

The logo features a stylized graphic of a building with three vertical bars of increasing height on the left, followed by the word "TORONTO" in a bold, sans-serif font. To the right of "TORONTO" is the text "STAFF REPORT" in a smaller, all-caps, sans-serif font. A horizontal line is positioned below the text.

# TORONTO STAFF REPORT

March 23, 2006

To: Budget Advisory Committee

From: Deputy City Manager and Chief Financial Officer

Subject: Reserve Contribution to the 2006 Operating Budget

Purpose:

The purpose of this report is to identify funds from reserve accounts that could be applied as a one-time funding source to the 2006 Operating Budget funding gap, in order to avoid significant services and/or significant increases in property taxes.

Financial Implications and Impact Statement:

The 2006 Base Operating Budget already includes \$37 million of draws from reserve funds to support Social Service cost shared programs such as the Social Assistance Stabilization Reserve Fund, Ontario Works Reserve Fund and Kids@Computer Reserve Fund, exclusive of funding for the TTC and new/enhanced services. This report identifies withdrawal of up to an additional \$112.862 million from a variety of reserve and reserve funds, both Council directed and obligatory, for a total of approximately \$160 million to be utilized as a one-time funding source for the 2006 Operating Budget.

The recommended additional draws from reserve accounts are being transferred from accounts which (1) Council has already mandated to be closed, (2) are no longer required or (3) minimize the impact on City operations in the short run. Some of the recommended withdrawals are from accounts which normally would finance capital expenditures and so, in the long run, the City's debt financing will increase as a consequence of these withdrawals unless capital expenditure plans are reduced in the future. As well, some of these accounts have supported the operating budget in previous years and the increased utilization this year will create an operating budget pressure in 2007 and beyond. The impact of the recommended action will be reviewed as part of the 2007 and 2008 budget process and will adversely affect both the capital and operating expenditure plans.

The table below summarizes the types of withdrawals:

2006 RESERVE FUND WITHDRAWALS	
	\$000s
Appendix A – Previously Approved	741.1
Appendix B – Additional Deletions	6,937.0
Appendix C – To Be Reduced	105,183.90
<b>MAXIMUM TOTAL</b>	<b>112,862.0</b>

Recommendations:

It is recommended that:

- (1) Council reaffirm its previous decision that reserve accounts in Appendix A are no longer required, and to transfer the remaining balances to general revenue (other corporate revenues) and close the accounts;
- (2) Council declare that accounts in Appendix B are no longer required, transfer the indicated balances to general revenue (other corporate revenues) and close the accounts;
- (3) Municipal Code Chapter 227 [Reserves and Reserve Funds] be amended by deleting the accounts in Appendix A and Appendix B, as per Recommendations No. 1 and 2 above;
- (4) Council determine the amount of funds required to balance the 2006 Operating Budget given Recommendation No. 1 and 2 above and declare sufficient reserve funds to be identified from the prioritized list in Appendix C, as surplus to the City's needs at this time;
- (5) Council authorize the Deputy City Manager and Chief Financial Officer to (1) transfer funds from the accounts identified in Recommendation No. 4 to either general revenues (other corporate revenues) or the 2006 Operating Budget revenues for the appropriate Divisions, (2) reallocate tax revenue support from Programs where transfers will occur and (3) amend the 2006 Operating Budget accordingly;
- (6) the Deputy City Manager and Chief Financial Officer be authorized to make adjustments to the amounts outlined in the above recommendations as necessary to reflect the finalization of 2005 reserves and reserve funds accounts and other budgeted withdrawals; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.

Background:

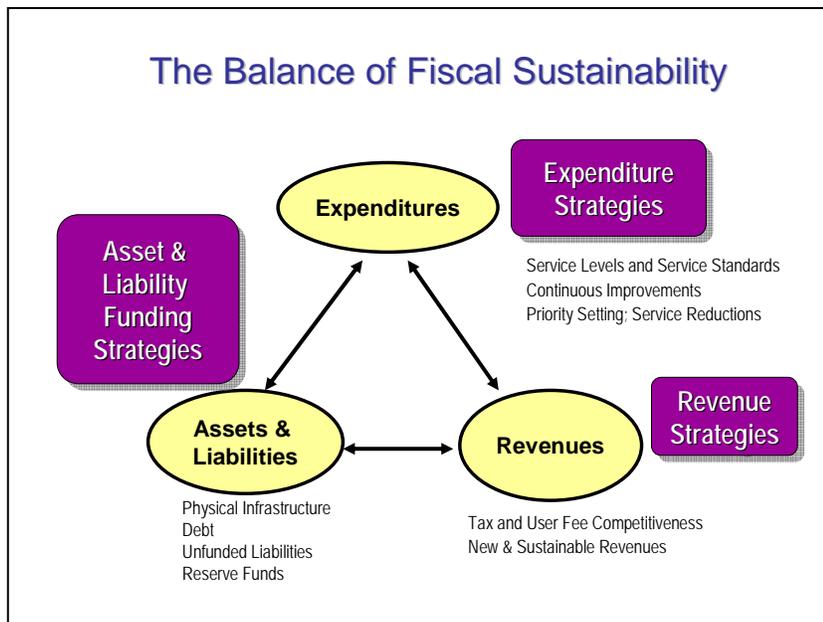
At its meeting of May 18, 19, 20, 2004, Council adopted Clause #8 of the Policy and Finance Committee Report No. 4 entitled ‘Consolidation of Reserve Funds’ which among other recommendations identified a number of inactive reserve funds which had not been utilized and are not part of future financial plans. Council directed that “the Chief Financial Officer and Treasurer consult with Departments, Agencies, Boards and Commissions to utilize available reserve funds which no longer are required, based on the understanding that the funds need to be applied for the purposes for which they were acquired”. The report suggested that at the end of the two years a report would be submitted to examine the circumstances concerning any remaining funds in these accounts.

At its joint meeting of the Policy and Finance and Budget Advisory Committees on January 4, 2006 as part of the presentation of the 2006 Operating Budget, it was indicated that in order to assist in balancing the 2006 Operating Budget significant draws from reserve accounts would be required.

This report identifies reserve funds to be utilized as a one-time funding source for the 2006 Operating Budget including the final disposition of the inactive reserve funds identified in the 2004 report.

Comments:

The success of a long term fiscal plan depends on a balancing of three components of fiscal sustainability – expenditures; revenues; and assets and liabilities. For example, excessive cost reductions on the expenditure side will result in degradation of physical infrastructure through deferral of asset replacement or increasing maintenance backlog. Also, higher property taxes on businesses will lower the City’s tax competitiveness. The following diagram provides a schematic representation of the balancing of the three components:



## Reserve Accounts

Reserves and reserve funds form an integral part of sound financial management and planning, as a component of the asset and liability leg of the above noted triangle, whereby revenues from one period can be set aside to accumulate and finance planned expenditures in a future period. They are used to:

- (a) anticipate potential liabilities and to provide resources, when and if, these liabilities have to be funded (such as the employee benefit reserve fund);
- (b) even the flow of disbursements over a time period so that there are not significant impacts on the tax rate due to the fluctuations of expenditures (such as a social services reserve);
- (c) accumulate funds in anticipation of a large purchase (such as major building/construction capital fund); and
- (d) provide a pool of funds to self-finance an on-going activity (such as an insurance reserve fund).

Reserves and reserve funds have designated purposes and are created through the specific authorizations of Council. The major difference between the two, in the City's practice, is that all earnings from the investment of 'reserve funds' must form part of the reserve fund, whereas the earnings from 'reserves' flow to the operating budget. As such, the assets of reserve funds are segregated and restricted to the purpose of the reserve funds and generally they may be combined for investment purposes.

### Reserves:

The authorization for the creation of a reserve is governed by the *Municipal Act, 2001*, subsection 290 (3) which states that:

"In preparing the budget, the local municipality may provide for such reserves as the municipality considers necessary."

A reserve is funded by contributions from the operating budget at the discretion of Council, after provision for projected expenditures. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of reserve funds. The creation or increase of a reserve should only be reported as appropriations to reserves on the Consolidated Statement of Operations of the City and not as an expenditure. Likewise, the decrease of a reserve should only be reported as appropriations from reserves on the Consolidated Statement of Operations of the City. The actual expenditure for the reserve should be reported as an expenditure for current or capital operations.

## Reserve Funds:

Reserve funds have designated purposes and are created through the specific authorizations of Council under sections 293 and 417 of the *Municipal Act, 2001*.

Section 293 states: “The Minister may make regulations,

- (a) requiring a municipality to establish a reserve fund designated for prescribed liabilities of the municipality which are incurred but not payable until later years;
- (b) defining "liabilities" of the municipality which are incurred for the purpose of clause (a);
- (c) requiring a municipality to make payments into the reserve fund to fund all or part of a prescribed liability at the prescribed times and in the prescribed manner;
- (d) prohibiting the municipality from changing the purpose for which the reserve fund is designated;
- (e) prescribing the conditions under which and the purposes for which the municipality may,
  - (i) change the designation of all or any part of the reserve fund; and
  - (ii) borrow from the reserve fund.”

Subsection 417 (1) states that: “Every municipality and local board, as defined in the *Municipal Affairs Act*, and any other body exercising a power with respect to municipal affairs under any Act in unorganized territory may in each year provide in its budget for the establishment or maintenance of a reserve fund for any purpose for which it has authority to spend money”.

There are two types of reserve funds: obligatory and discretionary (Council directed).

### Obligatory Reserve Funds

Obligatory reserve funds are governed by legislation or agreement, and require revenue received for the special purpose(s) to be segregated from the general revenues of the municipality. They must be created whenever a statute or an agreement requires revenues received for a special purpose to be used solely for the purpose described for them in the statute or agreement, so as to segregate such funds until they are spent. Some examples would be surplus parking revenues under subsection 200(1) of the *Municipal Act, 2001*, funds received in lieu of land for parks purposes as set out under Subsection 42(14) and (15) of the *Planning Act* or funds received as development charges under the *Development Charges Act, 1997*. Similarly, where the City is contractually bound to spend money derived from a contract for a particular purpose or other obligation results in the receipt of funds, an obligatory reserve fund must be created to segregate the funds until such time as they are expended as an operating budget object or a capital project. Some examples would be agreements under section 37 of the *Planning Act* or funds received from other levels of government for non-profit housing.

For financial reporting purposes, obligatory reserve funds are reported as deferred revenues on the consolidated statement of financial position as prescribed by the Canadian Institute of Chartered Accountants.

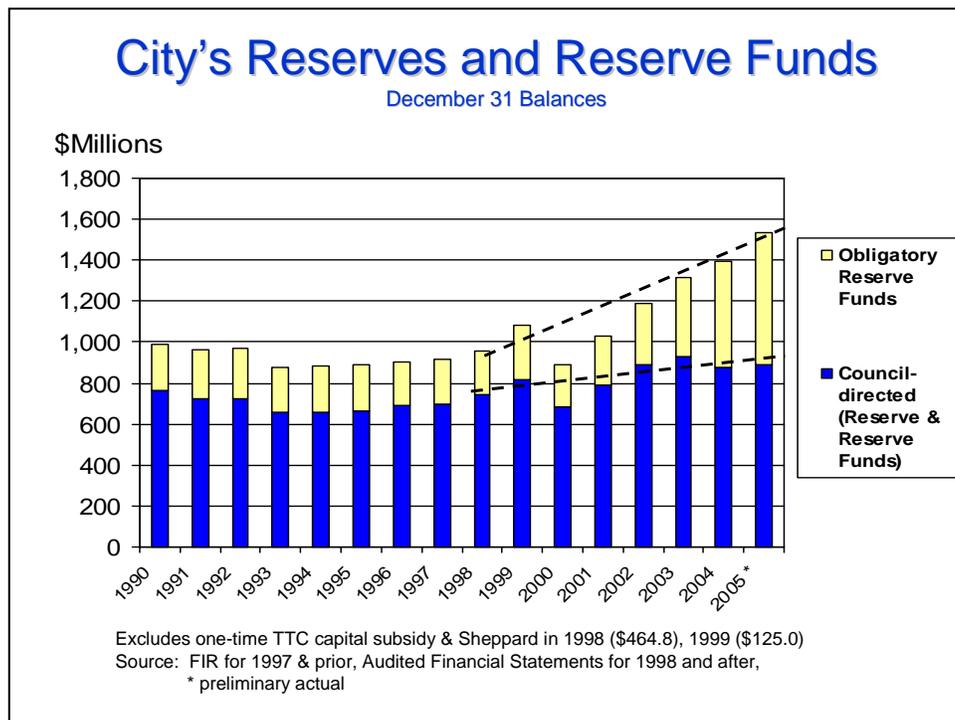
## Discretionary Reserve Funds

Discretionary reserve funds may be established whenever a municipal council wishes to earmark revenues to finance a future expenditure for which it has the authority to spend money, and physically set aside a certain portion of any year's revenue so that the funds are available as required in subsequent years. The Provincial guidelines suggest that "municipalities create new reserve funds or additional allocations to a reserve fund through the estimates process, defining the purpose for which the reserve fund is being created". The general *Municipal Act, 2001* (section 417) provisions regarding reserve funds allow for a number of different purposes such as future expenditures on land acquisition, buildings, capital projects, vehicle replacement, insurance, and employee benefits. The main difference between these funds and reserves is that interest is applied in the case of reserve funds, and forms part of the reserve fund.

When the funds in a discretionary reserve fund are no longer required because the purpose for which the funds were set aside is no longer part of the municipality's plans, the funds can be withdrawn from the account and returned to general revenues.

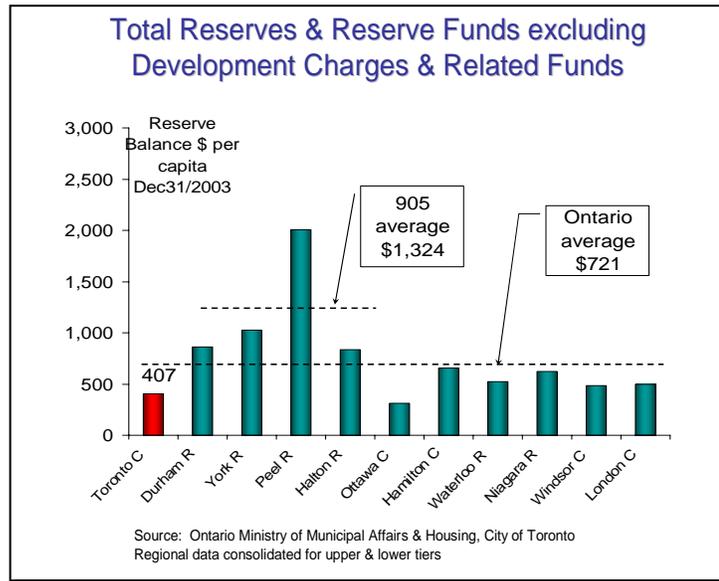
## History of Reserve Accounts in the City

The table below of the year-end reserve account balances since the 1990s indicates that since amalgamation the total of the reserves and discretionary reserve funds has been relatively stable and that the recent growth has mainly been in obligatory reserve funds.



## Consequences

The City's reserve accounts are under-funded for its outstanding liabilities, risks and capital requirements in the long run as identified in previous reports to Council. As well, the City's per capita reserves are low in comparison to the municipalities as noted in the chart below.



Since amalgamation, the major reserve/reserve funds have been reviewed on the basis of their adequacy vis-à-vis the liability, risk or capital object that they were intended to support. In virtually all areas of risk reviewed to date, the amount of funds held by the City has been deemed to be inadequate. The Long Term Fiscal Plan report considered by Council in 2005 outlined the significant shortfall as noted in the table below:

Selected Reserve /Reserve Fund	Reserve Inadequacy
<b>Capital</b> e.g. transit, roads, vehicle & equipment replacement, buildings & facilities	\$2.3 Billion +
<b>Operating</b> e.g. employee benefit, social assistance stabilization, social housing stabilization, insurance	\$2.1 Billion +
<b>Total reserve inadequacy</b>	<b>\$4.4 Billion +</b>

## Reserve Review

Any review of reserve accounts to determine whether a particular account is still serving its original purpose requires a judgement about the 'risk' that the original account was established to protect the City against in the first place. If the purpose is no longer useful for the financial planning for the City, then the remaining funds can be transferred to general revenues or some other revenue account and the account can be closed. It was previously determined in 2004 that

there were a number of legacy accounts from the former municipalities that were no longer required for the purposes set out.

The 2006 Operating Budget has presented the City with extraordinary financial pressures. Although there have been positive indications from the Provincial Government regarding new funding to address the City's fiscal imbalance, these are unlikely to be sufficient revenues to balance the 2006 Operating Budget. As a result, the Budget Advisory Committee has directed staff to review the uncommitted balances in the reserve accounts to determine where funds can be withdrawn without jeopardizing the City's financial position. This resultant review was based on the following principles:

- (1) funds remaining in inactive accounts should be spent in two years and therefore the funds identified in the above-noted 2004 report on reorganizing the reserve accounts should be closed, given that two years have elapsed;
- (2) funds remaining in accounts which are deemed to be no longer necessary should be spent;
- (3) funds available in accounts over and above those identified as necessary in the 2006 Operating Budget and as necessary for capital purposes for the years 2006-8 provided in the 2006 Capital Budget; and
- (4) funds that could be extracted from accounts where the withdrawal is deemed to be of minimal impact to the City's ability to counter a potential liability/risk in the next three years.

#### Previously Identified Accounts (Appendix A)

The two years that were suggested in the previous reserve consolidation report have elapsed. Originally, there were 19 discretionary (Council directed) reserve funds and 5 obligatory reserve funds on the list. Appendix A is a list of the remaining reserve funds which still have uncommitted funds. Given that two years have elapsed, it is recommended that the remaining uncommitted funds in these accounts be transferred to general revenues (other corporate revenues) and the reserve accounts be closed. The total amount of funds available from these reserves which would be transferred is \$741,100 from 18 accounts.

#### Additional Accounts Recommended for Closing (Appendix B)

Appendix B is a list of additional accounts whose purposes have been eclipsed in the new City and are thus available to be reallocated to other purposes. It is being recommended that the remaining uncommitted funds be transferred to general revenues (other corporate revenues) and the reserve accounts closed. The total amount of funding from the transfer and closing of these accounts is \$6,937,000 from 10 accounts.

#### Accounts with Reduced Risk (Appendix C)

Given the inadequacy of reserve funds corporately, any possible reductions must be analyzed by account to balance both short term and long term needs. To ensure that funds were not declared surplus from an account which had immediate requirements, the accounts in all the appendices are presented with (1) their projected January 1, 2006 opening balances, (2) an estimate of future commitments based on the City's 2006 net operating budget requirements and 2006 to 2008

capital requirements, (3) an estimate of the uncommitted balance based on the above information and (4) an estimate of the quantum of funds which could be withdrawn from an account.

Assuming that the sources of funds provided in Appendix A and B are inadequate to meet the 2006 Operating Budget funding gap, it is recommended that Council determine the amount of additional funding required to be declared surplus and withdrawn from the accounts in Appendix C. The accounts in Appendix C are listed in priority order per financial plans should Council decide that not all of the funds identified in Appendix C are required to fund the 2006 Operating Budget funding gap. The rationale for this order is in terms of the long term impact that a withdrawal of funds would have on the City’s financial position and the outstanding long term potential draws on the remaining funds. For instance, City Parking, Waste Management, Arbitration-Legal Awards and Scarborough Civic Centre Expansion have no budgeted commitments prior to 2009. The accounts at the end of the list including Social Housing Stabilization have significant long term requirements beyond 2008 and it would be best to preserve these reserve balances. The last reserve account is the Capital Financing Reserve which includes the transfer of 2005 surplus funds per Council policy and as outlined in the 2005 Operating Preliminary Variance report. The reserve draw of \$44 million is utilized to offset the 2006 budget increase in debt charges. The total amount of funding that can be considered from the transfer of these accounts in Appendix C is \$105,183.9 from 10 reserve accounts.

Funds from most of the reserves, should a portion of their funds be deemed surplus, can be transferred to general revenues. However, in the case of the Social Assistance Stabilization Reserve Fund and the Social Housing Stabilization Reserve Fund, the funding should be transferred to a revenue account within the 2006 Operating Budgets of the respective Programs – namely Social Services and Shelter Housing and Support should these accounts be used. Therefore, it is recommended that the Deputy City Manager and Chief Financial Officer be authorized to transfer the appropriate funds from the appropriate accounts and amend the 2006 Operating Budget accordingly based on the quantum of funds deemed by Council to be necessary to balance the 2006 Operating Budget based on the priority order of accounts in Appendix C.

Below is a summary of the recommended withdrawals from specific reserve and reserve funds should Council need to declare as surplus in the order of \$112.862 million to provide a funding source for the 2006 Operating Budget.

2006 RESERVE FUND WITHDRAWALS	
	\$000s
Appendix A – Previously Approved	741.1
Appendix B – Additional Deletions	6,937.0
Appendix C – To Be Reduced	105,183.9
<b>MAXIMUM TOTAL</b>	<b>112,862.0</b>

The recommended use of the funding from reserves and reserve funds in the 2006 Operating Budget is an extraordinary event which can only be justified on the basis that a new long term funding arrangement with the two other orders of government will be realized in 2006 and beyond.

Conclusions:

In order to provide funds to balance the 2006 Operating Budget, it is being recommended that (1) reserve accounts previously identified as unnecessary in 2004 have their uncommitted balances transferred to general revenue, (2) reserve accounts identified in this report as unnecessary have their uncommitted balances transferred to general revenue and (3) certain accounts have their uncommitted balances reduced in the short run and transferred to a variety of revenue accounts in the 2006 Operating Budget. The maximum amount recommended for withdrawal is \$112.862 million.

Use of funds in this manner is an extraordinary decision needed to avoid significant service reductions and/or significant increases in property taxes. Resolving the City's fiscal situation will require a strong and committed partnership between the City, the Provincial and Federal governments.

Contact:

Len Brittain, Director, Corporate Finance  
Tel: (416) 392-5380, Fax: (416) 397-4555  
E-mail: [lbrittai@toronto.ca](mailto:lbrittai@toronto.ca)

Cam Weldon, Treasurer  
Tel: (416) 392-8427, Fax: (416) 397-0834  
E-mail: [cweldon@toronto.ca](mailto:cweldon@toronto.ca)

Josie LaVita, Director, Financial Planning  
Tel: (416) 397-4229, Fax: (416) 397-4465  
E-mail: [jlavita@toronto.ca](mailto:jlavita@toronto.ca)

Joseph P. Pennachetti  
Deputy City Manager and Chief Financial Officer

Appendix A – Previously Identified Accounts to be Depleted and Closed  
Appendix B – Additional Accounts to be Depleted and Closed  
Appendix C - Accounts to be Reduced

## APPENDIX A

### PREVIOUSLY IDENTIFIED ACCOUNTS TO BE DEPLETED AND CLOSED

(\$ 000s)

ACCOUNT	PURPOSE	Opening Balance Jan. 1/06	Commitments 2006 - 2008	Uncommitted Balance	Est. To Apply To 2006	Capital or Operating	Comments
Infrastructure (XR3014)	Provides funding for the City's share of the Federal/Provincial/Municipal Infrastructure Program.	1,356.1	954.0	402.1	402.1	C	Obligatory Reserve Fund - No longer required
Regent Park Community Centre (XR1026)	Provides funding for a one-time grant to the Regent Park Community Centre.	206.1	0.0	206.1	206.1	O	Council approved in 2004 the spend out of funds by 2006
Rink Board Advertising (XR1036)	Provides funding through the use of advertising revenues from arena rink boards for use in upgrading North York arenas.	52.4	0.0	52.4	52.4	O	Council approved in 2004 the spend out of funds by 2006
Ski Equipment (XR1035)	Provides funding for the replacement of rental ski equipment at Earl Bales Park.	26.2	0.0	26.2	26.2	C	Council approved in 2004 the spend out of funds by 2006
East York Curling Parks Capital Maintenance (XR1018)	Provides funding for repair and expansion expenses of Leaside and East York Curling Parks.	51.5	37.0	14.5	14.5	C	Council approved in 2004 the spend out of funds by 2006
Tourism Event Development (XR1027)	Provides funding for special tourism events of exceptional merit or public interest.	8.8	0.0	8.8	8.8	O	Council approved in 2004 the spend out of funds by 2006
Awards Program (XR1201)	Provides funding for long-term service awards for employees.	6.1	0.0	6.1	6.1	O	Council approved in 2004 the spend out of funds by 2006
Davenport Road Community Centre (XR1040)	Provides funding for the operating costs of the Community Centre and for the salary and benefits of a Community Development Worker.	5.1	0.0	5.1	5.1	O	Council approved in 2004 the spend out of funds by 2006
Neighbourhood Watch Sign (XR1102)	Provides funding to erect Neighbourhood Watch Signs.	5.1	0.0	5.1	5.1	O	Council approved in 2004 the spend out of funds by 2006
Community Partnership (XR1203)	Provides funding to promote local events.	4.0	0.0	4.0	4.0	O	Council approved in 2004 the spend out of funds by 2006
Skydome Public Art (XR1049)	Provides funding for the acquisition of public art in and around Skydome.	3.5	0.0	3.5	3.5	C	Council approved in 2004 the spend out of funds by 2006
Palace Pier Park Development (XR1210)	Provides funding for the development of the Palace Pier Park site and adjacent public lands.	3.1	0.0	3.1	3.1	C	Council approved in 2004 the spend out of funds by 2006
Community Grants (XR1202)	Provides funding to promote local events.	1.9	0.0	1.9	1.9	C	Council approved in 2004 the spend out of funds by 2006
Keele/Weston Food Sector (XR1204)	Provides funding to promote local events in Keele/Weston area.	0.5	0.0	0.5	0.5	O	Council approved in 2004 the spend out of funds by 2006
Leaside Memorial Gardens Parking Lot Repair (XR1023)	Provides assistance with future funding requirements for parking lot repairs. It is funded by future reductions in Leaside Memorial Gardens debenture charges.	0.5	0.0	0.5	0.5	C	Council approved in 2004 the spend out of funds by 2006
Twinning Cities (XR1033)	Provides funding for the defrayment of periodic costs of Friendship and Twinning Agreements	0.5	0.0	0.5	0.5	O	Council approved in 2004 the spend out of funds by 2006
Municipal Code (XR1301)	Provides funding as contingency for additional expenditures resulting from mid-year changes to Municipal Code.	0.4	0.0	0.4	0.4	O	Council approved in 2004 the spend out of funds by 2006
Montgomery's Inn Building Maintenance (XR1209)	Provides funding for the regular facility maintenance and repairs for the Inn	0.3	0.0	0.3	0.3	O	Council approved in 2004 the spend out of funds by 2006
<b>SUB-TOTAL</b>					<b>741.1</b>		

## APPENDIX B

### ADDITIONAL ACCOUNTS TO BE DEPLETED AND CLOSED

(\$ 000s)

ACCOUNT	PURPOSE	Opening Balance Jan. 1/06	Commitments 2006 - 2008	Uncommitted Balance	Est. To Apply To 2006	Capital or Operating	Comments
Emergency Technology Acquisition (XR1502)	Provides funding for the internal leasing of technology acquisitions.	3,771.8	0.0	3,771.8	3,771.8	C	Used to fund emergency computer acquisitions pre TELS
Division # 43 City Capital (XR1710)	Provides funding for defraying the building costs for the reconstruction of Toronto Police Division # 43	1,290.0	0.0	1,290.0	1,290.0	C	Full funding already in 2005 capital budget; funding no longer required
Housing Property Title Normalization (XR1107)	Provides funding to mitigate a potential financial liability to the City arising from the need to analyze and rectify real estate title irregularities for properties transferred by the Province to MTHC under the SHRA.	733.4	0.0	733.4	733.4	O	
Contingency Appeals (XQ1500)	Provides funding to be used for refunds for POA appeals.	1,061.0	747.5	313.5	313.5	O	
Efficiency Incentive Fund (XR1712)	Provides fund to facilitate transition to optimal and sustained efficient delivery of City services by assisting programs with funds to cover start-up costs associated with implementation of efficiency initiatives.	308.0	0.0	308.0	308.0	O	
Capital Leverage Homeless Initiatives (XR1042)	Provides funding to support capital projects for homeless people.	295.4	0.0	295.4	295.4	O	
Building Maintenance (XR1014)	Provides funding for the rehabilitation and major repairs of buildings	116.4	0.0	116.4	116.4	C	
Telecommunications Development (XR1601)	Provides funding for initiatives that further develop the City's strategy with respect to telecommunications matters.	257.5	200.0	57.5	57.5	O	
Productivity Improvement (XR1009)	Provides funding for productivity improvement projects arising from corporate initiatives.	36.2	0.0	36.2	36.2	O	
Home Improvement (XR1303)	Provides funding for residential owners to cover principal payments of Home Improvement Loans.	166.2	151.4	14.8	14.8	O	
SUB-TOTAL					6,937.0		

## APPENDIX C

### ACCOUNTS TO BE REDUCED

(\$ 000s)

ACCOUNT	PURPOSE	Opening Balance Jan. 1/06	Commitments 2006 - 2008	Uncommitted Balance	Est. To Apply To 2006	Capital or Operating	Comments
Social Assistance Stabilization (XR1054)	Provides funding to stabilize social assistance costs resulting from changes in caseload.	57,277.5	31,975.4	25,302.1	25,302.1	O	Review and consider full utilization in 2006
Client ID & Benefits (XR1055)	Provides funding to cover the contracted costs incurred for the Client Identification and Benefits System until such time as the annualized savings resulting from the implementation of the Client Identification and Benefits System are fully realized.	4,511.6	2,500.0	2,011.6	2,011.6	O	Obligatory Reserve Fund - 2006 transfer for program review initiatives
City Parking (XR1015)	Provides for the accumulation of net proceeds from municipal parking operations. Monies are to be applied first, to principal and interest on debentures, second, to new facilities, third, to general purposes as determined by Council.	9,553.0	0.0	9,553.0	5,000.0	C	Obligatory Reserve Fund; to be utilized over 2006/7
Scarborough Civic Centre Expansion (XR1038)	Provides funding for various capital projects in the Scarborough Civic Centre Complex.	1,673.6	0.0	1,673.6	800.0	C	
Arbitration-Legal Awards (XR1709)	Provides funding for the costs of arbitration, awards and legal claims.	4,012.0	0.0	4,012.0	1,000.0	O	
Winter Control Stabilization (XR1405)	Provides funding for unbudgeted snow removal operating costs and to smooth the operating expenditures from year to year.	11,738.5	0.0	11,738.5	1,000.0	O	Need to protect from adverse weather risks such
Capital Revolving Fund-Affordable Housing (XR1058)	Provides funding to non-profit organizations including the Toronto Housing Company for capital costs for affordable housing. Monies are to be applied to proposal development funding for affordable housing projects, project development assistance, including forgivable loans/repayable loans, project financing (i.e., second mortgage loans) and other activities related to improving the quality/quantity of affordable housing supply in the City.	29,344.5	19,819.4	9,525.1	9,525.1	O	
Mayor's Homeless Initiatives (XR1104)	Provides funding for on-time capital support to projects which help homeless people move towards stable housing, in particular, hostel users, street homeless and high risk groups identified by the Mayor's Homelessness Action Task Force.	6,329.4	4,860.7	1,468.7	1,468.7	C	Social Housing Stabilization account has replaced need for this account
Social Housing Stabilization (XR1106)	Provides funding to mitigate the financial exposure associated with Social Housing Devolution, including the following purposes: 1. For stabilization of in-year variances as well as unanticipated year-to-year expenditure fluctuations, to help minimize or phase in their impacts on the property tax rate; 2. To supplement funds for capital repairs, in regard to urgent needs or phase-in toward higher funding levels; and 3. To fund other potential liabilities as they arise.	40,612.7	23,258.9	17,353.8	4,300.0	O	Required for long term capital liability of \$1 B; to be utilized over 2006-9
Capital Financing (XR1011)	Provides funding for capital expenditures.	104,494.0	24,582.0	79,912.0	54,776.4	C	To partially offset the 2006 debt service charge increase
SUB-TOTAL					105,183.9		