

Analyst Briefing Notes

Community Services Committee

(November 8, 2005)

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2005 Approved Capital Budget of \$2.211 million was 88% or \$1.941 million spent as of September 30th, 2005. Actual expenditures by year-end are anticipated to be \$1.641 million or 74% of the Approved Budget, as reported in the 3rd Quarter Variance Report. The projection of 2005 funding to be carried forward into the 2006 Proposed Capital Budget is \$0.570 million for the Emergency Back Up-Systems project.
- In approving the 2005 Emergency Management Plan Capital Budget, Council recommended that the Deputy City Manager for the former Works and Emergency Services Department and Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee on a proposal to transfer the entire Emergency Management Plan Capital Budget to the appropriate Program areas within the former Works and Emergency Services Department.
- A report which addressed Council's recommendations, was submitted to the September 2005, Community Services Committee. The report recommended the transfer of the HUSAR Facility to the Fire Services 2006 Capital Budget and that the remaining projects be closed in 2006 subject to the 2005 carry forward funding of \$0.570 million for the Emergency Back-Up Systems project. The Community Services Committee in September 2005 recommended that the transfer of the Emergency Management Plan be forwarded to the Budget Advisory Committee for consideration. The Budget Advisory Committee has not considered the transfer, as of October 31, 2005.
 - Note that the HUSAR Facility has been transferred to Fire Services and is reflected in Fire Services' 2006 Proposed Capital Budget.
- The 2006 Proposed Emergency Management Plan Capital Budget includes carry forward funding from 2005 into 2006 of \$0.570 million for the Emergency Back Up-Systems project.
- With the completion of the Emergency Back-Up Systems project in 2006, the Emergency Management Plan Capital Budget will be closed. Future capital funding, if any, will be budgeted directly within the appropriate program area.
- The Emergency Back Up-Systems project was not transferred to an appropriate program area within the former Works and Emergency Services Department given that the 703 Don Mills Road facility houses a number of computer and communications equipment which are shared among several programs.

Recommendations

It is recommended that:

1. the 2006 Proposed Capital Budget for the Emergency Management Plan with a total project cost of \$0 million and a 2006 cash flow of \$0.570 million consists of 1 previously approved sub-project with carry forward funding; and,
2. the Emergency Management Plan Capital Budget be discontinued and closed once the Emergency Back Up-Systems project is complete.

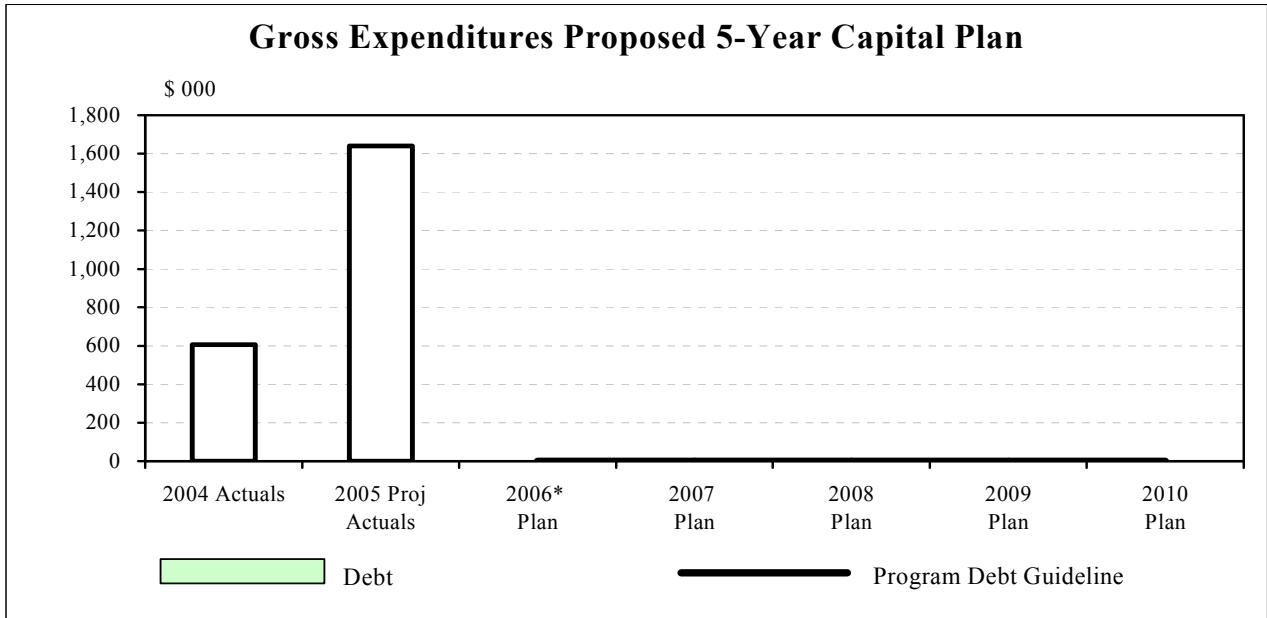
2005 Capital Variance Review

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
2,211	1,941	88	1,641	74	570

Comments / Issues:

- The Emergency Management Plan (EMP) 2005 Approved Capital Budget of \$2.211 million was 88% or \$1.941 million spent as of September 30th, 2005. Actual expenditures by year-end are anticipated to be \$1.641 million or 74% of the Approved Budget, as reported in the 3rd Quarter Variance Report. The decrease in projected year-end spending is mainly due to the Emergency Back of Systems project which is not on schedule. Therefore, \$0.570 million commitment of this project will be carried forward from 2005 into 2006.
- The contract has been awarded for the Emergency Back-Up Systems project, which will provide uninterrupted power supply to the 703 Don Mills Road facility. Construction of the project is in progress. However, due to the long delivery time of critical equipment, the project will not be completed until April 2006.

Revised 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)	376	968	0	0	0	0	0	0
1-Yr Carry/Fwd Gross (Reference only)	1,221	2,836	570					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	1,597	3,804	570					
Actuals	606	1,641						
Financing:								
Debt			0	0	0	0	0	0
Other Financing Sources:								
Reserves/Reserve Funds			0	0	0	0	0	0
Development Charges			0	0	0	0	0	0
Federal			0	0	0	0	0	0
Provincial			0	0	0	0	0	0
Other Revenue			0	0	0	0	0	0
By Category:								
Health & Safety			0	0	0	0	0	0
Legislative			0	0	0	0	0	0
SOGR			0	0	0	0	0	0
Service Improvement			0	0	0	0	0	0
Growth Related			0	0	0	0	0	0
Yearly SOGR Backlog Estimate (not addressed by current year projects)	0	0	0	0	0	0	0	0
Accumulated Backlog Estimate (end of year)	0	0	0	0	0	0	0	0

*Note: 2006 Proposed Debt excludes 1-Year Carry Forward Funding

Comments / Issues:

- A Revised 5-Year Capital Plan for the EMP was not undertaken as part of the 2006 budgetary process
- In approving the 2005 EMP Capital Budget, Council recommended that:

“The Acting Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer, report to the Budget Advisory Committee, prior to the 2006 budget process on a proposal to transfer the entire Emergency Management Plan capital budget to the appropriate program areas within the Works and Emergency Services Department.”
- A report, which addressed Council’s recommendations, was submitted to the September 2005, Community Services Committee. The report recommended the transfer of the HUSAR Facility to the Fire Services 2006 Capital Budget and that the remaining projects be closed in 2006 subject to the 2005 carry forward funding of \$0.570 million for the Emergency Back-Up Systems project. The Community Services Committee in September 2005 recommended that the transfer of the Emergency Management Plan be forwarded to the Budget Advisory Committee. The Budget Advisory Committee has not considered the transfer, as of October 31, 2005.
- The 2006 Proposed Capital Budget does not have a backlog of state of good repair projects.
- Assets funded from the EMP Capital Budget are managed by specific Programs within the former Works and Emergency Services Department and are designed to meet the needs of all emergency service responders.
- Please refer to the Issues Section for an expanded discussion on the Revised 5-Year Capital Plan.

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		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carryforwards:															
Emergency Back-Up Systems	04	2,050	2,050									570	570	570	570
Sub-Total				0	0	0	0	0	0	0	0	570	570	570	570
Previously Approved:															
Sub Total				0	0	0	0	0	0	0	0	0	0	0	0
New and Change in Scope Projects:															
Sub Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 2006		0	0	0	0	0	0	0	0	0	0	570	570	570	570

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

2006 Proposed Capital Budget Changes (\$000)

		2006 Requested Cash Flow		Recommended Changes			2006 Recommended Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards: Emergency Back-Up Systems	04	570	570				570	570
Sub Total		570	570	0	0		570	570
2004 Carryforwards:								
Sub Total		0	0	0	0		0	0
2006 Previously Approved Commitments:								
Sub Total		0	0	0	0		0	0
New Projects:								
Sub Total New Projects		0	0	0	0		0	0
Total 2006 Proposed (Incl. 2005 C/Fwd)		570	570	0	0		570	570
Less 2005 Carry Forwards		(570)	(570)	0	0		(570)	(570)
Total 2006 Proposed (Excl. 2005 C/Fwd)		0	0	0	0		0	0

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

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Rec'd	2006 Total Cash Flow Rec'd	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011-2015	Total Cost
Expenditures													
Previously Approved						570	570						570
Change in Scope													0
New													0
Neww/Future Year													0
Total Expenditure	0	0	0	0	0	570	570	0	0	0	0	0	570
Financing													
Debt						570	570						570
Subsidy (SCPI)													0
Provincial Funding													0
Development Charges													0
Other													0
Federal Grants													0
Reserves/Res Funds													0
Total Financing	0	0	0	0	0	570	570	0	0	0	0	0	570

Comments / Issues:

- The 2006 Proposed Capital Budget is \$0.570 million gross and includes no new funding for both previously approved commitments and new/change in scope projects and \$0.570 million carried forward funding from 2005 into 2006.
- The Program will be closed in 2006 subject to the completion of the Emergency Back-Up Systems project. Future capital funding, if any, will be budgeted directly within the appropriate program area.
- Approval of the 2006 Proposed Capital Budget will not result in future year commitments.
- The 2006 Proposed Capital Budget will not result in new incremental debt service costs.

Operating Budget Impact

Program Incremental Operating Costs

The 2006 Proposed Capital Budget will not increase the Program's Operating Budget with incremental impacts in 2006 and future years as a result of capital projects/subprojects.

The Program has not identified any new approved positions in the 2006 Proposed Capital Budget arising from its approval.

The 2006 Proposed Capital Budget will not result in new incremental debt service costs.

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

Debt affordability guidelines were not established for the 2006 Proposed EMP Capital Budget. The 2006 Proposed Capital Budget includes carry forward funding from 2005 into 2006 of \$0.570 million for the Emergency Back-Up Systems project only.

Revised 5-Year Capital Plan Overview

- A Revised 5-Year Capital Plan for the EMP was not undertaken as part of the 2006 budgetary process.
- Council approved the following recommendation as part of the 2005 EMP Capital Budget:

“The Acting Commissioner of Works and Emergency Services and the Chief Financial Officer and Treasurer, report to the Budget Advisory Committee, prior to the 2006 budget process on a proposal to transfer the entire Emergency Management Plan capital budget to the appropriate program areas within the Works and Emergency Services Department.”

A report which addressed Council’s recommendations, was submitted to the September 2005, Community Services Committee. The report recommended the transfer of the HUSAR Facility to the Fire Services 2006 capital program and that the remaining projects be closed in 2006 subject to the 2005 carry forward funding of \$0.570 million for the Emergency Back-Up Systems project. The Community Services Committee in September 2005 recommended that the transfer of the Emergency Management Plan be forwarded to the Budget Advisory Committee for consideration. The Budget Advisory Committee has not considered the transfer, as of October 31, 2005.

Any future year funding to upgrade the Emergency Back-Up Systems project will be included in the appropriate Program Budget.

The Emergency Back-Up Systems project will provide an uninterrupted power supply to the 703 Don Mills Road facility. The 703 Don Mills Road facility houses a number of department specific computer and communications equipment, which include the following:

- Toronto Police Services’ 911 system
- Former Works and Emergency Services’ RESCU system
- Emergency Medical Services’ BACC system
- Fire Services’ surveillance and response systems
- Corporate Services’ IT back-up unit.

Backlog of Projects – Unmet Needs

The EMP does not have a backlog of state of good repair projects. The Program does not own assets. The Program was a temporary measure (originally for 3 years) to fund those targeted improvements considered necessary in a post 9/11 environment to ensure that the City's emergency services were able to co-ordinate and respond to new and emerging threats. The acquired assets funded from EMP capital, such as the HUSAR vehicles and buildings under the stewardship of Fire Services, are managed by 1 program but are designed to meet the requirements of all emergency service responders.

Development Charge Funding

Development charge funding is not applicable to the 2006 Proposed EMP Capital Budget.

Issues Referred to 2006 Proposed Capital Budget

There are no "Issues Referred to 2006 Proposed Capital Budget".

Outstanding Issues from Prior Years

There are no "Outstanding Issues from Prior Years".

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

Appendix 2
2006 Proposed Capital Budget & Future Years
Commitments

Appendix 3
2006 Proposed Capital Project with Financing Details

Appendix 4
Reserve / Reserve Fund Review