

Analyst Briefing Notes
Planning and Transportation Committee
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Contacts: John Di Lallo, Manager, Financial Planning
Tel: (416) 397-4207

Salmeena Daya, Financial Planning Analyst
Tel: (416) 397-0958

PART I: CAPITAL PROGRAM**Executive Summary**

- Business Support Services is projecting a year-end spending rate of 93% or \$1.074 million for 2005 approved projects as of September 30, 2005. This spending rate represents an improvement over the 63% achieved in 2004. The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding carried forward from 2005 to 2006 based on the unspent cash flow balance projected as at September 30, 2005. Adjustments to carry forward funding will be reported through the Budget Advisory Committee during review of its 2006 Proposed Capital Budget.
- Business Support Services' 2006 Proposed Capital Budget focuses on service improvements and service delivery efficiencies through the use of information technology (IBMS) for the City Planning, Building, and Municipal Licensing and Standards Divisions.
- The 2006 Proposed Capital Budget is \$1.659 million gross, including \$0.340 million in funding for previously approved commitments, \$1.207 million for new/change in scope projects and \$0.112 million for projects carried forward from 2005 to 2006. Approval of the 2006 Proposed Capital Budget will result in \$1.197 million in debt funding. The total cash flow proposed for 2006 is \$1.547 million. The total cash flow requirement over the ten year period from 2006-2010 is \$7.659 million. There are no future year commitments resulting from the approval of the 2006 Proposed Capital Budget.
- The Building Reserve contribution of \$0.350 million for the Public Automated Inspection Request System accounts for 21% of the 2006 Proposed Capital Budget. The balance of the Budget is funded by debt.
- The Program's Revised Five-Year Capital Plan meets the affordability guidelines of \$1.221 million in 2006, and \$1.5 million each year for years 2007-2010 respectively. However, to meet the debt guideline, the Program was challenged to address all of the needs of the client Divisions.
- The 2006-2015 Revised Capital Program totals \$7.659 million gross and \$7.197 million net of which \$7.659 million gross and \$7.197 million net is projected for the Program's Five-Year Plan, with 2006 cash flow of \$1.659 million gross and \$1.197 million net, \$1.500 million gross and net in 2007, \$1.500 million gross and net in 2008, \$1.500 million gross and net in 2009, \$1.500 million gross and net in 2010.
- The Five-Year Plan is driven by Council's priority to Improve Public Services by customization and enhancement of IBMS to support client Divisions and integrate IBMS within the cluster and corporate wide IT initiatives.
- Challenges within the Five Year Capital Plan and Ten-Year Capital Program include adapting to needs arising for changes in the corporate reorganization and how future technology directions for the individual Divisions will be impacted; matching individual priorities with those with Corporate I.T. especially in light of limited funding for both, difficulty in forecasting technology availability and needs within a 10 year time period.

- The revised cash flow projections of the Five- Year Plan for Business Support Services be referred to the Deputy City Manager & Chief Financial Officer for review, and to be incorporated in the recommended Five-Year Capital Plan for the City in Spring of 2006.

Recommendations

It is recommended that:

1. the 2006-2015 Business Support Services capital program request with a total 10-year project cost of \$7.207 million be received;
2. the 2006 Proposed Capital Budget for Business Support Services with a total project cost of \$1.207 million and 2006 cash flow of \$1.659 million be approved. The 2006 Proposed Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 4 new sub-projects with a 2006 total project cost of \$1.207 million that requires cash flow of \$1.207 million in 2006 and no future year commitments;
 - ii) 3 previously approved sub-projects with a 2006 cash flow of \$0.340 million and no future year commitments;
 - b) 2006 approved cash flow for 3 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$0.112 million;
3. new debt service costs of \$0.036 million in 2006 and incremental costs of \$0.132 million in 2007 resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2005 and future year operating budgets;
4. the revised cash flow projections of \$1.5 million in 2007; \$1.5 million in 2008; \$1.5 million in 2009 and \$1.5 million in 2010 for Business Support Services be referred to the Deputy City Manager & Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within Council's approved debt affordability limits;
5. the Deputy City Manager review the strategic direction of IBMS as it relates to IT requirements for the City Planning, Building, and Municipal Licensing and Standards Division and report back to the Deputy City Manager and Chief Financial Officer by February 2006 on the future year allocation of the \$1.5 million envelope included in years 2007-2010 of Business Support Systems Five-year Plan to ensure revised cash flow projections can be incorporated into the Deputy City Manager and Chief Financial Officer's review of the Five-Year Capital Plan.

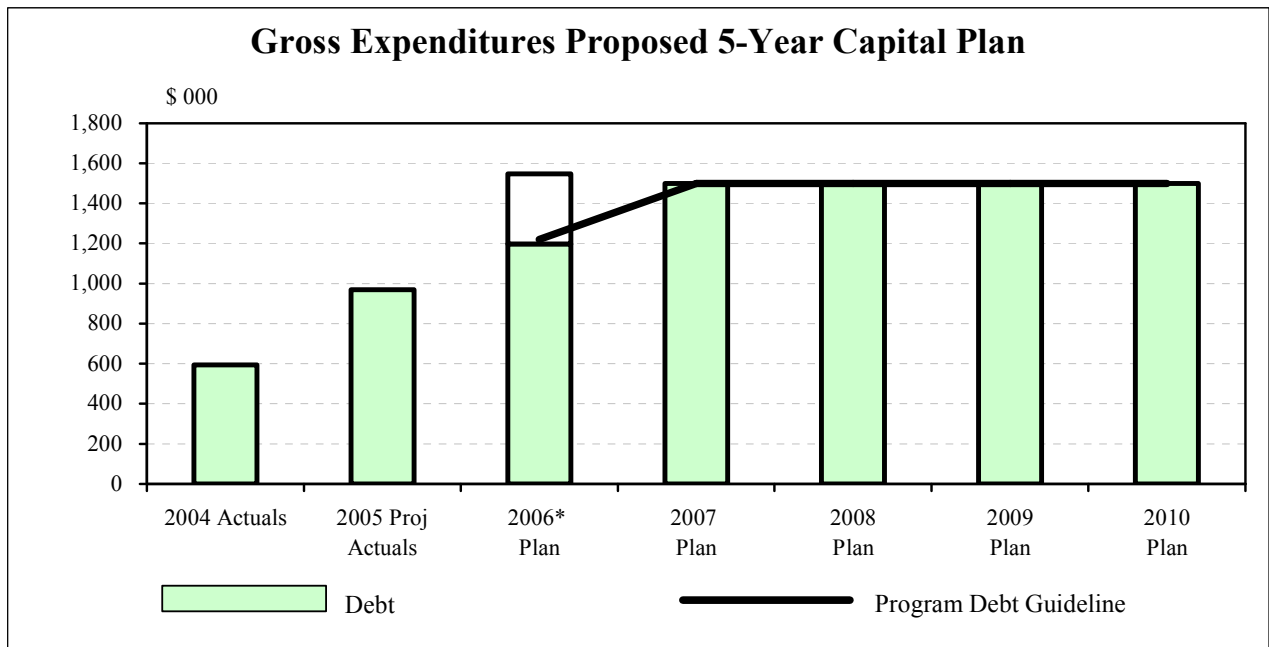
2005 Capital Variance Review

2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
1,150	832	72	1,074	93	76

Comments / Issues:

- The Business Support Services Division is projecting a year-end spending rate of 93% or \$1.074 million for 2005 approved projects as of September 30, 2005. This spending rate represents an improvement over the 63% achieved in 2004.
- The total projected unspent balance at the end of 2005 of \$0.076 million will be carried forward from 2005 into 2006 of which the entire carry forward amount is required for 2005 projects.
- The carry forward funding of \$0.076 million relates to change in project schedules as well as a plan transfer to reflect revised priorities.
- The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding carried forward from 2005 to 2006 based on the unspent cash flow balance projected as at September 30, 2005. Adjustments to carry forward funding will be reported through the Budget Advisory Committee during review of the Business Support Services 2006 Proposed Capital Budget.

5-Year Capital Plan (2006-2010)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
Gross Expenditures:								
Budget (Excluding 1-Yr. Carry/Fwd)	813	1,081	1,547	1,500	1,500	1,500	1,500	7,547
1-Yr Carry/Fwd Gross (Reference only)	996	112	112					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	1,809	1,193	1,659					
Actuals	594	969						
Financing:								
Debt	1,559	1,083	1,197	1,500	1,500	1,500	1,500	7,197
Debt Actuals (including 1-Yr Carry/Fwd)	594	969						
Program Debt Target			1,221	1,500	1,500	1,500	1,500	7,221
Other Financing Sources:								
Reserves/Reserve Funds			350	0	0	0	0	350
Development Charges			0	0	0	0	0	0
Federal			0	0	0	0	0	0
Provincial			0	0	0	0	0	0
Other Revenue			112	0	0	0	0	112
By Category:								
Health & Safety			0	0	0	0	0	0
Legislative			150	0	0	0	0	150
SOGR			0	0	0	0	0	0
Service Improvement			1,509	1,500	1,500	1,500	1,500	1,500
Growth Related			0	0	0	0	0	0
Yearly SOGR Backlog Estimate (not addressed by current year projects)			0	0	0	0	0	0
Accumulated Backlog Estimate (end of year)			0	0	0	0	0	0

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

- The Revised 2006-2015 Capital Program totals \$7.659 million gross and \$7.197 million net of which \$7.659 million gross and \$7.197 million net is projected for the Program's Five-Year Plan, with 2006 cash flow of \$1.659 million gross and \$1.197 million net, \$1.500 million gross and net in 2007, \$1.500 million gross and net in 2008, \$1.500 million gross and net in 2009, \$1.500 million gross and net in 2010.
- In 2006, key emphasis is placed on changes to IBMS to support customer service improvements and service delivery efficiencies for the City Planning, Building, and Municipal Licensing and Standards Divisions.
- During years 2007-2010, greater emphasis is placed on integration of IBMS within the cluster and with corporate wide IT initiatives.
- The Program's Five-Year Capital Plan meets the affordability guidelines of \$1.221 million in 2006, and \$1.5 million each year for years 2007-2010 respectively. Details of projects are currently under discussion. In years 2007-2010, an unallocated amount of \$1.5 million each year has been included in the Plan. It is recommended that the Deputy City Manager review the strategic direction of IBMS as it relates to IT requirements for the City Planning, Building, and Municipal Licensing and Standards Division and report back to the Deputy City Manager and Chief Financial Officer by February 2006 on the future year allocation of the \$1.5 million envelope included in years 2007-2010 of Business Support Systems Five-Year Plan.
- The revised cash flow projections of the Five- Year Plan for Business Support Services be referred to the Deputy City Manager & Chief Financial Officer for review, and to be incorporated in the recommended Five-Year Capital Plan for the City in Spring of 2006.

2006 Capital Budget Submission Summary
(\$000)

2006 Capital Projects		Total Project Cost		2004 Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12
Carryforwards:													
IBMS SAP Integration	4											32	32
IBMS Remote Mobile Computing (Application Status Internet Pilot)	4											50	50
IBMS Advancement	4											30	30
				0	0	0	0	0	0	0	0	112	112
Sub-Total													
Previously Approved:													
IBMS SAP Integration	4					101	101			101	101		
IBMS Remote Mobile Computing (Application Status Internet Pilot)	4					115	101			115	101		
IBMS Advancement	4					124	101			124	101		
Sub Total				0	0	340	101	0	0	340	303	0	0
New and Change in Scope Projects													
Remote Computing for BLDG Inspection and MLS Investigation	4	405	405					405	405	405	405		
	2	150	150										
IBMS Modification to Support Compliance with Bill 305								150	150	150	150		
Public Automated Inspection System	4	350	0					350	0	350	0		
Enabling IBMS to Support Parks and WES Enforcement Activities (Inte	4	302	302					302	302	302	302		
Sub Total		1,207	857	0	0	0	0	1,207	857	1,207	857	0	0
Total Submission 2006		1,207	857	0	0	340	101	1,207	857	1,547	1,160	112	112

*Category Index: (1) Health & Safety; (2) Legislated/ City Policy, (3) SOGR, (4) Service Improvement/Enhancement, (5) Growth Related

Proposed 2006 Capital Budget Changes (\$000)

		2006 Requested Cash Flow		Proposed Changes			2006 Proposed Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards								
IBMS SAP Integration	4	32	32				32	32
IBMS Remote Mobile Computing	4	50	50				50	50
IBMS Advancement	4	30	30				30	30
Sub Total		112	112	0	0		112	112
2004 Carryforwards								
Sub Total		0	0	0	0		0	0
2006 Previously Approved Commitments								
IBMS SAP Integration	4	101	101				101	101
BMS Remote Mobile Computing (application Status Internet Pilot)	4	115	115				115	115
IBMS Advancement	4	124	124				124	124
Sub Total		340	340	0	0		340	340
New Projects								
Remote Computing for BLDG Inspection and MLS Investigations	4	405	405				405	405
IBMS Modifications to Support Compliance with Regulation 305	2	150	150				150	150
Public Automated Inspection Request System	4	350	0				350	0
Enabling IBMS to support Parks and WES Activities (Integrated Enforcement)	4	302	302				302	302
Sub Total New Projects		1,207	857	0	0		1,207	857
Total 2006 Proposed (Incl. 2005 C/Fwd)		1,659	1,309	0	0		1,659	1,309
Less 2005 Carry Forwards		(112)	(112)	0	0		(112)	(112)
Total 2006 Proposed (Excl. 2005 C/Fwd)		1,547	1,197	0	0		1,547	1,197

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

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Proposed	2006 Total Cash Flow Proposed	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011- 2015	Total Cost
Expenditures													
Previously Approved		340		340		112	452						452
Change in Scope													
New			1,207	1,207	1,221		1,207						1,207
New w/Future Year													
Total Expenditure	0	340	1,207	1,547	1,221	112	1,659	0	0	0	0	0	1,659
Financing													
Debt		340	857	1,197	1,221	112	1,309						1,309
Subsidy (SCPI)													
Prov. Subsidy/Grant													
Development Charges													
Other													
Federal Grants													
Reserves/Res Funds			350	350			350						350
Total Financing	0	340	1,207	1,547		112	1,659	0	0	0	0	0	1,659

Comments / Issues:

- The 2006 Proposed Capital Budget is comprised of \$1.659 million gross, of which \$1.197 million is debt, \$0.350 million is a Reserve Contribution from the Buildings Division for the Public Automated Inspection Request System, and \$0.112 million is Capital from Current carry forward funding.
- The 2006 Proposed Capital Budget includes four new sub-projects with a 2006 total project cost of \$1.207 million and cash flow of \$1.207 million in 2006; \$0.405 million for IBMS Remote Computing 2006, \$0.150 million for IBMS Modifications to Support Compliance with Regulation 305, \$0.350 million for Public Automated Inspection Request System (PAIR), and \$0.302 million for Enabling IBMS to Support Parks and WES Enforcement.
- Additionally, the 2006 Proposed Capital Budget includes funding for three previously approved sub-projects with a 2006 cash flow of \$0.340 million: \$0.101 million for IBMS SAP Integration 2005, \$0.115 million for IBMS Application Status Internet Pilot, and \$0.124 million for IBMS Advancement 2005 projects.

- Further, the 2006 Proposed Capital Budget includes three previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$0.112 million; \$0.032 million for IBMS SAP Integration 2005, \$0.050 million for IBMS Remote Mobile Computing, and \$0.030 million for IBMS Advancement 2005.
- There are no future year commitments arising from the approval of the 2006 Proposed Capital Budget.

Operating Budget Impact

Incremental Operating Budget Summary

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$000s)					
Debt Service Charges (\$000s)	35.9	131.7	0.0	0.0	0.0
Approved Positions					

Program Incremental Operating Costs

There is no incremental operating impact associated with previously approved capital projects which will impact the 2006 Business Support Services Operating base budget. However, capital positions are taken out of the base each year and added to the budget submission as new requests. Of the 13 Capital funded IBMS positions, 10 positions are being reduced and 10.5 positions are being added for a net change of 3.5 positions.

Debt Service Cost

The 2006 Proposed Capital Budget will result in new debt service costs of \$0.036 million in 2006 and the incremental cost of \$0.132 million in 2007.

Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 14% for subsequent years.

PART II: ISSUES FOR DISCUSSION**2006 Issues****2006 Proposed Capital Budget versus Guideline**

The 2006 debt affordability guideline for Business Support Services was set at \$1.221 million. The debt target represents a 12% increase from the \$1.081 million approved for 2005. The 2006 Proposed Capital Budget meets the debt affordability guideline.

5 Year Capital Plan Overview

IBMS is a common information management system that supports the Building, City Planning, and Municipal Licensing and Standards Divisions. It provides client Divisions with integrated business process, workflow, information management, and document management.

The Business Support Services' Five-Year Plan is driven by Council's priority to improve public services, and has been developed based on customization and enhancement of IBMS to meet the needs of the client Divisions and to integrate IBMS within the cluster and with corporate wide IT initiatives.

In 2006, emphasis is placed on changes to IBMS to support customer service improvements and service delivery efficiencies for the City Planning, Building, and Municipal Licensing and Standards Divisions including an internet pilot project to provide information and status updates for selected City Planning and Building Applications on the internet, expanding the use of GIS functions in IBMS as well as improving IBMS for visually-impaired staff requirements, and starting the first year of a four year project to deploy 100 units of PDA type wireless hand held devices each year from years 2006-2009 to Municipal Licensing and Standards Investigators and Building Inspectors to allow for a faster response time so that staff can enter, access, and update information directly with the IBMS system.

Years 2007-2010 focus on streamlining processes and integration of IBMS with SAP, Ministry of the Environment application system, the New Zoning By-Law Data Source, and Solid Waste Management's Waste Collection System. The Five-Year Plan also focuses on enabling IBMS to interface with the web and other divisional applications, allowing remote access to IBMS, and migrating data from outstanding legacy applications to IBMS.

State of readiness is one of the main drivers of the Five-Year Plan. There is a need for an integrated system to allow for better flow of information. However, based on debt affordability, there was a need to smooth out the Five-Year Plan to reflect actual spending patterns. The debt guideline was revised to \$1.5 million each year for years 2007-2010. Discussions on project details are currently underway. In the interim, in years 2007-2010, an unallocated amount of \$1.5 million each year has been included in the Plan. It is recommended that the Deputy City Manager review the strategic direction of IBMS as it relates to IT requirements for the City Planning, Building, and Municipal Licensing and Standards Division and report back to the Deputy City Manager and Chief Financial Officer on the future year allocation of the \$1.5 million envelope included in years 2007-2010 of Business Support Systems Five-year Plan.

Additionally, some improvements may require on-going budget support. Other challenges within the Five-Year Plan and Ten-Year Program include adapting to changes arising from the corporate reorganization and how future technology directions for the individual divisions will be impacted, matching individual priorities with those with Corporate I.T. especially in light of limited funding for both, difficulty in forecasting technology availability and needs within a 10 year time period.

It is recommended that the revised cash flow projections of \$1.5 million in 2007; \$1.5 million in 2008; \$1.5 million in 2009 and \$1.5 million in 2010 for Business Support Services be referred to the Deputy City Manager & Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within Council's approved debt affordability limits.

5-Year Plan Proposed Changes (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015		Comments / Issues
		Gross 1	Debt/ Internal Sources 2	Gross 3	Debt/ Internal Sources 4	Gross 5	Debt/ Internal Sources 6	Gross 7	Debt/ Internal Sources 8	Gross 9	Debt/ Internal Sources 10	Gross 11	Debt/ Internal Sources 12	
PROGRAM REQUEST		1,547	1,197	2,075	2,075	2,303	2,303	1,453	1,453	995	995			
Proposed 2006 Changes				(575)	(575)	(803)	(803)	47	47	505	505			
PROPOSED CHANGES:														
2004 Carry Forwards:														
Previously Approved:														
New:														
IBMS Cross Devisional	4			(575)	(575)	(803)	(803)	47	47	505	505			\$1.5 million envelope for each year from 2007-2010.
Sub-Total Proposed Changes		0	0	(575)	(575)	(803)	(803)	47	47	505	505	0	0	
Revised 5-Yr. Cash Flow		1,547	1,197	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	0	0	
Debt Guideline			1,221		1,500		1,500		1,500		1,500			
Variance To Debt Guideline			(24)		0		0		0		0			

Capacity

Actual spending experience for 2004 was 63%. Projected year-end spending for 2005 is 89.6% as indicated in the Program’s second quarter variance report. The spending rate for 2005 indicates that the Program has been able to improve over prior-year spending rates and has attempted to ensure that project delays are kept to a minimum, especially when funded by debt. 1 year carry forward funding has decreased from \$0.200 million in 2005 to \$0.112 million in 2006. Delays were a result of implementation challenges.

The Program has the capacity to begin with this 5 year plan as it is in line with historical annual spending patterns.

Asset Inventory

Asset	Quantum	Asset Value	Comments
Integrated Business Management System (IBMS)	Hardware/Software/Labour for client service Divisions; Buildings, City Planning, and Municipal Licensing and Standards.	\$3.027 million	IBMS is a common (one-window) access information management system for the former Urban Development Services Department.

Issues Referred to 2006 Capital Budget

During the 2005 Budget Process, Council requested the Commissioner of Urban Development Services to report to the Planning and Transportation Committee on the results of the IBMS Remote Computing Pilot during the 2006 budget process, prior to the approval of additional funds for its full-scale implementation.

This report is still outstanding and will be answered in terms of the new structure.

During the 2005 Budget Process, Council requested the Commissioner of Urban Development Services to include the 5 year cash flow requirements of future IBMS enhancements in the 2006 Urban Development Services Capital Budget Submission.

This report is still outstanding and will be answered in terms of the new structure.

Outstanding Issues from Prior Years

There are no outstanding issues from prior years.

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

Appendix 2
Proposed 2006 Capital Budget
& Future Years Commitments

Appendix 3
Proposed 2006 Capital Project
with Financing Details

**Appendix 4
Reserve / Reserve Fund Review**

Project / SubProject Name and Number	Balance as of Sept 30	Proposed Withdrawals (000's)			
		2006	2007	2008	2009 & Beyond
IBMS Building Division Requirments/ Public Automated Inspection Request System (PAIR)		\$350			
	\$0	\$350	\$0	\$0	\$0

