

Analyst Briefing Notes

Budget Committee Review

(October 29, 2007)

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2007 Approved Capital Budget of \$10.763 million was 10% spent at June 30th, 2007. As a result in delays of several initiatives in the first half of the year, projected actual expenditures by year-end are expected to be \$7.689 million or 71% of the 2007 Approved Budget. Of the unspent balance, cash flow funding of \$2.102 million will be carried forward into 2008.
- The 2008 Recommended Capital Budget; 2009 to 2012 Plan and 2013 to 2017 Estimates totals \$52.318 million of which \$45.928 million is projected for the Program's 5-Year Capital Plan, requiring debt funding of \$31.591 million.
- The 5-Year Capital Plan, including carry forward funding from 2007 to 2008, totals \$45.928 million with 2008 cash flow of \$11.073 million; \$10.566 million in 2009; \$10.493 million in 2010; \$7.676 million in 2011 and \$6.120 million in 2012.
- The 2008 Recommended Capital Budget and 2009 to 2012 Capital Plan calls for a total debt of \$31.591 million. The Plan exceeds Financial Services aggregate debt target of \$21.650 million by \$9.941 million. The 2008-2012 Capital Plan includes changes to future year cash flow commitments previously approved by Council to reduce the impact on debt from 2009 onwards. The majority of the debt over target is due to projects requiring compliance with new legislation and the state of good repair upgrades to the City's information systems to standardize reporting practices across the City and facilitate improved information distribution to other Programs, Committees and Council. This overage results mainly from the addition of two initiatives:
 - Replacement of the Tax Billing System - \$8.297 million; and
 - Implementation by 2009 of the Fixed Assets Records System to ensure compliance with Public Sector Accounting Board (PSAB) accounting and reporting requirements as mandated by the Province - \$1.402 million.
- The Recommended 5-Year Capital Plan for Financial Services, excluding one-year carry forward funding, totals \$43.985 million of which 68% of the 2008 recommended new cash flow is allocated to State-of-Good-Repair projects at \$29.686 million; 28% is allocated to Service Improvement projects at \$12.452 million and 4% to Legislative or contractually required projects at \$1.847 million.
- The Recommended 5-Year Capital Plan will include new sub-projects to upgrade the Water Billing System, a new volume based billing system to integrate with the Water Billing System to issue bills for Solid Waste Collection in 2008. These projects with a total cost of \$4.969 million will be fully funded from the Toronto Water (\$4.346 million) and Solid Waste Management (\$0.623 million).
- There are no operating impacts in 2008.
- The 5-Year Capital Plan also contributes to the City's Strategic Priorities:

- ⇒ Better Transit Today by financing a consultant who will provide advisory support to the City in connection with the financing of the Spadina Subway Extension to York University and beyond into Vaughan; and
- ⇒ Efficiency and Accountability at City Hall by implementing a multi-year planning and budgeting system to support a performance based service model with the Financial Planning Analysis and Reporting System project.
- The 2008 Recommended Capital Budget for Financial Services, excluding funding being carried forward from 2007 to 2008, is \$9.130 million. This includes \$0.797 million for projects carried forward from 2006, \$2.391 million for projects previously approved for 2008 and \$5.942 million for new initiatives. The 2008 Recommended Capital Budget also requires future year commitments totaling \$21.005 million.
- The 2008 Recommended Capital Budget will allow for the completion in 2008 of :
 - ⇒ Development Charges Background Study to undertake a review of the current development charges to adopt to the new by-law by 2009
 - ⇒ Spadina Subway Extension Financing project to provide financing advisory support
 - ⇒ Combined Utility Bill to consolidate Water and Solid Waste collection. into one bill
 - ⇒ Workflow & Document Management

Continuation of the following projects:

- ⇒ Fixed Assets Record Systems in 2008 and 2009
- ⇒ Revenue Systems –Phase II to develop and implement a general ledger interface for Tax and Water Systems
- ⇒ Tax and Water Billing System implementation in 2008 through 2011
- ⇒ Upgrade of the current outdated Parking Tag Management Software due to changing technology

New for projects to commence in 2008 and continue over the 5-Year Capital Plan period includes:

- ⇒ Tax Billing System Upgrade to replace current system with new software and hardware technology
- ⇒ Water Billing System Upgrade to accommodate new system with automated meter reading initiative
- ⇒ E-Procurement Implementation to utilize corporate technology to streamline the purchasing functions
- ⇒ Financial Planning Analysis and Reporting System to complete final phase implementation for the 2010 Budget process
- ⇒ Payment Processing Equipment Replacement for Revenue Services to process payment cheques.
- ⇒ Accounts Payable Process Improvement Part III to implement an improved accounts payable process with technology enablers.
- There is no SOGR backlog for this Program.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Capital Budget for Financial Services with a total project cost of \$19.769 million and a 2008 cash flow of \$11.073 million and future year commitments of \$21.005 million be approved. The 2008 Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 8 new & change in scope sub-projects with a 2008 total project cost of \$19.769 million that requires cash flow of \$5.942 million in 2008 and a future year commitment of \$5.775 million in 2009, \$4.876 million in 2010 and \$3.176 million in 2011;
 - ii) 10 previously approved sub-projects with 2008 cash flow of \$2.391 million and a future year commitment of \$3.761 million in 2009, \$3.092 million in 2010 and \$0.325 million in 2011;
 - iii) 5 sub-projects from previously approved projects with carry forward funding from 2006 and prior years requiring 2008 cash flow of \$0.797 million which forms part of the affordability targets that requires Council to reaffirm its commitment; and
 - b) 2007 approved cash flow for 9 previously approved sub-projects with carry forward funding from 2007 into 2008 totalling \$1.943 million;
2. new debt service costs of \$0.206 million in 2008 and incremental costs of \$0.815 million in 2009 and \$0.220 million in 2010 resulting from the approval of the 2008 Recommended Capital Budget, be approved for inclusion in the 2008 and future year operating budgets;
3. there are no operating impacts for 2008 emanating from the approval of the 2008 Capital Budget be considered within the overall scope of the Office of the Chief Financial Officer and Office of the Treasurer's 2008 operating budgets;
4. the 2009-2012 Capital Plan for Financial Services totalling \$21.005 million in project commitments and estimates, comprised of \$5.775 million in 2009; \$4.876 million in 2010; and \$3.176 million in 2011, be approved; and
5. all sub-projects with third-party financing be approved conditionally, subject to funding being approved in the respective Program's annual budgets.

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
10,763	1,073	10	7,689	71	3,074

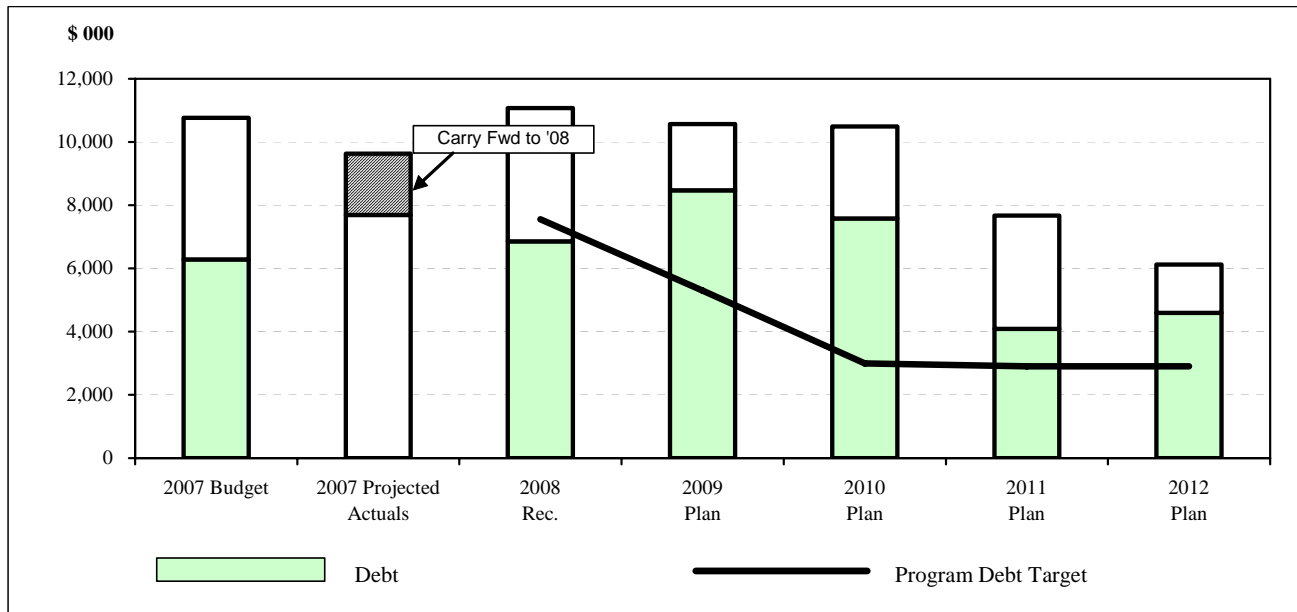
Comments / Issues:

- At the end of June 30, 2007, Financial Services spent approximately \$1.1 million or 10% of its 2007 Approved Capital Budget of \$10.763 million. Under spending is due to delays in several initiatives:
 - Delays during the first six months in the Workflow and Document Management projects have impacted spending. Preliminary work is currently proceeding;
 - Delays in finalizing the Local 79 wage harmonization is affecting the spending in the Collective Agreement Implementation project; and
 - Development of an integrated project plan and project team with other key SAP projects (Fixed Asset Accounting project, SAP technical and foundational upgrade and Enterprise Architecture), all requiring Corporate and IT resources has resulted in the delays of Financial Planning, Analysis and Reporting System.
- Financial Services' projected year-end spending for 2007 approved projects is \$7.689 million or 71% as reported in its June 30, 2007 Variance Report. This represents an improvement over the 32% spending rate achieved in 2006.
- The recommended carry forward funding included in the 2008 Capital Budget is \$2.899 million.
 - Funding for 2006 projects for completion in 2008 include \$0.300 million for the Revenue System Phase II Cashiering software initiative and \$0.320 million for the Collective Agreement Implementation project.
 - Previously approved committed projects for 2008 require \$0.425 million for replacement of the Tax Billing System; \$0.320 million to create and update the database of the provincially mandated Fixed Asset Records System; \$0.772 million for the Document & Workflow Management Technology project and \$0.455 million for the Financial Planning, Analysis and Reporting System to continue these projects.

Cost Containment Impact

No capital projects were deferred as cost containment measures.

5-Year Capital Plan (2008-2012)



			5-Year Plan					
2007			2008	2009	2010	2011	2012	2008-2012
Budget	Projected Actual							
Gross Expenditures:								
2007 Capital Budget & Future Year Commitments	10,763	7,689	5,970	2,815	650	0		9,435
Recommended Changes to Commitments			(839)	946	2,442	325	0	2,874
2008 New/Change in Scope and Future Year Commitments			5,942	5,775	4,876	3,176	0	19,769
2009 - 2012 Plan Estimates				1,030	2,525	4,175	6,120	13,850
1-Year Carry Forward to 2008		1,943	➡					
Total Gross Annual Expenditures & Plan	10,763	9,632	11,073	10,566	10,493	7,676	6,120	45,928
Program Debt Target	3,900		7,550	5,300	3,000	2,900	2,900	21,650
Financing:								
Recommended Debt	6,283		6,861	8,473	7,582	4,085	4,590	31,591
Other Financing Sources:								
Reserves/Reserve Funds	1,994		1,408	105	500		105	2,118
Development Charges	553		228					228
Federal								0
Provincial								0
Other Revenue	1,933		2,576	1,988	2,411	3,591	1,425	11,991
Total Financing	10,763		11,073	10,566	10,493	7,676	6,120	45,928
By Category:								
Health & Safety								
Legislated	818		1,420	514				1,934
SOGR	1,318		2,650	6,050	9,291	6,776	5,120	29,887
Service Improvement	8,627		7,003	4,002	1,202	900	1,000	14,107
Growth Related								
Total By Category	10,763		11,073	10,566	10,493	7,676	6,120	45,928
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)								
Operating Impact on Program Costs			0	436	187	282	282	1,187
Debt Service Costs			206	1,009	1,159	957	587	3,918

* 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

- Financial Services' 2008-2012 Capital Plan requires \$43.985 million gross (\$31.591 million debt) funding, excluding one-year carry forward funding which includes cash flow of \$9.130 million gross (\$6.861 million debt) for 2008, an amount that is \$2.375 million higher than the Program's 2007 Approved Capital Budget of \$6.755 million. The Plan estimates capital funding needs of \$10.566 million gross (\$8.473 million debt) in 2009; \$10.493 million gross (\$7.582 million debt) in 2010; \$7.676 million gross (\$4.085 million debt) in 2011 and \$6.120 million gross (\$4.590 million debt) in 2012.
- Excluding one-year carry forward funding, the recommended 5-Year Plan for Financial Services includes projects that maintain current technology in a state of good repair and strategic service improvements most of which meet corporate financial management and control needs. Of the \$43.985 million in recommended funding for 2008-2012, the Plan earmarks \$29.686 million (68%) for state-of-good repair (SOGR) initiatives, \$12.452 million (28%) for service enhancements while the remaining \$1.847 million is legislated. Of the \$31.591 million in debt financing proposed over the next five years, 85% (\$26.859 million) is assigned to service improvement and state-of-good repair initiatives.
- Financial Services' recommended Capital Plan exceeds the allocated debt target of \$21.650 million by \$9.941 million for initiatives recommended in the 2008 - 2012 Capital Plan. New initiatives requiring additional debt funding are:
 - \$2.550 million in 2009, \$3.917 million in 2010 and \$1.325 million in 2012 to upgrade the Tax Billing System with new technology to realize efficiencies;
 - \$2.000 million in 2009 to continue the Financial Planning Analysis and Reporting System and \$1.250 million in 2012 to upgrade with new technology; and
 - \$1.402 million to implement by 2009 the Fixed Assets Records System accounting and reporting requirements mandated by the Province to be finalized for compliance with new accounting and reporting standards by the Public Sector Accounting Board for all municipalities in Ontario.

Multi-Year Debt Affordability Target

The 2008 Capital Plan is below the target by \$0.689 million, however, the 2008-2012 Capital Plan exceeds the Council approved debt affordability targets for the five years by \$9.941 million. Where it was feasible, projects and cash flow deferrals into future years have been made to reduce the impact on debt. Alternative funding sources have been maximized.

The 2008-2012 Capital Plan includes changes to future year cash flow commitments previously approved by Council, to reduce the impact on debt from 2009 onwards. The majority of the debt over target is due to projects requiring compliance with new legislation and the state of good repair upgrades to the City's information systems to standardize reporting practices across the City and facilitate improved information distribution to other Programs, Committees and Council.

Recommended Changes to the 2007 – 2011 Capital Plan

Recommended changes to the 2007 – 2011 Capital Plan address the need to upgrade information systems to new changing technology and to meet new regulations.

Highlights of the recommended changes are summarized below:

- The Water Billing System replacement feasibility study has been deferred from 2008 to 2009. Implementation of the Upgraded Billing System to accommodate new technology and a new system with automated meter reading capability has been deferred from 2010 to 2011.
- New project debt funding for the Tax Billing System Upgrade to update software and hardware technology to realize efficiencies and cost savings while enhancing service delivery requires \$1.830 million in 2008; \$2.550 million in 2009 and \$3.917 million in 2010.
- New project debt funding for the Fixed Assets Records System to create and update the databases including details for maintenance of the City's fixed asset record system in 2008; requiring \$0.888 million and \$0.514 million in 2009 for implementation and training to meet new PSAB standards for all Ontario municipalities.
- To fulfil a Council mandate to issue bills for Solid Waste Collection in 2008, a new volume based billing system is required to integrate with the current Water Billing System to permit a single utility bill. Funding of \$0.623 million will be provided by Solid Waste Management.
- To continue with the deliverables of the Financial Planning Analysis and Reporting System, \$2.000 million in debt funding in 2008 and \$2.000 million for the implementation in 2009 is required in time for the 2010 Budget process.
- Funding for a new CAPTOR migration system was deferred in the amount of \$0.125 million in 2008 to 2009 and \$1.310 million to 2010 for the replacement to begin in 2010.
- Parking Tag Management Software Upgrade for 2008 was deferred to 2009 and 2010 reducing the 2008 Capital Budget's debt requirements by \$1.237 million.

Program Capacity and Readiness to Proceed

The completion of previously approved projects is a priority for Financial Services, and these projects form a large part of the 2008 recommended cash flow.

The spending rate for 2007 of 71% indicates that the Program is projecting to improve over the 2006 spending rate of 32%. Key capital projects require personnel and they must be hired in 2007 so the projects may proceed and continue in 2008. The Program's capacity to spend will depend on the ability to hire staff to backfill positions in other divisions to work on these projects to maintain knowledge in house despite the current hiring freeze. Further delays will impact the mandated and required upgrades in future years to meet the Program's (and in many cases, the City's) strategic goals. These projects are highly dependent on corporate IT resources who are assigned to corporate systems.

New funding of \$5.942 million is recommended in 2008 due to previous year deferrals as well as requirements to be ready to meet the mandated and regulated reporting requirements. The remaining cash flow included in the Program's 2008 Recommended Capital Budget is to enable the Program to complete existing projects.

The 5-Year Plan also includes projects that maintain existing systems in a state of good repair that facilitate the need for flexible and timely information while maximizing non-debt funding sources and utilizing Development Charge funding for future years' Development Charges Bylaw Background Studies. The Program has the means to achieve the Recommended 5-Year Capital Plan within the specified timelines and the funding targets that have been set.

Backlog of Projects – Unmet Needs

The Program does not have a backlog of SOGR projects.

Strategic Priorities:

The 5-Year Capital Plan is aligned with the following Strategic Priorities:

- *Better Transit Today:*

The 5-Year Capital Plan includes the Spadina Subway Extension Financing Project –TIF (\$0.078 million) and the Development Charges Background Studies (\$0.150 million); projects which will specifically further a “Better Transit Today” objective.

The Spadina Subway Extension Financing project was approved by City Council on September 25, 26 and 27, 2006. The Deputy City Manager and Chief Financial Officer, in consultation with the City's Chief Planner and Executive Director, is authorized to retain the services of a qualified and experienced consultant, to provide advisory support to the City in connection with the financing of the proposed subway extension. Costs not to exceed \$0.300 million are funded from the Development Charge Reserve Fund for Development-Related Studies of which \$0.200 million is expected to be spent in 2007.

Staff are currently working on a Tax Incremental Financing (TIF) strategy and update of the Development Charges By-Law to help finance the City's share of the required funding to finance this project.

- *Efficiency and Accountability at City Hall:*

The 5-Year Capital Plan includes funding for the Financial Planning, Analysis and Reporting System project (\$4.000 million) which has completed an “end to end” operating budget process review of City Programs and ABCs to assist in the development of specifications for a budget technology to be used City-wide that will improve the efficiency and accountability of the City's financial and human resources used for service delivery.

The project will provide a City-wide budgeting system to support a multi-year performance based service model for tracking and reporting quantitative and qualitative performance measures; service level indicators with a cost performance metric to assess efficiency; as well as the planning, analysis, reporting and evaluation of operating budgets based on a program service activity model level-based operating budget presentations. It will also provide analytical tools that permit sensitivity and scenario analysis; and will provide the flexibility to incorporate and track long-term service planning initiatives.

The new operating budget system is projected to be operational for the City's 2010 Operating Budget process.

Other City Initiatives:

The Financial Services' 5 Year Capital Plan includes the following major capital initiatives:

Summary of Major Capital Initiatives

	\$000s						
	2008 Rec. Budget	2009 Plan	2010 Plan	2011 Plan	2012 Plan	Total 2008 -2012	Total 2013 -2017
Facilities Projects: New and Expanded						0	
IT sub-projects	10,670	10,566	10,493	7,676	6,120	45,525	5,940
Total	10,670	10,566	10,493	7,676	6,120	45,525	5,940
Other Major City Initiatives:							
Total	0	0	0	0	0	0	0

Summary:

Most of the projects in this 5-Year Capital plan are systems related; focussing on supporting the City's financial processes. They are primarily state of good repair or service improvement projects.

**Operating Budget Impact – 5-Year Plan
Incremental Operating Impact Summary**

Incremental Operating Budget Impact	2008	2009	2010	2011	2012
2008 Recommended Capital Budget					
Program Costs (net) (\$000s)					
Approved Positions					
Debt Service Charges (\$000s)	206	815	220	0	0
Recommended 2009-2012 Capital Plan					
Program Costs (net) (\$000s)		436	72	282	282
Approved Positions		4	(13)	2	2
Debt Service Charges (\$000s)	0	178	821	611	0
Total					
Program Costs (net) (\$000s)	0	436	72	282	282
Approved Positions	0	4	(13)	2	2
Debt Service Charges (\$000s)	206	993	1,041	611	0
<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 \$1.187 million net over the five-year period, with no impact in 2008.

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

2008 - 2012 OPERATING IMPACT OF CAPITAL												
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
Financial Planning Analysis and Reporting			125	2.0	115	-					240	2.0
Fixed Assets Records Syetem			120	2.0							120	2.0
Workflow & Document Management			141	-	(385)	(15.0)					(244)	(15.0)
Accounts Payable Process Improvement			50	-		-					50	-
Tax Billing System Upgrade					457	2.0	282	2.0	282	2.0	1021	6.0
Total Request (Net)	0	-	436	4.0	187	(13.0)	282	2.0	282	2.0	1187	(5.0)

The incremental net operating costs outlined above include the following:

- Storage and maintenance of the Financial Planning, Analysis and Reporting System will result in operating costs of \$0.125 million in 2009 as well as \$0.115 million for creating and updating databases of the Corporate Fixed Assets Records System.
- The Workflow & Document Management Technology project development of a new Customer Service Model for the Revenue Services Division resulting in \$0.141 million in 2009;
- The 2010 savings of \$0.385 million will be realized upon the completion of the Workflow & Document Management Technology project. This project to link electronic images directly to a customer's account resulting in more efficient, cost effective customer service will realize efficiencies due to improved workflow and document management and will result in the reduction of 15 approved positions in 2010;
- The Imaging component of the Accounts Payable Process Improvement project - \$0.50 million for technical support in 2009; and
- The Tax Billing system will require \$0.457 million and 2 staff in 2010 for system maintenance and training services with \$0.282 million required in 2011 and 2012 for system maintenance.

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

	2006 & Prior Year Carry Forwards	2008 Previously Approved Cash Flow Commitments	2008 New Cash Flow Recommended	2008 Total Cash Flow Recommended	2008 Debt Target	2007 Carry Forwards	Total 2008 Cash Flow (Incl 2007 C/Fwd)	2009	2010	2011	2012	2013-2017	Total Cost
Expenditures													
Previously Approved	797	2,391		3,188		1,784	4,972	3,761	3,092	325			12,150
Change in Scope								3,275	4,876	3,176			11,327
New			5,942	5,942			5,942	2,000					7,942
New w/Future Year								500					500
Total Expenditure	797	2,391	5,942	9,130		1,784	10,914	9,536	7,968	3,501	0	0	31,919
Financing													
Debt	99	1,493	5,269	6,861	7,550	1,285	8,146	7,948	5,557	0			21,651
Subsidy (SCPI)													0
Prov. Subsidy/Grant													0
Development Charges	78	125		203		25	228						228
Other	300	318	673	1,291			1,291	1,588	2,411	3,501			8,791
Federal Grants													0
Reserves/Res Funds	320	455		775		633	1,408						1,408
Total Financing	797	2,391	5,942	9,130		1,943	11,073	9,536	7,968	3,501	0	0	32,078

Comments / Issues.

- Approval of the 2008 Recommended Capital Budget will result in a funding commitment of \$9.536 million in 2009, \$7.968 million in 2010 and \$3.501 million in 2011 which will encumber the following year's spending.
- The 2009 cash flow includes \$2.000 million for the continuation of the Financial Planning, Analysis and Reporting System.
- The 2009 cash flow includes \$3.936 million for the continuation of the Revenue Services Tax and Water Systems Upgrade. The Tax Billing system will be completed in 2010 requiring debt funding of \$4.242 million. The Water Billing System Upgrade will require \$1.709 million in 2010 and \$3.501 million in 2011 funded by Toronto Water.
- Implementation of the Fixed Asset Records System will require \$0.514 million funding in 2009.

2008 Recommended Capital Budget

2008 Recommended Capital Budget versus Debt Target

The 2008 Recommended Capital Budget of \$11.073 million gross is \$0.689 million below the allocated debt target of \$7.550 million for this Program. The Program will be focusing on improvements and enhancements in systems and processes that will result in better financial and management information for divisional and corporate reporting.

Recommended Capital Budget by Category

Service Improvement sub-projects represent 63% of the 2008 Recommended Capital Budget. The major Service Improvement projects to be undertaken in 2008 include the Financial Planning, Analysis and Reporting System, Workflow and Document Management Technology and Tax Billing System Upgrade projects.

State of Good Repair sub-projects account for 24% of the 2008 Recommended Capital Budget and include the Parking Tag Management Software Upgrade and the Tax Billing System Upgrade projects.

The Legislated projects comprise 13% of the 2008 Recommended Budget and include the Fixed Asset Records System and the Development Charges Background Study 2008 projects.

PART II: ISSUES FOR DISCUSSION

5-Year Capital Plan Issues

Future Year Targets

The Recommended 5-Year Capital Plan exceeds the debt targets established for Financial Services. The following table compares the debt target and recommended debt for each year of the Program's 5-Year Capital Plan.

5-Year Capital Plan Debt Comparison						
(000s)						
	2008	2009	2010	2011	2012	Total 2008-2012
Recommended Debt	\$ 6.861	\$ 8.473	\$ 7.582	\$ 4.085	\$ 4.590	\$ 31.591
Debt Target:	\$ 7.550	\$ 5.300	\$ 3.000	\$ 2.900	\$ 2.900	\$ 21.650
Over / (Under)	\$ (0.689)	\$ 3.173	\$ 4.582	\$ 1.185	\$ 1.690	\$ 9.941

New initiatives requiring additional debt funding are:

- Replacement of the Tax Billing System with new technology to realize efficiencies requires \$8.297 million; and
- Implementation of the provincially mandated Fixed Assets Records System project for compliance with new accounting and reporting standards by the Public Sector Accounting Board for all municipalities in Ontario requires \$1.402 million.

Development Charges

Development Charges funding will be used to carry out background studies required to establish the Development Charges By-law in 2009. A total of \$0.150 million in Development Charges funding will be used during the five year period.

Issues Referred to the Budget Process

Issues Referred to the 2008 Capital Budget Process

There were no issues referred to the 2008 Capital Budget Process.

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
XR1002 Employee Benefits Reserve Fund XR1508 Vehicle Reserve -IT Equipment XR1010 Insurance reserve Fund	Beginning Balance		\$209,122,555	\$209,121,780	\$209,121,705	\$209,121,675	\$209,121,675
	TRE906813 Collective Agreements Implementation	\$154,242,834	(\$320)				
	CFO906795-3 Planning and Scoping	\$27,396,978	(\$455)				
	CFO906798-1 Risk Management Information System	\$27,482,743		(\$75)	(\$30)		
	Total Proposed Withdrawals		(\$775)	(\$75)	(\$30)	\$0	\$0
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$209,122,555	\$209,121,780	\$209,121,705	\$209,121,675	\$209,121,675	\$209,121,675