

Analyst Briefing Notes

Budget Committee Review

(February 8, 2007)

Page

PART 1: CAPITAL PROGRAM

Executive Summary	2
Recommendations	4
2006 Capital Variance Review	6
5-Year Capital Plan (2007 Recommended Budget, 2008-2011 Plan)	7
5-Year Capital Plan Overview	8
Recommended Changes to 5-Year Plan	11
Total 2007 Recommended Cash Flow & Future Year Commitments	14
Operating Budget Impact	17

PART II: ISSUES FOR DISCUSSION

2007 Issues	N/A
5-Year Capital Plan Issues	18

APPENDICES

Appendix 1: 2007 Rec'd Capital Budget; 2008 to 2011 Plan and 2012 to 2016 Estimates...	A1 to A25
Appendix 2: 2007 Recommended Cash Flow & Future Year Commitments	A26 to A36
Appendix 3: 2007 Recommended Capital Projects with Financing Details	A37 to A43
Appendix 4: Reserve / Reserve Fund Review	A44 to A49

Contacts: Judy Skinner, Manager, Financial Planning
Tel: (416) 397-4219

Peter Remedios, Senior Financial Planning Analyst
Tel: (416) 392-8095

February 6, 2007

PART I: CAPITAL PROGRAM**Executive Summary**

- The 2006 Approved Capital Budget of \$114.5 million was 28% spent as at September 30, 2006. As a result of such impediments as inclement weather and outstanding third party funding, actual expenditures by year-end are anticipated to be only \$64.2 million, or 56% of the Approved budget. Of this unspent balance, \$32.6 million is projected to be carried forward in 2007.
- The Recommended 5-Year Capital Plan for Parks, Forestry and Recreation is informed by a number of Council-approved reports (such as the *Recreational Facilities Report* and *Our Common Grounds*) as well as various corporate initiatives including the “3-1-1 Customer Service Strategy”.
- The 2007 Recommended Capital Budget and 2008-2011 Capital Plan calls for a total debt of \$190.0 million. The Plan exceeds Parks, Forestry and Recreation’s aggregate debt target of \$184.9 million by \$5.1 million. This overage results from the addition of two initiatives: \$3.7 million in 2007 to repair damage caused by the August 2005 storm and \$1.365 million in 2008 to institute the Division’s Security Plan at various facilities. Aside from these projects, the recommended annual debt allowance for the Program matches its yearly debt target between 2007-2011.
- The Recommended 5-Year Capital Plan, excluding one-year carry forward funding, totals \$270.3 million, of which 54% (\$144.9 million) is allocated to State of Good Repair (SOGR) projects and the remaining 46% (\$125.4 million) to Service Improvement (SI) and Growth-Related (GR) initiatives. The latter is largely driven by the planned design and construction of new/expanded community centres (\$47.2 million) such as the York Community Centre and the South Etobicoke Community Centre.
- Based only on those assets that have been audited to date, Parks, Forestry and Recreation has accumulated, by the end of 2006, a current SOGR backlog of approximately \$138.4 million. By adopting the 2007 Recommended Capital Budget, this backlog is still projected to grow to \$197.7 million by year’s end. In fact, the Program requires \$226.9 million between 2007-2011 to merely maintain the backlog at its present level. Due to affordability constraints, only \$98.3 million is dedicated to this backlog over the next five years. As a result, the current audited backlog is expected to swell to \$266.9 million by 2011.
- The Program has identified some but not all of the operating impacts, including approved positions, that emanate from the 2007-2011 Recommended Capital Plan. Furthermore, the parks to be developed through the Waterfront Revitalization Initiative will result in additional operating impacts that are currently being determined by an inter-divisional team.

- Parks, Forestry and Recreation's Recommended 5-Year Capital Plan would result in new debt service costs of \$1.1 million in 2007 and incremental costs of \$4.9 million in 2008, \$5.0 million in 2009, \$5.3 million in 2010 and \$5.8 million in 2011.
- The primary issues surrounding the Recommended 5-Year Capital Plan are: a) the true SOGR backlog will grow exponentially once all asset types are audited, b) the Program's capacity to complete in a timely manner the initiatives that have been budgeted and c) the increasing pressure on future capital and operating budgets as a result of various Council-approved plans including the *Recreational Facilities* report, the *Sport Strategy Framework* and Waterfront Revitalization projects.
- The Recommended 5-Year Capital Plan for Parks, Forestry and Recreation includes the following: a) the start of park upgrades including Cedarvale Park redevelopment and the High Park lighting program, extensions to trails and pathways including the Mid-Humber trail, and the implementation of the Allan Gardens Greenhouse and Park Master Plan; b) the continued development of skateboard parks, play area enhancements and pool renovations across the City as well as the continuation of such initiatives as the Tree Advocacy Program and the Toronto Bike Plan, and c) the completion of such projects as Colonel Sam Smith Outdoor Rink, the York Community Centre and the Warden Corridor Community Centre.
- The Recommended 2007-2011 Capital Plan and Budget directly advances the Mayor's Mandate on a number of fronts. For instance, the Plan earmarks over 70 service enhancement projects, valued at \$11.4 million, for Toronto's 13 priority neighbourhoods and its surrounding areas. This includes a total of \$4.4 million in 2007 for such projects as new waterplays in Morningside Park and Empringham Park, the redevelopment of Berner Trail Park and recreational infrastructure in four priority neighbourhoods: Eglinton East-Kennedy Park, Lawrence Heights, Scarborough Village and Westminster-Branson.
- The 2007 Recommended Capital Budget for Parks, Forestry and Recreation, excluding funding being carried forward from 2006 to 2007, is \$60.5 million. This includes \$7.8 million for projects carried forward from 2005, \$13.0 million for projects previously approved for 2007 and \$39.7 million for new initiatives. The 2007 Recommended Capital budget also requires future year commitments totalling \$14.9 million.
- The 2007 Recommended Capital Budget, which exceeds the Program's \$31.5 million debt target by \$3.7 million due to the inclusion of the Storm Damage project, allocates \$28.5 million (47%) to SOGR work. The remaining \$32.0 million (53%) is geared toward priority service enhancements including the 311 Customer Service system, Harbourfront Park development and the expansion of the Jenner Jean-Marie Community Centre.
- The 2007 Recommended Capital Budget includes the following: a) the start of environmental restoration and access to the Lower Don River, implementation of the SAP Property Management Module, and park upgrades and improvements to sports fields in Flemingdon Park; b) preparations for the 311 Customer Service Strategy, renovations to Stephen Leacock Arena, Jenner Jean-Marie Community Centre development and expansion of the Toronto Bike Plan, and c) the completion of the Ashbridges Bay skateboard park, the development of Rouge Marsh Park, and the development of the Wychwood Barns Park.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2007 Recommended Capital Budget for Parks, Forestry and Recreation with a total project cost of \$44.401 million and a 2007 cash flow of \$93.153 million and future year commitments of \$14.928 million be approved. The 2007 Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 60 new sub-projects with a 2007 total project cost of \$44.401 million that requires cash flow of \$39.726 million in 2007 and a future year commitment of \$4.675 million in 2008;
 - ii) 20 previously approved sub-projects with a 2007 cash flow of \$12.981 million and a future year commitment of \$7.472 million in 2008 and \$2.781 million in 2009;
 - iii) 28 sub-projects from previously approved projects with carry forward funding from 2005 and prior years requiring 2007 cash flow of \$7.816 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and
 - b) 2007 approved cash flow for 81 previously approved sub-projects with carry forward funding from 2006 into 2007 totalling \$32.630 million;
2. new debt service costs of \$1.055 million in 2007 and incremental costs of \$3.998 million in 2008, \$0.551 million in 2009 and \$0.278 million in 2010 resulting from the approval of the 2007 Recommended Capital Budget, be approved for inclusion in the 2007 and future year operating budgets;
3. operating impacts of \$0.151 million in 2007 that emanate from the approval of the 2007 Recommended Capital Budget be considered within the overall scope of Parks, Forestry and Recreation's 2007 operating budget;
4. the Capital Emergency Fund sub-project be approved with funding of \$0.350 million for 2007 with the following conditions:
 - a) projects funded must be demonstrable emergencies presenting a safety or security hazard, or impacting current operations, with a potential for significant damage resulting from the continuation of the problem identified;
 - b) all projects charged to the fund must be reported to Finance staff to ensure structures are provided to ensure accountability;
 - c) use of the funding must be reported in all variance reports and to Budget Committee at the time of consideration of the 2008 capital budget; and
 - d) any unspent balance at year-end cannot be carried forward;

5. all sub-projects with third-party financing be approved conditionally, subject to the receipt of such funding during 2007 and if such financing is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.
6. the 2008-2011 Capital Plan for Parks, Forestry and Recreation totalling \$209.736 million in project commitments and estimates, comprised of \$55.775 million in 2008, \$56.302 million in 2009, \$52.625 million in 2010; and \$45.034 million in 2011 be approved;
7. Parks, Forestry and Recreation identify and submit to the Chief Financial Officer by June 2007 the full operating impacts for all projects in its Recommended 5-Year Capital Plan; and
8. Parks, Forestry and Recreation continue to monitor future year projects that are eligible for Development Charge funding and modify the 5-Year Capital Plan to incorporate this financing source.

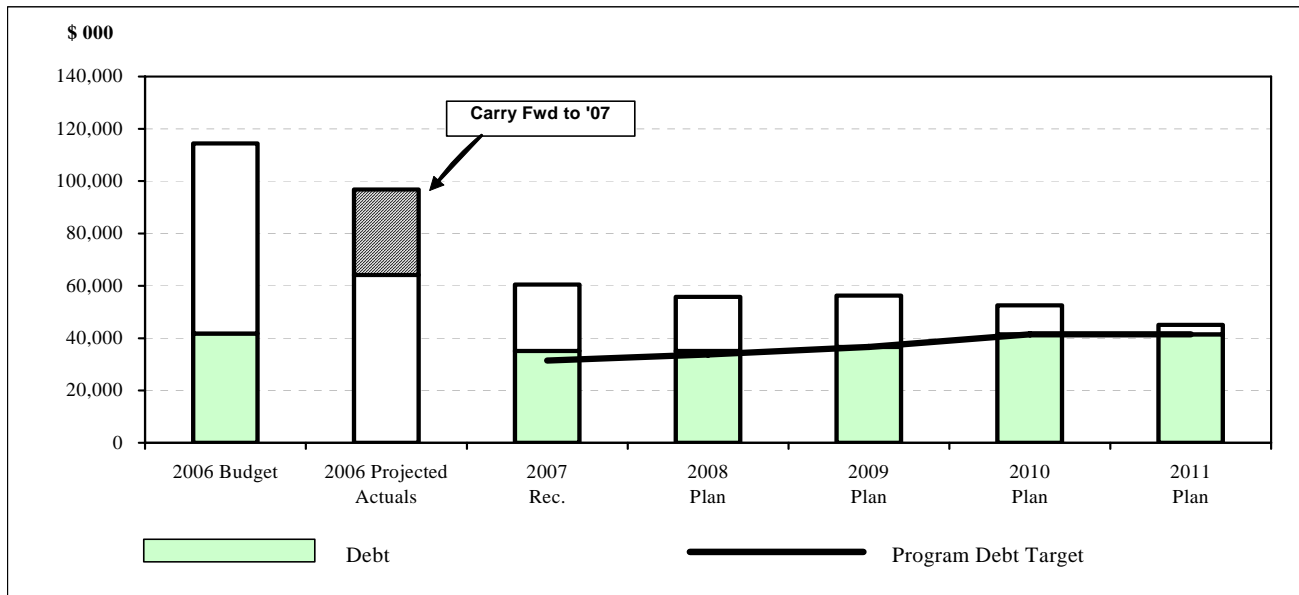
2006 Capital Variance Review

2006 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2006 Approved	Actuals as of Sept 30 (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
114,482	31,578	28	64,206	56	50,276

Comments / Issues:

- Parks, Forestry & Recreation (PF&R) has spent 28% (\$31.6 million) of its 2006 Approved Capital Budget of \$114.5 million as of September 30, 2006. The Division is projecting a year-end spending rate of 56% for 2006 approved projects in its 3rd Quarter Variance Report.
- The 2006 projected year-end spending rate of 56% would represent a slight improvement over the 48% achieved in 2005, but a lower level of completion than the 61% attained in 2004. The under-spending is mainly attributed to the following projects: Community Centres (\$13.3 million, 21%), Park Development (\$11.9 million, 42%), Arenas (\$5.0 million, 32%), Special Facilities (\$4.3 million, 54%) and Facility Components (\$3.1 million, 48%).
- Spending was constrained in the third quarter largely as a result of inclement weather. The Greater Toronto Area experienced one of the wettest autumns on record. As a result, the ground was waterlogged, and roofing projects, asphalt projects, exterior site work, park construction projects and playground replacement came to a halt.
- As of September 30, 2006, the Program projected a total unspent balance of \$50.3 million. However, since progress is expected to be made in the fourth quarter, it is now estimated that only \$32.7 million is required be carried forward into 2007.
- In addition to projects within its own budget, Parks is expecting to deliver \$9.4 million worth of projects for other City Programs. For instance, the Program is carrying out energy retrofits in pools, arenas and community centres through the Energy Retrofit Program (ERP), which has a separate Capital Budget. Similarly, \$1.0 million of work has been performed for the Waterfront Secretariat.
- Although 87% of Parks' 2006 Approved Capital Budget is deemed to be within the Program's control (i.e. not dependent on external factors such as third party funding), the high level of carry forward funding required arises from a number of issues. Planning and consultation is required on a large proportion of some projects before contracting can proceed. Projects, such as Community Centres, with funding from donations or anticipated contributions cannot proceed if such funding has not been received by the City. In general, staff have been working to complete all possible projects within the year, or the second year at the outside. Furthermore, efforts are underway to facilitate the spending rate of capital projects within the approved budget (see Issues section, p. 20).

5-Year Capital Plan (2007-2011)



	2006		5-Year Plan					2007-2011
	Budget	Projected Actual	2007 Rec.	2008	2009	2010	2011	
Gross Expenditures:								
Capital Budget & Future Year Commitments	114,482	64,206	60,523	12,147	2,781		0	75,451
New Plan Estimates			0	43,628	53,521	52,625	45,034	194,808
1-Year Carry Forward to 2007		32,630						
Total Gross Annual Expenditures & Plan	114,482	96,836	60,523	55,775	56,302	52,625	45,034	270,259
Program Debt Target	41,801		31,470	33,765	36,681	41,483	41,500	184,899
Financing:								
Recommended Debt	41,801		35,170	35,130	36,681	41,483	41,500	189,964
Other Financing Sources:								
Reserves/Reserve Funds	15,987		15,139	8,506	6,139	4,468	762	35,014
Development Charges	9,256		5,130	2,952	2,170	4,565	1,772	16,589
Federal								0
Provincial			500					500
Other Revenue	5,841		4,584	9,187	11,312	2,109	1,000	28,192
Total Financing	72,885		60,523	55,775	56,302	52,625	45,034	270,259
By Category:								
Health & Safety								
Legislative	748							0
SOGR	44,345		28,493	31,156	27,768	28,496	28,957	144,870
Service Improvement	26,619		29,105	22,929	12,317	8,370	9,575	82,296
Growth Related	1,173		2,925	1,690	16,217	15,759	6,502	43,093
Total By Category	72,885		60,523	55,775	56,302	52,625	45,034	270,259
Yearly SOGR Backlog Estimate (not addressed by current plan)			119,350	176,549	190,956	204,705	227,173	918,733
Accumulated Backlog Estimate (end of year)		138,360	197,680	208,874	223,451	246,280	266,923	266,923
Operating Impact on Program Costs (not complete)			151	698	914	483	372	2,618
Debt Service Costs			1,055	4,923	4,965	5,279	5,808	22,030

* Note that the 1-Year Carry Forward reflects budget submission and as reflected in CAPTOR.

5-Year Capital Plan Overview

- Excluding funding being carried forward from 2006 to 2007, the Recommended 2007-2011 Capital Plan for Parks, Forestry and Recreation (PF&R) calls for \$270.3 million in funding over the next five years. This includes a cash flow of \$60.5 million for 2007, an amount that is \$12.4 million lower than the Program's 2006 Approved Capital Budget of \$72.9 million (excluding one-year carry forward funding). This 17% decrease is largely the result of a reduction in the value of planned new projects, from \$49.9 million in 2006 to \$39.7 million in 2007.
- The Recommended 5-Year Plan for Parks, Forestry and Recreation attempts to strike a balance between strategic service improvements and capital refurbishments. Of the \$270.3 million in funding proposed for 2007-2011, the Plan earmarks \$144.9 million (54%) for state-of-good repair (SOGR) initiatives, while the remaining \$125.4 million (46%) is reserved for service enhancements. Much of the latter, however, is to be funded from non-debt sources. Of the \$190.0 million in debt financing planned over the next five years, only 29% (\$55.2 million) is assigned to service improvement (SI) and growth-related (GR) initiatives.
- PF&R's inventory of hard assets, including land, is valued at more than \$6 billion. Due to past funding limitations, however, the Program has accumulated a SOGR backlog of approximately \$138.4 million. However, this figure only reflects those assets that have been audited to date. For the facilities and infrastructure that have been reviewed, it is expected that the SOGR backlog will grow from \$138.3 million currently to \$266.9 million by the end of 2011. Although the 5-Year Plan incorporates \$144.9 million for SOGR initiatives, approximately 68% (\$98.3 million) addresses this backlog directly. Even so, the Program requires \$226.9 million over this span just to keep the backlog from growing.
- Funding recommended for SI and GR projects are driven by a number of Division reports that Council has endorsed. For instance, the 2004 *Recreation Facilities Report* called for 14 new or significantly expanded community centres, 5-10 skateboard parks, 89 soccer pitches, 31 multi-purpose sports fields, a major competitive cricket facility, and additional off-road trails for cyclists, in-line skaters and pedestrians. Likewise, the *Toronto Bike Plan* recommends adding hundreds of new kilometres to the City's bike network. Such plans, however, place immense pressure on the Capital Plan as well as Parks' Operating Budgets. To accommodate this City-building agenda, average yearly funding of \$25.1 million is included in the 2007-2011 Capital Plan in an attempt to address the various SI and GR expectations.
- In its 2006 and prior year budgets, the Program maximized the application of reserves and other offsetting funding to reduce the demand on debt where possible. As a result, compared to previous years, there is a significantly higher reliance on debt financing throughout the Recommended Capital Plan. While non-debt financing, for example, accounts for \$25.3 million (42%) of the 2007 Recommended Capital Budget for Parks, forestry and Recreation, such funding makes up only \$3.5 million (7.8%) of the Program's recommended cash flow for 2011 (see Issues section, p. 18).
- Parks, Forestry and Recreation's Recommended 5-Year Capital Plan would result in new debt service costs of \$1.1 million in 2007 and incremental costs of \$4.9 million in 2008, \$5.0 million in 2009, \$5.3 million in 2010 and \$5.8 million in 2011.

Mayor's Mandate

The Recommended 5-Year Capital Plan is aligned with the following priorities outlined in the Mayor's Mandate:

- **Invest \$13 million in Toronto's 13 priority neighbourhoods over the next four years**

The Recommended 5-Year Capital Plan for Parks, Forestry and Recreation earmarks over 70 service enhancement projects, valued at \$11.4 million, for Toronto's 13 priority neighbourhoods and its surrounding areas. This includes a total of \$4.4 million in 2007 for such projects as new waterplays in Morningside Park and Empringham Park (\$0.9 million), the redevelopment of Berner Trail Park (\$0.5 million) and recreational infrastructure in four priority neighbourhoods: Eglinton East-Kennedy Park, Lawrence Heights, Scarborough Village and Westminster-Branson.

As the Program's Capital Budgets are finalized in subsequent years, the 5-Year Capital Plan will be reviewed and adjusted to include any additional initiatives for the priority neighbourhoods.

- **Establish a 311 hotline so that every resident has direct and simple access to a person at City Hall who can help resolve problems**

The Recommended 5-Year Plan calls for \$3.8 million in 2007 and \$0.7 million in 2008 to complete the Parks component of the 311 Customer Service system.

- **Implement a ravine improvement team that will clean, beautify and improve access and stewardship to Toronto's ravines**

The 2007 Recommended Capital Budget includes \$0.6 million in funding that has been carried over from 2006 in order to provide required equipment and vehicles for ravine and watercourse remediation.

- **Construct bike trails and lakefront promenades across the City**

Although this priority is being led by the Transportation Division, the Recommended 5-Year Capital Plan for Parks, Forestry and Recreation contains \$6.7 million for extensions to trails and pathways.

- **Make Toronto greener by improving the tree management and care program to feed, care for, save or replace existing trees in our City**

\$5.5 million is allocated for the Tree Advocacy Program over the next five years, including \$1.5 million in new money for 2007. Furthermore, the Recommended 5-Year Capital Plan contains \$1.0 million per year for various environmental initiatives across the City.

- **Speed up the implementation of Toronto's Bike Plan**

In the Recommended 5-Year Capital Plan, approximately \$0.4 million per year is dedicated specifically for the City-wide expansion of the Toronto Bike Plan.

Multi Year Debt Affordability Target

Parks, Forestry and Recreation's 2007-2011 Capital Plan includes an aggregate debt amount of \$190.0 million. This exceeds the Program's five-year debt target of \$184.9 million by \$5.1 million. This overage is due exclusively to the inclusion of \$3.7 million in new funding recommended for 2007 to address the severe damage caused by the August 2005 storm, as well as the addition in 2008 of \$1.365 million for security components at various facilities. Aside from these two initiatives, Parks' annual debt requirements align exactly with its yearly corporate debt target.

Parks recognizes that the physical integrity of its facilities and other assets are of foremost importance. Accordingly, rather than compromise its SOGR commitment, the Program has prudently elected to defer and/or recast lower priority SI and GR projects in order to approximate its aggregate debt target of \$190.0 million.

Capacity

Although Parks, Forestry and Recreation is projecting to carry forward \$32.7 million in funding from 2006 to 2007, this will not impact the Program's ability to proceed with the new projects recommended for 2007. The carry forward funding resulted, to a significant degree, from unforeseen weather-related delays. These funds are now expected to be fully spent in 2007. Likewise, new project funding of \$60.5 million is also anticipated to be fully spent by the end of the year.

Although the Recommended 5-Year Capital Plan is one that the Program believes it can feasibly achieve within the time period set out, there is still uncertainty as to the timing of some planned facility projects. The construction of the proposed York community centre is a prime example. Although the Program has allocated \$21.0 million for the design and development of this building from 2007-2011, this project is contingent upon securing provincial land and, as such, may not commence as planned. This is but one initiative that has been included in the Capital Budget for a number of years but which has not yet come to fruition, due to land acquisition issues or other extenuating circumstances beyond the Program's control. In any event, it is likely that not all of these planned projects will progress as scheduled by 2011. The Program will, therefore, likely be in a position to re-allocate the debt allotted for these initiatives to other SI/GR items that are actually ready to proceed, or to its considerable SOGR backlog.

State of Project Readiness

Parks, Forestry and Recreation's Recommended 2007-2010 Capital Plan reflects its future direction as documented in a number of Council-approved reports including the *Recreation Facilities* report, the *Clean and Beautiful City Action Plan* and the Division's strategic plan, *Our Common Grounds*. The 5-Year Capital Plan is also informed to a large extent by Parks' Capital Asset Management Program (CAMP) which drives SOGR work.

Over the years, Parks has reviewed and refined its cost estimates as well as re-phased projects in an attempt to comply with the City's diminished debt targets. The Program is confident that it has the means to achieve the Recommended 5-Year Capital Plan within the specified timelines and the funding targets that have been set.

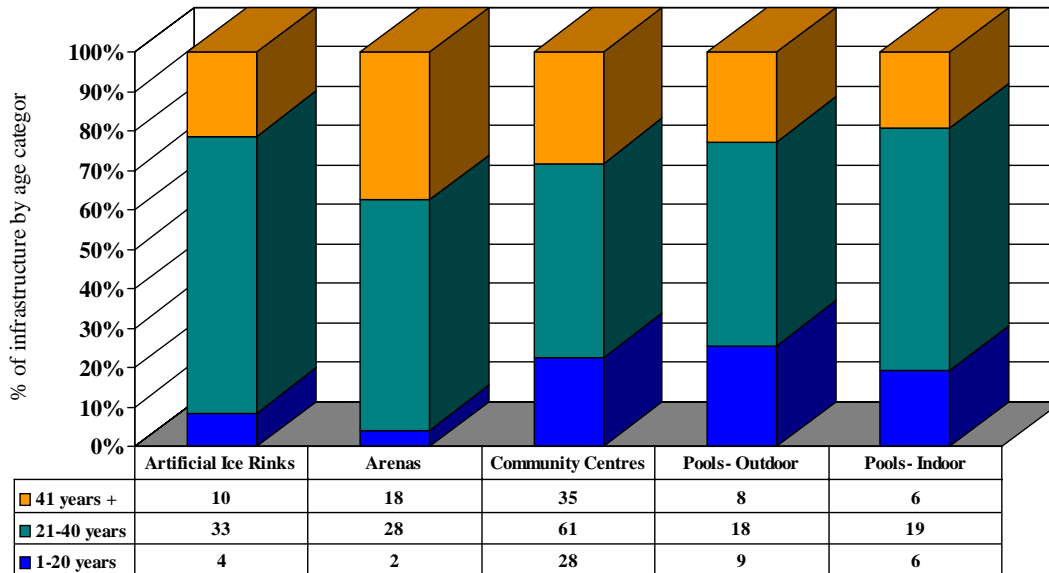
Recommended Changes to the 5-Year Plan

City Council considered the Parks, Forestry and Recreation 5-Year Plan (2006-2010) at its meeting of July 25, 26 and 27, 2006 and adopted it in principle. Aside from the addition of carry forward funding for various second-year projects (all non-debt), and the re-phasing of cash flows for certain projects (i.e. Flemingdon Park sports field improvements and park upgrades, O'Connor Waterplay, North York Civic soccer fields), the only changes to the Plan are:

- CAMP (SGR) Harbourfront Centre & Marine Services – the additional \$0.960 million is a new initiative for 2007. Funding is required to make repairs to City ferries as mandated by Transport Canada. Although the request is to be financed wholly from debt, the Program has accommodated the amount within its 2007 affordability target.
- Storm Damage 2007 – for 2007, an extra \$3.700 million has been recommended to complete the rehabilitation of Parks infrastructure that was damaged by the August 2005 storm. The wind and flooding from this event caused just under \$9 million in damage to Park assets. Over \$1.0 million has been spent to date from within the Program's existing operating budget to carry out repairs and \$3.0 million has been covered by insurance, leaving \$4.7 million in repairs outstanding.
- Neighbourhood Recreation Infrastructure – Following the mayoral mandate to invest \$13 million in all 13 priority neighbourhoods, additional capital investment of \$0.714 million has been recommended for four priority neighbourhoods in 2007: Eglinton East-Kennedy Park, Lawrence Heights, Scarborough Village and Westminster-Branson. These four communities are particularly lacking for recreational infrastructure.
- Joy Oil Site Restoration – as recommended in the report *To Confirm Funding for the Relocation and Stabilization of the Joy Oil Station*, which Council approved at its meeting on September 25, 28 and 29, 2006 funding of \$0.400 million has been included in 2007 for the historically designated Joy Oil Station located at 1978 Lake Shore Boulevard West.
- SAP Property Management Module - \$0.225 million in 2007 and \$0.870 million in 2008 has been included to establish an SAP real estate module for the Program. Implementation of this project has been directed by the City Manager and results from the Auditor General's review of leases and agreements in Parks, Forestry and Recreation.
- Security Plan for Various Facilities – In order to provide a consistent, standardized level of safety and security for Parks' facilities and patrons, \$1.365 million gross has been recommended for 2008. This aligns with the *Parks, Forestry and Recreation Safety and Security Plan* report that was adopted by the Economic Development and Parks Committee at its meeting of September 12, 2006.

State of Good Repair Backlog and Unmet Needs

As the following graph illustrates, the vast majority of Parks’ recreational infrastructure is more than 20 years old:



Despite an aging asset base, the Program was directed for affordability reasons to maximize reserves in prior years, thereby leaving limited debt funding available for SOGR initiatives. While debt financing for PF&R has been restored in recent years and will continue to increase to \$41.5 million by 2011, heightened public expectations for new and enhanced facilities will result in the continued diversion of some funding from SOGR projects to SI/GR initiatives. Accordingly, the Program will continue to experience difficulty in making progress against its growing SOGR backlog. In fact, as depicted on page 5, the current audited backlog of \$138.4 million will continue to grow to \$266.9 million by the end of 2011, despite inclusion in the Recommended 2007-2011 Capital Budget and Plan of an average \$19.6 million per year to address the SOGR needs of these particular assets (see Issues section, p. 21).

Operating Impact of Capital

The following are significant operating impacts will result from the approval of the 5-Year Plan:

- \$0.168 million for project management and material expenditures associated with the development of the Edithvale Community Centre;
- \$0.508 million in 2008 to operate the new Jenner Jean-Marie Community Centre; and
- \$0.725 million to run Lord Dufferin Pool once renovations are completed in 2009.

Despite these noted items, it is clear that not all program operating costs have been fully captured in Parks’ 2007-2011 Capital Plan. To illustrate, the establishment of the SAP Property Management Module will result in the need for additional staff and resources in 2008, however, these have not yet been quantified in the Plan. In addition, it is difficult to gauge the accuracy of the program costs that were identified. For instance, although the Program claims that the incremental programming costs

associated with the completion of Jenner Jean-Marie Community Centre will create a salary and benefit pressure of \$0.508 million from 2008 onwards, no additional approved positions are identified for the facility. Accordingly, before the 2007-2011 Capital Plan can be considered complete, Parks must fully review and incorporate into its Plan all true operating projections.

Finally, since Waterfront projects are not delivered through the Parks Capital Budget, the Program's 5-Year Capital Plan does not include the operating impacts for these initiatives. However, Parks is responsible for the ongoing maintenance of these projects upon their completion. An interdivisional team will be reporting on operating impacts for Waterfront projects by the end of 2007.

Pre-approvals

City Council, at its meeting on December 5 and 6, 2006, adopted the "*Pre-Approval of 2007 Capital Projects Commitment and Spending*" report from the Deputy City Manager and Chief Financial Officer. The pre-approval funding for Parks, Forestry and Recreation is \$1.9 million. This includes \$0.8 million for three previously approved projects as well as \$1.1 million for six new projects. Partial cash flow for the three previously approved projects is required in order for work that is currently underway to continue without delay. Spending authority will allow these facilities to be operational by summer 2007 as scheduled. With respect to the six new projects, the commitment of \$1.9 million and cash flow of \$1.1 million is necessary for the Program to continue with state of good repair work that needs to occur prior to the summer season. For instance, the mandatory refurbishment of the City's ferries must be accomplished in the winter months.

The Program's pre-approved commitments and cash flow include \$0.185 million that Parks needs to fund design work for the continued repairs of the bridges, parking lots and trails caused by the August 2005 storm. Although the full project cost of \$3.7 million has now been included in Parks, Forestry and Recreation's Recommended 2007 Capital Budget, only the project's design phase was originally pre-approved.

**Total 2007 Recommended Cash Flow & Future Year Commitments
(\$000s)**

	2005 & Prior Year Carry Forward	2007 Previously Approved Cash Flow Commitments	2007 New Cash Flow Recommended	2007 Total Cash Flow Recommended	2007 Debt Target	2006 Carry Forward	Total 2007 Cash Flow (Incl 2006 C/Fwd)	2008	2009	2010	2011	2012-2016	Total Cost
Expenditures													
Previously Approved	7,816	12,981		20,797		32,630	53,427	7,472	2,781				63,680
Change in Scope				0			0						0
New			39,276	39,276			39,276						39,276
New w/Future Year			450	450			450	4,675					5,125
Total Expenditure	7,816	12,981	39,726	60,523		32,630	93,153	12,147	2,781	0	0	0	108,081
Financing													
Debt		6,005	29,165	35,170	31,470	17,503	52,673	3,446	2,531		0		58,650
Subsidy (SCPI)													0
Prov. Subsidy/Grant			500	500									0
Development Charges	3,180	600	1,350	5,130		3,125	8,255	1,251					9,506
Other	903	1,050	2,631	4,584		5,314	9,898	1,941			0		11,839
Federal Grants													0
Reserves/Res Funds	3,733	5,326	6,080	15,139		6,688	21,827	5,509	250				27,586
Total Financing	7,816	12,981	39,726	60,523		32,630	93,153	12,147	2,781	0	0	0	108,081

Comments / Issues:

- The 2007 Recommended Capital Budget for Parks, Forestry & Recreation is \$93.2 million gross. This includes \$7.8 million in funding being carried forward from 2005 and prior years, \$13.0 million in funding for previously approved commitments, \$39.7 million for new projects and \$32.6 million for projects carried forward from 2005 to 2006.
- Approval of the 2007 Recommended Capital Budget will result in a commitment of \$12.1 million in 2008 and \$2.8 million in 2009. Most of these funds are geared towards six projects: the Toronto Bike Plan (CP PS Lead), 311 Customer Service Strategy, Lord Dufferin Pool, Queensway New Fieldhouse, Col. Sam Smith Outdoor Rink and the Jenner Jean-Marie community Centre. In fact, of the resulting \$14.9 million in future commitments, only \$6.0 million relates to debt.
- The total 2007 Recommended Capital Budget of \$93.2 million breaks out by category as follows: Legislated - \$1.2 million (1%), SOGR - \$42.0 million (45%), Service Improvement - \$45.8 million (49%), Growth-Related - \$4.1 million (5%).
- Including one-year carry forward funding, debt financing accounts for 57% (\$52.7 million) of the 2007 Recommended Capital Budget. As a result of the additional funding recommended for the Storm Damage, new debt funding exceeds the Program’s affordability target of \$31.5 million by \$3.7 million.

2007 Recommended Capital Budget

2007 Recommended Capital Budget versus Debt Target

The 2007 debt affordability guideline for Parks, Forestry and Recreation is set at \$31.5 million. While this target represents a 25% decrease from the \$41.8 million in new debt that was approved for 2006, the guideline exceeds the Program's historical debt allocation of \$25 million, which it averaged from 2000-2005. Achieving prior year debt targets, however, forced the Program to draw heavily on reserves, which have now been depleted.

The recommended debt level of \$35.2 million for new 2007 initiatives exceeds the corporate debt target by \$3.7 million. Additional debt was reallocated to this Capital Budget to fund the required rehabilitation of park land and infrastructure damaged by the August 2005 storm.

In keeping with the corporate guidelines, the 2007 Parks, Forestry and Recreation Recommended Capital Budget accommodates the Program's highest priority needs. Of the \$35.2 million in new debt funding recommended, 69% (\$24.3 million) is slated for SOGR projects while the remaining 31% (\$10.9 million) is earmarked for Service Improvements and Growth-Related initiatives, including the continuation of the 311 Customer Service Strategy, the renovation of Kiwanis Pool and the ongoing development at the Jenner Jean-Marie Community Centre.

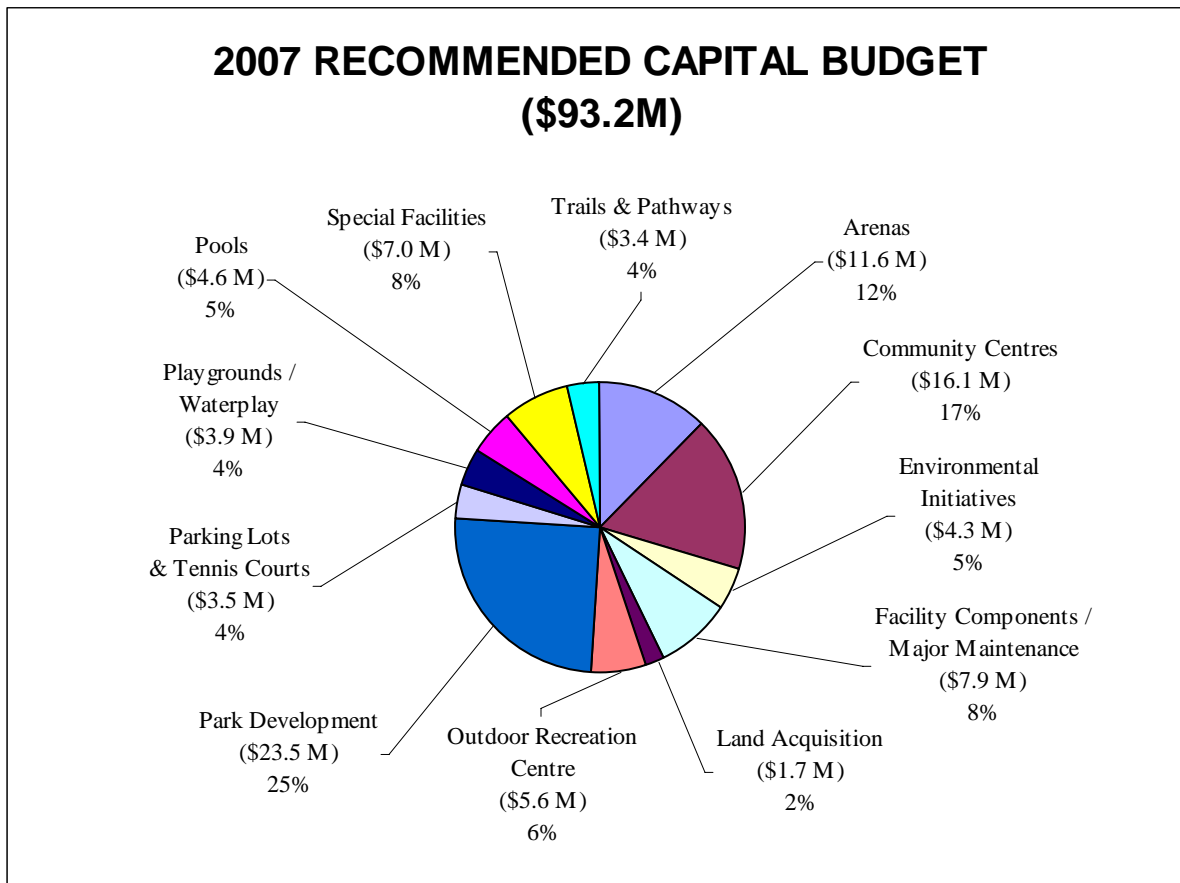
Capacity /Readiness

The carry forward funding profile for 2007 indicates that the Program anticipates improvement to its project spending rates and that it is attempting to ensure that project delays are kept to a minimum, especially when funded from debt. Despite a larger approved budget, the need for one-year carry forward funding has decreased from \$33.3 million in 2006 to an estimated \$32.7 million for 2007. Likewise, by phasing over several years those projects that require community consultation, funding required for uncompleted projects from 2005 or prior has fallen between 2006 and 2007, from \$11.7 million to \$7.8 million respectively.

The new projects planed for 2007 are based on asset audits, development initiatives, Toronto's Official Plan and community needs assessments. The estimates for these initiatives are firm and every effort has been made to fairly represent the true cost of Parks, Forestry and Recreation's capital work for 2007 and beyond. Furthermore, the Program is confident that it has the capacity to proceed and complete all noted initiatives within the prescribed timelines.

Project Categories

Including carry forward funding, the 2007 Recommended Capital Budget for Parks, Forestry and Recreation comprises 13 distinct project categories, with funding allocated as follows:



Operating Budget Impact

Incremental Operating Impact Summary

Incremental Operating Budget Impact	2007	2008	2009	2010	2011
Program Costs (net) (\$000s)	151	0	0	0	0
Debt Service Charges (\$000s)	1,055	3,998	551	278	0
Approved Positions	0	0	0	0	0

Program Incremental Operating Costs

The 2007 Recommended Capital Budget for Parks, Forestry and Recreation will increase the Program's Operating Budget, with incremental impacts in 2007 and future years as a result of the following capital projects/subprojects:

2007 Capital Projects/Sub-Projects		2007 (\$000s)	2007 approved position change	2008 (\$000s)
Community Centres	Fenside CC - Construction	84.0		
Environmental Initiatives	Kay Gardner Beltline-Pathway/drainage Phase 2	23.0		
Outdoor Recreation Centres	Flemingdon Park - Build 12 Mini-Soccer Field	3.5		
Outdoor Recreation Centres	Centennial Park (E) - Develop soccer field	19.0		
Park Development	Victoria Memorial Park Restoration	13.0		
Playgrounds/Waterplay	Empringham Park New Waterplay	2.8		
Playgrounds/Waterplay	Morningside Park - Install Waterplay Area	2.8		
Playgrounds/Waterplay	McGregor Park RC - Splashpad	2.8		
TOTAL		150.90	0.00	0.00

The incremental operating costs outlined above include the following:

- \$0.084 million for the incremental operating costs produced by the addition of extra facility space at the Fenside Community Centre.
- \$0.023 million to develop new soccer fields in Flemingdon Park and Centennial Park.
- \$0.008 million to run new splash pads/water plays in Empringham Park, Morningside Park and McGregor Park.

As previously noted, complete information has not been provided regarding incremental approved positions and future years' operating impacts.

PART II: ISSUES FOR DISCUSSION

5-Year Capital Plan Issues

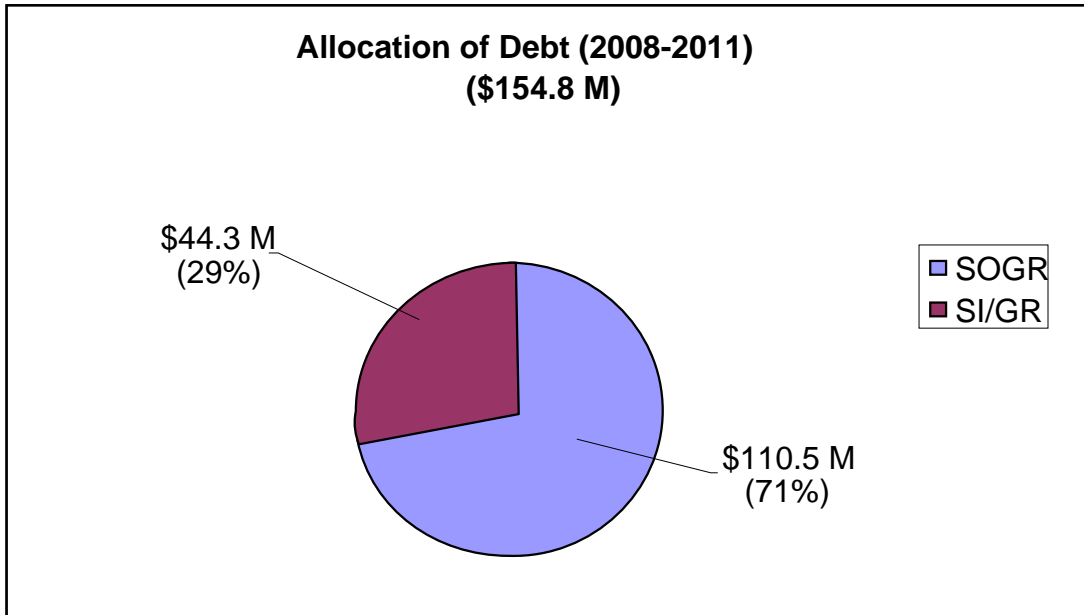
Limited Non-Debt Financing

Parks, Forestry and Recreation's Recommended 2007-2011 Capital Plan has been developed based on asset audits, development initiatives, Toronto's Official Plan and community needs assessments. In addition, the Program's 5-Year Plan has been informed by a number of Council-approved reports and initiatives including: *the Recreational Facilities Report*, *the Clean and Beautiful City Action Plan*, *the 3-1-1 Customer Service Strategy* and the Division's strategic plan, *Our Common Grounds*. Although the focus of the Plan is on preserving and protecting the Division's existing infrastructure, the Program is also mindful of public expectations for service improvements. Hence, the recommended Plan incorporates targeted new investments that reinforce some of Council's highest priorities: Strengthen Our At-Risk Neighbourhoods, Make Progress on the Waterfront, and Make Toronto a Clean and Beautiful City.

Parks, Forestry and Recreation's Recommended 2007-2011 Capital Plan is constrained by the limited availability of non-debt funding sources. The Division's ability to utilize reserves to fund new projects has been reduced due to the maximization of reserve financing in 2006 and prior years. This has led to an increasing reliance on debt financing for 2007 and beyond. In preparing for the 2007 Capital Budget, for instance, reserve fund balances of \$25.1 million existed. After incorporating the reserve funds into the Recommended Capital Plan, only \$0.038 million remains. Although new funding in the form of cash-in-lieu, Section 37 & 45 agreements and development charges will be applied to the budget as it becomes available, the Recommended 5-Year Capital Plan, as presented, shows that debt consumes an increasing share of planned expenditures:

PARKS' 2007-2011 RECOMMENDED CAPITAL PLAN					
	2007	2008	2009	2010	2011
Cashflow	60,523	55,775	56,302	52,625	45,034
Debt	35,170	35,130	36,681	41,483	41,500
% Debt	58%	63%	65%	79%	92%

The emphasis of the Recommended 5-Year Capital Plan is on PF&R's SOGR program. Of the \$209.7 million in funding planned for the outer years (2008-2011), SOGR initiatives account for \$116.4 million (56%) of total cash flow spending. Moreover, SOGR projects comprise 71% of the \$154.8 million in debt financing recommended for 2008-2011:



Despite an escalating annual debt allowance between 2008-2011, planned SOGR funding is relatively stable over this timeframe, ranging between \$27.8 million and \$31.1 million yearly, with an annual average of \$29.1 million. It is necessary to flat line funding for capital asset and repair in order for priority SI/GR projects (such as the York Community Centre) to come on stream by 2011.

Development Charges

The Recommended 5-Year Plan includes Development Charge funding for new and future growth projects. However, since Development Charge funding has been maximized to date, only limited Development Charge funding is currently available beyond 2007. Future Development Charge financing is dependent upon receipt of such funds.

It is recommended that the Program continue to monitor future year projects that are eligible for Development Charge funding and modify the 5-Year Capital Plan to incorporate this source of financing.

A detailed future-year forecast of Development Charges is currently underway and, upon its completion by June 2007, will be reviewed against the 2008-2012 Capital Plan for Parks, Forestry and Recreation.

Future Year Targets

Like many large City programs, Parks, Forestry & Recreation’s 5-year debt funding levels are insufficient to address all of its competing demands. Although the Program’s yearly debt allocation steadily increases from \$31.5 million in 2007 to \$41.5 million in 2011, its annual known SOGR needs alone over the next five years exceed its average annual corporate debt allowance of \$37.0 million. Similar to all other Programs, however, Parks has been required to revise its spending plans in order for the City is to operate within its affordability limits.

Park, Forestry and Recreation’s Recommended 2007-2011 Capital Plan does not bind the Program to any major initiatives beyond this period. Virtually all projects that commence within the next five years are scheduled to be completed by 2011. Accordingly, there are no outstanding obligations or undue commitments for 2012 or beyond.

While the Division’s 2012-2016 estimates, which total \$543.0 million, are significantly higher than the \$303.0 million that is planned through to 2011, it is important to note that much of the former amount relates to major new facilities that may or may not materialize. At the present time, most of the \$332.4 million that is budgeted for Service Improvement and Growth-Related initiatives between 2012-2016 merely constitutes a placeholder until a final determination is made on the feasibility of these various projects. If any of these large-scale projects are accepted to proceed in the outer years, Parks will need to revamp its 2008-2012 and future 5-Year Plans in order to meet future debt targets.

Capacity

Over the last five years, the Program has experienced chronic difficulty in spending its authorized capital allocation:

Parks, Forestry & Recreation's Spending Rates (\$000s)

Year	Plan	Actuals	% Spent
2006*	114,482	64,206	56%
2005	88,757	42,631	48%
2004	77,506	47,160	61%
2003	72,914	44,659	61%
2002	65,341	31,853	49%
2001	63,788	39,749	62%
TOTAL	482,788	270,258	56%

*as projected in 3rd Quarter Variance Report

In general, project deferrals and delays are caused by a number of factors:

- Weather has an impact on project completion, especially outdoor projects. Inclement conditions during key construction periods, as in 2006, can significantly prolong the construction timeline.
- Complications arising from the need for public input, negotiated legal agreements, and environmental approvals. Any of these may further delay the completion of a given project.
- Parks projects increasingly involve other public organizations or the private sector. Multi-partner initiatives typically add to the complexity of the process and can adversely affect project schedules.
- Projects using land being made available as a result of development activities often do not move forward as planned. The timing of these land transfers are driven by the related development activity.
- Third-party funding (i.e. section 37 and other monies) does not materialize as anticipated.

Despite these and other issues that impede project completion, the Program is in the process of taking key steps to enhance its performance. Reorganizing and solidifying the capital planning staff, improving procurement planning, utilizing pre-approved suppliers where feasible and revisiting cash flow assumptions for larger projects are all actions that have been implemented or are in progress. These steps have allowed the Program to boost projected expenditures to 56% for 2006 and should help the Division, to further improve its spending rates in the years ahead.

State of Good Repair and Unmet Needs

Parks, Forestry and Recreation has an aging asset base. In fact, more than 27% of its recreational facilities are more than 40 years old. Given the requirement to operate within debt affordability targets and to work with limited supplemental resources, it is not surprising then that the cumulative current backlog of Park assets requiring renovations and refurbishment has now grown to approximately \$138.4 million. Furthermore, simply to keep this backlog from growing, the Program requires approximately \$226.9 million over the next five years, including \$78.6 million in 2007 alone. However, due to the City’s fiscal constraints, the Recommended 5-Year Capital Plan only addresses \$98.3 million of the Program’s needs for 2007-2011, including \$19.3 million for this year. Accordingly, the cumulative SOGR backlog for Parks, Forestry and Recreation can be expected to almost double from 138.4 million to \$266.9 million by 2011:

PARKS, FORESTRY & RECREATION'S SOGR BACKLOG ANALYSIS (000s)							
PROJECT NAME (\$ in '000s)	Current Accumulated Backlog - 2006	YR 2007 Estimated Need	YR 2008 Estimated Need	YR 2009 Estimated Need	YR 2010 Estimated Need	YR 2011 Estimated Need	Total Cumulative Backlog
Indoor Arenas	\$28,185	\$12,090	\$8,330	\$3,925	\$7,675	\$7,245	\$67,450
Outdoor Artificial Ice Rinks	\$7,735	\$3,915	\$3,770	\$3,350	\$3,510	\$1,250	\$23,530
Community Centres	\$14,505	\$10,020	\$6,025	\$5,870	\$7,645	\$4,440	\$48,505
Outdoor Recreation Facilities	\$6,740	\$5,925	\$2,310	\$1,655	\$2,375	\$3,105	\$22,110
Indoor Pools	\$8,140	\$6,190	\$665	\$2,640	\$675	\$2,675	\$20,985
Outdoor Pools	\$5,105	\$3,020	\$2,130	\$1,135	\$715	\$880	\$12,985
Special Facilities	\$12,150	\$8,685	\$3,240	\$2,745	\$5,765	\$4,275	\$36,860
Tennis Courts & Sports Pads	\$5,605	\$3,080	\$745	\$1,175	\$2,060	\$1,980	\$14,645
Park Bridges	\$0	\$0	\$0	\$630	\$135	\$205	\$970
Park Parking Lots	\$21,420	\$2,040	\$2,455	\$6,130	\$5,970	\$3,520	\$41,535
Trails & Pathways	\$20,480	\$20,075	\$1,620	\$2,060	\$3,790	\$6,855	\$54,880
Waterfront	\$5,990	\$1,260	\$820	\$745	\$1,395	\$540	\$10,750
Waterplay	\$2,305	\$2,305	\$215	\$860	\$465	\$3,880	\$10,030
GRAND TOTAL	\$138,360	\$78,605	\$32,325	\$32,920	\$42,175	\$40,850	\$365,235
SOGR BACKLOG ADDRESSED		\$19,285	\$21,131	\$18,343	\$19,346	\$20,207	\$98,312
BACKLOG BALANCE		\$197,680	\$208,874	\$223,451	\$246,280	\$266,923	\$266,923

The \$266.9 million tally does not reveal the full extent of the SOGR backlog. It is important to note that, to date, SOGR audits have only been completed on some types of facilities and infrastructure in the Division’s portfolio. The table above identifies the 14 asset types that have had visual audits completed.

A significant number of assets have either not yet been audited, or are in the process of being assessed. Accordingly, final data is not available to fully inform the 10-Year Capital Plan and Forecast. The

asset classes not included in the above backlog figure include: bocce courts, ball diamonds, cricket pitches, lakefront sea walls, ferry docks, boardwalks, sports fields, fountains, irrigation systems and soccer facilities and stadiums and underground services. It is anticipated that audits on these facilities will be undertaken within the next three to five year capital cycle and will reveal considerable additional maintenance costs.

Clearly, given the present fiscal environment, the total funding needed to address the true aggregate backlog exceeds by far the City's ability to fund the required renovations. Since the balance of most reserve funds dedicated to Parks, Forestry and Recreation projects have been exhausted in prior years, current and future SOGR work will have to be funded almost exclusively by debt. Furthermore, with the need to apply some debt funding to SI and GR projects in order to meet ratios for the application of development charge funds, certain SOGR initiatives have had to be deferred. Finally, with the pressure for new assets to meet existing service gaps, additional SOGR requirements will arise from the increased facilities in service. For these reasons, the SOGR backlog can be expected to grow even further in the years beyond 2011.

Land Acquisition

Parks, Forestry and Recreation's Recommended 2007-2011 Capital Budget and Plan does not include any plans for land acquisition other than the minimal costs of initiating transactions. Nevertheless, much of the facility construction planned for in the future years is contingent upon the Program first securing the location. If insufficient reserves are available to purchase the requisite sites, this will preclude the development of various planned SI/GR initiatives, particularly community centres.

In the same vein, there have recently been a number of requests to purchase parkland throughout the City. If approved, these requests could far exceed the funding available in parkland reserves. Parks Forestry & Recreation at the direction of the Administration Committee (August 17, 2006) is undertaking the preparation of a comprehensive park acquisition plan. Until then, it is important to ensure that the acquisitions of parkland be completed in a planned and ordered way, so that funding for the acquisition program aligns with Council's approved policy and remains sustainable well into the future.

The plan will be an opportunity for the Program to determine its parkland acquisition priorities in a comprehensive manner. It is recommended that once the plan is approved, that all land acquisition reserve funding be reflected in Parks' 5-Year Capital Plan. For the 2007 Recommended Capital Budget, aside from the York Community Centre, no projects require land acquisition in order to proceed.

Outstanding Initiatives

The Recommended 2007-2011 Capital Plan for Parks does not reflect the financial implications of a number of reports and strategies that are currently under development. For instance, the Division is in the process of articulating both an indoor pool strategy as well as an arena study. It is anticipated that the financial impact of both these initiatives will put further pressure on the Program's future capital budgets. Likewise, the 5-Year Capital Plan does not capture all capital items reflected in the *Recreational Facilities Report*, *Our Common Grounds* and the *Sport Strategy Framework*. Again, such infrastructure needs put further pressure on the 5-Year Plan. Given the City's debt limits, the Program will not be in a position to achieve all of the objectives that Council has mandated for it. Instead, Parks will be required to prioritize initiatives in the coming years.

Funding Emergency Repairs

In the 2006 budget, a sub-project in Facility Components (Capital Emergency Funding 2006) was approved for \$0.500 million of debt funding. It was noted that emergencies involving the failure of a critical element are likely to occur in the Division's large portfolio of facilities, particularly for those assets which have not had an adequate level of capital maintenance.

In light of the Program's limited debt allowance, the current recommendation for Emergency Funding is now \$0.350 million. As in 2006, the application of these funds will be limited to demonstrable emergencies meeting the following criteria:

- Potential safety or security hazard
- Potential or current impact on operations
- Potential for significant damage resulting from the continuation of the problem identified

Upon identification of such a situation and Program approval to proceed, the project and dollar amount will be reported to Finance staff to facilitate the establishment of the appropriate capital element in SAP to ensure financial accountability. A condition of this funding is that at the end of the year, the General Manager of Parks, Forestry and Recreation will submit a report to the Budget Advisory Committee identifying how this project funding was utilized. Any year-end unspent balance cannot be carried forward unless required to complete an emergency maintenance item started within the fiscal year.

Projects with Third Party Financing

As in prior years, all sub-projects with third-party financing are recommended conditionally, subject to the receipt of such funding during 2007. If such funding is not forthcoming, financing for these sub-projects should be reassessed by Council and applied to other City-funded priorities and needs.

Appendix 4
Reserve / Reserve Fund Review
(\$000s)

Appendices 1-3 not available online.

Appendix 4 - Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Uncommitted balance as of September 30, 2006	Proposed Withdrawals				
			2007	2008	2009	2010	2011
XR2210 PARKLAND ACQ-CITY WIDE LAND ACQ	LA 33 Parkland Acquisition - FY2007	5,810,980	100				
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 182 Capital Planning & Asset Management FY2007	12,260,629	250				
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	FC 184 Investigation and Pre-Engineering FY2007	4,975,995	37				
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 291 Skateboard Parks City Wide FY2007	12,260,629	250				
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 293 ORC Sports Fields FY2007	12,260,629	250				
XR2004 PARKLAND ACQUISITION R F - NORTH YORK	ORC 245 Flemingdon Park - Build 12 Mini-Soccer Field	814,611	250				
XR2004 PARKLAND ACQUISITION R F - NORTH YORK	ORC 243 Flemingdon Park - Sports Field Improvements	814,611	50	501			
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	ORC 243 Flemingdon Park - Sports Field Improvements	1,124,730		79			
XR2008 5% AND 2% LAND ACQN RF-NORTH YORK	ORC 243 Flemingdon Park - Sports Field Improvements	1,021,404		20			
XR2008 5% AND 2% LAND ACQN RF-NORTH YORK	ORC 244 Flemingdon Park - Park Upgrade	1,021,404	50	650			
XR2205 PARKLAND ACQ-EAST DIST LOCAL DEV	ORC 258 Tam Heather Tennis Dome	531,467	150				
XR2007 5% AND 2% LAND ACQN RF-SCARB	ORC 258 Tam Heather Tennis Dome	4,811,479	70				
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PARK 476 Master Planning (Pre-Eng) - Parks FY2007	12,260,629	50				
XR2038 PARKLAND ACQUISITION-ETOBICOKE LOCAL DEV	PARK 382 High Park - Sunken gardens	350,752	128				
XR2001 PARKLAND ACQUISITION R F - EAST YORK	PARK 482 Glenoble School - Flemingdon Park	225,103	158				
XR2008 5% AND 2% LAND ACQN RF-NORTH YORK	PARK 482 Glenoble School - Flemingdon Park	1,021,404	82				
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	PLAY 233 Play Area Enhancements FY2007	4,975,995	350				
XR2001 PARKLAND ACQUISITION R F - EAST YORK	PLAY 233 Play Area Enhancements FY2007	225,103	50				
XR2203 PARKLAND ACQ-WEST DIST LOCAL DEV	PLAY 233 Play Area Enhancements FY2007	946,647	100				
XR2007 5% AND 2% LAND ACQN RF-SCARB	PLAY 233 Play Area Enhancements FY2007	4,811,479	200				
XR2008 5% AND 2% LAND ACQN RF-NORTH YORK	PLAY 233 Play Area Enhancements FY2007	1,021,404	100				
XR2054 PARKLAND ACQUISITION-TORONTO LOCAL DEV	PLAY 233 Play Area Enhancements FY2007	956,496	100				
XR2050 PARKLAND ACQUISITION-SCAR LOCAL DEV	PLAY 220 McGregor Park RC - Splashpad	214,084	150				
XR2048 PARKLAND ACQUISITION-SCAR CITY DEV	PLAY 220 McGregor Park RC - Splashpad	153,670	100				

Continued

Appendix 4 - Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Uncommitted balance as of September 30, 2006	Proposed Withdrawals				
			2007	2008	2009	2010	2011
XR2007 5% AND 2% LAND ACQN RF-SCARB	PLAY 220 McGregor Park RC - Splashpad	4,811,479	50				
XR2007 5% AND 2% LAND ACQN RF-SCARB	PLAY 194 Empringham Park New Waterplay	4,811,479	450				
XR2007 5% AND 2% LAND ACQN RF-SCARB	PLAY 216 Morningside Park - Install Waterplay Area	4,811,479	400				
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	PLAY 231 Ancaster Park - Build New Waterplay	1,124,730	560				
XR2054 PARKLAND ACQUISITION-TORONTO LOCAL DEV	POOLS 20 Lord Dufferin Pool-Replace existing Pool	956,496			250		
XR2054 PARKLAND ACQUISITION-TORONTO LOCAL DEV	ARENAS 171 2007 CAMP Indoor Arenas - Bill Bolton Arena (\$985,000)	956,496	432				
XR2052 PARKLAND ACQUISITION-TORONTO CITY DEV	ARENAS 171 2007 CAMP Indoor Arenas - Bill Bolton Arena (\$985,000)	1,096,503	553				
XR2007 5% AND 2% LAND ACQN RF-SCARB	ARENAS 14 Stephen Leacock Arena-Replacement/renovate facility	4,811,479	125	2,455			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	T&P 217 Toronto Bike Plan - City Wide Expansion (TBP) 2007	4,975,995	200				
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 198 Community Gardens	12,260,629	50				
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 146 Lower Don- Eviron Restoration & Access	4,975,995	25	300			
XR2209 PARKLAND ACQ-SOUTH DIST LOCAL DEV	EI 146 Lower Don- Eviron Restoration & Access	2,994,157		300			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 200 City Wide Environmental Initiatives - FY2007	12,260,629	500				
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 200 City Wide Environmental Initiatives - FY2007	4,975,995	250				
XR2042 PARKLAND ACQUISITION-NORTH YORK LOC DEVE	EI 200 City Wide Environmental Initiatives - FY2007	401,637	25				
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	EI 200 City Wide Environmental Initiatives - FY2007	1,124,730	10				
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 201 Erosion, Health & Safety, Asset Pres. FY2007	4,975,995	25				
XR2034 PARKLAND ACQUISITION-EAST YORK LOCAL DEV	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	4,177	2				
XR2042 PARKLAND ACQUISITION-NORTH YORK LOC DEVE	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	401,637	19				
XR2046 PARKLAND ACQUISITION-YORK LOCAL DEVE	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	8,006	6				
XR2056 PARKLAND ACQUISITION-EAST YORK CITY DEVE	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	7,932	7				
XR2040 PARKLAND ACQUISITION-NORTH YORK CITY DEV	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	358,853	344				
XR2044 PARKLAND ACQUISITION-YORK CITY DEV	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	9,750	7				
XR2052 PARKLAND ACQUISITION-TORONTO CITY DEV	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	1,096,503	2				

Continued

Appendix 4 - Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Uncommitted balance as of September 30, 2006	Proposed Withdrawals				
			2007	2008	2009	2010	2011
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	SF 127 Golf Courses - City Wide. Tee Renos, Traps, Forest enhance. 2007	4,975,995	13				
XR2042 PARKLAND ACQUISITION-NORTH YORK LOC DEVE	SF 85 Edwards Gardens - Rebuild Retaining Wall	401,637	250				
XR2007 5% AND 2% LAND ACQN RF-SCARB	CC 229 Warden Corridor Community Centre - Design	4,811,479	100				
XR2210 PARKLAND ACQ-CITY WIDE LAND ACQ	LA 30 Parkland Acquisition - FY2008	5,810,980		100			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 179 Capital Planning & Asset Management FY2008	12,260,629		250			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	FC 171 Investigation and Pre-Engineering FY2008	4,975,995		37			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 254 Skateboard Parks City Wide FY2008	12,260,629		25			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 248 Sports Fields ORC FY2008	12,260,629		500			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PARK 390 Master Planning (Pre-Eng) - Parks FY2008	12,260,629		50			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	PLAY 219 Play Area Enhancements FY2008	4,975,995		490			
XR2003 PARKLAND ACQUISITION R F - METRO	PLAY 219 Play Area Enhancements FY2008	421,805		410			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	T&P 210 Toronto Bike Plan - City Wide Expansion (TBP) 2008	4,975,995		200			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 192 Community Gardens	12,260,629		50			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 190 City Wide Environmental Initiatives - FY2008	12,260,629		250			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 190 City Wide Environmental Initiatives - FY2008	4,975,995		250			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 177 Erosion, Health & Safety, Asset Pres. FY2008	4,975,995		200			
XR2050 PARKLAND ACQUISITION-SCAR LOCAL DEV	CC 183 Port Union CC Fitness Centre - Replace Fitness Equipm	214,084		57			
XR2048 PARKLAND ACQUISITION-SCAR CITY DEV	CC 183 Port Union CC Fitness Centre - Replace Fitness Equipm	153,670		44			
XR2205 PARKLAND ACQ-EAST DIST LOCAL DEV	CC 183 Port Union CC Fitness Centre - Replace Fitness Equipm	531,467		49			
XR2007 5% AND 2% LAND ACQN RF-SCARB	CC 230 Warden Corridor Community Centre - Construction	4,811,479		250		1,154	
XR2205 PARKLAND ACQ-EAST DIST LOCAL DEV	CC 230 Warden Corridor Community Centre - Construction	531,467				35	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	CC 230 Warden Corridor Community Centre - Construction	4,975,995				311	
XR2210 PARKLAND ACQ-CITY WIDE LAND ACQ	LA 30 Parkland Acquisition - FY2009	5,810,980			100		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 179 Capital Planning & Asset Management FY2009	12,260,629			250		

Continued

Appendix 4 - Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Uncommitted balance as of September 30, 2006	Proposed Withdrawals				
			2007	2008	2009	2010	2011
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	FC 171 Investigation and Pre-Engineering FY2009	4,975,995			37		
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	ORC 254 Skateboard Parks City Wide FY2009	1,124,730			500		
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	ORC 248 Sports Fields ORC FY2009	1,124,730			500		
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	ORC 264 Neilson Park (E) Develop soccer field	4,975,995			38		
XR2038 PARKLAND ACQUISITION-ETOBICOKE LOCAL DEV	ORC 264 Neilson Park (E) Develop soccer field	350,752			37		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PARK 390 Master Planning (Pre-Eng) - Parks FY2009	12,260,629			50		
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	PLAY 219 Play Area Enhancements FY2009	4,975,995			150		
XR2205 PARKLAND ACQ-EAST DIST LOCAL DEV	PLAY 222 Galloway Park Skateboard Park	531,467			100		
XR2007 5% AND 2% LAND ACQN RF-SCARB	PLAY 222 Galloway Park Skateboard Park	4,811,479			100		
XR2209 PARKLAND ACQ-SOUTH DIST LOCAL DEV	POOLS 90 Lord Dufferin Pool-Replace existing pool FY09	2,994,157			2,291	250	
XR2052 PARKLAND ACQUISITION-TORONTO CITY DEV	POOLS 90 Lord Dufferin Pool-Replace existing pool FY09	1,096,503			0	1,162	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	T&P 210 Toronto Bike Plan - City Wide Expansion (TBP) 2009	4,975,995			200		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 192 Community Gardens	12,260,629			50		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 190 City Wide Environmental Initiatives - FY2009	12,260,629			250		
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 190 City Wide Environmental Initiatives - FY2009	4,975,995			250		
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 177 Erosion, Health & Safety, Asset Pres. FY2009	4,975,995			25		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	CC 220 York Community Centre - New Facility Construction	12,260,629			1,570	3,790	570
XR2203 PARKLAND ACQ-WEST DIST LOCAL DEV	CC 220 York Community Centre - New Facility Construction	946,647			930		
XR2210 PARKLAND ACQ-CITY WIDE LAND ACQ	LA 30 Parkland Acquisition - FY2010	5,810,980				100	
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 179 Capital Planning & Asset Management FY2010	12,260,629				250	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	FC 171 Investigation and Pre-Engineering FY2010	4,975,995				37	
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 254 Skateboard Parks City Wide FY2010	12,260,629				25	
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 248 Sports Fields ORC FY2010	12,260,629				250	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	ORC 266 Queensway Park - Baseball Lighting	4,975,995				64	

Continued

Appendix 4 - Reserve / Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Uncommitted balance as of September 30, 2006	Proposed Withdrawals				
			2007	2008	2009	2010	2011
XR2036 PARKLAND ACQUISITION-ETOBICOKE CITY DEVE	ORC 266 Queensway Park - Baseball Lighting	79,845				68	
XR2002 PARKLAND ACQUISITION R F - ETOBICOKE	ORC 266 Queensway Park - Baseball Lighting	151,953				43	
XR2038 PARKLAND ACQUISITION-ETOBICOKE LOCAL DEV	ORC 266 Queensway Park - Baseball Lighting	350,752				175	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	ORC 107 Morningside Yard-soccer fields	4,975,995				137	
XR2205 PARKLAND ACQ-EAST DIST LOCAL DEV	ORC 107 Morningside Yard-soccer fields	531,467				138	
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PARK 390 Master Planning (Pre-Eng) - Parks FY2010	12,260,629				50	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	PLAY 219 Play Area Enhancements FY2010	4,975,995				150	
XR2054 PARKLAND ACQUISITION-TORONTO LOCAL DEV	T&P 210 Toronto Bike Plan - City Wide Expansion (TBP) 2010	956,496				50	
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	T&P 210 Toronto Bike Plan - City Wide Expansion (TBP) 2010	12,260,629				150	
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 192 Community Gardens	12,260,629				50	
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	EI 190 City Wide Environmental Initiatives - FY2010	1,124,730				144	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 190 City Wide Environmental Initiatives - FY2010	4,975,995				250	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 177 Erosion, Health & Safety, Asset Pres. FY2010	4,975,995				200	
XR2210 PARKLAND ACQ-CITY WIDE LAND ACQ	LA 30 Parkland Acquisition - FY2011	5,810,980					100
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 179 Capital Planning & Asset Management FY2011	12,260,629					250
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	FC 171 Investigation and Pre-Engineering FY2011	4,975,995					37
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 254 Skateboard Parks City Wide FY2011	12,260,629					250
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 248 Sports Fields ORC FY2011	12,260,629					250
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PARK 390 Master Planning (Pre-Eng) - Parks FY2011	12,260,629					50
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	PLAY 219 Play Area Enhancements FY2011	4,975,995					150
XR2054 PARKLAND ACQUISITION-TORONTO LOCAL DEV	T&P 210 Toronto Bike Plan - City Wide Expansion (TBP) 2011	956,496					100
XR2042 PARKLAND ACQUISITION-NORTH YORK LOC DEVE	T&P 210 Toronto Bike Plan - City Wide Expansion (TBP) 2011	401,637					100
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 192 Community Gardens	12,260,629					50
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	EI 190 City Wide Environmental Initiatives - FY2011	12,260,629					250
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 190 City Wide Environmental Initiatives - FY2011	4,975,995					250
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	EI 177 Erosion, Health & Safety, Asset Pres. FY2011	4,975,995					25
Total Reserve / Reserve Fund			\$9,322	\$8,017	\$12,928	\$11,142	\$3,534