



## City Budget 2012

## 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.

# 2012–2021 Capital Program

## 2012 CAPITAL BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE NOVEMBER 28, 2011

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**Contacts:**     **Alan Cohen**  
                   Manager, Financial Planning  
                   Tel: (416) 392-7420

**John Forsyth**  
                   Senior Analyst, Financial Planning  
                   Tel: (416) 392-5198

## PART I: RECOMMENDATIONS

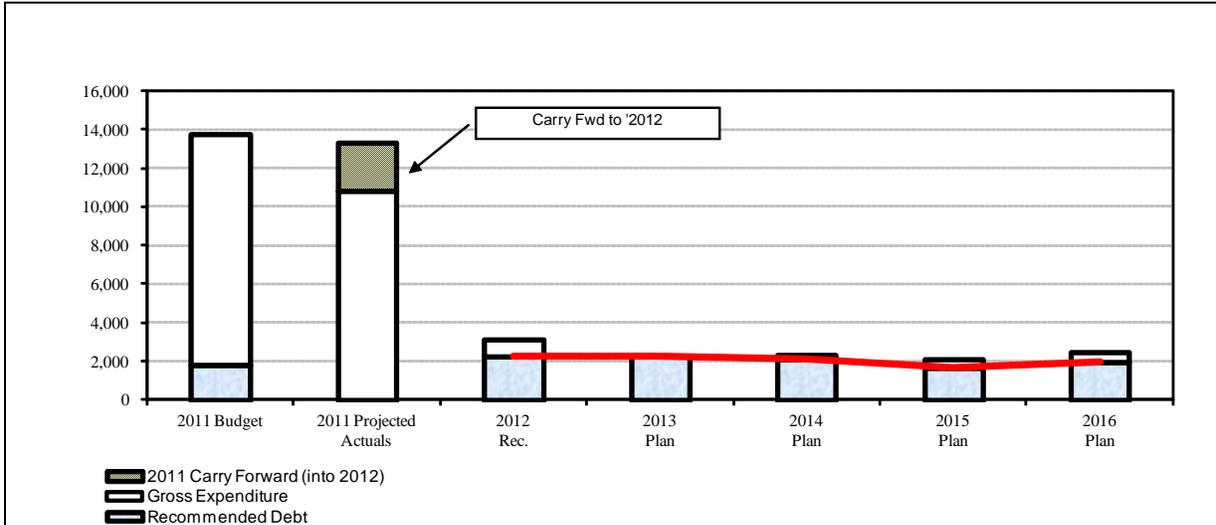
The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for Children's Services with a total project cost of \$0.852 million and a 2012 cash flow of \$5.672 million and future year recommended commitments of \$2.122 million comprised of the following:
  - a) New Cash Flow Funding for:
    - i) one new sub-project with a total project cost of \$0.852 million that requires cash flow of \$0.852 million in 2012;
    - ii) two previously approved sub-projects with a 2012 cash flow of \$1.931 million; and future year commitments of \$1.672 million in 2013; and \$0.450 million in 2014; and
    - iii) one previously approved sub-project with carry-forward funding from 2010 and prior years requiring 2012 cash flow of \$0.375 million which forms part of the affordability target that requires Council to reaffirm its commitment;
  - b) 2011 approved cash flow for 1 previously approved sub-project with carry forward funding from 2011 into 2012 totaling \$2.514 million.
2. Council approve new debt service costs of \$0.025 million in 2012; incremental debt costs of \$0.152 million in 2013 resulting from the approval of the 2012 Recommended Capital Budget, to be included in the 2012 and future year operating budgets;
3. Council approve the 2013–2021 Capital Plan for Children's Services totaling \$18.320 million in project estimates, comprised of \$0.601 million in 2013; \$1.902 million in 2014; \$2.084 million in 2015; \$2.471 million in 2016; \$1.926 million in 2017; \$2.147 million in 2018; \$2.519 million in 2019; \$2.540 million in 2020; and \$2.130 million in 2021;
4. The General Manager of Children's Services work with the Province and with the school boards to use a portion of the funding available through the Child Care Capital Reserve Fund to leverage additional funding that addresses the capital requirements associated with the implementation of Full Day Early Learning Kindergarten (FDELK); and,
5. Council approve 2 additional temporary capital positions that were approved in 2011 for the delivery of new 2012 capital projects/sub-projects and that the duration for

each temporary position not exceed the life and funding of its respective capital project/sub-project.

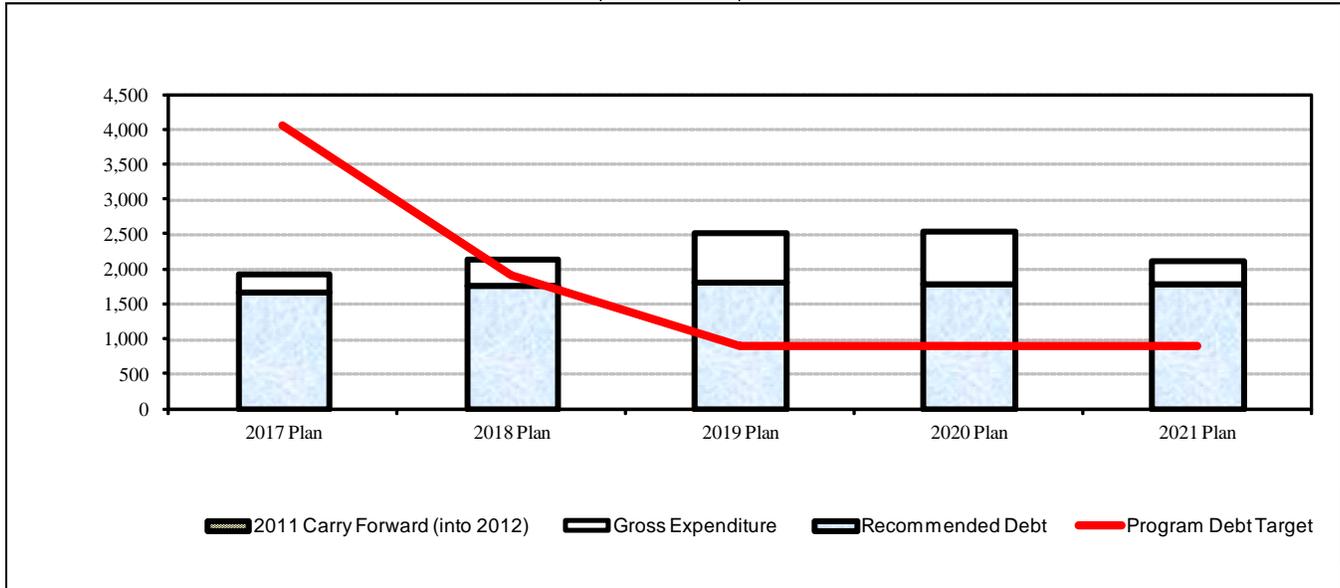
# PART II: 2012 – 2021 CAPITAL PROGRAM

## 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							
<b>Gross Expenditures:</b>										
2011 Capital Budget & Approved FY Commitments	13,742	10,853		1,931	1,672	450			4,053	33%
Recommended Changes to Approved FY Commitments				852					852	7%
2012 New/Change in Scope and Future Year Commitments					601	1,902	2,084	2,471	7,058	57%
2013 - 2016 Capital Plan Estimates				375					375	3%
2-Year Carry Forward for Reapproval										
1-Year Carry Forward to 2012		2,514		→						
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>13,742</b>	<b>13,367</b>		<b>3,158</b>	<b>2,273</b>	<b>2,352</b>	<b>2,084</b>	<b>2,471</b>	<b>12,338</b>	<b>100%</b>
<b>Program Debt Target</b>	<b>1,838</b>			<b>2,280</b>	<b>2,273</b>	<b>2,085</b>	<b>1,644</b>	<b>1,946</b>	<b>10,228</b>	
<b>Financing:</b>										
<b>Recommended Debt</b>	<b>1,838</b>			<b>2,280</b>	<b>2,273</b>	<b>2,085</b>	<b>1,644</b>	<b>1,946</b>	<b>10,228</b>	83%
Reserves/Reserve Funds	5,580			503					503	4%
Development Charges	2,732					267	440	525	1,232	10%
ISF	490									
Provincial/Federal										
Other Revenue	3,102			375					375	3%
<b>Total Financing</b>	<b>13,742</b>			<b>3,158</b>	<b>2,273</b>	<b>2,352</b>	<b>2,084</b>	<b>2,471</b>	<b>12,338</b>	<b>100%</b>
<b>By Project Category:</b>										
Health & Safety	1,000									
Legislated										
SOGR	784			852	601	1,402	1,144	1,346	5,345	43%
Service Improvement	11,958			2,306	1,672	950	940	1,125	6,993	57%
Growth Related										
<b>Total By Project Category</b>	<b>13,742</b>			<b>3,158</b>	<b>2,273</b>	<b>2,352</b>	<b>2,084</b>	<b>2,471</b>	<b>12,338</b>	<b>100%</b>
Asset Value - end of each year ( \$ )		57,565		57,565	57,565	57,565	57,565	57,565		
Yearly SOGR Backlog Estimate (not addressed by current plan)				508	508	508	508	508		
Accumulated Backlog Estimate (end of year)		4,572		4,064	3,556	3,048	2,540	2,032		
Backlog: Percentage of Asset Value (%)		7.9%		7.1%	6.2%	5.3%	4.4%	3.5%		
<b>Debt Service Costs</b>				25	177	285	256	215	958	
<b>Operating Impact on Program Costs</b>										
<b>New Positions</b>				2					2	

### 10-Year Capital Plan 2017–2021 Recommended Plan (In \$000s)



	2017 - 2021 Capital Plan						10-Year Total Percent
	2017	2018	2019	2020	2021	2012-2021	
<b>Gross Expenditures:</b>							
2011 Capital Budget & Approved FY Commitments						4,053	17%
Recommended Changes to Approved FY Commitments						375	2%
2-Year Carry Forward for Reapproval						852	4%
2012 New/Change in Scope and Future Year Commitments						18,320	78%
2017 - 2021 Capital Plan Estimates	1,926	2,147	2,519	2,540	2,130	18,320	
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>1,926</b>	<b>2,147</b>	<b>2,519</b>	<b>2,540</b>	<b>2,130</b>	<b>23,600</b>	<b>100%</b>
<b>Program Debt Target</b>	<b>4,050</b>	<b>1,900</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>18,878</b>	
<b>Financing:</b>							
<b>Recommended Debt</b>	<b>1,666</b>	<b>1,765</b>	<b>1,819</b>	<b>1,780</b>	<b>1,780</b>	19,038	81%
Reserves/Reserve Funds						503	2%
Development Charges	260	382	700	760	350	3,684	16%
ISF							
Provincial/Federal							
Other Revenue						375	2%
<b>Total Financing</b>	<b>1,926</b>	<b>2,147</b>	<b>2,519</b>	<b>2,540</b>	<b>2,130</b>	<b>23,600</b>	<b>100%</b>
<b>By Project Category:</b>							
Health & Safety							
Legislated							
SOGR	1,366	1,332	1,019	980	980	11,022	47%
Service Improvement	560	815	1,500	1,560	1,150	12,578	53%
Growth Related							
<b>Total By Project Category</b>	<b>1,926</b>	<b>2,147</b>	<b>2,519</b>	<b>2,540</b>	<b>2,130</b>	<b>23,600</b>	<b>100%</b>
Asset Value - end of each year (\$)	57,565	61,065	61,065	61,065	64,565		
Yearly SOGR Backlog Estimate (not addressed by current plan)	580	508	508				
Accumulated Backlog Estimate (end of year)	1,524	1,016	508				
Backlog: Percentage of Asset Value (%)	2.6%	1.7%	0.8%	0.0%	0.0%		
Debt Service Costs	242	214	226	231	226	2,097	
Operating Impact on Program Costs							
New Positions						2	

## 10–Year Capital Plan Overview

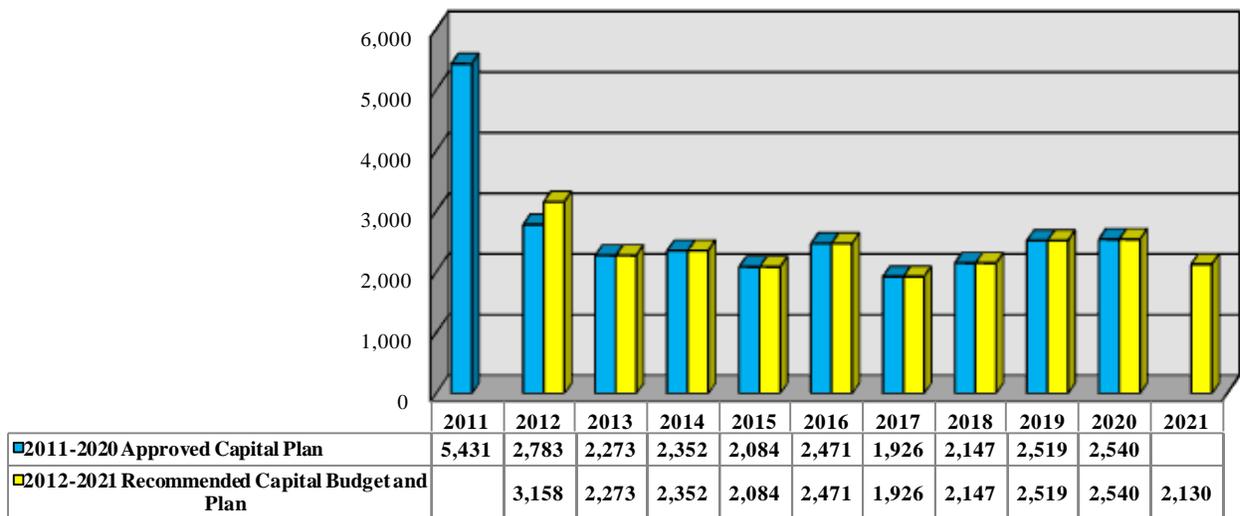
- Children's Services' 10 Year Recommended Capital Plan focuses on increasing the number of child care centres in under-served, high needs communities; and maintaining 27 of the directly operated child care centres in a state of good repair, valued at \$57.565 million, based on replacement cost.
- The 10–Year Recommended Capital Plan requires total funding of \$23.600 million, with the first 5 years requiring total funding of \$12.338 million or 52.3%, and the final 5 years requiring funding of \$11.262 million or 47.7% of the total funding recommended.
- The 10–Year Recommended Capital Plan funds the Program's capital maintenance program to ensure the City's 27 child care centres located in City-owned buildings are kept in a state of good repair.
- Construction of 3 new child care centre projects will also be funded in the 10– Year Recommended Capital Plan, adding 300 spaces in high needs neighbourhoods, with construction planned to begin in 2014 thorough 2018 for the first centre, the second centre construction planned for 2018 through 2020, and the third centre planned to begin construction in 2021.
- The 10–Year Recommended Capital Plan of \$23.600 million is funded through a combination of sources, including \$19.038 million of debt (80.7%); \$3.684 million of development charges (15.6%); \$0.503 million of reserves funds (2.1%); and \$0.375 million of third party funding (1.6%).
  - Children's Services debt target is \$19.038 million over the 10–year planning horizon. The Program is at target for each year of the 10–Year Recommended Capital Plan period.
- Children's Services State of Good Repair (SOGR) backlog at the end of 2011 is \$4.572 million; through investing \$9.062 million during the next 8 years, the Program will eliminate the backlog by 2020.
- The 2012 Recommended Capital Budget will provide funding for the CSIS III IT project that will upgrade the existing business application system to meet corporate enterprise architecture standards. The 2012 Recommended Capital Budget will also provide funding to complete the construction of the Nelson Mandela Public School Child Centre as part of the Regent Park Revitalization initiative, providing 78 spaces, including 30 new spaces for infants and toddlers.
- There will be no operating impacts arising from the service delivery in the new child care centre, as existing Program resources will be reallocated to deliver service in these centres or operated by a community child care agency.

- Through the Health and Safety program, Children's Services will contribute a portion to the \$27.4 million required for the minor capital refurbishments needed to address the impact of Full Day Early Learning Kindergarten (FDELP) on child care centres.
- The 10–Year Recommended Capital Plan is funding upgrades 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.

**Key Changes from the 2011–2020 Approved Capital Plan**

**Changes to the 2011–2020 Approved Capital Plan**

(In \$000s)



- The 2012 Recommended Capital Budget and the 2013–2021 Recommended Capital Plan reflects a decrease of \$2.926 million from the 2011–2019 Approved Capital Plan. Changes to the 2011–2020 Approved Capital Plan are outlined below:
  - 2–year carry forward funding of \$0.375 million for capital upgrades to the Squirrel's Nest Child Care Centre is required in 2012 as a previously approved project requiring Council approval as a resubmission. This 2–year carry forward funding does not impact the program's debt target for 2012, as it will be funded by a Section 37 agreement.

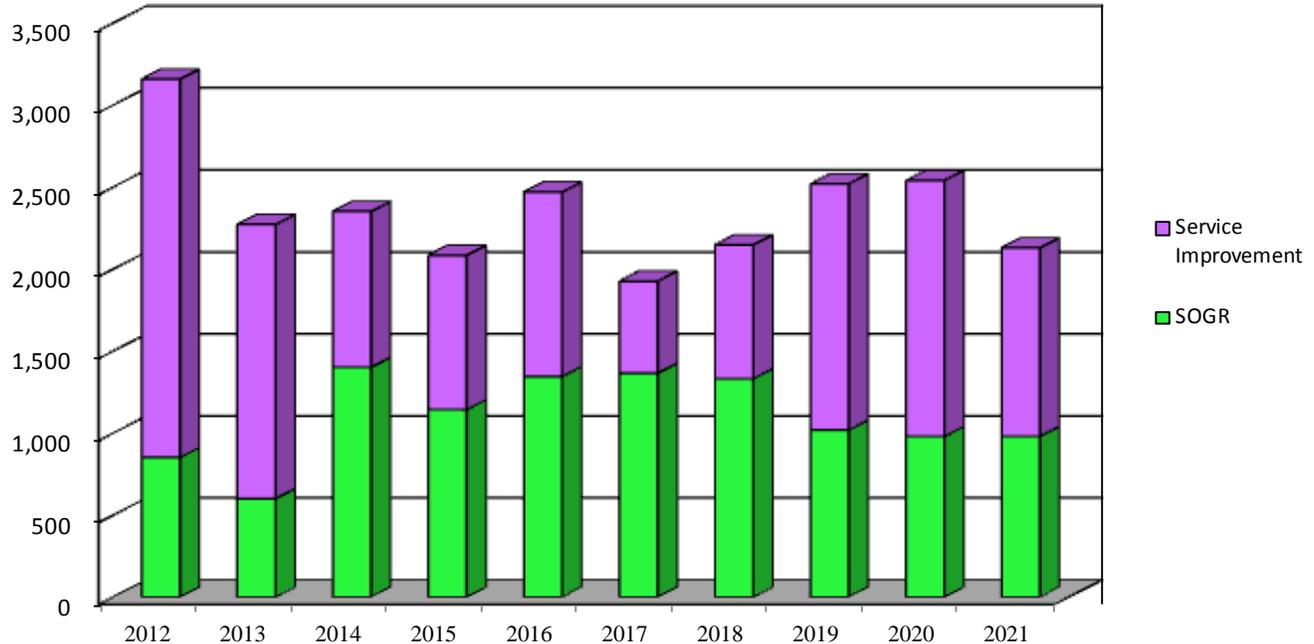
**Summary of Project Changes**  
(In \$000s)

Key Projects	Total Project Cost	2012	2013	2014	2015	2016	2017	2018	2019	2012 - 2020	Revised Total Project Cost
Squirrel's Nest Child Care Centre	375	375									375
<b>Total Change</b>	<b>375</b>	<b>375</b>									<b>375</b>

- The Squirrel's Nest Child Care Centre has been delayed, resulting in \$0.375 million in new funding required to be carried forward from 2010 to 2012. This project, fully funded from a Section 37 levy, provides accessibility enhancements and washroom renovations. The delivery of this project has taken longer than anticipated, as there was a delay in reaching agreement on site-plan enhancements.

**2012 - 2021 Recommended Capital Plan**

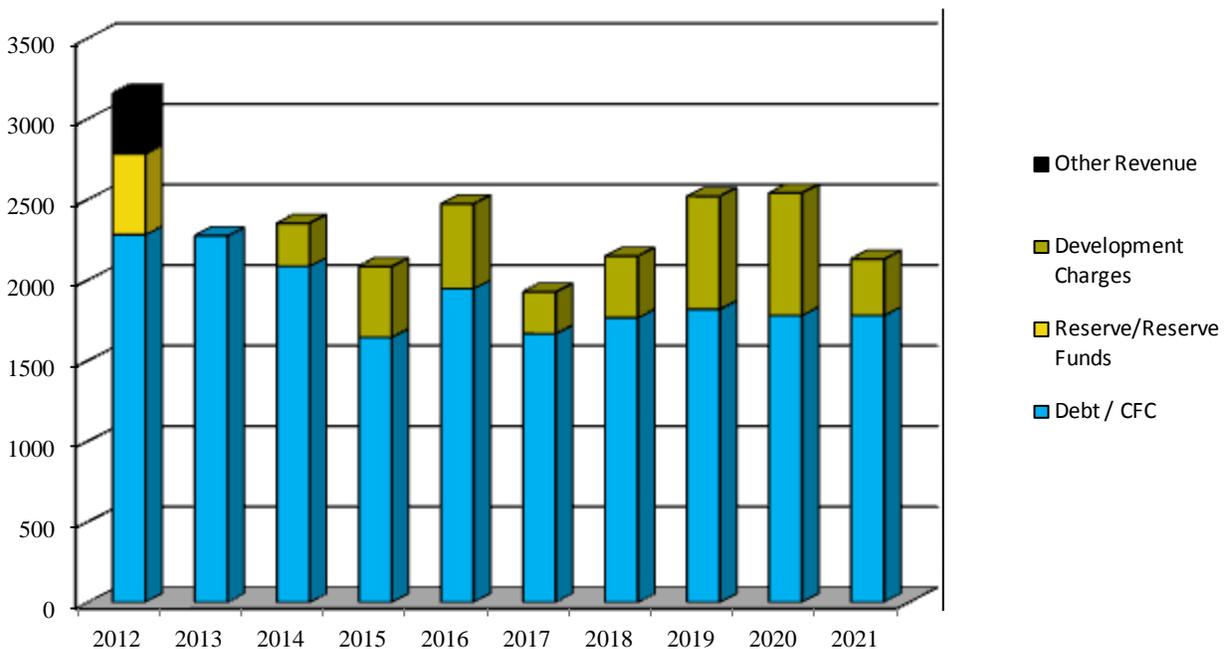
**2012-2021 Capital Plan by Project Category**  
(In \$000s)



Funding for the 10-Year Recommended Capital Plan is allocated between the following project categories:

- Spending on *Service Improvement* projects account for 57% in the first 5 years of the Plan, as the CSIS III IT upgrade is underway.
  - In 2012 through 2014, the CSIS III project totals \$3.550 million, or 29% of the spending in the first 5 years; construction costs of \$2.065 million for a new child care centre are also included in years 2014 through 2016.
  - *Service Improvement projects* account for 53% in the last 5 years, with spending just dedicated to the delivery of the 3 new child care centres in the 10–Year Recommended Capital Plan.
- Spending on *State of Good Repair* projects total \$11.022 million, and represent 47% of the 10–Year Recommended Capital Plan, and includes:
  - \$0.852 million is required in 2012 and \$0.601 million required in 2013. A total of \$7.609 million is required in 2014 through 2019 (an average of \$1.268 million per year), and \$0.980 million is required in both 2020 and in 2021.
  - The higher funding allocation in the middle years reflects the Program's need to balance its capital maintenance program with the completion of the 2 child care centres and CSIS III projects, which are concentrated in the earlier years of the Capital Plan period.

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



- The 10–Year Recommended Capital Plan is funded by a combination of sources as noted previously: debt of \$19.038 million or 81%; Development Charge funding of \$3.684 million or 16%; reserve funding of \$0.503 million or 2%; and other revenue of \$0.375 million or 2%.
- Children's Services debt target is \$19.038 million for the 10–Year Recommended Capital Plan period. The Program is at target for each year of the 10–year planning horizon.
- Development Charges of \$3.684 million funds a portion of each of the 3 new child care centre, with construction commencing in 2014 through 2021, with \$1.232 million required in the first 5 years of the Capital Plan, and \$2.452 million required in the last 5 years of the Capital plan. This distribution is reflective of the concentration of the 3 new child care centres in the latter years of the plan Capital Plan period.
- Reserve funding of \$0.503 million is used in 2012 to complete the construction of the Nelson Mandela Public School Renovation.
- Other revenue of \$0.375 million funds the capital upgrades for the Squirrel's Nest Child Care Centre project, which is provided from a Section 37 levy.

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

Description	Total Project Cost	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
<b>State of Good Repair (incl. H&amp;S , &amp; Leg.)</b>												
MCCS - State of Good Repair	11,022	852	601	1,402	1,144	1,346	1,366	1,332	1,019	980	980	11,022
<b>Sub-Total</b>	11,022	852	601	1,402	1,144	1,346	1,366	1,332	1,019	980	980	11,022
<b>Service Improvements</b>												
CSIS III	4,343	1,428	1,672	450								3,550
New Child Care Centre 5	3,500			500	940	1,125	560	375				3,500
New Child Carfe Centre 6	3,500							440	1,500	1,560		3,500
New Child Carfe Centre 7	3,500										1,150	1,150
Nelson Mandela PS Renovation	3,517	503										503
Squirrel's Nest Child Care Centre	375	375										375
<b>Sub-Total</b>	0	2,306	1,672	950	940	1,125	560	815	1,500	1,560	1,150	12,578
<b>Growth Related</b>												
<b>Sub-Total</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	11,022	3,158	2,273	2,352	2,084	2,471	1,926	2,147	2,519	2,540	2,130	23,600

## Major Capital Initiatives

The 10–Year Recommended Capital Plan includes the following major capital initiatives:

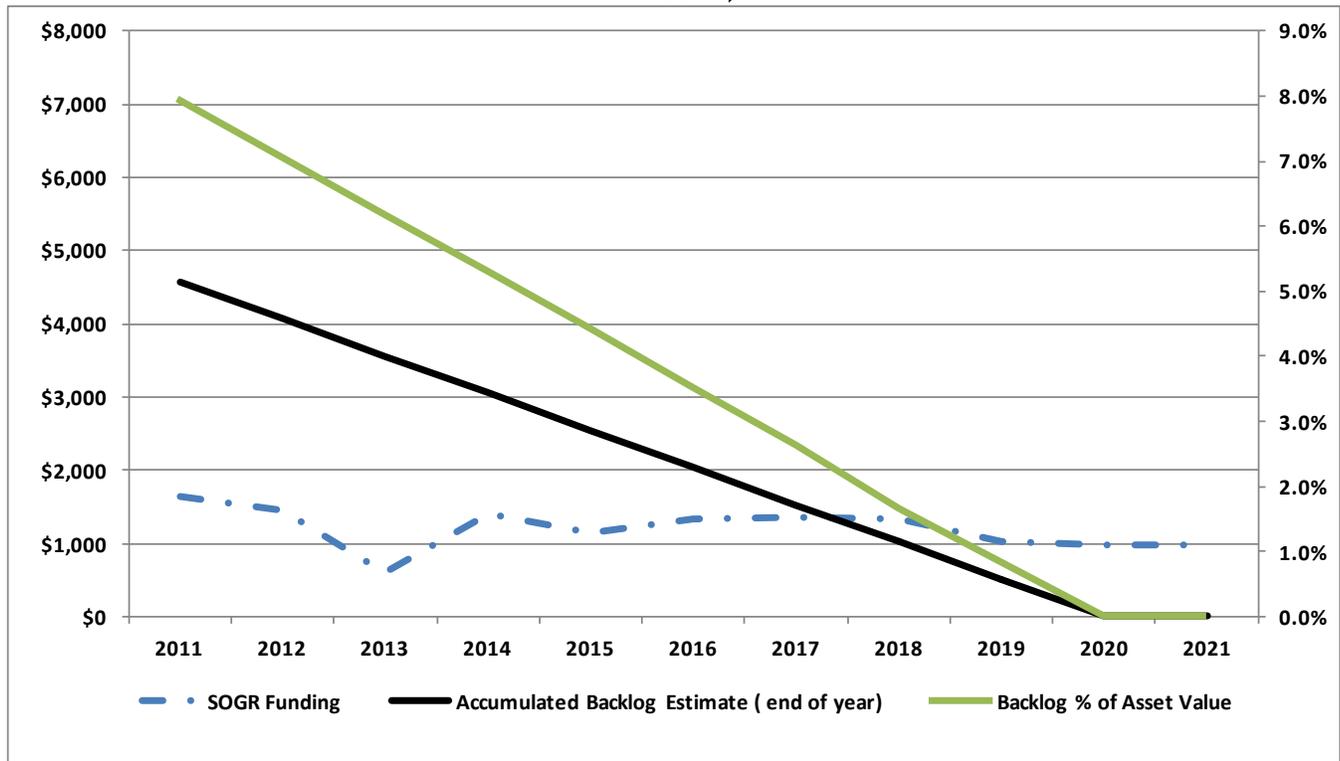
### *State of Good Repair (SOGR), Health & Safety, & Legislated*

- The Municipal Child Care Service State of Good Repair project of \$11.022 million will address the backlog of \$4.572 million in the 27 City operated child care centres; this funding includes \$6.8 million to implement accessibility upgrades required by Provincial legislation.

*Service Improvements*

- The CSIS III project requires cash flow of \$3.550 million for years 2012 through 2014. This system upgrade will build on the existing business application system (CSIS II), as this system does not meet the corporate enterprise architecture standards, and uses outdated software applications. The upgrade will also provide the opportunity to integrate required changes resulting from the Province's Early Learning Program.
- Beginning in 2014 through to 2021, \$8.150 million is allocated for the construction of 3 new child care centres (300 new spaces) to provide equitable access in underserved, high-needs neighbourhoods, across the City in accordance with Program's Service Plan.
- Funding of \$0.503 million is required in 2012 to complete the Nelson Mandela Public School Renovation project as part of the Regent Park Revitalization Initiative; as well, \$0.375 million is required to upgrade the Squirrel's Nest Day Care Centre.

SOGR Funding & Backlog  
In \$000s)



*State of Good Repair (SOGR) Backlog*

- Children's Services provides child care services across the City in 57 municipal child care centres. Of these 57 centres, 27 are in City owned facilities and have a asset replacement value of \$57.565 million. Children's Services includes the funding requirements to maintain these centres in a state of good repair in its 10–Year Recommended Capital Plan.
- A recent audit conducted by Facilities and Real Estate Division indicated that there is a SOGR backlog of \$4.572 million (7.9% of the asset value) in these 27 sites at the end of 2011.
- The 10–Year Recommended Capital Plan includes a SOGR budget of \$0.852 million in 2012, with future year estimates of \$10.170 million, which averages \$1.102 million per year for the 10–year planning horizon period. This funding will eliminate the SOGR backlog by 2019.
- Also included in the 10–Year Recommended Capital Plan is funding to implement facility upgrades 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.

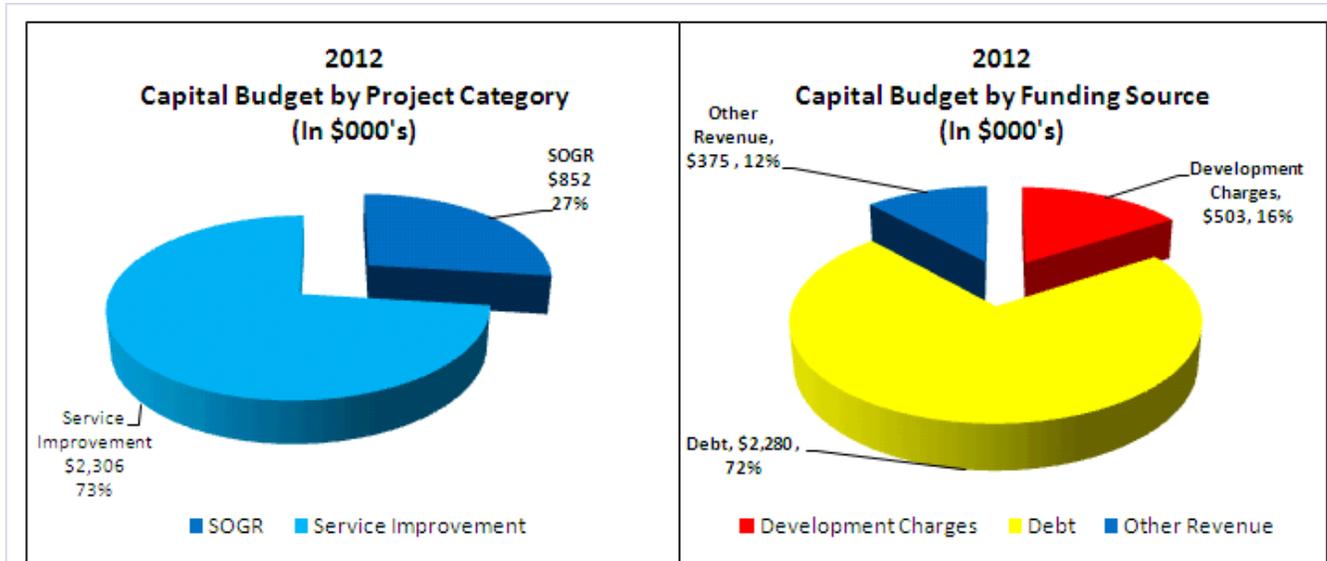
### Capital Project Delivery, Temporary Positions

Position Title	CAPTOR Project Number	# of Positions	Project Delivery		Salary and Benefits \$ Amount (in \$000s)				
			Start Date	End Date	2011	2012	2013	2014	2016 to 2021
Business Analyst	CHS907362	2.00	May, 2011	April, 2014	134.20	201.32	201.32	68.00	
Project Manager	CHS907362	1.00	May, 2011	April, 2014	84.10	126.20	126.20	42.10	
Consultant	CHS907362	1.00	May, 2011	April, 2014	84.10	126.20	126.20	42.10	
Java Developer	CHS907362	2.00	Jan, 2012	Dec, 2013	0.00	201.34	201.34		
Senior Information Analyst	CHS907362	2.00	May, 2011	April, 2014	77.90	233.58	233.58	38.90	
Total		8.0			380.30	888.64	888.64	191.10	0.00
Total Temporary Positions					6.0	2.0			8.0

- Six of the temporary positions required for delivering the CSIS III Upgrade, at a 2011 cost of \$0.380 million (with an additional \$0.308 million annualized in 2012), have been filled; 2 additional temporary positions for \$0.201 million are required in 2012. These 8 positions will be required until 2014, the project completion date, and are fully recovered from the 2012 Recommended Capital Budget's project funding for this purpose.
- There will be no operating impacts from the delivery of service in the three new child care centres included in the Recommended 10–Year Capital Plan, as Program resources will be reallocated to deliver service in these centres or operated by a community child care agency.

**PART III – 2011 Recommended Capital Budget**

**2012 Capital Budget by Project Category and Funding Source**



- The 2012 Recommended Capital Budget of \$3.158 million for Children's Services, excluding funding carried forward from 2010 to 2011, allocates \$2.306 million, or 73% to Service Improvement projects, comprised of the CSIS III system upgrade project (\$1.428 million); construction of the Nelson Mandela PS Renovation project (\$0.503 million); and, the upgrade of the Squirrel's Nest Day Care Centre (\$0.375 million).
- The State of Good Repair project is \$0.852 million and represents 27% of the recommended funding in the 2012 Recommended Capital Budget.
- The 2012 Recommended Capital Budget is funded \$2.280 million (72.2%) from debt funds; \$0.503 million (15.9%) development charges; and \$0.375 million (11.9%) other third party funding, a Section 37 levy.

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

	2010 & Prior Year Carry Forward	2012 Previously Approved Cash Flow Commitments	2012 New Cash Flow Rec'd	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
<b>Expenditures</b>																
Previously Approved Change in Scope		1,931		1,931	2,514	4,445	1,672	450								6,567
New New w/Future Year 2- Year Carry Forward	375		852	852		852										0
				375		375										852
																0
																375
<b>Total Expenditure</b>	375	1,931	852	3,158	2,514	5,672	1,672	450	0	0	0	0	0	0	0	7,794
<b>Financing</b>																
Debt		1,428	852	2,280		2,280	1,672	450								4,402
Other	375			375		375										375
Reserves/Res Funds		503		503	2,514	3,017										3,017
Development Charges																0
ISF																0
Provincial/Federal																0
<b>Total Financing</b>	375	1,931	852	3,158	2,514	5,672	1,672	450	0	0	0	0	0	0	0	7,794

\*Please refer to Appendix 3 for detailed project listings

- The 2012 Recommended Capital Budget for Children's Services of \$5.672 million requires new cash flow funding of \$0.852 million; funding for 1 previously approved project of \$0.375 million, representing a 2010 previously approved 2 year carry forward project; This cash flow also includes \$1.931 million from previously approved commitments, combined with the funding carried forward from 2011 of \$2.514 million results in a total 2012 Recommended Capital Budget of \$5.672 million.
- Approval of the 2012 Recommended Capital Budget will result in future cash flow funding \$1.672 million in 2013; and \$0.450 million in 2014 for the CSIS III project.

## 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
Squirrel's Nest Day Care Centre		375					375						375
MCCS SOGR		852					852						852
CSIS III		1,428	1,672	450			3,550						3,550
Nelson Mandela PS Renovation		3,017					3,017						3,017
<b>Total</b>		5,672	1,672	450	0	0	7,794	0	0	0	0	0	7,794

\* Includes carry forward funding of \$2.514 million

The 2012 Recommended Capital Budget provides funding of \$5.672 million to:

- Continue to deliver the capital upgrades in the 27 municipally owned child care centres that are located in City-owned facilities, (\$0.852 million) which are part in the ongoing MCCSS State of Good Repair project of \$11.022 million;
- Continue the CSIS III system upgrade (\$1.428 million),
- Complete the construction of the Nelson Mandela Public School Renovation (\$3.017 million) as part of the Regent Park Revitalization project; and
- Begin the upgrades to the Squirrel's Nest Day Care Centre (\$0.375 million).

## PART IV: ISSUES FOR DISCUSSION

### 2012 Issues

#### *Child Care Capital Reserve Fund*

- The purpose of the Child Care Capital Reserve Fund is to preserve and develop child care infrastructure within the objectives of the Child Care Service Plan. The reserve fund was established in 1997 and is funded from surplus in user revenues; an annual contribution of \$1.0 million from the Capital from Current (CFC); \$0.320 million from the Children's Services Operating Budget; and interest income.
- The 2011–2020 Approved Capital Plan allocated funding for 4 new child care centres owned by the district school boards that helped address the need to provide access to quality licensed subsidized childcare in underserved areas, and therefore required a contribution from the reserve fund of \$1.090 million for the construction of 2 new child care centres in high needs neighbourhoods. The 2010 – 2021 Year Recommended Capital Plan includes a change in the funding source for the new child care projects, with development charges funding increasing from 48% to 68% of the project cost. As a result of the greater level of development charge funding, these new centres no longer require funding through the Child Care Capital Reserve Fund. This change frees up \$1.090 million for other Program purposes.
- Children's Services has reported that with the implementation of Full Day Early Learning Kindergarten (FDELK), there is a system-wide need of \$27.4 million to retrofit child care centres to accommodate the needs of younger children, with \$13.5 million required to retrofit centres not located in schools, and an additional \$13.9 million to retrofit child care centres in schools.
- The reserve fund provides funding of up to \$1.4 million through the Health and Safety Program to support playground retrofits, health and safety upgrades in the purchased service child care centres. Children's Services will also direct a portion of these funds to support minor capital refurbishments required in child care centres as a result of Full Day Early Learning Kindergarten (FDELP).
- As funding from the Child Care Capital Reserve Fund can provide a significant contribution towards the capital requirements noted above, it is recommended that the General Manager of Children's Services work with the Province and school boards to leverage additional sources of funding to address the capital requirements for FDELK.

## Appendix 1

### 2011 Performance

#### 2011 Key Accomplishments

For 2011, Children's Services will achieve the following results:

- ✓ Construction completed for the following 3 child care centres: Chester Le \$2.3 million; St Andrew \$2.2 million; and Thorncliffe Park \$0.823 million. St. Andrew (92 spaces) opened in the summer, with Chester Le (62 spaces) and Thorncliffe Park (85 spaces) scheduled for opening by year end.
- ✓ Construction of the Regent Park Children's Hub of \$2.489 million was completed in the spring, providing (117 spaces) for the community.
- ✓ Phase 1 of the CSIS IT upgrade is on target for completion in 2014, with the staff required to deliver the system upgrades in place.

#### 2011 Capital Variance Review

##### 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		Unspent Balance	
	\$	% Spent	\$	% Spent	\$	%
13,742	6,279	45.7%	10,853	79.0%	2,889	21.0%

- Children's Services spent \$6.279 million or 45.7% of the 2011 Approved Capital Budget of \$13.742 million during the nine months ending Sept 30, 2011, and is projecting to spend \$10.853 million or 79.0% by year end. Projected under spending is attributed to the projects:
  - *The Nelson Mandela project*, with a 2011 approved cash flow of \$3.014 million, has spending to date of \$0.156 million and, is projected to spend \$0.500 million by year end. As this project is part of the Regent Park Redevelopment Initiative, construction delays in the redevelopment of Regent Park have delayed the delivery of this project.

- *The Squirrel's Nest Day Care Centre project*, with 2011 approved cash flow of \$0.375 has had no spending to date; project delivery has been delayed, as it has taken longer than anticipated to reach agreement on the site-plan requirements.

## Appendix 2

### 10 – Year Recommended Capital Plan Project Summary

Project	2012	2013	2014	2015	2016	2012-2016	2017	2018	2019	2020	2021	2012-2021
MCCS SOGR	852	601	1,402	1,144	1,346	5,345	1,366	1,332	1,019	980	980	11,022
CSIS III	1,428	1,672	450			3,550						3,550
New Child Care Centre 5			500	940	1,125	2,565	560	375				3,500
New Child Care Centre 6						0		440	1,500	1,560		3,500
New Child Care Centre 7						0					1,150	1,150
Nelson Mandela	503					503						503
Squirrel's Nest Day Care Centre	375					375						375
<b>Total</b>	<b>3,158</b>	<b>2,273</b>	<b>2,352</b>	<b>2,084</b>	<b>2,471</b>	<b>12,338</b>	<b>1,926</b>	<b>2,147</b>	<b>2,519</b>	<b>2,540</b>	<b>2,130</b>	<b>23,600</b>

**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										
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	2012 - 2021 Total
Child Care Capital Reserve Fund XR1103	Beginning Balance	\$3,953	\$3,953	\$3,909	\$3,866	\$3,822	\$3,778	\$3,733	\$3,688	\$3,641	\$3,595	\$3,549	\$3,953
	Health and Safety *		(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$10,000)
	Minor Capital Operating		(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$400)	(\$4,000)
	Interest Income		\$37	\$37	\$36	\$36	\$35	\$35	\$34	\$34	\$34	\$33	\$349
	Contribution from Operating		\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$3,200
	Contribution from Corporate Reserves **		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000
	Total Proposed Withdrawals		(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$1,400)	(\$14,000)
	Projected Contributions		\$1,357	\$1,357	\$1,356	\$1,356	\$1,355	\$1,355	\$1,354	\$1,354	\$1,354	\$1,353	\$13,549
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$3,953</b>	<b>\$3,909</b>	<b>\$3,866</b>	<b>\$3,822</b>	<b>\$3,778</b>	<b>\$3,733</b>	<b>\$3,688</b>	<b>\$3,641</b>	<b>\$3,595</b>	<b>\$3,549</b>	<b>\$3,502</b>	<b>\$3,502</b>

\* Health and Safety Program in Children's Services Operating Budget  
 \*\* City's funding to the ongoing of Health and Safety Program

Table 2		Projected Balance as at Dec. 31, 2011 *	Proposed Withdrawals										
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	2012 - 2021 Total
Development Charge Reserve Fund XR 2122	Beginning Balance	\$723	\$723	\$1,589	\$2,060	\$2,702	\$3,198	\$3,637	\$4,371	\$5,013	\$5,367	\$5,693	\$723
	Waterfront Development			(\$412)									(\$412)
	CHS907355 New Child Centre # 5				(\$267)	(\$440)	(\$525)	(\$260)	(\$175)				(\$1,667)
	CHS907644 New Child Centre # 6								(\$207)	(\$700)	(\$760)		(\$1,667)
	CHS907645 New Child Centre # 7											(\$350)	(\$350)
	Total Proposed Withdrawals		\$0	(\$412)	(\$267)	(\$440)	(\$525)	(\$260)	(\$382)	(\$700)	(\$760)	(\$350)	(\$4,096)
	Projected Contributions		\$866	\$883	\$909	\$936	\$964	\$994	\$1,024	\$1,054	\$1,086	\$1,118	\$9,834
<b>TOTAL RESERVE FUND BALANCE AT YEAR-END</b>		<b>\$723</b>	<b>\$1,589</b>	<b>\$2,060</b>	<b>\$2,702</b>	<b>\$3,198</b>	<b>\$3,637</b>	<b>\$4,371</b>	<b>\$5,013</b>	<b>\$5,367</b>	<b>\$5,693</b>	<b>\$6,461</b>	<b>\$6,461</b>

### Reserve/Reserve Fund Review - Corporate

Table 3		Projected Balance as at Dec. 31, 2011 *	Proposed Withdrawals										
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	2012 - 2021 Total
Capital Financing Reserve Fund XQ0011	Beginning Balance	\$54,772,795											\$54,772,795
	CHS907232 Nelson Mandela PS Renovation		(\$503)										(\$503)
													\$0
													\$0
													\$0
	Total Proposed Withdrawals		(\$503)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,772,292

\* Based on 3rd Quarter Variance Report