

# Analyst Briefing Notes

## Budget Committee Review (October 29, 2007)

Page

### PART 1: CAPITAL PROGRAM

Executive Summary .....	2
Recommendations .....	4
2007 Capital Variance Review .....	5
5-Year Capital Plan (2008 Recommended Budget, 2009-2012 Plan).....	6
5-Year Capital Plan Overview .....	7
Recommended Changes to the 2007 – 2011 Capital Plan .....	8
Operating Budget Impact – 5 Year Plan.....	10
Total 2008 Recommended Cash Flow & Future Year Commitments .....	12

### PART II: ISSUES FOR DISCUSSION

2008 Capital Budget Issues .....	14
5-Year Capital Plan Issues .....	14
Issues Referred to the Budget Process .....	15

### APPENDICES

<b>Appendix 1:</b> 2008 Recommended Capital Budget; 2009 to 2012 Plan and 2013 to 2017 Revised Estimates .....	16 (a) to (f)
<b>Appendix 2:</b> 2008 Recommended Cash Flow & Future Year Commitments .....	17 (a) to (c)
<b>Appendix 3:</b> 2008 Recommended Capital Projects with Financing Details .....	18 (a) to (b)
<b>Appendix 4:</b> Reserve / Reserve Fund Review .....	19

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

Stephen Conforti, Financial Planning Analyst  
Tel: (416) 397- 0958

October 29, 2007

**PART I: CAPITAL PROGRAM****Executive Summary**

- The 2007 Approved Capital Budget of \$10.604 million was 13% spent as at June 30, 2007. This resulted from difficulties in filling vacant positions for the Zoning By-law Project, delays in finalizing Terms of Reference for the Kingston Road and the Don Mills environmental assessments to the Ministry of the Environment since comments from community groups needed to be addressed. Actual expenditures by year-end are anticipated to be \$7.168 million, or 68% of the 2007 Approved Budget. Of this unspent balance, \$3.584 million is projected to be carried forward into 2008.
- The 2008 Recommended Capital Budget; 2009-2012 Capital Plan and 2013 to 2017 Estimates total \$50.535 million of which \$27.380 million is recommended for the Program's 5-Year Capital Plan.
- The 5-Year Capital Plan of \$27.380 includes carry forward funding from 2007 into 2008 with 2008 cash flows of \$9.216 million; \$4.328 million in 2009; \$4.344 million in 2010; \$4.739 million in 2011 and \$4.753 million in 2012. This will require debt funding of \$3.413 million in 2008, \$3.374 million in 2009, \$3.352 million in 2010, \$3.200 million in 2011 and \$3.200 million in 2012 for a total of \$16.539 million, or an average of \$3.308 million per year.
- The 5-Year Capital Plan totalling \$27.380 million exceeds the debt affordability target by \$1.039 million or 6.7%. City Planning is slightly over its debt affordability targets in 2009 by \$0.044 million and again in 2010 by \$0.015 million. City Planning is however \$0.440 million above the Council approved debt affordability targets in both of the years 2011 and 2012.
- The 2008-2012 Recommended 5-Year Capital Plan, excluding one-year carry forward funding, totals \$23.796 million, of which 26.7% or \$6.376 million is allocated to Legislated projects and the remaining 73.3% or \$17.420 million to Growth Related projects. Legislated projects include work on the new Official Plan and Zoning By-law that is required by the Province through the Planning Act. Growth Related projects include Civic Improvement projects that are designed to improve the public realm and Development Charge Funded Studies which are utilized to help manage the growth of the City.
- The 2008 Recommended Capital Budget with a total cash flow of \$5.632 million includes previously approved project commitments and new/change in scope projects requiring \$3.413 million in debt funding, \$1.837 funded from development charges and \$0.382 million funded by other revenue. This cash flow combined with carry forward funding of \$3.584 million for 2007 projects brings the total 2008 Recommended Capital Budget to \$9.216 million and is within its debt affordability target of \$3.413 million.

- The 2008 Recommended Capital Budget includes funding for major initiatives such as the New Zoning By-law (\$1.057 million), Civic Improvement Projects (\$2.825 million) and Development Charge Funded Studies (\$1.230 million). These initiatives will help to manage the growth and the future look and feel of the public realm.
- The Neighbourhood Improvements project with a 5-Year recommended cash flow of \$10.560 million to help make Toronto a cleaner and more beautiful City has been transferred to Transportation Services' Capital Budget. The Civic Improvement Programs which includes Routes and Places projects will continue to remain in City Planning's Recommended 2008-2012 Capital Plan.
  - The Civic Improvement Program, with an investment of \$12.260 million over the 2008-2012 timeframe is dedicated to provide special treatments for important streets and places, to improve the look and feel of the public realm. City Planning will work with Transportation Services' to establish a protocol for the delivery of Civic Improvement projects once the Public Realm Unit is established.
- The 2008 Recommended Capital Budget will not impact the Program's Operating Budget in 2008 and future years. However, previously approved and new Civic Improvement capital projects will increase the Parks, Forestry, and Recreation operating budget of maintenance of trees streetscape enhancements and beautification. Operating impacts will be established once the mix of Civic Improvement projects is determined. This will be considered within the overall scope of the Parks, Forestry and Recreation 2008 and future years' operating budget.
- The 2008 recommended cash flow will complete OMB Legal Support for the New Official Plan and a Development Charge Funded Study for Transit Strategies. 2008 recommended funding will provide for the continuation of six on going projects which include Civic Improvement Projects, New Official Plan, New Zoning Bylaw, Development Charge Funded Studies and Natural Heritage Inventory Studies. The 2009 commitment of \$0.094 million will complete the New Zoning By-Law project

## **Recommendations**

The City Manager and Chief Financial Officer recommend that:

- (1) the 2008 Recommended Capital Budget for City Planning with a total project cost of \$3.973 million and a 2008 cash flow of \$9.216 million and future year commitments of \$0.094 million be approved. The 2008 Recommended Capital Budget consists of the following:
  - (a) New Cash Flow Funding for:
    - (i) 7 new sub-projects with a 2008 total project cost of \$3.973 million that requires cash flow of \$3.973 million in 2008;
    - (ii) 1 previously approved sub-project with a 2008 cash flow of \$1.057 million and a future year commitment of \$0.094 million in 2009;
    - (iii) 3 sub-projects from previously approved projects with carry forward funding from 2006 and prior years requiring 2008 cash flow of \$0.602 million and no future year commitments, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
  - (b) 2007 approved cash flow for 10 previously approved sub-projects with carry forward funding from 2007 into 2008 totalling \$3.584 million;
- (2) new debt service costs of \$0.102 million in 2008 and incremental costs of \$0.378 million in 2009 and \$0.010 million in 2010 resulting from the approval of the 2008 Recommended Capital Budget, be approved for inclusion in the 2008 and future year operating budgets;
- (3) operating impacts in the Parks, Forestry, and Recreation Operating Budget, for streetscape enhancement and tree maintenance emanating from the approval of the 2008 Capital Budget for City Planning be established once the mix of Civic Improvement projects is determined and City Planning report back to the Chief Financial Officer by June 2008 on the Parks, Forestry, and Recreation operating budget impacts for 2009 resulting from the 2008 project mix;
- (4) where funding is required from a development charge reserve fund, project spending be limited to available funds;
- (5) City Planning provide an “A-list” and “B-list” of projects to Budget Committee prior to the approval of the 2008 Capital Budget;
- (6) the 2009-2012 Capital Plan for City Planning totalling \$18.164 million in project commitments and estimates, comprised of \$4.234 million in 2009, \$4.344 million in 2010, \$4.739 million in 2011 and \$4.753 million in 2012, be approved; and
- (7) City Planning work with Transportation Services to establish a protocol regarding the joint delivery of Civic Improvement Projects once the Public Realm Unit is established.

## 2007 Capital Variance Review

2007 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2007 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
10,604	1,392	13	7,168	68	3,436

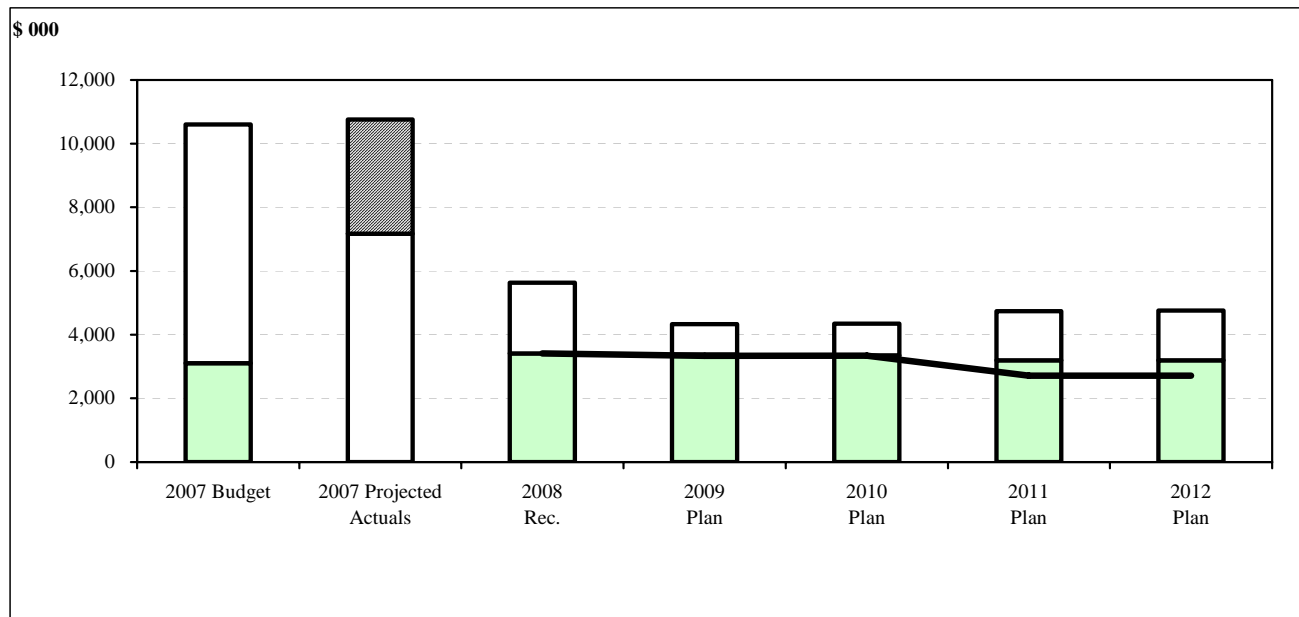
### Comments / Issues:

- City Planning's 2007 Approved Capital Budget of \$10.604 million was 13% or \$1.392 million spent, as at June 30<sup>th</sup>, 2007. Actual expenditures by year-end are anticipated to be \$7.168 million or 68% of the 2007 Approved Capital Budget, as reported in the 2<sup>nd</sup> Quarter Capital Budget Variance Report. This represents an increase of \$2.387 million or 17% in spending over the 2006 rate of 51% or \$4.781 million.
- The funding from 2007 carried forward into 2008 included in the 2008 Recommended Capital Budget is \$3.584 million and is higher than the projected unspent actuals of \$3.436 million identified in the 2<sup>nd</sup> Quarter Capital Budget Variance Report. The 2008 Capital Budget does not reflect any subsequent changes to funding being carried forward from 2007 into 2008 based on the unspent cash flow balance projected as at June 30<sup>th</sup>, 2007. Adjustments to carry forward funding will be made upon receipt of updated projected actual year-end expenditures.
  - Insufficient staff resources and challenges in attracting and hiring qualified staff will result in \$1.083 million in funding being carried forward from 2007 into 2008 for the New Zoning By-Law 2005 – 2007 project.
  - Funding of \$0.852 million is being carried forward from 2007 into 2008 for Development Charge Funded Studies. This is primarily the result of delays in finalizing Terms of Reference for the Kingston Road and the Don Mills environmental assessments to the Ministry of the Environment. These delays resulted from the need to address comments from community groups.
- Civic Improvement projects that require project scheduling and management co-ordination with Transportation Services Division are projected to have a year-end spending rate of 75%. Despite late project starts, significant improvement from previous years has been realized. This is the result of obtaining Council's approval to authorize City Planning to reallocate projects within their envelope which has allowed for flexibility between the City Planning and Transportation Services' work plans. Enhanced collaboration and planning between Transportation Services and City Planning has helped establish a better estimate of project commencement and completion dates.

### Cost Containment Impact

City Planning did not defer and/or cancel projects in the 2007 Approved Capital Budget as a cost containment measure.

## 5-Year Capital Plan (2008 Recommended Budget, 2009-2012 Plan)



	2007		5-Year Plan					
	Budget	Projected Actual	2008	2009	2010	2011	2012	2008-2012
<b>Gross Expenditures:</b>								
2007 Capital Budget & Future Year Commitments	10,604	7,168	1,151					1,151
Recommended Changes to Commitments			(94)	94				0
2008 New/Change in Scope and Future Year Commitments			4,575					4,575
2009 - 2012 Plan Estimates				4,234	4,344	4,739	4,753	18,070
1-Year Carry Forward to 2008		3,584						
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>10,604</b>	<b>10,752</b>	<b>5,632</b>	<b>4,328</b>	<b>4,344</b>	<b>4,739</b>	<b>4,753</b>	<b>23,796</b>
<b>Program Debt Target</b>	<b>3,100</b>		<b>3,413</b>	<b>3,330</b>	<b>3,337</b>	<b>2,710</b>	<b>2,710</b>	<b>15,500</b>
<b>Financing:</b>								
Recommended Debt	3,100		3,413	3,374	3,352	3,200	3,200	16,539
<b>Other Financing Sources:</b>								
Reserves/Reserve Funds								
Development Charges	2,546		1,837	954	992	1,539	1,553	6,875
Federal								
Provincial								
Other Revenue	4,958		382	0	0			382
<b>Total Financing</b>	<b>10,604</b>		<b>5,632</b>	<b>4,328</b>	<b>4,344</b>	<b>4,739</b>	<b>4,753</b>	<b>23,796</b>
<b>By Category:</b>								
Health & Safety								
Legislated	3,180		1,577	853	854	1,605	1,487	6,376
SOGR								
Service Improvement								
Growth Related	7,424		4,055	3,475	3,490	3,134	3,266	17,420
<b>Total By Category</b>	<b>10,604</b>		<b>5,632</b>	<b>4,328</b>	<b>4,344</b>	<b>4,739</b>	<b>4,753</b>	<b>23,796</b>
Yearly SOGR Backlog Estimate (not addressed by current plan)								0
Accumulated Backlog Estimate (end of year)								0
<b>Operating Impact on Program Costs**</b>								0
<b>Debt Service Costs</b>			102	477	472	465	448	1,963

\* Note that the 1-Year Carry Forward reflects the latest estimate as used in the 2007 2nd Quarter Capital Variance Report.

\*\*Note that Operating impact arising from this Capital Plan impacts Parks, Forestry and Recreation and not City Planning directly.

## **5-Year Capital Plan Overview**

- The strategic direction reflected in the 5-Year Capital Plan focuses on making progress in improving public spaces, addressing legislated requirements and growth related studies and projects. All capital needs are addressed with this Recommended 5-Year Capital Plan.
- The Recommended 5-Year Capital Plan consists of five major capital initiatives: Civic Improvements, The New Official Plan, The New Zoning-By-Law, Natural Heritage Studies, Toronto Archaeological Studies, and other Growth-Related Studies.
- The 2008 - 2012 Capital Plan of \$23.796 million requires a cash flow of \$5.632 million in 2008, \$4.328 million in 2009, \$4.344 million in 2010, \$4.739 million in 2011 and \$4.753 million in 2012. Forecasted estimates for 2013 – 2017 total \$23.155.
- Legislated Projects account for 26.8% or \$6.376 million of the recommended funding for the 5-Year Capital Plan. These include projects which will accommodate legal support for the New Official Plan and the New Zoning By-Law as well as projects that will accurately map the Natural Heritage Systems and areas that exhibit archaeological potential in Toronto.
- Growth Projects account for 73.2% or \$17.420 million of the recommended cash flow funding included in the 5-Year Capital Plan. These projects will focus on the implementation of the Official Plan, the improvement of the planning process and local studies requested by Council. Growth projects in City Planning's 5-Year Capital Plan also include Avenue Studies, Growth Studies, Environmental Assessment Transit Studies and Civic Improvement Projects.
- There is a recommended increase to previously approved commitments that were approved in 2006 of \$0.602 million gross. This represents funding carried forward from 2006 into 2008 for Development Charge-funded Studies and the New Official Plan. These projects are planned to be funded in 2008 through development charges of \$0.333 million and debt of \$0.269 million and are required for the 2006 OMB Legal Support Costs; Environmental Assessment: Transportation Strategies; and Environmental Assessment Transit Studies 2006.
- In its Five-Year Capital Plan, City Planning has maximized Development Charge funding in accordance with the By-Law which has enabled it to reduce the amount of debt required. Of possible issue is the current balance of uncommitted funding available in Development Charge Reserve Funds (Urban Development Services and DC Related Studies): these reserve funds are solely used by City Planning and current projections as to future revenue streams are insufficient to sustain the total current Capital Plan to the amount of \$0.468 and \$1.021 million by 2012 based on current available projections. City Planning will not draw on this account beyond the available funds.

## **Multi-Year Debt Affordability Target**

The 2008-2012 Capital Plan is above the Council approved debt affordability targets by \$1.039 million or 7% over the five years of the Plan. Of this amount, \$0.980 million is above the Council approved debt affordability targets in the years 2011 and 2012. This is primarily the result of a reduction in the debt affordability targets established for the City Planning 5-Year Capital Plan in 2008 for 2011 and

2012 and the attempt to limit the decrease in the level of funding for Civic Improvement projects in those years.

The 2008-2012 Capital Plan reflects changes to future year cash flow commitments previously approved by Council, due to the need to carry forward funding for incomplete Development Charge-funded Studies and the New Official Plan approved in 2006. In accordance with the City's Carry Forward Policy, projects not completed within 2 years of approval are considered to require new debt and form part of the Program's new debt requirements. There is no change to the overall project cost for these projects and the changes have been accommodated within the approved debt targets established for this Program.

### **Recommended Changes to the 2007 – 2011 Capital Plan**

Council adopted the 5-Year Plan (2007-2011) as part of City Planning's 2007 Capital Budget approval process in March 2007. The following provides a summary of the changes recommended for in the 2008 – 2012 Capital Plan.

- **2008:** To offset the planned 2-Year carry forward funding for sub-project 2006 OMB Legal Support Costs, funding of \$0.094 million for the New Zoning By-Law 2005-2007 has been deferred to 2009.
- **2009 and 2010:** To accommodate the deferral of the New Zoning By-Law 2005-2007 into 2009, funding for the sub-project Support for Legal Challenges was reduced by \$0.094 million
- **2011:** Additional gross expenditures of \$0.800 million with debt funding of \$0.800 million has been added to accommodate the following sub-projects;
  - An increase of \$0.600 million gross and debt for Support For Legal Challenges for the New Zoning By-law;
  - An increase of \$0.200 million gross and debt for Inventory & Integrated Evaluation System 2011; and,

**The Neighbourhood Improvement** Capital project with a cash flow of \$3.520 million in 2008, \$3.520 million in 2009 and \$3.520 million in 2010 has been transferred from City Planning's Capital to Transportation Service's Capital. On August 6, 2007 the Clean and Beautiful City Secretariat was transferred and will now form part of the Public Realm Unit in Transportation Services' Operating Budget.

**Civic Improvement Projects** which previously had a planned cash flow of \$3.000 million per year for 2007 - 2011 has now been reduced by \$0.175 million in 2008, \$0.444 million in 2009, \$0.440 million in 2010 and \$0.892 million in 2011 as result of efforts taken to align these projects with available debt and development charge funding.

### **Program Capacity and Readiness to Proceed**

City Planning's 2007 projected spending rate by year-end is anticipated to be 68%. This is a significant improvement over the Program's historical spending capacity which was 51% in 2006 and an average of 52% in the 3 years prior. It is anticipated that City Planning's capacity to spend will continue to improve in 2008 as a result of the continued Civic Improvement Projects work plan flexibility and the expected full complement of staff required for the New Zoning By-Law 2005 – 2007 by the 4<sup>th</sup> quarter of 2007. The increased capacity to spend for these two projects will significantly



increase City Planning's overall spending performance as they account for over 69% of City Planning's 2008 Recommended Capital Budget and had historically experienced low spending rates.

City Planning's Recommended 5-Year Capital Plan has a total cash flow of \$27.380 million when including the projected funds carried forward from 2007 into 2008. This equates to an average annual cash flow of \$5.476 million over the 5 years of the Capital Plan, which represents a decrease of \$3.862 million over the average annual cash flow of \$9.338 million for the years 2005- 2007. City Planning's reduced average annual Capital Budget coupled with their increased capacity to spend will allow them to proceed with their 5-Year Capital Budget as planned.

City Planning's readiness to proceed is also dependant on various external factors such as interaction with external stakeholders, other regulatory bodies and other orders of government. These factors have resulted in under spending in OMB related projects and Development Charge Funded Studies in the past. However, assumptions in terms of time lines and uncontrollable factors have been factored into annual cash flows and are reasonably based on these experiences. The 5-Year Capital Plan is aligned with the optimal balance of capital requirements and City Planning's readiness to proceed with planned projects.

### **Backlog of Projects – Unmet Needs**

Project backlog typically represents state of good repair work deferred from past years as well as items requested for 2008 to 2012, which cannot be accommodated in the budget. Project deferrals may be required to meet established targets and to reduce funding from development charge reserve funds. If any activities requested for 2008-2012 are deferred, backlog would then be created.

No backlog of State of Good Repair work exists for City Planning since the assets used by City Planning are corporate buildings which are budgeted for and maintained by Facilities and Real Estate.

### **Capital Project Highlights**

#### **Strategic Priorities:**

The 5-Year Capital Plan is aligned with the following strategic priorities:

- Funding for the Civic Improvement Program which includes Routes, Places and Special Places/Gateway projects is \$12.260 million over City Planning's 5-Year Capital Plan. This will ensure special treatment for important streets and places which will improve the look and feel of the public realm.
- DC Funded Studies will be used to carry out required Avenue and Transit studies and to implement growth related projects. A total of \$5.160 million in funding is required over City Planning's 5-Year Capital Plan.
- The New Zoning Bylaw project which will improve the planning process through the streamlining of 43 different zoning by-laws requires funding of \$3.457 million over City Planning's 5-Year Capital Plan. This project will also provide funding for legal support for defending the new By-law at the OMB beginning in 2009.

## Summary of Major Capital Initiatives

	\$000s						
	2008 Rec. Budget	2009 Plan	2010 Plan	2011 Plan	2012 Plan	Total 2008 -2012	Total 2013 -2017
<b>Facilities Projects: New and Expanded</b>							
<b>IT sub-projects</b>							
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Major City Initiatives:</b>							
<i>Civic Improvement Projects</i>	2825	2556	2560	2108	2211	12260	18465
<i>DC Funded Studies</i>	1230	919	930	1026	1055	5160	4450
<i>New Zoning Bylaw</i>	1057	600	600	600	600	3457	
<b>Total</b>	<b>5,112</b>	<b>4,075</b>	<b>4,090</b>	<b>3,734</b>	<b>3,866</b>	<b>20,877</b>	<b>22,915</b>

- The 5-Year Capital Plan does not include any funding for facility or IT projects.

### Operating Budget Impact – 5-Year Plan

#### Incremental Operating Impact Summary

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
<b>2008 Recommended Capital Budget</b>					
Debt Service Charges (\$000s)	102.4	378.3	10.3	0.0	0.0
<b>Recommended 2009-2012 Capital Plan</b>					
Debt Service Charges (\$000s)		98.4	461.4	464.7	448.0
<b>Total</b>					
Debt Service Charges (\$000s)	102.4	476.7	471.7	464.7	448.0
<i>Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 14% for subsequent years.</i>					

### Program Operating Impacts

The 2008 Recommended Capital Budget and 2009 to 2012 Capital Plan does not directly impact City Planning's Operating Budget in 2008 or future years. However it is expected that Civic Improvement projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification. Operating impacts will be established once the mix of Civic Improvement projects is determined. This will be considered within the overall scope of the Parks, Forestry, and Recreation 2008 and future years' Operating Budget with City Planning reporting back to the CFO in June of 2008 on the Parks, Forestry, and Recreation operating budget impacts for 2009 resulting from the 2008 project mix.

**Debt Service Costs**

The 2008 Recommended Capital Budget will result in new debt service costs of \$0.102 million in 2008 and incremental costs of \$0.378 million in 2009, \$0.010 million in 2010.

The 2009-2012 Recommended Capital Plan will result in new debt service costs of \$0.098 million in 2009, \$0.461 million in 2010, \$0.464 million in 2011 and \$0.448 million in 2012.

### Total 2008 Recommended Cash Flow & Future Year Commitments (\$000s)

	2006 & Prior Year Carry Forwards	2008 Previously Approved Cash Flow Commitments	2008 New Cash Flow Recommended	2008 Total Cash Flow Recommended	2008 Debt Target	2007 Carry Forwards	Total 2008 Cash Flow (Incl 2007 C/Fwd)	2009	2010	2011	2012	2013-2017	Total Cost
<b>Expenditures</b>													
Previously Approved	602	1,057		1,659		3,584	5,243	94					5,337
Change in Scope													0
New			3,973	3,973			3,973						3,973
New w/Future Year													0
<b>Total Expenditure</b>	<b>602</b>	<b>1,057</b>	<b>3,973</b>	<b>5,632</b>		<b>3,584</b>	<b>9,216</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,310</b>
<b>Financing</b>													
Debt	269	919	2,225	3,413	<b>3,413</b>		3,413	94					3,507
Subsidy (SCPI)													0
Prov. Subsidy/Grant													0
Development Charges	333	138	1,366	1,837		724	2,561						2,561
Other			382	382		2,860	3,242						3,242
Federal Grants													0
Reserves/Res Funds													0
<b>Total Financing</b>	<b>602</b>	<b>1,057</b>	<b>3,973</b>	<b>5,632</b>		<b>3,584</b>	<b>9,216</b>	<b>94</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,310</b>

#### Comments / Issues:

- Approval of the 2008 Recommended Capital Budget of \$9.216 million in 2008 will result in a cash flow funding commitment of \$0.094 million in 2009 which will encumber the following year's spending. To fund 2008 recommended cash flow, City Planning will require new debt of \$3.413 million in 2008 and \$0.094 million in 2009. New funding of \$1.837 million in 2008 will be funded from Development Charges.
- The 2008 recommended cash flow will complete OMB Legal Support for the New Official Plan and a Development Charge Funded Study for Transit Strategies. 2008 recommended funding will provide for the continuation of six on going projects which include Civic Improvement Projects, New Official Plan, New Zoning Bylaw, Development Charge Funded Studies and Natural Heritage Inventory Studies. The 2009 commitment of \$0.094 million will complete the New Zoning By-Law project

## **2008 Recommended Capital Budget**

### **2008 Recommended Capital Budget versus Debt Target**

The 2008 Recommended Capital Budget including previously approved project commitments requires new 2008 cash flow of \$5.632 million gross with debt funding of \$3.413 million. This cash flow combined with funding carried forward of \$3.584 million for 2007 projects provides a total 2008 Recommended Capital Budget of \$9.216 million gross. The 2008 Recommended Capital Budget for City Planning meets the debt affordability guidelines of \$3.413 million.

### **Recommended Capital Budget by Category**

Legislated projects account for 27% of the 2008 Recommended Capital Budget. The 2008 debt target and projected uncommitted balances in applicable Development Charge reserve funds are also sufficient to fund the 2008 legislated requirements. These include projects which will accommodate legal support for the New Official Plan and the New Zoning By-Law as well as projects that will accurately map the Natural Heritage Systems as well as areas that exhibit archaeological potential in Toronto.

Growth sub-projects represent 73% of the 2008 Recommended Capital Budget. The 2008 debt target and projected uncommitted balances in applicable Development Charge reserve funds are sufficient to fund the 2008 requirements. These projects will focus on the implementation of the Official Plan, the improvement of the planning process as well as local studies requested by Council. Growth projects include Development Charge Funded Studies and Civic Improvement Projects.

## PART II: ISSUES FOR DISCUSSION

### 2008 Capital Budget Issues

#### Civic Improvement Projects

Civic Improvement projects will have an impact on Parks, Forestry and Recreation's (PFR) Operating Budget for the maintenance of trees streetscape enhancements and beautification. In 2007 the incremental operating impact of Civic improvement projects on PFR was \$0.065 million. Currently the mix of Civic improvement projects has not been finalized and it is recommended that an "A-list" and "B-list" be provided prior to the approval of the 2008 Capital Budget in order that the impact on PFR's Operating Budget can be identified.

### 5-Year Capital Plan Issues

#### Future Year Targets

The 2008-2012 Capital Plan is above the Council approved debt affordability targets by \$1.039 million or 7% over the five years of the Plan. This is primarily the result of a reduction in the debt affordability targets established for the City Planning 5-Year Capital Plan in 2008 for years 2011 and 2012 in comparison to the debt affordability targets which were established for the 5-Year Capital Plan in 2007. It is recommended that the Program continue to review and adjust projects in order to closer align it with City debt affordability limits.

5-Year Plan						
	2008	2009	2010	2011	2012	2008 - 2012
Gross Annual Expenditures & Plan	5,632	4,842	4,847	5,961	6,002	27,284
Requested Debt	3,413	3,374	3,352	3,200	3,200	16,539
Program Debt Target	3,413	3,330	3,337	2,710	2,710	15,500
Debt Target Variance	0	44	15	490	490	1,039
	0%	1%	0%	18%	18%	7%

## **Development Charges**

Developments Charges funding will be used to carry out required studies and to implement growth related civic improvement projects. A total of \$6.875 million in new DC funding has been allocated for the five year period. The following Development Charge Reserve Funds have been identified.

- **DC Reserve Fund: Urban Development Services** – This funding will be used to support growth related Civic Improvement Projects. City Planning's Routes and Places projects which along with Special Places/Gateways projects make up the Civic Improvement projects have requested \$2.611 million in DC funding from the Urban Development Services DC reserve fund over the requested 5-Year Capital Plan.
- **DC Reserve Funds: Related Studies, Former Etobicoke and Former Scarborough** – These will be used to fund required studies such as Avenue Studies, Growth Studies and the 5-Year Review of the Official Plan. City Planning has requested \$4.264 million in funding from these DC reserve funds over the 5-Year Capital Plan. The majority of the funding is requested from the DC reserve fund for Development Charge Related Studies in the amount of \$3.855 million. The 5-Year Capital Plan maximizes the use of this DC funding.

## **Civic Improvement Projects**

The relationship between Civic Improvement Projects and the upcoming Public Realm Unit has not yet been determined. An upcoming report to the Budget Committee on the Update to the Coordinated Street Furniture Program will describe the establishment and scope of the Public Realm Unit. It is recommended that City Planning work with Transportation Services to establish a protocol regarding the joint delivery of Civic Improvement Projects once the Public Realm Unit is established.

## **Issues Referred to the Budget Process**

### **Issues Referred to the 2008 Capital Budget Process**

There have been no issues referred to the budget process.

### **Outstanding Issues from Prior Years**

There are no outstanding issues from prior years.

## **Appendix 1**

### **2008 Recommended Capital Budget; 2009 to 2012 Plan and 2013 to 2017 Estimates**



**Appendix 2**

**2008 Recommended Cash Flow  
and Future Year Commitments**

**Appendix 3**  
**2008 Recommended Capital Projects**  
**with Financing Details**

## Appendix 4

### Reserve/Reserve Fund Review

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2007	Proposed Withdrawals				
			2008	2009	2010	2011	2012
XR2301 Development Charge Reserve Fund - Urban Development Services	Beginning Balance	\$504	\$504	\$85	\$105	\$104	\$32
	Places 2008 - 2012 Projects		(\$204)	(\$107)	(\$116)	(\$140)	(\$140)
	Routes 2008 - 2012 Projects		(\$607)	(\$277)	(\$300)	(\$360)	(\$360)
	Total Proposed Withdrawals		(\$811)	(\$384)	(\$416)	(\$500)	(\$500)
	Projected Contributions		\$392	\$403	\$416	\$428	
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$504</b>	<b>\$85</b>	<b>\$105</b>	<b>\$104</b>	<b>\$32</b>	<b>(\$468)</b>

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2007	Proposed Withdrawals				
			2008	2009	2010	2011	2012
XR2030 Development Charge Reserve Fund - DC Related Studies	Beginning Balance	\$592	\$592	\$512	\$493	\$486	\$32
	URB906386 Growth Studies (Various Years)			(\$165)	(\$167)	(\$169)	(\$172)
	URB906386 Avenue Studies (Various Years)		(\$146)	(\$226)	(\$226)	(\$245)	(\$250)
	URB906386 EA Transit Studies (Various Years)		(\$333)	(\$179)	(\$183)	(\$225)	(\$231)
	URB906067-5 5-Year Review of the Official Plan					(\$400)	(\$400)
	URB 906181 - New Zoning By-law		(\$138)				
	Total Proposed Withdrawals		(\$617)	(\$570)	(\$576)	(\$1,039)	(\$1,053)
	Projected Contributions		\$536	\$552	\$569	\$585	
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$592</b>	<b>\$512</b>	<b>\$493</b>	<b>\$486</b>	<b>\$32</b>	<b>(\$1,021)</b>

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2007	Proposed Withdrawals				
			2008	2009	2010	2011	2012
XR2009 Development Charge Reserve Fund - Former Etobicoke	Beginning Balance	\$4,181	\$4,181	\$4,019	\$4,019	\$4,019	\$4,019
	URB906386-21 Growth Studies (2008)		(\$162)				
	Total Proposed Withdrawals		(\$162)	\$0	\$0	\$0	\$0
	Projected Contributions						
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$4,181</b>	<b>\$4,019</b>	<b>\$4,019</b>	<b>\$4,019</b>	<b>\$4,019</b>	<b>\$4,019</b>

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2007	Proposed Withdrawals				
			2008	2009	2010	2011	2012
XR2012 Development Charge Reserve Fund - Former Scarborough	Beginning Balance	\$22,372	\$22,372	\$22,125	\$22,125	\$22,125	\$22,125
	URB906386-11 Avenue Studies (2008)		(\$73)				
	URB906386-16 EA Transit Studies (2008)		(\$174)				
	Total Proposed Withdrawals		(\$247)	\$0	\$0	\$0	\$0
	Projected Contributions						
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$22,372</b>	<b>\$22,125</b>	<b>\$22,125</b>	<b>\$22,125</b>	<b>\$22,125</b>	<b>\$22,125</b>