

2024 Budget Notes

Environment & Climate

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Description

With the goal of making Toronto one of the most environmentally sustainable cities in the world, the Environment and Climate Division leads and supports the development and implementation of strategic community and corporate-wide environment, climate and energy policies and programs to advance the City's overall sustainability outcomes, including TransformTO; the City's climate strategy to be net-zero by 2040. Environment & Climate and the City of Toronto cannot accomplish TransformTO goals alone, but we lead by example implementing innovative solutions, providing support and expertise, and enabling others to utilize these solutions so they can be applied across the city. Climate investments made by the City of Toronto are in both capital and operating budgets. Capital expenditures are necessary for the City to achieve reductions of our own emissions, lead by example and enable emission reductions by residents and businesses. Operating expenditures generally support the reduction of the larger set of community-wide emissions and the long-term sustainability of those reductions in the community. Refer to the supplementary Carbon Budget Baseline briefing note for more information on planned corporate and community investments related to climate mitigation and adaptation.

Why We Do It

Toronto has established itself as a global leader in combating climate change. Taking action on climate change is not just the work of City government, it requires a concerted effort from all orders of government, residents, and businesses across all sectors. Environment & Climate leads the City to the realization of our ambitious net-zero greenhouse gas (GHG) emissions future by 2040 by implementing transformational changes to how we live, work, build and commute.

The Environment & Climate Division, through both local and global initiatives and partnerships, serves, inspires, and empowers City Divisions and Agencies, residents, businesses, organizations, local communities, and other stakeholders to take transformative action with a focus on reducing emissions, protecting the environment, and enhancing resilience to climate change.

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

Action in Buildings & Homes

Who We Serve: Residents, building owners, businesses, City Agencies (net zero Housing Now, CreateTO, Toronto Hydro etc.), energy developers, and institutions.

What We Deliver: Measurable progress on emission reductions through emission performance standards and reporting requirements to drive market transformation, as well as programs, and resources supporting transition to net zero. Advance leading edge new building standards, integrate local energy solutions, and create strategic partnerships for neighbourhood-scale district energy.

Policy & Research

Who We Serve: Residents, community groups, agencies, businesses, institutions, building owners and City staff.

What We Deliver: Collect, quantify, and report information on how the City is progressing with the actions and targets outlined in Toronto’s TransformTO Net-Zero Strategy. Co-develop, coordinate, and inform cross-corporate policies to enable necessary transformation.

Outreach & Engagement

Who We Serve: Residents, community groups, partner agencies, businesses, and City staff.

What We Deliver: Broad environment and climate community engagement, award-winning programs like Live Green Toronto and Smart Commute to provide residents, businesses, building owners and Divisions with the information and tools to meet the City’s Net Zero by 2040 goals.

Innovation & Scale

Who We Serve: Residents, building owners, divisions, businesses, and institutions.

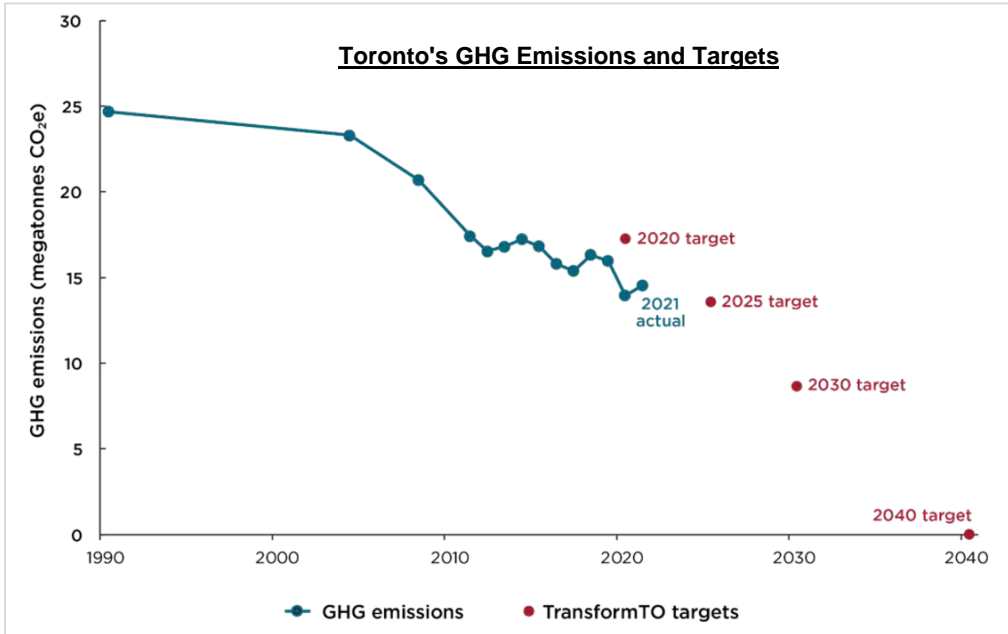
What We Deliver: Innovative and first-of-a-kind projects (i.e., wastewater renewable energy, renewable district energy, resilient Toronto Paramedic Service stations, etc.) and support for asset owners to scale-up efforts for massive GHG reductions through their portfolios.

How Much Resources (gross 2024 operating budget): \$21.3 Million

Budget at a Glance

2024 OPERATING BUDGET				2024 - 2033 10-YEAR CAPITAL PLAN			
\$Million	2024	2025	2026	\$Million	2024	2025-2033	Total
Revenues	\$6.9	\$7.1	\$6.8	Gross Expenditures	\$34.2	\$259.4	\$293.6
Gross Expenditures	\$21.3	\$21.6	\$21.2	Debt	\$13.6	\$75.5	\$89.1
Net Expenditures	\$14.4	\$14.4	\$14.5	Note: Includes 2023 carry forward funding			
Approved Positions	108.6	108.6	107.6				

How Well We Are Doing – Behind the Numbers



- Total city-wide greenhouse gas (GHG) emissions rose 4% in 2021 due to the loosening of pandemic restrictions and the in mid-2021.
- This upward trend in emissions is expected to continue into 2022 when activity started to return to pre-pandemic levels
- 2021 emissions were 9% lower than pre-pandemic levels (2019).

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Environment & Climate	% reduction of Toronto GHG emissions compared to 1990 levels	41%			65% reduction by 2030 Net-zero emissions by 2040			
Environment & Climate	Retention of "A" listing on Carbon Disclosure Project	Yes	Yes	Yes	Yes	●	Yes	Yes
Service Level Measures								
Environment & Climate	Number of outreach events including LiveGreen, webinars, workshops, festivals & community presentations	25	1,412	1,500	1,800	●	2,000	2,000
Environment & Climate	Development applications reviewed for compliance with Toronto Green Standards (TGS)	90	75	80	80	●	85	75
Environment & Climate	Number of Training / Workforce Development Events Facilitated	N/A	20	23	23	●	28	33

2023 Projection to 2023 Target Comparison

● 100% (MET TARGET) ● 70 - 99% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

Climate Action in Buildings & Homes

- Acceleration of the development of Emission Performance Standards and Reporting through the City's Long Term Financial Plan.
- Funded 93 energy efficient, net-zero renovations through the Home Energy Loan Program (HELP) and awarded incentives for heat pumps, solar PV and deep retrofit projects.
- Supported more than 100 design build professionals to become CHBA Net Zero Renovator qualified.
- Received \$1 million in NRCan funding to support the development of a carbon labelling and engagement program in Toronto.
- New version of the Toronto Green Standard (TGSv5) bringing us one step closer to net-zero emissions development by 2028.
- Advanced Distributed Energy Programs and strategic initiatives including key programs such as SolarTO, low carbon district energy & deep geothermal potential, battery energy storage, and cleantech procurement.

Policy & Research

- Launched the Climate Advisory Group (CAG), an external stakeholder group with representation from Toronto's diverse communities.
- Established the Net Zero Climate Leadership Table, a cross-corporate group of advisors from City Divisions, Agencies and Corporations that provides leadership and coordination on implementing climate action across City operations in order to meet the community-wide and lead-by-example targets of Toronto's Net Zero Strategy.
- Developed and presented Carbon Accountability system, including approval of a carbon budget process in the Spring of 2023, that will create awareness on actions and investments needed to drive implementation of the TransformTO net-zero strategy.
- Created a dedicated Resilience Policy team with key priorities underway.

Outreach & Engagement

- The City of Toronto recognized as Canada's first "Best Workplace for Commuters" for supporting City of Toronto Employees via the Smart Commute program.
- Launched the Indigenous Climate Action Grants pilot program and successfully funded 19 Indigenous-led climate action projects and initiatives.
- 26 Neighbourhood Climate Action Champions were recruited and trained on community climate action engagement and led 14 community climate projects.
- Funded 44 community-led projects that will create 110 new gardens and an estimated 5,700 square meters of pollinator habitat, funded 23 projects through Neighbourhood Climate Action Grants, and funded 17 TDSB projects for the Youth Climate Action Grants .
- 44,566.5 square metres of new eco-roof area created through the Eco-Roof program.
- 139 Live Green Event days with a total of 24,000 event attendees.

Innovation & Scale

- Working with Toronto Water, launched the new Wastewater Energy Program with the first project under construction at UHN by Noventa Energy and developing project pipeline to scale program.
- Advancing net-zero emissions redevelopment in the Port Lands including renewable district energy, a deep geothermal exploratory borehole, and low embodied carbon construction.
- Lake (geo) Thermal Program – First project at Waterfront Neighbourhood Centre, developing a process with stakeholders to assist with leasing, permitting, and regulatory processes.

Key Challenges and Risks

- Scale of Emission Reductions through accelerated policy implementation with maximum emissions standards and investment in new and innovative solutions.
- Continue engagement with all levels of governments, business, and civic society to enable adoption of sustainable practices towards decarbonization which will be a key driver bringing community emissions to net-zero.
- Continue advocacy for a carbon free electric grid.
- Support increased affordability through energy efficiency and fuel switching, while balancing upfront costs of action.
- Continue TransformTO engagement and align loan programs with other programs offering grants, incentives, and other sources of funding.
- Education and outreach outlining the long-term cost of delayed investment in low carbon solutions.

Priority Actions

- Enable residents, businesses and building owners to change behaviors and take action towards meeting the target of net-zero emissions by 2040 through leadership, creating partnerships, providing advice, and promoting sustainable solutions.
 - Implement the Net Zero Existing Building Strategy with a focus on setting building emission performance standards to create a path to net zero, provide support and resources to make retrofits easier and more affordable and lay the groundwork for overall marketing transformation in the existing building sector.
 - Maintain momentum of the accountability and management framework for TransformTO through the Net-Zero Leadership Table, Climate Advisory Group and Joint TransformTO Implementation Committee.
 - Integrate climate risk and adaptation considerations and related costing into long term financial planning and Environment, Social and Governance (ESG) goals, to support enhanced consideration of climate in financial planning and budgetary decision-making.
 - Continue implementation and evolution of the Climate Lens and Carbon Budget to identify emission reduction and resiliency efforts across the City, and further actions needed to meet Toronto's net-zero ambition.
 - Raise the bar for new construction by advancing leading edge new construction standards, targeting net zero energy through the Toronto Green Standard, advancing the Wastewater Renewable Energy program, and creating strategic partnerships with the private sector and other partners.
 - Continue TransformTO community engagement, Live Green Toronto activities, networks, and communication channels, and delivering award-winning programs like Live Green Toronto and Smart Commute to provide residents, businesses, building owners and Divisions with the information and tools needed to minimize their environmental impact.
 - Deepen engagement with residents and businesses across the city, including Indigenous and equity-deserving communities to ensure that climate action supports City goals for equity and reconciliation.
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CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Environment & Climate of \$21.299 million gross, \$6.910 million revenue and \$14.389 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Environment & Climate	21,298.8	6,909.6	14,389.2
Total Program Budget	21,298.8	6,909.6	14,389.2

- The above includes 2024 staff complement for Environment & Climate of 108.6 positions comprised entirely of operating positions.
2. The 2024 Capital Budget for Environment & Climate with cash flows and future year commitments totaling \$46.099 million as detailed by project in [Appendix 5a](#).
 3. The 2025-2033 Capital Plan for Environment & Climate totalling \$247.500 million in project estimates as detailed by project in [Appendix 5b](#).
 4. That all sub-projects with third party financing be approved, subject to the receipt of such financing in 2024 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Environment & Climate	1,639.2	5,604.5	3,808.9	5,604.5	5,261.6	1,648.0	6,909.6	1,305.1	23.3%
Total Revenues	1,639.2	5,604.5	3,808.9	5,604.5	5,261.6	1,648.0	6,909.6	1,305.1	23.3%
Expenditures									
Environment & Climate	15,827.8	19,468.9	19,211.2	19,468.9	19,650.8	1,648.0	21,298.8	1,829.9	9.4%
Total Gross Expenditures	15,827.8	19,468.9	19,211.2	19,468.9	19,650.8	1,648.0	21,298.8	1,829.9	9.4%
Net Expenditures	14,188.6	13,864.3	15,402.3	13,864.3	14,389.2	0.0	14,389.2	524.9	3.8%
Approved Positions**		98.6	N/A	98.6	101.6	7.0	108.6	N/A	N/A

*2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$21.299 million gross reflecting an increase of \$1.830 million in spending above 2023 budget, predominantly arising from:

- Salaries & Benefits required to fill vacancies to support the implementation of the plan to achieve Net Zero by 2040.
- Resources supporting various funded programs such as the Eco-Roof Incentive Grant Program and the Home Energy Retrofit Loan Program (HELP) due to increased levels of participation.
- New and enhanced services priorities supporting various council-directed programs aimed at achieving the City's Net Zero GHG emissions target for 2040.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Environment & Climate's 2024 Operating Budget do not have any significant equity impacts.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for Environment & Climate of \$14.389 million is \$0.525 million or 3.8% higher than the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	5,604.5	19,468.9	13,864.3	98.60	N/A
2023 Projection*	3,808.9	19,211.2	15,402.3	N/A	N/A
2023 Budget (excl. COVID)	5,604.5	19,468.9	13,864.3	98.60	N/A
Key Cost Drivers:					
<i>Prior Year Impacts</i>					
Reserve funding	(1,000.0)	(1,000.0)			
<i>Salary & Benefits</i>					
Hiring Plan	46.0	570.9	524.9		26.1
<i>Base Changes</i>					
Eco-Roof Incentive Program	221.8	221.8		2.0	
FCM Enhanced HELP	389.2	389.2		1.0	
<i>New & Enhanced</i>					
Emissions Performance Standards	1,200.4	1,200.4		6.0	
Home Energy Rating and Disclosure (HER&D)	300.0	300.0			
Vehicle4Hire Transition to Net Zero	147.6	147.6		1.0	
Sub-Total - Key Cost Drivers	1,305.1	1,829.9	524.9	10.0	26.1
Total 2024 Budget	6,909.6	21,298.8	14,389.2	108.6	26.1
Change from 2023 Budget (excl. COVID) (\$)	1,305.1	1,829.9	524.9	N/A	N/A
Change from 2023 Budget (excl. COVID) (%)	23.3%	9.4%	3.8%	N/A	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Prior Year Impacts:

- Elimination of one-time funding from the Conservation Management Reserve Fund supporting innovative climate and environment pilot projects across the City.

Salaries & Benefits:

- Primarily driven by increases outlined in collective bargaining agreements for staffed positions, as well as the expectation of filling all vacant positions throughout 2024 to support the ongoing implementation of the plan to achieve Net Zero by 2040.

Base Changes:

- Resources to support the increased participation in the Eco-Roof grant program and the expansion of the Home Energy Retrofit Loan Program, compared to prior years, funded by reserves and federal grants.

New & Enhanced:

- Resources to support various new council-directed programs aimed at achieving Net Zero target for 2040, as outlined in Table 4 on the following page.

New and Enhanced Service Priorities:**Table 4: New / Enhanced Requests**

New / Enhanced Request	2024				2025 Annualized Gross	Equity Impact	Supports Key Outcome / Priority Actions
	Revenue	Gross	Net	Position s			
In \$ Thousands							
Emissions Performance Standards (2023.EX7.1)	1,200.4	1,200.4		6.0	1,347.0	Undetermined	Reduce Emissions & Improve Climate Resilience
Home Energy Rating and Disclosure (HER&D)(NRCan,2021.IE23.1)	300.0	300.0			370.0	Low - Positive	Reduce Emissions & Improve Climate Resilience
EC6.6 - Resources for Vehicle4Hire Transition to Net Zero	147.6	147.6		1.0	148.3	Medium - Positive	Reduce Emissions
Total New / Enhanced	1,648.0	1,648.0		7.0	1,865.3		

Note:

- For additional information on 2024 New and Enhanced Service Priorities please refer to [Appendix 3](#).

2025 & 2026 OUTLOOKS**Table 5: 2025 and 2026 Outlooks**

(In \$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Revenue Changes		232.8	(389.4)
Total Revenues	6,909.6	232.8	(389.4)
Gross Expenditures			
Salaries & Benefits		188.9	(0.1)
Service & Rents		70.0	(140.0)
Other			(175.0)
Total Gross Expenditures	21,298.8	258.9	(315.1)
Net Expenditures	14,389.2	26.1	74.2
Approved Positions	108.6	0.0	(1.0)

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$21.558 million reflects an anticipated \$0.259 million or 1.2% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlook expects a decrease of \$0.315 million or 1.5% below 2025 gross expenditures.

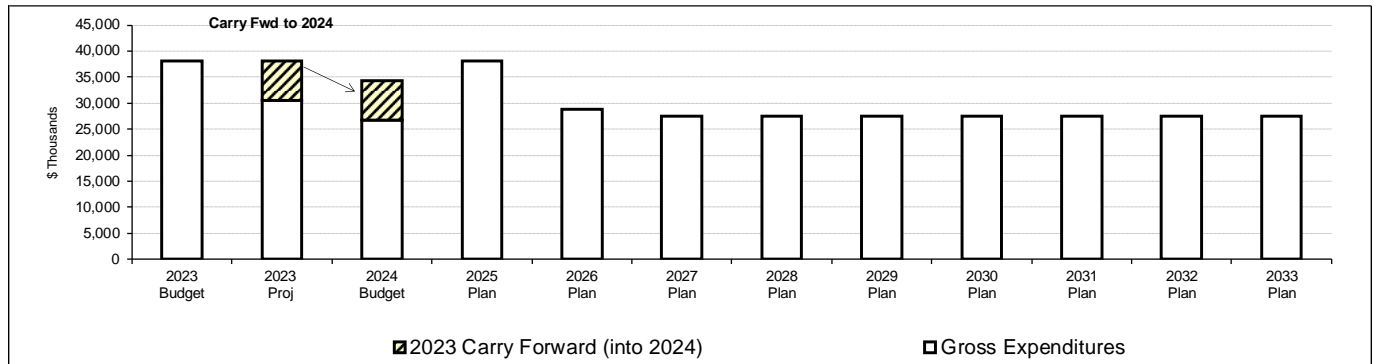
These changes arise from the following:

- Annualization impact of 10 new positions, and incremental budget for funded programs offset by the associated recoveries.
- Elimination of the Federation of Canadian Municipalities (FCM) grant for the enhanced Home Energy Retrofit Loan Program (HELP) **(2026 only)**.

2024 – 2033 CAPITAL BUDGET AND PLAN

2024 2033 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2023		2024 Capital Budget and 2025 - 2033 Capital Plan										Total 10 Year Plan
	Budget	Projection	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	Gross Expenditures by Project Category:												
Health & Safety & Legislated SOGR													
Service Improvement & Growth	38,176	8,755	34,248	38,051	28,800	27,500	27,500	27,500	27,500	27,500	27,500	27,500	293,599
Total by Project Category	38,176	8,755	34,248	38,051	28,800	27,500	27,500	27,500	27,500	27,500	27,500	27,500	293,599
Financing:													
Debt			13,598	15,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	89,098
Reserves/Reserve Funds	2,398	1,325		300									300
Federal	5,480	3,230	5,650	2,251	1,300								9,201
Debt Recoverable	30,298	4,200	15,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	195,000
Total Financing	38,176	8,755	34,248	38,051	28,800	27,500	27,500	27,500	27,500	27,500	27,500	27,500	293,599

Changes to Existing Projects
(-\$5.0 Million)

The 2024-2033 Capital Budget and Plan reflects the following changes to existing projects:

- \$10.0 million increase in *Existing Building Retrofits* to enable community energy projects that reduce emissions for existing buildings.
- \$10.0 million decrease in *New Development Sustainable Energy Plan Financing* due to lower demand for loans as interest rates increase.
- \$5.0 million decrease in *Renewable Thermal Energy Program* due to lower demand for loans as interest rates increase.

New Projects
(\$14.4 Million)

The 2024-2033 Capital Budget and Plan includes two new projects:


- \$14.0 million for *Exhibition Place Decarbonization* project to reduce the carbon dioxide emissions through the use of wastewater energy.
- \$0.4 million for *Carbon Check* funded by Federal Government to support creative energy efficiency initiatives for the Canadian residential sector

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; [Appendix 9](#) for Capital Program Provincial/Federal Funding Streams by Projects, respectively.

2024 – 2033 CAPITAL BUDGET AND PLAN

\$293.6 Million 10-Year Gross Capital Program


Service Improvement, Growth
\$293.6M 100%
<p><i>Community Initiatives - Existing Building Retrofits</i> ✓</p> <p><i>District Energy Systems</i> ✓</p> <p><i>New Development Sustainable Energy Plan Financing</i> ✓</p> <p><i>Residential Energy Retrofit Program (HELP)</i> ✓</p> <p><i>Renewable Energy Program - GeoExchange</i> ✓</p> <p><i>Renewable Thermal Energy Program</i> ✓</p>

✓ - 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 2024-2033 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

How the Capital Program is Funded

City of Toronto		Federal Funding		Provincial Funding
\$284.4 M 96.9%		\$9.2 M 3.1%		\$0 M 0 %
Debt	\$89.1 M	Natural Resources Canada Grant	\$4.95 M	
Recoverable Debt	\$195 M	Federation of Canadian Municipalities	\$4.25 M	
Reserve Draws	\$0.3 M			

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021	2022	2023	2023	2024	2024 Change from		2024 Change from	
	Actual	Actual	Budget	Projection*	Budget	2023 Budget		2023 Projection	
	\$	\$	\$	\$	\$	\$	%	\$	%
Federal Subsidies	30.4	93.5	1,058.2	529.3	1,818.3	760.0	71.8%	1,289.0	243.5%
User Fees & Donations	504.9	132.8	532.8	402.4	532.8			130.4	32.4%
Transfers From Capital		210.1							
Contribution From Reserves/Reserve Funds	945.9	3,007.2	3,678.5	2,837.1	4,223.5	545.0	14.8%	1,386.4	48.9%
Sundry and Other Revenues	303.3	749.9	335.0	40.1	335.0			294.9	735.4%
Inter-Divisional Recoveries		83.1							
Total Revenues	1,784.6	4,276.6	5,604.5	3,808.9	6,909.6	1,305.1	23.3%	3,100.7	81.4%
Salaries and Benefits	8,103.7	10,736.0	11,606.5	11,733.1	13,361.5	1,754.9	15.1%	1,628.3	13.9%
Materials & Supplies	24.3	17.8	17.8	111.0	17.8			(93.2)	(84.0%)
Equipment	66.0	46.7	43.7	111.0	43.7			(67.3)	(60.6%)
Service and Rent	2,445.0	5,570.9	5,792.4	5,928.8	5,692.4	(100.0)	(1.7%)	(236.4)	(4.0%)
Contribution To Capital		335.0	1,670.0	897.8	338.5	(1,331.5)	(79.7%)	(559.3)	(62.3%)
Contribution To Reserves/Reserve Funds	1,003.5	3.5	338.5	338.5	1,845.0	1,506.5	445.1%	1,506.5	445.1%
Other Expenditures	1,840.4	1,156.9							
Inter-Divisional Charges	4.2			91.0				(91.0)	(100.0%)
Total Gross Expenditures	13,487.3	17,866.8	19,468.9	19,211.2	21,298.8	1,829.9	9.4%	2,087.6	10.9%
Net Expenditures	11,702.6	13,590.2	13,864.3	15,402.3	14,389.2	524.9	3.8%	(1,013.1)	(6.6%)

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

Form ID		Corporate Services Program - Environment & Climate	Adjustments				2025 Plan Net Change	2026 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
30271		Home Energy Rating and Disclosure (HER&D)(NRCan,2021.IE23.1)						
74	Positive	Description:						
<p>Funding will be used to support professional and technical services required to support the development of the program.</p> <p>Service Level Impact:</p> <p>The proposed change will allow E&C to accelerate implementation timelines and achieve the policy objectives in TransformTO and the Net Zero Existing Buildings Strategy.</p> <p>Equity Statement:</p> <p>Equity impacts are anticipated to be low and positive. Budget will be allocated to programs and initiatives that include equity considerations such as to engage equity-deserving stakeholders to inform design of programs that will support the transition to net zero while mitigating the risks of penalizing vulnerable groups.</p> <p>Service: Environment & Energy</p>								
Total Staff Prepared Budget Changes:			300.0	300.0	0.0	0.00	0.0	0.0
Staff Prepared New/Enhanced Service Priorities:			300.0	300.0	0.0	0.00	0.0	0.0
30793		EC6.6 - Resources for Vehicle4Hire Transition to Net Zero						
74	Positive	Description:						
<p>A position, funded through MLS's Vehicle-for-Hire Reserve Fund will be provided to E&C for up to three years to identify needed infrastructure and support for the vehicle-for-hire industry in order to increase their uptake of EV technology to meet a Council adopted goal for the industry to be at 100% zero emission vehicles (ZEVs) by 2030 (with some exceptions). (2021.IE26.16)</p> <p>Service Level Impact:</p> <p>Reduce greenhouse gas emissions from transportation via licensing and support for vehicle-for-hire vehicles.</p> <p>Equity Statement:</p> <p>A substantial proportion of the VFH industry consists of lower-income individuals, and/or individuals who identify with equity-seeking groups. As part of the public engagement process for this report, a survey was completed to solicit feedback on the proposed approach, including optional demographic questions. Although self-reported, approximately half of respondents who identified as a member of the VFH industry also identified as an equity-seeking groups and cited a lower income (an average household income of \$30,000 to \$69,999). Half of these respondents also reported living in a multiunit residential building, which can present barriers to the ability to install private charging infrastructure. Several equity-related barriers to widespread ZEV adoption for the VFH industry have been identified. For instance, the upfront cost premium of a ZEV when compared to an internal combustion engine (ICE) equivalent may act as a barrier to lower income and equity-seeking groups in the industry. The location and availability of charging infrastructure may also constitute a barrier, particularly for those who do not live in locations with available private vehicle chargers.</p> <p>Service: Environment & Energy</p>								
Total Staff Prepared Budget Changes:			147.6	147.6	0.0	1.00	0.0	0.0
Staff Prepared New/Enhanced Service Priorities:			147.6	147.6	0.0	1.00	0.0	0.0

30266	Emissions Performance Standards (2023.EX7.1)
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74	Description:
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The project team will develop emissions performance standards for all existing buildings across Toronto. The request including resources for internal and external engagement, legal support, by-law development, etc. Resourcing for the implementation of the emission performance standards is not in scope for this business case.

Service Level Impact:

Environment & Climate will work with stakeholders to develop mandatory emissions performance standards on an accelerated schedule and make recommendations to Council on the path to implementation that can result in large scale emissions reductions across Toronto in all building types.

Equity Statement:

Equity impacts are undetermined, however the outcomes of climate action can improve equity, economic prosperity, community resilience and health when implemented with equity as a core focus. Mandatory emissions performance standards have the potential to dramatically improve equitable access to safe, healthy and high-quality buildings if affordability challenges are adequately addressed in its implementation. The retrofits and upgrades that reduce emissions in our buildings also improve the quality, safety, and longevity of the places we live, work, and play. Mandatory emissions performance standards present significant opportunities for building owners to improve energy and water use efficiency and maintain or reduce operating cost.

Service: Environment & Energy

Total Staff Prepared Budget Changes:	1,200.4	1,200.4	0.0	6.00	0.0	0.0
Staff Prepared New/Enhanced Service Priorities:	1,200.4	1,200.4	0.0	6.00	0.0	0.0

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

(In \$000s)		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total	Growth & Improved Service
<i>District Energy Systems</i>	☑		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	18,000
<i>Existing Building Retrofits</i>	☑	11,650	12,000	11,300	10,000	10,000	10,000	10,000	10,000	10,000	10,000	104,950	104,950
<i>Existing Building Retrofits - Ex Place Decarbonization</i>	☑	6,000	8,000									14,000	14,000
<i>New Development Sustainable Energy Plan Financing</i>	☑	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	95,000	95,000
<i>Renewable Energy Program - Geoexchange</i>	☑		500	500	500	500	500	500	500	500	500	4,500	4,500
<i>Renewable Thermal Energy Program</i>	☑	7,598	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	52,598	52,598
<i>Residential Energy Retrofit Program (HELP)</i>	☑	4,000	551									4,551	4,551
Total Expenditures (including carry forward from 2023)		34,248	38,051	28,800	27,500	27,500	27,500	27,500	27,500	27,500	27,500	293,599	293,599

☑ - 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 2024-2033 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
<i>Existing Building Retrofits</i>	11,650	2,000	1,300								14,950	4,550	10,000	400
<i>Existing Building Retrofits - Ex Place Decarbonization</i>	6,000	8,000									14,000			14,000
<i>New Development Sustainable Energy Plan Financing</i>	5,000										5,000	15,000	(10,000)	
<i>Renewable Thermal Energy Program</i>	7,598										7,598	12,598	(5,000)	
<i>Residential Energy Retrofit Program (HELP)</i>	4,000	551									4,551	4,551		
Total Expenditure (including carry forward from 2023)	34,248	10,551	1,300								46,099	36,699	(5,000)	14,400

Appendix 5b

2025 - 2033 Capital Plan

(In \$000s)	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2025 - 2033 Total	Growth & Improved Service
<i>Community Initiatives - Existing Building Retrofits</i>	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	90,000	90,000
<i>District Energy Systems</i>	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	18,000
<i>New Development Sustainable Energy Plan Financing</i>	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	90,000	90,000
<i>Renewable Energy Program - Geoexchange</i>	500	500	500	500	500	500	500	500	500	4,500	4,500
<i>Renewable Thermal Energy Program</i>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000	45,000
Total Expenditures	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	247,500	247,500

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

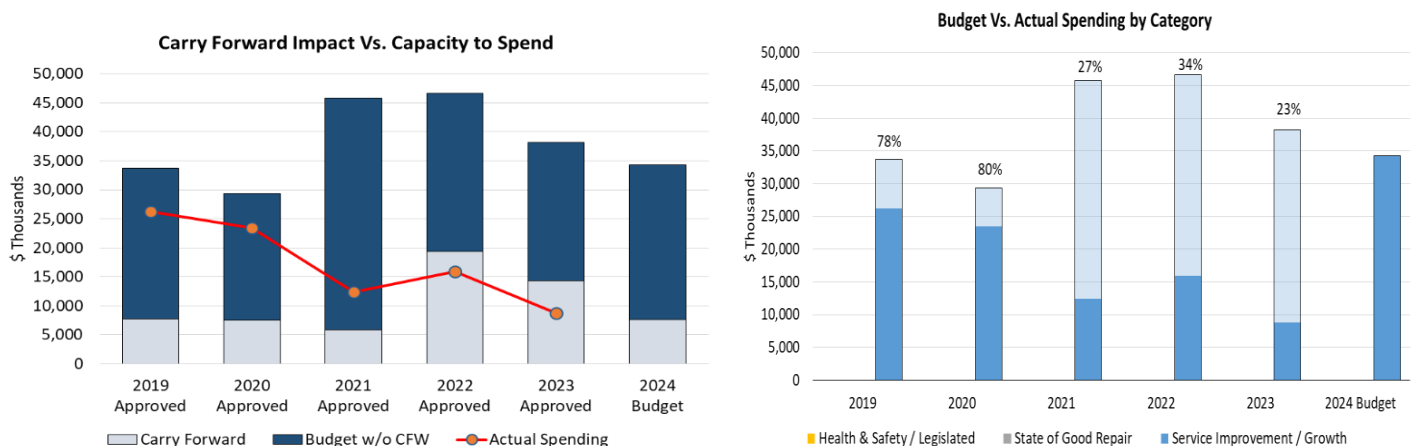
Appendix 7

Capacity to Spend Review

The 10-Year Capital Plan 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 Environment & Climate's (E&C) ability to spend and the market's capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2023 underspending that will be carried forward into 2024.

Chart 2 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

- Environment & Climate Division's actual spending over the previous five years, from 2019 to 2023, has averaged \$17.351 million per year or 48%.
- Environment & Climate Division has reviewed its historical capital spending trends and capacity to deliver projects. Based on the review of historical capital spending constraints and a capacity to spend review, \$1.1 million in capital spending originally in the 2024 Capital Budget has been deferred to future years.
- The 2024 Capital Budget represents a net reduction of \$3.9 million over 2023 and is primarily due to reductions in the *New Development Sustainable Energy Program Financing* and *Renewable Thermal Energy* program, reflecting lower demand for loans as interest rates increase.
- E&C is expected to deliver over 22.9% of its 2023 planned initiatives. The overall program's performance has been impacted by the demand for financing of energy retrofit projects as noted above. The unspent cash flow funding of \$7.598 million has been carried forward into 2024 to continue and complete the required capital work.

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

(In \$000s)	Intergovernmental Funding Program	Federal Funding	Total Funding
<i>Existing Building Retrofits</i>	Natural Resources Canada Grant	4,950	4,950
<i>Residential Energy Retrofit Program (HELP)</i>	Federation of Canadian Municipalities	4,251	4,251
Total Funding		9,201	9,201

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

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

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XR3029	Beginning Balance	1,271	696	116
Conservation Management	<i>Withdrawals (-)</i>			
	Environment & Climate ~ Withdrawals - Operating	-583	-583	-583
	Total Withdrawals	-583	-583	-583
	<i>Contributions (+)</i>			
	Total Contributions	0	0	0
	Net Contributions	-583	-583	-583
	Interest Income	7	3	0
	Balance at Year-End	696	116	-467

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XQ1502	Beginning Balance	1,385	1,807	525
Vehicle Reserve - Facilities & Real Estate	<i>Withdrawals (-)</i>			
	Other Program ~ Withdrawals - Capital	-454	-2,158	-1,628
	Total Withdrawals	-454	-2,158	-1,628
	<i>Contributions (+)</i>			
	Environment & Climate Division ~ Contributions - Operating	3	3	3
	Other Program ~ Contributions - Operating	872	872	872
	Total Contributions	876	876	876
	Net Contributions	422	-1,282	-752
	Balance at Year-End	1,807	525	-227

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XR1505	Beginning Balance	5,215	4,363	3,475
Vehicle for Hire	Withdrawals (-)			
	Environment & Climate ~ Withdrawals - Operating ₪	-148	-148	-149
	Other Program ~ Withdrawals - Operating ₪	-4,024	-4,054	-4,058
	Total Withdrawals	-4,172	-4,203	-4,207
	Contributions (+)			
	Other Program ~ Contributions - Operating	3,284	3,284	3,284
	Total Contributions	3,284	3,284	3,284
	Net Contributions	-887	-918	-923
	Interest Income	36	29	23
	Balance at Year-End	4,363	3,475	2,574

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XR1718	Beginning Balance	6,170	4,008	1,682
Environment Protection	Withdrawals (-)			
	Environment & Climate ~ Withdrawals - Operating ₪	-1,200	-1,347	-1,352
	Other Program ~ Withdrawals - Operating ₪	-2,000	-2,000	-1,000
	Total Withdrawals	-3,200	-3,347	-2,352
	Contributions (+)			
	Other Program ~ Contributions - Operating	1,000	1,000	1,000
	Total Contributions	1,000	1,000	1,000
	Net Contributions	-2,200	-2,347	-1,352
	Interest Income	38	21	8
	Balance at Year-End	4,008	1,682	338

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XR1723	Beginning Balance	7,539	6,117	4,681
Eco-Roof Financial Assistance	Withdrawals (-)			
	Environment & Climate ~ Withdrawals - Operating ₪	-1,473	-1,477	-1,481
	Total Withdrawals	-1,473	-1,477	-1,481
	Contributions (+)			
	Total Contributions	0	0	0
	Net Contributions	-1,473	-1,477	-1,481
	Interest Income	51	40	30
	Balance at Year-End	6,117	4,681	3,229

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XR1724	Beginning Balance	9,082	8,133	6,866
Local Improvement Charge Energy Works	<i>Withdrawals (-)</i>			
	Environment & Climate ~ Withdrawals - Operating ₺	-650	-650	-650
	Other Program ~ Withdrawals - Operating ₺	-363	-373	-373
	Environment & Climate ~ Withdrawals - Capital	0	-300	0
	Total Withdrawals	-1,013	-1,323	-1,023
	<i>Contributions (+)</i>			
	Total Contributions	0	0	0
	Net Contributions	-1,013	-1,323	-1,023
	Interest Income	64	56	48
	Balance at Year-End	8,133	6,866	5,890

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2024	2025	2026
XR1732	Beginning Balance	5	-165	-335
Pollinator Protection	<i>Withdrawals (-)</i>			
	Environment & Climate Division ~ Withdrawals - Operating ₺	-170	-170	-170
	Total Withdrawals	-170	-170	-170
	<i>Contributions (+)</i>			
	Total Contributions	0	0	0
	Net Contributions	-170	-170	-170
	Interest Income	0	0	0
	Balance at Year-End	-165	-335	-505

Third party funding is anticipated but not yet confirmed. Once funding is secured, reserve balance will be positive. If funding is not secured, the associated expenditures will be reduced to match available funds.

Inflows and Outflows to/from Reserves and Reserve Funds

2024 – 2033 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

N/A

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name	Contributions / (Withdrawals)									
	2024	2025	2026	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞	2032 ∞	2033 ∞
XR1724										
Local Improvement										
Charge Energy Works										
Beginning Balance	9,082	8,133	6,866	5,890	5,934	5,978	6,023	6,068	6,114	6,160
Withdrawals (-)										
Environment & Climate ~ Withdrawals - Operating ₺	-650	-650	-650	0	0	0	0	0	0	0
Other Program ~ Withdrawals - Operating ₺	-363	-373	-373	0	0	0	0	0	0	0
Environment & Climate ~ Withdrawals - Capital	0	-300	0	0	0	0	0	0	0	0
Total Withdrawals	-1,013	-1,323	-1,023	0	0	0	0	0	0	0
Contributions (+)										
Total Contributions	0	0	0	0	0	0	0	0	0	0
Net Contributions	-1,013	-1,323	-1,023	0	0	0	0	0	0	0
Interest Income	64	56	48	44	45	45	45	46	46	46
Balance at Year-End	8,133	6,866	5,890	5,934	5,978	6,023	6,068	6,114	6,160	6,206

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).