



City Budget 2012

Court Services Capital Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Capital Budget funds major infrastructure.

2012–2021 Capital Program

2012 CAPITAL BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

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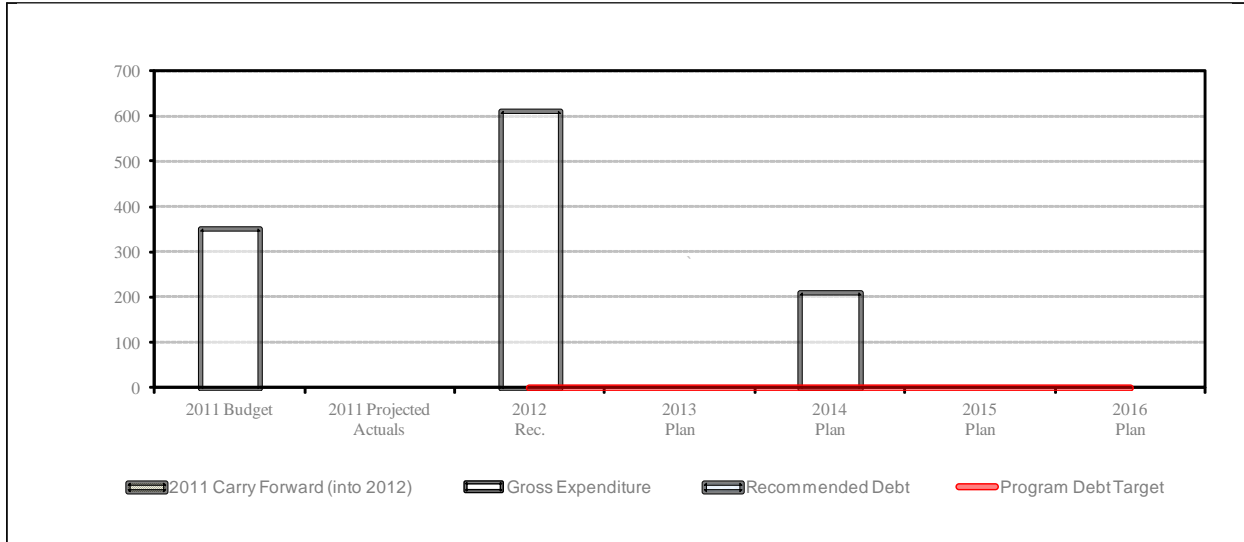
PART I: RECOMMENDATIONS

The City Manager & Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for Court Services with a total project cost of \$0.822 million and a 2012 cash flow of \$0.611 million and future year commitments of \$0.211 million, comprised of the following:
 - a) New Cash Flow Funding for:
 - i) One new sub-project with a 2012 total project cost of \$0.822 million that requires cash flow of \$0.611 million in 2012 and a future year commitment of \$0.211 million in 2014.

PART II: 2012 – 2021 CAPITAL PROGRAM

**10-Year Capital Plan
2012 Recommended Budget, 2013–2016 Recommended Plan
(In \$000s)**



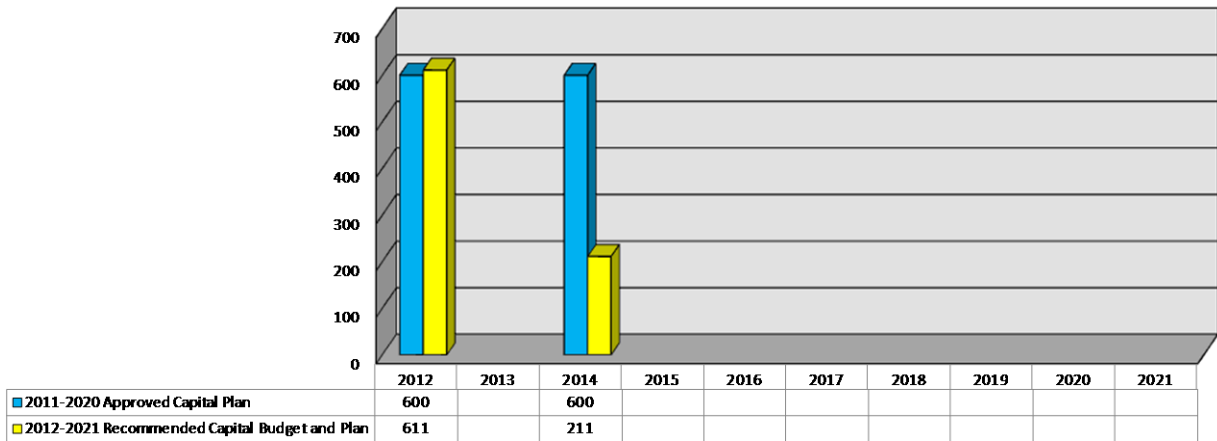
| | 2012 Rec. Budget and 2013-2016 Plan | | | | | | | | |
|--|-------------------------------------|------------------|------------|----------|------------|----------|----------|------------|--------------|
| | 2011 | | 2012 | 2013 | 2014 | 2015 | 2016 | 2012-2016 | 5-Year Total |
| | Budget | Projected Actual | | | | | | | |
| Gross Expenditures: | | | | | | | | | |
| 2011 Capital Budget & Approved FY Commitments | 353 | 0 | | | | | | | |
| Recommended Changes to Approved FY Commitments | | | | | | | | | |
| 2012 New/Change in Scope and Future Year Commitments | | | 611 | | 211 | | | 822 | 100% |
| 2013 - 2016 Capital Plan Estimates | | | | | | | | 0 | 0% |
| 1-Year Carry Forward to 2012 | | 0 | | | | | | | |
| Total Gross Annual Expenditures & Plan | 353 | 0 | 611 | 0 | 211 | 0 | 0 | 822 | 100% |
| Program Debt Target | 0 | | | | | | | 0 | |
| Financing: | | | | | | | | | |
| Recommended Debt | | | | | | | | 0 | 0% |
| Reserves/Reserve Funds | | | 611 | | 211 | | | 822 | 100% |
| Development Charges | | | | | | | | 0 | 0% |
| ISF | | | | | | | | 0 | 0% |
| Provincial/Federal | | | | | | | | 0 | 0% |
| Other Revenue | | | | | | | | 0 | 0% |
| Total Financing | 0 | | 611 | 0 | 211 | 0 | 0 | 822 | 100% |
| By Project Category: | | | | | | | | | |
| Health & Safety | | | | | | | | | |
| Legislated | | | 611 | | 211 | | | 822 | 100% |
| SOGR | | | | | | | | | |
| Service Improvement | | | | | | | | | |
| Growth Related | | | | | | | | | |
| Total By Project Category | 0 | | 611 | 0 | 211 | 0 | 0 | 822 | 100% |
| Asset Value - end of each year (\$) | | 0 | | | | | | | |
| Yearly SOGR Backlog Estimate (not addressed by current plan) | | | | | | | | | |
| Accumulated Backlog Estimate (end of year) | | | | | | | | | |
| Backlog: Percentage of Asset Value (%) | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| Debt Service Costs | | | | | | | | | 0 |
| Operating Impact on Program Costs | | | | | | | | | 0 |
| New Positions | | | | | | | | | 0 |

10–Year Capital Plan Overview

- The Court Services Division provides court administration and related services to the public using the Provincial Offences Courts in Toronto. Court administration and courtroom support services are delivered in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General in order to ensure justice is fairly administered.
- Court Services continues to provide online services and look for other opportunities to deliver services without customers having to appear in person at court offices.
- Court Services' 10–Year Recommended Capital Plan focuses on maintaining and improving these online services, both on upgrading and replacing existing hardware, and increasing functionality to their online services.
- Court Services' 10–Year Recommended Capital Plan does not include any cash flow funding estimates beyond 2014 given the uncertainty surrounding Provincial direction for future year capital requirements, and the financial viability of the Provincial Offences Courts Stabilization Reserve balance.
 - Once specific needs have been identified, Court Services will include cash flow requirements for the 10–year time horizon.
- The 2012–2021 Recommended Capital Plan includes recommended cash flow funding of \$0.611 million in 2012 and \$0.211 million in 2014 to sustain and upgrade components of the POA Court Case Management System.
- All recommended projects are in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General.
- All Court Services capital projects are required to meet legislated requirements and are currently fully funded by the Provincial Offences Courts Stabilization Reserve. However, the reserve will be inadequate beyond current capital commitments.
 - The adequacy of this reserve is discussed on page 9.

Key Changes to the 2011 – 2020 Approved Capital Plan

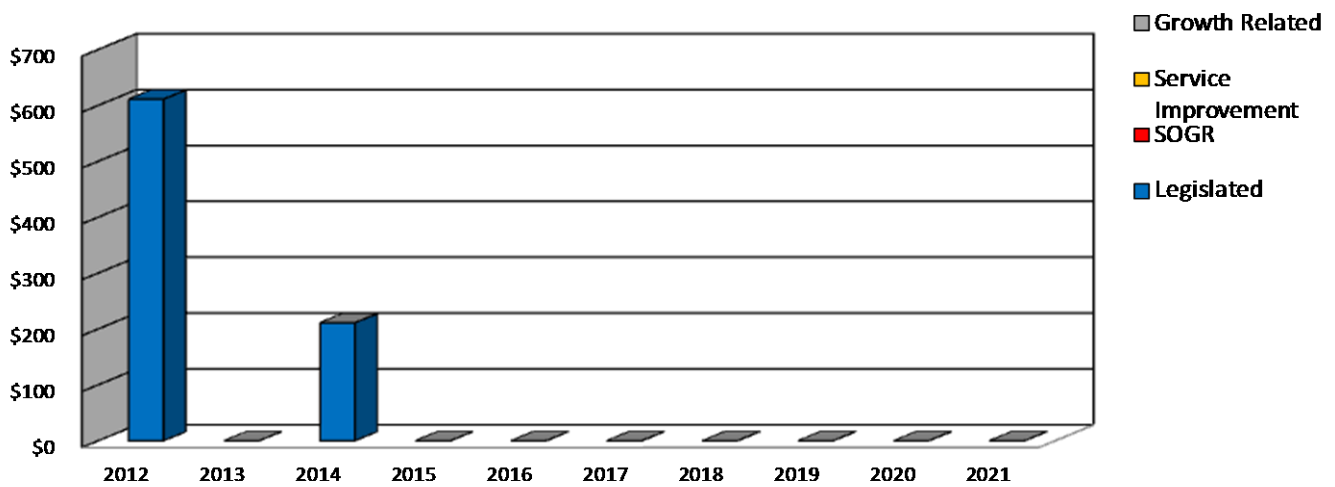
Changes to the 2011–2020 Approved Capital Plan
(In \$000s)



- The 2012 Recommended Capital Budget and 2013–2021 Recommended Capital Plan reflects a decrease of \$0.378 million or 32% from the 2011–2020 Approved Capital Plan.
 - The 2012 Recommended Capital Budget of \$0.611 million includes an HST impact of \$0.011 million which was not included in the 2011 Approved Capital Budget amount of \$0.600 million; and
 - The cash flow funding of \$0.211 million recommended for 2014 represents a decrease of \$0.389 million from the 2014 estimate of \$0.600 million approved in the 2012–2020 Approved Capital Plan. The amount of \$0.389 million, which was not identified in the 2011 Approved Capital Budget, was identified as part of the 2012 Capital Budget process as moving costs for Court Services to the St. Lawrence Market North facilities. The amount of \$0.389 million, plus \$0.011 million of HST impact not included in the original 2011 Approved Capital Plan, totalling \$0.400 million, will be transferred from the Provincial Offences Courts Stabilization Reserve to Facilities and Real Estate as part of planning for the move.

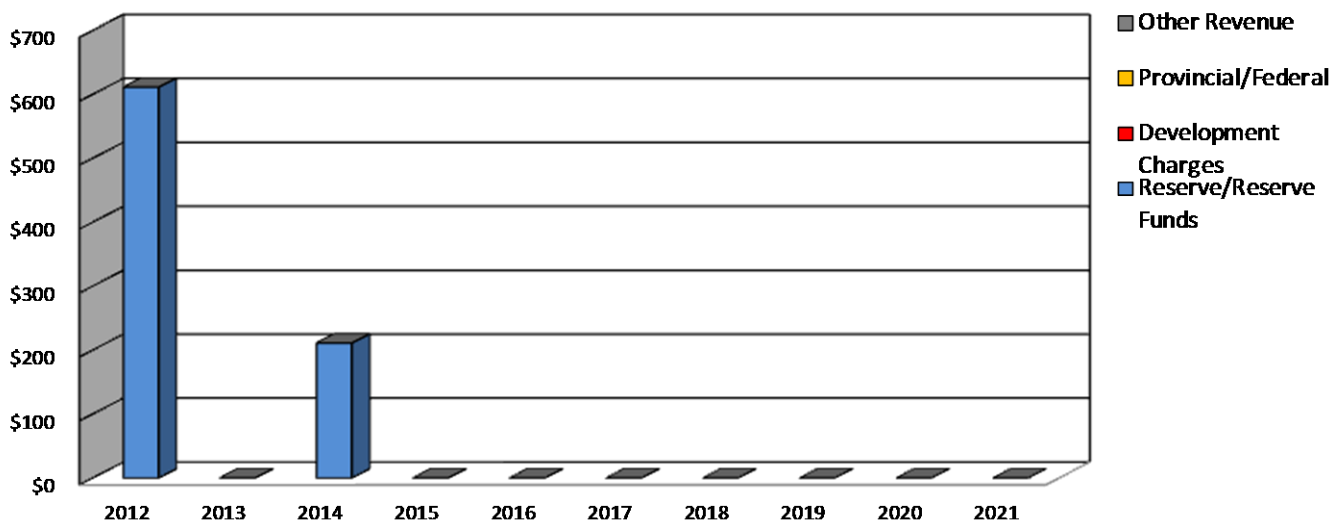
2012 – 2021 Recommended Capital Plan

2012–2021 Capital Plan by Project Category
(In \$000s)



- 100% of 2012–2021 Recommended Capital Plan is entirely comprised of Legislated projects. These projects include ongoing system maintenance, hardware upgrades, and equipment replacement for the program's POA Court Case Management system.

2012–2021 Capital Plan by Funding Source
(In \$000s)



- All projects in the 2012–2021 Recommended Capital Plan are fully funded by the Provincial Offences Courts Stabilization Reserve, with no reliance on City debt funding.
- This reserve funding, however, will be nearly depleted by 2014.

Summary of Major Capital Initiatives by Category

(In \$000s)

Major Capital Initiatives

The 10–Year Recommended Capital Plan for Court Services has only one key capital project, for the ongoing system maintenance, hardware upgrades, and equipment replacement for the program's POA Court Case Management system that is 6–7 years old (\$0.822 million).

State of Good Repair (SOGR) Backlog

- No state of good repair projects exist at this time. Court Services and the Facilities and Real Estate Division have conducted a facility assessment of the 1530 Markham Road and 2700 Eglinton Avenue West court sites. Funding for the identified minor repairs such as carpeting, painting and wall paper replacement is thus included in Court Services' 2012 Recommended Operating Budget.

| | Total Project Cost | 2012 Rec. Budget | 2013 Plan | 2014 Plan | 2015 Plan | 2016 Plan | 2017 Plan | 2018 Plan | 2019 Plan | 2020 Plan | 2021 Plan | 2011-2020 Total |
|--|--------------------|------------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------|
| State of Good Repair (incl. H&S , & Leg.) POA Application Sustainment & Upgrade | 822 | 611 | | 211 | | | | | | | | 822 |
| Sub-Total | 822 | 611 | - | 211 | - | - | - | - | - | - | - | 822 |
| Total | 822 | 611 | - | 211 | - | - | - | - | - | - | - | 822 |

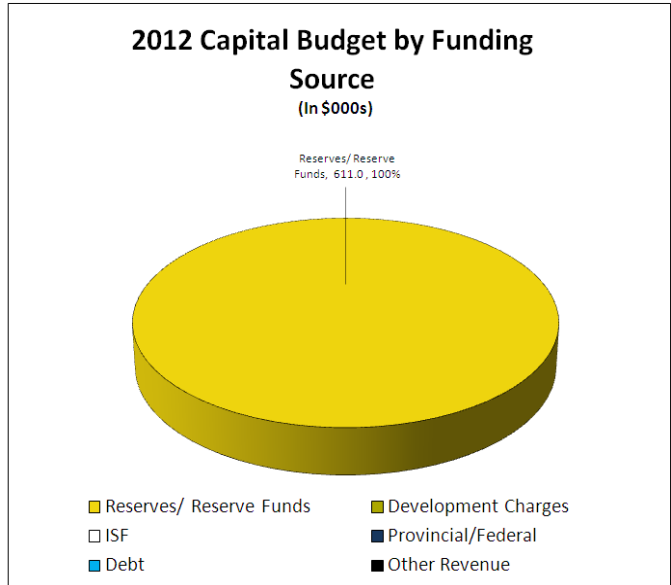
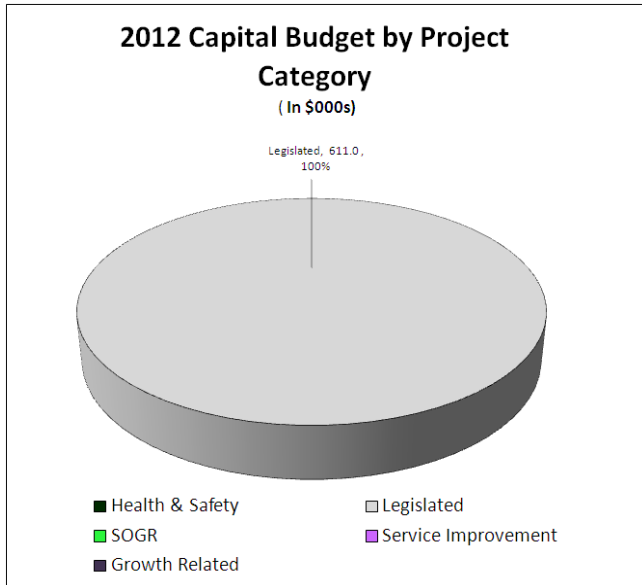
10–Year Capital Plan: Operating Impact Summary

(In \$000s)

- The POA Application Sustainment & Upgrade project will allow customers to view their trial date and outstanding fine information, as well as schedule Early Resolution meetings with prosecutors.
 - Although there is a possibility that the number of people visiting Court Services in person will decrease as a result of customers using the new online functionality, it is not possible at this time for Court Services to forecast any savings, such as for counter wait times.

PART III – 2012 RECOMMENDED CAPITAL BUDGET

2012 Capital Budget by Project Category and Funding Source



2012 Recommended Cash Flow & Future Year Commitments (In \$000s)

| | 2010 & P.Y | 2012 Total Cash Flow Rec'd | 2011 Carry Forwards | Total 2012 Cash Flow (Incl 2010 C/Fwd) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total Cost |
|--------------------------|------------|----------------------------|---------------------|--|------|------|------|------|------|------|------|------|------|------------|
| Expenditures | | | | | | | | | | | | | | |
| Previously Approved | | | | | | | | | | | | | | |
| Change in Scope | | | | | | | | | | | | | | |
| New | | 611 | | 611 | | 211 | | | | | | | | 822 |
| New w/Future Year | | - | | - | | | | | | | | | | - |
| Total Expenditure | - | 611 | - | 611 | - | 211 | - | - | - | - | - | - | - | 822 |
| Financing | | | | | | | | | | | | | | |
| Debt | | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | | |
| Reserves/Res Funds | | 611 | | 611 | | 211 | | | | | | | | 822 |
| Development Charges | | | | | | | | | | | | | | |
| ISF | | | | | | | | | | | | | | |
| Provincial/Federal | | | | | | | | | | | | | | |
| Total Financing | - | 611 | - | 611 | - | 211 | - | - | - | - | - | - | - | 822 |

*Please refer to Appendix 3 for detailed project listings

- Approval of the 2012 Recommended Capital Budget of \$0.611 million will result in a future year commitment of \$0.211 million
- The 2012 Recommended Capital Budget of \$0.611 million is a new project that has future year funding requirements of \$0.211 million in 2014. The funding is required to provide upgrades and replacements to provide enhanced public access to the POA Court

Case Management System. Funding in 2014 is required to replace hardware components which are expected to reach the end of their useful life at that point.

- The project included in the 2012 Recommended Capital Budget is legislated by the Province and fully funded by the Provincial Offences Courts Stabilization Reserve.

2012 Recommended Capital Project Highlights

2012 Recommended Cash Projects (In \$000s)

| Project | Total Project Cost | 2012 | 2013 | 2014 | 2015 | 2016 | 2012-2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2012-2021 |
|---------------------------------------|--------------------|------------|----------|------------|----------|----------|------------|----------|----------|----------|----------|----------|------------|
| POA Application Sustainment & Upgrade | | 611 | | 211 | | | 822 | | | | | | 822 |
| | | | | | | | - | | | | | | - |
| Total New Projects in 2010 | | 611 | - | 211 | - | - | 822 | - | - | - | - | - | 822 |

The 2012 Capital Budget of \$0.822 million will:

- Begin upgrades to the POA Court Case Management system that will enhance public access by promoting a public web look-up service that:
 - Will allow customers to use an online self service site to look up information related to trial dates and outstanding fine information; and
 - Reduce long waits at counters; and
 - Schedule Early Resolution meetings with prosecutors, which will reduce the number of cases that go to trial.
- Install application licenses and additional equipment to support audio and video evidence; and
- Replace hardware at the end of its useful life.

PART IV: ISSUES FOR DISCUSSION

Future Year Issues

Future Year Estimates

- Court Services has two types of capital requirements: Legislated and State of Good Repair.
- Court Services has not identified any capital requirements beyond 2016 at this time.
- The Legislated requirements include IT upgrades that must be integrated and linked to the Provincial systems. The Province has yet to provide direction to Court Services on any legislated IT development requirements, and therefore Court Services is not able to project any future cash flows at this time in the Recommended 10–Year Capital Plan.

Reserve Depletion

- The Provincial Offences Courts Stabilization Reserve funds Court Services' capital projects in addition to minor repairs and state of good repair projects for Court Services facilities
- The Reserve was funded in 2002 through an agreement between the Province and Court Services in 2002, where the division would assume both costs and revenues from the Province. \$24 million was provided to Court Services by the Province for future anticipated costs, and was set aside in the Reserve.
- The projected balance of the Reserve on December 31, 2011 will be \$5.917 million.
 - \$5.487 million has been committed for future year projects, including: \$4.000 million contribution towards design and construction costs of the new St. Lawrence Market North redevelopment, \$1.222 million for capital projects including upgrades to the POA Court Case Management system and moving costs to the new St. Lawrence Market North facilities, and \$0.265 million for minor repairs. These cash flows can be seen on Appendix 6.
 - The net effect of these commitments will result in the Reserve being nearly depleted, with a balance of \$0.430 million in 2014.
- In addition to the capital and operating withdrawals of \$1.487 million from the Provincial Courts Stabilization Reserve over the next ten years, \$4.0 million is also committed to the St. Lawrence Market North courthouse redevelopment. Thus, only \$0.430 million remains uncommitted in the Reserve to fund any unforeseen, future year Court Services' capital requirements, which may exceed the Reserve's balance. However, it is recommended that any review of the Provincial Offences Courts Stabilization Reserve sustainability be subject to a firm 10–Year Plan submission from Court Services.

State of Good Repair

- Court Services and the Facilities and Real Estate Division conducted a facility assessment of the 1530 Markham Road and 2700 Eglinton Avenue West court sites and determined that no state of good repair projects are required at this time. The requirement for minor repairs such as carpeting, painting and wall paper replacement was identified, and funding for these repairs is included in Court Services' 2012 Recommended Operating Budget.

Appendix 1

2011 Performance

2011 Key Accomplishments

In 2011, as per the 2011 Approved Capital Budget, Court Services was projected to implement the POA Application Development Project – Phase II. However, the project was not implemented because of the Division's inability to implement service under the current City contract and lack of support by the Province due to competing priorities.

2011 Capital Variance Review

- Projected year-end under-spending of \$0.353 million is attributed to the POA Application Development project – Phase II (Court Admin Records System – CARS). The unspent amount of \$0.353 million was required to complete a self-service application that will allow customers to look up information over the web for a nominal service fee, as well as develop a collections tracking software program and an IVR payment service.
 - Court Services does not expect to incur any expenditures for 2011 due to Court Services' inability to implement service under the current City contract for the Integrated Voice Response (IVR) project and the Province's inability to support the web look-up project due to competing priorities.
- Unspent funds for this project will remain within the Provincial Offences Courts Stabilization Reserve.

2011 Budget to Actuals Comparison – Total Gross Expenditures (In \$000s)

| 2011 Approved | Actuals as of Sept. 30th (3rd Qtr Variance) | | Projected Actuals at Year End | | Balance |
|---------------|--|---------|-------------------------------|---------|---------|
| | \$ | % Spent | \$ | % Spent | |
| 353 | 0 | 0.0% | 0 | 0.0% | 353 |

Appendix 2

10 – Year Recommended Capital Plan Project Summary

| Project | 2012 | 2013 | 2014 | 2015 | 2016 | 2012-2016 Total | 2017 | 2018 | 2019 | 2020 | 2021 | Total 10- year Plan |
|---|------------|------|------------|------|------|--------------------|------|------|------|------|------|------------------------|
| POA Application Sustainment & Upgrade | 611 | | 211 | | | 822 | | | | | | 822 |
| Total Program (excl. carry forwards) | 611 | | 211 | | | 822 | | | | | | 822 |

Appendix 3

2012 Recommended Capital Budget; 2013 to 2021 Capital Plan

Appendix 4

2012 Recommended Cash Flow and Future Year Commitments

Appendix 5

2012 Recommended Capital Project with Financing Details

Appendix 6

2012 Reserve / Reserve Fund Review

Reserve/Reserve Fund Review – Program Specific

| Table 1 | | Projected Balance as at Dec. 31, 2011 * | Proposed Withdrawals | | | | | | | | | | 2012 - 2021 Total | |
|---|---|---|----------------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|--|
| Reserve / Reserve Fund Name | Project / SubProject Name and Number | | 2012 Rec. Budget | 2013 Plan | 2014 Plan | 2015 Plan | 2016 Plan | 2017 Plan | 2018 Plan | 2019 Plan | 2020 Plan | 2021 Plan | | |
| XQ0704 Provincial Offences Courts Stabilization Reserve | Beginning Balance | \$6,646 | \$5,917 | \$5,041 | \$5,041 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$0 | |
| | Adjustment from CTS003 project back to Reserve | \$22 | | | | | | | | | | | \$0 | |
| | POA Application Sustainment & Upgrade | | (\$611) | | (\$211) | | | | | | | | (\$822) | |
| | Budget Transfer to F&RE for move to St. Lawrence Market North | | | | (\$400) | | | | | | | | (\$400) | |
| | Operating Withdrawals | (\$751) | (\$265) | | | | | | | | | | (\$265) | |
| | Contribution allocation for St. Lawrence Market North design & construction costs | | | | (\$4,000) | | | | | | | | | |
| | Total Proposed Withdrawals | | (\$876) | \$0 | (\$4,611) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$1,487) | |
| | Projected Contributions | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | TOTAL RESERVE FUND BALANCE AT YEAR-END | | \$5,917 | \$5,041 | \$5,041 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | |

* Based on 3rd Quarter Variance Report