

Analyst Briefing Notes

Budget Committee

November 3, 2009

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October 22, 2008

PART I: CAPITAL PROGRAM**Executive Summary**

- The 10-Year Recommended Capital Plan will address safety concerns in flood prone areas and where land loss is occurring along river valleys and shorelines as result of erosion; continue waterfront regeneration efforts through parkland and habitat creation along the Lake Ontario waterfront (with associated water quality monitoring); continue environmental rehabilitation through the Toronto Remedial Action Plan for the Great Lakes water quality; and provide for infrastructure repairs and maintenance to ensure historical preservation of cultural assets such as Black Creek Pioneer Village and other public facilities.
- The following summarizes the allocation of recommended funding by project type:
 - Waterfront Development: The 2010-2019 Recommended Capital Plan includes cash flow of \$13.886 million for the project. This project funding provides for land creation and site preparation at several waterfront sites. It also includes monitoring and maintenance of the substantial lake fill land created over the last 30 years.
 - Waterfront & Valley Erosion Control: The 2010-2019 Recommended Capital Plan provides cash flow funding of \$15.580 million for this project. This project combines valley and shoreline erosion protection initiatives at a number of sites within Toronto including the Lake Ontario shoreline.
 - Toronto Remedial Action Plan: The 2010-2019 Recommended Capital Plan includes cash flow of \$26.423 million to provide for the monitoring and re-naturalization of watercourses, water quality and habitat improvements at sites in Don, Rouge, Highland, Etobicoke-Mimico and Humber watersheds, as well as along the waterfront.
 - The Infrastructure Repairs and Maintenance project preserves cultural assets such as Black Creek Pioneer Village and other public facilities: The 2010-2019 Recommended Capital Plan provide cash flow funding of \$10.288 million for this project.
- The 2009 Approved Capital Budget of \$6.268 million was 75% or \$4.701 million spent, as at September 30, 2009. Actual expenditures by year-end are anticipated to be \$6.268 million or 100% of the 2009 Approved Budget, which is the same spending rate achieved in 2008.
- The 10-Year Recommended Capital Plan totals \$69.776 million, of which \$6.505 is projected for 2010, \$33.640 million is projected for the first 5 years and \$36.136 million is projected for the last 5 years. The 10-Year Recommended Capital Plan requires \$29.951 million or 43% in debt and funding from Toronto Water of \$39.825 million or 57%.
 - The 10-Year Recommended Capital Budget Plan requires \$2.951 million in debt in 2010 and \$3.000 annually for 2010-2019. The Toronto Water contribution was set at \$3.554 million for 2010 and increases by 2.5% annually over the 10 years.

- The TRCA 10-Year Recommended Capital Plan remains unchanged from that approved last year. There are no changes to the 2010-2018 gross annual expenditures, debt and Toronto Water funding requirement.
 - In accordance with established practice, TRCA typically absorbs the operating costs, arising from new assets and improvements in its 10-Year Capital Plan. However, in cases where TRCA hands over a completed project to a City Program or Agency to manage ongoing operations, that Program or Agency budget incurs the operating costs. For example, upon completion of TRCA's capital work on ravine parkland, TRCA hands over the operation of the park to the City's Park, Forestry and Recreation Division. This transfer impacts the operating budget of Parks, Forestry and Recreation Division.
 - TRCA estimates that its State of Good Repair backlog will be approximately \$148.860 million by the end of 2009. The 10-Year Recommended Capital Plan projects the backlog to decline gradually over the next 10 years to \$120.754 million at the end of 2019. Total asset value is not available as TRCA has many historical buildings which cannot be evaluated at market value/replacement cost because of its historical significance which, if destroyed, cannot be rebuild.
 - TRCA's capital projects in the 10 -Year Capital Plan are ready to proceed. TRCA has completed feasibility or needs assessments and engineering estimates and formulated solid costing for its projects, the majority of which are ongoing or phased projects which have been in existence for a number of years.
 - The 10-Year Recommended Capital Plan provides funding that indirectly support the City's strategic priorities such as Make Progress on the Waterfront. Through the Waterfront Toronto capital program, TRCA is involved in the waterfront parks at Port Union and Mimico; the Tommy Thompson Master Plan; and the West Donlands Precinct Plan (flood protection land form – Don Park) over the next 10 years.
- The 2010 Recommended Capital Budget is \$6.505 million, financed by debt of \$2.951 million and a Toronto Water contribution of \$3.554 million, requiring no future-year commitments to cash flow funding.
 - The 2010 Recommended Capital Budget meets the Program's \$2.951 million debt target and allocates \$6.074 million (93%) to State of Good Repair work. The remaining \$0.431 million (7%) is allocated toward service enhancements in waterfront development.
 - TRCA sees increased needs in the 2010-2019 Capital Plan resulting from the growing backlog of state of good repair issues and long term capital needs. TRCA has identified projects (Erosion Major Maintenance, Waterfront Major Maintenance and Scarborough Shoreline Protection, Flood Protection Works and Major Facilities Retrofit) which are not included in the 10-Year Recommended Capital Plan due to funding limitations, but are becoming increasingly critical over time. Funding will be requested as part of future year capital budget processes.

- The 2010 Recommended Capital Budget of \$6.505 million provides funding to:
 - continue addressing safety concerns in flood prone areas and where land loss is occurring along river valleys and shorelines as result of erosion (\$1.480 million);
 - continue waterfront regeneration efforts through parkland and habitat creation along the Lake Ontario waterfront (with associated water quality monitoring) (\$1.454 million);
 - continue environmental rehabilitation through the Toronto Remedial Action Plan at the Don, Rouge, Highland, Etobicoke-Mimico, Humber watersheds, as well as along the waterfront (\$2.011 million);
 - continue infrastructure repairs and maintenance of the historical buildings at the Black Creek Pioneer Village and other facilities used by the public (\$1.216 million).

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2010 Recommended Capital Budget for Toronto and Region Conservation Authority with a total project cost and 2010 cash flow of \$6.505 million;
2. Council approve new debt service costs of \$0.074 million in 2010 and incremental debt costs of \$0.310 million in 2011, resulting from the approval of the 2010 Recommended Capital Budget, to be included in the 2010 and future year operating budgets; and,
3. Council approve the 2011-2019 Recommended Capital Plan for Toronto and Region Conservation Authority totalling \$63.271 million in project estimates, comprised of \$6.645 million in 2011, \$6.735 million in 2012, \$6.830 million in 2013, \$6.925 million in 2014, \$7.021 million in 2015, \$7.122 million in 2016, \$7.225 million in 2017, \$7.330 million in 2018, and \$7.438 million in 2019.

PART I: CAPITAL PROGRAM

2009 Capital Variance Review

2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2009 Approved	Actuals as of September 30th (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
6,268	4,701	75.0%	6,268	100.0%	0

At September 30, 2009, Toronto and Region Conservation Authority (TRCA) spent \$4.701 million or 75.0% of its 2009 Approved Budget of \$6.268 million from the City of Toronto. The Program anticipates that 100% of its 2009 Approved Budget will be spent by year-end; which reflects the same spending rate as achieved in 2008.

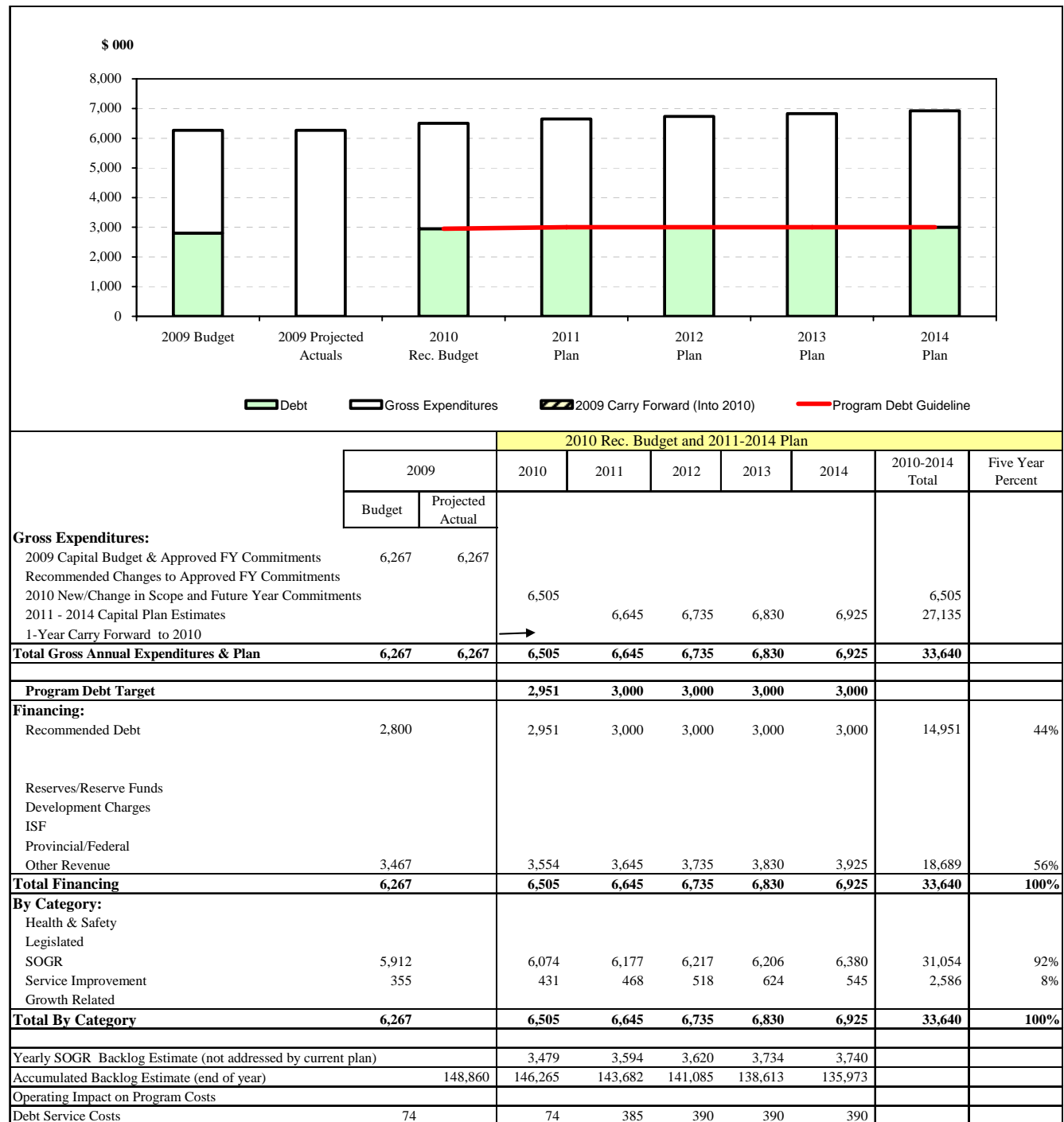
State of Good Repair projects represent 94.3% or \$5.913 million of its 2009 Approved Capital Budget. At the end of the third quarter 75.0% of the approved funding for SOGR projects was spent. TRCA projects a spending rate of 100% for this category; which is the same spending rate achieved in 2008. The key State of Good Repair projects include:

- Waterfront and valley erosion control
- Waterfront development
- Toronto remedial action plan
- Infrastructure repairs and maintenance.

TRCA is a separate agency and is not part of any City bargaining unit. Therefore the 2009 summer labour disruption would not impact TRCA's ability to deliver its 2010 Recommended Budget and 2011-2019 Recommended Capital Plan.

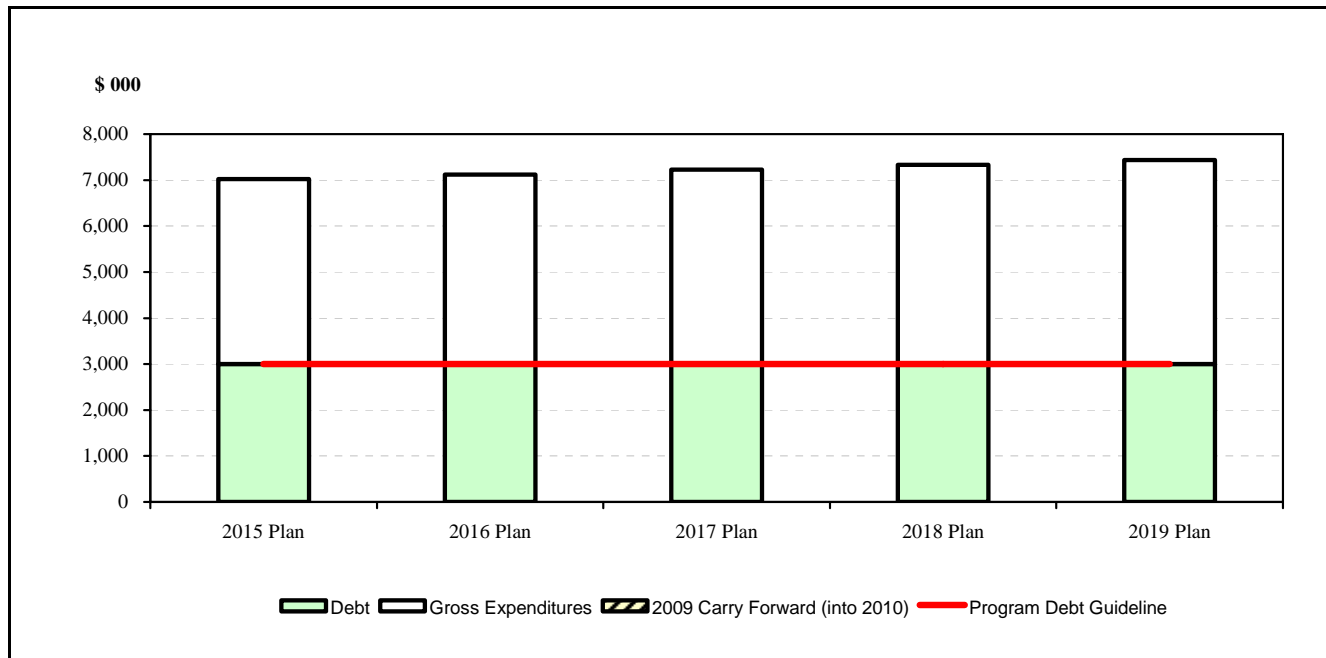
10-Year Capital Plan

2010 Recommended Capital Budget, 2011-2014 Recommended Capital Plan



10-Year Capital Plan

2015-2019 Recommended Capital Plan



	2015-2019 Capital Plan						10-Year Total Percent
	2015	2016	2017	2018	2019	2010-2019 Total	
Gross Expenditures:							
2009 Capital Budget & Approved FY Commitments							
Recommended Changes to Approved FY Commitments							
2010 New/Change in Scope and Future Year Commitments						6,505	
2015 - 2019 Capital Forecast Estimates	7,021	7,122	7,225	7,330	7,438	63,271	
Total Gross Annual Expenditures & Plan	7,021	7,122	7,225	7,330	7,438	69,776	
Program Debt Target	3,000	3,000	3,000	3,000	3,000		
Financing:							
Recommended Debt	3,000	3,000	3,000	3,000	3,000	29,951	43%
Reserves/Reserve Funds							
Development Charges							
ISF							
Provincial/Federal							
Other Revenue	4,021	4,122	4,225	4,330	4,438	39,825	57%
Total Financing	7,021	7,122	7,225	7,330	7,438	69,776	100%
By Category:							
Health & Safety							
Legislated							
SOGR	7,021	7,122	7,225	7,330	7,438	67,190	96%
Service Improvement						2,586	4%
Growth Related							
Total By Category	7,021	7,122	7,225	7,330	7,438	69,776	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)	4,505	4,772	4,618	4,741	4,649		
Accumulated Backlog Estimate (end of year)	133,457	130,602	127,274	124,167	120,754		
Operating Impact on Program Costs							
Debt Service Costs	390	390	390	390	390		

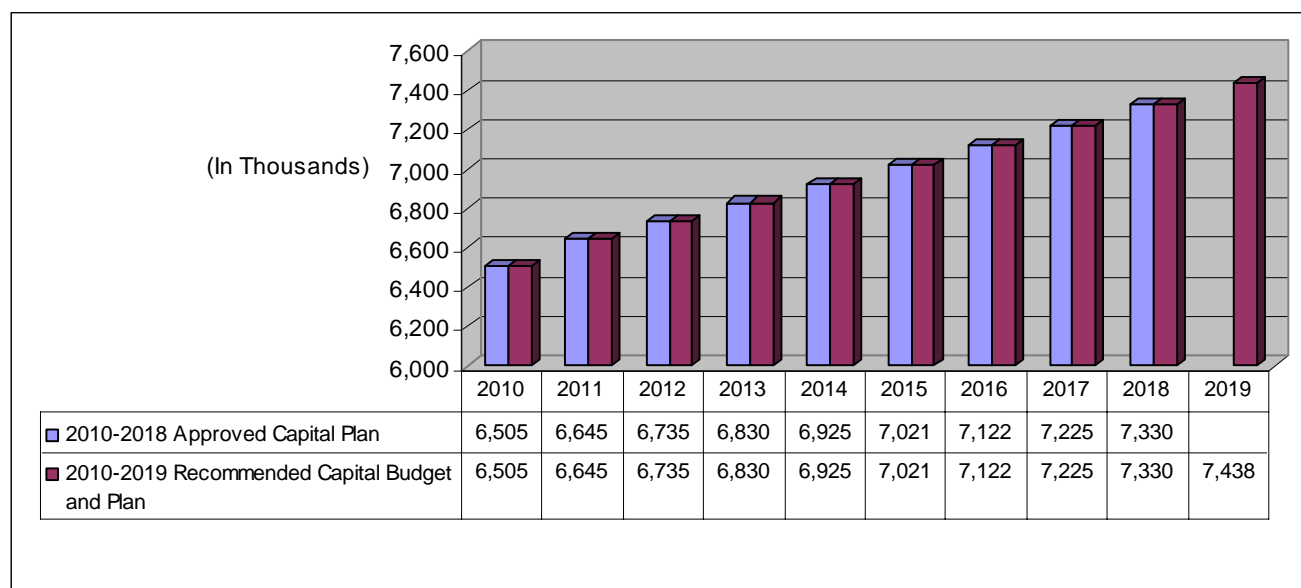
10-Year Capital Plan Overview

- The capital projects in the 10-Year Recommended Capital Plan support TRCA's strategic objectives to achieve a Living City which encompasses healthy rivers and shorelines, regional biodiversity, sustainable communities and business excellence in stewardship of the environment.
- Toronto and Region Conservation Authority's 10-Year Recommended Capital Plan meets the Council-approved debt affordability targets in each of the 10 years. The 10-Year Recommended Capital Plan relies on City debt of \$29.951 million (43%) and Toronto Water contributions of \$39.825 million (57%). This capital financing structure is consistently maintained throughout the 10 years.
- The following summarizes the allocation of recommended funding by project category:
 - Approximately \$67.190 million or 96% of the 10-Year Recommended Capital Plan is allocated to *State of Good Repair projects* to address flood and erosion, waterfront regeneration, infrastructure repairs and maintenance, and environmental rehabilitation. Since 2004 annual spending on state of good repair projects has been 100%.
 - The remaining \$2.586 million or 4% is dedicated to *Service Improvement projects* that primarily address waterfront development.
- At December 31, 2009, the accumulated state of good repair backlog is estimated to be \$148.860 million. Based on the 10-Year Recommended Capital Plan, the average annual reduction in the state of good repair backlog is \$2.577 million in the first 5 years and \$3.044 million in the last 5 years, resulting in an estimated backlog of \$120.754 million by the end of 2019.
 - The total asset value is not available. TRCA has many historical buildings which, if destroyed, could not be rebuilt as original buildings because of the historical significance. As such, TRCA is unable to estimate market value/ replacement cost for those buildings. However TRCA is in the process of implementing Tangible Asset Accounting and this information is anticipated in the future years.
- In accordance with established practice, TRCA will absorb the operating costs arising from its 10-Year Capital Plan.

Key Changes to the 2010-2018 Approved Capital Plan

The TRCA 10-Year Recommended Capital Plan remains unchanged for the 2009-2018 Approved Capital Plan. There are no changes to the 2010-2018 gross expenditure, debt and Toronto Water targets.

Changes to the 2010-2018 Approved Capital Plan



The 10-Year Recommended Capital Plan however contains slight changes within the 2009-2018 Approved Capital Plan to reflect shifting priorities at the project level. In order to address the growing back log of state of good repair issues, the shifting of funding better reflects the real level of needs as outlined below:

- The 10-Year Recommended Capital Plan reallocates funding of \$3.941 million to the Toronto Remedial Action Plan project to provide for restoration initiatives in Humber, Don, Etobicoke-Mimico and Rouge watershed and waterfront and \$1.623 million to Major Facilities Retrofit project to ensure healthier working conditions and achieve longer term energy savings and reduced costs.
- The funding for Waterfront & Valley Erosion Control project and Waterfront Development has been reduced by \$1.336 million and \$4.314 million respectively.

Summary of Project Changes

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010 - 2018
Waterfront & Valley Erosion Control	(16)	180	200	300	(400)	(400)	(400)	(400)	(400)	(1,336)
Toronto Remedial Action Plan	8	133	250	200	550	700	700	700	700	3,941
Waterfront Development	8	(148)	(312)	(502)	(552)	(702)	(702)	(702)	(702)	(4,314)
Major Facilities Retrofit		(165)	(76)	64	360	360	360	360	360	1,623
Public Use Infrastructure			(6)	(6)	(6)	(6)	(6)	(6)	(6)	(42)
Black Creek Pioneer Village Retrofit			(50)	(50)	54	54	54	54	54	170
TRCA Information Technology			(6)	(6)	(6)	(6)	(6)	(6)	(6)	(42)
Total	0	0	0	0	0	0	0	0	0	0

Project Financing

The 10-Year Recommended Capital Plan of \$69.776 million relies on debt funding of \$29.951 million or 43%: \$2.951 million in 2010 and \$3.000 million annually in 2011-2019.

The 10-Year Recommended Capital Plan also relies on funding contributions from Toronto Water of \$39.825 or 57% to partially fund TRCA capital projects related to water quality and quantity. The Water contribution is set at \$3.554 million in 2010 and increases by 2.5% annually in 2011-2019. The Water funding supports the following projects in the proportions indicated:

- Toronto Remedial Action Plan Project (100%)
- Greenspace Land Acquisition (100%)
- Waterfront and Valley Erosion Control (50%)
- Kortright/Living City Centre Retrofit (50%)
- Waterfront Development (24%)

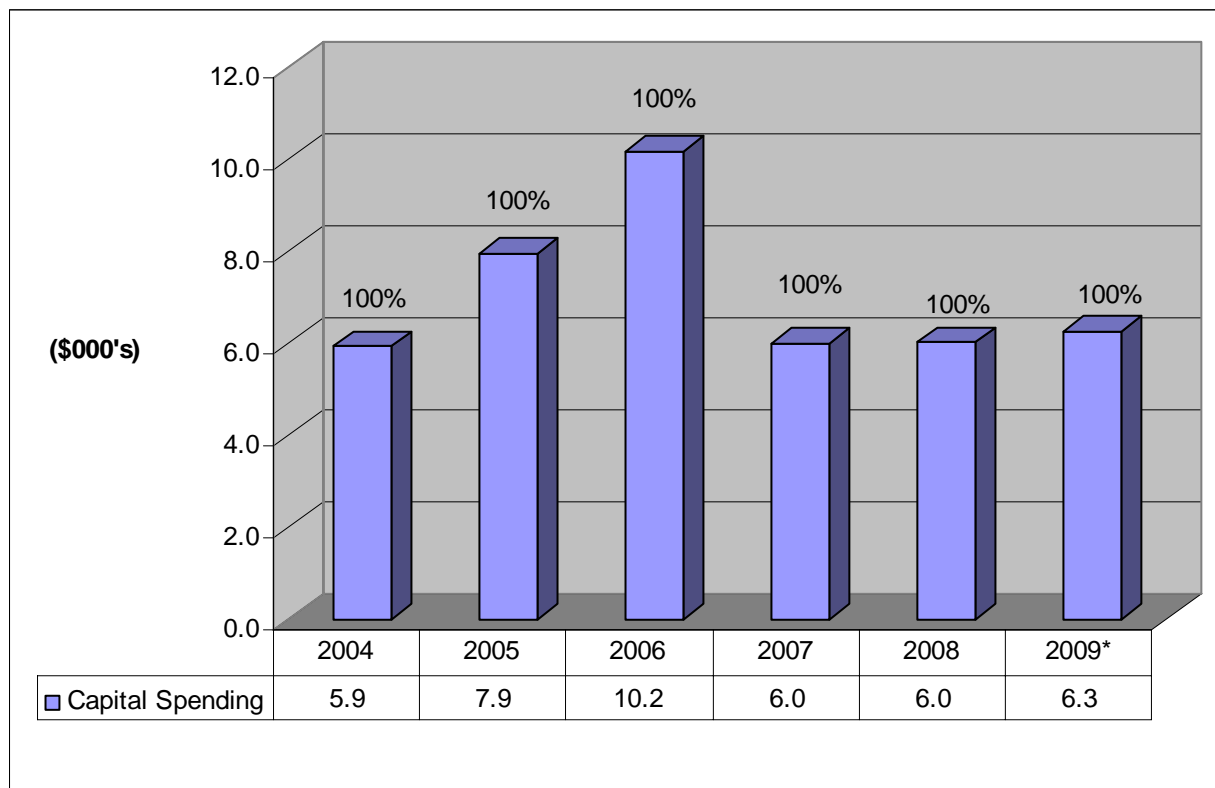
10-Year Recommended Capital Plan Versus Multi-Year Debt Targets

The 2010 -2019 Recommended Capital Plan meets the Council-approved debt affordability targets in each of the 10 years.

Program Capacity and Readiness to Proceed

TRCA's 2009 Approved Capital Budget of \$6.268 million was 75% or \$4.701 million spent, as at September 30, 2009. The Program anticipates that 100% of its 2009 Approved Budget will be spent by year-end. The 2009 projected rate of 100% at year-end continues to be consistent with the Program's historic spending capacity.

Toronto and Region Conservation Authority Budget Spending (2004-2009)



Feasibility and needs assessment have been completed as well as engineering estimates and costing for capital works included in the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan. Construction is underway as the majority of the projects are ongoing or phased projects which have been in existence for a number of years.

State of Good Repair (SOGR) Backlog

TRCA's accumulated state-of-good-repair backlog at the end of 2009 is estimated to be \$148.860 million. This figure includes maintenance of the natural environment through activities such as erosion control and source water protection; as well as the restoration of facilities such as the Black Creek Pioneer Village, Kortright/Living City Centre and TRCA's Head Office building at 5 Shoreham Drive (Black Creek Pioneer Village).

In order to reduce the SOGR backlog, \$31.054 million or 94% of the Recommended 2010-2014 Capital Plan addresses SOGR needs, so that the average annual reduction in the backlog is \$2.577 million resulting in an estimated backlog balance of \$135.973 million by the end of 2014. During 2015-2019, \$36.136 million or 100% of the 2015-2019 Recommended Capital Plan addresses SOGR needs. The average annual reduction in the backlog is \$3.044 million, thereby reducing its backlog to \$120.754 million by the end of 2019.

The total asset value is not available. TRCA has many historical buildings which, if destroyed, could not be rebuild as original buildings because of the historical significance. As such, TRCA is unable to estimate market value/ replacement cost for those buildings. However TRCA is in the process of implementing Tangible Asset Accounting and this information is anticipated in future years.

Capital Project Highlights

The TRCA 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan indirectly supports City priorities such as ***Make Progress on the Waterfront***. TRCA works with the City to expand the scope of the Toronto Waterfront Revitalization Corporation (TWRC) activities. TRCA will be involved in the waterfront development and erosion control projects at the waterfront parks at Port Union and Mimico; the Tommy Thompson Master Plan; and the West Donlands Precinct Plan (flood protection land form – Don Park) over the next 10 years.

- The Waterfront Development Project continues TRCA's waterfront regeneration efforts through parkland and habitat creation along the Lake Ontario waterfront (with associated water quality monitoring). The 2010-2019 Recommended Capital Plan provides \$13.886 million to support this project.
- The Waterfront & Valley Erosion Control Project addresses safety concerns in flood prone areas and where land loss is occurring along river valleys and shorelines as a result of erosion. The 2010-2019 Recommended Capital Plan provides \$15.580 million to support this project.

In addition, the 10-Year Recommended Capital Plan will provide: \$26.423 million to continue strategic work on the Toronto Remedial Action Plan for monitoring and re-naturalization of watercourses, water quality and habitat improvements; and \$10.288 million for infrastructure repairs and maintenance to ensure historical preservation of cultural assets such as Black Creek Pioneer Village and preservation of other public use facilities.

Summary of Major Capital Initiatives

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
New & Expanded Facility Projects											
IT Project	264	264	264	264	264	264	264	264	264	264	2,640
Sub-Total	264	264	264	264	264	264	264	264	264	264	2,640
Other Major City Initiatives:											
Waterfront Development	431	468	518	624	545						2,586
Sub-Total	431	468	518	624	545	-	-	-	-	-	2,586
Total	695	732	782	888	809	264	264	264	264	264	5,226

The TRCA 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan does not include any new and expanded facility projects. The Plan includes \$2.640 million over the next 10 years, for the strategic replacement of obsolete information technology, particularly in the area of geographical information systems and \$2.586 million for service improvement project to develop waterfront parkland.

10-Year Capital Plan: Incremental Operating Impact Summary

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
2010 Recommended Capital Budget											
Program Costs (Gross)											
Program Costs (Revenue)											
Program Costs (Net)											
Approved Positions											
Debt Service Costs	74	310									384
Recommended 10-Year Capital Plan											
Program Costs (Gross)											
Program Costs (Revenue)											
Program Costs (Net)											
Approved Positions											
Debt Service Costs		75	390	390	390	390	390	390	390	390	3,195
Total											
Program Costs (Gross)											
Program Costs (Revenue)											
Program Costs (Net)											
Approved Positions											
Debt Service Costs	74	385	390	390	390	390	390	390	390	390	3,579

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

TRCA typically absorbs the operating impact of its capital budgets, except in cases where TRCA hands over a completed project to a City Program or Agency to manage ongoing operations. For example, upon completion of TRCA's capital work on ravine parkland, TRCA transfers the operation of the park to the Parks, Forestry and Recreation Division. This impacts the operating budget of Parks, Forestry and Recreation. TRCA and Parks, Forestry and Recreation will work together to ensure that future-year budget submissions identify such operating impacts.

The 2010 Recommended Capital Budget will result in new debt service costs of \$0.074 million in 2010 and incremental debt costs of \$0.310 million in 2011. The 2011-2019 Recommended Capital Plan will result in new debt service cost of \$3.195 million.

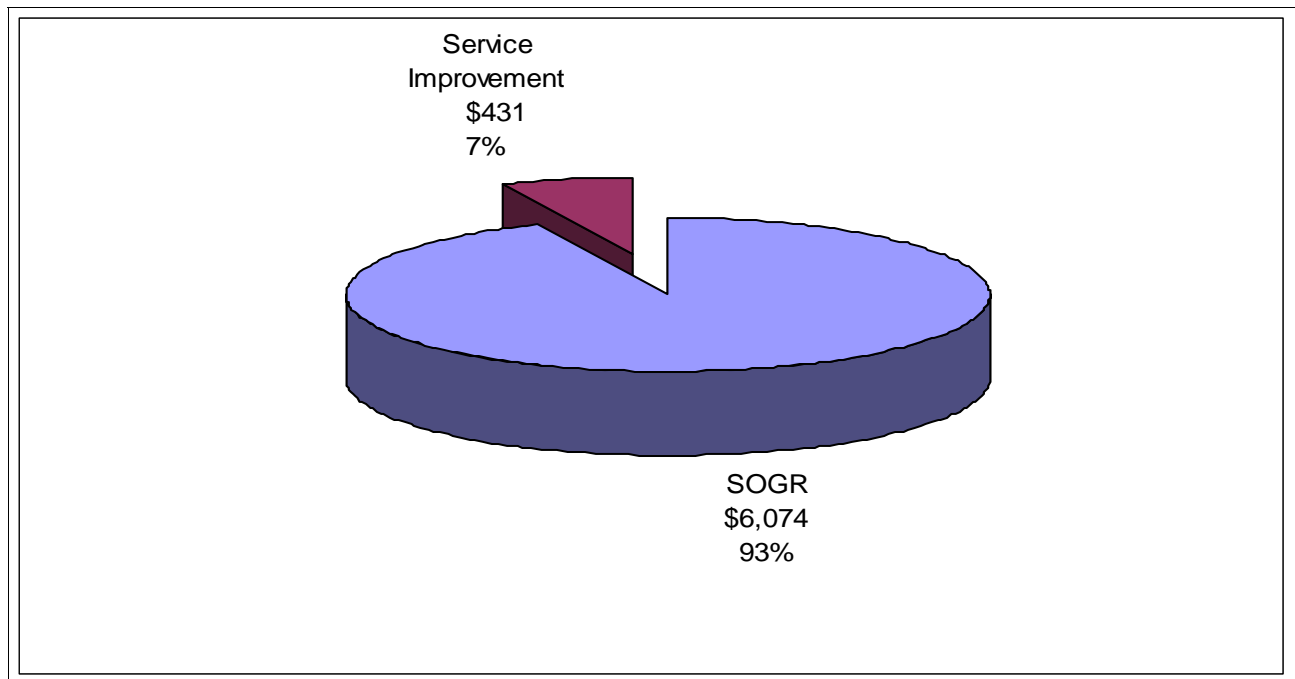
Total 2010 Recommended Cash Flow & Future Year Commitments (\$000s)

	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2008 C/Fwd)	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total Cost
Expenditures																
Previously Approved																
Change in Scope																
New			6,505	6,505		6,505										6,505
New w/Future Year																
Total Expenditure	-	-	6,505	6,505	-	6,505	-	-	-	-	-	-	-	-	-	6,505
Financing																
Debt			2,951	2,951		2,951										2,951
Reserves/Res Funds																
Development Charges																
ISF																
Other			3,554	3,554		3,554										3,554
Provincial/Federal																
Total Financing	-	-	6,505	6,505	-	6,505	-	-	-	-	-	-	-	-	-	6,505

- The 2010 Recommended Capital Budget for TRCA is \$6.505 million gross for new projects, funded by City debt of \$2.951 million (45%) and contributions from Toronto Water of \$3.554 million (55%) for projects related to water quality and quantity.
- There are no future-year commitments arising from the approval of the 2010 Recommended Capital Budget.

2010 Recommended Capital Budget: Overview

Capital Budget by Project Categories



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

- *State of Good Repair* projects to preserve Toronto's natural environment through the Toronto Remedial Action Plan, waterfront and valley erosion control and waterfront development projects account for \$6.074 million or 93% of the 2010 Recommended Capital Budget of \$6.505 million.
- *Service Improvement* projects to develop waterfront parkland account for \$0.431 million or 7% of the TRCA 2010 Recommended Capital Budget.

By focussing the 2010 Recommended Capital Budget on state of good repair and service improvements, the mix of project categories supports the advancement of TRCA's vision for The Living City while meeting its objectives, though at a constrained level, to provide flood and erosion protection, waterfront regeneration, and environmental rehabilitation.

2010 Recommended Capital Budget versus Debt Target

The TRCA 2010 Recommended Capital Budget requires \$2.951 million in debt, which meets the debt affordability target set for 2010.

Capacity and Readiness to Proceed

TRCA's projects for 2010 are ready to proceed. Feasibility studies or needs assessments have been completed and engineering estimates form the basis of cost requiring 2010 cash flow funding of \$6.505 million. The majority of the capital projects are ongoing or phased projects which arise from multi-year planning.

Capital Project Highlights

The 2010 Recommended Capital Budget advances TRCA's strategic direction to achieve a Living City which encompasses healthy rivers and shorelines, regional biodiversity, sustainable communities and business stewardship of the environment and supports several key City priority actions set out in the Mayor's and Council's policy agenda.

Making Progress on the Waterfront: The 2010 Recommended Capital Budget provides funding of \$4.945 million to continue various initiatives in the Action Plan:

- **Waterfront Development:** The 2010 Recommended Capital Budget provides cash flow funding of \$1.454 million for this project. This project funding provides for land creation and site preparation at several waterfront sites. It also includes monitoring and maintenance of the substantial lake fill land created over the last 30 years.
- **Waterfront & Valley Erosion Control:** The 2010 Recommended Capital Budget provides cash flow funding of \$1.480 million for this project. This project combines valley and shoreline erosion protection initiatives at Meadowcliffe Drive, Royal Rouge Trail and Toronto Parks sites including the Lake Ontario shorelines.
- **Toronto Remedial Action Plan:** The 2010 Recommended Capital Budget includes cash flow funding of \$2.011 million to provide for the monitoring and re-naturalization of watercourses, water quality and habitat improvements at sites in Don, Rouge, Highland, Etobicoke-Mimico and Humber watersheds, as well as along the waterfront.

Infrastructure Repairs and Maintenance: Funding of \$1.216 million is provided in the 2010 Recommended Capital Budget to continue infrastructure repairs and maintenance to preserve historical and public use facilities:

- **Major Facilities Retrofit:** The 2010 Recommended Capital Budget provides cash flow funding of \$0.462 million for this project. The work included in this project consists of retrofitting various administrative offices to provide improved energy efficiency and healthier working conditions.
- **Public Use Infrastructure:** The 2010 Recommended Capital Budget includes cash flow funding of \$0.198 million for this project. This project will improve facilities used by the public such as Lake St. George Field Centre, Hear Lake Conservation Area, Bruce's Mill and Sugar Shack for the purpose of revenue generation, safety and energy conservation.
- **Black Creek Pioneer Retrofit:** The 2010 Recommended Capital Budget provides cash flow funding of \$0.350 million for this project to address the backlog of restoration and major maintenance needs as well as the public safety issues in the historical buildings at the village.

- **Kortright/Living City Centre Retrofit:** The 2010 Recommended Capital Budget includes cash flow funding of \$0.206 million for this project. As at the existing facility is in a need of retrofit due to old mechanical and electrical systems and building structure, the opportunity exists to improve the centre's ability to house creative programming linked to TRCA's vision for the Living City.

Other Projects: Funding of \$0.344 million is provided in the 2010 Recommended Capital Budget to continue the following projects:

- **Information Technology:** The 2010 Recommended Capital Budget provides cash flow funding of \$0.264 million for this project. This project will upgrade/replace servers and network devices and operating systems to ensure adequate capacity and integration of databases and other tools to enhance TRCA service delivery.
- **Greenspace Land Acquisition:** The 2010 Recommended Capital Budget provides cash flow funding of \$0.080 million for this project. It pertains to nominal amounts and legal costs to acquire small, environmentally-significant land parcels.

PART II: ISSUES FOR DISCUSSION**2011-2019 Recommended Capital Plan Issues****Future Year Targets**

Approved debt target and Toronto Water contributions enable TRCA to maintain most projects and infrastructure in the short term. TRCA sees increased needs in the 2010-2019 Capital Plan resulting from the growing backlog of state of good repair issues and long term capital needs. In addition, construction costs have increased which have inflated capital projects beyond the projected funding for equivalent levels of work.

TRCA has worked successfully with the City to expand the scope of Waterfront Toronto (TWRC) activities to include the Port Union and Mimico projects. TRCA continues to work with TWRC on various projects along the Toronto waterfront such as Lake Ontario Park which leverages the City's investment in the waterfront significantly. There are additional waterfront projects that should be addressed such as the Scarborough Shoreline and Gibraltar Point projects which are not included in the 10-Year Recommended Capital Plan.

TRCA has identified priority projects which are not included in the 10-Year Recommended Capital Plan due to funding limitations, but are becoming increasingly critical over time. The proposed projects would provide slope stabilization measures where slope failure is occurring, safe public access to Toronto waterfront and restoration of flood control structures at Yonge and York Mills (Hoggs Hollow) and Black Creek.

Administrative Office Design/Build Project:

TRCA is proposing to replace three aging administrative office buildings that no longer meet their needs. The planned new building will utilize the latest in green building technologies to achieve the outcomes desired by the City of Toronto's highest green building rating as well as LEED Platinum designation by the Canada Green Building Council. In addition to the office, meeting, research and teaching facilities, the building will also have facilities to meet community needs and additional Black Creek Pioneer Village retail, food and storage facilities.

Currently, the total cost of this project is estimated at \$47.254 million with financing to be provided by participating municipalities (City of Toronto, Region of York, Region of Peel, Region of Durham and Mono/Adjala) on the basis of the modified current value assessment (CVA). However, TRCA is still working on the scope and design of this project and is still exploring other financial options which would reduce contributions from participating municipalities.

Appendix 1
10-Year Recommended Capital Plan Project Summary

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

Appendix 3

**2010 Recommended Cash Flow
And Future Year Commitments**

Appendix 4
2010 Recommended Capital Projects
With Financing Details