

# Analyst Briefing Notes

## Budget Committee Review

(October 29, 2007)

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**Contacts:** Judy Broughton, Manager, Financial Planning  
Tel: (416) 392- 8393

Harvey Tham, Senior Financial Planning Analyst  
Tel: (416) 397- 4218

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**Article I. PART I: CAPITAL PROGRAM****Executive Summary**

- The 2007 Approved Capital Budget of \$11.555 million was 8% spent as at June 30, 2006. Actual expenditures by year-end are anticipated to be \$6.443 million, or 56% of the Approved Capital Budget. This projected under expenditure is primarily attributed to the delay in relocating the Print Shop. The Print Shop funding comprised 81% of the 2007 Approved Budget. A suitable site for the Print Shop's relocation has been identified. A negotiation to acquire the site is in progress. The carry forward funding from 2007 into 2008 totals \$3.170 million for the retro-fit of the Print Shop (\$2.770 million), and for the completion of the Meeting Management Initiatives project (\$0.400 million).
- The 2008 Recommended Capital Budget; 2008 to 2012 Plan and 2013 to 2017 Estimates total \$47.911 million, of which \$17.761 million is projected for the Program's 5-Year Capital Plan, with 2008 cash flow of \$7.970 million, \$4.954 million in 2009, \$2.607 million in 2010, \$1.430 million in 2011 and \$0.800 million in 2012. The 5 Year Capital Plan meets the debt target set for each year by funding the elections related projects from the Election Reserve Fund.
- The 2008 to 2012 Capital Plan is primarily comprised of funding to maintain state of good repair for the replacement of aging and other equipment and the development of applications required to support the operation of the City Clerk's Office. In 2008, the Plan will fund the relocation and retro-fit of the Print Shop in the amount of \$6.170 million. New funding for the Gaming & Vital Statistics projects, and the Toronto Election Information System will require \$0.355 million and \$0.280 million respectively. The final phase of the Council Automation and Meeting Management project will require \$0.600 million.
- The 2008 Recommended Capital Budget including previously approved commitments requires new 2008 cash flow of \$4.800 million. This cash flow combined with carry forward funding of \$3.170 million for 2007 projects brings the total 2008 Recommended Capital Budget to \$7.970 million gross. The cash flow is funded \$1.060 million from debt, and \$3.400 from the Land Acquisition Reserve Fund, \$0.280 from the Elections Reserve Fund, and \$0.068 million from the Equipment Reserve.
- 71% of the 2008 recommended new cash flow is allocated to Health and Safety at \$3.400 million; 24% to Legislated at \$1.140 million; 4% to Service Improvement projects at \$0.200 million; and 1% to State-of-Good-Repair at \$0.0.60 million.

- The 2008 Recommended Capital Budget includes new funding for the following projects which will commence in 2008:
  - The Toronto Elections Information System (0.280 million)
  - The Gaming and Vital Statistics Systems (\$0.355 million)
  - Livelink Records Applications Sustainment Project (\$0.125 million)
  - Toronto Meeting Management Information System (\$0.200 million)
  - Electronic Records Management Business Experts Project (\$0.180 million)
- The 2008 Recommended Capital Budget includes previously approved projects which have started in 2006 and prior years:
  - The Meeting Management Initiative (\$0.200 million), a multi-year project started in 2004 is entering its final phase.
  - The Archives Facility upgrade (\$0.060 million) is a multi-year project expected to be completed in 2011, with 14% of the project completed in 2006.
  - The Print Shop acquisition (\$3.400 million). A potential site has been identified and negotiations to acquire are in progress.
- The Program has identified operating impacts of \$0.010 million in 2008 emanating from the approval of the 2008 Capital Budget.

### **Recommendations**

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Capital Budget for the City Clerk's Office with a total project cost of \$4.676 million and a 2008 cash flow of \$7.970 million and future year commitments of \$5.976 million be approved. The 2008 Recommended Capital Budget consists of the following:
  - a) New Cash Flow Funding for:
    - i) 6 new sub-projects with a 2008 total project cost of \$4.676 million that requires cash flow of \$1.140 million in 2008, and a future year commitment of \$1.886 million for 2009, \$1.150 million for 2010, and \$0.500 million for 2011;
    - ii) 2 previously approved sub-projects with a 2008 cash flow of \$0.260 million and a future year commitment of \$2.068 million in 2009, \$0.062 million in 2010, \$0.130 million in 2011;
    - iii) 1 sub-project from previously approved projects with carry forward funding from 2006 and prior years requiring 2008 cash flow of \$3.400 million that requires Council to reaffirm its commitment; and
  - b) 2007 approved cash flow for 2 previously approved sub-projects with carry forward funding from 2007 into 2008 totalling \$3.170 million;
2. operating impacts of \$0.010 million in 2008 emanating from the approval of the 2008 Capital Budget be considered within the overall scope of the City Clerk's Office's 2008 operating budget;
3. new debt service cost of \$0.032 million in 2008, and \$0.117 million in 2009 resulting from the approval of the 2008 Capital Budget be approved for inclusion in the 2008, and future year operating budgets; and
4. the 2008-2012 Capital Plan for the City Clerk's Office totalling \$17.761 million in project commitments and estimates, comprised of \$7.970 million in 2008; \$4.954 million in 2009; \$2.607 million in 2010; and \$1.430 million in 2011, and \$0.800 million in 2012 be approved;
5. the City Clerk's Office submit its 2009 to 2013 Capital Plan based on needs, notwithstanding the established debt targets, for consideration in the 2009 budget process.

## 2007 Capital Variance Review

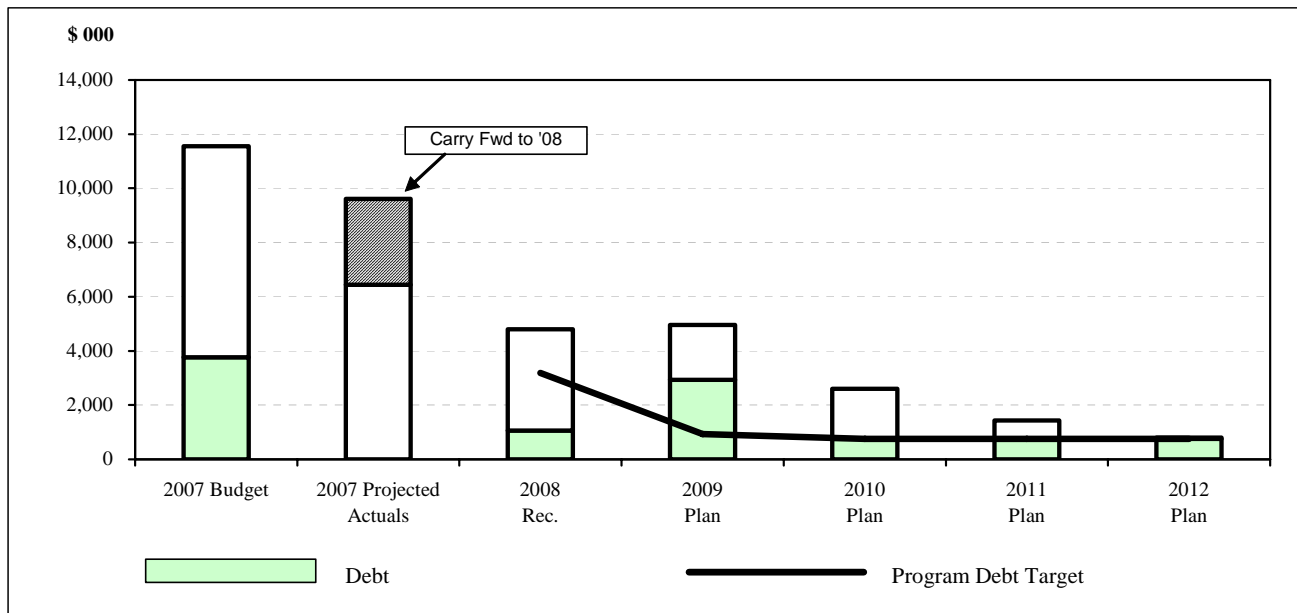
2007 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2007 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
11,555	910	8	6,443	56	5,112

**Comments / Issues:**

- At June 30, 2007, the City Clerk's Office spent approximately \$0.910 million or 8% of its 2007 Approved Capital Budget of \$11.555 million. Under spending is mainly due to a delay in relocating the Print Shop. The Print Shop funding represents 81% of the 2007 Approved Budget. A suitable site has been identified and a negotiation to acquire the property is in progress. In addition, two Order Pickers Lift trucks were purchased at \$0.012 million less than budgeted.
- The City Clerk's Office's projected year-end spending for 2007 approved projects is \$6.443 million or 56% as reported in its June 30, 2007 Variance Report. This represents an improvement over the 47% spending rate achieved in 2006.
- The carry forward funding included in the 2008 Recommended Capital Budget is \$3.170 million and is lower than the year-end projected unspent balance of \$5.112 million identified in the 2nd Quarter Variance Report. The difference is mainly due to the reduction of the Print Shop acquisition funding plus the savings from completed projects.
- The spending rates for the last two years were affected by extenuating circumstances surrounding the project to relocate the Print Shop. In July 2006, Council authorized the City Clerk's Office to acquire the properties at 53-61 Ontario Street and 102-104 Berkeley Street for relocation of the Print Shop. An Offer to Purchase was made to the seller, but unfortunately, the subject properties were sold to another buyer. In July 2007, Council considered the staff report on the potential acquisition of 40 Titan Road for the relocation of the Print Shop, and referred it to the Chief Corporate Officer and directed that (1) all Councillors be requested to suggest potential sites. (2) if the Chief Corporate Officer can find a suitable site costing less than \$3.400 million proposed for the 40 Titan Road property, he be delegated the authority to purchase the site. Consequently, the search for another suitable property is in progress with one target site identified.
- Cost Containment Impact**

No capital projects were deferred as a result of the Cost Containment measures by the City Clerk's Office.

## 5-Year Capital Plan (2008-2012)



	2007		5-Year Plan					
	Budget	Projected Actual	2008	2009	2010	2011	2012	2008-2012
<b>Gross Expenditures:</b>								
2007 Capital Budget & Future Year Commitments	11,555	6,443	2,260	68	62	130		2,520
Recommended Changes to Commitments								0
2008 New/Change in Scope and Future Year Commitments			2,540	3,886	1,150	500		8,076
2009 - 2012 Plan Estimates				1,000	1,395	800	800	3,995
1-Year Carry Forward to 2008		3,170						
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>11,555</b>		<b>4,800</b>	<b>4,954</b>	<b>2,607</b>	<b>1,430</b>	<b>800</b>	<b>14,591</b>
<b>Program Debt Target</b>	<b>1,000</b>		<b>3,180</b>	<b>930</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>6,360</b>
<b>Financing:</b>								
Recommended Debt	3,770		1,060	2,930	750	750	750	6,240
<b>Other Financing Sources:</b>								
Reserves/Reserve Funds	7,020		3,740	2,024	1,857	680	50	8,351
Development Charges								0
Federal								0
Provincial								0
Other - CFC	765							0
<b>Total Financing</b>	<b>11,555</b>		<b>4,800</b>	<b>4,954</b>	<b>2,607</b>	<b>1,430</b>	<b>800</b>	<b>14,591</b>
<b>By Category:</b>								
Health & Safety	6,650		3,400					
Legislated	496		1,140	2,886	1,300	750	650	6,726
SOG	889		60	68	1,307	680	150	2,265
Service Improvement	3,520		200	2,000				2,200
Growth Related								
<b>Total By Category</b>	<b>11,555</b>		<b>4,800</b>	<b>4,954</b>	<b>2,607</b>	<b>1,430</b>	<b>800</b>	<b>11,191</b>
Yearly SOGR Backlog Estimate ((addressed)/not addressed by current plan)				(1,000)				(1,000)
Accumulated Backlog Estimate (end of year)		1,450	1,450	450	450	450	450	450
<b>Operating Impact on Program Costs</b>			10	38	27	28	193	296
<b>Debt Service Costs</b>			32	205	345	105	105	791

\* Note that the 1-Year Carry Forward reflects the latest estimate as used in the 2007 2nd Quarter Capital Variance Report.

## 5-Year Capital Plan Overview

### Overview

The 2008 - 2012 Capital Plan addresses the need for replacement of aging and other equipment and the development of applications required to support the operation of the City Clerk's Office. Priority will be given to completing existing projects within the timeframe committed such as the Council Automation and Meeting Management project, scheduled for completion in 2008. Continuing priority will also be given to capital investments to comply with legislative requirements and to address outstanding health and safety issues. Critical to sustaining service delivery is the need to maintain facilities and equipment in a state of good repair.

Projects recommended in the 5-Year Capital Plan in order to meet legislated requirements, include the following:

- **The Gaming and Vital Statistics System Improvement** projects with a total project cost of \$0.355 million and a 2008 cash flow of 0.355 million, will stabilize and maintain the current vital statistics tracking system, enhance the marriage licensing application process, with the possibility of electronic booking of wedding chambers, and change the gaming application to respond to the new gaming regulations.
- **Replacement of Toronto Elections Information System.** This three year project at a total project cost of \$1.786 million with a 2008 cash flow of \$0.280 million will establish a new web-based Election Information System to have a data warehouse, and voters' list data functionality. It will facilitate the management of candidates' information requirements for an election.

States of good repair projects recommended in the 5-Year Capital Plan include the following:

- **The Archives Facility Upgrade** with a total project cost of \$0.320 million and 2008 cash flow of \$0.060 million is an on-going project to maintain equipment and facilities in a state of good repair. The Research Hall needs upgrading to support current technology needs, including the installation of digitization equipment so that archival records can be easily accessible to researchers and the public.
- **Livelihood Records Application Sustainment and Clean-up** with a total project cost of \$0.325 million and 2008 cash flow of \$0.125 million is the corporate records management application that is now at the end of its useful lifecycle. The application needs to be sustained to ensure continued operation until a single application can be deployed to manage records in all media.

Projects recommended in the 5-Year Capital Plan for service improvement include the following:

- **The Council Automation and Meeting Management Initiative (Phase 2)** approved in the 2007-2011 Capital Plan will promote openness, transparency, and accountability in the City's decision-making processes through information management and access, procedural rules and expertise and effective and timely communications. Cash flow funding of \$0.600 million in 2008 is budgeted to complete this project.
- **Toronto Meeting Management Information System for City Divisions and the Public** with a total project cost of \$1.850 million and 2008 cash flow of \$0.200 million will enable

divisional staff and the public to be able to access certain areas of the Council Automation and Meeting Management system. This project is a four year project beginning in 2008 to enable divisional staff to prepare and input reports into the system and the public to view report histories on the internet.

- **Electronic Records Management Business Experts** approved in the 2007-2011 Capital Plan has a total project cost of \$0.360 million and 2008 cash flow of \$0.180 million. This project is a result of the electronic records strategy which sets the direction on how the City manages its electronic records, and the establishment of the Electronic Records Centre of Excellence.

## Multi-Year Debt Affordability Target

The 2008-2012 Capital Plan recommended for the City Clerk's Office meets the debt target set for each year by funding the elections related projects from the Election Reserve Fund.

## Recommended Changes to the 2007-2011 Capital Plan

The following table shows the recommended changes to the 2007-2011 Capital Plan for previously approved projects:

	2008	2009	2010	2011
Project / Sub-Project Name	Gross	Gross	Gross	Gross
<b>2007 5-Year Capital Plan</b>	<b>3,240</b>	<b>1,498</b>	<b>1,507</b>	<b>1,430</b>
<b>Previously Approved: Changes</b>				
Meeting Management Initiatives	400			
Print Shop Relocation	3,400			
Print Shop Retrofit	770	2,000		
<b>Total Previously Approved</b>	<b>4570</b>	<b>2000</b>	<b>0</b>	<b>0</b>

The Print Shop acquisition was delayed because a potential site identified in 2007 did not receive Council approval in July 2007. The cash flow approved for this project is re-submitted in 2008. The previously approved cash flow for the Print Shop retro-fit in the amount of \$2.000 million is moved from 2008 to 2009 as a result of the delay. The Meeting Management Initiatives project has carry forward funding in the amount of \$0.400 million from 2007 into 2008.

Changes to the 2007-2011 Capital Plan attributed to new projects are the result of re-allocating funding between years to ensure that the debt targets are met, and the resources are maximized based on the priorities of capital projects. The Elections Results Transmission Equipment Replacement has the cash flow funding advanced to 2009 from 2010. Cash flows funding for the Toronto Gaming Information System Replacement and the Registration Services Tracking System are included in 2008. In addition, cash flow is added in 2008 to start work on the Toronto Meeting Management Information System for the City and the Public.

The following table shows the changes related to new projects:

Changes to the 5-Year Capital Plan				
	2008	2009	2010	2011
Project / Sub-Project Name	Gross	Gross	Gross	Gross
<b>New Projects: Changes</b>				
Large Format Printing Press			500	
Election Results Trans Equip		500	(500)	
Election Information System	(220)	706	300	
Toronto Gaming Info System	200			
Registration Services Tracking Sys	155			
Livelihood Records Application	(175)	200		
LongTerm Records Preservation				(200)
Toronto Meeting Mgmt Sys	200	550	600	200
CGSB Assessment of eRecords			150	
Mail room X-ray Mach Replacement			50	
<b>Total New Projects</b>	160	1956	1100	0
Deferred project - Direct to Plate Digital Workflow Solution: deferred to 2014		(500)		
Sub-Total Changes	4730	3456	1100	0
<b>2008 5-Year Capital Plan</b>	<b>7,970</b>	<b>4,954</b>	<b>2,607</b>	<b>1,430</b>

Future year projects' estimates include a change to move cash flow funding from 2010 to 2009 for the Elections Results Transmission Equipment replacement, and cash flows added in 2010 for the replacement of the large format printing press, for the Canadian General Standards Board (CGSB) Assessment of City's eRecords Management, and the Mail room X-ray Machine replacement in the amount of \$0.150 million and \$0.050 million respectively.

### Program Capacity and Readiness to Proceed

Notwithstanding the delay experienced in the site acquisition for the relocation of the Print Shop, the Program has the capacity and readiness to proceed. The search for a suitable site for the relocation of the Print Shop is continuing. A target site has been identified and a negotiation to acquire the property is in progress. Analysis of operational and business requirements has been completed. Projects for state of good repair have been identified, such as the Livelihood Records Server that is at the end of its useful life as the corporate records management application. The application will be sustained until a single application can be deployed to manage multi-media records. The Archives Facility Upgrade is an on-going project to maintain equipment and facilities in a state of good repair. To improve accessibility to researchers and the public to archival records, digitization equipment will be installed.

### Backlog of Projects – Unmet Needs

The City Clerk's Office has identified a backlog for the replacement of the cellular telephone transmission equipment for remote transmission of voting results from more than 1,000 polls to the elections control centre. The original transmission phones were purchased at amalgamation and are no longer supported by Bell. The forecasted funding needed to replace the Cellular Telephones and Modems required for Elections Operations is \$1.000 million which is included in the 2008 5-Year Capital Plan for 2009 to address this backlog.

The wedding chambers, located at the North York, Scarborough, Etobicoke, and York Civic Centres, were completed prior to amalgamation, and have not had any furniture replacement or venue renewal. A funding request to address this backlog will be included in the 2013 Capital Plan.

### **Capital Project Highlights**

The 2008 – 2012 Capital Plan is comprised of:

- **Continuation of the Meeting Management Initiative** to promote openness, transparency, and accountability in the City's decision-making processes through information management and access, procedural rules and expertise and effective and timely communications.
- **Toronto Meeting Management Information System for City Divisions and the Public** to enable divisional staff to prepare and input reports into the system and the public to view report histories on the internet.
- **Election-related projects** to establish a new web-based Election Information System to have a data warehouse, and voters' list data functionality. It will facilitate the management of candidates' information requirements for an election.
- **Projects to comply with Legislative Requirements** to stabilize and maintain the current vital statistics tracking system, to enhance the marriage licensing application process, with the possibility of electronic booking of wedding chambers, and changing the gaming application to respond to the new gaming regulations.
- **Print Shop Relocation.** The current leased space at 90 Niagara Street for the Print Shop operations is too small for business demands and efficiency, and also does not meet health and safety requirements. City staff have been actively seeking a permanent new location for the Print Shop since 2005. After two potential sites previously identified in the last two years did not materialize, a third potential site has now been identified, and a negotiation to acquire the property is in progress, with a possible closing in late 2007 or early 2008.

## Summary of Major Capital Initiatives

	\$000s						
	2008 Rec. Budget	2009 Plan	2010 Plan	2011 Plan	2012 Plan	Total 2008 -2012	Total 2013 -2017
<b>Facilities Projects: New and Expanded</b>	3,400	2,000				5,400	5,700
<b>IT sub-projects</b>	1,400	2,954	2,362	880	750	8,346	22,615
<b>Total</b>	<b>4,800</b>	<b>4,954</b>	<b>2,362</b>	<b>880</b>	<b>750</b>	<b>13,746</b>	<b>28,315</b>
<b>Other Major City Initiatives: (Please specify)</b>							
<b>Total</b>	<b>4,800</b>	<b>4,954</b>	<b>2,362</b>	<b>880</b>	<b>750</b>	<b>13,746</b>	<b>28,315</b>

Over the next five years, \$5.4 million is allocated for the acquisition of a suitable site and retro-fit for the relocation of the Print Shop.

Information Technology related projects over the next five years total \$8.346 million. The Council Automation and Meeting Management Systems will be completed in 2008. The Toronto Meeting Management Information System for City Divisions and the Public will begin in 2008. On completion this will enable divisional staff to prepare and input reports into the system and the public to view report histories on the internet.

There are two projects planned to be completed before the next Municipal Election in 2010:

- **Replacement of Toronto Elections Information System.** (\$1.786 million gross, \$0.000 million net) This three year project with the majority of the cash flow in 2009 will establish a new web-based Election Information System to have a data warehouse, and voters' list data functionality, and capability to manage information related to candidates.
- **Elections Results Transmission Equipment Replacement.** (\$1.000 million gross, \$0.000 million net) This project is to replace the vote-counting equipment with a wireless transmission component that was purchased in 2000. The wireless technology is no longer supported and replacement technology must be purchased in order to maintain the level of service directed by Council.

## Operating Budget Impact – 5-Year Plan

### Incremental Operating Impact Summary

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
<b>2008 Recommended Capital Budget</b>					
Program Costs (net) (\$000s)	10				
Approved Positions	0				
Debt Service Charges (\$000s)	32	117			
<b>Recommended 2009-2012 Capital Plan</b>					
Program Costs (net) (\$000s)		38	27	28	193
Approved Positions					1
Debt Service Charges (\$000s)		88	345	105	105
<b>Total</b>					
Program Costs (net) (\$000s)	10	38	27	28	193
Approved Positions					1
Debt Service Charges (\$000s)	32	205	345	105	105
<i>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.</i>					

### Program Operating Impacts

The 2008-2012 Capital Plan will increase future year Operating Budgets by a total of \$0.296 million net over the five-year period, with \$0.010 million of the increase impacting 2008 for Corporate I&T network and Intel Server staff resource in developing the RFP for Election Results Transmission Equipment replacement.

The Operating Budget net impacts are the result of the following capital projects/sub-projects:

Project Name	2008		2009		2010		2011		2012		TOTAL	
	\$000's	Position	\$000's	Position	\$000's	Position	\$000's	Position	\$000's	Position	\$000's	Position
Election Results Transmission	10		10				(20)					-
Toronto Meeting Mgmt					25		45		130	1	200	1.0
Registration Serv Tracking Sys			14								14	-
Gaming Info Sys Replacement			14								14	-
Livelihood Records Applic					2						2	-
Preservation of Records									63		63	-
Plate, Camera, Burner,& Processor							3				3	-
<b>Total Request (Net)</b>	<b>10</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>193</b>	<b>1</b>	<b>296</b>	<b>1.0</b>

### Debt Service Cost

The 2008 Recommended Capital Budget will result in new debt service costs of \$0.032 million in 2008 and incremental costs of \$0.117 million in 2009.

### Total 2008 Recommended Cash Flow & Future Year Commitments (\$000s)

	2006 & Prior Year Carry Forward	2008 Previously Approved Cash Flow Commitments	2008 New Cash Flow Recommended	2008 Total Cash Flow Recommended	2008 Debt Target	2007 Carry Forward	Total 2008 Cash Flow (Incl 2007 C/Fwd)	2009	2010	2011	2012	2013-2017	Total Cost
<b>Expenditures</b>													
Previously Approved	3,400	260		3,660		3,170	6,830	2,068	62	130	0	0	9,090
Change in Scope							0						0
New			1,140	1,140			1,140	1,886	1,150	500			4,676
New w/Future Year							0					0	0
<b>Total Expenditure</b>	<b>3,400</b>	<b>260</b>	<b>1,140</b>	<b>4,800</b>		<b>3,170</b>	<b>7,970</b>	<b>3,954</b>	<b>1,212</b>	<b>630</b>	<b>0</b>	<b>0</b>	<b>13,766</b>
<b>Financing</b>													
Debt		200	860	1,060	3,180	2,770	3,830	2,930	1,150	500	0	0	8,410
Subsidy (SCPI)													0
Prov. Subsidy/Grant													0
Development Charges													0
Other - CFC						400	400						400
Federal Grants													0
Reserves/Res Funds	3,400	60	280	3,740			3,740	1,024	62	130		0	4,956
<b>Total Financing</b>	<b>3,400</b>	<b>260</b>	<b>1,140</b>	<b>4,800</b>		<b>3,170</b>	<b>7,970</b>	<b>3,954</b>	<b>1,212</b>	<b>630</b>	<b>0</b>	<b>0</b>	<b>13,766</b>

#### Comments / Issues:

- The 2008 Recommended Capital Budget is \$7.970 million, and includes funding for a 2006 project carried forward to 2008 of \$3.400 million, previously approved funding of \$0.260 million, and new funding of \$1.140 million.
- Approval of the 2008 Recommended Capital Budget will result in a future year commitment of \$3.954 million in 2009, \$1.212 million in 2010, and \$0.630 million in 2011, which will encumber the following year's spending.
- The \$3.400 million funding carried forward from 2006 is for the Print Shop acquisition and the one year carry forward funding of \$2.770 million from 2007 is for the retro-fit of the Print Shop and completion of the Meeting Management Initiatives projects.
- The 2008 Recommended Capital Budget is \$1.060 million funded from debt, and \$3.400 from the Land Acquisition Reserve Fund, \$0.280 million from the Elections Reserve Fund, and \$0.060 million from the Equipment Reserve.

## **2008 Recommended Capital Budget**

### **2008 Recommended Capital Budget versus Debt Target**

The recommended debt level of \$1.060 million is \$0.120 million below the debt target of \$1.180 million set for 2008. This is the result of maximizing non-debt sources to fund the Capital program.

### **Recommended Capital Budget by Category**

Health and Safety sub-projects represent 71% of the 2008 Recommended Capital Budget. This is primarily due to the previously approved funding for the acquisition to relocate the Print Shop.

Legislated projects represent 24% of the 2008 Recommended Capital Budget. These projects are the Toronto Gaming Information System Replacement, and the Registration Services Tracking System, the Toronto Election Information System, the Livelink Records Application Sustainment and Clean-up, the Toronto Meeting Management Information System for City Divisions and the Public, and the Electronic Records Management Business Experts.

A Service Improvement and Growth project represents 4% of the 2008 Recommended Capital Budget. This is the Council Automation and Meeting Management System (Phase 2), a three year project which will be completed in 2008.

**PART II: ISSUES FOR DISCUSSION****2008 Capital Budget Issues**

There are no 2008 Capital Budget Issues

**5-Year Capital Plan Issues****Future Year Targets**

The debt target for the City Clerk's Office is \$0.750 million for 2010, 2011, and 2012 annually. This is insufficient to support the capital needs of the Program, as noted below. These additional requirements will be submitted by the City Clerk's Office for consideration of Budget Committee during the 2009 budget process.

**Capital Requirements – Elections**

The municipal election is the most significant service the City Clerk is mandated to deliver within stringent legislated rules. The election requires the coordination and support of all City divisions. Public confidence in the municipal government and in the City's credibility and integrity is highly dependent on the success of a municipal election.

The City Clerk's Office has included in its 5-Year Capital Plan, two election related projects as described below to effectively run the next municipal election in 2010:

- A redevelopment of the Toronto Elections Information System, which was established at amalgamation, is not compatible with new IT standards and policies. This must be completed and tested in the spring of 2010.
- A replacement of the cellular telephone transmission equipment for remote transmission of voting results from more than 1,000 polls to the Elections Control Centre is required. The original transmission phones were purchased at amalgamation and are no longer supported by Bell. These new phones need to be purchased and tested in one year and cannot be split between years to ensure complete compatibility.
- The replacement of the voting tabulators will be required in 2015-2016 prior to the election in 2018. The tabulators were purchased prior to the 2000 election and are supported by the vendor for 5 elections, ending with the 2014 election. The estimated cost to replace the voting tabulators is \$20.000 million. Funds in the Elections Reserve will not be sufficient to replace the vote tabulators equipment.

Future year needs related to elections and other legislated activities cannot be accommodated within the present targets.

**Capital Requirements – Other**

The Records Centre, built in 2003, is already 99.5% at capacity. In the absence of a proper long-term preservation strategy for the City's electronic records the Records Centre will be full. The project to implement the long-term preservation strategy is not scheduled to begin until 2011. This will lead to significant pressure on the Records Management program because without alternative means of creating and retaining files, the Records Centre's capacity will be exceeded soon.

It is recommended that starting with the 2009 Capital Budget process, the City Clerk's Office submit their Capital Plan based on needs for consideration.

## **Appendix 1**

### **2008 Recommended Capital Budget; 2009 to 2012 Plan And 2013 to 2017 Estimates**

**Appendix 2**

**2008 Recommended Cash Flow  
And Future Year Commitments**

**Appendix 3**  
**2008 Recommended Capital Projects**  
**With Financing Details**

## Appendix 4

### Reserve / Reserve Fund Review (\$000s)

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as of December 31, 2007	Proposed Withdrawals				
			2008	2009	2010	2011	2012
XQ1507 Equipment Reserve - City Clerk's Office	Beginning Balance (\$,000)	\$1,781	\$1,781	\$1,973	\$2,157	\$1,142	\$664
	Contribution from Operating Budget		\$252	\$252	\$252	\$202	\$202
	Archives Facility Upgrade		(\$60)	(\$68)	(\$62)	(\$130)	
	Printing Equipment Replacement				(\$1,195)	(\$375)	
	Royobi Press Replacement					(\$175)	
	Digitization Equipment Upgrade						(\$100)
	Upgrade of Theatre and AV Technologies						(\$50)
	Mailroom X-Ray Machine Replacement				(\$10)		
	Total Proposed Withdrawals		\$192	\$184	(\$1,015)	(\$478)	(\$150)
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$1,781</b>	<b>\$1,973</b>	<b>\$2,157</b>	<b>\$1,142</b>	<b>\$664</b>	<b>\$514</b>
XQ1503 Land Acquisition RF - Internal Services	Beginning Balance (\$,000)	TBD					
	Land Acquisition - Printing Facility						
	Relocation		(\$3,400)				
	Total Proposed Withdrawals		(\$3,400)	\$0	\$0	\$0	\$0
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$0</b>	<b>(\$3,400)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

