

Analyst Briefing Notes

Budget Committee Review (February 8, 2007)

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2006 Approved Capital Budget of \$9.334 million was 31% spent as at September 30, 2006. Actual expenditures by year-end are anticipated to be \$6.592 million, or 71% of the Approved Capital Budget, resulting in projected 2006 cash flow funding of \$2.787 million being carried forward into 2007. This projected under expenditure is due to delays in the OMB hearing on the new Official Plan, the need to address certain community concerns regarding the Don Mills Environmental Assessment Study and application workloads in the district offices resulting in delayed commencement of the 2006 Avenues Studies.
- The 2007 Recommended Capital Budget; 2008 to 2011 Plan and 2012 to 2016 Estimates total \$69.767 million of which \$40.284 million is projected for the Program's 5-Year Capital Plan, requiring debt funding of \$3.100 million in 2007, \$3.409 million in 2008, \$3.330 million in 2009, \$3.337 million in 2010 and \$2.710 million in 2010 for a total of \$15.886 million, or an average of \$3.177 million per year.
- The 5-Year Capital Plan which totals \$40.284 million gross with average annual spending of \$8.057 million funded from debt, other revenue and development charges, meets the debt affordability target. The 5-Year Capital Plan, including carry forward funding from 2006 into 2007, totals \$40.284 million with 2007 cash flows of \$10.042 million; \$8.815 million in 2008; \$8.292 million in 2009; \$8.304 million in 2010; and, \$4.831 million in 2011.
- The 2007 Recommended Capital Budget including previously approved commitments requires new 2007 cash flow of \$7.255 million gross with debt funding of \$3.100 million, other revenue of \$2.555 million and the balance of \$1.600 million funded by Development Charges. This cash flow combined with carry forward funding of \$2.787 million for 2006 projects brings the total 2007 Recommended Capital Budget to \$10.042 million gross. Excluding carry forward funding, the 2007 Recommended Capital Budget requires \$3.100 million in debt, bringing the City Planning Recommended Capital Budget in line with its 2007 debt guideline.
- 25.9% of the 2007 recommended new cash flow is allocated to Legislated projects at \$1.882 million; 41.4% is allocated to Civic Improvement projects at \$3.000 million and 32.7% to Growth projects at \$2.373 million. This 2007 Recommended Capital Budget will see the completion of six projects including the two OMB Legal Support sub-projects within the New Official Plan, three Development Charge-funded Studies and the completion of the Intensification & Tall Building Location Analysis. The 2007 Capital Budget will also see the start up of the Toronto Archaeological Resources Plan Phase II, Neighbourhood Beautification, and the continuation of seven on-going projects which include Routes, Places, New Official Plan, Avenue Studies, Growth Studies, Environmental Assessment Transit Studies and Natural Heritage Inventory Studies. Over the 5-Year period, many of these projects will contribute to the attainment of the Mayor's Mandate for a cleaner and more beautiful city. This is evident in the following sub-projects:

- The Neighbourhood Beautification Project will help make Toronto a “cleaner and more beautiful City” with the investment of \$11.560 million from 2007 – 2010 which will support projects that will make Toronto’s neighbourhoods in all wards even more clean and beautiful.
- Funding for the Civic Improvement Program which includes Routes, Places and Special Places/Gateways projects has been expanded to \$3.000 million per year, totalling \$15.000 million over City Planning’s 5-Year Capital Plan timeframe. With special treatment for important streets and places, these projects will improve the look and feel of the public realm.
- The 2007 Recommended Capital Budget will not impact the Program’s Operating Budget in 2007 and future years. However, previously approved and new Civic Improvement capital projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees streetscape enhancements and beautification with incremental impacts of \$0.065 million in 2007 and will be considered within the overall scope of the Parks, Forestry, and Recreation 2007 and future years’ operating budget submissions.
- No backlog of State of Good Repair work exists for City Planning. The asset inventory is budgeted for and maintained by Facilities and Real Estate.

Recommendations

The City Manager and Chief Financial Officer recommend that;

1. the 2007 Recommended Capital Budget for City Planning with a total project cost of \$4.452 million and a 2007 cash flow of \$10.042 million and future year commitments of \$1.147 million be approved. The 2007 Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 6 new sub-projects with a 2007 total project cost of \$4.452 million that requires total cash flow of \$4.452 million in 2007;
 - ii) 5 previously approved sub-projects with a 2007 cash flow of \$2.498 million and a future year commitment of \$1.147 million in 2008;
 - iii) 4 sub-projects from previously approved projects with carry forward funding from 2005 and prior years requiring 2007 cash flow of \$0.305 million and no future year commitments, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - b) 2007 approved cash flow for 11 previously approved sub-projects with carry forward funding from 2006 into 2007 totalling \$2.787 million;
2. new debt service costs of \$0.093 million in 2007 and incremental costs of \$0.371 million in 2008 and \$0.111 million in 2009 resulting from the approval of the 2007 Recommended Capital Budget, be approved for inclusion in the 2007 and future year operating budgets;
3. operating impacts in the Parks, Forestry, and Recreation Operating Budget of \$0.065 million for 2007 for streetscape enhancement and tree maintenance emanating from the approval of the 2007 Capital Budget for City Planning be considered within the overall scope of the Parks, Forestry, and Recreation 2007 and future years' operating budget submissions;
4. the 2008-2011 Capital Plan for City Planning totalling \$30.242 million in project commitments and estimates, comprised of \$8.815 million in 2008, \$8.292 million in 2009, \$8.304 million in 2010 and \$4.831 million in 2011, be approved.;
5. where funding is required from a development charge reserve fund, project spending be limited to available funds; and
6. City Planning report back to the Budget Committee prior to the approval of the 2007 Capital Budget with a revised Civic Improvement plan which includes Routes, Places and Special Places/Gateway projects that will incorporate the expansion of the program to \$3.000 million for 2007;

2006 Capital Variance Review

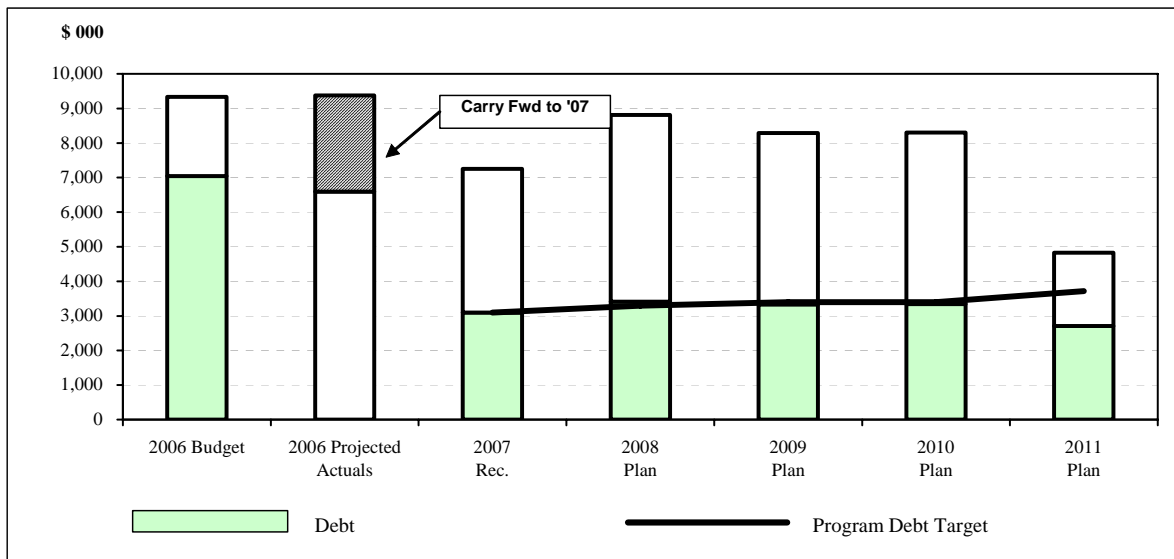
2006 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2006 Approved	Actuals as of Sept 30 (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
9,334	2,891	31	6,592	71	2,743

Comments / Issues:

- As of September 30, 2006, City Planning spent approximately \$2.891 million or 31% of its 2006 approved cash flow budget of \$9.334 million. The Don Mills Environmental Assessment process was delayed in order to address issues raised in the community and the Avenues Studies project was delayed due to workload demands in the district offices. Also, delays in OMB hearing dates which are uncontrollable to City Planning accounted for \$0.867 million of all unspent funds at the end of the 3rd quarter. If OMB related spending is omitted, the controllable spending rate as of September 30, 2006 would have been 34%.
- City Planning's projected year-end spending rate for 2006 approved projects is 71% in its September 30, 2006 Variance Report which represents an improvement over the 42% achieved in 2005. As was the case in the 3rd quarter, delays in OMB hearing dates which are uncontrollable to City Planning are projected to account for \$0.415 million of all unspent funds at the year-end. If omitting OMB related spending, the projected year-end controllable spending rate would be 74%.
- Carry forward funding included in the 2007 Recommended Capital Budget is \$2.787 million and is slightly higher than the projected actuals identified in the 3rd quarter variance report. The 2007 Recommended Capital Budget does not reflect any subsequent changes to funding being carried forward from 2006 to 2007 based on the unspent cash-flow balance projected as at September 30th, 2006. Adjustments to carry forward funding will be reported through to Budget Committee during its review of the 2007 Recommended Capital Budget.
 - \$0.535 million in funding carried forward from 2006 to 2007 for The New Official Plan results from legislative delays in OMB hearing dates.
 - \$0.574 million in funding carried forward from 2006 to 2007 for the continued development of New Zoning By-Law project is a result of challenges in hiring staff for the project and delays in the Parking and Loading Study.
 - \$0.851 million in funding carried forward from 2006 to 2007 for Development Charge-funded Studies which include the Don Mills Environmental Assessment Study and the 2006 Avenue Studies sub-projects are the result of delays arising from resident concerns and workload constraints respectively.

- \$0.192 million in funding carried forward from 2006 to 2007 for the Places 2006 project results from tendering delays and \$0.006 million is carried forward for the Toronto Archaeological Resources Plan.
- \$0.619 million in funding carried forward from 2006 to 2007 for the Routes 2006 project results from timing issues that will not allow trees to be planted until 2007.
- Civic Improvement projects that require co-ordination with the Transportation Services Division in spending are projected to have a year-end spending rate of 85%. A significant improvement from previous years has been realized due to Council's approval to authorize City Planning to reallocate projects within their envelope which allowed for flexibility between the City Planning and Transportation Services' work plans. To further improve the spending rate in 2007 and future years City Planning will be more aggressive in collaborating and planning with Transportation to help establish better estimates of project commencement and completion dates.

5-Year Capital Plan (2007-2011)



			5-Year Plan					
	2006		2007 Rec.	2008	2009	2010	2011	2007-2011
	Budget	Projected Actual						
Gross Expenditures:								
Capital Budget & Future Year Commitments	9,334	6,592	7,255	1,147				8,402
New Plan Estimates				7,668	8,292	8,304	4,831	29,095
1-Year Carry Forward to 2007		2,787						
Total Gross Annual Expenditures & Plan	9,334	9,379	7,255	8,815	8,292	8,304	4,831	37,497
Program Debt Target			3,100	3,300	3,400	3,400	3,720	16,920
Financing:								
Recommended Debt	7,045		3,100	3,409	3,330	3,337	2,710	15,886
Other Financing Sources:								
Reserves/Reserve Funds								0
Development Charges	2,289		1,600	1,504	1,442	1,447	2,121	8,114
Federal								0
Provincial								0
Other Revenue			2,555	3,902	3,520	3,520		13,497
Total Financing	9,334		7,255	8,815	8,292	8,304	4,831	37,497
By Category:								
Health & Safety								
Legislative	3,544		1,882	1,398	853	854	805	5,792
SOG								0
Service Improvement								0
Growth Related	5,790		5,373	7,417	7,439	7,450	4,026	31,705
Total By Category	9,334		7,255	8,815	8,292	8,304	4,831	37,497
Yearly SOGR Backlog Estimate (not addressed by current plan)			0					
Accumulated Backlog Estimate (end of year)			0					
Operating Impact on Program Costs**			0					
Debt Service Costs			93	443	475	466	448	1,925

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

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

5-Year Capital Plan Overview

- The 2007-2016 Capital Program, not including carry forward funding, totals \$66.980 million gross and \$35.153 million net of which \$37.497 million gross and \$15.886 million net is projected for the Program's 5-Year Capital Plan, with 2007 cash flow of \$7.255 million gross and \$3.100 million net, \$8.815 million gross and \$3.409 million net in 2008, \$8.292 million gross and \$3.330 million net in 2009, \$8.304 million gross and \$3.337 million net in 2010, \$4.831 million gross and \$2.710 million net in 2011, with forecasted estimates of \$29.483 million gross and \$19.267 million net in years 2012-2016.
- The strategic direction reflected in the 5-Year Capital Plan focuses on making progress in improving public spaces and making Toronto a Clean and Beautiful City, while addressing legislated requirements and growth related studies and projects. All capital needs are addressed with this plan.
- The 5-Year Capital Plan consists of six major capital initiatives: Civic Improvements, The New Official Plan, The New Zoning-By-Law, Natural Heritage Studies, Toronto Archaeological Studies, and other Growth-Related Studies.
- The 5-Year Capital Plan reflects a decrease in legislated projects and an increase in growth related projects as the Plan moves forward from 2007 to 2011. This is driven by the anticipated completion of the New Zoning By-Law project in 2008 with costs in 2009 and 2010 budgeted for support for legal challenges after completion of the By-Law, and Official Plan completion in 2007 with costs in 2011 projected for a Five Year Review.
- There is a recommended change to previously approved commitments that was approved in December 2005 of \$0.305 million gross. This represents funding carried forward from 2005 for Development Charge-funded Studies. This project is planned to be funded in 2007 through development charges of \$0.131 million and debt of \$0.174 million and is required for the York University Secondary Plan; City-wide Beautification; Environmental Assessment; Transportation Strategies; and the Yonge-Dundas Redevelopment.
- In its Five-Year Capital Plan, City Planning has maximized Development Charge funding in accordance with the By-Law which has enabled it to reduce the amount of debt required. Of possible issue is the current balance of uncommitted funding available in Development Charge Reserve Fund (Dev. Studies): this reserve fund is primarily used by City Planning and current projections as to future revenue streams are insufficient to sustain the total current Capital Plan. City Planning will not draw on this account beyond the available funds.
- City Planning's 5-Year Capital Plan ensures the attainment of many of the objectives in the Mayor's Mandate, specifically a cleaner and more beautiful city, a greener city and a creative city. This is evident in the following sub-projects:
 - The Neighbourhood Beautification Project will help make Toronto a "cleaner and more beautiful City" with the investment of \$11.560 million from 2007 – 2010 which will support projects that will make Toronto's neighbourhoods in all wards even more clean and beautiful.
 - Funding for the Civic Improvement Program which includes Routes, Places and Special Places/Gateway projects has been expanded to \$3.000 million per year, totalling \$15.000

million over City Planning's 5-Year Capital Plan. This will ensure special treatment for important streets and places which will improve the look and feel of the public realm.

- The expansion of the Civic Improvement Program and the creation of the Neighbourhood Beautification Project will also help contribute to the Mayor's Mandate for a "Greener City" and a "Creative City". The addition of trees in neighbourhoods and designated places will help to achieve a Greener City. As well, improving the public realm around Toronto's major cultural institutions will support initiatives for a Creative City.

Multi Year Debt Affordability Target

The 2007-2011 Capital Plan has met the Council approved debt affordability targets for each of the five years. This was achieved by deferring projects into future years and maximizing available funding sources.

The 2007-2011 Capital Plan includes changes to future year cash flow commitments previously approved by Council, due to the need to carry forward funding for incomplete Development Charge-funded Studies approved in 2005. In accordance with the City Carry Forward Policy, projects not completed within 2 years of approval are considered new debt and form part of the Program's new debt requirements. There is no change to the overall project cost for these projects and the changes have been accommodated within the approved debt targets established for this Program.

Capacity

City Planning's projected spending of \$6.592 million is 70.6% of the 2006 Approved Budget. The total under-expenditure of \$2.743 million is an improvement from normal limits based on historical Program performance. As compared to the 2003 spending rate of 55.5%, the 2004 spending rate of 59.5% and a decreased rate of spending of 42.3% realized in 2005, 2006 at 70.6% is projected as a significant improvement to past spending levels. This increase can be attributed to Civic Improvement Projects which are projected to be 85.0% spent for 2006. Council's approval to authorize City Planning to reallocate Civic Improvement projects within their envelope allowed for flexibility and better co-ordination between the City Planning and Transportation Services' work plans. Given that Civic Improvement projects combined with the Neighbourhood Beautifications project account for 70.8% of City Planning's 5-Year Capital Plan, the continued flexibility and co-operation with Transportation Services will give City Planning the capacity to realize its 5-Year Capital Plan.

State of Project Readiness

City Planning has submitted a total cash flow plan for 2007 of \$10.042 million which includes 28% carry forward of unspent funding from 2006. This is an improvement from historical spending patterns. The need for funds carried forward from 2006 are the result of delays in the OMB hearing on the new Official Plan, the need to address certain community concerns regarding the Don Mills Environmental Assessment Study and application workloads in the district offices resulting in delayed commencement of the 2006 Avenues Studies. The state of readiness to proceed is dependant on various external factors such as interaction with external stakeholders and other orders of government. Assumptions in terms of time lines and uncontrollable factors are reasonably based on past experiences and the 5-Year

Capital Plan is aligned with the optimal balance of capital requirements and City Planning's readiness to proceed with planned projects.

The 5-Year Plan includes projects that are ready to proceed that are of a legislated nature and growth projects that are aligned to achieving and supporting the City's strategic direction, priorities and Mayor's Mandate while maximizing non-debt funding sources such as utilizing Development Charge funding for future years' development studies and civic improvement initiatives.

Recommended Changes to the 5-Year Plan

City Council considered the 5-Year Plan (2006-2010) at its meeting of July 25, 26 and 27, 2006 and endorsed the Plan in principle.

Highlights of the changes between the July 5-Year Capital Plan and the 2007 Recommended 5-Year Plan are summarized below:

- In order to absorb the carry forward funding of \$0.305 million that now form part of City Planning's 2007 new debt targets for the 2005 approved City-wide beautification; York University; Yonge-Dundas Redevelopment; and Transportation Strategy projects funding has been reallocated from planned Avenue Studies and the New Zoning By-Law for 2007.
- In order to attain a cash flow which would meet the established debt targets for the period 2006-2010, an adjustment to future year planned projects in the amount of \$1.948 million gross and \$3.629 million debt/internal source was applied. The future planned cash flows for Routes and Places projects were rationalized and reallocated by year. The 2011 planned cash flows for the New Official Plan 5 Year Review and the Special Places project were deferred to the period 2012-2016.
- Funding for the Civic Improvement Program which include projects for City Routes, Places and Special Places/Gateways has been expanded to \$3.000 million per year, totalling \$15.000 million over City Planning's 5-Year Capital Plan. As well, there has been the addition of the Neighbourhood Beautification Project with an investment of \$11.560 million from 2007 – 2010 to provide funding to meet the Mayor's Mandate.

State of Good Repair Backlog and Unmet Needs

Backlog of projects typically represents work deferred from past years as well as items requested for 2007 to 2011, which cannot be accommodated in the budget given the established targets. If any activities requested for 2007-2011 are deferred, more backlog would then be created

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

Operating Impact of the 5-Year Capital Plan

The operating budget impact of previously approved and new Civic Improvement capital projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification with incremental impacts of \$0.065 million in 2007 and will be considered within the overall scope of the Parks, Forestry, and Recreation 2007 and future years' operating budget submissions. Future year impacts will be established once the mix of Civic Improvement projects is determined.

Pre-approvals

City Council approved the report from the Deputy City Manager and Chief Financial Officer, entitled 'Pre-Approval of 2007 Capital Projects Commitment and Spending' at its meetings of December 5 & 6, 2006.

The recommended pre-approval cash flow for City Planning is \$3.163 million for the first quarter. On a gross basis, pre-approval of spending represents 31.5% of the 2007 Recommended Capital Budget.

Funding from debt will account for \$2.103 million of the required funding for City Planning's Pre-Approvals, with the remaining \$1.060 million funded from development charges.

Of these amounts, \$2.983 million gross and \$1.956 million debt represents funding for thirteen projects carried forward from 2006 to 2007 to complete work already underway. Of this amount, \$1.027 million was required for the Development Charge-funded Studies project which includes Environmental Assessments for Transportation Strategies.

New commitments requiring partial funding in the first quarter totalling \$0.130 million will fund two projects: Natural Heritage Inventory Studies and the Toronto Archaeological Resources Plan. These projects are funded through debt. The Natural Heritage Inventory Studies will assess natural heritage features and functions which are seasonal. Funds are required for the first quarter for this project for payments to consultants.

Recommended pre-approval of previously approved projects requiring partial funding in the first quarter was necessary for the Intensification & Tall Building Location Analysis project. This project examines the spatial relationships and impacts of tall buildings and will provide planning guidance on their recommended location within the Downtown and Central Waterfront. This project required a commitment of \$0.300 million and actual spending of \$0.050 million for the first quarter. 66% of this project is funded through development charges with the balance funded through debt. 2007 represents the second year of the project.

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

	2005 & Prior Year Carry Forward	2007 Previously Approved Cash Flow Commitments	2007 New Cash Flow Recommended	2007 Total Cash Flow Recommended	2007 Debt Target	2006 Carry Forward	Total 2007 Cash Flow (Incl 2006 C/Fwd)	2008	2009	2010	2011	2012-2016	Total Cost
Expenditures													
Previously Approved	305	2,498		2,803		2,787	5,590	1,147					6,737
Change in Scope													0
New			4,452	4,452			4,452						4,452
New w/Future Year													0
Total Expenditure	305	2,498	4,452	7,255		2,787	10,042	1,147	0	0	0	0	11,189
Financing													
Debt	174	1,643	1,283	3,100	3,100	1,938	5,038	1,009					6,047
Subsidy (SCPI)													0
Prov. Subsidy/Grant													0
Development Charges	131	855	614	1,600		849	2,449	138					2,587
Other			2,555	2,555									0
Federal Grants													0
Reserves/Res Funds													0
Total Financing	305	2,498	4,452	7,255		2,787	10,042	1,147	0	0	0	0	11,189

Comments / Issues:

- Approval of the 2007 Recommended Capital Budget of \$10.042 million in 2007 will result in a future year commitment of \$1.147 million in 2008 which will encumber the following year's spending. To fund 2007 recommended cash flow, City Planning will require new debt of \$3.100 million in 2007 and \$1.009 million in 2008. New funding of \$1.600 million in 2007 and \$0.138 million in 2008 will be funded from Development Charges, while \$2.555 million in 2007 will be funded from other revenue.
- The 2007 recommended cash flow will complete two OMB Legal Support sub-projects within the New Official Plan, three Development Charge Funded Studies and the Intensification & Tall Building Location Analysis. 2007 recommended funding will also start up the Toronto Archaeological Resources Plan Phase II, Neighbourhood Beautification and the continuation of seven on going projects which include Routes, Places, New Official Plan, Avenue Studies, Growth Studies, Environmental Assessment Transit Studies and Natural Heritage Inventory Studies. The 2008 commitment of \$1.147 million will complete the New Zoning By-Law project.

2007 Recommended Capital Budget

2007 Recommended Capital Budget versus Debt Target

The 2007 Recommended Capital Budget of \$7.255 million gross and \$3.100 million debt meets the debt target established for this Program. The Program will be focusing on legislated requirements, growth related studies as well as Civic Improvement projects in keeping with the Mayor's Mandate ensuring public space beautification, improving the public realm and architectural excellence.

Capacity /Project Readiness

Again, Council's approval to authorize City Planning to reallocate Civic Improvement projects within their envelope allowed for flexibility and better co-ordination between the City Planning and Transportation Services' work plans. Civic Improvement projects coupled with the Neighbourhood Beautification project account for 48% of City Planning's 2007 Recommended Capital Budget, the continued flexibility and co-operation with Transportation Services will significantly improve City Planning's ability to proceed with planned projects.

While the new policy for Civic Improvement projects will continue to improve spending, delays historically experienced in OMB hearing dates for New Official Plan projects and staffing challenges seen in New Zoning By-Law projects will continue to challenge City Planning's readiness to proceed and ability to spend. This being said, assumptions in terms of time lines and uncontrollable factors have been reasonably based on past experiences.

Operating Budget Impact

Incremental Operating Impact Summary

Program Incremental Operating Costs

The 2007 Recommended Capital Budget will not impact the Program's Operating Budget in 2007 or future years. However it is expected that Civic Improvement projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification, with an incremental impact of \$0.065 million in 2007. Future year impacts will be established once the mix of Civic Improvement projects is determined. This will be considered within the overall scope of the Parks, Forestry, and Recreation 2007 and future years' operating budget submissions.

PART II: ISSUES FOR DISCUSSION**2007 Capital Budget Issues****Expanded Civic Improvement Program**

In support of the Mayor's Mandate, funding for the Civic Improvement Program which include projects for City Routes, Places and Special Places/Gateways has been expanded to \$3.000 million per year, totalling \$15.000 million over City Planning's 5-Year Capital Plan. With this increased funding and City Planning's work plan flexibility, additional 2007 projects have been identified in the event that there is a need to reallocate Civic Improvement projects within City Planning's envelope.

5-Year Capital Plan Issues**Development Charge Funding for Capital Projects**

The 5-Year Capital Plan for City Planning is utilizing development charge funding for the Development Charge Funded Studies in the amount of \$3.739 million. This funding is for growth-related study projects including Avenue and Growth Studies, Environmental Assessments and Beautification projects. The 5-Year Plan also incorporates \$5.224 million for other projects such as the New Zoning By-Law; the New Official Plan review scheduled for 2011; the Intensification & Tall Building Study; and for Routes & Places.

\$7.803 million over the 5-Year Capital Plan is to be financed from the Development Studies Development Charges Reserve Fund. The amount planned for in 2007 is \$2.205 million of which \$1.425 million is accounted for within the Development Studies Development Charges Reserve Fund's commitments. The current uncommitted balance in this reserve fund is over-planned by \$0.400 million as of September 30th, 2006. The projected December 31, 2006 uncommitted balance is (\$0.286 million) and projected contributions during 2007 is \$0.519 million. Assuming a 100% spending rate in 2007, this reserve fund will be over-committed by \$0.547 million. While this funding source has been applied in accordance with the By-Law, there are no funds to sustain the 5-Year plan for these subprojects. Consequently, the potential use of the Urban Development Reserve Fund, commitments and contribution assumptions will need to be reviewed with the Financial Planning Division and spending will be limited to available funding.

Neighbourhood Beautification

An interdivisional team overseeing the Neighbourhood Beautification project will by reviewing planned capital and are to identify opportunities to progress a neighbourhood beautification initiative. They will be reporting back with a Capital Plan.

Appendix 4

Reserve / Reserve Fund Review

(\$000s)

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Uncommitted balance as of September 30, 2006	Proposed Withdrawals				
			2007	2008	2009	2010	2011
XR2010 DC Reserve Fund (North York)	Avenue Studies	\$3,034	\$70	\$110	\$113	\$113	\$123
"	York University Secondary Plan Review		\$105				
XR2011 DC Reserve Fund (York)	Avenue Studies	\$674	\$70	\$110	\$113	\$113	\$123
XR2030 DC Reserve Fund (Dev. Studies)	Design for City-wide Beautification	(\$400)	\$100				
"	Environmental Assess. Transit Strategies		\$532	\$174	\$179	\$183	\$225
"	Environmental Assess. Transport Strategies		\$385				
"	Growth Studies		\$138	\$162	\$165	\$167	\$169
"	Intensification & Tall Building Analysis		\$199				
"	New Official Plan - 5 Year Review						\$400
"	New Zoning By-Law		\$371	\$138			
"	Places		\$176	\$204	\$237	\$236	\$303
"	Routes		\$304	\$607	\$635	\$635	\$779
Total Reserve / Reserve Fund		\$3,308	\$2,450	\$1,505	\$1,442	\$1,447	\$2,122

Notes: 1. XR2010, XR2011 and XR2030 are shared by other programs.

2. 2007 includes carry forward funding for Development Charge Studies in the amount of \$0.696 million and the New Zoning By-Law in the amount of \$0.153 million.

3. The uncommitted balance as of September 30, 2006 is net of any transfers to capital to date, the proposed withdrawals represent the total planned withdrawals to 2011.

4. \$7.803 million over the five year plan is sourced from Cost Center XR2030 DC Reserve Fund (Development Studies). The amount planned for 2007 is \$2.205 million. The current uncommitted balance in XR2030 is over-planned by \$0.400 million as of September 30th. Commitments will need to be reviewed and spending will be limited to available funding.

5. The potential use of the Urban Development Reserve Fund is currently being reviewed.

Appendices 1-3 not available online.