physical Security Enhancements</i> • <i>Net Zero Carbon Plan Program</i> ✓ • <i>Energy Conservation & Demand Management</i> ✓ • <i>Energy Audits</i> ✓ • <i>Electrical Resiliency</i> ✓ • <i>Customer Experience</i> |

✓ - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

✓ - Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Budget and Plan cash flows. Does not break out the climate component costs separately

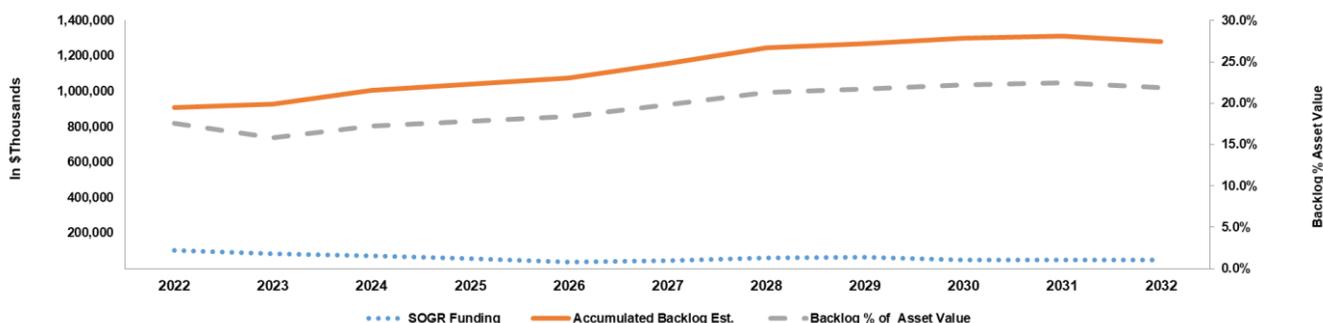
How the Capital Program is Funded

| City of Toronto | | Provincial Funding | | Federal Funding | |
|------------------------------------|------------|--------------------------------|-----------|--------------------------------|----------|
| \$1,533.4 M 98.4% | | \$10.0 M 0.7% | | \$15.0 M 1.0% | |
| Debt | \$ 718.3 M | Other | \$ 10.4 M | Other | \$15.0 M |
| Recoverable Debt | \$ 282.4 M | | | | |
| Reserve / Reserve Funds | \$ 324.9 M | | | | |
| Other | \$ 207.8 M | | | | |

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

Corporate Real Estate Management (CREM) is responsible for capital improvements and repairs at more than 487 facilities, covering over 12.5 million square feet with an approximate replacement value of \$5.850 billion, including Union Station. The chart below depicts the SOGR funding and accumulated backlog estimates in Corporate Real Estate Management.

Chart 2: Total SOGR Funding & Backlog



| \$ Thousands | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SOGR Funding | 104,575 | 85,105 | 73,356 | 54,573 | 38,833 | 44,517 | 61,026 | 63,379 | 47,633 | 48,170 | 48,335 |
| Accumulated Backlog Est. | 910,983 | 926,774 | 1,007,866 | 1,041,657 | 1,075,564 | 1,156,767 | 1,247,067 | 1,269,085 | 1,299,153 | 1,313,773 | 1,281,780 |
| Backlog % of Asset Value | 17.6% | 15.8% | 17.2% | 17.8% | 18.4% | 19.8% | 21.3% | 21.7% | 22.2% | 22.5% | 21.9% |
| Total Asset Value | 5,184,952 | 5,850,194 |

- The Corporate Real Estate Management building portfolio noted above is comprised of a number of building types utilized by City Programs and Agencies for their service delivery, including among others:
 - Toronto Police Services – 40 buildings / 2.2 million square feet
 - Fire Services – 102 buildings / 0.960 million square feet
 - Toronto Paramedic Services – 36 buildings / 0.4 million square feet
 - Other Corporate facilities – 277 buildings / 10.2 million square feet
- Based on the current funding levels, the backlog will increase from \$911 million or 17.6% of replacement asset value in 2022 to \$1,282 million or 21.9% by 2032 primarily due to:
 - A vast portfolio of aging City facilities and infrastructure that continues to service a growing city
 - Investments in SOGR at a rate of approximately 1% of the replacement value of the portfolio compared to the industry standard of 2% to 4%

- Reductions to SOGR funding needed to address the COVID-19 support funding shortfall from the federal and provincial governments. This was required to ensure the City maintains a balanced Operating Budget while addressing the financial impacts continuing to arise from the pandemic
- Alignment of cash flows to better reflect CREM's readiness/capacity to deliver projects based on resources constraints and priorities. These issues have been addressed through a focused hiring plan and changes in delivery methods, which is expected to increase the Division's ability to deliver these critical SOGR projects.
- Ongoing cost escalations and supply chain issues have not been factored into backlog needs above. The Division, through its Asset Management plans, will consider these and other factors as it revisits the SOGR planning process and backlog going forward.
- Through two priority actions initiated in 2022, the CREM Division is expecting to be able to begin to address the growing backlog while maintaining existing facilities in a state of good repair, operational and safe for City and public use.
 - Corporate Real Estate Management is developing and implementing industry standard Asset Management plans, programs and practices. This includes strategic approaches to addressing the growing backlog and implementing the appropriate preventative maintenance programs to reduce the overall cost of ownership of assets, improve performance and reduce failure, downtime and major maintenance investments
 - The rationalization of office space to be achieved through the ModernTO Workplace Modernization Program will reduce the overall size of the building portfolio, and as a result reduce the need to investment in state of good repair backlog across facilities that will no longer be used for City office purposes. This programmatic approach will continue across all City asset types in an ongoing effort to rationalize and optimize the City's real estate portfolio through the City-Wide Real Estate Model.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

In the 2023 Operating Budget there are no impacts identified from the 10-Year Capital Budget and Plan.

While there are no direct operating impacts from newly completed capital projects explicitly identified in the plan, some projects are expected to have impacts on future year operating budgets. The specific impacts are still being evaluated and managed.

- The ModernTO Workplace Modernization Program is expected to generate operational savings in future years as leases are collapsed and staff are brought into core City space. Savings have been and will continue to be realized across various programs and agencies and have been, and will continue to be used to repay the cost of the capital project to modernize City office space.
- Additional savings are expected from capital investments in energy efficiency projects at City facilities through lower utility costs. Savings generated can be used to offset expected utility price increases and to invest back in City facilities to meet the TransformTO GHG reduction targets.
- As CREM implements the Net Zero Carbon Plan there are changes that will be incorporated into future operating and capital budgets for the Division, as well as other City Divisions, Agencies and Corporations, as this plan is expected to be adopted City-wide. These changes will be reported within respective future budget submissions of these City Divisions, Agencies and Corporations.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

| COVID-19 Impacts | In \$ Thousands | | | | |
|-------------------------------------|-----------------|------------------|----------------|----------------|----------------|
| | 2022 | | 2023 | | |
| | Budget | Projection* | Revenues | Gross | Net |
| Revenue Loss | | | | | |
| Leasing Revenue | 556.6 | 556.6 | (556.6) | | 556.6 |
| Sub-Total | 556.6 | 556.6 | (556.6) | | 556.6 |
| Expenditure Increase | | | | | |
| Enhanced Cleaning Services | 2,132.8 | 2,648.8 | 120.9 | 120.9 | |
| Required Security Services | 3,379.1 | 3,534.4 | | 3,379.1 | 3,379.1 |
| Return to Office Costs | 663.5 | 773.6 | | | |
| Personal Protective Equipment | | 1,839.9 | | | |
| Sub-Total | 6,175.4 | 8,796.7 | 120.9 | 3,500.0 | 3,379.1 |
| Savings Due to Underspending | | | | | |
| Facilities Maintenance Services | | (1,037.9) | | | |
| Utilities | | (561.6) | | | |
| Sub-Total | | (1,599.5) | | | |
| Total COVID-19 Impact | 6,732.0 | 7,753.8 | (435.7) | 3,500.0 | 3,935.7 |

* 2022 Projection based on 9-month variance.

** Should only reflect COVID-19 program-specific funding that is budgeted or received. Please exclude COVID-19 budget and actuals that are within corporate accounts.

Appendix 2

2023 Affordability Measures

| (\$000s) | | | | | | | | | |
|--|----------------------|---------------|----------------|------------------|-------------------|-----------|--------------------|-----|-----------|
| Recommendation | Savings Type | Equity Impact | 2023 | | | | 2024 (Incremental) | | |
| | | | Revenue | Gross | Net | Positions | Gross | Net | Positions |
| Continue improvements on contract management and oversight | Efficiencies | None | | (1,026.4) | (1,026.4) | | | | |
| Adjustments to assumptions on utilities consumption | Efficiencies | None | | (519.7) | (519.7) | | | | |
| Adjustments to custodial services based on occupancy levels | Efficiencies | None | (103.2) | (2,063.2) | (1,960.0) | | | | |
| Additional lease revenues from portfolio review | Efficiencies | None | 2,681.5 | | (2,681.5) | | | | |
| Reduction in unplanned, weekend & holiday custodial services | Service Level Change | None | (92.1) | (1,224.3) | (1,132.2) | | | | |
| Reduction in facilities maintenance for non-critical work | Service Level Change | None | (234.5) | (2,480.0) | (2,245.5) | | | | |
| Adjustments to security coverage at City facilities | Service Level Change | None | (117.4) | (617.8) | (500.4) | | | | |
| Reduction in operating hours at corporate facilities | Service Level Change | None | | (512.2) | (512.2) | | | | |
| Total Affordability Measures | | | 2,134.4 | (8,443.6) | (10,578.0) | - | | | - |

Appendix 3

Summary of 2023 Service Changes

| Form ID | | Corporate Services Program - Corporate Real Estate Management | Adjustments | | | | 2024 Plan Net Change | 2025 Plan Net Change |
|---|------------------|---|----------------------|----------------|------------------|-----------------------|-------------------------|-------------------------|
| Category | Equity Impact | | Gross Expenditure | Revenue | Net | Approved Positions | | |
| 2023 Tabled Base Budget Before Service Changes: | | | 212,357.1 | 96,960.9 | 115,396.3 | 1,030.40 | 6,764.7 | 209.7 |
| 27736 | | Reduction in unplanned, weekend & holiday custodial services | | | | | | |
| 59 | No Impact | Description: | | | | | | |
| | | Reduce custodial overtime hours for unplanned and on demand service requests, as well as reducing weekend and statutory holiday custodial services across the portfolio. | | | | | | |
| | | Service Level Impact: | | | | | | |
| | | This reduction is being made as an affordability measure and will result in less coverage for unplanned or surge cleaning needs and cleaning service availability for facilities that are a 24/7 operations. Portfolio optimization efforts continue through operational changes which should mitigate any impacts of these changes for building users. | | | | | | |
| | | Equity Statement: | | | | | | |
| | | No equity impact has been identified for this proposal. | | | | | | |
| | | Service: Facilities Management | | | | | | |
| | | Total Tabled Budget Changes: | (1,224.3) | (92.1) | (1,132.2) | 0.00 | 0.0 | 0.0 |
| | | Tabled Service Changes: | (1,224.3) | (92.1) | (1,132.2) | 0.00 | 0.0 | 0.0 |
| 27738 | | Reduction in facilities maintenance for non-critical work | | | | | | |
| 59 | No Impact | Description: | | | | | | |
| | | Reducing non-critical on-demand work requests across City facilities. | | | | | | |
| | | Service Level Impact: | | | | | | |
| | | Existing resources will be utilized to meet health & safety, legislative and critical maintenance needs, focusing on preventative maintenance. Limiting non-critical on-demand work requests will allow for this, while also acting as an affordability measure. Efforts will be focused on ensuring a base level of service and availability is maintained for staff and the public. | | | | | | |
| | | Equity Statement: | | | | | | |
| | | No equity impacts expected. | | | | | | |
| | | Service: Facilities Management | | | | | | |
| | | Total Tabled Budget Changes: | (2,480.0) | (234.5) | (2,245.5) | 0.00 | 0.0 | 0.0 |
| | | Tabled Service Changes: | (2,480.0) | (234.5) | (2,245.5) | 0.00 | 0.0 | 0.0 |
| 27751 | | Adjustments to security coverage at City facilities | | | | | | |
| 59 | No Impact | Description: | | | | | | |
| | | Adjustment in security coverage across corporate and client facilities. | | | | | | |
| | | Service Level Impact: | | | | | | |
| | | Security coverage will be slightly reduced mainly at corporate facilities as an affordability measure. Operational adjustments will be implemented to mitigate impacts to City staff and the public. | | | | | | |
| | | Equity Statement: | | | | | | |
| | | No equity impact has been identified for this proposal. | | | | | | |
| | | Service: Facilities Management | | | | | | |
| | | Total Tabled Budget Changes: | (617.8) | (117.4) | (500.4) | 0.00 | 0.0 | 0.0 |
| | | Tabled Service Changes: | (617.8) | (117.4) | (500.4) | 0.00 | 0.0 | 0.0 |

| | | | | | | | | | |
|-----------------|----|-----------|---|-----------|----------|-----------|----------|---------|-------|
| 27822 | 59 | No Impact | Reduction in operating hours at corporate facilities | | | | | | |
| | | | Description: | | | | | | |
| | | | Reducing public access hours of operation at City Hall, Metro Hall and Civic Centres. | | | | | | |
| | | | Service Level Impact: | | | | | | |
| | | | Reducing the hours of operation at City Hall, Metro Hall and Civic Centres partially during the week and limiting weekend access only to special events that can be accommodated. Public use of these spaces will be reduced during these periods, however based on current usage rates the impact of this changed is expected to be low. | | | | | | |
| | | | Equity Statement: | | | | | | |
| | | | No equity impact has been identified for this proposal. | | | | | | |
| | | | Service: Facilities Management | | | | | | |
| | | | Total Tabled Budget Changes: | (512.2) | 0.0 | (512.2) | 0.00 | 0.0 | 0.0 |
| | | | Tabled Service Changes: | (512.2) | 0.0 | (512.2) | 0.00 | 0.0 | 0.0 |
| Summary: | | | | | | | | | |
| | | | Tabled Service Changes: | (4,834.3) | (444.0) | (4,390.3) | 0.00 | 0.0 | 0.0 |
| | | | Tabled Base Budget: | 207,522.9 | 96,516.9 | 111,006.0 | 1,030.40 | 6,764.7 | 209.7 |

Appendix 4

Summary of 2023 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2023 Capital Budget; 2024 - 2032 Capital Plan Including Carry Forward Funding

| Project Code | (In \$000s) | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | 2023 - 2032 Total | Health & Safety & Legislated | SOGR | Growth & Improved Service |
|---|--|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|------------------------------|----------------|---------------------------|
| CCA001 | Accessibility for Ontarians with Disabilities Act (AODA) Program | 61,740 | 16,548 | 12,799 | 6,001 | 5,000 | - | - | - | - | - | 102,088 | 102,088 | | |
| CCA002 | Fire & Life Safety <input checked="" type="checkbox"/> | 3,925 | 4,000 | 2,000 | 1,500 | 2,500 | 3,000 | 2,000 | 2,000 | 2,000 | 2,000 | 24,925 | 24,925 | | |
| CCA003 | Other Health & Safety <input checked="" type="checkbox"/> | 3,319 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 14,569 | 14,569 | | |
| CCA004 | 1050 Ellesmere Building Enhancements <input checked="" type="checkbox"/> | 14,272 | 10,921 | 9,874 | 500 | - | - | - | - | - | - | 35,567 | | 35,567 | |
| CCA005 | Building Automation System (BAS) <input checked="" type="checkbox"/> | 2,845 | 2,000 | 1,500 | 2,578 | 2,000 | 6,750 | 2,000 | 2,000 | 2,000 | 2,000 | 25,673 | | 25,673 | |
| CCA006 | Emergency Repairs | 2,038 | - | - | - | 2,950 | 2,717 | 1,056 | 1,326 | 672 | 370 | 11,129 | | 11,129 | |
| CCA007 | Environmental | 1,643 | 1,642 | 1,686 | 1,686 | - | 3,566 | 1,783 | 1,783 | 1,783 | 1,783 | 17,355 | | 17,355 | |
| CCA008 | Feasibility Studies | 1,707 | 1,500 | 2,000 | 2,000 | 1,500 | 1,500 | 2,000 | 2,000 | 2,000 | 2,000 | 18,207 | | 18,207 | |
| CCA009 | FM Elevator Program | 1,602 | 1,729 | 1,000 | 600 | - | - | - | - | - | - | 4,931 | | 4,931 | |
| CCA010 | Mechanical and Electrical <input checked="" type="checkbox"/> | 7,221 | 4,196 | 10,030 | 9,975 | 7,899 | 9,899 | 17,310 | 8,078 | 12,549 | 14,728 | 101,885 | | 101,885 | |
| CCA011 | Other SOGR | 2,518 | 500 | 2,000 | - | - | - | - | - | - | - | 5,018 | | 5,018 | |
| CCA012 | Real Estate Services SOGR | 1,949 | 1,800 | 1,200 | 700 | 1,700 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 13,349 | | 13,349 | |
| CCA013 | Relocation of Fire Station 332 | 5,985 | 13,620 | - | - | - | - | - | - | - | - | 19,605 | | 19,605 | |
| CCA014 | Renovations <input checked="" type="checkbox"/> | 6,318 | 5,617 | 2,315 | 1,445 | 1,842 | 6,523 | 7,377 | 5,687 | 8,112 | 7,962 | 53,198 | | 53,198 | |
| CCA015 | Roofing | 2,410 | 1,500 | 688 | - | 3 | 223 | 48 | 517 | 925 | 3,605 | 9,920 | | 9,920 | |
| CCA016 | Sitework <input checked="" type="checkbox"/> | 8,049 | 6,721 | 5,713 | 3,858 | 9,706 | 3,782 | 13,770 | 3,226 | 2,585 | 3,825 | 61,235 | | 61,235 | |
| CCA017 | Small Capital | 5,375 | 4,500 | 5,000 | 5,000 | 5,000 | 6,500 | 5,000 | 5,000 | 5,000 | 5,000 | 51,375 | | 51,375 | |
| CCA018 | Structural / Building Envelope <input checked="" type="checkbox"/> | 17,083 | 9,631 | 6,889 | 3,963 | 6,855 | 6,066 | 6,714 | 9,756 | 6,232 | 5,700 | 78,889 | | 78,889 | |
| CCA019 | Union Station - SOGR <input checked="" type="checkbox"/> | 4,092 | 7,479 | 4,678 | 6,528 | 5,061 | 12,301 | 5,120 | 7,060 | 5,112 | 162 | 57,593 | | 57,593 | |
| CCA020 | City-Wide Physical Security Enhancements <input checked="" type="checkbox"/> | 4,436 | 3,040 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 30,276 | | | 30,276 |
| CCA021 | Customer Experience | 4,034 | - | - | - | - | - | - | - | - | - | 4,034 | | | 4,034 |
| CCA022 | Energy Conservation & Demand Management <input checked="" type="checkbox"/> | 5,478 | 6,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 35,478 | | | 35,478 |
| CCA023 | Future Use of Old City Hall <input checked="" type="checkbox"/> | 4,909 | 4,500 | 4,000 | 2,900 | - | - | - | - | - | - | 16,309 | | | 16,309 |
| CCA035 | Net Zero Carbon Plan Program <input checked="" type="checkbox"/> | 1,750 | 2,500 | 3,300 | 2,500 | 500 | - | - | - | - | - | 10,550 | | | 10,550 |
| CCA024 | New Etobicoke Civic Centre <input checked="" type="checkbox"/> | 36,137 | 84,716 | 114,286 | 165,036 | - | - | - | - | - | - | 400,175 | | | 400,175 |
| CCA025 | Office Portfolio Optimization <input checked="" type="checkbox"/> | 26,322 | 65,161 | 68,919 | 27,534 | 25,290 | - | - | - | - | - | 213,226 | | | 213,226 |
| CCA026 | Other Service Improvements <input checked="" type="checkbox"/> | 3,725 | 1,050 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 5,175 | | | 5,175 |
| CCA027 | School Lands Properties Acquisition | 2,971 | 2,500 | 2,500 | 2,500 | 2,250 | 2,250 | - | - | - | - | 14,971 | | | 14,971 |
| CCA028 | St. Lawrence Market North Redevelopment <input checked="" type="checkbox"/> | 34,104 | - | - | - | - | - | - | - | - | - | 34,104 | | | 34,104 |
| CCA029 | Strategic Feasibility Studies | 900 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 50 | 50 | 6,250 | | | 6,250 |
| CCA030 | Strategic Property Acquisitions | 41,164 | - | - | - | - | - | - | - | - | - | 41,164 | | | 41,164 |
| CCA031 | Toronto Strong Neighbourhoods Strategy | 769 | - | - | - | - | - | - | - | - | - | 769 | | | 769 |
| CCA032 | Union Station East Wing | 500 | 800 | 300 | 578 | - | - | - | - | - | - | 2,178 | | | 2,178 |
| CCA033 | Union Station Enhancement Project (USEP) | 3,047 | 250 | - | - | - | - | - | - | - | - | 3,297 | | | 3,297 |
| CCA034 | Union Station Revitalization | 1,913 | 100 | 100 | - | - | - | - | - | - | - | 2,113 | | | 2,113 |
| CCA036 | Wellington Destructor - Construction <input checked="" type="checkbox"/> | 8,196 | 23,000 | 1,000 | - | - | - | - | - | - | - | 32,196 | | | 32,196 |
| Total Expenditures (including carry forward from 2022) | | 334,444 | 289,521 | 271,677 | 255,283 | 87,956 | 74,176 | 73,279 | 57,533 | 57,370 | 57,535 | 1,558,774 | 141,582 | 564,928 | 852,264 |

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Budget and Plan cash flows. Does not break out the climate component costs separately
toronto.ca/budget

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

| Project Code | (In \$000s) | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Total 2023 Cash Flow & FY Commits | Previously Approved | Change in Scope | New w/ Future Year |
|--|--|----------------|----------------|----------------|----------------|---------------|--------------|--------------|--------------|------------|------------|-----------------------------------|---------------------|-----------------|--------------------|
| CCA001 | Accessibility for Ontarians with Disabilities Act (AODA) Program | 61,740 | | | | | | | | | | 61,740 | 102,088 | (40,348) | |
| CCA002 | Fire & Life Safety | 3,925 | 2,000 | | | | | | | | | 5,925 | 4,925 | (1,000) | 2,000 |
| CCA003 | Other Health & Safety | 3,319 | | | | | | | | | | 3,319 | 2,069 | | 1,250 |
| CCA004 | 1050 Ellesmere Building Enhancements | 14,272 | 10,921 | 9,874 | 500 | | | | | | | 35,567 | 35,567 | | |
| CCA005 | Building Automation System (BAS) | 2,845 | 2,000 | 1,500 | | | | | | | | 6,345 | 4,345 | 2,000 | |
| CCA006 | Emergency Repairs | 2,038 | | | | | | | | | | 2,038 | 2,359 | (862) | 541 |
| CCA007 | Environmental | 1,643 | | | | | | | | | | 1,643 | 43 | | 1,600 |
| CCA008 | Feasibility Studies | 1,707 | 1,000 | 500 | | | | | | | | 3,207 | 1,677 | (470) | 2,000 |
| CCA009 | FM Elevator Program | 1,602 | 1,729 | 1,000 | 600 | | | | | | | 4,931 | 5,731 | (800) | |
| CCA010 | Mechanical and Electrical | 7,221 | 4,068 | 9,619 | 5,968 | 5,426 | 2,000 | 1,000 | 1,000 | | | 36,302 | 22,960 | (6,931) | 20,274 |
| CCA011 | Other SOGR | 2,518 | 500 | 2,000 | | | | | | | | 5,018 | 5,818 | (800) | |
| CCA012 | Real Estate Services SOGR | 1,949 | 600 | | | | | | | | | 2,549 | 1,849 | (500) | 1,200 |
| CCA013 | Relocation of Fire Station 332 | 5,985 | 13,620 | | | | | | | | | 19,605 | 19,605 | | |
| CCA014 | Renovations | 6,318 | 4,317 | 1,000 | | | | | | | | 11,635 | 6,606 | 1,074 | 3,955 |
| CCA015 | Roofing | 2,410 | 1,500 | 688 | | | | | | | | 4,598 | 4,780 | (182) | |
| CCA016 | Sitework | 8,049 | 6,721 | 5,699 | 3,713 | 9,640 | 1,000 | 2,000 | 2,500 | | | 39,322 | 29,967 | (7,153) | 16,507 |
| CCA017 | Small Capital | 5,375 | 1,000 | | | | | | | | | 6,375 | 5,875 | (4,500) | 5,000 |
| CCA018 | Structural / Building Envelope | 17,083 | 8,162 | 6,074 | 2,858 | 5,978 | | | | | | 40,155 | 25,694 | 566 | 13,895 |
| CCA019 | Union Station - SOGR | 4,092 | 6,772 | 4,678 | 28 | 61 | 63 | 1,120 | 560 | 112 | 162 | 17,648 | 16,663 | 430 | 555 |
| CCA020 | City-Wide Physical Security Enhancements | 4,436 | 190 | | | | | | | | | 4,626 | 1,593 | 190 | 2,843 |
| CCA021 | Customer Experience | 4,034 | | | | | | | | | | 4,034 | 4,034 | | |
| CCA022 | Energy Conservation & Demand Management | 5,478 | 3,000 | | | | | | | | | 8,478 | 8,478 | | |
| CCA023 | Future Use of Old City Hall | 4,909 | 4,500 | 4,000 | 2,900 | | | | | | | 16,309 | 16,309 | | |
| CCA024 | NewEtobicoke Civic Centre | 36,137 | 84,716 | 114,286 | 165,036 | | | | | | | 400,175 | 400,175 | 0 | |
| CCA025 | Office Portfolio Optimization | 26,322 | 65,161 | 68,919 | 27,534 | 25,290 | | | | | | 213,226 | 213,226 | 0 | |
| CCA026 | Other Service Improvements | 3,725 | 1,050 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 5,175 | 5,950 | (2,775) | 2,000 |
| CCA027 | School Lands Properties Acquisition | 2,971 | 2,500 | 2,500 | 2,500 | 2,250 | 2,250 | | | | | 14,971 | 14,971 | | |
| CCA028 | St. Lawrence Market North Redevelopment | 34,104 | | | | | | | | | | 34,104 | 34,104 | | |
| CCA029 | Strategic Feasibility Studies | 900 | | | | | | | | | | 900 | 150 | | 750 |
| CCA030 | Strategic Property Acquisitions | 41,164 | | | | | | | | | | 41,164 | 3,964 | 37,200 | |
| CCA031 | Toronto Strong Neighbourhoods Strategy | 769 | | | | | | | | | | 769 | 769 | | |
| CCA032 | Union Station East Wing | 500 | 800 | 300 | 578 | | | | | | | 2,178 | 2,178 | 0 | |
| CCA033 | Union Station Enhancement Project (USEP) | 3,047 | 250 | | | | | | | | | 3,297 | 3,945 | (648) | |
| CCA034 | Union Station Revitalization | 1,913 | 100 | 100 | | | | | | | | 2,113 | 1,663 | 450 | |
| CCA035 | Net Zero Carbon Plan Program | 1,750 | 2,500 | 3,300 | 2,500 | 500 | | | | | | 10,550 | 10,550 | | |
| CCA036 | Wellington Destructor - Construction | 8,196 | 23,000 | 1,000 | | | | | | | | 32,196 | 32,196 | | |
| Total Expenditure (including carry forward from 2022) | | 334,444 | 252,677 | 237,087 | 214,766 | 49,195 | 5,363 | 4,170 | 4,110 | 162 | 212 | 1,102,185 | 1,052,875 | (25,059) | 74,369 |

Appendix 6b

2024 - 2032 Capital Plan

| Project Code | (In \$000s) | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | 2024 - 2032 Total | Health & Safety & Legislated | SOGR | Growth & Improved Service |
|--------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|------------------------------|----------------|---------------------------|
| CCA001 | Accessibility for Ontarians with Disabilities Act (AODA) | 16,548 | 12,799 | 6,001 | 5,000 | - | - | - | - | - | 40,348 | 40,348 | | |
| CCA002 | Fire & Life Safety | 2,000 | 2,000 | 1,500 | 2,500 | 3,000 | 2,000 | 2,000 | 2,000 | 2,000 | 19,000 | 19,000 | | |
| CCA003 | Other Health & Safety | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 11,250 | 11,250 | | |
| CCA005 | Building Automation System (BAS) | - | - | 2,578 | 2,000 | 6,750 | 2,000 | 2,000 | 2,000 | 2,000 | 19,328 | | 19,328 | |
| CCA006 | Emergency Repairs | - | - | - | 2,950 | 2,717 | 1,056 | 1,326 | 672 | 370 | 9,091 | | 9,091 | |
| CCA007 | Environmental | 1,642 | 1,686 | 1,686 | - | 3,566 | 1,783 | 1,783 | 1,783 | 1,783 | 15,712 | | 15,712 | |
| CCA008 | Feasibility Studies | 500 | 1,500 | 2,000 | 1,500 | 1,500 | 2,000 | 2,000 | 2,000 | 2,000 | 15,000 | | 15,000 | |
| CCA010 | Mechanical and Electrical | 128 | 411 | 4,007 | 2,473 | 7,899 | 16,310 | 7,078 | 12,549 | 14,728 | 65,583 | | 65,583 | |
| CCA012 | Real Estate Services SOGR | 1,200 | 1,200 | 700 | 1,700 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 10,800 | | 10,800 | |
| CCA014 | Renovations | 1,300 | 1,315 | 1,445 | 1,842 | 6,523 | 7,377 | 5,687 | 8,112 | 7,962 | 41,563 | | 41,563 | |
| CCA015 | Roofing | - | - | - | 3 | 223 | 48 | 517 | 925 | 3,605 | 5,322 | | 5,322 | |
| CCA016 | Sitework | - | 14 | 145 | 66 | 2,782 | 11,770 | 726 | 2,585 | 3,825 | 21,913 | | 21,913 | |
| CCA017 | Small Capital | 3,500 | 5,000 | 5,000 | 5,000 | 6,500 | 5,000 | 5,000 | 5,000 | 5,000 | 45,000 | | 45,000 | |
| CCA018 | Structural / Building Envelope | 1,469 | 815 | 1,105 | 877 | 6,066 | 6,714 | 9,756 | 6,232 | 5,700 | 38,733 | | 38,733 | |
| CCA019 | Union Station - SOGR | 707 | - | 6,500 | 5,000 | 12,238 | 4,000 | 6,500 | 5,000 | - | 39,945 | | 39,945 | |
| CCA020 | City-Wide Physical Security Enhancements | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 2,850 | 25,650 | | | 25,650 |
| CCA022 | Energy Conservation & Demand Management | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 27,000 | | | 27,000 |
| CCA029 | Strategic Feasibility Studies | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 50 | 50 | 5,350 | | | 5,350 |
| | Total Expenditures | 36,844 | 34,590 | 40,517 | 38,761 | 68,813 | 69,109 | 53,423 | 57,208 | 57,323 | 456,589 | 70,598 | 327,991 | 58,000 |

Appendix 7

Reporting on Major Capital Projects: Status Update

| Division/Project name | 2022 Cash Flow | | | Total Project Cost | | Status | Start Date | End Date | | On Budget | On Time |
|--|--|-----------|-----------------|--------------------|--------------|-------------------|--|--|---------|-----------|---------|
| | Appr. | YTD Spend | YE Projec Spend | Appr. Budget | Life to Date | | | Planned | Revised | | |
| CREM | | | | | | | | | | | |
| St. Lawrence Market North Redevelopment | 30,222 | 11,775 | 24,618 | 117,728,647 | 70,999 | Significant Delay | July 2019 *Note this is a re-baselined start date based on latest approval from Council | Q2 2022 *Note this is a re-baselined end date based on latest approval from Council | Q3 2023 | Ⓒ | Ⓓ |
| Comments: | <p>Phase 1: Design and construction of a Temporary Market Building, at 125 The Esplanade, and client relocation. Completed June 2015.</p> <p>Phase 2: Demolition of the existing North Market Building at 92 Front St. including archaeological assessment and environmental remediation of the site in advance of new construction. Completed April 2017.</p> <p>Phase 3: Design, tender and construction of New North Market Building. The construction contract was awarded in May, 2019 to the Buttcon Limited / The Atlas Corporation Joint Venture. Construction started in July 2019. Construction progress to the end of September 2022 includes completion of the underground parking garage and the 5 storey high structural steel framing for the superstructure including concrete floor slabs. Ongoing work includes installation of the glass curtain wall, with integrated aluminum sunshade fins, framing of the central atrium space including pedestrian bridge connections between east and west wings of the building, and to the 2nd Floor of St. Lawrence Hall. The building is expected to be fully enclosed by Q4 2022 with interior mechanical and electrical work ongoing.</p> <p>Note: Payments to the General Contactor were on hold due to a lien against the project which has now been posted. Invoices that have been held will now start to be processed. Invoices for July - Dec 2022 are estimated to total approx \$12.6 million.</p> | | | | | | | | | | |
| Explanation for Delay: | <p>Project schedule and budget has been re-baselined based on the latest approvals from Council in May 2019. COVID-19 caused reduced productivity levels due to additional safety procedures, impacts to the labour force availability and delays in the supply chain for construction materials. Also, the contractor has advised that the province wide labour disruption caused further progress delay. The overall project delay is currently tracking at approximately 19 months. The contractor has submitted a revised work phasing and sequencing plan identifying concurrent construction work to make up lost time. The project is now expected to be complete by Q3 2023 within the current Council approved budget.</p> | | | | | | | | | | |

| | | |
|------------------------------|---|--|
| 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 Project Cost |

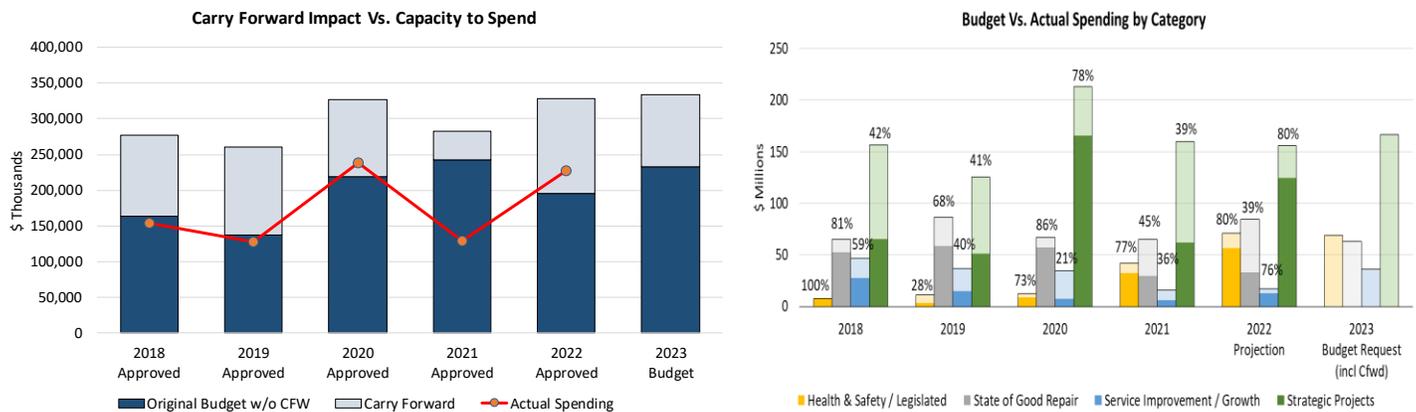
Appendix 8

Capacity to Spend Review

The 10-Year Capital Plan has been developed in consideration of historical annual spending. A review was undertaken to ensure budgets align with Corporate Real Estate Management's ability to spend and the market's capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2022 underspending that will be carried forward into 2023 to complete capital work.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

- The 2023 budget is \$107.7 million greater than the 2022 projected spending.
- The Division will be able to deliver on this increase predominantly due to the large strategic and legislated projects with dedicated project teams that make up a significant portion of the 2023 capital budget.
- In a number of cases, contracts have been awarded for design and construction already, allowing for increased project delivery in 2023. These include: *Redevelopment of St. Lawrence Market North*, the *ModernTO Workplace Modernization Program*, new *Etobicoke Civic Centre*, *1050 Ellesmere Building Enhancement*, *Relocation of Fire Station 332*, *Indian Residential School Survivors Legacy Project*, and rollout of the *Accessibility for Ontarians with Disabilities Act (AODA)*.
- Core State of Good Repair (SOGR) Program spending had been increasing every year from 2017 to 2020 (from \$43 million to \$57 million in 2020). In recent years, CREM was required to pause \$76 million of previously approved capital projects to address the 2022 COVID-19 support funding shortfall from the federal and provincial governments. It is expected the upward trend in spending will continue as many projects have completed designs and are in the construction phase.
- The Division will continue to manage and monitor cost escalations and supply chain issues impacting the construction industry in 2023 and beyond. These inflationary pressures result in less SOGR projects being completed with the same funding levels. Adjustments to the capital plan will be made in response to this, to ensure capital funding is utilized in the most efficient and effective manner to address priorities and SOGR needs in City facilities.

Appendix 9

Summary of Capital Needs Constraints

| Project Description | Total Project | Non-Debt | Debt Required | Cash Flow (In \$ Thousands) | | | | | | | | | | |
|---|------------------|----------|------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------|
| | | | | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | |
| NOT INCLUDED | | | | | | | | | | | | | | |
| <i>Revised Plan for Future Uses of Old City Hall - Detailed Design & Construction</i> | 42,066 | | 42,066 | | 21,033 | 21,033 | | | | | | | | |
| <i>Net Zero Carbon Plan - 2023 Work Plan</i> | 41,550 | | 41,550 | 7,400 | 11,250 | 15,150 | 6,975 | 775 | | | | | | |
| <i>Net Zero Carbon Plan - Future Years</i> | 308,375 | | 308,375 | | 7,400 | 18,650 | 33,800 | 40,775 | 41,550 | 41,550 | 41,550 | 41,550 | 41,550 | 41,550 |
| <i>SLM South Lower Level Re-Design</i> | 20,643 | | 20,643 | | 250 | 8,500 | 11,893 | | | | | | | |
| <i>SOGR Backlog</i> | 1,281,780 | | 1,281,780 | 74,142 | 145,503 | 153,883 | 165,457 | 182,783 | 190,818 | 185,455 | 58,655 | 60,962 | 64,121 | |
| Total Needs Constraints (Not Included) | 1,694,414 | | 1,694,414 | 81,542 | 185,436 | 217,216 | 218,125 | 224,333 | 232,368 | 227,005 | 100,205 | 102,512 | 105,671 | |

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2023 Operating Budget

Program Specific Reserve / Reserve Funds

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Withdrawals (-) / Contributions (+) | | |
|---|----------------------------------|-------------------------------------|----------------|--------------|
| | | 2023 | 2024 | 2025 |
| | | \$ | \$ | \$ |
| Beginning Balance | | 1,934.3 | 1,441.4 | 688.7 |
| Vehicle Reserve - Facilities & Real Estate | XQ1502 | | | |
| <i>Withdrawals (-)</i> | | | | |
| <i>Other Program ~ Withdrawals - Capital</i> | | (896.3) | (1,156.2) | (221.0) |
| <i>Contributions (+)</i> | | | | |
| <i>Corporate Real Estate Management ~ Contributions - Operating</i> | | 400.0 | 400.0 | 400.0 |
| <i>Other Program ~ Contributions - Operating</i> | | 3.5 | 3.5 | 3.5 |
| Total Reserve / Reserve Fund Draws / Contributions | | 1,441.4 | 688.7 | 871.1 |
| Balance at Year-End | | 1,441.4 | 688.7 | 871.1 |

Corporate Reserve / Reserve Funds

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Withdrawals (-) / Contributions (+) | | |
|---|----------------------------------|-------------------------------------|-----------------|----------------|
| | | 2023 | 2024 | 2025 |
| | | \$ | \$ | \$ |
| Beginning Balance | | 10,937.3 | 10,435.6 | 9,934.0 |
| Emergency Planning | XQ1406 | | | |
| <i>Withdrawals (-)</i> | | | | |
| <i>Corporate Real Estate Management ~ Withdrawals - Operating</i> | | (104.0) | (104.0) | (104.0) |
| Total Reserve / Reserve Fund Draws / Contributions | | 10,833.4 | 10,331.7 | 9,830.0 |
| Other Program / Agency Net Withdrawals & Contributions | | (397.7) | (397.7) | (397.7) |
| Balance at Year-End | | 10,435.6 | 9,934.0 | 9,432.3 |

| Reserve / Reserve Fund Name (In \$000s) | Reserve / Reserve Fund Number | Withdrawals (-) / Contributions (+) | | |
|---|----------------------------------|-------------------------------------|-----------------|-----------------|
| | | 2023 | 2024 | 2025 |
| | | \$ | \$ | \$ |
| Beginning Balance | | 51,715.5 | 51,659.6 | 53,209.1 |
| Strategic Infrastructure Partnership | XR1714 | | | |
| <i>Contributions (+)</i> | | | | |
| <i>Corporate Real Estate Management ~ Contributions - Operating</i> | | 414.5 | 414.5 | 414.5 |
| Total Reserve / Reserve Fund Draws / Contributions | | 52,130.0 | 52,074.1 | 53,623.7 |
| <i>Interest Income</i> | | 998.2 | 1,012.6 | 1,033.1 |
| Other Program / Agency Net Withdrawals & Contributions | | (1,468.6) | 122.4 | (877.6) |
| Balance at Year-End | | 51,659.6 | 53,209.1 | 53,779.1 |

Inflows and Outflows to/from Reserves and Reserve Funds

2023 – 2032 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

It is anticipated that one time funding injection / changing priorities and revised expenditures will adjust the future year balances.

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | |
|---|--|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | Total |
| XR2501 Union Station | Beginning Balance | 3,119 | 1,645 | 2,226 | 2,819 | 3,422 | 4,038 | 4,666 | 5,306 | 5,958 | 6,623 | |
| | Withdrawals (-) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Withdrawals - Operating | (923) | - | - | - | - | - | - | - | - | - | (923) |
| | Corporate Real Estate Management ~ Withdrawals - Capital | (596) | - | - | - | - | - | - | - | - | - | (596) |
| | Total Withdrawals | (1,519) | - | (1,519) |
| | Contributions (+) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Contributions - Operating | - | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 544 | 4,892 |
| | Total Contributions | - | 544 | 4,892 |
| Interest Income | 46 | 37 | 49 | 60 | 72 | 84 | 96 | 109 | 121 | 134 | 809 | |
| Balance at Year-End | | 1,645 | 2,226 | 2,819 | 3,422 | 4,038 | 4,666 | 5,306 | 5,958 | 6,623 | 7,301 | 4,182 |

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | |
|--|--|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | Total |
| XR2007 Parkland Acquisition Pre-1999 Scarborough | Beginning Balance | 606 | 605 | 617 | 629 | 641 | 654 | 666 | 679 | 693 | 706 | |
| | Withdrawals (-) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Withdrawals - Capital | (12) | - | - | - | - | - | - | - | - | - | (12) |
| | Total Withdrawals | (12) | - | (12) |
| | Interest Income | 12 | 12 | 12 | 12 | 13 | 13 | 13 | 13 | 14 | 14 | 127 |
| Balance at Year-End | | 605 | 617 | 629 | 641 | 654 | 666 | 679 | 693 | 706 | 720 | 114 |

Corporate Reserve / Reserve Funds

While some years are showing a negative ending balance, it is anticipated that one time funding injection / changing priorities and revised expenditures will adjust the balance.

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | |
|---|--|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | Total |
| XQ0709 Debt Servicing | Beginning Balance | 232,028 | 178,617 | 148,394 | 112,328 | 71,037 | 22,147 | (31,633) | (93,445) | (163,079) | (240,752) | |
| | Withdrawals (-) | | | | | | | | | | | |
| | Debt Servicing Costs | (29,946) | (33,947) | (41,885) | (49,901) | (57,500) | (62,390) | (70,423) | (78,244) | (86,283) | (94,193) | (604,712) |
| | Total Withdrawals | (29,946) | (33,947) | (41,885) | (49,901) | (57,500) | (62,390) | (70,423) | (78,244) | (86,283) | (94,193) | (604,712) |
| | Contributions (+) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Contributions - Operating | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 13,899 |
| Total Contributions | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 1,390 | 13,899 | |
| Other Program/Agency Net Withdrawals and Contributions | | (24,854) | 2,335 | 4,428 | 7,220 | 7,220 | 7,220 | 7,220 | 7,220 | 7,220 | 7,220 | 32,450 |
| Balance at Year-End | | 178,617 | 148,394 | 112,328 | 71,037 | 22,147 | (31,633) | (93,445) | (163,079) | (240,752) | (326,335) | (558,364) |

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | |
|---|--|-------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | Total |
| XR3031 Section 16 | Beginning Balance | 714 | 107 | 7 | (93) | (93) | (93) | (93) | (93) | (93) | (93) | |
| | Withdrawals (-) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Withdrawals - Capital | (607) | (100) | (100) | - | - | - | - | - | - | - | (807) |
| | Total Withdrawals | (607) | (100) | (100) | - | (807) |
| Other Program/Agency Net Withdrawals and Contributions | | - | - | - | - | - | - | - | - | - | - | |
| Balance at Year-End | | 107 | 7 | (93) | (93) | (93) | (93) | (93) | (93) | (93) | (93) | (807) |

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | |
|---|--|-------------------------------|------------------|-----------------|-----------------|----------------|----------------|----------------|---------------|----------------|----------------|------------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | Total |
| XQ0011 Capital Financing | Beginning Balance | 413,565 | 369,065 | 154,824 | 90,765 | 58,833 | 49,884 | 64,888 | 68,693 | 80,379 | 105,382 | |
| | Withdrawals (-) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Withdrawals - Capital | (128) | - | - | (8,414) | - | (1,604) | (8,991) | (914) | - | (451) | (20,502) |
| | Total Withdrawals | (128) | - | - | (8,414) | - | (1,604) | (8,991) | (914) | - | (451) | (20,502) |
| Other Program/Agency Net Withdrawals and Contributions | | (44,373) | (214,241) | (64,059) | (23,518) | (8,950) | 16,609 | 12,796 | 12,600 | 25,003 | 18,630 | (269,503) |
| Balance at Year-End | | 369,065 | 154,824 | 90,765 | 58,833 | 49,884 | 64,888 | 68,693 | 80,379 | 105,382 | 123,561 | (290,005) |

2023 Operating Budget & 2023 - 2032 Capital Budget & Plan CORPORATE REAL ESTATE MANAGEMENT

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | Total |
|---|--|-------------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | |
| XR1012 Land Acquisition | Beginning Balance | 377,606 | 321,882 | 315,280 | 244,215 | 79,258 | 77,981 | 76,679 | 77,624 | 78,588 | 79,570 | |
| | Withdrawals (-) | | | | | | | | | | | |
| | # | (545) | (545) | (545) | (545) | (545) | (545) | (545) | (545) | (545) | (545) | (5,450) |
| | Corporate Real Estate Management ~ Withdrawals - Capital | (47,654) | (7,400) | (75,922) | (167,536) | (2,250) | (2,250) | - | - | - | - | (303,012) |
| | Total Withdrawals | (48,199) | (7,945) | (76,467) | (168,081) | (2,795) | (2,795) | (545) | (545) | (545) | (545) | (308,462) |
| Other Program/Agency Net Withdrawals and Contributions | | (14,280) | (4,809) | - | - | - | - | - | - | - | - | (19,089) |
| | Interest Income | 6,754 | 6,152 | 5,402 | 3,123 | 1,518 | 1,493 | 1,490 | 1,508 | 1,527 | 1,546 | 30,516 |
| Balance at Year-End | | 321,882 | 315,280 | 244,215 | 79,258 | 77,981 | 76,679 | 77,624 | 78,588 | 79,570 | 80,571 | (297,035) |

| Reserve / Reserve Fund Name (In \$000s) | Project / Sub Project Name and Number | Contributions / (Withdrawals) | | | | | | | | | | Total |
|---|--|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|------------------|
| | | 2023 Budget | 2024 Plan | 2025 Plan | 2026 Plan | 2027 Plan | 2028 Plan | 2029 Plan | 2030 Plan | 2031 Plan | 2032 Plan | |
| XR3026 Section 37 | Beginning Balance | 346,748 | 314,596 | 252,140 | 226,278 | 210,331 | 178,548 | 158,190 | 161,094 | 164,053 | 167,071 | |
| | Withdrawals (-) | | | | | | | | | | | |
| | Corporate Real Estate Management ~ Withdrawals - Capital | (2,736) | - | - | - | - | - | - | - | - | - | (2,736) |
| | Total Withdrawals | (2,736) | - | - | - | - | - | - | - | - | - | (2,736) |
| Other Program/Agency Net Withdrawals and Contributions | | (35,801) | (67,928) | (30,482) | (20,163) | (35,539) | (23,609) | (180) | (180) | (180) | (180) | (214,240) |
| | Interest Income | 6,386 | 5,472 | 4,620 | 4,216 | 3,755 | 3,251 | 3,083 | 3,140 | 3,197 | 3,256 | 40,376 |
| Balance at Year-End | | 314,596 | 252,140 | 226,278 | 210,331 | 178,548 | 158,190 | 161,094 | 164,053 | 167,071 | 170,148 | (176,600) |

Appendix 11

Glossary

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

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

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

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

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

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

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

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

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

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).