

**Analyst Briefing Notes  
Budget Committee  
(October 30, 2008)**

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

- The 2008 Approved Capital Budget of \$8.304 million was 42% spent as at June 30, 2008. Actual expenditures by year-end are anticipated to be \$6.767 million, or 81.5% of the 2008 Approved Budget. This projected under expenditure is primarily due to a delay in the Print Shop Retrofit project. The RFP for a contractor was issued in October and a contract award is expected in November, 2008, with work carrying over into 2009 with completion scheduled for the 4<sup>th</sup> quarter of 2009.
- The 10-Year Capital Plan and Forecast incorporates the City Clerk's Office's Legislated and State of Good Repair (SOGR) requirements, as well as some previously approved projects, including Toronto Elections Information System, the Elections Facility Renewal/Renovation, the Elections Results Transmission Equipment replacement, Archives Facility Upgrade, Management Information System for City and Public, and the Print Shop Retrofit. The majority of these are critical initiatives that will be implemented during the first five years, particularly projects in preparation for the 2010 Municipal Election.
- The 2009 Recommended Capital Budget; 2010 to 2013 Recommended Capital Plan and 2014 to 2018 Proposed Capital Forecast totals \$55.810 million, requiring debt funding of \$23.450 million. Of that total amount, \$22.540 million is projected for the Recommended 5-Year Capital Plan, requiring debt funding of \$10.930 million and cash flow of \$13.637 million in 2009, \$2.539 million in 2010, \$2.553 million in 2011, \$2.521 million in 2012, and \$1.670 million in 2013.
- 69% of the total forecasted cash flow over the 10-year planning horizon is allocated to Legislated projects at \$38.264 million, 28% to State-of-Good Repair projects at \$15.879 million, 2% to Service Improvement projects at \$1.167 million, and 1% to Health and Safety projects at \$0.500 million.
- The 10-Year Capital Plan and Forecast provides the funding to reduce the current State-of-Good Repair backlog by \$3.997 million to \$2.003 million by the end of 2013, and over the Proposed 5-Year Capital Forecast period 2014 to 2018 to further reduce the backlog by \$1.050 million to \$0.953 million by 2018.
- The Recommended 5-Year Capital Plan will fund a number of IT projects as highlighted on page 11, that are designed to strengthen the core capacity of Elections Operations to be in a good state of readiness for the 2010 Municipal Election, and for Information Management projects that will provide the solid foundation for a corporate information management framework.

- The Recommended 5-Year Capital Plan reflects the strategic priorities to promote an *open and accessible government* that encourages full participation of the public in Council's decision-making:
  - Effectively delivering the three Services of the City Clerk's Office: Make Government Work, Make Information Accessible, and Conduct Elections.
  - Aligning with the City's strategic directions of good governance, openness, transparency and accountability.
  - Reflecting the tools, systems, and investment required for delivering the priority actions in the Service Plan for the City Clerk's Office.
  - Strengthening the core capacity of Elections as part of the Elections Renewal Project.
  - Building the foundation pieces of the City's information management program.
  - Incorporating the requirements of the Accountability Officers (Ombudsperson, Lobbyist Registrar, and Integrity Commissioner) for a case management system.
  - Advancing the goals and objectives of the eCity Committees: eGovernment, eBusiness, eService Committees, and the City's eCity Strategic Plan.
- The 2009 Recommended Capital Budget including previously approved commitments requires new 2009 cash flow of \$13.257 million gross. This cash flow combined with carry forward funding of \$0.380 million for 2007 projects brings the total 2009 Recommended Capital Budget to \$13.637 million of which \$3.930 million is funded from debt, with the balance of funding provided from reserves and reserve funds.
- The 2009 Recommended Capital Budget provides funding to ensure effective delivery of the City Clerk's Office services, including strengthening the core capacity of Election Operations as part of the Elections Renewal Project, building the foundation pieces for the City's Information Management Program and incorporating the requirements of the Accountability Offices of the Ombudsperson, Lobbyist Registrar and the Integrity Commissioner.

**Recommendations**

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Capital Budget for the City Clerk's Office with a total project cost of \$7.200 million and a 2009 cash flow of \$13.637 million and future year commitments of \$2.009 million comprised of the following:
  - a) New Cash Flow Funding for:
    - i) 13 new sub-projects with a 2009 total project cost of \$7.200 million that requires cash flow of \$6.833 million in 2009 and a future year commitment of \$0.367 million in 2010;
    - ii) 5 previously approved sub-projects with a 2009 cash flow of \$4.154 million, and a future year commitment of \$1.512 million in 2010, and \$0.130 million in 2011;
    - iii) 1 previously approved sub-project with carry forward funding from 2007 requiring 2009 cash flow of \$2.270 million that requires Council to reaffirm its commitment; and
  - b) 2008 approved cash flow for 3 previously approved sub-projects with carry forward funding from 2008 into 2009 totalling \$0.380 million;
2. Council approve the new debt service costs of \$0.193 million in 2009, and incremental costs of \$0.855 million in 2010, \$0.229 million in 2011, \$0.257 million in 2012, and \$0.283 million in 2013 resulting from the approval of the 2009 Recommended Capital Budget to be included in the 2009 and future year operating budgets;
3. Council consider the operating impacts in the City Clerk's Office's Operating Budget of \$0.028 million in 2009, \$0.575 million in 2010, \$0.206 million in 2011, \$0.063 million in 2012, and \$0.293 million in 2013 that emanate from the approval of the 2009 Recommended Capital Budget within the overall scope of the City Clerk's Office's 2009 Operating Budget and future year operating budgets;
4. Council approve the 2010 to 2013 Capital Plan for the City Clerk's Office totalling \$7.274 million in project estimates, comprised of \$0.660 million in 2010; \$2.423 million in 2011; \$2.521 million in 2012, and \$1.670 million in 2013; and,
5. Council approve in principle the 2014 to 2018 Capital Forecast for the City Clerk's Office totalling \$33.270 million in project estimates, comprised of \$3.400 million in 2014, \$23.170 million in 2015, \$2.200 million in 2016, \$2.000 million in 2017, and \$2.500 million in 2018; and that this forecast be used as a foundation for preparing a firm 2010 to 2019 Capital Plan and Forecast as part of the 2010 Capital Budget process.

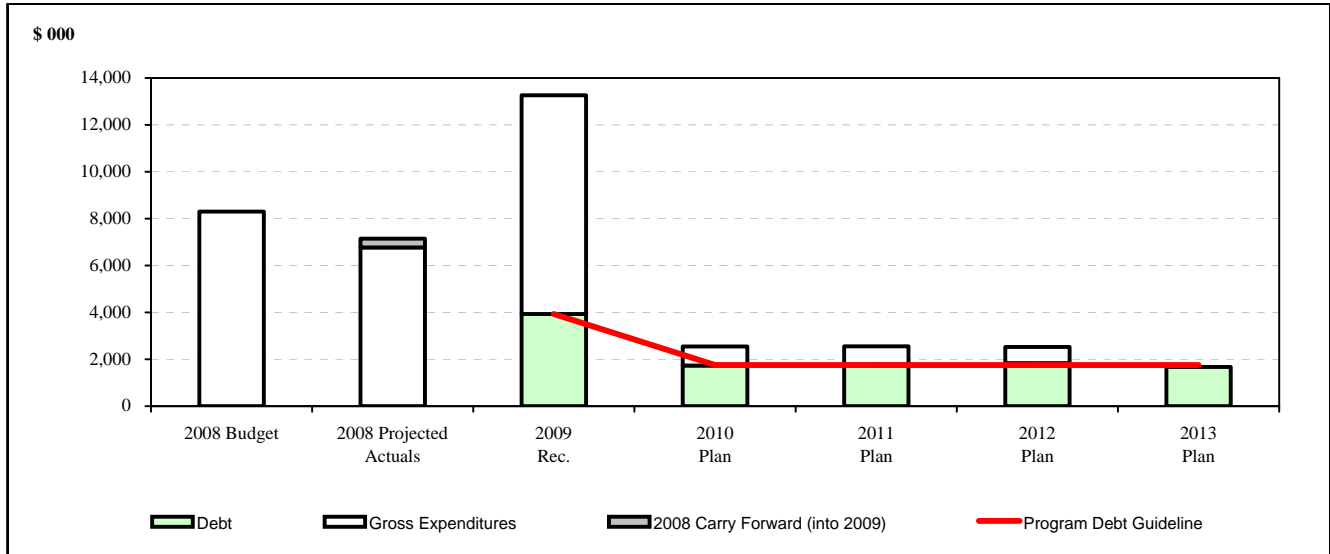
**2008 Capital Variance Review**

<b>2008 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)</b>					
<b>2008 Approved</b>	<b>Actuals as of June 30 (2nd Qtr Variance)</b>		<b>Projected Actuals at Year End</b>		<b>Balance</b>
<b>\$</b>	<b>\$</b>	<b>% Spent</b>	<b>\$</b>	<b>% Spent</b>	<b>\$ Unspent</b>
8,304	3,486	42.0%	6,767	81.5%	1,537

**Comments / Issues:**

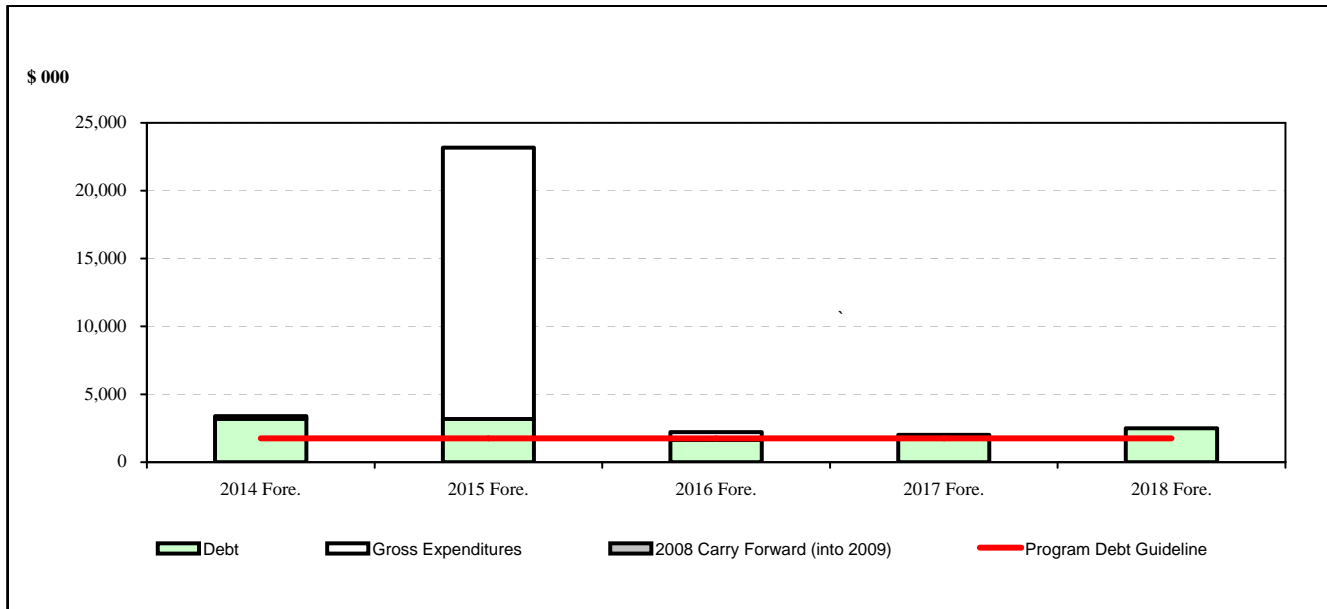
- At the end of the 2<sup>nd</sup> quarter, the City Clerk’s Office spent \$3.486 million or 42.0% of its 2008 Approved Capital Budget of \$8.304 million.
- The projected year-end spending is anticipated to be \$6.767 million, representing an 81.5% spending rate by year-end.
- Under spending is primarily due to a delay in the Print Shop Retrofit project. This site was acquired in March 2008. The RFP process to retain an Architect was completed, and an RFP for a contractor was issued in October 2008, with the contract award expected in November. The Print Shop Retrofit will be completed in the 4<sup>th</sup> quarter of 2009. Previously approved cash flow for the Print Shop retrofit in the amount of \$2.270 million has been carried forward into 2009 and re-submitted as new debt in accordance with the City’s carry forward policy.

5-Year Capital Plan (2009-2013)



	2008		5-Year Capital Plan					2009-2013	5-Year Total Percent
	Budget	Projected Actual	2009	2010	2011	2012	2013		
<b>Gross Expenditures:</b>									
2008 Capital Budget & Future Year Commitments	8,304	6,767	3,954	1,212	630			5,796	
Recommended Changes to Commitments			2,470	(1,212)	(630)			628	
2009 New/Change in Scope and Future Year Commitments			6,833	1,879	130			8,842	
2010 - 2013 Capital Plan Estimates				660	2,423	2,521	1,670	7,274	
1-Year Carry Forward to 2009		380							
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>8,304</b>	<b>7,147</b>	<b>13,257</b>	<b>2,539</b>	<b>2,553</b>	<b>2,521</b>	<b>1,670</b>	<b>22,540</b>	
<b>Program Debt Target</b>			<b>3,930</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>10,930</b>	
<b>Financing:</b>									
Recommended Debt			3,930	1,732	1,768	1,830	1,670	10,930	48%
Reserves/Reserve Funds			9,327	807	785	691		11,610	52%
Development Charges									
Federal									
Provincial									
Other									
<b>Total Financing</b>			<b>13,257</b>	<b>2,539</b>	<b>2,553</b>	<b>2,521</b>	<b>1,670</b>	<b>22,540</b>	100%
<b>By Category:</b>									
Health & Safety							500	500	2%
Legislated			6,519	1,690	1,800	1,685	700	12,394	55%
SOGR			6,238	682	753	836	470	8,979	40%
Service Improvement			500	167				667	3%
Growth Related									
<b>Total By Category</b>			<b>13,257</b>	<b>2,539</b>	<b>2,553</b>	<b>2,521</b>	<b>1,670</b>	<b>22,540</b>	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)			(1,526)	(905)	(1,180)	(286)	(100)	(3,997)	
Accumulated Backlog Estimate (end of year)		6,000	4,474	3,569	2,389	2,103	2,003	2,003	
Operating Impact on Program Costs			28	575	206	63	293	1,165	
Debt Service Costs			226	990	218	257	283	1,974	

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast							10-Year Total Percent
	2014	2015	2016	2017	2018	2014-2018	2009-2014	
<b>Gross Expenditures:</b>								
2008 Capital Budget & Future Year Commitments & Estimates							5,796	
Recommended Changes to Commitments & Estimates							628	
2009 New/Change in Scope and Future Year Commitments							8,842	
2014 - 2018 Capital Forecast Estimates	3,400	23,170	2,200	2,000	2,500	33,270	40,544	
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>3,400</b>	<b>23,170</b>	<b>2,200</b>	<b>2,000</b>	<b>2,500</b>	<b>33,270</b>	<b>55,810</b>	
<b>Program Debt Target</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>	<b>8,750</b>	<b>19,680</b>	
<b>Financing:</b>								
Recommended Debt	3,200	3,170	1,650	2,000	2,500	12,520	23,450	42%
Reserves/Reserve Funds	200	20,000	550			20,750	32,360	58%
Development Charges								
Federal								
Provincial								
Other								
<b>Total Financing</b>	<b>3,400</b>	<b>23,170</b>	<b>2,200</b>	<b>2,000</b>	<b>2,500</b>	<b>33,270</b>	<b>55,810</b>	<b>100%</b>
<b>By Category:</b>								
Health & Safety							500	1%
Legislated	750	20,720	1,400	2,000	1,000	25,870	38,264	69%
SOGR	2,650	2,100	650		1,500	6,900	15,879	28%
Service Improvement		350	150			500	1,167	2%
Growth Related								
<b>Total By Category</b>	<b>3,400</b>	<b>23,170</b>	<b>2,200</b>	<b>2,000</b>	<b>2,500</b>	<b>33,270</b>	<b>55,810</b>	<b>100%</b>
Yearly SOGR Backlog Estimate (not addressed by current plan)	(300)	(100)	(650)	0	0	(1,050)	(5,047)	
Accumulated Backlog Estimate (end of year)	1,703	1,603	953	953	953	953	953	
Operating Impact on Program Costs	0	0	0	0	0	0	1,165	
Debt Service Costs	203	415	374	223	273	1,488	3,462	

## 10-Year Capital Plan and Forecast Overview

- The 10-Year Capital Plan and Forecast incorporates the City Clerk's Office's Legislated and State of Good Repair (SOGR) requirements, as well as some previously approved projects, including Toronto Elections Information System, Archives Facility Upgrade, Management Information System for City and Public, and the Print Shop Retrofit. The majority of these initiatives will be implemented during the first five years which are critical to the operations of the City Clerk's Office, particularly to be ready for the 2010 Municipal Election.
- The 2009 Recommended Capital Budget; 2010 to 2013 Recommended Capital Plan and 2014 to 2018 Proposed Capital Forecast totals \$55.810 million excluding 2008 funding carried forward into 2009.
- The 10-Year Capital Plan and Forecast is 42% funded by debt, which meets the debt target for the Recommended 5-Year Capital Plan of \$10.930 million, but exceeds the target for the Forecast period 2014 to 2018 of \$8.750 million by \$3.770 million. The remaining funding consists of Reserve and Reserve Fund sources at 58% or \$32.360 million.
- The main objective of the 10-Year Capital Plan and Forecast is to ensure the effective delivery of the City Clerk's Office's three core services to Make Government Work, Make Information Accessible, and to Conduct Elections. The resources provided will strengthened the core capacity of Elections Operation as part of the Elections Renewal Project, to build the foundation pieces of the City's Information Management Program, and to incorporate the information requirements of the Accountability Officers (Ombudsperson, Lobbyist Registrar, and Integrity Commissioner).
- The above objective is reflected in the following summary of funding by project category: 69% or \$38.264 million of the Recommended 5-Year Capital Plan and Proposed 5-Year Capital Forecast is allocated to Legislated projects, 28% or \$15.879 million is allocated to State of Good Repair projects, 2% or \$1.167 million for Improvement projects and 1% or 0.500 million for Health and Safety projects.

### Multi-Year Debt Affordability Targets

The 10-Year Capital Plan and Forecast requires debt funding of \$23.450 million. The Recommended 5-Year Capital Plan meets the debt affordability targets for the first 5 years. The Proposed 5-Year Capital Forecast, however, exceeds the debt affordability guideline by \$3.770 million, and is due to the inclusion of new projects for future years that require new debt funding.

### Project Financing

The 10-Year Capital Plan and Forecast is funded from debt (42%), and reserves (6%) and reserve funds (52%). The Recommended 5-Year Capital Plan is funded from debt (48%), and reserves/reserve funds (42%) as shown in the table below:



(\$000s)	2009	2010	2011	2012	2013	Total 2009 to 2013	Ratio	Total 2014 to 2018	Total 2009 to 2018	Ratio
Debt	3,930	1,732	1,768	1,830	1,670	10,930	48.5%	12,520	23,450	42.0%
Reserves	1,568	257	680	100		2,605	11.6%	750	3,355	6.0%
Reserve Funds	7,759	550	105	591		9,005	40.0%	20,000	29,005	52.0%
<b>Total</b>	<b>13,257</b>	<b>2,539</b>	<b>2,553</b>	<b>2,521</b>	<b>1,670</b>	<b>22,540</b>	<b>100.0%</b>	<b>33,270</b>	<b>55,810</b>	<b>100.0%</b>

The City Clerk's Equipment Reserve provides the funding for the printing equipment replacement. Several projects related to elections, namely the Elections Results Transmission Equipment Replacement, the Toronto Election Information System, and the Election Facility Renewal/Renovation projects are funded from the Elections Reserve Fund. Projects related to information and records management are funded from Capital Financing Reserve Fund. In 2015, the Vote Tabulators used for elections will need to be replaced at a projected cost of \$20.000 million.

Debt funding is mainly allocated to the Toronto Meeting Management Information System for City and Public, Automation of Divisional Information Access and Decisions, the Multi-Media Production Services and Printing Workflow Management, and the Print Shop Retrofit.

**State of Good Repair (SOGR) Backlog and Unmet Service Needs**

The projected backlog at the end of 2008 is \$6.000 million. The backlog includes the Elections Transmission Equipment, the Wedding Chambers renovation, Archives Infrastructure and Upgrade, and Printing Equipment replacement projects. The 10-Year Capital Plan and Forecast includes projects to address the backlog which is expected to reduce to \$2.003 million by 2013, and over years 6 to 10 the backlog is projected to be reduced to \$0.953 million by 2018.

**Program Capacity and Readiness to Proceed**

The City Clerk's Office's spending rate for the past two years was adversely affected by a delay in the Print Shop acquisition. The 2007 Approved Capital Budget included the Print Shop relocation and retrofit projects, which given a cash flow of \$9.365 million comprised 86.5% of the total budget. The Print Shop acquisition was delayed by a number of factors over the last two years, and a site was acquired in March 2008.

Due to the delay in the Print Shop retro-fit, there is a need to re-submit the 2007 carry forwarding funding of \$2.270 million for the retro-fitting of the Print Shop. As a result, the Program's projected year-end spending is \$4.497 million or 48.1%.

In 2009, there are three projects that prepare the City Clerk's staff in Election Operations for the Municipal Election in 2010 that must be completed to be ready to meet elections service requirements. The City Clerk's Office will bring in resources including temporary staffing that will be dedicated to meeting the critical timelines for these projects.

**Changes to the 5-Year Capital Plan (2009-2013)**

The following summarizes the changes from the 2008 – 2012 Approved Capital Plan with the Recommended 2009-2013 Capital Plan.

<b>(\$000s)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total 2009 to 2013</b>
2008 to 2012 Approved Capital Plan	4,954	2,607	1,430	800	885	10,676
Changes to the 5-Year Capital Plan	8,303	(68)	1,123	1,721	785	11,864
<b>2009 - 2013 5-Year Capital Plan</b>	<b>13,257</b>	<b>2,539</b>	<b>2,553</b>	<b>2,521</b>	<b>1,670</b>	<b>22,540</b>

The changes to the 5-Year Capital Plan are attributed to the delay experienced with the Print Shop relocation and retrofit described above. This has necessitated a resubmission of \$2.270 million for the Print Shop Retrofit project. In addition, new projects related to the 2010 Municipal Election, and the need to replace a Large Format Printing Press contributed to the increased cash flow in 2009. The future year increases are attributed to new future needs identified for meeting service priority and action items.

**Capital Projects Highlights**

**Strategic Priorities**

The Recommended 5-Year Capital Plan reflects the following strategic priorities to promote an *open and accessible government* that encourages full participation of the public in Council’s decision-making:

- Effectively delivering the three Services of the City Clerk’s Office: Make Government Work, Make Information Accessible, and Conduct Elections.
- Aligning with the City’s strategic directions of good governance, openness, transparency and accountability.
- Reflecting the tools, systems, and investment required for delivering the priority actions in the Service Plan for the City Clerk’s Office.
- Strengthening the core capacity of Elections as part of the Elections Renewal Project.
- Building the foundation pieces of the City’s information management program.
- Incorporating the requirements of the Accountability Officers (Ombudsperson, Lobbyist Registrar, and Integrity Commissioner) for a case management system; and
- Advancing the goals and objectives of the eCity Committees: eGovernment, eBusiness, eService Committees, and the City’s eCity Strategic Plan.

In 2009 the priority is to complete several election related projects to be ready for the 2010 Municipal election. These include the Toronto Elections Information System, the Election Results Transmission Equipment replacement, and the Elections Facility Renewal projects. The Elections Facility is being acquired in the 4<sup>th</sup> quarter of 2008, and the retrofit will be completed in 2009.

Projects related to information and records management include the Toronto Meeting Management Information System for the City and the Public, Electronic Records Management, Archives Facility Upgrades, and Case Management System for the Accountability Offices.

## Summary of Major Capital Initiatives

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 -2018 Forecast	2009 -2018 Total
<b>New &amp; Expanded Facility Projects</b>								
<b>IT Projects</b>								
Election Results Trans Equip Replacement	1,000					1,000		1,000
Toronto Elections Information System	956	550				1,506		1,506
Multi-Media Prod Svcs Workflow Mgmt System	667					667		667
Case Management System for Accountability Offices	85	265				350		350
Councillor Electronic Expense Reporting System	278					278		278
Automate Divisional Information Access & Disclosure	450	200	250	250		1,150		1,150
By-law Registry Upgrade	150					150		150
Long-Term Strategy to Manage City Records	245		200	1,035		1,480		1,480
Toronto Meeting Mgmt System for City and Public	1,410	240				1,650		1,650
Livelinek Records Sustainment and Clean-up	200					200		200
Electronic Records Mgmt Business Experts	180					180		180
Archives Facility Upgrade	68	62	130			260		260
Future year IT projects			1,223	950	1,070		28,520	31,763
Sub-Total	5,689	1,317	1,803	2,235	1,070	12,114	28,520	40,634
<b>Other Major City Initiatives:</b>								
Sub-Total	0	0	0	0	0	0	0	0
<b>Total</b>	<b>5,689</b>	<b>1,317</b>	<b>1,803</b>	<b>2,235</b>	<b>1,070</b>	<b>12,114</b>	<b>28,520</b>	<b>40,634</b>

The main objective of the Recommended 5-year Capital and Proposed 5-Year Capital Forecast is to be in a good state of readiness for the 2010 Municipal Election with strengthened core capacity of Election Operations, and for Information Management projects that will provide the solid foundation for a corporate information management framework. The City has made huge investments over the years in information technology but almost none in managing the information itself. The City Clerk's Office's Records Centre is full, and City Divisions continue to rely on storage of City information in hard copy. Any delay of capital projects related to information management will lead to increased operational costs. In addition, Councillors are now identifying their need for information in a user-friendly format to help them respond to their constituents. Most of this information resides in various City databases and systems, the majority in formats that are not user-friendly.

The projects listed in the above table will move towards meeting these needs.

## Operating Budget Impact - 10-Year Plan & Forecast

### Incremental Operating Impact Summary

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 - 2018 Forecast	2009- 2018 Total
<b>2009 Recommended Capital Budget</b>								
Program Costs (net)	151					151		151
Approved Positions	2					2		2
Debt Service Costs	98	413				511		511
<b>Recommended 2010-2013 Capital Plan</b>								
Program Costs (net)		96	206		52	354		354
Approved Positions		1	1		2	4		4
Debt Service Costs		43	226	231	234	735		735
<b>Proposed 2014-2018 Capital Forecast</b>								
Program Costs (net)								
Approved Positions								
Debt Service Costs							1,540	1,540
<b>Total</b>								
Program Costs (net)	151	96	206		52	505		505
Approved Positions		1	1		2	4		4
Debt Service Costs	98	456	226	231	234	1,246	1,540	2,786
<i>Debt Service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 2.5% Year 1, and 13% for subsequent years</i>								

### Program Operating Impact

The Recommended 5-Year Capital Plan and Proposed 5-Year Capital Forecast will increase future year Operating Budgets by a total of \$0.505 million net over the first five year period. This is comprised of costs to sustain the systems recommended for 2009 when they are completed and operationalized. The impact will be \$0.151 million in 2009, \$0.096 million in 2010, \$0.206 million in 2011 and \$0.052 million in 2013.

In 2009, one System Integrator, and one Desktop Support Technician are required for application and sustainment support for the Toronto Meeting management Information System, and the Gaming and Registry Information Systems. In 2010, an IT Support Analyst position will be required to provide support to several systems, including the Councillors Electronic Expense Reporting System, the Case Management System for Accountability Officers, and the Multi-Media Production Services Workflow Management System. One additional position will be required in year 2011 for support and maintenance of the MMPS/Printing Distribution Workflow System. The Long Term Preservation of Records Implementation and Continuity will require two Technical Support Specialist positions in 2013 at an annualized cost of \$0.052 million.

### Debt Service Cost

The 10-Year Capital Plan and Forecast will result in new debt service costs totalling \$2.786 million, comprised of \$0.511 million from the approval of the 2009 Recommended Capital Budget, \$0.735 million from the Recommended 5-Year Capital Plan and \$1.540 million from the Proposed 5-Year Capital Forecast.

**Total 2009 Recommended Cash Flow & Future Year Commitments (\$000s)**

	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Recommended	2009 Total Cash Flow Recommended	2009 Debt Target	2008 Carry Forwards	Total 2009 Cash Flow (Incl 2008 C/Fwd)	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenditures</b>																
Previously Approved	2,270	4,154		6,424		380	6,804	1,512	130							
Change in Scope			75	75			75									
New			480	480			480									
New w/Future Year			6,278	6,278			6,278	367								
<b>Total Expenditure</b>	<b>2,270</b>	<b>4,154</b>	<b>6,833</b>	<b>13,257</b>	<b>3,930</b>	<b>380</b>	<b>13,637</b>	<b>1,879</b>	<b>130</b>							
<b>Financing</b>																
Reserves/Res Funds	2,270	2,557	4,500	9,327			9,327	612	130							
Development Charges																
Other				-		380	380									
Debt		1,597	2,333	3,930			3,930	1,267								
<b>Total Financing</b>	<b>2,270</b>	<b>4,154</b>	<b>6,833</b>	<b>13,257</b>	<b>3,930</b>	<b>380</b>	<b>13,637</b>	<b>1,879</b>	<b>130</b>							

**Comments / Issues:**

- The 2009 Recommended Capital Budget is \$13.637 million, and includes funding carried forward from 2008 into 2009 of \$0.380 million, funding approved in 2007 of \$2.270 million being carried forward into 2009, previously approved funding of \$4.154 million, and new funding of \$6.833 million.
- Approval of the 2009 Recommended Capital Budget will result in a future year commitment of \$1.879 million in 2010, and \$0.130 million in 2011.
- The 2009 Recommended Capital Budget is funded from debt, and reserves/reserve funds at a ratio of 68.5%, and 31.5% respectively.

## 2009 Recommended Capital Budget

### 2009 Recommended Capital Budget versus Debt Target

The 2009 Recommended Capital Budget requires new debt funding of \$3.930 million which meets the debt affordability target set for 2009.

### Recommended Capital Budget by Category

The 2009 Recommended Budget is comprised of \$6.238 million or 47% for SOGR projects, \$6.519 million or 49% for Legislated, and \$0.500 million or 4% for Service Improvement.

### 2009 Capital Project Highlights:

The 2009 Recommended Capital Budget provides funding to ensure effective delivery of the City Clerk's Office services, including strengthening the core capacity of Election Operations as part of the Elections Renewal Project, building the foundation pieces for the City's Information Management Program and incorporating the requirements of the Accountability Offices of the Ombudsperson, Lobbyist Registrar and the Integrity Commissioner.

The 2009 Recommended Capital Budget provides funding for:

- Toronto Election Information System and Election Results Transmission Equipment Replacement - \$1.956 million
- Election Facility Renovation - \$2.000 million
- Meeting Management Info System for City & Public - \$1.210 million
- Electronic Records Management Business Expert - \$0.120 million
- Councillor Electronic Expense Reporting System - \$0.278 million
- Livelink Records Application Sustainment and Clean-up - \$0.100 million
- Case Management System for Accountability Officers - \$0.085 million
- Automate Divisional Information Access & Disclosure - \$0.450 million
- Information Management Infrastructure - \$0.245 million
- By-law Registry Upgrade - \$0.075 million
- Printing Equipment Replacement - \$1.500 million
- Archives Facility Upgrade - \$0.143 million
- Wedding Chambers Renovations - \$0.125 million
- Lobbyist Registry Development and Maintenance - \$0.500million
- Print Shop Retrofit - \$3.970 million

### Capacity and Readiness to Proceed

In 2007 the spending rate was affected by the delay in acquiring a new site for the City's Print Shop operations. That delay has caused the Print Shop Retrofit project to be pushed back, necessitating the funding approved in 2007 to be carried forward into 2009 for re-affirmation. This has resulted in the projected spending rate at the end of 2008 to be 48.1%. This rate would have been higher had it not been for the delay in the Print Shop acquisition.

There are a number of priority projects related to Elections to be completed for the 2010 Municipal Election, and a concerted effort will be taken to deliver on these and other projects in the 2009 Recommended Capital Budget.

**PART II: ISSUES FOR DISCUSSION****5-Year Capital Plan Issues****Elections Facility**

The City Clerk's Office is mandated to conduct the municipal election, which has moved from a three year to a four year term for Council. The municipal election is the single biggest City event every four years. The next municipal election will be in 2010.

The elections facility is presently located at 3 Dohme St, which was stretched far beyond its capacity for the last election in 2006. Tractor trailers had to be leased in order to create warehousing capacity to accommodate critical elections equipment.

The existing facility at 3 Dohme cannot be expanded due to technical reasons. The Facilities and Real Estate Division has found a suitable site at 89 Northline Rd. that can accommodate both the office and warehousing requirements for elections. The Budget Committee at its meeting of October 24, 2008 recommended to the Executive Committee that City Council authorize the "Elections Facility Project", a new capital project to be added to the City Clerk's Office 2008 Capital Budget, to enable the acquisition of the Northline Property as an elections office site.

The 2009 Recommended Capital Budget includes \$2.000 million for renovating the Northline property in preparation for the municipal election in 2010.

**5-Year Capital Forecast Issues****Vote Tabulators replacement:**

Vote Tabulator machines are used to determine the results in an election. The tabulator machines were purchased prior to the 2000 election, and are outdated. The Proposed 5-Year Capital Forecast includes the projected funding of \$20.000 million required for the replacement of the Vote Tabulator machines in 2015, funded from the Capital Financing Reserve Fund.

**Appendix 1**  
**2009 Recommended Capital Budget; 2010 to 2013 Plan**  
**and 2014 to 2018 Forecast**



**Appendix 2**  
**2009 Recommended Cash Flow**  
**and Future Year Commitments**

**Appendix 3**  
**2009 Recommended Capital Projects**  
**with Financing Details**

## Appendix 4

### Reserve / Reserve Fund Review

Reserve / Reserve Fund Name (In \$Thousands)	Balance as of Dec 31, 2008	Proposed Withdrawals										2009-2018 Total
		2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Fore.	2015 Fore.	2016 Fore.	2017 Fore.	2018 Fore.	
XQ1507 - Clerk's Equipment Reserve	2,127	1,568	257	680	100	0	200	0	550	0	0	3,355
XR1017 - Elections Reserve Fund	9,348	4,146	550									4,696
												0
												0
												0
												0
<b>Total Reserve / Reserve Fund</b>	<b>11,475</b>	<b>5,714</b>	<b>807</b>	<b>680</b>	<b>100</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>550</b>	<b>0</b>	<b>0</b>	<b>8,051</b>