

**Analyst Briefing Notes**  
**Economic Development & Parks Committee**  
**(November 9, 2005)**

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

- The 2005 Approved Capital Budget of \$83.6 million was 34% spent as at September 30, 2005. Actual expenditures by year-end are anticipated to be \$54.6 million, or 65% of the Approved Budget, resulting in projected 2005 cash flow funding of \$29.1 million being carried into 2006.
- Parks, Forestry & Recreation has traditionally experienced difficulty in spending its authorized capital allocation. Nevertheless, the Division put forward a request for 2006 of \$112.3 million gross, \$68.5 million debt. The gross amount is 34% greater than its 2005 Approved Capital Budget (\$83.647 million).
- The 2006 Proposed Capital Budget is \$83.7 million gross, \$48.2 million debt. The gross amount aligns with its 2005 Approved Capital Budget.
- The 2006 Proposed Capital Budget includes \$5.7 million in funding being carried forward from 2004 and prior years, \$11.3 million in funding for previously approved commitments, \$46.6 million for new projects and \$20.1 million for projects carried forward from 2005 to 2006.
- Future year commitments of \$17.0 million result from the 2006 Proposed Capital Budget. Of this amount, \$8.4 million requires debt financing.
- The 2006 Proposed Capital Budget allocates \$38.1 million (46%) to State of Good Repair projects and \$44.5 million (53%) to Service Improvement/Growth programs.
- Operating impacts of the 2006 Proposed Capital Budget amount to \$0.619 million in 2007 and \$0.134 million in 2008.
- The Program submitted a 2006-2010 Capital Plan that totalled \$413.4 million (excluding one-year carry forwards). The Plan required debt funding of \$341.2 million, or an average of \$68.2 million per year, which was not affordable within the current fiscal framework.
- The Revised 5-Year Plan is the culmination of a number of Council-approved reports (such as the *Recreational Facilities Report* and *Our Common Grounds*) as well as various corporate initiatives including “3-1-1 Customer Service Strategy”.
- The Revised 2006-2010 Capital Plan, excluding one-year carry forwards, totals \$277.3 million of which 51% relates to State of Good Repair projects and 48% for Service Improvement and Growth-related initiatives. The Plan will be reviewed in the Spring of 2006 as part of the City’s firm 5-Year Capital Plan that aligns with Council’s approved debt affordability limits.
- Development Charge and Reserve Fund financing account for only 11% (\$31.7 million) of the Plan’s forecasted funding requirements. The Revised 5-year Capital Plan also incorporates \$15.8 million in other sources of non-debt financing.
- Debt finances 83% (\$230.0 million) of the Revised 5-Year Capital Plan. This equates to an average yearly debt impact of \$46 million. Of this \$230.0 million, 60% (\$139 million) is directed towards SOGR projects.
- The Revised 5-Year Capital Plan incorporates \$142.4 million (43%) of the current SOGR backlog (\$335 million). With asset audits still ongoing, it is anticipated that the current backlog could potentially double.

**Recommendations**

It is recommended that:

1. the 2006-2015 Parks, Forestry and Recreation capital program request with a total 10-year project cost of \$859.860 million be received;
2. the 2006 Proposed Capital Budget for Parks, Forestry and Recreation with a total project cost of \$60.691 million and a 2006 cash flow of \$83.661 million and future year commitments of \$16.982 million be approved. The 2006 Proposed Capital Budget consists of the following:
  - a) New Cash Flow Funding for:
    - i) 67 new sub-projects with a 2006 total project cost of \$60.691 million that requires cash flow of \$46.609 million in 2006 and a future year commitment of \$9.450 million in 2007 and \$4.632 million in 2008;
    - ii) 18 previously approved sub-projects with a 2006 cash flow of \$11.283 million and a future year commitment of \$2.900 million in 2007;
    - iii) 27 sub-projects from previously approved projects with carry forward funding from 2004 and prior years requiring 2006 cash flow of \$5.691 million, which forms part of the affordability target that requires Council to reaffirm its commitment; and
  - b) 2006 approved cash flow for 63 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$20.078 million;
3. new debt service costs of \$1.174 million in 2006 and incremental costs of \$4.483 million in 2007, \$0.733 million in 2008 and \$0.269 million in 2009 resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2006 and future year operating budgets;
4. submitted operating impacts of \$0.619 million in 2006 and \$0.134 million in 2007 that emanate from the approval of the 2006 Proposed Capital Budget be considered within the overall scope of Parks, Forestry and Recreation's 2006 and future years' operating budget submissions;
5. the revised cash flow projections of \$48.175 million in 2007; \$51.088 million in 2008; \$55.634 million in 2009 and \$58.847 million in 2010 for Parks, Forestry and Recreation be referred to the Deputy City Manager & Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended firm 5-Year Capital Plan within Council's approved debt affordability limits;
6. Parks, Forestry and Recreation identify and submit to the Chief Financial Officer by February 2006 the full operating impacts for all projects in its Revised 5-Year Capital Plan;
7. Parks, Forestry and Recreation continue to monitor future year projects that are eligible for Development Charge funding and modify the five-year plan to incorporate this financing source;

8. the Capital Emergency Fund sub-project be approved with funding of \$0.500 million for 2006 with the following conditions:
  - a) projects funded must be demonstrable emergencies presenting a safety or security hazard, or impacting current operations, with a potential for significant damage resulting from the continuation of the problem identified;
  - b) all projects charged to the fund must be reported to Finance staff to ensure structures are provided to ensure accountability;
  - c) use of the funding must be reported in all variance reports and to Budget Advisory Committee at the time of consideration of the 2007 capital budget; and
  - d) any unspent balance at year-end cannot be carried forward;
9. funding for any “Clean & Beautiful City” Initiative items that arise during the capital budgetary process be contingent upon approval of the corresponding requests in Parks, Forestry and Recreation’s 2006 Operating Budget. Furthermore, if additional new equipment is required to implement the current 2005 Clean & Beautiful commitments, a separate change-of-scope request must be developed; and
10. all sub-projects with third-party financing be approved conditionally, subject to the receipt of such funding during 2006 and if such financing is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

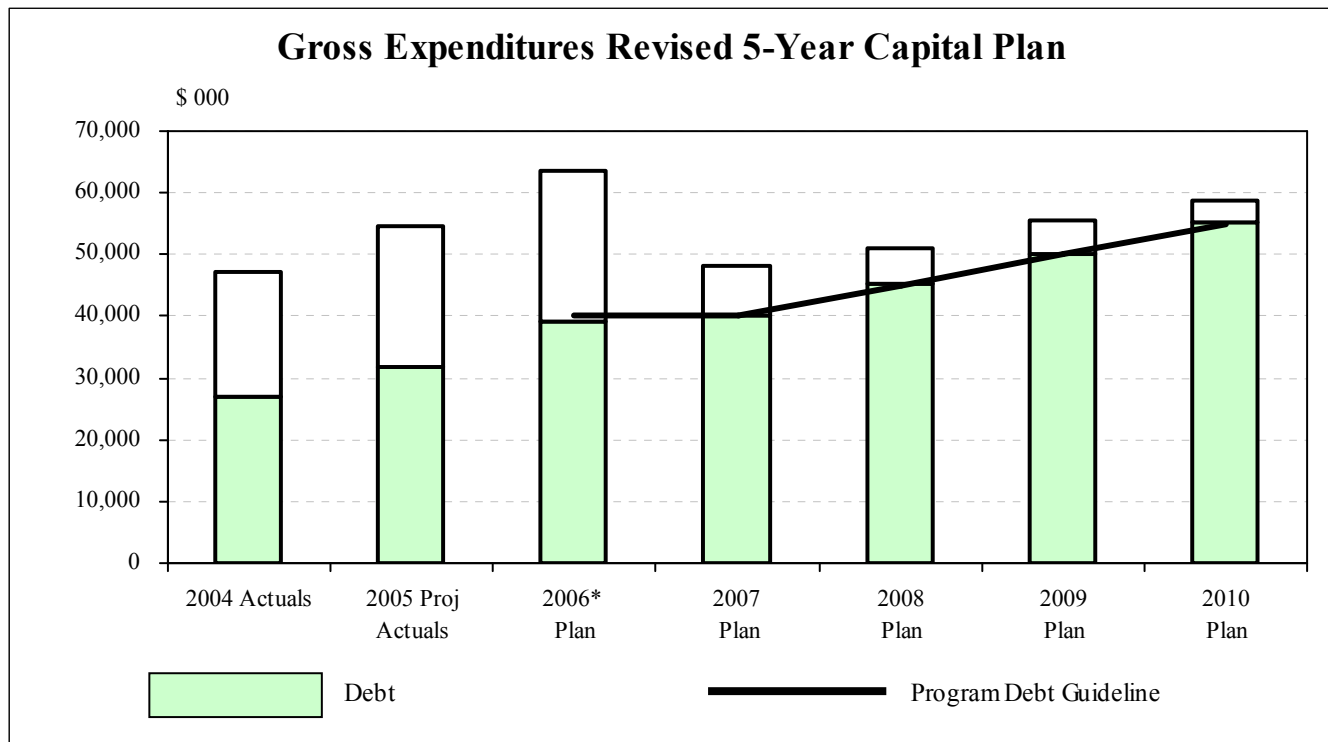
## 2005 Capital Variance Review

2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
83,647	28,271	34	54,575	65	29,072

### Comments / Issues:

- Parks, Forestry & Recreation (PF&R) is projecting a year-end spending rate of 65% for 2005 approved projects as of September 30, 2005. This projection remains unchanged from its 2<sup>nd</sup> Quarter Variance Report of June 30, 2005.
- The 2005 projected spending rate of 65% represents a slight improvement over the 61% achieved in 2004. However, the Program has historically encountered difficulty in achieving an acceptable capital project completion rate within the scheduled timeframe (see *Issues* section, p.22).
- The Program has requested that the total projected unspent balance for 2005 (\$29.1 million) be carried forward into 2006.
- The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding being carried forward from 2005 to 2006 based on the unspent cash flow balance projected as at September 30<sup>th</sup>, 2005. Adjustments to carry forward funding will be reported through to the Budget Advisory Committee during its review of the 2006 Proposed Capital Budget.
- The general level of carry forward funding required arises from a number of issues. Planning and consultation is required on a large proportion of some projects before contracting can proceed. Projects with funding from donations or anticipated contributions cannot proceed if such funding has not been received by the City. Some one-year projects cannot be completed in the months remaining in the year after budget approval. In general, staff have been working to complete all possible projects within the year, or the second year at the outside. Furthermore, efforts are underway to facilitate the completion rate of capital projects within the approved plan (see *Issues* section, p.22).

## 5-Year Capital Plan (2006-2010)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
<b>Gross Expenditures:</b>								
Budget (Excludng 1-Yr. Carry/Fwd)	52,527	58,919	63,583	48,175	51,088	55,634	58,847	277,327
1-Yr Carry/Fwd Gross (Reference only)	23,719	23,591	20,078					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	76,246	82,510	83,661					
Actuals	47,160	54,575						
<b>Financing:</b>								
Debt (excluding 1-Yr. Carry/Fwd)	19,865	39,481	39,121	40,000	45,327	50,144	55,270	229,862
Debt Actuals (including 1-Yr Carry/Fwd)	26,985	31,692						
<b>Program Debt Target</b>			<b>40,000</b>	<b>40,000</b>	<b>45,000</b>	<b>50,000</b>	<b>55,000</b>	<b>230,000</b>
Other Financing Sources:								
Reserves/Reserve Funds			11,457	5,925	1,829	1,481	950	21,642
Development Charges			8,343	100	1,150	0	527	10,120
Federal			0	0	0	0	0	0
Provincial			102	0	0	0	0	102
Other Revenue			4,560	2,150	2,782	4,009	2,100	15,601
<b>By Category:</b>								
Health & Safety			653	100	0	0	110	863
Legislated			236	0	0	0	0	236
State of Good Repair			31,899	26,850	27,450	27,200	28,970	142,369
Service Improvement			28,285	21,100	22,763	25,675	27,350	125,173
Growth Related			2,510	125	875	2,759	2,417	8,686

\*Note: 2006 Debt excludes 1-year carry forward.

**Comments / Issues:**

- The 2006 Proposed Capital Budget of \$83.7 million parallels the Division's 2005 Approved Budget of \$83.6 million. Any additional significant debt increases for 2006 and beyond are not manageable from a funding perspective. The dearth of other funding sources would require the City to increase its debt levels exponentially or significantly re-allocate funding from other programs.
- Excluding one-year carry forwards, the Revised 5-Year Capital Plan for Parks, Forestry and Recreation places an equal emphasis on initiatives that improve and grow current service levels as well as on funding for state of good repair (SOGR) projects. Of the \$277.3 million estimated for 2006-2010, 51% relates to SOGR projects while Service Improvement (SI) and Growth-related (GR) programs account for 48%. The remaining 1% (\$1.1 million) is needed to address health and safety or legislated issues.
- PF&R's inventory of hard assets is valued at more than \$6 billion. Due to past funding limitations, however, the Program has accumulated a known SOGR backlog of approximately \$335 million. While the 5-Year Plan addresses approximately 43% of this deferred maintenance tally (\$142.4 million), \$33.5 million per year would be required over the next ten years to eliminate the deficit entirely. This alone would account for 73% of the Program's average five-year debt target of \$46.0 million per annum. However, not all SOGR audits have been completed to date. It is anticipated that present and future assessments could double the current estimated SOGR backlog.
- Funding requested for SI and GR projects are driven by a number of Council-approved reports. For instance, within the next ten years, the *Recreation Facilities Report* calls for 14 new or significantly expanded community centres, 5-10 skateboard parks, 89 soccer pitches, 31 multi-purpose sports fields, a major competitive cricket facility, and additional off-road trails for cyclists, in-line skaters and pedestrians. Such an ambitious agenda, however, places immense pressure on the Capital Plan. In all, average yearly funding of \$26.8 million is included from 2006-2010 to meet the various SI and GR expectations.
- In its 2005 Budget, the program maximized the application of reserves and other offsetting funding to reduce the demand on debt where possible. As a result, compared to prior years, there is a significantly higher reliance on debt financing throughout the Revised 5-Year Plan.
- The Revised 5-Year Capital Plan suggests a total debt of \$229.9 million. This reflects an average yearly debt impact of \$46 million from 2006-2010 and \$5.0 million in incremental debt for 2008, 2009 and 2010. The revised plan will be reviewed by the Chief Financial Officer and appropriate staff, with recommendations on a firm 5-Year Capital Plan that fall within Council approved debt affordability limits for the City as a whole.

2006 Capital Budget Submission Summary (\$000)

2006 Capital Projects		Total Project Cost		2004 & Prior Years Carry Forward	2006 Previous Commitment	2006 New	Total 2006 Request (w/o 2005 C/Fwd)	2005 Carry Forward	Total 2006 (Incl 2005 C/Fwd)						
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carryforwards															
311 Customer Service Strategy	4	4,892	0					0	0			1,096	0	1,096	0
Parkland Acquisition - FY2005	5	50	0					0	0			50	0	50	0
Acquisition of 105 Lorraine Drive	5	425	0					0	0			425	0	425	0
Amesbury Park Ball Diamond #3 light improvement	4	275	275					0	0			25	25	25	25
Spenvalley Park-Install Irrigation System	4	100	100					0	0			85	85	85	85
Rockcliffe Pk-Soccer facility dvp- design phase	4	50	0					0	0			5	0	5	0
Bocce Development - Goodlad 2 courts	4	150	77					0	0			145	77	145	77
Field of Dreams	3	1,000	0					0	0			120	0	120	0
Bocce Development - North of 401 Ward 40	4	150	77					0	0			145	77	145	77
CAMP (SGR) ORC Facilities FY05	3	1,000	1,000					0	0			100	0	100	0
CAMP (SGR) ORC Sports Fields FY2005	3	1,000	510					0	0			500	0	500	0
Skateboard Parks City Wide FY2005	4	1,000	510					0	0			950	510	950	510
Ward 31 Skateboard Park	5	340	340					0	0			325	325	325	325
Outdoor Multi-sports complex - Nike Canada Ltd.	4	500	0					0	0			250	0	250	0
Cawthra Square-North Area Irrigation,seats,plants	4	325	166					0	0			325	166	325	166
Clarence Square - Redevelopment Phase 1	4	150	77					0	0			150	77	150	77
Hupfield Park- Redevelopment	3	150	150					0	0			75	75	75	75
Rouge Marsh Park - Development	4	1,700	0					0	0			330	0	330	0
Old 31 Police Division - Park Development	4	100	51					0	0			100	51	100	51
Massey Grove Park - Redevelopment, Phase 1	4	450	230					0	0			350	230	350	230
Albion & Gihon Park Redevelopment	4	550	0					0	0			500	0	500	0
5055 Dundas (michael Power)	5	710	0					0	0			710	0	710	0
CP PS Lead - Phase 1- FY2005 (TBP T74)	5	500	144					0	0			500	144	500	144
CAMP (SGR) Parks Renaissance FY05	3	200	102					0	0			198	102	198	102
Master Planning (Pre-Eng) - Parks FY2005	3	200	102					0	0			200	0	200	0
Heron Park - Installation of sewers	4	100	100					0	0			30	30	30	30
High Park Children's Garden Kitchen	4	50	50					0	0			50	50	50	50
Harbourfront Park Development FY2005-06	4	3,165	0					0	0			665	0	665	0
Wychwood Barns Phase Two - Site remediation	5	1,100	855					0	0			1,100	855	1,100	855
Victoria Memorial Park Restoration	4	488	141					0	0			488	141	488	141
Spring Grass Cutting Machines	4	2,061	2,061					0	0			500	500	500	500
Hodgson Public School Greening Proposal	4	80	0					0	0			80	0	80	0
CAMP (SGR) Parking Lots FY2005	3	650	650					0	0			100	0	100	0
CAMP (SGR) Tennis Courts & Sports Pads FY05	3	1,000	1,000					0	0			150	0	150	0
Playground Reh.- CSA Guideline FY03-05	3	2,000	23					0	0			750	23	750	23
Dunlop Park - Conversion of Wading Pool	4	325	166					0	0			300	166	300	166
Scarborough Bluffs Park - Waterplay	4	400	204					0	0			240	204	240	204
Play Area Enhancements FY05	3	617	617					0	0			244	0	244	0
Cawthra Square - Wading Pool Conversion	4	325	129					0	0			325	129	325	129
CAMP (SGR) Pool Indoors FY2005	3	1,380	1,380					0	0			500	500	500	500
CAMP (SGR) Pool Outdoors ODP FY05	3	1,500	1,500					0	0			643	643	643	643
Cummer Arena-Add 2 additional change rooms	4	250	200					0	0			200	200	200	200
Ted Reeve Bubble Required Capital Costs 2004/05/06	2	183	0					0	0			11	0	11	0

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## 2006 Capital Budget Submission Summary (\$000) (Cont.)

2006 Capital Projects		Total Project Cost		2004 & Prior Years Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Carryforwards</b>															
Jenner Jean-Marie CC-Add addition & New facility	4	900	900							0	0	50	50	50	50
CAMP (SGR) Arena Outdoors FY2005	3	2,000	2,000							0	0	272	272	272	272
Victoria Village Arena Additional Community Space	4	1,800	1,065							0	0	500	255	500	255
CAMP (SGR) Arena Indoor FY2005	3	3,244	3,151							0	0	1,059	1,059	1,059	1,059
Toronto Bike Plan - City Wide Expansion (TBP)	4	400	115							0	0	400	115	400	115
CAMP (SGR) Trails & Pathways FY05	3	1,250	1,250							0	0	289	289	289	289
West Humber Parklands - Ecological Enhancements	4	100	29							0	0	30	29	30	29
City Wide Environmental Initiatives FY05	3	750	750							0	0	610	0	610	0
Erosion, Health & Safety, Asset Preservation FY05	3	550	550							0	0	425	0	425	0
Milne Hollow - Slope & Wetland Plantings FY2005	4	100	100							0	0	20	20	20	20
Sherwood Pk Erosion & Vegetative Management FY2005	4	300	300							0	0	40	40	40	40
CAMP (SGR) SF Buildings & Structures FY05	3	1,500	1,500							0	0	150	0	150	0
Allen Gardens Conservatory Plant Display	4	75	75							0	0	75	75	75	75
Centennial Park Conservatory - Heat system	4	500	500							0	0	425	425	425	425
Scarlett Woods GC-Irrigation System Upgrade	4	500	500							0	0	200	200	200	200
Thistletown CC - Building Rehab. Reno Air	2	450	69							0	0	200	0	200	0
Jenner Jean-Marie CC-Add addition & New facility	4	200	200							0	0	175	175	175	175
Edithvale CC - Design Phase	5	480	0							0	0	480	0	480	0
CAMP (SGR) - Community Centre-FY05	3	2,920	2,920							0	0	593	593	593	593
61 Edgehill Road - Fire and Safety Code Work	4	75	75							0	0	50	50	50	50
Legal Fees for W/District Land Expropriation	1	1,000		250	0					250	0			250	0
North District Sports Fields Upgrades	3	500		105	0					105	0			105	0
Sports Pads - South District (Various Locations)	4	450		180	0					180	0			180	0
Ashbridges Bay Skateboard Park	4	200		175	0					175	0			175	0
Port Union - Village Common Site Development	5	2,670		720	0					720	0			720	0
Picasso Park - Rouge Neighd	5	150		78	0					78	0			78	0
St James Park - Victorian Gardens	4	200		120	0					120	0			120	0
Fort York Archaeological Landscape	5	300	10	55	10					55	10			55	10
St. Andrews Playground	3	200		172	0					172	0			172	0
Lindy Lou Park Improvement	2	100		25	0					25	0			25	0
Beverley Glen Park Development	4	425		185	0					185	0			185	0
Downsview Memorial Parkette - Reconstruction	3	250		15	0					15	0			15	0
Victoria Memorial Park Donations	4	220		138	0					138	0			138	0
Victoria Memorial Park	4	103		63	0					63	0			63	0
Agincourt CRC - Parking Lot Rehab	3	640		540	0					540	0			540	0
Lord Dufferin Pool-Replace existing Pool	4	3,550	0	250	0					250	0			250	0
CAMP (SGR) - Arena Indoor FY2004	3	8,855		1,250	0					1,250	0			1,250	0
Beltline Trail - York Belt Line	1	1,000	0	152	0					152	0			152	0
East Don/Newtonbrook Creek (TBPn13) 2004	4	350		339	0					339	0			339	0
Installation of Drainage and Grading Correction	4	210		102	0					102	0			102	0
High Park Lott Memorial Fountain	3	350		200	0					200	0			200	0
40 Wabash Parkdale CC-demolition & site cleanup	1	1,200		180	0					180	0			180	0

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## 2006 Capital Budget Submission Summary (\$000) (Cont.)

2006 Capital Projects		Total Project Cost		2004 & Prior Years Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>Carryforwards</b>															
South Etobicoke CC - Small Office and Storage Room	5	100	69	87	69					87	69			87	69
North District CC - Can-Tire Site Study	1	75		63	0					63	0			63	0
Edithvale Community Centre study (New)	5	75		19	0					19	0			19	0
Fountainhead Tennis Building - Study	4	60		58	0					58	0			58	0
North District CC - Can-Tire Site FY2004	5	12,925		412	0					412	0			412	0
West Acres Senior Centre -Emergency Vehicle Access	1	100		8	0					8	0			8	0
<b>Sub-Total</b>				<b>5,941</b>	<b>79</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,941</b>	<b>79</b>	<b>20,078</b>	<b>9,032</b>	<b>26,019</b>	<b>9,111</b>
<b>Previously Approved</b>															
311 Customer Service Strategy	4	0	0			3,496	3,496			3,496	3,496			3,496	3,496
Field of Dreams	3	0	0			200	0			200	0			200	0
Drinking Fountains FY2005-2006	2	300	300			150	150			150	150			150	150
Port Union Village - Bill Hancox	5	350	0			339	0			339	0			339	0
McCowan District Park - New Development	4	1,500	0			339	0			339	0			339	0
Rouge Marsh Park - Development	4	0	0			970	0			970	0			970	0
Harbourfront Park Development FY2005-06	4	0	0			2,500	0			2,500	0			2,500	0
Clarence Park Improvements	4	50	0			50	0			50	0			50	0
CAMP (SGR) Tennis Courts & Sports Pads FY05	3	0	0			165	165			165	165			165	165
Ted Reeve Bubble Required Capital Costs 2004/05/06	2	0	0			61	0			61	0			61	0
Scarborough Centennial Arena - Seating	4	0	0			800	800			800	800			800	800
Victoria Village Arena Additional Community Space	4	0	0			1,300	810			1,300	810			1,300	810
Humber Arboretum Nature Centre Construction	4	400	116			200	58			200	58			200	58
Milne Hollow - Slope & Wetland Plantings FY2005	4	0	0			50	50			50	50			50	50
Sherwood Pk Erosion & Vegetative Management FY2005	4	0	0			225	225			225	225			225	225
CAMP (SGR) SF Buildings & Structures FY05	3	0	0			780	780			780	780			780	780
South Etob CC -Gym & multi-purpose development	4	2,000	0			1,748	84			1,748	84			1,748	84
CAMP (SGR) - Community Centre-FY05	3	0	0			610	610			610	610			610	610
<b>Sub-Total</b>				<b>0</b>	<b>0</b>	<b>13,983</b>	<b>7,228</b>	<b>0</b>	<b>0</b>	<b>13,983</b>	<b>7,228</b>	<b>0</b>	<b>0</b>	<b>13,983</b>	<b>7,228</b>
<b>New and Change in Scope Projects</b>															
Greenhouse Replace-Benches and Poly Coverings	4	125	125					125	125	125	125			125	125
Centennial Park (E)-Ski Hill Pump House Extension	3	275	275					150	150	150	150			150	150
Bluffers Pk-Maintn Sani-Sewer Pump Stn	3	2,000	2,000					2,000	2,000	2,000	2,000			2,000	2,000
Capital Emergency Fund FY2006	3	750	750					750	750	750	750			750	750
Investigation and Pre-Engineering FY2006	4	200	100					200	100	200	100			200	100
Various Bldgs - Facility Rehabilitation FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500			1,500	1,500
Various Bldgs & Parks-Accessibility Prog. FY2006	4	1,000	500					1,000	500	1,000	500			1,000	500
Various Bldgs & Parks - Signage Program FY2006	4	250	250					250	250	250	250			250	250
Capital Planning & Asset Management FY2006	3	1,000	1,000					1,000	1,000	1,000	1,000			1,000	1,000
York - Recreation Facility Site Acquisition	5	3,000	0					3,000	0	3,000	0			3,000	0
Recreation Facility Site - West North York	4	4,300	0					4,300	0	4,300	0			4,300	0

(Continued on next page)

2006 Capital Budget Submission Summary (\$000) (Cont.)

2006 Capital Projects		Total Project Cost		2004 & Prior Years Carry Forward	2006 Previous Commitment	2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12
<b>New and Change in Scope Projects</b>													
Parkland Acquisition FY2006	4	100	0					100	0	100	0	100	0
JJ Piccinini - Convert Bocce to Fitness Facility	4	600	0					150	0	150	0	150	0
McCowan Park-Backstop and dogout replacement	4	75	0					75	0	75	0	75	0
Tam Heather Tennis Dome	4	300	300					300	300	300	300	300	300
Bond Park - Baseball lighting diamond #2	4	350	25					350	25	350	25	350	25
East Toronto Athletic Sports Field Lighting	4	300	0					300	0	300	0	300	0
Centennial Park (E) - Develop soccer field	4	75	0					75	0	75	0	75	0
Skateboard Parks City Wide FY2006	4	1,000	500					1,000	500	1,000	500	1,000	500
CAMP (SGR) ORC Sports Fields FY2006	4	1,000	1,000					1,000	1,000	1,000	1,000	1,000	1,000
CAMP (SGR) ORC Facilities FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500	1,500	1,500
Beaches Volleyball	5	335	0					200	0	200	0	200	0
Humber Sheppard Sports Fields - Lighting	4	350	350					350	350	350	350	350	350
Woburn Park - Parkland Development	4	275	0					275	0	275	0	275	0
Berner Trail Park - Redevelopment	4	550	550					50	50	50	50	50	50
Whitehaven Park - Total redevelopment	4	550	550					50	50	50	50	50	50
Roehampton Park-Excavate, Replace Soil etc.	3	150	150					150	150	150	150	150	150
Wychwood Barns Phase Three - Park Development	4	1,950	0					1,000	0	1,000	0	1,000	0
CP PS Lead - Phase Two (TBP T74)	4	3,100	850					500	0	500	0	500	0
High Park - Sunken Garden	3	100	100					100	100	100	100	100	100
Master Planning (Pre-Eng)-Parks FY2006	4	200	100					200	100	200	100	200	100
McCowan District Park Phase two	5	750	0					750	0	750	0	750	0
North Rexdale Parks Priority Site 4	4	750	750					750	750	750	750	750	750
Glen Stewart Park - Erosion and bridge	3	250	250					250	250	250	250	250	250
Mount Royal Parkette	4	135	0					135	0	135	0	135	0
Various Parks-Lifesaving Stations FY2006	4	200	200					200	200	200	200	200	200
Various Parks - Parks Rehab. FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500	1,500	1,500
Clean and Beautiful City	4	3,455	3,455					3,455	3,455	3,455	3,455	3,455	3,455
Victoria Memorial Park Restoration	4	225	225					225	225	225	225	225	225
Point of Sale - Cash Handling Technology	4	600	600					600	600	600	600	600	600
Ward 9 Park Improvements	4	169	0					169	0	169	0	169	0
CAMP (SGR) Tennis Courts & Sports Pads FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500	1,500	1,500
CAMP (SGR) Parking Lots FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500	1,500	1,500
Play Area Enhancements FY2006	4	2,400	2,400					2,400	2,400	2,400	2,400	2,400	2,400
Joint Schools Playground Programme 2006	4	200	200					200	200	200	200	200	200
CAMP (SGR) POOL Outdoor DOP FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500	1,500	1,500
CAMP (SGR) POOL Indoors FY2006	3	1,500	1,500					1,500	1,500	1,500	1,500	1,500	1,500
Kiwanis Pool Facility Renovation & New Splashpad	4	1,000	1,000					50	50	50	50	50	50
Queensway Rink & Fieldhouse - Replacement	4	1,800	196					100	0	100	0	100	0
Natural Gas installed in 5 Ice Rinks EAST DIST	4	75	75					75	75	75	75	75	75
Heron Park - Mechanical Upgrades	4	125	125					125	125	125	125	125	125
Scarborough Arena - Replace french drain	4	150	150					150	150	150	150	150	150
Co.Sam Smith Outdoor Rink	4	2,000	1,500					100	100	100	100	100	100

(Continued on next page)

2006 Capital Budget Submission Summary (\$000) (Cont.)

2006 Capital Projects		Total Project Cost		2004 & Prior Years Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
<b>New and Change in Scope Projects</b>															
CAMP (SGR) Arena Outdoors FY2006	3	2,500	2,500					2,500	2,500	2,500	2,500			2,500	2,500
CAMP (SGR) Arena Indoors FY2006	3	5,500	5,500					5,500	5,500	5,500	5,500			5,500	5,500
Toronto Island - Resurfacing Main Road FY2006	4	400	200					200	0	200	0			200	0
Toronto Bike Plan - CW Expansion (TBP) FY2006	4	500	250					500	250	500	250			500	250
Sunnyside Park-Bridge across Humber River	4	150	150					150	150	150	150			150	150
CAMP (SGR) Trails & Pathways/Bridges FY2006	3	1,000	1,000					1,000	1,000	1,000	1,000			1,000	1,000
Taylor Creek- wetland /erosion control	4	375	0					75	0	75	0			75	0
Lower Don- Eviron Restoration & Access	3	850	850					50	50	50	50			50	50
High Park Significant Oak Woodland Res 2006	3	200	200					200	200	200	200			200	200
Kay GardnerBeltline-Pathway/drainage Phase 2	4	475	0					475	0	475	0			475	0
City Wide Environmental Initiatives - FY2006-2014	4	1,250	1,250					1,250	1,250	1,250	1,250			1,250	1,250
Erosion, Health & Safety, Asset Pres. FY2006	4	500	500					500	500	500	500			500	500
Eglinton Flats Pond	4	250	250					250	250	250	250			250	250
Glendon Forest / Burke Brook	4	350	350					350	350	350	350			350	350
Tree Advocate Program - FY2006	4	1,500	1,000					1,500	1,000	1,500	1,000			1,500	1,000
Community Gardens FY2006	4	100	100					100	100	100	100			100	100
Milne Hollow-Slope & Wetland Plantings FY2006	4	100	100					100	100	100	100			100	100
Sherwood Pk Erosion & Vegetative Mgt FY2006	4	300	300					300	300	300	300			300	300
James Garden Ph. 2-Rebuild pond, paths, turf	4	250	250					250	250	250	250			250	250
Tam O'Shanter GC - Renovations of Clubhouse	4	225	0					225	0	225	0			225	0
Tam O'Shanter GC-New Storage Building	4	225	225					225	225	225	225			225	225
Edwards Gardens - Rebuild Retaining Wall	3	250	250					250	250	250	250			250	250
Rockcliffe Greenhouse Bolier and Repairs	3	250	13					250	13	250	13			250	13
Humber Valley Service Building Renovation	4	200	200					200	200	200	200			200	200
Allan Gardens GH & Park Master Plan FY2006	4	100	0					100	0	100	0			100	0
Golf Course-CW Tee Renos,Traps, Forest Enhance-06	3	750	750					750	750	750	750			750	750
Centennial Park Greenhouse - Replace heating sys	4	1,100	0					600	0	600	0			600	0
Kitchen construction - High Park Children's Garden	4	300	300					300	300	300	300			300	300
Expand Morningside Park washrooms	4	550	350					50	0	50	0			50	0
CAMP (SGR) SF Buildings & Structures FY2006	3	2,500	2,500					2,500	2,500	2,500	2,500			2,500	2,500
York Community Centre - new facility	5	500	0					500	0	500	0			500	0
Port Union Fitness Centre - Replace Fitness Equipm	4	150	150					150	150	150	150			150	150
Thistletown CC - Bldg Rehab Reno Washrms/Boiler	3	450	450					450	450	450	450			450	450
Beaches RC-Restoration	4	600	0					50	0	50	0			50	0
Mid Scarborough - Replace Gym Floor	4	100	100					100	100	100	100			100	100
Jimmie Simpson RC-Renovate Exterior & Entrance	4	120	120					120	120	120	120			120	120
Masaryk Cowan Lobby Alterations	4	65	65					65	65	65	65			65	65
Jenner Jean-Marie CC-Addl & New Facility construct	4	6,890	1,179					4,908	679	4,908	679			4,908	679
Edithvale CC - Construction	5	600	600					50	50	50	50			50	50
CAMP (SGR) - Community Centres FY2006	3	6,000	6,000					6,000	6,000	6,000	6,000			6,000	6,000
<b>Sub-Total</b>		<b>87,519</b>	<b>59,103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>72,327</b>	<b>52,182</b>	<b>72,327</b>	<b>52,182</b>	<b>0</b>	<b>0</b>	<b>72,327</b>	<b>52,182</b>
<b>Total 2006</b>		<b>87,519</b>	<b>59,103</b>	<b>5,941</b>	<b>79</b>	<b>13,983</b>	<b>7,228</b>	<b>72,327</b>	<b>52,182</b>	<b>92,251</b>	<b>59,489</b>	<b>20,078</b>	<b>9,032</b>	<b>112,329</b>	<b>68,521</b>
<b>Less GST rebate (Prev. Approved &amp; Carry Forwards.)</b>		<b>(129.0)</b>	<b>(78.0)</b>												
<b>Total Adj. Project costs</b>		<b>87,390</b>	<b>59,025</b>	Note: GST Rebate Adjustment is only on the Project costs. All other amounts are reported Net of GST											

## Proposed 2006 Capital Budget Changes (\$000)

		2006 Requested Cash Flow				Recommended Changes	2006 Recommended Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
<b>2005 Carryforwards (details on page 7 and 8)</b>		20,078	9,032				20,078	9,032
<b>Sub-Total</b>		<b>20,078</b>	<b>9,032</b>	<b>0</b>	<b>0</b>		<b>20,078</b>	<b>9,032</b>
<b>2004 Carryforwards</b>								
Lord Dufferin Pool-Replace existing Pool	4	250	0	(250)		Defer to future years	0	0
<b>Other 2004 Carryforwards (details on page 8 and 9)</b>		5,691	79				5,691	79
<b>Sub-Total</b>		<b>5,941</b>	<b>79</b>	<b>(250)</b>	<b>0</b>		<b>5,691</b>	<b>79</b>
<b>2006 Previously Approved Commitments</b>								
311 Customer Service Strategy	4	3,496	3,496	(2,700)	(2,700)	Defer to future years	796	796
<b>Other Previously Approved Commitments (details on page 9)</b>		10,487	3,732				10,487	3,732
<b>Sub-Total</b>		<b>13,983</b>	<b>7,228</b>	<b>(2,700)</b>	<b>(2,700)</b>	<b>0</b>	<b>11,283</b>	<b>4,528</b>
<b>New Projects</b>								
Greenhouse Replace-Benches and Poly Coverings	4	125	125	(125)	(125)	Defer in order to meet debt target	0	0
Centennial Park (E)-Ski Hill Pump House Extension	3	150	150	(150)	(150)	Defer in order to meet debt target	0	0
Bluffers Pk-Maintn Sani-Sewer Pump Stn	3	2,000	2,000	(2,000)	(2,000)	Re-allocate to Toronto Water's 2006 Capital Budget	0	0
Capital Emergency Fund FY2006	3	750	750	(250)	(250)	Reduce in order to meet debt target	500	500
Investigation and Pre-Engineering FY2006	4	200	100	(100)	(50)	Reduce in order to meet debt target	100	50
Various Bldgs - Facility Rehabilitation FY2006	3	1,500	1,500	(250)	(250)	Reduce to the 2005 approved funding level	1,250	1,250
Various Bldgs & Parks - Signage Program FY2006	4	250	250	(100)	(100)	Reduce in order to meet debt target	150	150
Capital Planning & Asset Management FY2006	3	1,000	1,000	(250)	(250)	Reduce to the 2005 approved funding level	750	750
Toronto Island Yacht Club Watermain	3			550	550	New request	550	550
York - Recreation Facility Site Acquisition	5	3,000	0	(2,950)	0	Re-adjust cash flow to reflect project phasing	50	0
Recreation Facility Site - West North York	4	4,300	0	(4,250)	0	Re-adjust cash flow to reflect project phasing	50	0
Parkland Acquisition Fy2006	4	100	0	(50)	0	Amount of funding required has been revised	50	0
Tam Heather Tennis Dome	4	300	300	(300)	(300)	Defer in order to meet debt target	0	0
Bond Park - Baseball lighting diamond #2	4	350	25	(25)	(25)	Reduce in order to meet debt target	325	0
Skateboard Parks City Wide FY2006	4	1,000	500	(500)	(250)	Approved 2005 funds largely unspent. Defer new funding request	500	250
CAMP (SGR) ORC Sports Fields FY2006	3	1,000	1,000	(500)	(500)	Reduce in order to meet debt target	500	500
CAMP (SGR) ORC Facilities FY2006	3	1,500	1,500	(250)	(250)	Reduce in order to meet debt target	1,250	1,250
Humber Sheppard Sports Fields - Lighting	4	350	350	(300)	(300)	Re-adjust cash flow to reflect project phasing	50	50
Whitehaven Park - Total redevelopment	4	50	50	(50)	(50)	Defer in order to meet debt target	0	0
Roehampton Park-Excavate, Replace Soil etc.	3	150	150	(150)	(150)	Defer in order to meet debt target	0	0
High Park - Sunken Garden	3	100	100	(100)	(100)	Defer in order to meet debt target	0	0
North Rexdale Parks Priority Site 4	4	750	750	(700)	(700)	Re-adjust cash flow to reflect project phasing	50	50
Various Parks - Parks Rehab. FY2006	3	1,500	1,500	(250)	(250)	Reduce to the 2005 approved funding level	1,250	1,250
Clean and Beautiful City	4	3,455	3,455	(3,455)	(3,455)	Corresponding operating funds are not approved	0	0
Victoria Memorial Park Restoration	4	225	225	(225)	(225)	Defer in order to meet debt target	0	0

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## Proposed 2006 Capital Budget Changes (\$000) (Cont.)

		2006 Requested Cash Flow				Recommended Changes	2006 Recommended Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
<b>New Projects</b>								
CAMP (SGR) Tennis Courts & Sports Pads FY2006	3	1,500	1,500	(250)	(250)	Reduce in order to meet debt target	1,250	1,250
CAMP (SGR) Parking Lots FY2006	3	1,500	1,500	(250)	(250)	Reduce in order to meet debt target	1,250	1,250
Play Area Enhancements FY2006	4	2,400	2,400	(1,200)	(1,200)	Significant carry forward funding remaining. Limit new funding request	1,200	1,200
Joint Schools Playground Programme 2006	4	200	200	(200)	(200)	Defer in order to meet debt target	0	0
CAMP (SGR) POOL Outdoor DOP FY2006	3	1,500	1,500	(250)	(250)	Reduce in order to meet debt target	1,250	1,250
CAMP (SGR) POOL Indoors FY2006	3	1,500	1,500	(250)	(250)	Reduce in order to meet debt target	1,250	1,250
Natural Gas installed in 5 Ice Rinks EAST DIST	4	75	75	(75)	(75)	Defer in order to meet debt target	0	0
Heron Park - Mechanical Upgrades	4	125	125	(125)	(125)	Defer in order to meet debt target	0	0
Scarborough Arena - Replace french drain	4	150	150	(150)	(150)	Defer in order to meet debt target	0	0
CAMP (SGR) Arena Outdoors FY2006	3	2,500	2,500	(250)	(250)	Reduce in order to meet debt target	2,250	2,250
CAMP (SGR) Arena Indoors FY2006	3	5,500	5,500	(1,000)	(1,000)	Reduce in order to meet debt target	4,500	4,500
Sunnyside Park-Bridge across Humber River	4	150	150	(150)	(150)	Defer in order to meet debt target	0	0
Lower Don- Eviron Restoration & Access	3	50	50	(50)	(50)	Defer to future years	0	0
High Park Significant Oak Woodland Res 2006	3	200	200	(100)	(100)	Amount of funding required has been revised	100	100
Erosion, Health & Safety, Asset Pres. FY2006	4	500	500	(500)	(500)	Approved 2005 funds largely unspent. Defer new funding request	0	0
Glendon Forest / Burke Brook	4	350	350	(350)	(350)	Defer in order to meet debt target	0	0
Milne Hollow-Slope & Wetland Plantings FY2006	4	100	100	(100)	(100)	Defer in order to meet debt target	0	0
Sherwood Pk Erosion & Vegetative Mgt FY2006	4	300	300	(300)	(300)	Defer in order to meet debt target	0	0
James Garden Ph. 2-Rebuild pond, paths, turf	4	250	250	(250)	(250)	Defer in order to meet debt target	0	0
Tam O'Shanter GC-New Storage Building	4	225	225	(225)	(225)	Defer in order to meet debt target	0	0
Edwards Gardens - Rebuild Retaining Wall	3	250	250	(250)	(250)	Defer in order to meet debt target	0	0
Rockcliffe Greenhouse Boiler & Repairs	3	250	13	(13)	(13)	Amount of funding required has been revised	237	0
Humber Valley Service Building Renovation	4	200	200	(200)	(200)	Defer in order to meet debt target	0	0
Golf Course-CW Tee Renos, Traps, Forest Enhance-06	3	750	750	(250)	(250)	Reduce in order to meet debt target	500	500
Kitchen construction - High Park Children's Garden	4	300	300	(300)	(300)	Defer in order to meet debt target	0	0
CAMP (SGR) SF Buildings & Structures FY2006	3	2,500	2,500	(250)	(250)	Reduce in order to meet debt target	2,250	2,250
York Community Centre - new facility	5	500	0	(500)	0	Defer to future years & re-adjust cash flow to reflect project phasing	0	0
Port Union Fitness Centre - Replace Fitness Equipm	4	150	150	(150)	(150)	Defer in order to meet debt target	0	0
Edithvale CC - Construction	5	50	50	(50)	(50)	Approved 2005 funds largely unspent. Defer new funding request	0	0
CAMP (SGR) - Community Centres FY2006	3	6,000	6,000	(1,000)	(1,000)	Reduce in order to meet debt target	5,000	5,000
<b>Other New (details on page 9 - 11)</b>		18,197	7,114	0	0		18,197	7,114
<b>Sub-Total New Projects</b>		<b>72,327</b>	<b>52,182</b>	<b>(25,718)</b>	<b>(17,668)</b>		<b>46,609</b>	<b>34,514</b>
<b>Total 2006 Recommended (Incl. 2005 C/Fwd)</b>		<b>112,329</b>	<b>68,521</b>	<b>(28,668)</b>	<b>(20,368)</b>		<b>83,661</b>	<b>48,153</b>
Less 2005 Carry Forwards		(20,078)	(9,032)	0	0		(20,078)	(9,032)
<b>Total 2006 Recommended (Excl. 2005 C/Fwd)</b>		<b>92,251</b>	<b>59,489</b>	<b>(28,668)</b>	<b>(20,368)</b>		<b>63,583</b>	<b>39,121</b>

**2006 Proposed Total Cash Flow & Future Year Commitments  
(\$000s)**

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Proposed	2006 Total Cash Flow Proposed	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011- 2015	Total Cost
<b>Expenditures</b>													
Previously Approved	5,691	11,283		16,974		20,078	37,052	2,900					39,952
Change in Scope													0
New w/Future Year			46,609	46,609			46,609	9,450	4,632				60,691
<b>Total Expenditure</b>	<b>5,691</b>	<b>11,283</b>	<b>46,609</b>	<b>63,583</b>		<b>20,078</b>	<b>83,661</b>	<b>12,350</b>	<b>4,632</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,643</b>
<b>Financing</b>													
Debt	79	4,528	34,514	39,121	<b>40,000</b>	9,032	48,153	6,000	2,446				56,599
Subsidy (SCPI)				102			102						0
Prov. Subsidy/Grant	102			102			102						102
Development Charges	2,037	2,856	3,450	8,343		3,151	11,494	100	1,150				12,744
Other	955	1,222	2,383	4,560		4,468	9,028	1,650	532				11,210
Federal Grants													0
Reserves/Res Funds	2,518	2,677	6,262	11,457		3,427	14,884	4,600	504				19,988
<b>Total Financing</b>	<b>5,691</b>	<b>11,283</b>	<b>46,609</b>	<b>63,583</b>		<b>20,078</b>	<b>83,661</b>	<b>12,350</b>	<b>4,632</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,643</b>

**Comments / Issues:**

- The 2006 Proposed Capital Budget for Parks, Forestry & Recreation is \$83.7 million gross. This includes \$5.7 million in funding being carried forward from 2004 and prior years, \$11.3 million in funding for previously approved commitments, \$46.6 million for new projects and \$20.1 million for projects carried forward from 2005 to 2006.
- Approval of the 2006 Proposed Capital Budget will result in a commitment of \$12.4 million in 2007 and \$4.6 million in 2008. Most of these funds are geared towards eight projects: the Toronto Bike Plan (CP PS Lead), Wychwood Barns Park Development, North Rexdale Parks, 311 Customer Service Strategy, Kiwanis Pool Renovation, Queensway New Fieldhouse, Col. Sam Smith Outdoor Rink and additional construction at the Jenner Jean Marie Community Centre. Of the resulting \$17.0 million in future commitments, \$8.4 million relates to debt.
- The total 2006 Proposed Capital Budget of \$83.7 million breaks out by category as follows: Health & Safety - \$0.7 million (0.5%), Legislated - \$0.4 million (0.5%), SOGR - \$38.1 million (46%), SI - \$38.2 million (46%), GR - \$6.3 million (7.5%).
- Debt financing accounts for 58% (\$48.2 million) of the 2006 Proposed Capital Budget. However, new debt funding aligns with the Program's affordability target of \$40.0 million.



## Operating Budget Impact

### Incremental Operating Budget Summary

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$000s)	619.0	134.0			
Debt Service Charges (\$000s)	1,173.6	4,483.3	733.4	269.1	0.0
Approved Positions	0.0				

### Program Incremental Operating Costs

The 2006 Proposed Capital Budget will increase the Program's Operating Budget, with incremental impacts in 2006 and future years, as a result of the following capital projects/sub-projects:

2006 Capital Projects/Sub-Projects		2006 (\$000s)	2006 approved position change	2007 (\$000s)
Outdoor Recreation Centres	Spenvally Park-Install Irrigation System	6.0		
Park Development	McCowan District Park - New Development	12.0		
Park Development	Old 31 Police Division - Park Development	19.0		
Arena	Cummer Arena-Add 2 additional change rooms	13.0		
Arena	Victoria Village Arena Additional Community Space	105.0		
Special Facilities	Edwards Gardens - Rebuild Retaining Wall	1.0		
Community Centres	South Etob CC -Gym & multi-purpose development	463.0		
Land Acquisition	West North York- Rec Facility			4.0
Outdoor Recreation Centres	Rockcliffe Pk-Soccer facility dvp- design phase			27.0
Outdoor Recreation Centres	Centennial Park (E) - Develop soccer field			19.0
Park Development	Humber Sheppard Sports Fields - Lighting			8.0
Park Development	Victoria Memorial Park Restoration			13.0
Park Development	North Rexdale Parks Priority Site 4			21.0
Park Development	Mount Royal Parkette			14.0
Environmental Initiatives	Taylor Creek- wetland /erosion control			5.0
Environmental Initiatives	Kay Gardner Beltline-Pathway/drainage Phase 2			23.0
<b>TOTAL</b>		<b>619.0</b>	<b>0</b>	<b>134.0</b>

The Program's submission did not incorporate the full operating impacts of its capital requests. For instance, the requested 5-Year Capital Plan did not recognize the need for additional staff when new facilities come on stream nor did it identify the operating implications of most of its future SI and GR initiatives. Program staff must provide this information before the Revised 5-Year Capital Plan can be considered complete. It is, therefore, recommended that Parks, Forestry and Recreation identify and submit to the Chief Financial Officer by February 2006 the full operating impacts for all projects in its Revised 5-Year Capital Plan.

Based on the information provided, no additional approved positions are required as a result of the 2006 Proposed Capital Budget.



The incremental operating costs outlined above include the following:

- \$0.463 million for project management and material expenditures associated with the development of the South Etobicoke Community Centre.
- \$0.105 million for supplies, materials and fees that are needed for the construction of additional amenities at Victoria Village Arena.
- A limited increase in operating costs for 2007, largely due to soccer field/facility development, park improvement and environmental initiatives.

Although it was not noted in Parks' submission, City Planning has indicated in its 2006 Proposed Capital Plan that previously approved and new Civic Improvement capital projects will increase Parks, Forestry and Recreation's operating budget with incremental impacts of \$0.065 million in 2006, \$0.006 million in 2007, \$0.056 million in 2008, and \$0.006 million in 2009.

### **Debt Service Cost**

Parks, Forestry & Recreation's 2006 Proposed Capital Budget will result in new debt service costs of \$1.174 million in 2006 and incremental costs of \$4.483 million in 2007, \$0.733 million in 2008, and \$0.269 million in 2009.

*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*

## PART II: ISSUES FOR DISCUSSION

### 2006 Issues

#### 2006 Proposed Capital Budget versus Guideline

The 2006 debt affordability guideline for Parks, Forestry and Recreation is set at \$40.0 million. Although this target virtually matches the \$39.5 million in new debt that was approved for 2005, the guideline is significantly higher than the Program's historical new debt allocation of \$30 million.

To keep within its funding envelope, the 2006 Proposed Capital Budget for Parks, Forestry and Recreation recommends \$39.1 million in new debt (Exhibit 1). This includes \$4.6 million in debt for projects that were previously approved for 2006 as well as those 2004 and prior year initiatives that require Council re-approval. The remaining \$34.5 million of debt financing is geared towards new/change in scope programs. SOGR projects represent 79% (\$27.4 million) of this amount, while high priority Service Improvement initiatives account for the remaining 21% (\$7.2 million).

**Exhibit 1: 2006 Proposed Budget - New Debt Projects (\$000s)**

Category	Requested	Proposed	Category %
<b>2004 &amp; Prior Year C/F</b>	79	79	
<b>Previously Approved</b>	7,228	4,528	
<b>New:</b>			
Health & Safety	-	-	0%
Legislated	-	-	0%
SOGR	35,113	27,350	79%
Service Improvement	17,019	7,164	21%
Growth	50	-	0%
<b>TOTAL</b>	<b>52,182</b>	<b>34,514</b>	
<b>TOTAL NEW DEBT EXPENDITURES</b>	<b>\$ 59,489</b>	<b>\$ 39,121</b>	

#### 5 Year Capital Plan Overview

Parks, Forestry and Recreation indicates that its submitted 5-Year Capital Plan has been developed based on asset audits, development initiatives, official plan and community needs assessments. The submission reflects the direction provided by Council through its approval of various Division reports, particularly the *Recreation Facilities Report*, the *Indoor Pool Strategy*, and the Program's strategic plan *Our Common Grounds*. The submitted 5-year Capital Plan also incorporates a number of corporate initiatives such as "Clean & Beautiful City" and "3-1-1 Customer Service Strategy".

Financial pressures arising from the current state of good repair backlog, as well as political and public expectations for service improvements, has resulted in a requested Plan that is unsustainable from a funding perspective. The Plan would require yearly funding of \$46.6 million from 2006-2010 to simply meet the various Service Improvement and Growth-related initiatives that the Program has identified.

Funding the Program's 2006-2010 capital requirements is especially problematic due to the limited availability of non-debt funding sources. The Division's ability to utilize reserves to fund new projects has been reduced as a result of the maximization of reserve financing in 2005 and prior years. This has led to an increasing reliance on debt financing for 2006 and beyond. In preparing for the 2006 submission, for instance, reserve fund balances of only \$18.9 million existed. After application of the reserve funds, just \$1.4 million remains. Consequently, the Program's total five-year debt request averages \$68.2 million annually (or almost 50% more than its average yearly debt allowance). Moreover, as all SOGR initiatives are debt funded, the pressure on the Capital Plan will only intensify as the ongoing facility audits are completed. Although the firm impact of these assessments is yet to be determined, it is expected that a minimum of \$300 million of unidentified state of good repair needs could emerge on top of the current backlog estimate of \$335 million.

Like many large City programs, Parks, Forestry & Recreation's 5-year debt funding levels are insufficient to address all of its competing demands. In fact, its annual SOGR needs over the next five years alone exceed its yearly corporate debt allowance. Nevertheless, the debt requirements for the Program's submitted 2006-2010 Capital Plan is clearly unmanageable in the current fiscal environment and has thus been modified in accordance with the targets set forth in the corporate affordability guideline.

The Revised 5-Year Capital Plan attempts to strike a stronger balance between fiscal prudence and service priorities. The Plan suggests \$277.3 million for 2006-2010 including \$229.9 million debt. This funding is equally split between Health & Safety/SOGR projects and those initiatives that promote Service Improvement and Growth. The Revised 5-Year Capital Plan incorporates yearly incremental debt increases of \$5.0 million from 2008 to 2010. This additional financing reflects Council's priority to direct extra funding to Parks assets that are used for service delivery.

However, it should be noted that, in total, the 5-Year Revised Plan for the City exceeds the debt affordability targets set by Council. The Chief Financial Officer will, therefore, be reviewing each program's Revised 5-Year Capital Plan and recommending, in consultation with appropriate staff, a firm 5-Year Capital Plan in the Spring of 2006 that meets debt affordability limits.

### 5-Year Plan Proposed Changes (\$000)

	2006		2007		2008		2009		2010		TOTAL 2011-2015	
Project / Sub-Project Name	Gross 1	Debt/ Internal Sources 2	Gross 3	Debt/ Internal Sources 4	Gross 5	Debt/ Internal Sources 6	Gross 7	Debt/ Internal Sources 8	Gross 9	Debt/ Internal Sources 10	Gross 11	Debt/ Internal Sources 12
<b>PROGRAM REQUEST</b>	<b>92,251</b>	<b>59,489</b>	<b>87,761</b>	<b>71,455</b>	<b>86,492</b>	<b>77,971</b>	<b>76,375</b>	<b>67,566</b>	<b>70,559</b>	<b>64,680</b>	<b>469,147</b>	<b>453,275</b>
<b>Proposed 2006 Changes</b>												
<b>PROPOSED CHANGES</b>												
<b>2004 Carry Forwards</b>												
Pool	(250)	0	(2,531)	(1,281)	2,781	2,781						
<b>Previously Approved</b>												
Facility Components	(2,700)	(2,700)	2,700	2,700								
<b>New</b>												
Facility Components	(2,675)	(2,625)	(1,175)	(1,125)	(675)	(625)	(400)	(350)	(825)	(725)	(1,350)	(1,250)
Land Acquisition	(7,250)	0	(50)	0	(50)	0	(50)	0	(50)	0	(250)	0
Outdoor Recreation Centres	(1,575)	(1,325)	(1,625)	(1,300)	(3,685)	(3,150)	(3,400)	(2,875)	1,225	1,225	3,875	3,875
Park Development	(5,230)	(5,230)	670	670	(2,625)	(2,625)	(2,200)	(1,700)	(5,502)	(2,250)	10,957	10,957
Parking Lots and Tennis Courts	(500)	(500)	(675)	(675)	(700)	(700)	(1,050)	(825)	(335)	(335)	585	585
Playgrounds/Waterplay	(1,400)	(1,400)	(1,700)	(1,700)	(1,200)	(1,200)	(750)	(750)	(550)	(150)	(1,300)	(1,300)
Pool	(500)	(500)	(14,500)	(12,500)	(10,875)	(12,875)	(7,400)	(7,400)	(9,625)	(9,625)	(4,600)	(4,600)
Arena	(1,600)	(1,600)	(3,025)	(3,025)	(1,625)	(1,625)	(1,550)	(1,550)	(2,700)	(2,700)	1,250	1,250
Trails & Pathways	(150)	(150)	(1,000)	(1,200)	(1,125)	(1,125)	(800)	(641)	(2,200)	(2,200)	(2,925)	(2,925)
Environmental Initiatives	(1,400)	(1,400)	(1,600)	(1,850)	0	0	1,650	1,650	(50)	(50)	850	850
Major Maintenance									(150)	(150)	150	150
Special Facilities	(1,738)	(1,738)	(5,325)	(825)	(7,100)	(2,600)	(5,825)	(725)	1,650	650	4,550	1,550
Community Centres	(1,700)	(1,200)	(9,750)	(9,344)	(8,525)	(8,900)	1,034	(2,256)	7,400	6,900	15,600	15,600
Sub-Total Proposed Changes	(28,668)	(20,368)	(39,586)	(31,455)	(35,404)	(32,644)	(20,741)	(17,422)	(11,712)	(9,410)	27,392	24,742
<b>Proposed 5-Yr. Cash Flow</b>	<b>63,583</b>	<b>39,121</b>	<b>48,175</b>	<b>40,000</b>	<b>51,088</b>	<b>45,327</b>	<b>55,634</b>	<b>50,144</b>	<b>58,847</b>	<b>55,270</b>	<b>496,539</b>	<b>478,017</b>
<b>Debt Guideline</b>		<b>40,000</b>		<b>40,000</b>		<b>45,000</b>		<b>50,000</b>		<b>55,000</b>		
<b>Variance To Debt Guideline</b>		<b>(879)</b>		<b>0</b>		<b>327</b>		<b>144</b>		<b>270</b>		

**Capacity**

Over the last five years, the Program has experienced chronic difficulty in spending its authorized capital allocation (Exhibit 2). In fact, as part of Parks, Forestry and Recreation's 2005 Approved Capital Budget, Council directed the Division to report on changes being made to bring the spending rate of its projects to an acceptable level.

**Exhibit 2: Parks, Forestry & Recreation Spending Rates (\$000s)**

<b>Year</b>	<b>Plan</b>	<b>Actuals (incl. Commitments)</b>	<b>% Spent</b>
2005*	\$ 83,647	\$ 54,575	65%
2004	\$ 77,506	\$ 47,160	61%
2003	\$ 72,914	\$ 44,659	61%
2002	\$ 65,341	\$ 31,853	49%
2001	\$ 63,788	\$ 39,749	62%
<b>TOTAL</b>	<b>\$ 363,196</b>	<b>\$ 217,996</b>	<b>60%</b>

\*Projected year-end result as of September 30/05

The projected year-end spending rate for 2005 indicates that the Program has been able to improve its performance over prior years and has attempted to ensure that project delays are kept to a minimum, especially when funded by debt. The request for 1-year carry forward funding has decreased from \$23.6 million in 2005 to \$20.1 million in 2006. Likewise, for the upcoming fiscal year, the amount of 2<sup>nd</sup> year carry forward funding requested has fallen to \$5.9 million from \$7.2 million in 2005. Unanticipated delays with two projects, the Port Union Village Common site and Indoor Arena SOGR work, account for 36% or \$2.0 million (all of which is reserve funded) of this re-approval request.

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

- Weather has an impact on project completion, especially outdoor projects. Inclement conditions during key construction periods, as in 2004, can significantly prolong the construction timeline.
- Complications arising from the need for public input, negotiated legal agreements, and environmental approvals. Any of these may further delay the completion of a given project.
- Parks projects increasingly involve other public organizations or the private sector. Multi-partner initiatives typically add to the complexity of the process and can adversely affect project schedules.
- Projects using land being made available as a result of development activities often do not move forward as planned. Such lags are not under the Program's control.

Despite these and other issues that impede project completion, the Program has reported to Council that it is in the process of taking key steps to enhance its performance. Reorganizing and solidifying the capital planning staff, improving procurement planning, utilizing pre-approved suppliers where feasible and revisiting cash flow assumptions for larger projects are all actions that have been implemented or are in progress. These steps, in conjunction with earlier approval of the capital budget by fiscal year end, should help the Division improve its spending rates.

It is with this in mind that the 2006 Proposed Capital Budget recommends that funding be flat-lined to the Program's approved 2005 level. Once the above improvements are fully established and institutionalized, the Revised 5-Year Plan proposes higher levels of debt financing for the outer years.

## Readiness

All projects that require carry forward funding in 2006 are presently underway. With respect to new projects, Parks, Forestry and Recreation maintains that the 2006 Proposed Capital Budget reflects firm estimates and that it has made every effort to fairly represent the true cost of its plans for 2007 and beyond. Furthermore, the Program is confident that it has the capacity to proceed and complete, within the prescribed timelines, all initiatives that are noted within the Revised 5-Year Capital Plan.

## Backlog of Projects – Unmet Needs

### A. State of Good Repair

Parks, Forestry and Recreation's backlog of assets that require renovations and refurbishment currently stands at approximately \$335 million. While this amount is reflected in the Program's submitted 10-Year Capital Plan, the tally does not fully depict the true SOGR picture. It is important to note that SOGR audits have only been completed on some types of facilities in the Division's portfolio. Exhibit 3 below identifies the 14 asset types that have had visual audits completed and their corresponding costs for 2006 and the future years to 2015.

**Exhibit 3 : Parks, Forestry & Recreation's Known SOGR Backlog (in \$000s)**

Facility Asset Type	FY 2006 Backlog	2007 - 2015	TOTAL
Indoor Arenas	\$11,220	\$63,555	\$74,775
Outdoor Artificial Ice Rinks	\$4,475	\$24,040	\$28,515
Community Centres	\$1,260	\$60,670	\$61,930
Outdoor Recreation Facilities	\$1,685	\$13,720	\$15,405
Indoor Pools	\$780	\$25,180	\$25,960
Outdoor Pools	\$1,850	\$13,220	\$15,070
Special Facilities	\$6,325	\$18,205	\$24,530
Tennis Courts	\$1,755	\$17,475	\$19,230
Sports Pads	\$235	\$1,540	\$1,775
Park Bridges	\$415	\$1,875	\$2,290
Park Parking Lots	\$19,545	\$34,760	\$54,305
Sports Fields	\$0	\$6,000	\$6,000
Trails & Pathways	\$0	\$600	\$600
Waterplay	\$0	\$4,500	\$4,500
<b>TOTAL</b>	<b>\$49,545</b>	<b>\$285,340</b>	<b>\$334,885</b>

A significant number of assets have either not yet been audited, or are in the process of being assessedd. Accordingly, final data is not available to fully inform the 10-Year Capital Plan as submitted. The asset classes not included in the above backlog figure include:

- bocce courts
- ball diamonds
- irrigation systems
- fountains

- cricket pitches
- lakefront sea walls
- ferry docks
- soccer fields

It is anticipated that audits on these facilities will be undertaken within the next three to five year capital cycle and are likely to report additional maintenance costs of at least \$300 million.

Clearly, the total funding required to address the true backlog of approximately \$650 million exceeds by far the City's ability to fund given the present fiscal climate. Since the balance of most reserve funds dedicated to Parks, Forestry and Recreation projects have been exhausted in prior years, current and future SOGR work will have to be funded almost exclusively by debt. Furthermore, with the need to apply some debt funding to SI and GR projects in order to meet ratios for the application of Development Charge funds, the backlog can be expected to grow in future years.

The limited availability of debt funding is a primary impediment to tackling the SOGR backlog. Of equal concern, however, is the Program's capacity to spend the funds approved for SOGR initiatives.

**Exhibit 4: Parks, Forestry & Recreation SOGR Spending Rates (000s)**

PROJECT	2002		2003		2004		2005		TOTAL AVG.
	Plan	C/F	Plan	C/F	Plan	C/F	Plan	C/F	
Facility Components	1,520	1,167	4,192	804	2,604	718	4,984	720	74%
Outdoor Recreation Centres	873	306	1,506	910	2,005	372	2,682	-	78%
Park Development	1,770	692	2,700	783	4,258	1,657	4,084	473	72%
Parking Lots & Tennis Courts	1,355	596	2,196	895	2,895	1,484	2,969	250	66%
grounds/Waterplay	1,830	1,150	1,675	300	1,950	647	1,991	994	58%
Pool	4,126	757	4,182	1,707	4,827	768	3,648	1,143	74%
Arena	2,657	1,056	7,126	2,115	8,387	3,185	11,327	1,331	74%
Trails & Pathways	1,148	593	1,143	222	1,557	888	2,138	289	67%
Environmental Initiatives	2,483	1,069	3,554	1,210	4,175	416	3,216	1,035	72%
Major Maintenance	7,112	2,273	5,358	1,526	3,426	-	-	-	76%
Special Facilities	1,305	912	3,077	1,160	4,710	2,094	3,405	150	65%
Community Centres	4,710	1,833	3,598	460	3,795	1,591	3,901	593	72%
<b>TOTAL (000s)</b>	<b>30,889</b>	<b>12,404</b>	<b>40,307</b>	<b>12,092</b>	<b>44,589</b>	<b>13,820</b>	<b>44,345</b>	<b>6,978</b>	<b>72%</b>

As Exhibit 4 illustrates, while Parks has had greater success in completing SOGR projects in a timely manner compared to other projects within its capital works program, the Division still continues to request significant carry forward funding. While Parks has spent, on average, 60% of its total approved allocation over the last four years (p. 22), it has spent 72% of its SOGR funds during the same time frame, including a projected 84% for 2005.

Despite an improving spending rate, it is evident that, due to the host of factors previously noted, the Program does not have the ability to spend all of the funding that has been approved for each year. Even for 2005, the Division's best year, projected SOGR spending rates range from 68% for Environmental Initiatives to 96% for Special Facilities. Only Outdoor Recreation Centre projects are expected to be fully spent. Nevertheless, the Program is requesting for 2006 \$39.3 million in new funding for SOGR projects, a 29% increase over the \$30.5 million that was approved in 2005. An additional \$6.0 million is being requested, for instance, to repair and renovate community centres although the Division will not fully spend the \$2.3 million it has been given for this year. Likewise, although funds remain from the \$1.5 million that was approved in 2005 for the refurbishment of parking lots and tennis courts, the Program is seeking \$3 million more for this purpose in 2006.

It is not financially prudent to increase SOGR funding and therefore incur incremental debt service charges when outstanding work exists. In keeping with corporate guidelines, which instruct City programs to “budget only what you can spend”, the 2006 Proposed Capital Budget limits new funding for Parks SOGR initiatives to \$31.9 million, a 4% increase over 2005’s approved level.

## **B. Service Improvement & Growth-Related Initiatives**

In addition to its strategic plan, *Our Common Grounds*, that was approved by Council in July 2004, the Program’s request for new capital funding is based on a number of studies. For example, the *Recreation Facilities Report*, which Council approved in September 2004, recommends a massive investment in new and enhanced recreational facilities. To meet forecasted growth and changing demographics, the report calls for 14 new community centres in the next ten years, 89 new sports fields by the year 2012, and other new amenities.

Such a significant infusion of capital funding for SI and GR initiatives does not reconcile with the City’s fiscal situation. The corporate guidelines unequivocally state that new debt funding is to be largely limited to SOGR projects. This is especially critical for a program like Parks that has an aging asset base: more than 27% of the Division’s recreational facilities are over 40 years old. With the City’s limited capacity to fund SI and GR initiatives, any such projects that receive debt financing must be of the highest Council and Program priority.

With this in mind, and given the current affordability constraints, the 2006 Proposed Capital Budget includes \$10.1 million in new debt funding for SI/GR programs. However, with the application of reserve and development charge financing, total proposed funding for all SI/GR projects, excluding one-year carry forward funding, is \$30.8 million for 2006. This equates to a 12% increase over the approved 2005 allocation of \$27.5 million.

With respect to 2007 and beyond, however, the Program’s SI/GR plans will need to be thoroughly scrutinized. Since the Revised 5-Year Capital Plan for the City as a whole presently exceeds Council’s total debt affordability guideline, Parks’ SI/GR projects may very well be leading candidates for deferral unless they can be justified from a needs perspective. Currently, however, it is not clear why there is a pressing need for the various SI/GR plans to proceed in the short term. In fact, there is strong countervailing evidence to suggest that such initiatives are not warranted for the foreseeable future:

### **I. Population Changes**

While Toronto is a growing city, demographers do not expect it to experience rapid population growth over the next twenty-five years. The City’s Official Plan forecasts Toronto’s population to reach 2.9 million by 2031, only 15% above current estimates. Although the Official Plan recognizes that population forecasting, particularly for the long term, is intrinsically uncertain, it rightfully maintains that “the information is important for long-term capital planning and the delivery of community social services.” Moreover, this limited growth scenario aligns with the Province of Ontario’s own projections which indicate that, unlike the rest of the GTA, “only Toronto is expected to grow at a slower pace than Ontario as a whole.”



Also telling is the nature of the City's changing demographics. The biggest users of Toronto's recreational facilities are children. Yet, for the coming years, Statistics Canada census figures indicate a 10% drop in the number of Toronto children. Numerous organizations have been forced to adapt to this new reality. Rather than expanding their systems, for example, the Toronto school boards have been required to close schools in response to the declining number of school-aged children. The Toronto Catholic District School Board alone has already closed 19 schools in the last five years.

Clearly, significant new and enhanced facilities/services might be required if a sizeable influx of people or a favourable demographic shift was anticipated. However, Toronto's projection of a slowly growing and aging population base does not, in general, support the argument for substantial new capital investments in Parks and Recreation. Rather, this trend reinforces the need for the Division to monitor its program offerings so as to successfully match its services to future demand.

## II. Public Expectations

In 2004, as part of its ReActivateTO! Project, Parks, Forestry & Recreation heard from over 600 staff and 2,000 residents about the Division's programs and services. This consultation process, which involved meetings, surveys and correspondence, revealed that there is little public appetite for recreational service expansion. Rather, the focus of the Division should be on the maintenance of existing assets and on reviewing the quality and mix of its program offerings. Some frequent responses made by participants included:

- Parks are highly valued. Maintenance of parks and their furnishings/amenities need to be a priority.
- Facility maintenance is a priority. Existing facilities are seen as being adequate, but the Division should focus on utilizing them better, maintaining them better and repairing them before building new ones.
- Better partnership with other agencies and organizations, particularly school boards, is needed to increase access to community space.
- The highest priority for improving service to the public is to provide safe, clean, well maintained parks and facilities as well as recreation programs that people want and at times that are convenient to users.

The findings of the ReActivateTO! Project have been corroborated by the "Listening to Toronto" sessions that were convened in January and November 2004. The general feeling of the 2,000 participants was that "the top concerns bearing on the Division are park and facility maintenance." Furthermore, in response to what advice they would offer City Council as it discusses the budget, a common theme was that:

people recognize that City revenues are limited, and expect program and service objectives to be achieved in an efficient and economic manner; people are also interested in exploring creative and innovative ways of using resources; this includes conducting program review, making better use of existing community facilities and public spaces, and improving and maintaining what we already have.

### III. Recreational Demand & Facility Capacity

By and large, demand for recreational programming does not exceed facility capacity. Presently, the vast majority of registered programs are under-subscribed. In fact, aside from camps, pre-school, swimming and skating, utilization rates for registered activities are generally low. As the *Recreational Facilities Report* noted, many factors influence participation levels in structured recreation and thereby the demand for recreation facilities. With respect to children and youth, interest in “arm-chair” hobbies such as computer games, internet surfing and television watching have had a great influence over their free time. For many children and youth, participation in such sedentary pursuits has largely replaced participation in more active recreation. Likewise, for the population as a whole, the trend is away from team-centered sports to participation in low cost, casual scheduling and convenience activities that do not require facility use. This includes walking, running, cycling, in-line skating, skateboarding, gardening, and home exercise.

Why construct additional facilities when use of current space is often not maximized? Moreover, with Toronto residents’ rates of physical activity being significantly lower than those in the rest of the province and country, limited demand for recreational offerings are likely to continue for the foreseeable future. Despite increasing efforts of the Division to boost physical activity levels among the City’s population and increase program participation across all demographics, registration numbers have stagnated. Environics polling reveals that the main factor that prevents Torontonians from being active is time (51%). Parks was also informed by 34% of those surveyed that there was nothing the Division could do to make it easier for them to be more active. If such responses are any indication, the Program faces a formidable challenge in achieving its goal of increasing the number of physically active Torontonians and the number of children registered in programs by 20% by 2020. The Division recognizes that such an objective can only be reached over the long-term. Hence, only once existing facilities are shown to be operating at capacity should additional capital investments be considered.

### IV. City-Wide Priorities

Parks, Forestry and Recreation’s services need to be considered within the context of Toronto’s overall service objectives and priorities. Funding and resources for the City’s various programs and priorities are finite. The rationale for the corporate debt targets is to distribute scarce funds in a prescribed manner. Furthermore, the directive to target new debt for SOGR items rather than SI and GR initiatives reflects the fact that all of the municipality’s programs and ABCs, not simply Parks, have substantial repair backlogs and that prudent planning demands that these maintenance needs receive priority status.

Since the City’s capacity to raise new debt is limited, the City’s total affordability target must be adhered to. Exceeding this target would jeopardize the financial health of the City and/or imperil other programs. To expend new debt funds on Parks’ SI and GR projects cannot be justified in light of Toronto’s deteriorating infrastructure. The City as a whole has higher priority needs such as the billions required to maintain the integrity of the TTC, to tackle the road repair backlog, and to provide for the upkeep of community housing.

This sentiment has been echoed by both the public at large, as noted above, as well as by Council. In fact, at its meeting on May 21-23, 2003, Council established seven funding priorities for the City. Of these, the top three relate to adequate funding to support the rehabilitation and renewal of public transit, infrastructure, and affordable housing. None of the capital funding priorities refer to new program spending for non-SOGR initiatives.

**V. Access to Recreational Facilities**

The *Recreation Facilities Report* acknowledges that the planning for new facilities should take place within a framework that includes city-wide needs and long-term priorities. Introducing new initiatives would be justifiable if Toronto residents did not have sufficient access to current facilities. In general, however, provision rates (e.g. city-wide provision per capita) indicate that, in the majority of cases, accessibility levels for City recreational facilities is comparable to similar Ontario municipalities (that is, those cities with a population greater than 250,000). Of course, there is variation in the distribution of facilities across the City, with the number of certain types of facilities more pronounced in some areas than others. This is to be expected since the former Toronto municipalities invested in different facilities at different rates. Accessibility, therefore, varies depending on a resident's location and the type of facility in question. Nevertheless, based on facility distribution patterns and spatial proximity, it appears from the *Recreational Facilities Report* that Toronto's four districts are, by and large, adequately served by existing facility coverage.

There are, to be sure, exceptions to this general rule. *The Strong Neighbourhoods Report*, for instance, has identified a number of areas in the City where few social services and facilities exist to meet the needs of the local residents. The most pressing "hot spots" are: Victoria Village, Dorset Park, Eglinton East, Scarborough Village, Black Creek, Westminster-Branson, Crescent Town, Steeles and Kennedy Park. However, the report also recognizes that different communities have different needs and that the investment required to redress any infrastructure deficit must come from all orders of government, as well as community and private agencies and foundations.

These latter organizations are instrumental in promoting recreational accessibility. It is often overlooked that the City is not the only provider of recreation facilities. Communities are also served by a variety of service agencies and public institutions, including school boards, as well as private and commercial groups. Not only are these various outside suppliers firmly entrenched in Toronto, but their influence is likely to increase in the future. Moreover, such providers, including the YMCA and the Boys and Girls Clubs of Ontario, often have policies that are specifically targeted towards improving accessibility and participation opportunities for low-income and marginalized groups. Hence, the City must consider its facility and program offerings together with those provided by both for-profit and non-profit organizations that are filling in service and accessibility gaps.

All in all, for the reasons noted above, the Program and the City may be better served to defer major new facility investments until a corporate priority-setting framework is established. Postponing certain SI and GR projects would not only be fiscally responsible but, at the very least, would allow the City to re-direct scarce resources towards the SOGR needs of the Division and other City programs. In the absence of strong evidence to the contrary, it simply is not prudent for the City to build more when it can not maintain what it already has. After all, it is important to remember that today's SI/GR initiatives, in addition to their considerable operating impacts, become tomorrow's SOGR backlog.

**Facility Priority Setting – Service Improvement and Growth Projects**

Parks, Forestry and Recreation has budgeted \$263 million in new debt funding, over the next ten years, for the expansion and development of Community Centres alone. Not only is this an unrealistic expectation, but of equal concern is the fact that it is not clear how the need for these and other planned facility enhancements represent the best value for money and are of greater importance, at least from a funding standpoint, than the Service Improvement and Growth initiatives proposed by other City programs.

Given the City's funding constraints and competing demands, a corporate priority-setting framework needs to be established for all City facilities. Presently, facility investments are largely determined in isolation and are driven by individual program requests. No mechanism exists to review the merits of all facility proposals collectively. Hence, there continues to be variation in the number and distribution of various types of facilities across the City. This has led to pockets of under-served areas in Toronto.

The introduction of a corporate process which would assess the need, feasibility and operating impacts of all facility initiatives and which would, in turn, rank their order of importance for priority purposes will be implemented for 2007. This will allow the City to take a comprehensive and integrated approach towards development and service enhancement.

**Development Charge Funding**

The Revised 5-Year Capital Plan includes Development Charge funding for new and future growth projects. However, since Development Charge funding has been maximized to date, only limited funding is available from this source beyond 2006. Future Development Charge financing is dependent upon receipt of such funds.

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

A detailed review of the application of Development Charges in the 2006 Proposed Capital Plan is currently underway.

**Funding Emergency Repairs**

In the 2005 budget, a sub-project in Facility Components (Capital Emergency Funding FY2005) was approved for \$0.750 million of debt funding. It was noted that emergencies involving the failure of a critical element are likely to occur in the Division's large portfolio of facilities, particularly for those assets which have not had an adequate level of capital maintenance.

The current request and proposed allocation for Capital Emergency Funding is \$0.500 million. As in 2005, the application of these funds will be limited to demonstrable emergencies meeting the following criteria:

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

Upon identification of such a situation and Program approval to proceed, the project and dollar amount will be reported to Finance staff to facilitate the establishment of the appropriate capital element in SAP to ensure financial accountability. It is recommended that at the end of the year, the General Manager of Parks, Forestry and Recreation will submit a report to the Budget Advisory Committee identifying how this project funding was utilized. Any year-end unspent balance cannot be carried forward unless required to complete an emergency maintenance item started within the fiscal year. A list of the projects will be submitted to Budget Advisory Committee at the time of consideration of the 2007 capital budget.

### **Council's "Clean & Beautiful City" Initiative**

In 2005, Council implemented the first phase of its "Clean & Beautiful" Initiative. To support the Parks component of this program, \$3.0 million in new funds was recommended for grass cutting machines and tree service vehicles in Park's 2005 Approved Capital Budget.

For 2006, the Program requested new funding of \$3.5 million to support the proposed second phase of the Initiative. Specifically, funds are required for vehicle and equipment purchases as detailed in Exhibit 5:

**Exhibit 5: Parks, Forestry & Recreation's "Clean & Beautiful City" Submission (000s)**

<b>\$3,455</b>	<b>Capital Request</b>	<b>Corresponding Operating Request</b>
\$625	4 sweepers, 4 elephant vacs sweepers, elephant vacs	Improve Trail Maintenance
\$180	new trail signs	Improve Trail Maintenance
\$100	4 mini pick up trucks	Improve Tree Maintenance & Protection
\$900	8 small side or rear packers	Increase Garbage & Recycling & Waste Diversion
\$500	garbage containers	Increase Garbage & Recycling & Waste Diversion
\$305	4 full size pick up trucks, 4 utility crew cab trucks	Reduce the Tree Service Delay
\$45	Utility crew cab	Remove and Replace Dead Trees
\$800	4 Haul-Alls, 1 Boom Dump Stake Truck, 4 pick-ups with winch.	Establish Ravine and Watercourse Maintenance Program

However, as funding for any new 2006 Clean & Beautiful activities is not currently included in the Proposed Operating Budget, the 2006 Proposed Capital Budget does not incorporate these requested amounts. It is recommended that any funding for capital items that arise during the budgetary process for the “Clean & Beautiful City” Initiative be contingent upon approval of the corresponding requests in Parks, Forestry and Recreation’s 2006 Operating Budget. Furthermore, if additional new equipment is required to implement the current 2005 Clean & Beautiful commitments, a separate “change-of-scope” request must be developed.

### **Projects with Third Party Financing**

As in prior years, it is recommended that all sub-projects with third-party financing be approved conditionally, subject to the receipt of such funding during 2006. If such funding is not forthcoming, financing for these sub-projects should be reassessed by Council and applied to other City-funded priorities and needs.

### **Storm Damage – August 2005**

Capital budget requirements to repair damage incurred during the August 19<sup>th</sup> flooding has not yet been fully assessed. Revisions to priorities for SOGR projects in this budget may be required in the coming weeks as a result.

### **Issues Referred to 2006 Capital Budget**

City Council, at its meeting on February 21, 2005, referred the following Parks, Forestry and Recreation issues to the 2006 Capital Budget process:

- The General Manager of Parks and Recreation report to the Budget Advisory Committee on the Division's capital funding requirements and recommend a capital funding strategy to return the City's facilities to an acceptable state of good repair;
- The Program, in conjunction with the Works and Emergency Services Division, report to the Economic Development and Parks Committee with a proposed plan to address the safety concerns of the local community as a result of the illegal activities occurring to the east side of the Burt Robinson Tunnel;
- Division staff meet with the J. Piccininni Community Centre Advisory Council and assess the needs and amenities of the Community Centre. The General Manager of Parks and Recreation is to report back on this to the Economic Development and Parks Committee prior to the 2006 Budget;
- The General Manager of Parks and Recreation report to the Economic Development and Parks Committee on a needs assessment for a community centre in the Morningside Heights area and that the report be forwarded to Council's last meeting in 2005; and
- Prior to the 2006 process, the General Manager of Parks and Recreation report to the Budget Advisory Committee on options (including public education, engagement and stewardship) for accelerating the Natural Areas Restoration Program.
- The General Manager of Parks and Recreation report, to the Budget Advisory Committee, a list of 2005 projects and corresponding dollar amounts that had Capital Emergency Funding applied to them.

All of the above requests are currently outstanding.

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

None

**Appendix 1**  
**Proposed 2006 Capital Budget**  
**and 2007 to 2015 Revised Program**



**Appendix 2**  
**Proposed 2006 Capital Budget**  
**& Future Year Commitments**

**Appendix 3**  
**Proposed 2006 Capital Projects**  
**with Financing Details**

**Appendix 4**  
**Reserve / Reserve Fund Review**

Reserve / Reserve Fund Name	Project / SubProject Name and Number (New Projects)	Balance as of Sept 30	Proposed Withdrawals			
			2006	2007	2008	2009 & Beyond
XR2036 PRKLND ACQ-ET CTY DE	Arena 38 Queensway Rink & Fieldhouse - Replacement	938	100	500	4	
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	Arena 38 Queensway Rink & Fieldhouse - Replacement	4,346		500		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	Arena 38 Queensway Rink & Fieldhouse - Replacement	17,272		500		
XR2210 PARKLAND ACQ-CITY WIDE DEVELOPMENT	LA 13 York - Rec Facility Site Acquisition	1,880	50			
XR2210 PARKLAND ACQ-CITY WIDE DEVELOPMENT	LA 14 West North York - Rec Facility Site	see above	50			
XR2210 PARKLAND ACQ-CITY WIDE DEVELOPMENT	LA 29 Parkland Acquisition FY2006	see above	50			
XR2034 PRKLND ACQ-EY LOC DE	CC 215 Jenner Jean-Marie CC-Add addition & New facility	102	103			
XR2056 PRKLND ACQ-EY CTY DE	CC 215 Jenner Jean-Marie CC-Add addition & New facility	114	18			
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	CC 215 Jenner Jean-Marie CC-Add addition & New facility	1,550	500			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	CC 215 Jenner Jean-Marie CC-Add addition & New facility	see above	500			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	CC 215 Jenner Jean-Marie CC-Add addition & New facility	see above	2,000			
XR2209 PARKLAND ACQ-SOUTH DIST LOCAL DEV	CC 188 Beaches RC-Restoration	2,425	50	550		
XR2042 PRKLND ACQ-NY LOC DE	EI 32 Taylor Creek Park - wetland /erosion control	889	75	92		
XR2040 PRKLND ACQ-NY CTY DE	EI 32 Taylor Creek Park - wetland /erosion control	1,085		208		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 170 Investigation and Pre-Engineering FY2006	see above	50			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	FC 174 Various Bldgs & Parks - Accessibility Prog. FY06	see above	500			
XR2038 PRKLND ACQ-ET LOC DE	ORC 261 Centennial Park (E) -Develop soccer field	766	71			
XR2036 PRKLND ACQ-ET CTY DE	ORC 261 Centennial Park (E) -Develop soccer field	see above	4			
XR2054 PRKLND ACQ-TO LOC DE	ORC 249 J.J. Piccininni - Convert Bocce to Fitness Facility	1,880	150	450		
XR2040 PRKLND ACQ-NY CTY DE	ORC 259 Bond Park - Baseball Lighting Diamond #2	see above	225			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	ORC 259 Bond Park - Baseball Lighting Diamond #3	see above	100			
XR2052 PRKLND ACQ-TO CTY DE	ORC 260 East Toronto Athletic Sports Field Lighting	3,772	300			
XR2050 PARKLAND ACQUISITION-SCAR LOCAL DEV	ORC 251 McCowan Park-Backstop and dugout replacement	739	75			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	ORC 281 Skateboard Parks City Wide FY2006-09	see above	250			
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	PD 316 Woburn Park - Parkland Development	see above	275			
XR2203 PARKLAND ACQ-WEST DIST LOCAL DEV	PD 394 Mount Royal Parkette	see above	135			
XR2209 PARKLAND ACQ-SOUTH DIST LOCAL DEV	PD 380 CP PS Lead - phase 2 (TBP T74)	see above	500	250		
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	PD 380 CP PS Lead - phase 2 (TBP T74)	see above		750		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PD 380 CP PS Lead - phase 2 (TBP T74)	see above		100	650	
XR2054 PRKLND ACQ-TO LOC DE	PD 379 Wychwood Barns Phase Three - Park Development	see above	9			
XR2052 PRKLND ACQ-TO CTY DE	PD 379 Wychwood Barns Phase Three - Park Development	see above	991	950		
XR2048 PARKLAND ACQUISITION-SCAR CITY DEV	PD 391 McCowan District Park Phase Two	732	450			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PD 391 McCowan District Park Phase Two	see above	300			
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	PD 389 Master Planning (Pre-Eng) - Parks FY2006	see above	100			
XR2207 PARKLAND ACQ-NORTH DIST LOC DEV	PD 446 Ward 9 Park Improvements	see above	169			
XR2203 PARKLAND ACQ-WEST DIST LOCAL DEV	SF 113 Centennial Park Greenhouse Replace Heating System	326	150			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	SF 113 Centennial Park Greenhouse Replace Heating System	see above	450	500		
XR2046 PRKLND ACQ-YK LOC DE	SF 90 Rockcliffe Greenhouse Boiler and Repairs	109	107			
XR2044 PARKLAND ACQUISITION-YORK CITY DEV	SF 90 Rockcliffe Greenhouse Boiler and Repairs	133	130			
XR2205 PARKLAND ACQ-EAST DIST LOCAL DEV	SF 68 Tam O'Shanter GC - Renovations of Clubhouse	276	100			
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	SF 68 Tam O'Shanter GC - Renovations of Clubhouse	see above	125			
XR2050 PARKLAND ACQUISITION-SCAR LOCAL DEV	SF 115 Morningside Park Expand Washrooms	see above	50	10		
XR2048 PARKLAND ACQUISITION-SCAR CITY DEV	SF 115 Morningside Park Expand Washrooms	see above		140		
XR2211 PARKLAND ACQ-CITY WIDE DEVELOPMENT	T&P 193 Toronto Island - Resurfacing Main Road FY2006	see above	200			
XR2054 PRKLND ACQ-TO LOC DE	T&P 193 Toronto Island - Resurfacing Main Road FY2006	see above		200		
XR2028 DEVELOPMENT CHARGES R F-PARKS & REC	T&P 209 Toronto Bike Plan - City Wide Expansion (TBP)	see above	250			
<b>Total Reserve / Reserve Fund</b>		<b>39,334</b>	<b>9,712</b>	<b>5,700</b>	<b>654</b>	<b>-</b>