

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 \$0.434 million was 81% spent at June 30th, 2007. Actual expenditures by year-end are anticipated to be \$0.434 million, or 100% of the 2007 Approved Budget.
- The 2008 Recommended Capital Budget; 2009 to 2012 Plan and 2013 to 2017 Estimates total \$4.340 million of which \$2.170 million is projected for the Program's 5-Year Capital Plan representing the vehicle and equipment program at \$0.434 million annually. No debt funding is required as this 5-Year Capital Plan will be funded from the Toronto Police Service's Vehicle and Equipment Reserve.
- The 2008 Recommended Capital Budget including previously approved commitments requires new 2008 cash flow of \$0.434 million gross with no debt funding.
- 100% of the 2008 recommended new cash flow of \$0.434 million is allocated to State-of-Good-Repair projects at \$0.434 million for the annual replacement of vehicles and equipment for the Parking Enforcement Unit.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Capital Budget for the Parking Enforcement Unit with a total project cost of \$0.434 million and new 2008 cash flow funding of \$0.434 million with no future year commitments be approved;
2. the Vehicle & Equipment Replacement project be funded from the Toronto Police Services Vehicle and Equipment Reserve to finance the 2008 cash flow requirements for the Parking Enforcement Unit Capital Budget; and
3. the 2009-2012 Capital Plan for Parking Enforcement Unit \$1.736 million in project estimates, comprised of \$0.434 million in 2009; \$0.434 million in 2010; \$0.434 million in 2011; and \$0.434 million in 2012, be approved.

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
434	351	81	434	100	0

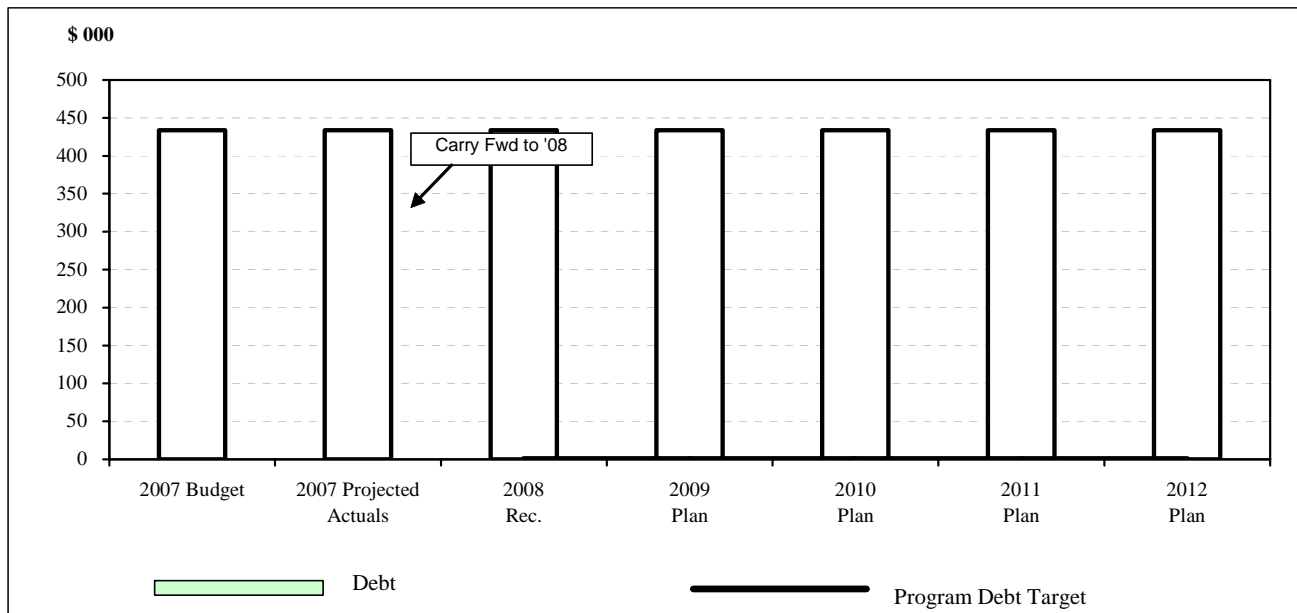
Comments / Issues:

- At the end of the June 30, 2007, the Parking Enforcement Unit spent approximately \$0.351 million or 81% of its 2007 Approved Cash Flow of \$0.434 million.
- The Parking Enforcement Unit is projecting a year-end spending rate of 100% or \$0.434 million for 2007 approved projects.

Cost Containment Impact

No capital projects were deferred as part of the City's cost containment measures.

5-Year Capital Plan (2008-2012)



	2007		5-Year Plan					
	Budget	Projected Actual	2008	2009	2010	2011	2012	2008-2012
Gross Expenditures:								
2007 Capital Budget & Future Year Commitments	434	434	434					434
Recommended Changes to Commitments								0
2008 New/Change in Scope and Future Year Commitments								0
2009 - 2012 Plan Estimates				434	434	434	434	1,736
1-Year Carry Forward to 2008		0						
Total Gross Annual Expenditures & Plan	434	434	434	434	434	434	434	2,170
Program Debt Target								0
Financing:								
Recommended Debt								0
Other Financing Sources:								
Reserves/Reserve Funds	434		434	434	434	434	434	2,170
Development Charges								0
Federal								0
Provincial								0
Other Revenue								0
Total Financing	434		434	434	434	434	434	2,170
By Category:								
Health & Safety								
Legislated								0
SOGR	434		434	434	434	434	434	2,170
Service Improvement								0
Growth Related								
Total By Category	434		434	434	434	434	434	2,170
Yearly SOGR Backlog Estimate (not addressed by current plan)								0
Accumulated Backlog Estimate (end of year)								0
Operating Impact on Program Costs			0	0	0	0	0	0
Debt Service Costs			0	0	0	0	0	0

* 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 Parking Enforcement Unit's 5-Year Capital Plan estimates include annual expenditure requirements for its vehicle and equipment replacement program. The Program will be fully funded from the Toronto Police Service's Vehicle and Equipment Reserve. Each year, the Parking Enforcement Unit includes in its Operating Budget a contribution to the reserve, to ensure that sufficient funding is available for the vehicle & equipment replacement program.

Multi-Year Debt Affordability Target

The Parking Enforcement Unit does not have an on-going requirement for debt-funded projects and as such there is no debt target established for this Program.

Recommended Changes to the 2007 – 2011 Capital Plan

There are no recommended changes to the Council Approved 2007-2011 Capital Plan.

Program Capacity and Readiness to Proceed

Replacement of vehicles and equipment can proceed as scheduled. Replacements are based on the lifecycle of the Parking enforcement Unit current inventory of vehicles and equipment.

As at December 31, 2006, the Parking Enforcement Unit has 100 automobiles, 2 motorcycles and 39 bicycles. On average, 20 vehicles are replaced each year. The Parking Enforcement Unit includes in its annual Operating Budget a contribution to the Vehicle and Equipment Replacement Reserve, to ensure that sufficient funding is available for the vehicle & equipment replacement program.

Backlog of Projects – Unmet Needs

The Program does not have a backlog of projects.

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

Program Operating Impacts

- There are no Operating Impacts arising from the annual replacement of vehicles and equipment for the projects involved.

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													0
Change in Scope													0
New			434	434			434						434
New w/Future Year													0
Total Expenditure	0	0	434	434		0	434	0	0	0	0	0	434
Financing													
Debt													0
Subsidy (SCPI)													0
Prov. Subsidy/Grant													0
Development Charges													0
Other													0
Federal Grants													0
Reserves/Res Funds			434	434			434						434
Total Financing	0	0	434	434		0	434	0	0	0	0	0	434

Comments / Issues:

- The 2008 Recommended Capital Budget is \$0.434 million gross which will provide the Parking Enforcement Unit with the ability to replace vehicles and equipment as scheduled. This new project is fully funded from the Toronto Police Services Vehicle and Equipment Reserve.
- Approval of the 2008 Recommended Capital Budget will not result in any future year commitments.

2008 Recommended Capital Budget

2008 Recommended Capital Budget versus Debt Target

There is no 2008 debt affordability guideline for the Parking Enforcement Unit.

Recommended Capital Budget by Category

State of Good Repair sub-projects represent 100% of the 2008 Recommended Capital Budget. The Program is comprised of vehicle and equipment replacement.

PART II: ISSUES FOR DISCUSSION**5-Year Capital Plan Issues****Hand-Held Parking Ticket Issuance Devices –Project Status**

An updated status report outlining the operational and financial impacts of implementing the hand-held parking devices will be provided to the Toronto Police Services Board meeting in October 2007 and the Chief of Police will forward the final report to the November 14, 2007 Budget Committee. This project was completed in 2006 within its approved budget.

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
XQ0003 Vehicle & Equipment Reserve	Beginning Balance	\$19,749,201	\$19,749,201	\$19,315,201	\$18,881,201	\$18,447,201	\$18,013,201
	PEO906577 Vehicle & Equipment Replacement		(\$434,000)	(\$434,000)	(\$434,000)	(\$434,000)	(\$434,000)
	Total Proposed Withdrawals		(\$434,000)	(\$434,000)	(\$434,000)	(\$434,000)	(\$434,000)
TOTAL RESERVE FUND BALANCE AT YEAR-END		\$19,749,201	\$19,315,201	\$18,881,201	\$18,447,201	\$18,013,201	\$17,579,201

Each year, the Parking Enforcement Unit's operating budget includes a contribution to the Vehicle & Equipment Replacement Reserve to fund the replacement costs. The Parking Enforcement Unit 2008 Operating Budget includes a contribution of \$0.434 million to the Vehicle & Equipment Reserve for the 2008 vehicle & equipment replacement program.