



STAFF REPORT ACTION REQUIRED

Toronto Police Service: 2016 – 2025 Revised Capital Program Request

Date:	May 26, 2016
To:	Budget Committee, City of Toronto
From:	Andy Pringle, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the 2016-2025 revised capital program request for the Toronto Police Service (the “Service”).

RECOMMENDATION

It is recommended that the Budget Committee approve the Service’s revised 2016-2025 Capital Program with a 2016 net request of \$21.6 Million (excluding cash flow carry forwards from 2015), and a net total of \$243 Million for 2016-2025, as detailed in Attachment B; contained within Appendix A.

Financial Impact

The Service’s 2016-2025 Capital Program as revised by the Council, exceeds the Board-approved amount by \$526,000. The ten-year program as approved by Council includes a cash flow adjustment made by City Finance for the Peer to Peer Site project and an increase of \$526,000 to State of Good Repair (SOGR).

The revised program includes a shift in funding for the Peer to Peer project as site selection has not yet been finalized. The total cost of the project remains the same; however, \$4M was moved from 2016 to 2017 as it is anticipated that construction will not commence until 2017. As a result of this change, the required amounts in 2018 and 2019 were also revised that also impacted the Developmental Charges (DC) for those years.

The City also transferred \$526,000 in 2016 from their Facility Maintenance budget which was allocated for two projects at 255 Dundas (52 Division), rehabilitation of building façade and elevator modernization, to the Service. The work will be completed by the Service’s Facilities Management Unit as part of a major update project currently ongoing.

Table 1 below provides a summary of the changes to the Service’s 2016-2025 Capital Program and compare it to the affordability target.

Additional detail on debt-funded and reserve-funded projects can be found in Attachments A and B respectively.

Table 1. Summary of 2016-2025 Capital Program Request (\$Ms)

	2016	2017	2018	2019	2020	5-Year Total	2021-2025 Total	2016-2025 Total
Board approved 2016-2025 capital program	24.3	24.8	22.2	35.9	31.8	139.0	103.5	242.5
Revised 2016-2025 capital program	21.6	20.3	26.5	39.4	31.8	139.5	103.5	243.1
Variance	(2.7)	(4.5)	4.3	3.5	0	0.5	0	0.5
CITY DEBT TARGET:	31.9	35.2	32.0	28.0	31.8	158.9	84.2	243.0
Variance to target “(over)/under”	10.3	15.0	5.5	(11.4)	0	19.3	0	0

ISSUE BACKGROUND

At its meeting on April 20, 2016, the Toronto Police Services Board (the “Board”) considered a report dated March 21, 2016 from Chief of Police Mark Saunders containing the Service’s 2016 – 2025 revised Capital Program request.

COMMENTS

The Board approved the Chief’s report and agreed to forward a copy of it to the City’s Deputy City Manager and Chief Financial Officer for information and to the City’s Budget Committee for approval.

CONCLUSION

A copy of Board Minute No. P82/16 regarding this matter is attached as Appendix “A”.

CONTACT

Chief of Police Mark Saunders
 Toronto Police Service
 Telephone No. 416-808-8000
 Fax No. 416-808-8002

SIGNATURE

Andy Pringle
Chair

ATTACHMENT

Board Minute No. P82/16

c. Mr. Rob Rossini, Deputy City Manager and Chief Financial Officer

a: 2016 – 2025 revised capital program request.doc

APPENDIX "A"

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON APRIL 20, 2016

#P82 TORONTO POLICE SERVICE: 2016-2025 CAPITAL PROGRAM REQUEST - REVISED

The Board was in receipt of the following report March 21, 2016 from Mark Saunders, Chief of Police:

Subject: TORONTO POLICE SERVICE 2016-2025 CAPITAL PROGRAM REQUEST -
REVISED

Recommendations:

It is recommended that:

- (1) the Board approve the revised Toronto Police Service's 2016-2025 Capital Program with a 2016 net request of \$21.6 Million (excluding cash flow carry forwards from 2015), and a net total of \$243 Million for 2016-2025, as detailed in Attachment B; and
- (2) the Board forward a copy of this report to the City Budget Committee for approval and to the City's Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

The Toronto Police Service's (Service's) 2016-2025 Capital Program as revised by the Council, exceeds the Board-approved amount by \$526,000. The ten-year program as approved by Council includes a cash flow adjustment made by City Finance for the Peer to Peer Site project and an increase of \$526,000 to State of Good Repair (SOGR).

The revised program includes a shift in funding for the Peer to Peer project as site selection has not yet been finalized. The total cost of the project remains the same; however, \$4M was moved from 2016 to 2017 as it is anticipated that construction will not commence until 2017. As a result of this change, the required amounts in 2018 and 2019 were also revised that also impacted the Developmental Charges (DC) for those years.

The City also transferred \$526,000 in 2016 from their Facility Maintenance budget which was allocated for two projects at 255 Dundas (52 Division), rehabilitation of building façade and elevator modernization, to the Service. The work will be completed by the Service's Facilities Management Unit as part of a major update project currently ongoing.

Staff report for action on the TPS 2016 – 2025 Revised Capital Program Request

Table 1 below provides a summary of the changes to the Service’s 2016-2025 Capital Program and compare it to the affordability target.

Additional detail on debt-funded and reserve-funded projects can be found in Attachments A and B respectively.

Table 1. Summary of 2016-2025 Capital Program Request (\$Ms)

	2016	2017	2018	2019	2020	5-Year Total	2021-2025 Total	2016-2025 Total
Board approved 2016-2025 capital program	24.3	24.8	22.2	35.9	31.8	139.0	103.5	242.5
Revised 2016-2025 capital program	21.6	20.3	26.5	39.4	31.8	139.5	103.5	243.1
Variance	(2.7)	(4.5)	4.3	3.5	0	0.5	0	0.5
CITY DEBT TARGET:	31.9	35.2	32.0	28.0	31.8	158.9	84.2	243.0
Variance to target “(over)/under”	10.3	15.0	5.5	(11.4)	0	19.3	0	0

Background/Purpose:

At its meeting of October 19, 2015, the Board approved the Services’ 2016-2025 Capital Program request at \$24.3M in 2016, and \$242.5M for 2016-2025 as detailed in Attachment A (Min. No. P275/15 refers).

City Finance staff advised the Service’s staff that for the Peer to Peer Site, a construction funding commitment would not be recommended until land is acquired. As a result, \$4M of debt funding and \$800K of DC funding was moved to 2017. As a result of this change, the required cash flow amount in 2018 and 2019 and the Developmental Charges (DC) for those years were revised.

The City also transferred \$526,000 in 2016 from their Facility Maintenance budget to the Service’s capital budget for two projects at 255 Dundas (52 Division). The Service will complete the work as part of its renovation of the facility that is currently underway.

Subsequently, at its meeting of February 17, 2016, Toronto City Council approved the Service’s 2016-2025 capital program at a net amount of \$21.6M for 2016 (excluding cash flow carry forwards from 2015), and a net total of \$243M for 2016 - 2025. This approved amount reflects the changes noted above.

The purpose of this report is to request the Board’s approval of the revised 2016 – 2025 program and to forward a copy of this report to the City for final approval of the program amounts.

Discussion:

Each year, the Board-approved capital program is reviewed by City Finance, and the Budget Committee is provided with both the Board-approved program and the City's capital budget Analyst notes. For the 2016-2025 Capital program, the Analyst notes included a recommendation to revise the cash flow for 2016 and 2017 for the Peer to Peer site project to reflect appropriate expenditure timing for the acquisition of a site and the start of construction. As a result of this adjustment, the cash flow requirements for 2018 and 2019 were also adjusted.

In addition, the City's Facilities Management division had planned to complete two projects for 52 Division, the rehabilitation of the building's façade and an elevator modernization. Since the Service's Facilities Management Unit is already renovating 52 Division, it was determined that it would be more efficient if funds are transferred from the City to the Service to perform the City component of those renovations.

Conclusion:

Toronto City Council approved the Service's 2016-2025 capital at a net amount of \$21.6M for 2016 (excluding cash flow carry forwards from 2015), and a net total of \$243M for 2016 – 2025 which exceeds the Board-approved amount by \$526,000. As a result, the Board is requested to approve the revised 2016 – 2025 capital program that was approved by City Council.

Mr. Tony Veneziano, Chief Administrative Officer, Corporate Services Command will be in attendance to answer any questions from the Board.

The Board approved the foregoing report.

Moved by: S. Carroll
Seconded by: K. Jeffers

OCTOBER 19, 2015 - BOARD APPROVED 2016-2025 CAPITAL PROGRAM REQUEST (\$000s)

Project Name	Plan to end of 2015	2015 CF	2016	2017	2018	2019	2020	Total 2016-2020 Request	2021	2022	2023	2024	2025	Total 2021-2025 Forecast	Total 2016-2025 Program	Total Project Cost
Projects In Progress																
State-of-Good-Repair - Police		3,000	1,800	4,000	4,000	4,000	4,000	17,800	4,000	4,000	4,000	4,000	4,000	20,000	37,800	37,800
HRMS Upgrade	1,485	985	550	0	0	0	380	930	1,105	0	0	0	0	1,105	2,035	3,520
Peer to Peer Site (Disaster Recovery Site)	3,879	3,500	5,000	7,759	3,500	0	0	16,259	0	0	0	0	0	0	16,259	20,138
Facilities Realignment	7,000	7,000	0	0	1,600	21,421	8,387	31,408	217	0	0	0	0	217	31,625	38,625
TRMS Upgrade	600	300	0	1,500	2,022	0	0	3,522	0	630	1,500	2,022	0	4,152	7,674	8,274
Business Intelligence	2,336	2,000	4,069	3,811	0	0	0	7,880	0	0	0	0	0	0	7,880	10,216
Electronic Document Management (Proof of Concept)	50		450	0	0	0	0	450	0	0	0	0	0	0	450	500
Total, Projects In Progress	15,350	16,785	11,869	17,070	11,122	25,421	12,767	78,249	5,322	4,630	5,500	6,022	4,000	25,474	103,723	119,073
Upcoming Projects																
Radio Replacement	0		14,141	3,050	3,460	2,452	4,949	28,052	6,074	4,544	42	1,026	226	11,912	39,964	39,964
41 Division (includes land)	0		0	0	395	9,561	19,122	29,078	9,850	0	0	0	0	9,850	38,928	38,928
TPS Archiving	0		50	50	650	0	0	750	0	0	0	0	0	0	750	750
32 Division - Renovation	0		0	1,200	4,790	5,990	0	11,980	0	0	0	0	0	0	11,980	11,980
Parking West				5,600	1,800	2,200		9,600							9,600	9,600
13 Division (includes land)	0		0	0	0	0	372	372	8,645	18,500	11,411	0	0	38,556	38,928	38,928
AFIS (next replacement)	0		0	0	0	3,053	0	3,053	0	0	0	0	0	0	3,053	3,053
Property & Evidence Warehouse Racking											1,040			1,040	1,040	1,040
Expansion of Fibre Optics Network	0		0	0	0	0	0	0	881	0	4,785	6,385	0	12,051	12,051	12,051
22 Division - Renovation	0		0	0	0	0	0	0	0	0	3,000	5,300	0	8,300	8,300	8,300
Relocation of PSU	0		0	0	0	0	0	0	500	5,400	5,148	2,000	0	13,048	13,048	13,048
Relocation of FIS	0		0	0	0	0	0	0	0	0	0	4,649	12,653	17,302	17,302	60,525
Total, Upcoming Capital Projects:	0	0	14,191	9,900	11,095	23,256	24,443	82,885	25,950	28,444	25,426	19,360	12,879	112,059	194,944	238,167
Total Debt Funded Capital Projects:	15,350	16,785	26,060	26,970	22,217	48,677	37,210	161,134	31,272	33,074	30,926	25,382	16,879	137,533	298,667	357,240
Total Reserve Projects:	199,590	1,224	16,734	26,349	30,925	28,237	24,235	126,480	22,963	25,418	31,585	28,317	24,505	132,788	259,268	458,857
Total Gross Projects	214,940	18,009	42,794	53,319	53,142	76,914	61,445	287,614	54,235	58,492	62,511	53,699	41,384	270,321	557,935	816,098
Funding Sources:																
Vehicle and Equipment Reserve	(199,590)		(16,734)	(26,349)	(30,925)	(28,237)	(24,235)	(126,480)	(22,963)	(25,418)	(31,585)	(28,317)	(24,505)	(132,788)	(259,268)	(458,857)
Funding from Development Charges	(21,476)		(1,800)	(2,131)	0	(12,775)	(5,410)	(22,116)	(6,380)	(9,688)	(11,971)	(5,415)	(578)	(34,032)	(56,148)	(77,624)
Total Funding Sources:	(221,066)		(18,534)	(28,480)	(30,925)	(41,012)	(29,645)	(148,596)	(29,343)	(35,106)	(43,556)	(33,732)	(25,083)	(166,820)	(315,415)	(536,481)
Total Net Debt-Funding Request:	(6,126)		24,260	24,839	22,217	35,902	31,800	139,018	24,892	23,386	18,955	19,967	16,301	103,502	242,520	279,617
5-year Average:								27,804						20,700	24,252	
City Target:			31,366	35,231	31,991	27,978	31,800	158,366	17,322	9,310	18,581	22,581	16,360	84,154	242,520	
City Target - 5-year Average:								31,673						16,831	24,252	
Variance to Target:			7,106	10,392	9,774	(7,924)	0	19,348	(7,570)	(14,076)	(374)	2,614	59	(19,348)	0	
Cumulative Variance to Target				17,498	27,272	19,348	19,348		11,778	(2,298)	(2,672)	(59)	0			
Variance to Target - 5-year Average:								3,870						(3,870)	0	

COUNCIL APPROVED 2016-2025 CAPITAL PROGRAM REQUEST (\$000s)

Project Name	Plan to end of 2015	2015 CF	2016	2017	2018	2019	2020	Total 2016-2020 Request	2021	2022	2023	2024	2025	Total 2021-2025 Forecast	Total 2016-2025 Program	Total Project Cost
Projects In Progress																
State-of-Good-Repair - Police		3,000	2,326	4,000	4,000	4,000	4,000	18,326	4,000	4,000	4,000	4,000	4,000	20,000	38,326	38,326
HRMS Upgrade	1,485	985	550	0	0	0	380	930	1,105	0	0	0	0	1,105	2,035	3,520
Peer to Peer Site (Disaster Recovery Site)	3,879	3,500	1,000	4,000	7,759	3,500	0	16,259	0	0	0	0	0	0	16,259	20,138
Facilities Realignment	7,000	7,000	0	0	1,600	21,421	8,387	31,408	217	0	0	0	0	217	31,625	38,625
TRMS Upgrade	600	300	0	1,500	2,022	0	0	3,522	0	630	1,500	2,022	0	4,152	7,674	8,274
Business Intelligence	2,336	2,000	4,069	3,811	0	0	0	7,880	0	0	0	0	0	0	7,880	10,216
Electronic Document Management (Proof of Concept)	50		450	0	0	0	0	450	0	0	0	0	0	0	450	500
Total, Projects In Progress	15,350	16,785	8,395	13,311	15,381	28,921	12,767	78,775	5,322	4,630	5,500	6,022	4,000	25,474	104,249	119,599
Upcoming Projects																
Radio Replacement	0		14,141	3,050	3,460	2,452	4,949	28,052	6,074	4,544		42	1,026	226	11,912	39,964
41 Division (includes land)	0		0	0	395	9,561	19,122	29,078	9,850	0	0	0	0	0	9,850	38,928
TPS Archiving	0		50	50	650	0	0	750	0	0	0	0	0	0	750	750
32 Division - Renovation	0		0	1,200	4,790	5,990	0	11,980	0	0	0	0	0	0	11,980	11,980
Parking West				5,600	1,800	2,200		9,600							9,600	9,600
13 Division (includes land)	0		0	0	0	0	372	372	8,645	18,500	11,411	0	0	38,556	38,928	
AFIS (next replacement)	0		0	0	0	3,053	0	3,053	0	0	0	0	0	0	3,053	3,053
Property & Evidence Warehouse Racking										0	1,040			1,040	1,040	
Expansion of Fibre Optics Network	0		0	0	0	0	0	0	881	0	4,785	6,385	0	12,051	12,051	
22 Division - Renovation	0		0	0	0	0	0	0	0	0	3,000	5,300	0	8,300	8,300	
Relocation of PSU	0		0	0	0	0	0	0	500	5,400	5,148	2,000	0	13,048	13,048	
Relocation of FIS	0		0	0	0	0	0	0	0	0	0	4,649	12,653	17,302	17,302	
Total, Upcoming Capital Projects:	0	0	14,191	9,900	11,095	23,256	24,443	82,885	25,950	28,444	25,426	19,360	12,879	112,059	194,944	238,167
Total Debt Funded Capital Projects:	15,350	16,785	22,586	23,211	26,476	52,177	37,210	161,660	31,272	33,074	30,926	25,382	16,879	137,533	299,193	357,766
Total Reserve Projects:	199,590	1,224	16,734	26,349	30,925	28,237	24,235	126,480	22,963	25,418	31,585	28,317	24,505	132,788	259,268	458,857
Total Gross Projects	214,940	18,009	39,320	49,560	57,401	80,414	61,445	288,140	54,235	58,492	62,511	53,699	41,384	270,321	558,461	816,624
Funding Sources:																
Vehicle and Equipment Reserve	(199,590)		(16,734)	(26,349)	(30,925)	(28,237)	(24,235)	(126,480)	(22,963)	(25,418)	(31,585)	(28,317)	(24,505)	(132,788)	(259,268)	(458,857)
Funding from Development Charges	(21,476)		(1,000)	(2,931)	0	(12,775)	(5,410)	(22,116)	(6,380)	(9,688)	(11,971)	(5,415)	(578)	(34,032)	(56,148)	(77,624)
Total Funding Sources:	(221,066)		(17,734)	(29,280)	(30,925)	(41,012)	(29,645)	(148,596)	(29,343)	(35,106)	(43,556)	(33,732)	(25,083)	(166,820)	(315,415)	(536,481)
Total Net Debt-Funding Request:	(6,126)		21,586	20,280	26,476	39,402	31,800	139,544	24,892	23,386	18,955	19,967	16,301	103,502	243,046	280,143
5-year Average:								27,909						20,700	24,305	
City Target:			31,892	35,231	31,991	27,978	31,800	158,892	17,322	9,310	18,581	22,581	16,360	84,154	243,046	
City Target - 5-year Average:								31,778						16,831	24,305	
Variance to Target:			10,306	14,951	5,515	(11,424)	0	19,348	(7,570)	(14,076)	(374)	2,614	59	(19,348)	0	
Cumulative Variance to Target				25,257	30,772	19,348	19,348		11,778	(2,298)	(2,672)	(59)	0			
Variance to Target - 5-year Average:								3,870						(3,870)	0	