



City Budget
2013

Children's 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.

2013 - 2022 Capital Program

2013 CAPITAL BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 29, 2012

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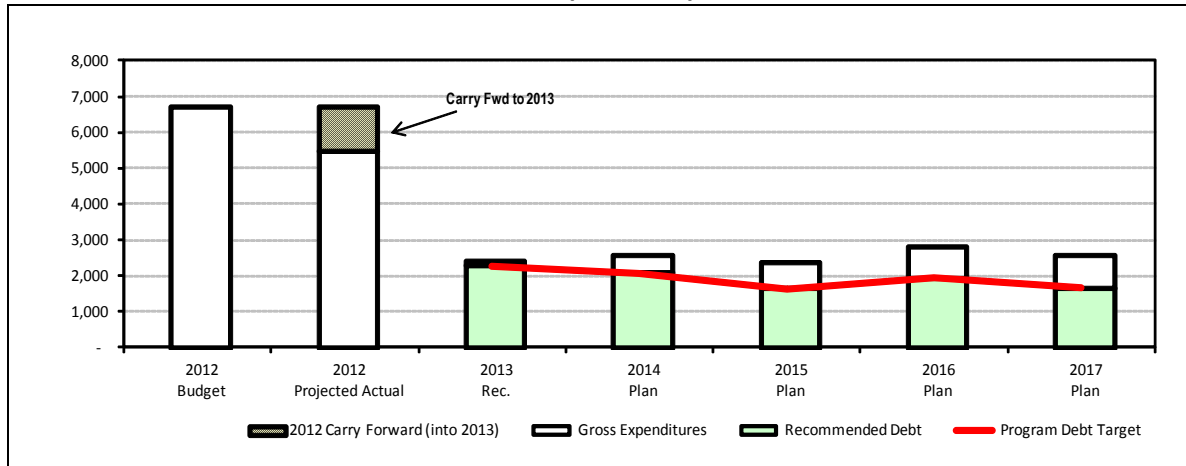
PART I: RECOMMENDATIONS

The City Manager and Acting Chief Financial Officer recommend that:

1. City Council approve the 2013 Recommended Capital Budget for Children's Services with a total project cost of \$0.726 million, and 2013 cash flow of \$3.606 million and future year commitments of \$0.450 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) one new sub-project with a 2013 total project cost of \$0.726 million that requires cash flow of \$0.726 million in 2013;
 - ii) one previously approved sub-project with a 2013 cash flow of \$1.672 million; and a future year cash flow commitment of \$0.450 million in 2014;
 - iii) two sub-projects from previously approved projects with carry forward funding from 2011 and prior years requiring 2013 cash flow of \$0.567 million which forms part of the affordability target that requires Council to reaffirm its commitment; and
 - b) 2012 approved cash flow for two previously approved sub-projects with carry forward funding from 2012 into 2013 totaling \$0.641.
2. City Council approve new debt service costs of \$0.011 million in 2013 and incremental debt costs of \$0.062 million in 2014 resulting from the approval of the 2013 Recommended Capital Budget, to be included in the 2013 and future year operating budgets; and,
3. City Council approve the 2014-2022 Recommended Capital Plan for Children's Services totaling \$28.218 million in project estimates, comprised of \$2.134 million in 2014; \$2.365 million in 2015; \$2.804 million in 2016; \$2.585 million in 2017; \$3.555 million in 2018; \$3.515 million in 2019; \$3.396 million in 2020; \$4.767 million in 2021; and, \$3.097 million in 2022.

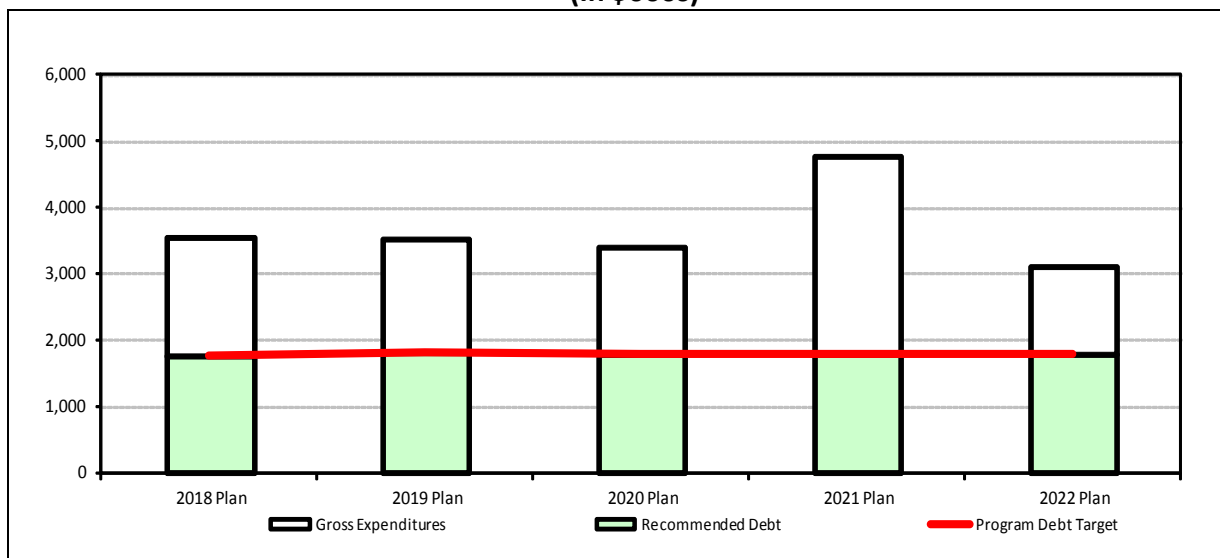
PART II: 2013 – 2022 CAPITAL PROGRAM

**10-Year Capital Plan
2013 Recommended Budget, 2014 - 2017 Recommended Plan
(In \$000s)**



		2013 Rec. Budget and 2014-2017 Plan							5-Year Total Percent
		2013	2014	2015	2016	2017	2013-2017		
		Budget	Projected Actual						
Gross Expenditures:									
2012 Capital Budget & Approved FY Commitment	6,687	5,480	1,672	450			2,122	16.7%	
Recommended Changes to Approved FY Commitments								0.0%	
2013 New/Change in Scope and Future Year Commitments			726				726	5.7%	
2014- 2017 Capital Plan Estimates				2,134	2,365	2,804	2,585	77.6%	
2-Year Carry Forward for Reapproval								0.0%	
Table 1 - 1-Year Carry Forward to 2013	1,208		→						
Total Gross Annual Expenditures & Plan	6,687	5,480	2,398	2,584	2,365	2,804	2,585	100.0%	
Program Debt Target			2,273	2,085	1,644	1,946	1,666	9,614	
Financing:									
Recommended Debt			2,273	2,085	1,644	1,946	1,666	9,614	75.5%
Reserves/Reserve Funds	2,947		125	125			160	410	3.2%
Development Charges	305			374	721	858	759	2,712	21.3%
Provincial/Federal	114								0.0%
Debt Recoverable									0.0%
Other Revenue	3,321								0.0%
Total Financing	6,687		2,398	2,584	2,365	2,804	2,585	12,736	100.0%
By Project Category:									
Health & Safety Legislated									0.0%
SOG	869		726	1,584	1,305	1,542	1,469	6,626	52.0%
Service Improvement	5,818		1,672	1,000	1,060	1,262	1,116	6,110	48.0%
Growth Related									0.0%
Total by Project Category	6,687		2,398	2,584	2,365	2,804	2,585	12,736	100.0%
Asset Value (\$) at year-end	56,955		56,955	56,955	56,955	56,955	56,955		
Yearly SOGR Backlog Estimate (not addressed by current plan)			291	(416)	(870)	(205)	(812)		
Accumulated Backlog Estimate (end of year)	5,602		5,893	5,477	4,607	4,402	3,590		
Backlog: Percentage of Asset Value (%)	9.8%		10.3%	9.6%	8.1%	7.7%	6.3%		
Debt Service Costs			40	270	220	150	265	946	
Operating Impact on Program Costs									
New Positions									

**10-Year Capital Plan
2018-2022 Recommended Plan
(In \$000s)**



	2018-2022 Capital Plan						10-Year Total Percent
	2018	2019	2020	2021	2022	2013-2022	
Gross Expenditures:							
2012 Capital Budget & Approved FY Commitments						2,122	6.8%
Recommended Changes to Approved FY Commitments							0.0%
2013 New/Change in Scope and Future Year Commitments						726	2.3%
2018 - 2022 Capital Plan Estimates	3,555	3,515	3,396	4,767	3,097	28,218	90.8%
Total Gross Annual Expenditures & Plan	3,555	3,515	3,396	4,767	3,097	31,066	100.0%
Program Debt Target	1,765	1,819	1,780	1,780	1,780	18,538	
Financing:							
Recommended Debt	1,765	1,819	1,780	1,780	1,780	18,538	59.7%
Reserves/Reserve Funds	374	180	140	675	141	1,920	6.2%
Development Charges	1,416	1,516	1,476	2,312	1,176	10,608	34.1%
Provincial/Federal							0.0%
Debt Recoverable							0.0%
Other Revenue							0.0%
Total Financing	3,555	3,515	3,396	4,767	3,097	31,066	100.0%
By Project Category:							
Health & Safety							0.0%
Legislated							0.0%
SOGR	1,473	1,285	1,226	1,367	1,367	13,344	43.0%
Service Improvement	2,082	2,230	2,170	3,400	1,730	17,722	57.0%
Growth Related							0.0%
Total by Project Category	3,555	3,515	3,396	4,767	3,097	31,066	100.0%
Asset Value(\$) at year-end	60,855	64,755	64,755	68,655	72,555		
Yearly SOGR Backlog Estimate (not addressed by current plan)	(849)	(1,025)	(604)	(522)	(590)		
Accumulated Backlog Estimate (end of year)	2,741	1,716	1,112	590			
Backlog: Percentage of Asset Value (%)	4.5%	2.6%	1.7%	0.9%	0.0%		
Debt Service Costs	168	225	225	209	214	1,987	
Operating Impact on Program Costs							
New Positions							

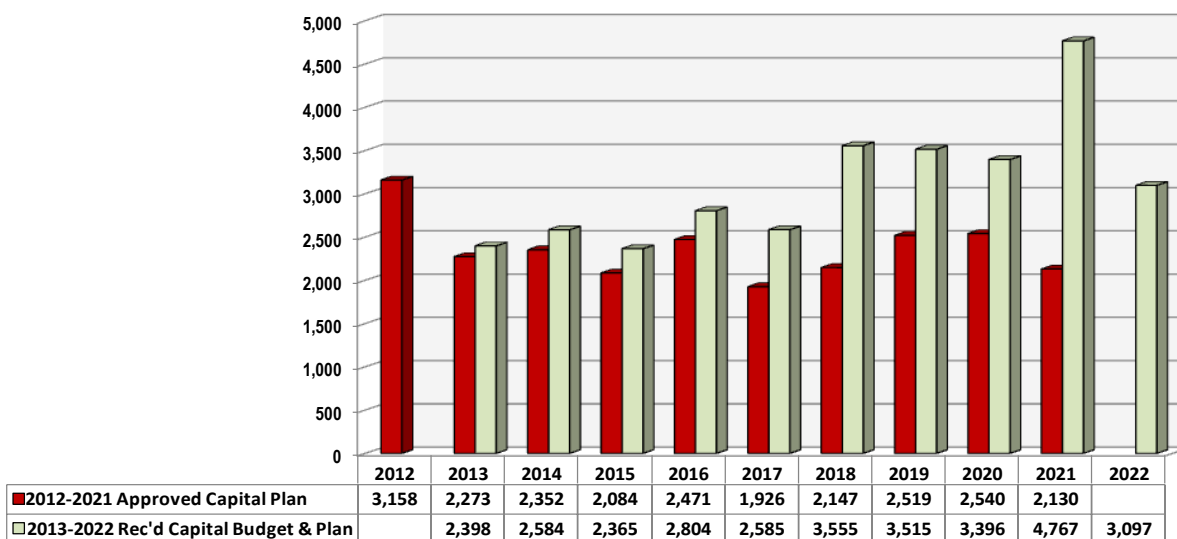
10-Year Capital Plan Overview

- Children's Services' 10-Year Recommended Capital Plan focuses on increasing the number of child care centres in under-served, high needs communities; maintaining the directly operated child care centres in a state of good repair; and, completing the upgrade to the Program's business application system.
- Children's Services provides child care services across the City in 52 municipal child care centres, 26 of which are in City owned facilities. These centres have an asset replacement value of \$72. 555 million.
- The 10-Year Recommended Capital Plan totals \$31.066 million, excluding \$1.208 million in 2012 funding carried forward into 2013, with the first 5 years requiring total funding of \$12.736 million or 41.0%, and the final 5 years requiring funding of \$18.330 million or 59.0% of the total funding recommended.
 - The 10-Year Recommended Capital Plan is funded through a combination of sources, including \$18.538 million of debt (59.7%); \$10.608 million of development charges (34.1%); and, \$1.920 million of reserves funds (6.2%).
 - Children's Services debt target is \$18.538 million over the 10 year planning horizon, with the Program at target for each year of the Plan. The debt target represents 25.6% of the Program's asset replacement value of \$72. 555 million.
- The 10-Year Recommended Capital Plan funds the construction of 4 new child care centre projects, adding 400 spaces in high needs neighbourhoods, with construction of the first centre scheduled to begin in 2014, with completion in 2018; the second centre is scheduled to begin construction in 2017, with completion in 2019; the third centre is planned to begin construction in 2019, with completion in 2021, with the fourth centre construction planned for years 2020 through 2022.
- The 10-Year Recommended Capital Plan also funds the Program's capital maintenance program; ensuring 26 of the 52 municipally-operated centres that are located in City-owned buildings are kept in a state of good repair.
- The 2013-2022 Recommended Capital Plan also provides funding in 2013 and 2014 to complete the CSIS III IT project, upgrading the existing business application system to meet corporate enterprise architecture standards.
- Children's Services State of Good Repair (SOGR) backlog at the end of 2012 is \$5.602 million; through investing \$11.977 million during the next 9 years, the Program will eliminate the backlog by 2022.
- There will be no operating impacts arising from the service delivery in the new child care centres, as existing Program resources will be reallocated to deliver services in these centres, or the centres will be operated by a community child care agency.
- The 10-Year Recommended Capital Plan funds the upgrades required to bring the City owned facilities into compliance with Provincial legislation outlined in the Accessibility of

Ontarians with Disabilities Act (AODA). Ontario Regulation 427/07 requires that public sector organizations make the necessary upgrades to their facilities to improve facility access, requiring infrastructure modifications that will remove mobility barriers and increase facility access by adding elevators, ramps, and accessible washrooms.

Key Changes to the 2012 - 2021 Approved Capital Plan

**Changes to the 2012 -2021 Approved Capital Plan
(In \$000s)**



The 2013 Recommended Capital Budget and the 2014-2022 Recommended Capital Plan reflects an increase of \$7.527 million from the 2012-2021 Approved Capital Plan. The changes to the 2012-2021 Approved Capital Plan result from greater utilization of Program reserve funding, allowing Children Services to include the following changes to the 10-year period, as outlined below:

- Added \$1.807 million to the SOGR capital maintenance, with \$0.767 million added to years 2013 through 2017; and \$1.040 million added to years 2018 through 2021 to fund the accessibility upgrades required by Provincial legislation, as well to retrofit buildings for the transition of child care centres impacted by FDELP.
- Child Care Centre #5: increased the Centre's project cost by \$0.400 million in years 2014 through 2019 to adjust for inflation.
- Child Care Centre #6: increased the Centre's project cost by \$0.400 million to adjust for inflation, and advanced the timing of construction to years 2017 through 2019 from years 2018 through 2020.

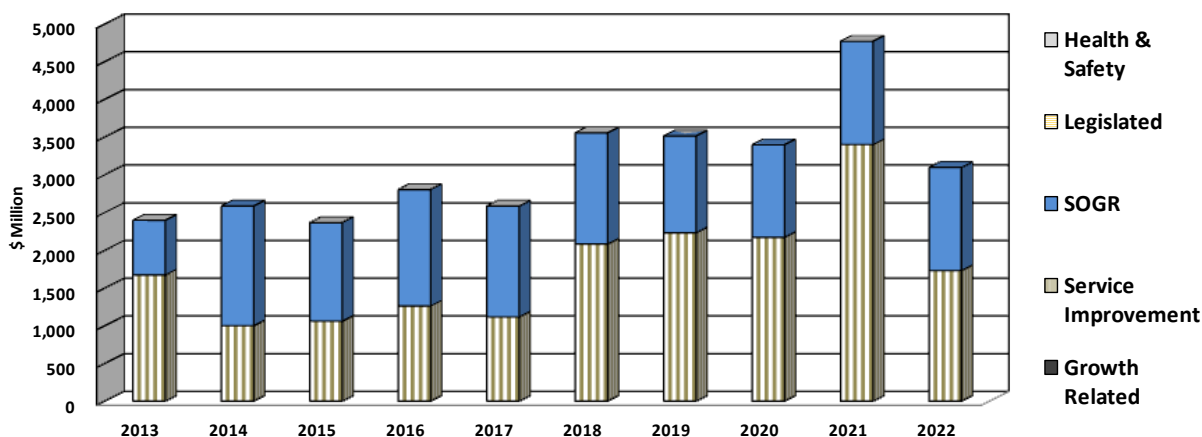
- Child Care Centre #7: increased the Centre's project cost by \$0.400 million to adjust for inflation, and advanced the timing of the construction to years 2019 through 2021 from 2021.
- Added a New Child Care Centre #8 for \$3.900 million in years 2020 through 2022, resulting in an increase of \$2.170 million in years 2020 through 2021.

The following chart details the key project cash flow changes to the 2012–2021 Approved Capital Plan.

**Summary of Project Changes
(In \$000s)**

Key Projects	Total Project Cost	2013	2014	2015	2016	2017	2018	2019	2020	2021	2013 - 2021	Revised Total Project Cost
Previously Approved												
MCCS State of Good Repair	10,170	125	182	161	196	103	141	266	246	387	1,807	11,977
New Child Care Centre # 5	3,500		50	120	137	56	37				400	3,900
New Child Care Centre # 6	3,500					500	1,230	230	(1,560)		400	3,900
New Child Care Centre # 7	1,150							500	1,670	580	2,750	3,900
Total Previously Approved	18,320	125	232	281	333	659	1,408	996	356	967	5,357	23,677
New												
New Child Care Centre # 8									500	1,670	2,170	2,170
Total New									500	1,670	2,170	2,170
Total Changes	18,320	125	232	281	333	659	1,408	996	856	2,637	7,527	25,847

**2013 – 2022 Recommended Capital Plan
2013–2022 Capital Plan by Project Category
(In \$000s)**

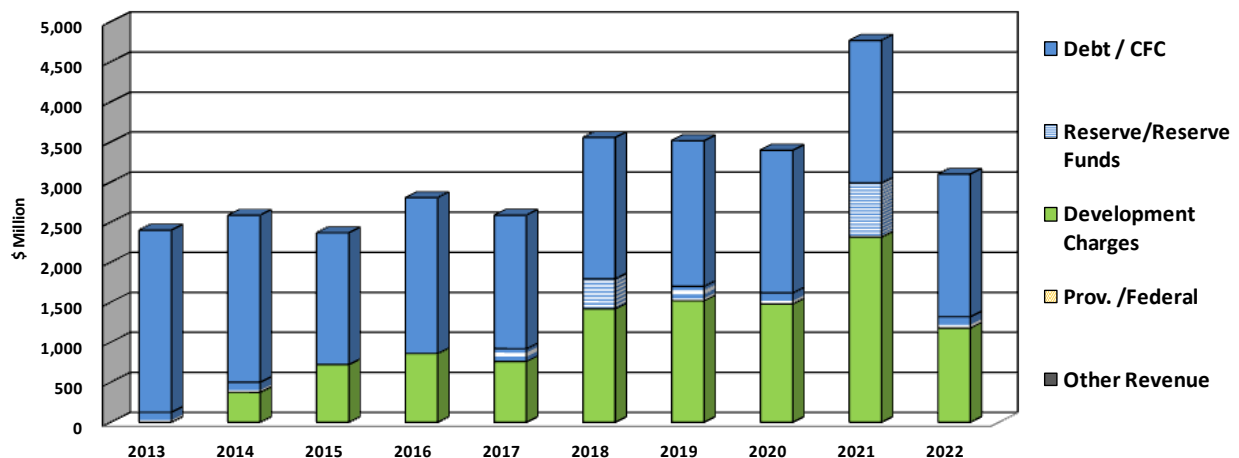


The 10-Year Recommended Capital Plan of \$31.066 million provides funding for SOGR projects of \$13.344 million and Service Improvement projects of \$17.722 million:

- SOGR projects total \$13.344 million or 43% of the project funding included in the 10-Year Recommended Capital Plan with \$0.726 million required in 2013 and \$5.900 million required in 2014 through to 2017 (an average of \$1.475 million per year).

- A total of \$6.718 million is required in the second 5 year period, 2018 through to 2022 (an average of \$1.346 million per year).
- The lower funding in 2013 reflects the Program's need to balance its capital maintenance program with the completion of the CSIS III project, while the lower average in 2018 through to 2022 reflects the need to balance SOGR spending with the delivery of the new child care centres.
- Service Improvement projects total \$17.722 million or 53% of the project funding in the 10-Year Recommended Capital Plan.
 - Funding of \$1.672 million is required in 2013 to continue the development of the CSIS IT project, with \$0.450 million required in 2014 to complete the project.
 - Construction of Child Care Centre #5 begins in 2014 requiring \$0.550 million, with \$3.500 million necessary in years 2015 through to 2018.
 - Construction of Child Care Centre #6 begins in 2017 requiring \$0.500 million in 2017, with an additional \$3.400 million necessary in years 2018 and 2019.
 - Child Care Centre # 7 at a cost of \$3.900 million commences in 2019 and is scheduled for completion in 2021.
 - Child Care Centre # 8, which has a project cost of \$3.900 million, commences in 2020 and is scheduled for completion in 2022.
- Including these new centers in the latter years of the Plan, allows the Program to co-ordinate the timing of construction with community needs, defined in part by the roll-out of the FDELP.

**2013–2022 Capital Plan by Funding Source
(In \$000s)**



The 10-Year Recommended Capital Plan of \$31.066 million will be financed by \$18.538 million of debt; \$10.608 million from Development Charges; and, \$1.920 million from Reserve Funds.

- Debt accounts for \$9.614 million or 75.5% of the financing required for the 2013 Budget and 2014 –2017 Capital Plan and amounts to \$18.538 million or 60% over the 10 year period. Children's Services has met the debt target for each year of the 10-Year Capital Plan period.
- Development Charges of \$10.608 million fund construction of 4 new child care centres commencing in 2014 through 2022, with \$2.712 million provided in the first 5 years of the Capital Plan, and \$7.896 million required in the last 5 years of the Plan. This distribution is reflective of the concentration of 3 of the 4 new child care centres in the latter 5 years of the Capital Plan horizon.
- Reserve and Reserve Funds constitute \$0.410 million or 3.2% of the required funding in the first 5 years, and \$1.920 million of 6.1% over the 10 year period. For years 2013 and 2014 \$0.125 million is allocated each year to fund a project management position that co-ordinates program infrastructure upgrades. Years 2017 through 2022 include \$1.670 million in funding for the construction of new Child Care Centre 6, 7 and 8. Three of the 4 new child care centres are concentrated in the latter years of the 10 year period.

Major Capital Initiatives by Category

Summary of Major Capital Initiatives by Category
(In \$000s)

	Total Project Cost	2013 Rec. Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2013-2022 Total
State of Good Repair (SOGR)												
MCCS - State of Good Repair	13,344	726	1,584	1,305	1,542	1,469	1,473	1,285	1,226	1,367	1,367	13,344
Sub-Total	13,344	726	1,584	1,305	1,542	1,469	1,473	1,285	1,226	1,367	1,367	13,344
Service Improvements												
CSIS III	4,343	1,672	450									2,122
New Child Care Centre 5	3,900		550	1,060	1,262	616	412					3,900
New Child Care Centre 6	3,900					500	1,670	1,730				3,900
New Child Care Centre 7	3,900							500	1,670	1,730		3,900
New Child Care Centre 8	3,900							500	1,670	1,730	1,730	3,900
Sub-Total	19,943	1,672	1,000	1,060	1,262	1,116	2,082	2,230	2,170	3,400	1,730	17,722
Total	33,287	2,398	2,584	2,365	2,804	2,585	3,555	3,515	3,396	4,767	3,097	31,066

The 10-Year Recommended Capital Plan supports Children's Services objectives ensuring all City-owned/City-operated child care facilities are maintained in a state of good repair; updating information technology to increase public access to child care information; and, providing improved access and equity by enabling incremental growth of childcare spaces in high need, underserved areas.

As noted in the table above, \$13.344 million, or 43.0% of the 10-Year Recommended Capital Plan is allocated to SOGR projects, and \$17.722 million or 57.0% is allocated to Service Improvement projects.

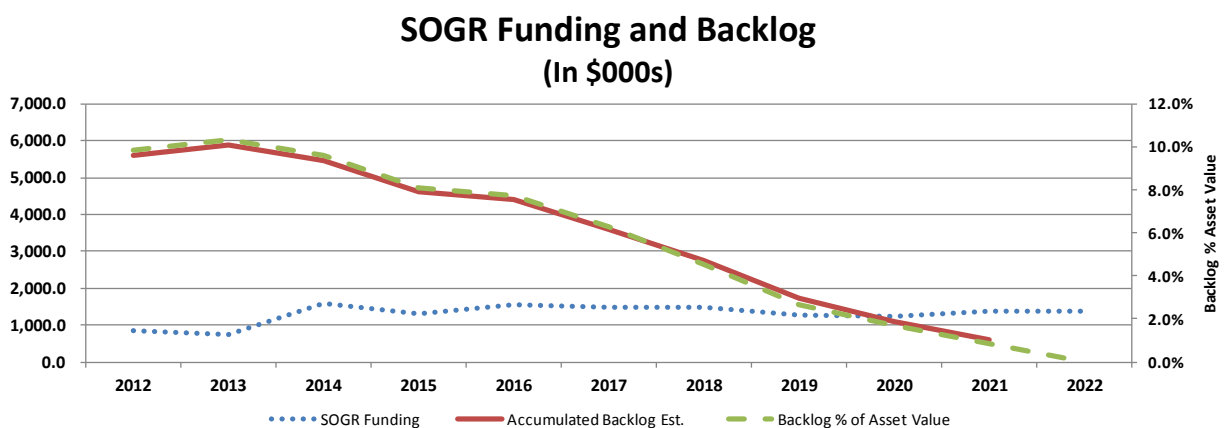
State of Good Repair:

- The Municipal Child Care Service System (MCCS) SOGR project has recommended funding of \$13.344 million that addresses the backlog of \$5.602 million in the 26 City operated child care centres; as well as \$2.902 million to implement accessibility upgrades required by Provincial legislation; and \$2.130 million for building retrofits, required for the transition of child care centres impacted by FDELP.

Service Improvement Projects:

- The previously approved CSIS III project has a total project cost of \$4.343 million that began in 2011. This project will be completed in 2014, with cash flow requirements of \$1.672 million in 2013, and \$0.450 million for 2014. This project provides a system upgrade that builds onto the existing business application (CSIS II) to meet corporate enterprise architecture standards and addresses outdated software applications. The upgrade will also provide the opportunity to integrate required changes resulting from the Provincial Early Learning Program.
- Beginning in 2014 through to 2021, \$15.600 million is allocated for the construction of 4 new child care centres to provide 400 new spaces in underserved, high-needs neighbourhoods in accordance with the Program's Service Plan. While the locations of these centres have not been finalized, the Program has identified high needs, underserved neighbourhoods that are in transition due to the implementation of FDELP. The Program is engaging school boards and non-profit providers within these neighbourhoods and is prioritizing sites for development.

State of Good Repair (SOGR) Backlog



- Children's Services provides child care services across the City in 52 municipal child care centres, 26 of which are in City owned facilities. These centres have an asset replacement value of \$56.955 million. A recent audit conducted by Facilities Management indicated that, at the end of 2012, there will be a SOGR backlog of \$5.602 million (9.8% of the asset value) in the 26 sites.

- The 10-Year Recommended Capital Plan for Children's Services provides funding of \$13.344 million to maintain the centres in a SOGR, with \$6.626 million allocated in the first 5 years and \$6.718 million dedicated in the last 5 years, representing average annual funding of \$1.334 million.
- Recommended funding for the SOGR MCCC capital maintenance program allocated to SOGR backlog reduction is supplemented by \$0.508 million per year from the Program's Operating Base Budget until 2021, at which time the backlog will be eliminated. Once the backlog is eliminated, the funding will focus on the annual, on-going SOGR capital needs.
- In addition to addressing the backlog, the MCCC SOGR project also allocates \$2.902 million to implement accessibility upgrades required by Provincial legislation, as well as \$2.891 million to retrofit buildings for the transition of child care centres impacted by FDELP.
 - Upgrades are required to bring the City-owned facilities into compliance with Provincial legislation outlined in the Accessibility of Ontarians with Disabilities Act (AODA). Ontario Regulation 427/07 requires public sector organizations to make the necessary upgrades to their facilities to improve facility access, which will require upgrading infrastructure to remove mobility barriers and increase facility access by adding elevators, ramps, and accessible washrooms.
 - As a result of children leaving the system due to the rollout of FDELP, \$2.891 million has been allocated to accommodate new programming requirements in the MCCC City-owned centres. Over the next 3 years, this funding will support a number of centre service delivery reconfigurations arising from the need to increase infant and toddler spaces from 884 to 1,028; concurrently, preschool/kindergarten spaces are projected to decrease from 1,465 to 880, and school age spaces are projected to decrease from 414 to 370.
- SOGR priorities are determined by the facility needs assessment, provided by Facilities Management that has identified major maintenance and capital upgrade requirements. Accessibility upgrades required by Provincial legislation are co-ordinated with the timing of the major SOGR upgrades.
 - Centre retrofits resulting from the implementation of FDELP will be co-ordinated with the school boards as part of the FDELP delivery.

10-Year Capital Plan Impact on the Operating Budget

There will be no service delivery costs arising from the completed construction of the 4 new child care centres included in the 10-Year Recommended Capital Plan, as Program resources will be reallocated to deliver services in these centres or operated by a community child care agency.

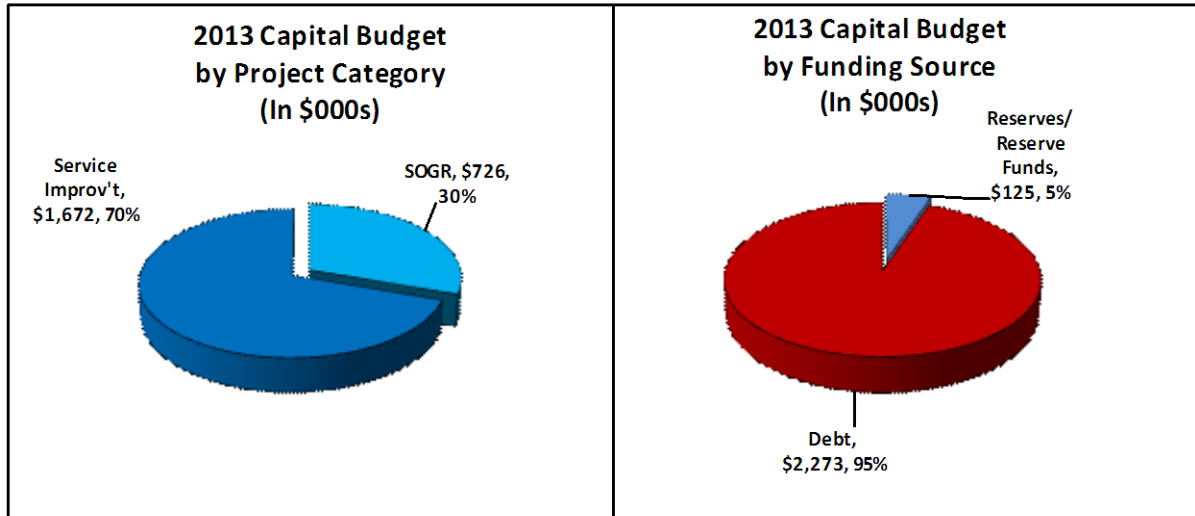
Capital Project Delivery: Temporary Positions

Position Title	CAPTOR Project Number	# of Positions	Project Delivery		Salary and Benefits \$ Amount(\$000s)					
			Start Date	End Date (m/d/yr)	2011	2012	2013	2014	2017	2018 - 2022
Business Analyst	CHS907362	2.0	5/1/2011	4/30/2014	134.2	201.3	201.3	68.0		
Project Manager	CHS907362	1.0	5/1/2011	4/30/2014	84.1	126.2	126.2	42.1		
Consultant	CHS907362	1.0	5/1/2011	4/30/2014	84.1	126.2	126.2	42.1		
Java Developer	CHS907362	2.0	1/1/2012	12/31/2013		201.3	201.3			
Senior Information Analyst	CHS907362	2.0	5/1/2011	4/30/2014	77.90	233.6	233.6	38.9		
Project Manager (SOGR)	CHS907230	1.0	5/1/2011	12/31/2014	74.0	111.0	125.0	125.0		
Total		9.0			376.4	999.6	1,013.6	316.1		
Total Temporary Positions					7.0	2.0	9.0	7.0		

- Eight temporary positions are required to deliver the CSIS III Upgrade, which was included in the 2011 Approved Capital Budget with a total project cost of \$4.343 million. All positions have been filled. Six of the 8 positions will be required until 2014, with the 2 Java Developer positions funded until the end of 2013. These positions are fully recovered from the Program's annual Capital Budget.
- Approval of the 2013 Recommended Capital Budget will require the extension of the Project Manager position from May, 2013 through December, 2014 to help co-ordinate the delivery of the MCCS SOGR program. Although this position was scheduled to be hired in 2011, the position was not filled until 2012. This position is fully recovered from the Capital Budget.

PART III - 2013 RECOMMENDED CAPITAL BUDGET

2013 Capital Budget by Project Category and Funding



The 2013 Recommended Capital Budget requires new 2013 cash flow funding of \$2.398 million.

- State of Good Repair projects total \$0.726 million and is represented by the MCCS SOGR project which requires 30% of the funding allocated in the 2013 Recommended Capital Budget.
- Service Improvement projects account for \$1.672 million or 70% of the 2013 Recommended Capital Budget, and is comprised of one project, the CSIS III system upgrade project.
- The 2013 Recommended Capital Budget's projects are financed primarily by debt.
 - Debt financing totals \$2.273 million or 94.8% of the total financing, and it meets the debt affordability target of \$2.273 million.
 - The Child Care Capital Reserve Fund provides \$0.125 million or 5.2% of the required funding, and is a source of financing for the Program's SOGR Capital program.

2013 Recommended Cash Flow & Future Year Commitments

(In \$000s)

	2011 & Prior Year Carry Forward	2012 Previously Approved Cash Flow Commitments	2013 New Cash Flow Rec'd	2013 Total Cash Flow Rec'd	2012 Carry Forwards	Total 2013 Cash Flow (Incl 2012 C/Fwd)	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total Cost
Expenditures																
Previously Approved	567	1,672		2,239	641	2,880	450									3,330
Change in Scope																
New			726	726		726										726
New w/Future Year																
Total Expenditure	567	1,672	726	2,965	641	3,606	450									4,056
Financing																
Debt		1,672	601	2,273		2,273	450									2,723
Other	300			300	154	454										454
Reserves/Res Funds	267		125	392	487	879										879
Development Charges																
Provincial/Federal																
Total Financing	567	1,672	726	2,965	641	3,606	450									4,056

The 2013 Recommended Capital Budget for Children's Services is \$3.606 million, including prior-year carry forward funding of \$0.567 million and 2012 carry forward funding of \$0.641 million, is comprised of the following funding components:

- Total carry forward requirements of \$1.208 million are funded from a combination of reserves (Capital Financing Reserve Fund of \$0.487 million; Child Care Capital Reserve Funds of \$0.267); Section 37 funding of \$0.300 million; and, Capital from Current of \$0.154 million.
- The Recommended Capital Budget includes \$0.726 million for new funding; and \$1.672 million in funding for one previously approved commitment, required for the CSIS III IT project;
- Approval of the 2013 Recommended Capital Budget will result in new 2013 debt funding of \$0.601 million; and
- Approval of the 2013 Recommended Capital Budget will result in a future year cash flow commitment of \$0.450 million in 2014, the remaining funding requirement for CSIS III project.

2013 Recommended Capital Project Highlights

The 2013 Recommended Capital Budget provides funding of \$3.606 million to:

- Continue to deliver the capital upgrades in the 26 municipally owned child care centres that are located in City-owned facilities, (\$0.726 million) which are part of the ongoing MCCS SOGR project of \$13.344 million;
- Continue to deliver the CSIS III system upgrade (\$1.826 million);
- Complete construction of the Nelson Mandela Public School Renovation (\$0.487 million) as part of the Regent Park Revitalization project, providing 48 replacement and 32 new child care spaces;
- Complete upgrades to the Squirrel's Nest Day Care Centre (\$0.300 million); and,

- Complete the playground at the Thorncliffe Child Care Centre (\$0.267 million).

**2013 Recommended Capital Project Highlights
(In \$000s)**

Project	Total Project Cost	2013	2014	2015	2016	2017	2013 - 2017	2018	2019	2020	2021	2022	2013 - 2022 Total
MCCS SOGR 2013	726	726					726						726
CSIS III	4,343	1,826	450				2,276						2,276
Nelson Mandela PS Renovation	3,517	487					487						487
Squirrel's Nest	375	300					300						300
Thorncliffe Park Child Care Centre	500	267					267						267
Total (including carry forward funding)	9,461	3,606	450				4,056						4,056

PART IV: ISSUES FOR DISCUSSION

2013 Issues

Increase in Utilization of Program Reserves to Increase Capital Capacity

The 2013-2022 Recommended Capital Plan includes \$12.528 million in reserve funding, an increase of \$8.341 million from the 2012-2021 approved funding of \$4.187 million.

The 2013-2022 Recommended Capital Plan includes an additional \$6.924 million in Development Charge funding, and greater utilization of the Child Care Capital Reserve Fund by reallocating \$1.670 million in funding to support the expanded new child care program.

These changes reflect an increase in the availability of Development Charge funding. Current projections for the 2013-2022 period are estimated at \$11.967 million, representing an increase of \$2.133 million from the 2012-2021 projections of \$9.834 million. As well, the level of Development Charge funding for new centres has increased from 48% to 68% of the project cost, to the maximum amount permitted under the Development Charge By-Law.

By increasing the use of Program reserves and Development Charge funding, Children's Services has reduced its reliance on debt funding for the construction of the new child care centres, and has reallocated \$1.144 million of debt to the MCCS SOGR program, increasing the capacity of its SOGR plan.

The changes from the 2012-2021 Approved Capital Plan have enabled the City to:

- Provide new funding for the construction of one additional, future-year child care centre for \$3.900 million, increasing the number of new, future-year child care centres from 3 centres to 4 and new spaces from 300 to 400;
- Fund the impact of inflation by increasing the project cost for the three previously planned new child centres (included in the 2012-2022 Plan) by \$0.400 million for each centre, increasing the project cost for each centre from \$3.500 million to \$3.900 million;
- Advanced the timing of the construction of New Child Care Centre #7 to the 2019-2021 period from the previous 2021 start date; and,
- Replace debt funding in the three child care centres by allocating \$1.090 million from the Child Care Capital Reserve Fund, allowing the Program to allocate an additional \$1.144 million to the MCCS SOGR program, which will eliminate the SOGR backlog within the Capital Plan's 10 year planning timeframe.

Appendix 1

2012 Performance

2012 Key Accomplishments

In 2012, Children's Services accomplished the following:

- ✓ Completed the construction of the Regent Park Child Care Centre of \$0.263 million (100 new spaces), located in the Regent Park Children and Youth Hub, that forms part of the Regent Park Revitalization project;
- ✓ Continued to deliver capital upgrades in the 26 municipally owned child care centres that are located in City-owned facilities, (\$0.852 million) as part of the ongoing MCCS SOGR project of \$11.022 million;
- ✓ Continued the CSIS III system upgrade (\$1.428 million);
- ✓ Continued the construction of the Child Care Centre located in the Nelson Mandela Public School Renovation (\$1.981 million) as part of the Regent Park Revitalization project; and,
- ✓ Began upgrades to the Squirrel's Nest Day Care Centre (\$0.375 million).

2012 Capital Variance Review

2012 Budget to Actual Comparison (In \$000s)

2012 Approved	Actuals as of Sept. 30, 2012 (3rd Quarter Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
6,687	2,277	34.1%	5,480	82.0%	1,208	18.0%

Capital expenditure for the period ending September 30, 2012 total \$2.277 million or 34.1% of the 2012 Approved Capital Budget of \$6.687 million. Year-end spending projections are \$5.480 million, and will result in the need for 2012 carry-forward funding of \$1.208 million, as noted below:

- The Nelson Mandela Public School project's capital expenditures totalled \$1.183 million representing 49.0% of the 2012 approved cash flow of \$2.414 million. Spending has been delayed by the timing of Regent Park Revitalization project, with year-end spending projected to be \$1.928 million. The unspent funds of \$0.487 million will be carried forward into 2013.
- The CSIS III project's capital expenditures totalled \$0.763 million representing 38.5% of the 2012 approved cash flow of \$1.982 million. Although project spending has been impacted

by delays in hiring staff, the project is well underway, with year-end spending projected to be \$1.828 million. The unspent funds of \$0.154 million will be carried forward into 2013.

- The MCCS SOGR project's capital expenditures totalled \$0.322 million representing 37.8% of the 2012 approved cash flow of \$0.869 million. Project spending is traditionally lower than planned in the first half of the year, as capital upgrades must be co-ordinated among the 26 municipal child care centres. Spending is projected to accelerate in the final quarter, with the budgeted cash flow projected to be fully spent by year-end.
- The New Child Care Centre project includes funding of \$0.267 million for the Thorncliffe Park Child Care Centre. While the project has been completed, due to contractor's claims related to delays in the construction, the final payment will not be settled until 2013. The unspent funds of \$0.267 million will be carried forward into 2013.
- The Squirrel's Nest Day Care Centre project's expenditures totalled \$0.009 million representing 2.4% of the 2012 approved cash flow of \$0.375 million. While construction began in September, spending for this project has been delayed due to a zoning issue. The unspent funds of \$0.300 million will be carried forward into 2013.

Appendix 2

10-Year Recommended Capital Plan Project Summary (In \$000s)

Project	2013	2014	2015	2016	2017	2013 - 2017	2018	2019	2020	2021	2022	2013 - 2022
MCCS State of Good Repair	726	1,584	1,305	1,542	1,469	6,626	1,473	1,285	1,226	1,367	1,367	13,344
Child Care Centre # 5		550	1,060	1,262	616	3,488	412					3,900
Child Care Centre # 6					500	500	1,670	1,730				3,900
Child Care Centre # 7								500	1,670	1,730		3,900
Child Care Centre # 8									500	1,670	1,730	3,900
CSIS III	1,826	450				2,276						2,276
Thornccliffe Park Child Care Centre	267					267						267
Nelson Mandella PS Renovation	487					487						487
Squirrel's Nest	300					300						300
Total (including carry forwards)	3,606	2,584	2,365	2,804	2,585	13,944	3,555	3,515	3,396	4,767	3,097	32,274

* Includes carry forward funding of \$1,208

Appendix 3
2013 Recommended Capital Budget;
2014 to 2022 Capital Plan

CITY OF TORONTO

**Gross Expenditures (\$000's)
Appendix 3**

Children's Services

Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.	Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By													
						2013	2014	2015	2016	2017	Total 2013-2017	Total 2018-2022	Total 2013-2022	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
0	1	New Child Care Centre No. 8	CW	S6	04	0	0	0	0	0	0	3,900	3,900	0	0	2,652	0	586	0	0	0	0	662	0	3,900
		Sub-total				0	0	0	0	0	0	3,900	3,900	0	0	2,652	0	586	0	0	0	0	662	0	3,900
Total Program Expenditure						3,606	2,584	2,365	2,804	2,585	13,944	18,330	32,274	0	0	10,608	487	2,187	154	300	0	18,538	0	32,274	

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3

Children's Services

Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat. Cat.	Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By												
					2013	2014	2015	2016	2017	Total 2013-2017	Total 2018-2022	Total 2013-2022	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Financed By:																							
		Provincial Grants & Subsidies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
		Federal Subsidy			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
		Development Charges			0	374	721	858	759	2,712	7,896	10,608	0	0	10,608	0	0	0	0	10,608			
		Reserves (Ind. "XQ" Ref.)			487	0	0	0	0	487	0	487	0	0	487	0	0	0	0	487			
		Reserve Funds (Ind."XR" Ref.)			392	125	0	0	160	677	1,510	2,187	0	0	2,187	0	0	0	0	2,187			
		Capital from Current			154	0	0	0	0	154	0	154	0	0	154	0	0	0	0	154			
		Other1 (Internal)			300	0	0	0	0	300	0	300	0	0	0	300	0	0	0	300			
		Debt			2,273	2,085	1,644	1,946	1,666	9,614	8,924	18,538	0	0	0	0	0	0	18,538	18,538			
		Debt - Recoverable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total Program Financing					3,606	2,584	2,365	2,804	2,585	13,944	18,330	32,274	0	0	10,608	487	2,187	154	300	0	18,538	0	32,274

Status Code	Description
S2	S2 Prior Year (With 2013 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2013 and/or Future Year Cost/Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2014 & Beyond)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

Appendix 4
2013 Recommended Cash Flow and
Future Year Commitments

CITY OF TORONTO

**Gross Expenditures (\$000's)
Appendix 4**

Children's Services

Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By													
						2013	2014	2015	2016	2017	Total 2013-2017	Total 2018-2022	Total 2013-2022	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
<u>CHS906381 New Child Care Centres</u>																									
0	12	Thornccliffe Park Cost Increase 2	26	S2	04	267	0	0	0	0	267	0	267	0	0	0	0	267	0	0	0	0	0	267	
Sub-total						267	0	0	0	0	267	0	267	0	0	0	0	267	0	0	0	0	0	267	
<u>CHS907230 MCCS - State Of Good Repair</u>																									
0	7	MCCS SOGR 2013	CW	S4	03	726	0	0	0	0	726	0	726	0	0	0	0	125	0	0	0	601	0	726	
Sub-total						726	0	0	0	0	726	0	726	0	0	0	0	125	0	0	0	601	0	726	
<u>CHS907232 Nelson Mandela PS Renovation</u>																									
0	1	Nelson Mandela PS Renovation	28	S2	04	470	0	0	0	0	470	0	470	0	0	0	470	0	0	0	0	0	0	470	
0	2	Nelson Mandela HST Impact	28	S2	04	17	0	0	0	0	17	0	17	0	0	0	17	0	0	0	0	0	0	17	
Sub-total						487	0	0	0	0	487	0	487	0	0	0	487	0	0	0	0	0	0	487	
<u>CHS907362 CSIS 3</u>																									
0	1	CSIS 3	CW	S2	04	1,826	450	0	0	0	2,276	0	2,276	0	0	0	0	0	154	0	0	2,122	0	2,276	
Sub-total						1,826	450	0	0	0	2,276	0	2,276	0	0	0	0	0	154	0	0	2,122	0	2,276	
<u>CHS907637 Squirrel's Nest Day Care Centre</u>																									
0	1	Squirrel's Nest Daycare Centre	37	S2	04	300	0	0	0	0	300	0	300	0	0	0	0	0	0	300	0	0	0	300	
Sub-total						300	0	0	0	0	300	0	300	0	0	0	0	0	0	300	0	0	0	300	
Total Program Expenditure						3,606	450	0	0	0	4,056	0	4,056	0	0	0	487	392	154	300	0	2,723	0	4,056	

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4

Children's Services						Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By									
						2013	2014	2015	2016	2017	Total 2013-2017	Total 2018-2022	Total 2013-2022	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.																
Financed By:																					
		Reserves (Ind. "XQ" Ref.)				487	0	0	0	0	487	0	487	0	0	0	0	0	0	487	
		Reserve Funds (Ind."XR" Ref.)				392	0	0	0	0	392	0	392	0	392	0	0	0	0	392	
		Capital from Current				154	0	0	0	0	154	0	154	0	154	0	0	0	0	154	
		Other1 (Internal)				300	0	0	0	0	300	0	300	0	0	300	0	0	0	300	
		Debt				2,273	450	0	0	0	2,723	0	2,723	0	0	0	0	2,723	0	2,723	
Total Program Financing						3,606	450	0	0	0	4,056	0	4,056	0	392	154	300	0	2,723	0	4,056

Status Code Description
 S2 S2 Prior Year (With 2013 and/or Future Year Cashflow)
 S3 S3 Prior Year - Change of Scope 2013 and/or Future Year Cost(Cashflow)
 S4 S4 New - Stand-Alone Project (Current Year Only)
 S5 S5 New (On-going or Phased Projects)

Category Code Description
 01 Health and Safety C01
 02 Legislated C02
 03 State of Good Repair C03
 04 Service Improvement and Enhancement C04
 05 Growth Related C05
 06 Reserved Category 1 C06
 07 Reserved Category 2 C07

Appendix 5

2013 Recommended Capital Project with Financing Details

(Phase 2) 32-Children's Services Sub-Project Category: 01,02,03,04,05,06,07 Type: B Sub-Project Status: S2 Type: C Sub-Project Status: S2,S3,S4,S5



CITY OF TORONTO

Appendix 5

**Children's Services
Sub-Project Summary**

Project/Financing

Priority Project Project Name

Priority	Project	Project Name	Start Date	Completion Date	2013	Financing									
					Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable
<u>0</u>	<u>CHS907230</u>	<u>MCCS - State Of Good Repair</u>													
0	7	MCCS SOGR 2013	1/1/2013	12/31/2013	726	0	0	0	0	125	0	0	0	601	0
		Project Sub-total:			726	0	0	0	0	125	0	0	0	601	0
<u>0</u>	<u>CHS907232</u>	<u>Nelson Mandela PS Renovation</u>													
0	1	Nelson Mandela PS Renovation	1/1/2010	10/11/2012	470	0	0	0	470	0	0	0	0	0	0
0	2	Nelson Mandela HST Impact	1/2/2011	10/31/2012	17	0	0	0	17	0	0	0	0	0	0
		Project Sub-total:			487	0	0	0	487	0	0	0	0	0	0
<u>0</u>	<u>CHS907362</u>	<u>CSIS 3</u>													
0	1	CSIS 3	1/1/2011	12/31/2013	1,826	0	0	0	0	0	154	0	0	1,672	0
		Project Sub-total:			1,826	0	0	0	0	0	154	0	0	1,672	0
<u>0</u>	<u>CHS907637</u>	<u>Squirrel's Nest Day Care Centre</u>													
0	1	Squirrel's Nest Daycare Centre	10/1/2011	12/31/2012	300	0	0	0	0	0	0	300	0	0	0
		Project Sub-total:			300	0	0	0	0	0	0	300	0	0	0
<u>3</u>	<u>CHS906381</u>	<u>New Child Care Centres</u>													
0	12	Thornccliffe Park Cost Increase 2	4/28/2010	6/30/2011	267	0	0	0	0	267	0	0	0	0	0
		Project Sub-total:			267	0	0	0	0	267	0	0	0	0	0
Program Total:					3,606	0	0	0	487	392	154	300	0	2,273	0

Status Code Description
 S2 S2 Prior Year (With 2013 and/or Future Year Cashflow)
 S3 S3 Prior Year - Change of Scope 2013 and/or Future Year Cost(Cashflow)
 S4 S4 New - Stand-Alone Project (Current Year Only)
 S5 S5 New (On-going or Phased Projects)

Category Code Description
 01 Health and Safety C01
 02 Legislated C02
 03 State of Good Repair C03
 04 Service Improvement and Enhancement C04
 05 Growth Related C05
 06 Reserved Category 1 C06
 07 Reserved Category 2 C07

Appendix 6

2013 Reserve / Reserve Fund Review (In \$000s)

Reserve / Reserve Fund Name (In \$000s)	Projected Balance as of December 31, 2012	Proposed Withdrawals										2013-2022 Total	
		2013 Rec. Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan.	2019 Plan	2020 Plan	2021 Plan	2022 Plan		
Child Care Capital Reserve Fund XR1103	4,096.0												4,096.0
Health and Safety *		(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(10,000.0)
SOG		(125.0)	(125.0)										(250.0)
Minor Capital Operating		(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(400.0)	(4,000.0)
CHS907355 New Child Centre # 6						(160.0)	(374.0)	(20.0)					(554.0)
CHS907645 New Child Centre # 7								(160.0)	(70.0)	(300.0)			(530.0)
CHS907902 New Child Centre # 8									(70.0)	(375.0)	(141.0)		(586.0)
Interest Income		37.7	36.5	36.1	35.5	35.2	34.8	33.7	33.9	33.5	33.1		350.0
Contribution from Operating		320.0	320.0	320.0	320.0	320.0	320.0	320.0	320.0	320.0	320.0		3,200.0
Contribution from Non-Program **		1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0		10,000.0
Total Draws		(1,525.0)	(1,525.0)	(1,400.0)	(1,400.0)	(1,560.0)	(1,774.0)	(1,580.0)	(1,540.0)	(2,075.0)	(1,541.0)		(15,920.0)
Proposed Contributions		1,357.7	1,356.5	1,356.1	1,355.5	1,355.2	1,354.8	1,353.7	1,353.9	1,353.5	1,353.1		13,550.0
Total Reserve / Reserve Fund	4,096.0	3,928.7	3,760.2	3,716.3	3,671.8	3,467.0	3,047.8	2,821.5	2,635.4	1,913.9	1,726.0		1,726.0

* Health and Safety Program in Children's Services Operating Budget

** City's funding to the ongoing of Health and Safety Program

Reserve / Reserve Fund Name (In \$000s)	Projected Balance as of December 31, 2012	Proposed Withdrawals										2013-2022 Total	
		2013 Rec. Budget	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan.	2019 Plan	2020 Plan	2021 Plan	2022 Plan		
Development Charge Reserve Fund XR2122	2,237.0												2,237.0
CWR Waterfront Development *		(412.0)											(412.0)
CHS907355 New Child Centre # 5			(374.4)	(721.0)	(858.0)	(419.0)	(280.0)						(2,652.4)
CHS907644 New Child Centre # 6						(340.0)	(1,136.0)	(1,176.0)					(2,652.0)
CHS907645 New Child Centre # 7								(340.0)	(1,136.0)	(1,176.0)			(2,652.0)
CHS907902 New Child Centre # 8									(340.0)	(1,136.0)	(1,176.0)		(2,652.0)
Total Draws		(412.0)	(374.4)	(721.0)	(858.0)	(759.0)	(1,416.0)	(1,516.0)	(1,476.0)	(2,312.0)	(1,176.0)		(11,020.4)
Proposed Contribution		1,096.0	1,117.0	1,139.0	1,160.0	1,184.0	1,209.0	1,233.0	1,259.0	1,285.0	1,285.0		11,967.0
Total Reserve / Reserve Fund		3,333.0	3,701.2	4,119.2	4,421.2	4,846.2	4,639.2	4,356.2	4,139.2	3,112.2	3,221.2		3,183.6

* Community facilities for East Bayfront and West Donlands