

**Analyst Briefing Notes
Administration Committee Review
(November 7, 2005)**

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PART I: CAPITAL PROGRAM

Executive Summary

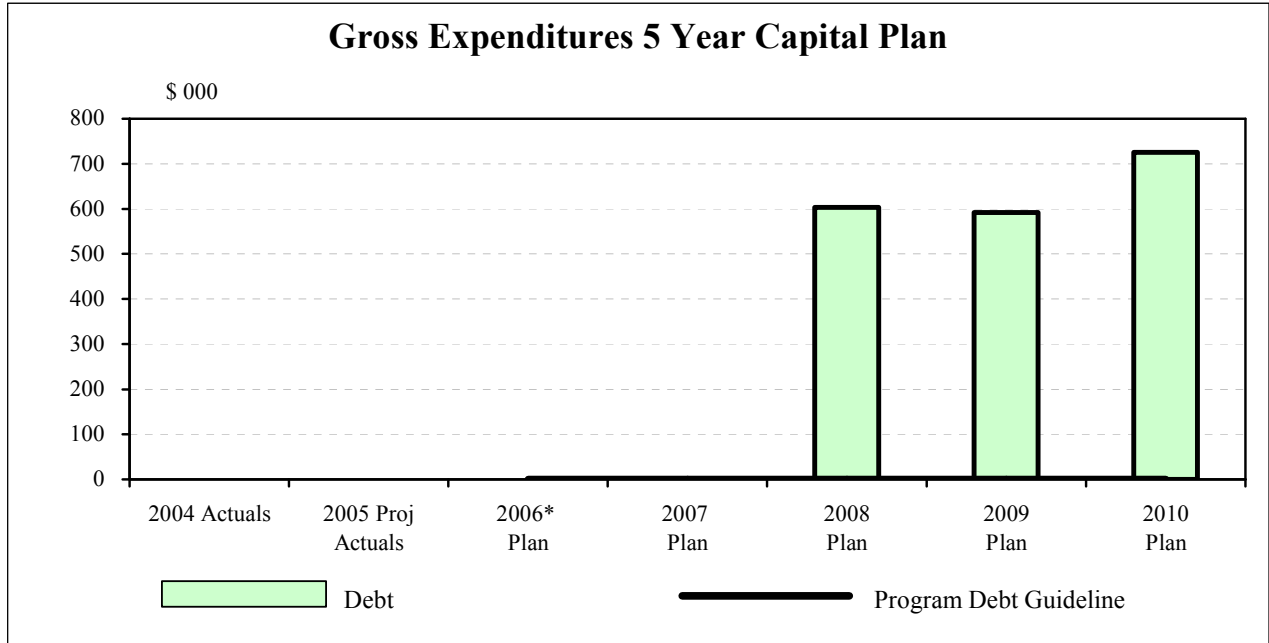
- Human Resources has not had a Capital Budget in the past nor has it forwarded future year capital requirements. Therefore, Human Resources did not receive a debt affordability guideline for 2006 and for the following 4 years of the Capital Plan.
- Human Resources did submit a Capital Request of \$0.195 million for Organization Charting in 2006 which has been transferred and included in the 2006 Proposed Capital Budget for Information & Technology.
- Human Resources is projecting future year cash flow requirements in 2008, 2009 and 2010 to address the SAP E-recruitment module and a Business Warehouse Project which requires debt funding of \$0.603 million in 2008, \$0.592 million in 2009 and \$0.726 million in 2010, respectively.
- During the above review, the Chief Financial Officer will assess, with appropriate staff, whether Human Resources' systems projects should more appropriately be included in Information & Technology's Capital Plan.
- The 2007-2010 cash flow projections of \$0.000 million in 2007, \$1.195 million in 2008, \$0.726 million in 2009 and \$0.000 million in 2010 for Human Resources will 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 affordability limits.

Recommendations

It is recommended that:

1. the 2006-2015 Human Resources capital program request with a total 10-year project cost of \$2.116 million be received; and
2. the revised cash flow projections of \$0.000 million in 2007, \$0.603 million in 2008, \$0.592 million in 2009 and \$0.726 million in 2010 for Human Resources 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 Capital Plan (2006-2010)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
Gross Expenditures:								
Budget (Excluding 1-Yr. Carry/Fwd)	0	0	0	0	603	592	726	1,921
1-Yr Carry/Fwd Gross (Reference only)	0	0	0					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	0	0	0					
Actuals	0	0						
Financing:								
Debt	0	0	0	0	603	592	726	1,921
Debt Actuals (including 1-Yr Carry/Fwd)	0	0						
Program Debt Target	0	0	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	603	592	726	1,921
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 Debt excludes 1-year carry forward debt funding.

- There are no affordability guidelines established for Human Resources. Human Resources has not had a capital program in the past.
- The Human Resources Revised 5-Year Capital Plan consists of Information & Technology related projects, with cash flow requirements beginning in 2008.
- The projects with cash flow requirements beginning in 2008 consist of an SAP E-Recruitment project totalling \$1.195 million, designed to streamline the recruiting and staffing process and a Business Warehouse project, which requires \$0.726 million to create an efficient solution to fulfill business processes and reporting needs associated with SAP.
- All projects are categorized as Service Improvement and Enhancement.
- The 2006 – 2010 Revised 5-Year Plan for Human Resources requires all debt financing for the future year projects.
- The Chief Financial Officer will 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.
- During the review, the Chief Financial Officer, in consultation with appropriate staff, will determine if the projects should more appropriately be included in Corporate Information & Technology's 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:															
Sub-Total				0	0	0	0	0	0	0	0	0	0	0	0
Previously Approved:															
Sub Total				0	0	0	0	0	0	0	0	0	0	0	0
New and Change in Scope Projects															
Organization Charting Software	3	195	195					195	195	195	195			195	195
Sub Total		195	195	0	0	0	0	195	195	195	195	0	0	195	195
Total Submission 2006		195	195	0	0	0	0	195	195	195	195	0	0	195	195

2006 Proposed Capital Budget Changes (\$000s)

		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								
Other Carry Forwards (details on previous page)							0	0
Sub Total		0	0	0	0		-	-
2004 Carryforwards								
Sub Total		0	0	0	0		0	0
2006 Previously Approved Commitments								
Other Previously Approved (details on previous page)							0	0
Sub Total		0	0	0	0		-	-
New Projects								
Organization Charting Software	3	195	195	(195)	(195)	Project has been included in the Proposed 2006 Capital Budget for Information & Technology.	0	0
Other New (details on previous page)								
Sub Total New Projects		195	195	(195)	(195)		0	0
Total 2006 Proposed (Incl. 2005 C/Fwd)		195	195	(195)	(195)		0	0
Less 2005 Carry Forwards		0	0	0	0		0	0
Total 2006 Proposed (Excl. 2005 C/Fwd)		195	195	(195)	(195)		-	-

Total 2006 Proposed Cash Flow & Future Year Commitments

The 2006 Project for Organization Charting, in the amount of \$0.195 million, has been included in the Information & Technology 2006 Proposed Capital Budget. Human Resources therefore requires no 2006 cash flow with no future year commitments.

Operating Budget Impact**Program Incremental Operating Costs**

Included in the Information & Technology 2006 Proposed Capital Budget is the Organization Software Project. Maintenance funding in the amount of \$0.015 million has been included in the Human Resources Operating Budget submission to support the project.

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

The 2006 Proposed Capital Budget for Human Resources has no 2006 cash flow requirements.

5 Year Capital Plan Overview

Human Resources has not had a capital budget in the past and therefore no 5-year debt targets were assigned to the Human Resources Program. The two projects identified in the 5-Year Capital Plan are systems enhancements.

The future year requirements have been revised to smooth the spending patterns. The two projects have been reviewed and assessed by the Information and Technology Division.

The SAP E-Recruitment request of \$0.603 million in 2008 and \$0.592 million in 2009 is designed to streamline the recruiting and staffing process by eliminating paper-based notification forms and ensuring that all the data is on one system. The schedule to implement the SAP E-recruitment module and the cash flow requirements have been reviewed by Information and Technology.

The purpose of the Business Warehouse project, which requires \$0.726 million in 2010, is to create an efficient solution to fulfill business processes and reporting needs associated with SAP, to implement a reporting model based on utilizing all the new SAP releases and to develop a more efficient query based solution in order to create and customize reports.

The Chief Financial Officer is to review the 5-Year Revised Plan, with the appropriate staff from Human Resources and Information & Technology to develop a Firm 5-Year Capital Plan. During the review, the Chief Financial Officer will assess whether the revised projects should be included in the Information & Technology's 2006-2010 Revised Plan.

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		195	195	0	0	1,195	1,195	726	726	0	0	0	0	
Proposed 2006 Changes		0	0	0	0	0	0	0	0	0	0	0	0	
PROPOSED CHANGES:														
2004 Carry Forwards:														
Previously Approved:														
New:														
Organization Charting Software	4	(195)	(195)											Project is included in Information & Technology 2006 Proposed Capital Plan.
SAP E-Recruitment	4					(592)	(592)	592	592					Phasing the project.
Business Warehouse	4							(726)	(726)	726	726			Project can be implemented in 2010.
Sub-Total Proposed Changes		(195)	(195)	0	0	(592)	(592)	(134)	(134)	726	726	0	0	
Proposed 5-Yr. Cash Flow		0	0	0	0	603	603	592	592	726	726	0	0	
Debt Guideline			0		0		0		0		0		0	
Variance To Debt Guideline			0		0	603	603		592		726		0	

Strategic Direction

Human Resources is preparing to streamline recruiting and staffing procedures by eliminating paper-based personnel forms and implementing a Business Warehouse project, in association with the City's SAP implementation, to create an efficient reporting process.

Issues Referred to 2006 Capital Budget

There are no issues referred.

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 Year Commitments

(Not Applicable)

Appendix 3
2006 Proposed Capital Project
with Financing Details

(Not Applicable)

Appendix 4
Reserve / Reserve Fund Review

(Not Applicable)