

Analyst Briefing Notes

Budget Committee

November 3, 2009

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 10-Year Recommended Capital Plan for Parks, Forestry and Recreation (PF&R) focuses on maintaining the health and safety and state of good repair of existing assets, while providing for limited new initiatives and improvements. The 10-Year Recommended Capital Plan is aligned with the strategic directions and principles approved by City Council, including *Our Common Grounds* and various City-wide strategies such as the Climate Change Action Plan.
- The following summarizes the allocation of recommended funding by project type:
 - *Facility Components* projects account for 10% or \$78.720 million of funding in the 10-Year Recommended Capital Plan and include 311 Customer Service Strategy, Capital Emergency Fund, Divisional IT Initiatives and various facility rehabilitation projects.
 - *Land Acquisition* projects account for 1% or \$5.900 million of the 2010-2019 Recommended Capital Plan and include parkland acquisition and Grand Manitoba site remediation.
 - *Outdoor Recreation Centres* projects represent 6% or \$48.006 million of the 10-Year Recommended Capital Plan and include the Esther Shiner Stadium upgrade and expansion, upgrades to sports fields and projects that address the renewal needs of aging and deteriorating infrastructure.
 - *Park Development* projects represent 12% or \$93.122 million of the 2010-2019 Recommended Capital Plan and include the Colonel Samuel Smith and former Canadian Tire sites development projects, various parks rehabilitation projects, Gore Park development, parks and trails build program and Phase 2 of Major Park as part of the Regent Park Redevelopment.
 - *Parking Lots and Tennis Courts* projects account for 4% or \$33.611 million of the 10-Year Recommended Capital Plan and include projects for the development and upgrading of parking lots and tennis courts.
 - *Playground/Waterplay* projects account for 4% or \$34.657 million of the 2010-2019 Recommended Capital Plan and include play area enhancements projects and projects for the development of new splash pads and conversion of wading pools.
 - *Pools* projects represent 8% or \$65.628 million of the 10-Year Recommended Capital Plan and include the replacement of Lord Dufferin pool in Regent Park and pool rehabilitation and improvements.
 - *Arenas* projects represent 9% or \$69.830 million of the 10-Year Recommended Capital Plan and include arena rehabilitation and upgrading projects.

- *Trails and Pathways* projects account for 5% or \$36.603 million of the 10-Year Recommended Capital Plan and include the East Don Trail and Upper Highland Creek Trail Extension projects, as well as various trail and pathway upgrading and rehabilitation projects.
- *Environmental Initiatives* projects account for 4% or \$29.287 million of the 10-Year Recommended Capital Plan and include the development of community gardens, enhancement of the Natural Heritage in Don Valley Brick Works Park, removing of storm damage at Wilket Creek and other City-Wide environmental initiatives.
- *Special Facilities* projects represent 9% or \$66.875 million of the 10-Year Recommended Capital Plan and include the expansion of the ski centre at the Earl Bales Park, restoration of the Allan Gardens Palm House and state-of-good-repair projects for Harborfront Centre and associated seawalls.
- *Community Centres* projects represent 26% or \$203.627 million of the 10-Year Recommended Capital Plan and include the construction of such community centres as Wabash Community Centre, Western North York Community Centre, North East Scarborough Community Centre, York Community Centre, Warden Corridor Community Centre, Canadian Tire Community Centre, Regent Park Community Centre, Railway Lands Community Centre, completion of the Edithvale Community Centre, expansion of the O'Connor and Milliken Park Community Centres, plus security system improvements at 24 high-risk locations and various facilities.
- *Priority Neighbourhood Investment* projects account for 1% or \$6.855 million of the 10-Year Recommended Capital Plan and include Warden Woods Community Centre construction, addition of youth activity space at the McGregor Community Centre in Dorset Park and expansion of the Scarborough Village Community Centre to create a community hub.
- The 2009 Approved Capital Budget of \$121.559 million was 24.7% or \$30.082 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$76.547 million or 63% of the 2009 Approved Capital Budget. This represents a projected increase of 3.3% or \$2.467 million in capital spending over the 2008 spending rate of \$74.080 million or 65%.
 - The projection of 2009 funding to be carried forward into the 2010 Recommended Capital Budget is \$26.148 million. Main projects include land acquisition for Franklin Horner Community Centre (\$4.464 million); rehabilitation of St. Matthew's Lawn Bowling Club House (\$1 million); Dogs-off-Leash Area Fencing (\$1 million); Safety Re-fits for the Toronto Island Ferries (\$2.3 million); Security System Upgrades in various facilities (\$1 million); and York Community Centre planning and design (\$1.038 million).
- The 10-Year Recommended Capital Plan totals \$798.869 million, including 2009 carry forward funding into 2010 of \$26.148 million, of which \$437.373 million is projected for the first 5 years, with the final 5 years requiring funding of \$361.496 million or 45.3%.
 - The 10-Year Recommended Capital Plan, excluding carry forward funding, is funded primarily by debt, which accounts for approximately 65% or \$500.371 million. The remaining funding consists of development charges of \$86.314 million or 11%,

funding from reserves of \$103.257 million or 13% and other revenue, including donations, of \$52.854 million or 7%. Funding from the Federal and Provincial governments' Infrastructure Stimulus Fund and Recreational Infrastructure Canada Fund amounts to 4% or \$29.925 million.

- Changes to the 2009-2018 Approved Capital Plan total \$42.981 million or 6.5% of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan. Key changes include adjustment of funding and timing for 147 projects approved for ISF and RInC funding (\$30.935 million); revisions to timing and funding for the construction of the York Community Centre (\$3.000 million); adjustments of timing for security system upgrades in various Parks, Forestry and Recreation Facilities (\$1.000 million); and realignment of timing for safety re-fits for the Toronto Island ferries (\$2.300 million).
- Parks, Forestry and Recreation has approved funding in its 10-Year Recommended Capital Plan from the Federal and Provincial governments' ISF and RInC programs for projects totalling \$66.614 million which require cash flow of \$45.605 million in 2010. Of the total cash flow required in 2010, the Federal and Provincial governments have committed to fund \$16.727 million and \$13.198 million respectively. Funding has been approved for projects that will support the rehabilitation or construction of infrastructure projects and upgrading or renewal of such recreational facilities as arenas, swimming pools, sports fields, parks, trails and paths, and other recreational facilities across the City.
- The 10-Year Recommended Capital Plan results in operating impacts from previously approved and new/change in scope capital projects in 2010 of \$1.756 million; in 2011 of \$5.845 million; in 2012 of \$4.355 million; in 2013 of \$3.782 million; and, in 2014 of \$1.441 million. In addition to these operating impacts of PF&R's Capital Plan, there will be additional future years operating impacts as a result of the development of new waterfront infrastructure since Parks, Forestry and Recreation is the Program most impacted by waterfront renewal over the period of 2010 to 2021.
- New debt service costs resulting from the approval of the 2010 Recommended Capital Budget are estimated to be \$0.757 million in 2010 with incremental costs of \$3.329 million in 2011, \$0.650 million in 2012 and \$0.089 million in 2013. Debt service costs resulting from the approval of the 2011-2019 Recommended Capital Plan are projected to be \$0.694 million in 2011, \$3.862 million in 2012, \$5.274 million in 2013, \$6.709 million in 2014, \$6.674 million in 2015, \$7.214 million in 2016, \$7.282 million in 2017, \$7.271 million in 2018 and \$7.244 million in 2019.
- Parks, Forestry and Recreation currently has a significant state-of-good-repair backlog, estimated at \$261.040 million by 2009 year-end or 13% of the Program's value of physical assets as facilities, bridges, vessels, parking lots, tennis courts and sports pads, and trails and pathways estimated at \$2 billion and 4.4% of the Program's total asset value, including land, of \$6 billion. The projected state-of-good-repair backlog is expected to reach \$313.650 million in 2014 and \$314.099 million in 2019.
- In addition to Parks, Forestry and Recreation's Capital Asset Management Plan (CAMP) multi-year project of \$274.839 million, the 10-Year Recommended Capital Plan includes a further \$131.117 million for other projects such as Environmental

Initiatives projects, Parks and Facility Rehabilitation projects and Outdoor Recreation Centres rehabilitation projects.

- The 10-Year Recommended Capital Plan provides funding to advance the following priority actions outlined in the Mayor's and Council's policy agenda:
 - **Invest in 13 Priority Neighbourhoods:** Parks, Forestry and Recreation's 2010-2019 Recommended Capital Plan provides \$6.855 million in continued investment in recreational infrastructure in Toronto's 13 Priority Neighbourhoods, including Warden Woods Community Centre construction, addition of youth activity space at the McGregor Community Centre in Dorset Park and expansion of the Scarborough Village Community Centre to create a community hub.
 - **Make Toronto a Clean and Beautiful City:** Parks, Forestry and Recreation's 10-Year Recommended Capital Plan will ensure that public spaces, facilities parks and ravines are maintained to meet service quality standards. In this area, the 10-Year Recommended Capital Plan includes \$1.200 million in funding for enhancement of the Natural Heritage in the Don Valley Brick Works Park, as well as landscaping and horticultural treatments.
 - **Make Progress on the Waterfront:** The Parks, Forestry and Recreation 2010-2019 Recommended Capital Plan continues to support the multi-year state-of-good-repair program for Harborfront Centre, seawalls and outdoor amenity spaces and includes \$21.675 million in new funding for this initiative, as well as \$0.150 million for development of the Western Waterfront Master Plan.
 - **New and Expanded Facilities:** The 10-Year Recommended Capital Plan provides new and expanded facilities funding of \$157.779 million for the construction of a number of community centres and Parks, Forestry and Recreation's Major Facilities Build program.
 - **Economic Stimulus Projects:** The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan provides funding for 147 City of Toronto Stimulus Projects with total project cost of \$66.614 million. These projects will support the rehabilitation or construction of infrastructure and upgrading of recreational facilities such as arenas, swimming pools, sports fields, parks, trails and pathways across the City.
- The 2010 Recommended Capital Budget for previously approved and new/change in scope projects (excluding 2009 carry forward funding into 2010) of \$117.118 million is 39% allocated to state-of-good-repair projects at \$45.727 million; 31% to growth projects at \$35.937 million; 24% to service improvement projects at \$28.429 million; and, 6% or \$7.025 million to legislated projects.
- Approval of the 2010 Recommended Capital Budget will result in a commitment to future year funding for new/change in scope projects of \$24.072 million in 2011 and \$14.562 million in 2012.

- The 2009 summer labour disruption will not significantly impact Parks, Forestry and Recreation's delivery of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan.
- The 2010 Recommended Capital Budget of \$117.118 million provides funding to:
 - Begin the construction of new waterplays at the O'Connor Community Centre, Warden Woods Community Centre and Totts Tot Lott Park (\$1.150 million).
 - Begin the development of the Western Waterfront Master Plan (\$0.150 million).
 - Begin the construction of the Oriole Park playground, the Earl Bales Park playground and sensory garden, the Regent Park pool, and the Warden Corridor and Railway Lands Community Centres (\$14.512 million).
 - Move forward with 147 projects approved for Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) funding (\$45.605 million).
 - Continue work on state-of-good-repair projects, City-wide environmental initiatives and playground enhancements (\$28.497 million).
 - Complete the construction of Edithvale Community Centre (\$6.680 million).
 - Complete required security system improvements and upgrades for various Parks, Forestry and Recreation locations and safety re-fits for the Toronto Island Ferries (\$5.025 million).

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2010 Recommended Capital Budget for Parks, Forestry and Recreation with a total project cost of \$85.372 million, and 2010 cash flow of \$143.266 million and future year commitments of \$75.100 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 80 new/change in scope sub-projects with a 2010 total project cost of \$85.372 million that requires cash flow of \$46.738 million in 2010 and a future year commitment of \$24.072 million in 2011 and \$14.562 million in 2012;
 - ii) 65 previously approved sub-projects with a 2010 cash flow of \$70.380 million and a future year commitment of \$16.966 million in 2011; \$15.000 million in 2012 and \$4.500 million in 2013;
 - iii) 16 previously approved sub-projects with carry forward funding from 2008 and prior years requiring 2010 cash flow of \$12.839 million which forms part of the affordability target that requires Council to reaffirm its commitment; and
 - b) 2009 approved cash flow for 55 previously approved sub-projects with carry forward funding from 2009 into 2010 totalling \$26.148 million;
2. Council approve new debt service costs of \$0.757 million in 2010 and incremental debt costs of \$3.329 million in 2011, \$0.650 million in 2012 and \$0.089 million in 2013 resulting from the approval of the 2010 Recommended Capital Budget, to be included in the 2010 and future year operating budgets;
3. Council approve the 2011-2019 Recommended Capital Plan for Parks, Forestry and Recreation totalling \$655.603 million in project estimates, comprised of \$86.275 million in 2011; \$90.470 million in 2012; \$60.673 million in 2013; \$56.689 million in 2014; \$72.350 million in 2015; \$77.104 million in 2016; \$75.130 million in 2017; \$72.706 million in 2018; and, \$64.206 million in 2019;
4. Council consider operating impacts of \$1.756 million in 2010; \$5.712 million in 2011; \$2.115 million in 2012; \$1.678 million in 2013; and, \$0.920 million in 2014 emanating from the approval of the 2010 Recommended Capital Budget for inclusion in the 2010 and future year operating budgets;
5. The Capital Emergency Fund sub-project be approved with funding of \$0.500 million for 2010 with the following conditions:
 - a) projects funded must be 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 2010 Capital Emergency Fund sub-project 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 2011 Capital Budget; and
 - d) any unspent balance at year-end cannot be carried forward;
6. All sub-projects with third-party financing be approved conditionally, subject to the receipt of such funding during 2010 and, if such financing is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs;
 7. The cost of future land acquisitions be included in future parkland and facility development projects according to established service priorities in order to comply with the City Real Estate Strategy (CRES);and,
 8. Parks, Forestry and Recreation provide full-year estimates of the operating impacts of capital for the full 10-year Capital Plan period prior to the 2011 Capital Budget cycle.

PART I: CAPITAL PROGRAM

2009 Capital Variance Review

2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2009 Approved	Actuals as of Sept. 30th (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
121,559	30,082	24.7%	76,547	63.0%	45,012

The Parks, Forestry and Recreation 2009 Approved Capital Budget of \$121.559 million was 24.7% or \$30.082 million spent, as of September 30th, 2009. Actual expenditures by year-end are anticipated to be \$76.547 million or 63% of the 2009 Approved Capital Budget. This represents a projected increase of 3.3% or \$2.467 million in capital spending over the 2008 spending rate of \$74.080 million or 65%.

State of Good Repair projects represent 31% or \$37.130 million of the 2009 Approved Capital Budget. The projected year-end spending will be approximately 80% or \$29.700 million which represents a slight decrease from the 2008 expenditure of \$34.804 million or 82%.

The funding from 2009 carried forward into 2010 is \$26.148 million and is lower than the projected unspent actual expenditures of \$45.012 million, which is current as of September 30, 2009 and will be revised at year end.

Key projects requiring 2009 carry forward funding into the 2010 Recommended Capital Budget include:

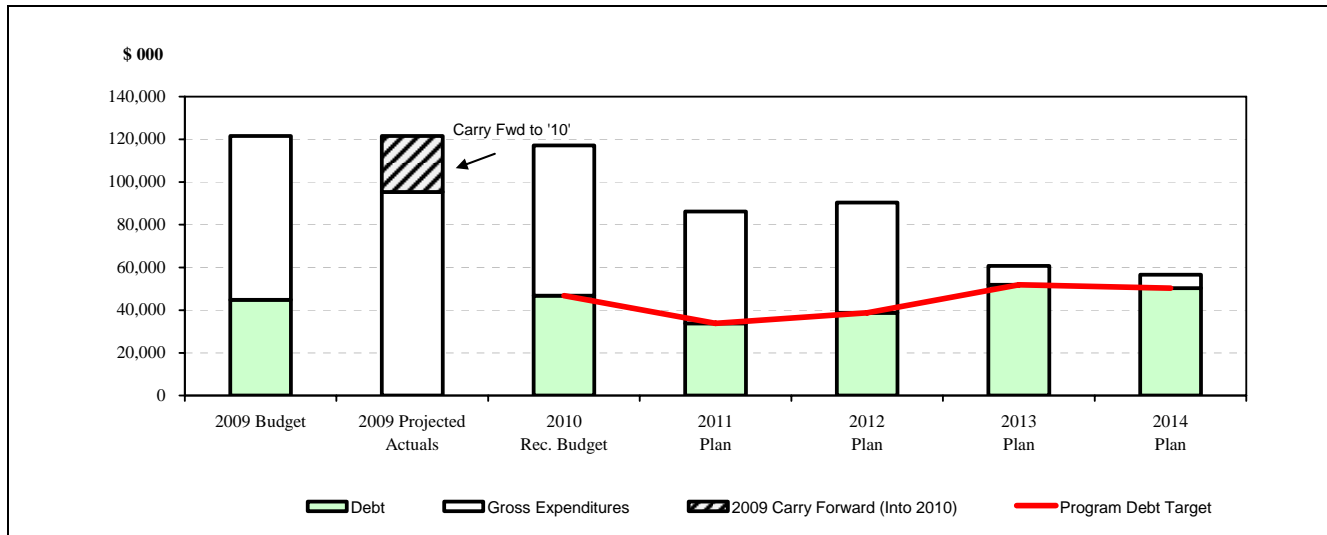
- Land acquisition for Franklin Horner Community Centre (\$4.464 million);
- Relocation of St. Matthew's Lawn Bowling Club House (\$1 million);
- Dogs off-leash area fencing (\$1 million);
- Safety re-fits for the Toronto Island ferries (\$2.3 million);
- Security system upgrades in various facilities (\$1 million); and
- York Community Centre construction (\$1.038 million).

Although delays have been encountered for some projects, it is not expected that the 2009 summer labour disruption will significantly impact Parks, Forestry and Recreation's 2009 capital spending rate.

The Parks, Forestry and Recreation's 2009 Approved Capital Budget has been adjusted to reflect 147 projects which have been approved for ISF and RInC funding and accelerated, along with the associated funding, from future years to 2009 and 2010 to ensure that they are substantially complete by the Federal government's March 31, 2011 deadline.

10-Year Capital Plan

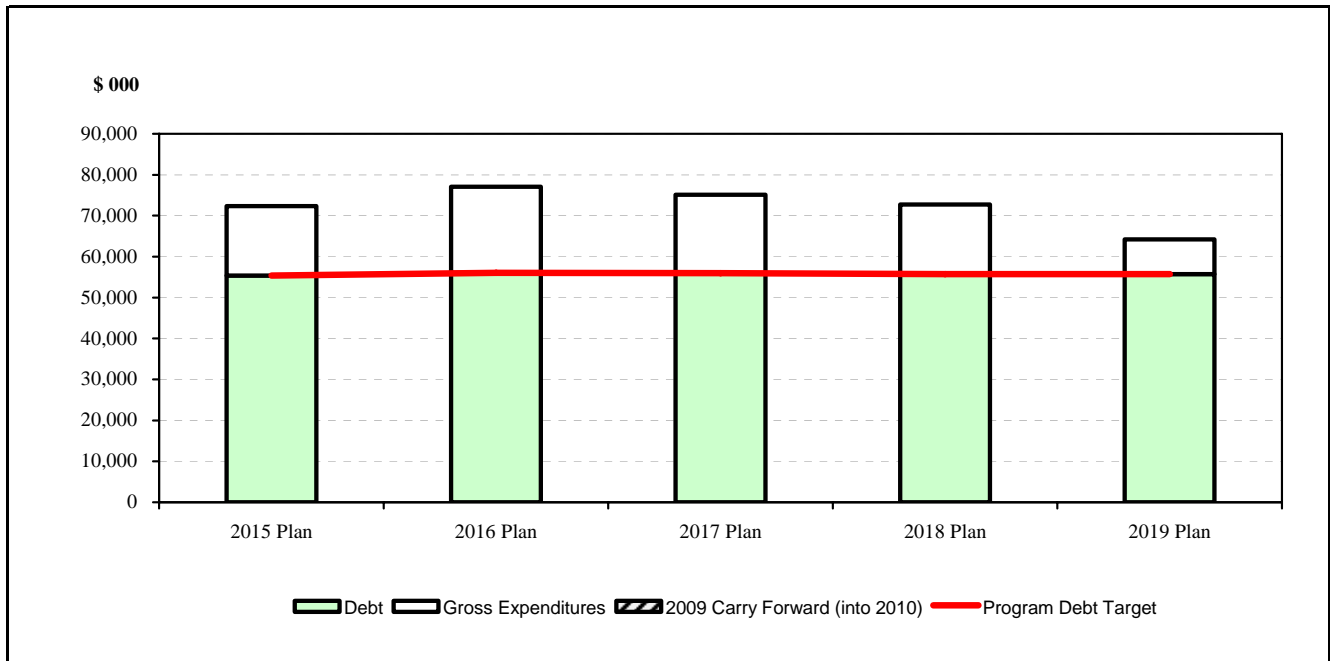
2010 Recommended Capital Budget, 2011-2014 Recommended Capital Plan



	2010 Rec. Budget and 2011-2014 Plan								
	2009		2010	2011	2012	2013	2014	2010-2014 Total	Five Year Percent
	Budget	Projected Actual							
Gross Expenditures:									
2009 Capital Budget & Approved FY Commitments	121,559	95,411	74,625	17,545				92,170	22%
2nd Year Carry Forward to 2010			12,839					12,839	3%
Recommended Changes to Approved FY Commitments			(17,084)	(12,094)	29,685	1,311	(1,818)	0	0%
2010 New/Change in Scope and FY Commitments			46,738	24,072	14,562			85,372	21%
2011 - 2014 Capital Plan Estimates				56,752	46,223	59,362	58,507	220,844	54%
1-Year Carry Forward to 2010		26,148							
Total Gross Annual Expenditures & Plan	121,559	121,559	117,118	86,275	90,470	60,673	56,689	411,225	100%
Program Debt Target	44,867		46,805	33,752	38,725	51,900	50,378	221,560	
Financing:									
Recommended Debt	44,867		46,805	33,752	38,725	51,900	50,378	221,560	54%
Reserves/Reserve Funds	23,153		16,381	27,823	26,315	4,594	4,244	79,357	19%
Development Charges	7,393		9,822	10,682	15,804	3,029	2,067	41,404	10%
ISF / RInC	3,403		29,925					29,925	7%
Other Revenue	42,743		14,185	14,018	9,626	1,150		38,979	9%
Total Financing	121,559		117,118	86,275	90,470	60,673	56,689	411,225	100%
By Category:									
Health & Safety				200		200		400	0%
Legislated	2,431		7,025	2,000		100		9,125	2%
SOGR	37,130		45,727	32,122	37,272	41,903	41,350	198,374	48%
Service Improvement	40,088		28,429	16,625	8,986	13,770	13,665	81,475	20%
Growth Related	41,910		35,937	35,328	44,212	4,700	1,674	121,851	30%
Total By Category	121,559		117,118	86,275	90,470	60,673	56,689	411,225	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)			39,835	48,465	40,890	38,865	49,180	217,235	
Accumulated Backlog Estimate (end of year)		260,928	261,040	287,691	297,783	300,120	313,650	313,650	
Operating Impact on Program Costs			1,756	5,845	4,355	3,782	1,441	17,179	
Debt Service Costs			757	4,023	4,512	5,364	6,709	21,365	

10-Year Capital Plan

2015-2019 Recommended Capital Plan



	2015-2019 Capital Plan					2010-2019 Total	10-Year Total Percent
	2015	2016	2017	2018	2019		
Gross Expenditures:							
2009 Capital Budget & Approved FY Commitments						92,170	12%
2nd Year Carry Forward to 2010						12,839	2%
Recommended Changes to Approved FY Commitments						0	0%
2010 New/Change in Scope and FY Commitments						85,372	11%
2015 - 2019 Capital Forecast Estimates	72,350	77,104	75,130	72,706	64,206	582,340	75%
Total Gross Annual Expenditures & Plan	72,350	77,104	75,130	72,706	64,206	772,721	100%
Program Debt Target	55,363	56,027	55,983	55,719	55,719	500,371	
Financing:							
Recommended Debt	55,363	56,027	55,983	55,719	55,719	500,371	65%
Reserves/Reserve Funds	4,896	4,825	6,307	5,185	2,687	103,257	13%
Development Charges	12,041	15,677	12,240	4,852	100	86,314	11%
ISF / RInC						29,925	4%
Other Revenue	50	575	600	6,950	5,700	52,854	7%
Total Financing	72,350	77,104	75,130	72,706	64,206	772,721	100%
By Category:							
Health & Safety	200		200		200		
Legislated	100		100		100	9,425	1%
SOGR	40,825	40,520	40,925	41,356	43,956	405,956	53%
Service Improvement	22,925	18,140	14,725	19,650	18,150	175,065	23%
Growth Related	8,300	18,444	19,180	11,700	1,800	181,275	23%
Total By Category	72,350	77,104	75,130	72,706	64,206	771,721	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)	51,880	36,605	18,850	23,150	49,210	396,930	
Accumulated Backlog Estimate (end of year)	330,482	332,039	315,337	303,439	314,099	314,099	
Operating Impact on Program Costs						17,179	
Debt Service Costs	6,674	7,214	7,282	7,271	7,244	57,050	

10-Year Capital Plan Overview

- The 10-Year Recommended Capital Plan for Parks, Forestry and Recreation focuses on maintaining the health and safety and state of good repair of existing assets, while providing for limited new initiatives and improvements. The 10-Year Recommended Capital Plan is aligned with the strategic directions and principles approved by City Council, including *Our Common Grounds* and various City-wide strategies such as the Climate Change Action Plan.
- The 10-Year Recommended Capital Plan for Parks, Forestry and Recreation is in line with assigned debt targets over the 10 years of the Capital Plan period. The debt targets have been revised to account for 147 projects which have been approved for ISF and RInC funding and accelerated, along with the associated funding, from future years to 2009 and 2010 to ensure that they are substantially complete by the Federal government's March 31, 2011 deadline.
- The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan for Parks, Forestry and Recreation, excluding carry forward funding, totals \$772.721 million of which \$500.371 or 65% is funded by debt. The remaining funding consists of development charges of \$86.314 million or 11%, funding from reserves of \$103.257 million or 13% and other revenue, including donations, of \$52.584 million or 7%. Funding from the Federal and Provincial governments' Infrastructure Stimulus Fund and Recreational Infrastructure Canada Fund amounts to 4% or \$29.925 million.
- The 2009 summer labour disruption will not significantly impact Parks, Forestry and Recreation's delivery of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan.
- The following summarizes the allocation of recommended funding by project category:
 - *Legislated projects* account for 1% or \$9.425 million of funding in the 10-Year Recommended Capital Plan. These projects address existing and emerging provincial legislations and include Security Systems Improvements at 24 high-risk PF&R locations and various facilities and Safety Re-fit for the Toronto Island Ferries.
 - The 10-Year Recommended Capital Plan allocates significant financial resources to *State of Good Repair projects* to address the renewal needs of aging and deteriorating infrastructure. Projects that maintain assets in a state of good repair represent 53% or \$405.956 million of funding in the 10-Year Recommended Capital Plan and include Facility and Parks Rehabilitation projects, improvements to parking lots and tennis courts, upgrades to pools and arenas, as well as City-Wide Environmental Initiatives.
 - *Service Improvement projects* represent approximately 23% or \$175.065 million of funding in the 2010-2019 Recommended Capital Plan. Key service improvement projects include Phase 2 of the development of the Main Central Park in Regent Park, redevelopment of the Stephen Leacock Community Centre, improvements to various outdoor recreation centres, enhancements to playgrounds and pools, as well as improvements to arenas and trails and pathways.
 - *Growth projects* account for 23% or \$181.275 million of funding provided in the 10-Year Recommended Capital Plan. The largest expansion projects include the replacement of Lord Dufferin Pool in Regent Park, construction of a number of community centres, such as Wabash Community Centre in Parkdale, York Community Centre, Western North York Community

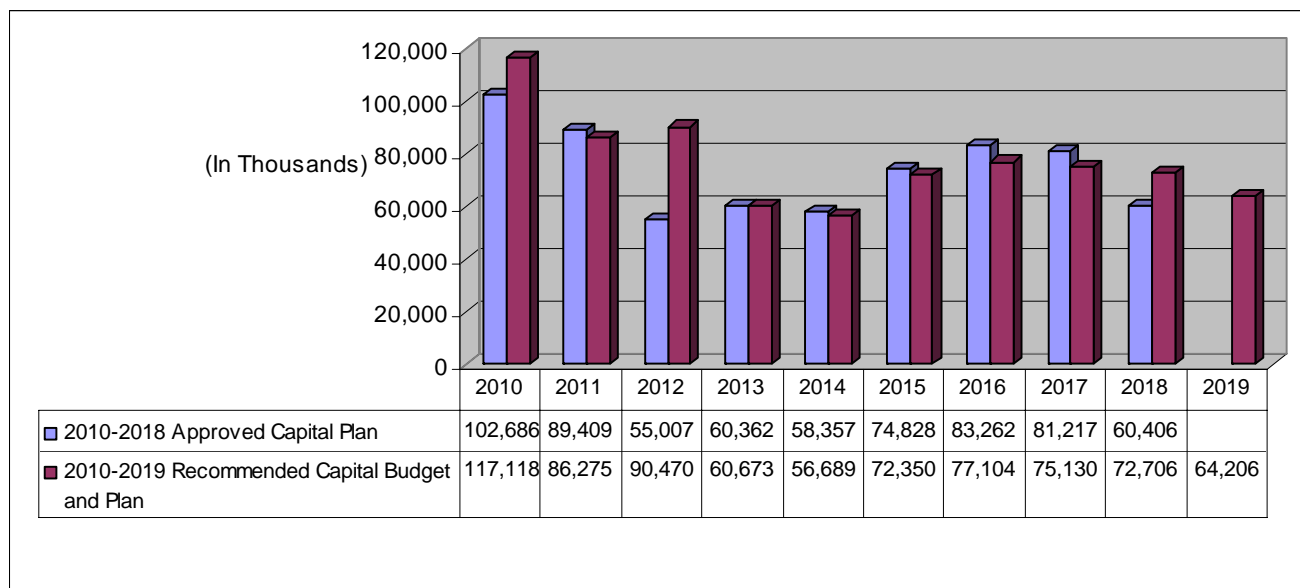
Centre, North East Scarborough and Regent Park Community Centres; as well as other investments in the Priority Neighbourhoods.

- Parks, Forestry and Recreation currently has a significant infrastructure rehabilitation backlog, estimated at \$261.040 by year-end. The projected state-of-good-repair backlog is expected to reach \$314.099 million by 2019 reflecting 16.5% of the physical assets value of approximately \$2 billion.

Key Changes to the 2010-2018 Approved Capital Plan

The following highlights the changes from the 2010-2018 Approved Capital Plan with the 2010-2019 Recommended Capital Budget and Plan. There is a \$42.981 million or 6.5% increase in the 2010 Recommended Capital Budget and 2011-2018 Recommended Capital Plan over the 9 year period. As outlined in the table below, the 2010 Recommended Capital Budget of \$117.118 million represents an increase of 14.1% or \$14.432 million compared to 2010 Approved Capital Plan estimates of \$102.686 million in 2009.

Changes to the 2010-2018 Approved Capital Plan



The majority of the changes are due to the inclusion of ISF and RInC projects in 2010 and construction delays in other major projects:

- There has been an adjustment of funding and timing for 147 projects approved for ISF and RInC funding. These projects were originally in the Parks, Forestry and Recreation’s 2010-2018 Approved Capital Plan and have been accelerated from future years to 2009 and 2010 to ensure that they are substantially complete by the Federal government’s March 31, 2011 deadline.
- The 2010-2018 Approved Capital Plan has been revised to reflect the realignment of funding and timing for Regent Park Community Centre construction due to delays with the design process for the community centre.
- Adjustments have been incorporated into the 2010-2019 Recommended Capital Plan to reflect revisions to the timing and funding allocations for the construction of the York Community Centre.

The approval of the construction has been delayed due to the Toronto and Region Conservation Authority's (TRCA) concerns regarding the Black Creek bank stabilization.

- The 2010-2019 Recommended Capital Plan has been adjusted to account for the deferral of funding allocations for the Railway Lands Community Centre project to reflect revised construction timeline.
- The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan includes additional funding of \$2.525 million for security system upgrades in various PF&R facilities requested by the Ministry of Labour as a result of a 2008 incident.
- There has been a deferral of funding for safety re-fits for the Toronto Island ferries. The safety re-fits are scheduled to occur when the ferries could go into dry dock at year end to avoid service disruptions.

Summary of Project Changes

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010 - 2018
Infrastructure Stimulus Fund (ISF)	7,770	(900)	(4,875)	(1,650)	(100)		(155)			90
Recreational Infrastructure Canada (RInC)	23,165	(12,820)	(2,150)	(2,150)	(1,500)					4,545
Regent Park CC Construction	(10,300)	(5,000)	15,300							0
York Community Centre Construction	(12,000)	(5,538)	15,000	4,500						1,962
Railway Lands New CC Construction	(5,895)	(555)	6,450							0
Canadian Tire CC Construction	(5,962)		5,962							0
Security System Upgrades in Various Facilities	1,000									1,000
Safety Re-fits for Toronto Island Ferries	2,300									2,300

Project Financing

The Parks, Forestry and Recreation's 10-Year Recommended Capital Plan is primarily funded from debt, reserve funds and development charges. \$500.371 million or 65% of the recommended \$772.721 million for the 10-Year Capital Plan is funded by debt, \$103.257 million or 13% will be funded from Reserve Funds and \$86.314 million or 11% will be funded from Development Charges, while \$52.854 million or 7% will be funded by other revenues including donations. The Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) funding will account for \$29.925 million or 4%.

10-Year Recommended Capital Plan Versus Multi-Year Debt Targets

The 2010-2019 Recommended Capital Plan for Parks, Forestry and Recreation meets the debt affordability target of \$500.371 million over the ten years, as well as for each year.

Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC)

Through Canada's Economic Action Plan, the federal government has established a new \$4.000 billion Infrastructure Stimulus Fund (ISF) that has been distributed across Canada in fiscal years 2009-2010 and 2010-2011. Projects focus largely on the rehabilitation of existing assets such as water, wastewater, public transit, highways, roads, culture, parks and, trails, projects that can be substantially completed by March 31, 2011.

Similarly, the Recreational Infrastructure Canada Program in Ontario and the Ontario REC (RInC-REC) programs were designed to support the upgrading and renewal of recreational facilities in communities that can be completed by March 31, 2011. Eligible projects under this program include the rehabilitation or new construction of: arenas, gymnasiums, swimming pools, sports fields, parks,

fitness trails and bike paths, tennis, basketball, volleyball or other sport-specific courts, or other multi-purpose facilities that have physical recreation activity as their primary purpose. The governments of Canada and Ontario can each fund up to one third of a project's total eligible cost, up to a maximum of \$1 million each per project.

The total cost of approved City stimulus projects for Parks, Forestry and Recreation is \$66.614 million of which the Federal and Provincial governments have committed to fund \$17.271 million and \$13.987 million respectively. The balance of \$35.356 million will be funded by the City.

Economic Stimulus Project Summary - Parks, Forestry & Recreation				
\$Millions				
	Total	Cost Sharing		
	Project Cost	Federal	Provincial	Municipal Contribution
Infrastructure Stimulus Fund (ISF)	9.595	3.284		6.311
Recreational Infrastructure Canada (RInC)	57.019	13.987	13.987	29.045
Total	66.614	17.271	13.987	35.356

As outlined in the table below, ISF and RInC funding in the amount of \$66.614 million has been approved for a number of Parks, Forestry and Recreation's projects with cash flow of \$21.009 million in 2009 and \$45.605 million in 2010.

**Infrastructure Stimulus Funding (ISF) and
Recreational Infrastructure Canada (RInC) Funding 2009 – 2010**

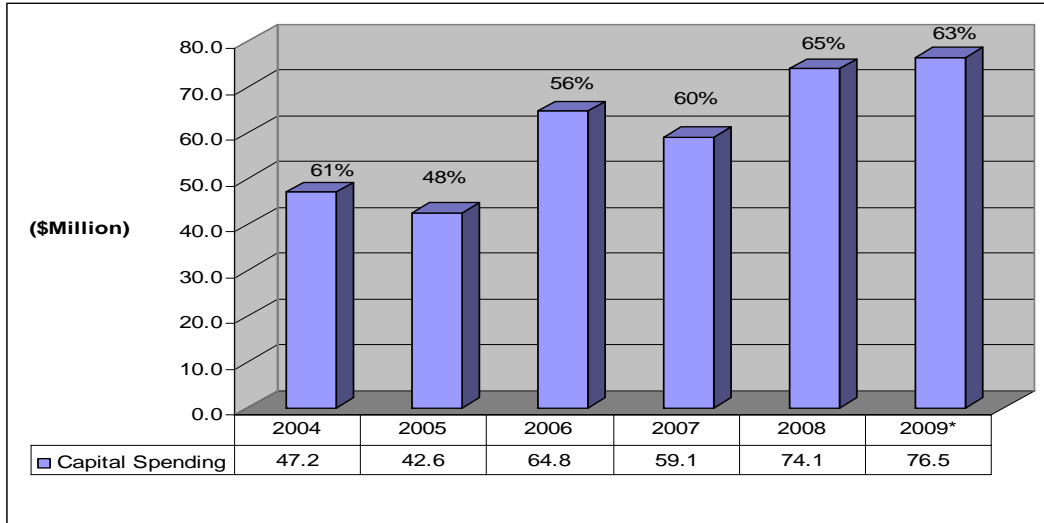
Sub-Project	Total					2009				2010			
	Total	Debt	ISF	RInC	Other	Debt	ISF	RInC	Other	Debt	ISF	RInC	Other
Infrastructure Stimulus Fund (ISF)													
Park Trails & Pathways Revitalization (29)	3,825	2,550	1,275			127	64			2,423	1,211		
Stephen Leacock	3,200	2,133	1,067			106	54			2,027	1,013		
Toronto Island Resurfacing Main Road	300	200	100			10	5			190	95		
East Don Trail	1,890	574	716		600	574	266		600		450		
Nesbitt Park	100	63	34		3		2		3	63	32		
R.V. Burgess Park	80	54	26			3	1			51	25		
Leaside Park	200	130	66		4	3	3		4	127	63		
Total Infrastructure Stimulus Fund (ISF)	9,595	5,704	3,284		607	823	395		607	4,881	2,889		
Recreational Infrastructure Canada													
Priority Neighbourhood	7,636	2,826		4,060	750	141		490	150	2,685		3,570	600
Outdoor Recreation Centres	17,455	8,296		7,350	1,809	7,522		450	1,427	774		6,900	382
Park Development	600	212		388		60				152		388	
Parking Lots and Tennis Courts	1,175	603		1,171		89				514		1,172	
Playground/Waterplay	3,448			2,180	1,268				368			2,180	900
Pool	14,915	2,636		5,447	6,831	1,130			6,831	1,506		5,448	
Arena	3,075	1,051		2,024		180				871		2,024	
Trails & Pathways	3,030	937		2,000	93	143			14	794		2,000	79
Environmental Initiatives	200	68		132		10				58		132	
Community Centres	4,885	1,663		3,222		179				1,484		3,222	
Total Recreational Infrastructure Canada	56,419	18,292		27,974	10,751	9,454		940	8,790	8,838		27,036	1,961
Total	66,014	23,996	3,284	27,974	11,358	10,277	395	940	9,397	13,719	2,889	27,036	1,961

Program Capacity and Readiness to Proceed

The Parks, Forestry and Recreation 2009 Approved Capital Budget of \$121.559 million was 24.7% or \$30.082 million spent as of September 30th, 2009. Actual expenditures by year-end are anticipated to be \$76.547 million or 63% of the 2009 Approved Capital Budget. The 2009 projected rate by year-end represents a continued improvement over the Program's historic spending capacity. With the

exception of a minor decline in 2007, Parks, Forestry and Recreation’s spending rate has shown a steady improvement with 2004 expenditures of \$47.160 million (61%); 2005 expenditures of \$42.631 million (48%); 2006 expenditures of \$64.784 million (56%); 2007 expenditures of \$59.062 million (60%); and \$74.080 million (65%) in 2008, as outlined in the graph below.

Parks, Forestry and Recreation Capital Budget Spending (2004-2009)



Notes: *2009 Year-End Capital Budget Spending Rate Projection as of September 30th, 2009.

There are several factors that contribute to project delay which ultimately result in under-spending. Since approximately 60 per cent of the work required for Parks, Forestry and Recreation’s capital projects is conducted outdoors, it is subject to delays due to adverse weather conditions. A number of projects are delayed each year because third-party funding has not been received as scheduled or required coordination with developers resulted in delays. Extended public consultation processes can also significantly delay the progress of capital work.

In 2006, Park, Forestry and Recreation’s Capital Projects Section (CPS) began implementing a number of operational changes to its staffing structure and business practices. Although the effectiveness of the changes may not have been apparent within the first year or two of implementation, over time, improvements in the overall annual capital spending and project delivery efficiency has been noted.

During the review of the Parks, Forestry and Recreation’s 2007 Capital Budget, City Council recommended that a Capital Budget Task Force (CBTF) be established to investigate ways to improve the Program’s completion of approved projects on a timely basis. As a result of the CBTF discussions and additional analysis by CPS, the following changes have been introduced to improve project delivery and capital spending:

- Hiring of additional project management staff;
- Implementation of monthly project reviews;
- Gaining access to a full functioning dedicated buyer in Purchasing and Materials Management Division (PMMD);
- Introduction of changes to the Purchasing and Financial Control by-law;
- Improved cash flow management;

- Improved communication between CPS and Clients (Councillors, Recreation staff, etc.).

The Parks, Forestry and Recreation 2010-2019 Recommended Capital Plan includes 147 projects approved for ISF and RInC funding. These projects will be given top priority to ensure that they are substantially complete by the Federal government's March 31, 2011 deadline.

State of Good Repair (SOGR) Backlog

As is common in most municipalities throughout Canada and the United States, the City and in particular Parks, Forestry and Recreation are dealing with the consequences of aging infrastructure. Most of the City's parks and recreation facilities were built over 30 years ago and, in certain cases, there has not been sufficient funding to maintain them in a state of good repair.

Parks, Forestry and Recreation manages an asset inventory valued at over \$6 billion including parks, paths, trails, pools, waterplay areas, arenas, recreation centres, golf courses, ferry boats and other sports and recreation related facilities. Physical infrastructure items such as facilities, bridges, vessels, tennis courts, sports pads, parking lots and trails and pathways comprise approximately \$2 billion of the Program's total asset inventory value, while land accounts for the remaining \$4 billion. In addition to maintaining these assets in a state of good repair, the Program is faced with demands to improve or expand service.

Parks, Forestry and Recreation performs condition audits of assets on a 3 to 5 year cyclical basis. The results of these SOGR audits drive the budget and assist in setting program priorities.

The 2009 year-end value of state-of-good-repair backlog is estimated at \$261.040 million, reflecting 13% of the physical assets value of approximately \$2 billion. The projected state-of-good-repair backlog is expected to reach \$313.650 in 2014 and \$314.099 in 2019, representing 16.4% and 16.5% of the Parks, Forestry and Recreation's physical assets value respectively.

In addition to Parks, Forestry and Recreation's Capital Asset Management Plan (CAMP) multi-year project of \$274.839 million in the 10-Year Recommended Capital Plan, a further \$131.117 million is allocated to other projects such as Environmental Initiatives projects, parks and facility rehabilitation projects and outdoor recreation centres rehabilitation projects that contribute to reducing the backlog.

Capital Projects Highlights

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan reflect the strategic direction of the *Our Common Grounds* report and supports several key priority actions outlined in the Mayor's and Council's policy agenda. The following highlights key capital projects.

Economic Stimulus Projects

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan provides \$45.605 million in funding for the Economic Stimulus projects. These projects include Infrastructure Stimulus Fund (ISF) approved projects which will support the rehabilitation or construction of infrastructure projects and Recreational Infrastructure Canada (RInC) approved projects which will support the upgrading and renewal of recreational facilities such as arenas, swimming pools, sports fields, parks, trails and pathways across the City.

Invest in 13 Priority Neighbourhoods

The 10-Year Recommended Capital Plan provides \$6.855 million in continued investment in recreational infrastructure in Toronto's 13 Priority Neighbourhoods. Included among these projects are Warden Woods Community Centre construction, addition of youth activity space at the McGregor Community Centre in Dorset Park and expansion of the Scarborough Village Community Centre to create a community hub.

Make Toronto a Clean and Beautiful City

The Parks, Forestry and Recreation's 10-Year Recommended Capital Plan will ensure that public spaces, facilities parks and ravines are maintained to meet service quality standards. In this area, the Recommended 10-Year Capital Plan includes \$1.200 million in funding for enhancement of the Natural Heritage in Don Valley Brick Works Park, as well as landscaping and horticultural treatments.

Make Progress on the Waterfront

Even though most of the capital funding for the development of waterfront parks resides with Waterfront Toronto, Parks, Forestry and Recreation's 10-Year Recommended Capital Plan also provides funding to support the multi-year state-of-good-repair program for Harborfront Centre, seawalls and outdoor amenity spaces and includes \$21.675 million in new funding for this initiative, as well as \$0.150 million for Western Waterfront Master Plan development.

New and Expanded Facilities

The 10-Year Recommended Capital Plan provides new and expanded facilities funding of \$157.779 million for the construction of a number of community centres and Parks, Forestry and Recreation's Major Facilities Build program. Funding for the the following community centres is incorporated into the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan: Railway Lands Community Centre, Edithvale Community Centre, York Community Centre, North-East Scarborough Community Centre, Western North York Community Centre, Wabash Community Centre in Parkdale, Warden Corridor Community Centre, Regent Park Community Centre and Canadian Tire Community Centre.

Summary of Major Capital Initiatives

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
Infrastructure Stimulus Fund (ISF) Projects (35)	7,998										
Recreational Infrastructure Canada (RIc) Projects (112)	37,881										
New & Expanded Facility Projects											
Edithvale CC - Construction (RFR #4)	6,680										6,680
York Community Centre - New Facility Con (RFR #1)		4,962	15,000	4,500							24,462
Warden Corridor Community Centre - Construction	5,263										5,263
Regent Park Community Centre		5,000	15,300								20,300
Railway Lands New CC (Spadina/Front) - Construction	1,105	6,145	6,450								13,700
Canadian Tire CC - Construction	100	6,062	5,962								12,124
Wabash CC - Build New Community Centre							500	3,500	7,000	1,600	12,600
Western North York Community Centre					500	3,500	7,000	4,600			15,600
North East Scarborough Community Centre					500	3,500	7,000	7,000	3,500		21,500
PF&R Major Facility Build Program			500	2,500	3,250	3,250	2,700	3,350	5,000	5,000	25,550
IT Sub-Projects											
311 Customer Service Strategy	1,300										1,300
PF&R IT Strategic Plan	190										190
CLASS Upgrade	50	210	260								520
PF&R e-Service Assessment and Strategy	200	150	110								460
Enhancement of Work Management System*		400									400
Web Development *		150									150
PayNet SAP Interface *		100									100
Geospatial Asset Inventory System	510	290									800
PF&R Business Transformation tools and processes	200	400									600
Divisional IM and Collaboration Intranet	100	200	80								380
PF&R Datawarehousing		200	400								600
PF&R Divisional IT Initiatives FY2013-2019				200	200	200	200	200	200	200	1,400
Sub-Total	61,577	24,269	44,062	7,200	4,450	10,450	17,400	18,650	15,700	6,800	164,679
Other Major City Initiatives:											
Various Parks Rehabilitation 2011 - 2019		2,500	2,000	2,000	2,500	2,000	2,000	2,250	2,000	3,000	20,250
Trails & Pathways Projects		662	500	925	2,750	2,750	2,750	2,750	3,000	3,000	18,837
Parks and Trails Build Program 2012 - 2019			500	2,000	3,000	3,000	2,415	3,000	3,950	3,950	21,815
Regent Park Redevelopment	2,050	4,150									6,200
Priority Neighbourhood Investments	7,155										7,155
Safety Refit of Thomas Rennie & Sam McBride Ferries	4,800										4,800
City Wide Environmental Initiatives 2010 - 2019	2,100	2,385	2,250	2,250	2,350	2,350	2,350	2,350	2,431	2,431	23,247
Sub-Total	16,105	9,697	5,250	7,175	10,600	10,100	9,515	10,350	11,131	12,381	102,304
Total	77,682	33,966	49,312	14,375	15,050	20,550	26,915	29,000	26,831	19,181	266,983

*Projects with 2009 carry forward funding

Recommended funding for information technology projects amounts to \$6.900 million over the 2010 to 2019 timeframe. These projects include 311 Customer Service Strategy and a range of Divisional IT initiatives:

- The PF&R IT Strategic Plan will enhance the operational effectiveness of the Division by making more effective use of technology in its service delivery;
- The Upgrade of CLASS application project will manage registration services for recreation programs and facility permitting to support business process improvements;
- The PF&R e-Service Assessment and Strategy will result in improved client access to routine recreational services by providing a self-serve online service delivery channel to residents and programs users;
- Enhancement of the Work Management System project will enable work order tracking and cost reporting for capital projects, initiatives and activities that support day to day operations;
- The Web Development project will improve the interactivity of front-facing applications and develop the capacity of business units to publish critical updates. This will enable the Program to dramatically enhance the quality and accuracy of information presented to the public.
- Development of PayNet SAP Interface application will improve efficiency of the payroll input function;

- The Geospatial Asset Inventory System project will enhance operational effectiveness by providing a reliable, timely and accurate system to identify, collect and maintain park infrastructure assets and urban forestry;
- The PF&R Business Tools and Processes project will encourage data linkages to data holdings across the organization and as such provide synergies for cross-divisional communication, transformed service delivery and business processes, better access to data and improved service delivery to the public;
- The Divisional Information Management and Collaboration Intranet project will establish an information management policy, practices and the use of collaboration tools for the Program that will improve information available to decision makers.
- The PF&R Datawarehousing initiative will provide a framework for the optimum structure and accessibility of the Divisional data which will improve service delivery and increase operational effectiveness.

**10-Year Capital Plan:
Incremental Operating Impact Summary**

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
2010 Recommended Capital Budget											
Program Costs (Net)	1,756	5,712	2,115	1,678	920						12,181
Approved Positions	30	32	3	24							89
Debt Service Costs	757	3,329	650	89							4,825
Recommended 10-Year Capital Plan											
Program Costs (Net)		133	2,240	2,104	521						4,998
Approved Positions		5	16	7	2						30
Debt Service Costs		694	3,862	5,274	6,709	6,674	7,214	7,282	7,271	7,244	52,224
Total											
Program Costs (Net)	1,756	5,845	4,355	3,782	1,441						17,179
Approved Positions	30	37	19	31	2						119
Debt Service Costs	757	4,023	4,512	5,364	6,709	6,674	7,214	7,282	7,271	7,244	57,049

Debt Service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years.

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan will result in operating impacts from previously approved and new capital projects in the amount of \$1.756 million for 2010; \$5.845 million for 2011; \$4.355 million for 2012; \$3.782 million for 2013 and \$1.441 million for 2014.

Parks, Forestry and Recreation Capital Impacts

Parks, Forestry and Recreation has identified 119 new positions arising from the implementation of projects in 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan. The projected staffing impacts include:

- 2010 - 30 additional positions will be required as a result of capital projects for community centers, park developments, playgrounds and waterplays and environmental initiatives;
- 2011 - 37 additional positions will be required as a result of capital projects for outdoor recreation centres, park development, playgrounds/waterplay, replacing Lord Duffrin pool, environmental initiatives, Warden Corridor and Canadian Community Centres;

- 2012 - 19 positions will be added as a result of capital projects for community centres, Allan Gardens green house, replacing Lord Duffrin pool, environmental initiatives, park development and outdoor recreation centres;
- 2013 - 31 positions will be required as a result of capital projects for outdoor recreation centres, park development, environmental initiatives, expansion of ski centre at Earl Bales Park and York Community Centre;
- 2014 - 2 new positions will be added as a result of capital projects for park development;
- Operating impacts for 2015-2019 period have not been provided.

Waterfront Renewal Capital Impacts

In addition to the operating impacts of capital identified above, there will be additional future years operating impacts as a result of the development of new waterfront infrastructure since Parks, Forestry and Recreation is the main Program recipient of infrastructure developed by waterfront renewal over the period of 2010 to 2021. As indicated in the *Operating Budget Impacts of New Waterfront Infrastructure Report* approved by Council on November 19-20, 2007, the impact of new waterfront parks and public realm will begin most significantly in 2010 and 2011. Estimates indicate that the Parks, Forestry and Recreation may require in the order of \$23.7 million for increased operating costs by 2011. This is largely driven by the construction of the Don River Park, Mimico Park, the Port Lands Transition Sports Fields, Leslie Greening, Tommy Thompson Park, Sherbourne Park and progress on the Central Waterfront public realm. The updated report on the operating budget impacts of new Waterfront infrastructure is due in coming months and it is expected that timing for a number of these projects will be revised.

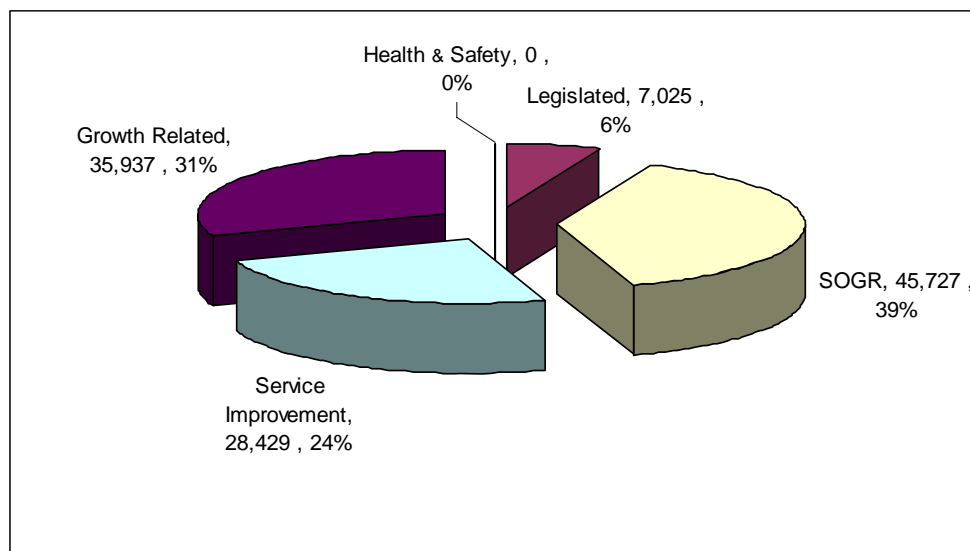
Total 2010 Recommended Cash Flow & Future Year Commitments

	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2008 C/Fwd)	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total Cost
Expenditures																
Previously Approved	12,839	57,541		70,380	26,148	96,528	16,966	15,000	4,500							132,994
Change in Scope			200	200		200										200
New			46,438	46,438		46,438	24,072	14,562								85,072
New w/Future Year			100	100		100										100
Total Expenditure	12,839	57,541	46,738	117,118	26,148	143,266	41,038	29,562	4,500	0	0	0	0	0	0	218,366
Financing																
Debt		16,528	30,277	46,805	5,138	51,943	6,789	2,565	3,500							64,797
Reserves/Res Funds	4,814	5,912	5,655	16,381	10,508	26,889	13,174	5,236								45,299
Development Charges	1,722	7,529	571	9,822	881	10,703	9,507	13,585	1,000							34,795
Other	6,303	1,887	5,995	14,185	9,621	23,806	11,568	8,176								43,550
Provincial/Federal		25,685	4,240	29,925		29,925										29,925
Total Financing	12,839	57,541	46,738	117,118	26,148	143,266	41,038	29,562	4,500	0	0	0	0	0	0	218,366

- The Parks, Forestry and Recreation’s 2010 Recommended Capital Budget is \$143.266 million and provides funding in the amount of \$70.380 million for previously approved projects, \$46.738 million for new/change in scope projects and \$26.148 million for 2009 projects carried forward into 2010. Large projects requiring 2009 funding to be carried forward into 2010 include land acquisition for Franklin Horner Community Centre, safety re-fits for the Toronto Island ferries, security system upgrades in various facilities, Dogs Off-Leash area fencing, and York Community Centre construction.
- The 2010 Recommended Capital Budget will be financed by debt of \$51.943 million (36.3%), reserve funds of \$26.889 million (18.7%), Development Charges of \$10.703 million (7.4%), ISF and RInC funding of \$29.925 million (20.9%), and other funding, such as donations and partnerships, of \$23.806 million (16.7%).
- Approval of the 2010 Recommended Capital Budget will result in commitments to future year funding of \$41.038 million in 2011; \$29.562 million in 2012; and \$4.500 million in 2013.

2010 Recommended Capital Budget: Overview

Capital Budget by Project Category



The following summarizes the 2010 Recommended Capital Budget funding by project category:

- Approximately 6% or \$7.025 million of funding in the 2010 Recommended Capital Budget is allocated to *Legislated projects*. These projects address existing and emerging provincial legislation and include such projects as Security System Upgrades at various facilities and Safety Re-fits for the Toronto Island Ferries.
- The 2010 Recommended Capital Budget includes \$45.727 million for *State of Good Repair projects*, 39% of the total new cash flow of \$117.118 million being recommended for 2010. Included are Facility Rehabilitation projects, Parks Rehabilitation projects, improvements to parking lots and tennis courts, upgrades to pools and arenas, as well as City Wide Environmental Initiatives.
- *Service Improvement projects* represent 24% or \$28.429 million of the total new recommended cash flow for 2010. Key service improvement projects include Phase 2 of the Development of the Main Central Park in Regent Park, redevelopment of the Stephen Leacock Community Centre, improvements to various outdoor recreation centres, as well as improvements to arenas and trails and pathways.
- *Growth projects* account for 31% or \$35.937 million of the total new cash flow in the 2010 Recommended Capital Budget and include the replacement of Lord Dufferin Pool, construction of a number of community centres such as Edithvale Community Centre, Warden Corridor Community Centre and Railway Lands Community Centre; as well as investments in Priority Neighbourhoods.
- There are no Health and Safety projects in the 2010 Recommended Capital Budget for Parks, Forestry and Recreation.

2010 Recommended Capital Budget versus Debt Target

The 2010 Recommended Capital Budget requires 2010 cash flow of \$117.118 million and meets the 2010 debt affordability target of \$46.805 million.

Capacity and Readiness to Proceed

Projects in the 2010 Recommended Capital Budget are ready to proceed. The Capital Budget includes 147 projects which were approved for ISF and RInC funding and accelerated to 2010 from future years. These projects will be given top priority to ensure that they are substantially complete by the Federal government's March 31, 2011 deadline and are currently being planned and tendered. It is anticipated that construction will start in early 2010. To support the effective and efficient delivery of these projects, the Program will mitigate any implementation risks associated with their delivery and potentially reallocate staff resources from projects with lower priority.

The Program's Capital Projects Section will continue to implement operational changes to its staffing structure and business practices as previous actions have resulted in a steady improvement in the annual capital spending rate and project delivery efficiency.

Capital Project Highlights

The 2010 Recommended Capital Budget provides funding for a broad range of projects that advance priority actions in the Mayor's and Council's policy agenda.

Economic Stimulus Projects

The 2010 Recommended Capital Budget provides funding of \$45.605 million for 147 ISF and RInC projects which will support the rehabilitation of infrastructure and upgrading or renewal of recreational facilities across the City.

Invest in 13 Priority Neighbourhoods

Parks, Forestry and Recreation's 2010 Recommended Capital Budget provides \$6.855 million in continued investment in recreational infrastructure in Toronto's 13 Priority Neighbourhoods. Included among these projects are Warden Woods Community Centre construction, the addition of youth activity space at the McGregor Community Centre in Dorset park and expansion of the Scarborough Village Community Centre to create a community hub.

Make Toronto a Clean and Beautiful City

Parks, Forestry and Recreation's Capital program works to help ensure that public spaces, facilities parks and ravines are maintained to meet service quality standards. In this way, the 2010 Recommended Capital Plan includes \$0.400 million in funding for enhancement of the Natural Heritage in Don Valley Brick Works Park, as well as other planting and restoration projects.

Make Progress on the Waterfront

The Parks, Forestry and Recreation's 2010 Recommended Capital Budget continues to support the multi-year state-of-good-repair program for Harborfront Centre, seawalls and outdoor amenity spaces and includes \$2.025 million in new funding for these initiatives, as well as \$0.150 million for Western Waterfront Master Plan development.

New and Expanded Facilities

The Parks, Forestry and Recreation's 2010 Recommended Capital Budget includes funding of \$13.148 million for the completion of Edithvale Community Centre, construction of Warden Corridor Community Centre and Railway Lands Community Centre.

The 2010 Recommended Capital Budget of \$117.118 million provides funding to:

- Begin the construction of new waterplays at the O'Connor Community Centre, Warden Woods Community Centre and Totts Tot Lott Park (\$1.150 million);
- Begin the development of the Western Waterfront Master Plan (\$0.150 million);
- Begin the construction of the Oriole Park playground, the Earl Bales Park playground and sensory garden, the Regent Park pool, and the Warden Corridor and Railway Lands Community Centres (\$14.512 million);
- Move forward with 147 projects approved for Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RInC) funding (\$45.605 million);
- Continue work on State-of-Good-Repair projects, City-wide environmental initiatives and playground enhancements (28.497 million);
- Complete the construction of Edithvale Community Centre (\$6.680 million); and
- Complete required security system improvements and upgrades for various Parks, Forestry and Recreation locations and safety re-fits for the Toronto Island ferries (\$5.025 million).

Work will continue in 2010 on the following projects approved in 2009:

- Dogs off-leash area fencing (\$1 million);
- Safety re-fits for the Toronto Island ferries (\$2.3 million);
- Security system upgrades in various facilities (\$1 million); and
- York Community Centre construction (\$1.038 million).

PART II: ISSUES FOR DISCUSSION**2010 Recommended Capital Budget Issues****Security Improvements**

On October 30, 2008, three new compliance orders were issued to the Parks, Forestry and Recreation Division by the Ministry of Labour. These orders stem from a shooting incident that occurred in the parking lot of a community centre in 2009. The Program has been ordered by the Ministry of Labour to develop a plan for assessing the level of risk in all its workplaces, submit a compliance plan, and undertake a comprehensive safety audit at the community centre where the shooting incidence took place. The 2010 Recommended Capital Budget includes a project with funding in the amount of \$2.525 million for security systems improvements at 24 high-risk locations and security system upgrades for various facilities to address issues arising from Ministry of Labour orders.

Emergency Fund

The Parks, Forestry and Recreation 2010 Recommended Capital Budget includes \$0.500 million for a Capital Emergency Fund sub-project. It is recommended that the approval of the 2010 Capital Emergency sub-project funding be subject to the conditions listed below, which are the same as in 2009, with a report on the use of the 2010 funding to be submitted to Budget Committee at the time of consideration of the 2011 Capital Budget:

- 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 2010 Capital Emergency Fund sub-project must be reported to Finance staff to ensure structures are provided to ensure accountability;
- c) use of funding must be reported in all variance reports and to Budget Committee at the time of consideration of the 2011 Capital Budget; and
- d) any unspent balance at year-end cannot be carried forward.

Divisional IT Initiatives

Recommended funding for Divisional information technology initiatives amounts to \$2.550 million for 2010 with an additional \$4.350 for the 2011-2019 timeframe. These initiatives include 311 Customer Service Strategy, PF&R IT Strategic Plan, upgrade of the CLASS application, PF&R e-Service Assessment and Strategy, enhancement of the Work Management System, development of the SAP Real Estate Module, Web Development Initiative, development of a PayNet SAP Interface application and Geospatial Asset Inventory System, PF&R Business Tools and Processes Initiative, Divisional Information Management and Collaboration Intranet and PF&R Datawarehousing projects.

2011-2019 Recommended Capital Plan Issues

Toronto 2015 Pan American/ParaPan American Games Bid

In December 2008, City Council endorsed Toronto's participation in the Bid to host the 2015 Pan American/ParaPan American Games in the City and Greater Golden Horseshoe region and agreed that Toronto would be named as the Bid City. Etobicoke Olympium Pool, track and field improvements to the Centennial and Birchmount Parks and U of T Partnership project, which would result in the development of a competitive aquatic centre and a multi-sport field house at the university's Scarborough Campus, were submitted to the Pan American Sports Organization (PASO) in April 2009 as part of the Toronto's venue plan for the 2015 Pan American Games.

These projects are currently on hold pending the results of the Pan Am Games city selection decision which is expected on November 6, 2009. As indicated in the *Toronto 2015 Pan American/ParaPan American Games Bid Report* which was adopted by Council on February 23, 24 and 25, 2009, if the bid is awarded to the City of Toronto, City funding in the amount of \$37.5 million to complete the U of T Partnership project, \$6 million for the retrofit of swimming facilities at the Etobicoke Olympium Pool and \$0.8 million for track and field improvements to the Centennial and Birchmount Parks will be required in 2014 and 2015. It is expected that these estimates will be adjusted for inflation.

Small Parks Funding

As recommended in the Parks, Forestry and Recreation's 2009 Capital Budget, staff have reviewed funding levels required to deliver small park improvement projects and determined that \$100,000 currently allocated to each site is insufficient and additional funds are required to reflect inflation and the needs of residents.

The Program has a large and growing inventory of parks with varying types and sizes from small neighbourhood parkettes to large district or destination parks. Allotting each playground enhancement site the same level of funding creates challenges for the Program as \$100,000 may be adequate for a playground in a neighbourhood park, however, it may not be sufficient for a district or destination park attracting tourists and residents from across the city. Therefore, funding for each site in the Playground Enhancement Program has been increased to \$125,000 and budgeted accordingly in the 2010 Recommended Capital Budget and 2011 Recommended Capital Plan.

The *Parks & Trails Service Plan* anticipated for 2011 will determine the appropriate service levels throughout the city and in the varying park categories. It is expected that the plan will assist in determining estimated funding required to fulfill these service levels for each park type which will result in revisions to funding levels for these projects in future years.

Capital Budget Task Force

During the review of the Parks, Forestry and Recreation's 2007 Capital Budget, City Council recommended that a Capital Budget Task Force be established to investigate ways to improve the Division's completion of approved projects on a timely basis. The Capital Budget Task Force met three times in June and July 2008 and reviewed the processes and challenges of the Capital Projects Section. The main objectives of the Task Force were to identify key areas and efforts of Capital Project Section's service delivery, to improve the PF&R capital budget delivery success rate and to

problem-solve identified systemic issues. As a result of the CBTF discussions and additional analysis by CPS, the following changes have been introduced to improve project delivery and capital spending:

- Hiring of additional project management staff;
- Implementation of monthly project reviews;
- Gaining access to a full functioning dedicated buyer in Purchasing and Materials Management Division (PMMD);
- Introduction of changes to the Purchasing and Financial Control by-law;
- Improved cash flow management;
- Improved communication between Capital Project Section and Clients (Councillors, Recreation staff, etc.).

Although the effectiveness of the changes may not have been apparent within the first year or two of implementation, over time an improvement in the overall annual capital spending has been noted. It is expected that the Program's annual spending rate will continue to improve.

In addition to changes implemented by Capital Project Section and in response to the Auditor General's report entitled *Parks, Forestry and Recreation – Capital Program – The Backlog in Needed Repairs Continues to Grow*, the Program will be reporting on the appropriate guidelines for community consultations with respect to the PF&R state of good repair projects. The City Manager will also develop and implement a City-wide framework for prioritizing capital repairs. Furthermore, there will continue to be ongoing monitoring of the current initiatives and, where possible, solutions will be identified and implemented as new impediments to project delivery appear and new opportunities to improve efficiencies arise.

Facility Projects

The Parks, Forestry and Recreation 2010 Recommended Capital Budget includes funding for the construction of the Railway Lands Community Centre and completion of the Edithvale Community Centre, while the 2011-2019 Recommended Capital Plan incorporates a number of other community centres, including the York Community Centre, North-East Scarborough Community Centre, Western North York Community Centre, Wabash Community Centre in Parkdale and expansion of the O'Connor Community Centre.

In 2010 Parks, Forestry and Recreation will bring forward a comprehensive Service Plan for Community Recreation which will identify recreation and leisure needs of Toronto's communities. Following the completion and adoption of the Service Plan, the Program will develop an Infrastructure Plan that will identify infrastructure requirements necessary to meet the service needs. The planning and approval of any new facilities will be driven by the Service Plan for Community Recreation and the subsequent infrastructure planning and will take place within a framework that includes City-wide needs and long-term priorities, as well as availability of funding for service improvement and growth related capital projects and their ongoing Operating Budget impacts.

Development Charge Funding

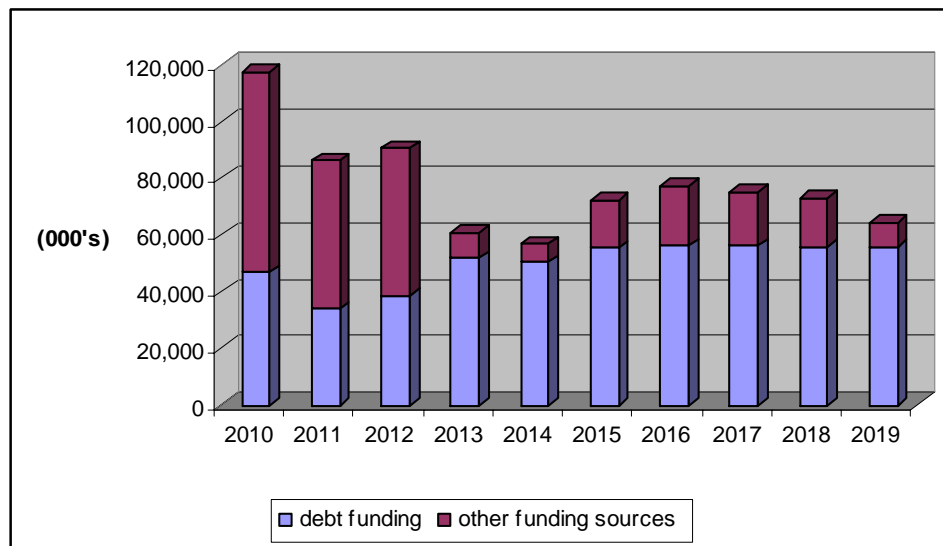
The 2009 By-law came into force on May 1, 2009 and imposed a development charge on the development and redevelopment of land, with certain exemptions. The development charge rates were frozen at the 2009 levels for two years and the increase in the adopted charges is phased-in over four years starting in 2011, depending on the level of residential development activity occurring in the City. As a result, all Development Charge funded projects for Parks, Forestry and Recreation have been re-evaluated to ensure consistency with the new Development Charge By-law and forecast of development charge revenue.

It is recommended that the Program continue to monitor future year projects that are eligible for Development Charge funding and modify the 10-Year Capital Plan to incorporate this funding source, as well as reflect any further changes to the By-law.

Increasing Reliance on Debt as a Funding Source

The ability of the Program to utilize reserves to fund new and growth related projects is reduced with the depletion of the available reserve funds. This, together with the reduced availability of Development Charges financing, has led to an increasing reliance of the Program on debt funding to fund new and growth related project.

Debt as a Funding Source



Note: 2010 excludes carry forward funding but includes majority of ISF and RInC projects

Approximately 40% or \$46.805 million of the 2010 Recommended Capital Budget is funded by debt, whereas debt financing constitutes 54% or \$221.560 million of the 2010 Recommended Capital Budget and 2011-2014 Recommended Plan. The 10-Year Recommended Capital Plan for Parks, Forestry and Recreation, excluding carry forward funding, totals \$772.721 million of which \$500.371 or 65% is funded by debt.

The debt targets have been revised to account for 147 projects which have been approved for ISF and RInC funding and accelerated, along with the associated funding, from the 2011 to 2014 years to 2009

and 2010. Once the ISF and RInC projects have been completed, the required debt financing will significantly increase, averaging at 77% for the last 5 years of the Capital Plan.

Appendix 1

10-Year Recommended Capital Plan Project Summary

Project (\$000's)	2010	2011	2012	2013	2014	2010-2014	2015	2016	2017	2018	2019	2010-2019
Facility Components	6,925	6,900	5,622	7,378	8,075	34,900	7,875	7,370	8,225	9,725	10,625	78,720
Land Acquisition	2,200	2,100	200	200	200	4,900	200	200	200	200	200	5,900
Outdoor Recreation Centres	12,081	2,165	2,975	4,985	3,500	25,706	3,675	7,125	3,500	3,500	4,500	48,006
Park Development	12,283	15,525	4,961	5,150	7,264	45,183	10,000	10,634	11,305	8,650	7,350	93,122
Parking Lots and Tennis Courts	2,686	2,375	3,000	4,550	3,500	16,111	3,500	3,500	3,500	3,500	3,500	33,611
Playgrounds/Waterplay	7,857	2,200	2,300	3,800	3,400	19,557	3,400	3,400	3,300	2,500	2,500	34,657
Pool	11,904	9,199	3,800	4,725	4,000	33,628	4,000	4,000	4,600	9,700	9,700	65,628
Arena	6,130	5,450	7,800	6,650	7,300	33,330	7,300	7,300	7,300	7,300	7,300	69,830
Trails & Pathways	8,556	1,487	550	1,735	3,975	16,303	5,000	5,450	4,100	2,750	3,000	36,603
Environmental Initiatives	4,390	4,935	2,550	2,550	2,450	16,875	2,450	2,450	2,450	2,531	2,531	29,287
Special Facilities	7,325	8,050	7,850	7,650	5,825	36,700	6,450	5,675	6,050	6,350	5,650	66,875
Community Centres	27,926	25,889	48,862	11,300	7,200	121,177	18,500	20,000	20,600	16,000	7,350	203,627
Priority Neighbourhood Investment	6,855	-	-	-	-	6,855	-	-	-	-	-	6,855
TOTAL	117,118	86,275	90,470	60,673	56,689	411,225	72,350	77,104	75,130	72,706	64,206	772,721

Note: Does not include 2009 funding carried forward into 2010.

Appendix 2
2010 Recommended Capital Budget; 2011 to 2019
Capital Plan

Appendix 3

2010 Recommended Cash Flow And Future Year Commitments

Appendix 4
2010 Recommended Capital Projects
With Financing Details

Appendix 5

Reserve / Reserve Fund Review

Reserve / Reserve Fund Name (In \$Thousands)	Projected Balance as at Dec. 31.	Proposed Withdrawals										2010 - 2019 Total				
		2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan					
XR2053 Parkland Acq. - Toronto - Local Land	1,079.0	(200.0)	(200.0)													(400.0)
XR2210 Parkland Acq. - City Wide Land Acquisition	11,064.0	(200.0)	(1,900.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)				(3,700.0)
XR2038 Parkland Acq. - Etobicoke Local Development	204.0	(68.0)		(126.0)	(10.0)											(204.0)
XR2042 Parkland Acq. - North York Local Development	126.0	(126.0)														(126.0)
XR2050 Parkland Acq. - Scarb. Local Development	16.0	(16.0)														(16.0)
XR2054 Parkland Acq. - Toronto Local Development	408.0	(158.0)	(250.0)													(408.0)
XR2036 Parkland Acq. - Etobicoke City Development	200.0	(77.0)	(97.0)		(26.0)											(200.0)
XR2040 Parkland Acq. - North York City Development	32.0	(20.0)	(12.0)													(32.0)
XR2044 Parkland Acq. - York City Development	23.0	(22.0)														(22.0)
XR2203 Parkland Acq. - West District Local Dev	845.0	(722.0)	(824.0)	(274.0)	(264.0)	(693.0)	(489.0)	(579.0)	(709.0)	(412.0)	(300.0)	(300.0)				(5,266.0)
XR2207 Parkland Acq. - North District Local Dev	1,065.0	(523.0)	(213.0)	(400.0)	(400.0)	(624.0)	(350.0)	(858.0)	(300.0)	(300.0)	(300.0)	(300.0)				(4,268.0)
XR2205 Parkland Acq. - East District Local Dev	469.0	(450.0)	(285.0)	(200.0)	(400.0)	(596.0)	(609.0)	(630.0)	(335.0)	(300.0)	(300.0)	(300.0)				(4,105.0)
XR2209 Parkland Acq. - South District Local Dev	8,171.0	(2,570.0)	(3,894.0)	(872.0)	(841.0)	(405.0)	(1,100.0)	(736.0)	(3,181.0)	(1,386.0)	(300.0)	(300.0)				(15,285.0)
XR2211 Parkland Acq. - City Wide Local Development	9,398.0	(4,014.0)	(3,729.0)	(3,696.0)	(2,055.0)	(1,661.0)	(1,922.0)	(1,814.0)	(1,574.0)	(2,587.0)	(1,287.0)	(1,287.0)				(24,339.0)
XR2004 Parkland Acq. - North York	119.0	(65.0)	(51.0)													(116.0)
XR2008 5% and 2% Land Acquisition - North York	266.0						(201.0)									
XR2007 5% and 2% Land Acquisition - Scarborough	2,522.0	(1,613.0)	(204.0)	(250.0)	(398.0)	(37.0)	(25.0)	(8.0)	(8.0)							(2,543.0)
XR2005 Parkland Acq. - Toronto	934.0	(100.0)	(755.0)	(50.0)		(28.0)										(933.0)
XR2212 Ward 9 Parkland	848.0	(37.0)														(37.0)
XR1011 Capital Financing Reserve Fund		(3,600.0)	(14,909.0)	(20,247.0)												
XR1012 Land Acquisition Reserve Fund		(1,800.0)														
XR2014 Subdividers Deposit Reserve Fund			(500.0)													
Subtotal Reserves / Reserve Funds	37,789.0	(16,381.0)	(27,823.0)	(26,315.0)	(4,594.0)	(4,244.0)	(4,896.0)	(4,825.0)	(6,307.0)	(5,185.0)	(2,687.0)	(2,687.0)				(62,000.0)
XR2114 Development Charges RF - Parks & Recreation	1,779.0	(2,166.0)	(3,917.0)	(9,116.0)	(2,380.0)	(1,603.0)	(8,398.0)	(13,077.0)	(10,951.0)	(2,878.0)	(100.0)	(100.0)				(54,586.0)
XR2028 Development Charges RF - Parks & Recreation	29,078.0	(6,584.0)	(6,302.0)	(6,638.0)	(375.0)	(391.0)	(3,623.0)	(2,600.0)	(1,289.0)	(1,974.0)						(29,776.0)
XR2009 Development Charges RF - Etobicoke	740.0		(450.0)	(50.0)	(161.0)											(661.0)
XR2009 Development Charges RF - York	13.0	(25.0)														
XR2011 Development Charges R F - York			(13.0)													
XR2012 Development Charges RF - Scarborough	1,256.0	(1,047.0)				(113.0)	(73.0)	(20.0)								(1,253.0)
Subtotal Development Charges Reserve Funds	32,866.0	(9,822.0)	(10,682.0)	(15,804.0)	(3,029.0)	(2,067.0)	(12,041.0)	(15,677.0)	(12,240.0)	(4,852.0)	(100.0)	(100.0)				(86,276.0)
Total Reserve / Reserve Fund	70,655.0	(26,203.0)	(38,505.0)	(42,119.0)	(7,623.0)	(6,311.0)	(16,937.0)	(20,502.0)	(18,547.0)	(10,037.0)	(2,787.0)	(2,787.0)				(148,276.0)

Appendix 6

2010 to 2019 New and Expansion Facility Projects

Projects (In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
Edithvale Community Centre	6,680										6,680
York Community Centre		4,962	15,000	4,500							24,462
Warden Corridor Community Centre	5,263										5,263
Regent Park Community Centre		5,000	15,300								20,300
Railway Lands Community Centre	1,105	6,145	6,450								13,700
Canadian Tire Community Centre	100	6,062	5,962								12,124
Wabash Parkdale Community Centre							500	3,500	7,000	1,600	12,600
Western North York Community Centre					500	3,500	7,000	4,600			15,600
North East Scarborough Community Centre					500	3,500	7,000	7,000	3,500		21,500
Total	13,148	22,169	42,712	4,500	1,000	7,000	14,500	15,100	10,500	1,600	132,229