



STAFF REPORT ACTION REQUIRED

Toronto Police Service: 2014 – 2023 Capital Program Request – Revised

Date:	November 13, 2013
To:	Budget Committee, City of Toronto
From:	Alok Mukherjee, Chair, Toronto Police Services Board

SUMMARY

The purpose of this report is to provide the Budget Committee with the Toronto Police Service's (Service) 2014 – 2023 revised capital program request.

RECOMMENDATION

It is recommended that the Budget Committee approve a revised 2014-2023 capital program with a 2014 net request of \$14.3 Million (M) (excluding cash flow carry forwards from 2013), and a net total of \$240M for 2014-2023, as detailed in Attachment A, contained within Appendix A.

Financial Impact

The Service's revised 2014-2023 Capital Program request is below the City's affordability debt target by \$11.8 Million (M) for the first five years of the program, and \$22M for the full ten-year program. The program now reflects an increase of \$13.5M in development charges (DC) funding.

ISSUE BACKGROUND

At its meeting on November 7, 2013, the Toronto Police Services Board (the Board) was in receipt of a report dated November 1, 2013 from William Blair, Chief of Police, with regard to the Service's 2014-2023 revised capital program request. The revised capital program maximizes the use of development charge funding and also includes a technical adjustment that has been identified for the operating impact of one of the projects within the 2014-2023 program.

COMMENTS

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

CONCLUSION

A copy of the Chief's report dated November 1, 2013 is contained in Board Minute No P257/13. A copy of Board Minute No. P257/13, in the form attached as Appendix "A" to this report, is provided for information.

CONTACT

Chief of Police William Blair
Toronto Police Service
Telephone No. 416-808-8000
Fax No. 416-808-8002

SIGNATURE

Alok Mukherjee
Chair

ATTACHMENT

Appendix A – Board Minute No. P257/13

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

A: tps 2014-2023 capital program request revised development charge funding

APPENDIX “A”

THIS IS AN EXTRACT FROM THE MINUTES OF THE PUBLIC MEETING OF THE TORONTO POLICE SERVICES BOARD HELD ON NOVEMBER 07, 2013

#P257 TORONTO POLICE SERVICE: 2014-2023 CAPITAL PROGRAM REQUEST – REVISED DEVELOPMENT CHARGE FUNDING

The Board was in receipt of the following report November 01, 2013 from William Blair, Chief of Police:

Subject: TORONTO POLICE SERVICE – 2014-2023 CAPITAL PROGRAM REQUEST – REVISED DEVELOPMENT CHARGE FUNDING

Recommendations:

It is recommended that:

- (1) the Board approve a revised 2014-2023 capital program with a 2014 net request of \$14.3 Million (M) (excluding cash flow carry forwards from 2013), and a net total of \$240M for 2014-2023, as detailed in Attachment A; and
- (2) the Board forward a copy of this report to the City of Toronto Budget Committee for approval, and to the City’s Deputy City Manager and Chief Financial Officer for information.

Financial Implications:

The Toronto Police Service’s (Service’s) revised 2014-2023 Capital Program request is below the City’s affordability debt target by \$11.8 Million (M) for the first five years of the program, and \$22M for the full ten-year program. The program now reflects an increase of \$13.5M in development charges (DC) funding.

Background/Purpose:

At its meeting of October 7, 2013, the Board approved the Service’s 2014-2023 capital program request at \$16.1M in 2014, and \$253.6M for 2014-2023 (Min. No. P240/13 refers). That approved capital program was \$8.4M below target, and is detailed in Attachment A.

City Finance staff recently advised Service staff that there is additional available DC funding that should be applied to the program. Furthermore, the 2013 DC By-Law review has concluded, based on revised criteria, that the Service is able to apply DC funding to additional projects in the existing program. It is City Finance staff’s expectation that this additional funding be used to reduce the Service’s reliance on debt and not to increase gross expenditures.

The purpose of this report is to provide a revised capital program, for Board approval, that maximizes the use of available DC funding. The report also advises the Board of a technical adjustment that has been identified for the operating impact of one of the projects within the 2014-2023 program.

Discussion:

DC's are fees that are collected from developers at the time a building permit is issued. These fees help pay for the cost of infrastructure required to provide municipal services to new development (such as roads, transit, water and sewer infrastructure, community centres and fire and police facilities).

Since their enactment, DCs have been applied to facility projects in the Service capital program. As a result of a recent revision to the DC by-law, systems or equipment costs that have a growth component are now also eligible for funding. This increases the amount of DC funding that can be applied to projects in the Service's 2014-2023 capital program.

The City also regularly reviews the level of DC revenues available for allocation, based on how much revenue has been collected to date. A recent review of actual revenues indicated that there is more total DC funding available to the Service. This additional available funding can be applied to the Service's 2014-2023 capital program.

The amount of DC revenue that can be applied in any given year to any given project is governed by a complex formula. City policies determine what percentage of available funding should be applied to projects. The amounts applied are confirmed by City Finance staff. Attachment B provides the 2014-2023 capital program which now reflects an additional \$13.5M in DC funding.

It is important to note that none of the estimated costs or cash flows for the projects included in the capital program request approved by the Board at the October 7, 2013 meeting have changed. The only revision is the reduction in net debt requirements which is offset by the additional available DC funding.

The only other change to the approved program is the operating impact from Electronic Document Management. Previously, the project estimated annual savings of \$100,000 beginning in 2017. This estimate was based on a Service-wide implementation. The project included in the 2014-2023 program assumed a pilot implementation only, and should have reflected \$100,000 in maintenance costs, beginning in 2017. Attachment C provides a revised operating impact from capital for the 2014-2023 program.

Conclusion:

The revised 2014-2023 capital program is equivalent to the program already approved by the Board. The reduction in net debt requirements is solely a reflection of an additional \$13.5M in DC funding that City Finance has advised should now be applied to the program.

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

The Board approved the foregoing report.

Moved by: A. Pringle

APPROVED 2014-2023 CAPITAL PROGRAM REQUEST (\$000s) - OCTOBER 7, 2013

Attachment A

Project Name	Plan to end of 2013	2014	2015	2016	2017	2018	Total 2014-2018 Request	2019	2020	2021	2022	2023	Total 2019-2023 Forecast	Total 2014-2023 Program	Total Project Cost
Projects In Progress															
State-of-Good-Repair - Police	0	4,594	4,469	4,601	4,600	4,200	22,464	4,200	4,200	4,200	4,200	4,200	21,000	43,464	43,464
Parking East	4,358	4,642	0	0	0	0	4,642	0	0	0	0	0	0	4,642	9,000
IRIS - Integrated Records and Information System	18,493	4,866	0	0	0	0	4,866	0	0	0	0	0	0	4,866	23,359
Total, Projects In Progress	22,851	14,102	4,469	4,601	4,600	4,200	31,972	4,200	4,200	4,200	4,200	4,200	21,000	52,972	75,823
Upcoming projects															
54 Division (includes land)	0	0	6,966	7,884	17,825	3,622	36,296	0	0	0	0	0	0	36,296	36,296
HRMS Upgrade	0	360	761	0	0	0	1,121	0	378	799	0	0	1,177	2,298	2,298
TRMS Upgrade	0	0	600	3,522	0	0	4,122	0	0	0	630	3,698	4,328	8,450	8,450
Peer to Peer Site	0	250	2,295	8,650	6,455	1,100	18,750	0	0	0	0	0	0	18,750	18,750
52 Division - Renovation	0	2,948	5,352	0	0	0	8,300	0	0	0	0	0	0	8,300	8,300
41 Division (includes land)	0	0	0	372	9,282	19,050	28,705	10,224	0	0	0	0	10,224	38,929	38,929
Expansion of Fibre Optics Network	0	0	0	0	0	0	0	881	4,785	6,385	0	0	12,051	12,051	12,051
Radio Replacement	0	0	0	13,913	2,713	3,542	20,168	2,478	4,093	5,304	4,480	0	16,354	36,523	36,523
TPS Archiving	0	0	0	0	750	0	750	0	0	0	0	0	0	750	750
32 Division - Renovation	0	0	0	0	4,990	1,997	6,987	0	0	0	0	0	0	6,987	6,987
13 Division (includes land)	0	0	0	0	0	372	372	8,645	19,753	10,159	0	0	38,556	38,928	38,928
AFIS (next replacement)	0	0	0	0	0	3,053	3,053	0	0	0	0	0	0	3,053	3,053
Business Intelligence Technology	0	0	336	500	2,741	4,623	8,200	0	0	0	0	0	0	8,200	8,200
Electronic Document Management	0	0	50	450	0	0	500	0	0	0	0	0	0	500	500
Next Generation 911	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	8,300
22 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	8,300
Relocation of PSU	0	0	0	0	0	0	0	0	0	0	500	7,400	7,900	7,900	13,048
Relocation of FIS	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	60,525
Total, Upcoming Capital Projects:	0	3,558	16,360	35,292	44,755	37,359	137,324	22,227	29,009	22,647	5,610	18,098	97,591	234,915	310,188
Total Debt Funded Capital Projects:	22,851	17,660	20,829	39,893	49,355	41,559	169,296	26,427	33,209	26,847	9,810	22,298	118,591	287,887	386,010
Total Reserve Projects:	161,400	21,357	17,845	18,594	24,899	30,013	112,708	22,499	19,496	21,293	22,850	32,388	118,526	231,234	392,633
Total Gross Projects	184,251	39,017	38,674	58,487	74,254	71,571	282,003	48,926	52,705	48,140	32,660	54,686	237,117	519,121	778,644
Funding Sources:															
Vehicle and Equipment Reserve	(161,400)	(21,357)	(17,845)	(18,594)	(24,899)	(30,013)	(112,708)	(22,499)	(19,496)	(21,293)	(22,850)	(32,388)	(118,526)	(231,234)	(392,633)
Recoverable Debt	(2,800)	(1,598)	0	0	0	0	(1,598)	0	0	0	0	0	0	(1,598)	(4,398)
Funding from Development Charges	(13,751)	0	0	(3,572)	(11,290)	(4,230)	(19,092)	0	(8,985)	(4,655)	0	0	(13,640)	(32,732)	(46,483)
Total Funding Sources:	(177,951)	(22,955)	(17,845)	(22,166)	(36,189)	(34,243)	(133,398)	(22,499)	(28,481)	(25,948)	(22,850)	(32,388)	(132,166)	(265,564)	(443,514)
Total Net Debt-Funding Request:	6,300	16,062	20,829	36,321	38,065	37,329	148,606	26,427	24,224	22,192	9,810	22,298	104,951	253,557	335,129
5-year Average:							29,721						20,990	25,356	
City Target:		23,922	30,105	36,321	31,143	33,487	154,978	26,691	23,083	18,036	19,606	19,606	107,022	262,000	
City Target - 5-year Average:							30,996						21,404	26,200	
Variance to Target:		7,860	9,276	0	(6,922)	(3,842)	6,372	264	(1,141)	(4,156)	9,796	(2,692)	2,071	8,443	
Cumulative Variance to Target			17,136	17,136	10,214	6,372		6,636	5,495	1,339	11,135	8,443			
Variance to Target - 5-year Average:							1,274						414	844	

REVISED 2014-2023 CAPITAL PROGRAM REQUEST (\$000s) - NOVEMBER 7, 2013

Attachment B

Project Name	Plan to end of 2013	2014	2015	2016	2017	2018	Total 2014-2018 Request	2019	2020	2021	2022	2023	Total 2019-2023 Forecast	Total 2014-2023 Program	Total Project Cost
Projects In Progress															
State-of-Good-Repair - Police	0	4,594	4,469	4,601	4,600	4,200	22,464	4,200	4,200	4,200	4,200	4,200	21,000	43,464	43,464
Parking East	4,358	4,642	0	0	0	0	4,642	0	0	0	0	0	0	4,642	9,000
IRIS - Integrated Records and Information System	18,493	4,866	0	0	0	0	4,866	0	0	0	0	0	0	4,866	23,359
Total, Projects In Progress	22,851	14,102	4,469	4,601	4,600	4,200	31,972	4,200	4,200	4,200	4,200	4,200	21,000	52,972	75,823
Upcoming projects															
54 Division (includes land)	0	0	6,966	7,884	17,825	3,622	36,296	0	0	0	0	0	0	36,296	36,296
HRMS Upgrade	0	360	761	0	0	0	1,121	0	378	799	0	0	1,177	2,298	2,298
TRMS Upgrade	0	0	600	3,522	0	0	4,122	0	0	0	630	3,698	4,328	8,450	8,450
Peer to Peer Site	0	250	2,295	8,650	6,455	1,100	18,750	0	0	0	0	0	0	18,750	18,750
52 Division - Renovation	0	2,948	5,352	0	0	0	8,300	0	0	0	0	0	0	8,300	8,300
41 Division (includes land)	0	0	0	372	9,282	19,050	28,705	10,224	0	0	0	0	10,224	38,929	38,929
Expansion of Fibre Optics Network	0	0	0	0	0	0	0	881	4,785	6,385	0	0	12,051	12,051	12,051
Radio Replacement	0	0	0	13,913	2,713	3,542	20,168	2,478	4,093	5,304	4,480	0	16,354	36,523	36,523
TPS Archiving	0	0	0	0	750	0	750	0	0	0	0	0	0	750	750
32 Division - Renovation	0	0	0	0	4,990	1,997	6,987	0	0	0	0	0	0	6,987	6,987
13 Division (includes land)	0	0	0	0	0	372	372	8,645	19,753	10,159	0	0	38,556	38,928	38,928
AFIS (next replacement)	0	0	0	0	0	3,053	3,053	0	0	0	0	0	0	3,053	3,053
Business Intelligence Technology	0	0	336	500	2,741	4,623	8,200	0	0	0	0	0	0	8,200	8,200
Electronic Document Management	0	0	50	450	0	0	500	0	0	0	0	0	0	500	500
Next Generation 911	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	8,300
22 Division - Renovation	0	0	0	0	0	0	0	0	0	0	0	3,000	3,000	3,000	8,300
Relocation of PSU	0	0	0	0	0	0	0	0	0	0	500	7,400	7,900	7,900	13,048
Relocation of FIS	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000	1,000	60,525
Total, Upcoming Capital Projects:	0	3,558	16,360	35,292	44,755	37,359	137,324	22,227	29,009	22,647	5,610	18,098	97,591	234,915	310,188
Total Debt Funded Capital Projects:	22,851	17,660	20,829	39,893	49,355	41,559	169,296	26,427	33,209	26,847	9,810	22,298	118,591	287,887	386,010
Total Reserve Projects:	161,400	21,357	17,845	18,594	24,899	30,013	112,708	22,499	19,496	21,293	22,850	32,388	118,526	231,234	392,633
Total Gross Projects	184,251	39,017	38,674	58,487	74,254	71,571	282,003	48,926	52,705	48,140	32,660	54,686	237,117	519,121	778,644
Funding Sources:															
Vehicle and Equipment Reserve	(161,400)	(21,357)	(17,845)	(18,594)	(24,899)	(30,013)	(112,708)	(22,499)	(19,496)	(21,293)	(22,850)	(32,388)	(118,526)	(231,234)	(392,633)
Recoverable Debt	(2,800)	(1,598)	0	0	0	0	(1,598)	0	0	0	0	0	0	(1,598)	(4,398)
Funding from Development Charges	(13,751)	(1,725)	0	(3,572)	(14,125)	(5,020)	(24,442)	0	(10,126)	(5,255)	(500)	(5,938)	(21,819)	(46,261)	(60,012)
Total Funding Sources:	(177,951)	(24,680)	(17,845)	(22,166)	(39,024)	(35,033)	(138,748)	(22,499)	(29,622)	(26,548)	(23,350)	(38,326)	(140,345)	(279,093)	(457,043)
Total Net Debt-Funding Request:	6,300	14,337	20,829	36,321	35,230	36,539	143,256	26,427	23,083	21,592	9,310	16,360	96,772	240,028	321,600
5-year Average:							28,651						19,354	24,003	
City Target:		23,922	30,105	36,321	31,143	33,487	154,978	26,691	23,083	18,036	19,606	19,606	107,022	262,000	
City Target - 5-year Average:							30,996						21,404	26,200	
Variance to Target:		9,585	9,276	0	(4,087)	(3,052)	11,722	264	(0)	(3,556)	10,296	3,246	10,250	21,972	
Cumulative Variance to Target			18,861	18,861	14,774	11,722		11,986	11,986	8,430	18,726	21,972			
Variance to Target - 5-year Average:							2,344						2,050	2,197	

Staff Report for Action - TPS 2014-2023 Capital Program Request Revised Development Charge Funding

**REVISED 2014-2023 - CAPITAL BUDGET REQUEST (\$000s)
INCREMENTAL OPERATING IMPACT FROM CAPITAL**

Attachment C

Project Name	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Comments
Radio Infrastructure	231.0	700.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	Operating impact provided by the City
Property and Evidence Management Facility	246.0	8.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	Building Operations, Service Contracts and Utilities. Included estimated increase of 2% per year
14 Division - Central Lockup	8.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	Building Operations, Service Contracts and Utilities - Included estimated increase of 2%
eTicketing Solution	218.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Operating cost and reduction of 4 staff in Document Services
IRIS - Integrated Records and Information System	175.0	1,432.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Maintenance costs; lifecycle contribution
54 Division	0.0	0.0	0.0	0.0	72.0	72.0	3.0	3.0	3.0	3.1	Building Operations, Service Contracts and Utilities; starting half a year 2018. Included estimated increase of 2% per year
HRMS Upgrade	0.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Incremental maintenance cost of \$22K per year from 2016
TRMS Upgrade	0.0	0.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	0.0	Incremental maintenance cost of \$22K per year from 2017
Peer to Peer Site	0.0	0.0	0.0	175.0	175.0	0.0	0.0	0.0	0.0	0.0	Building Operations, Service Contracts and Utilities; starting mid-2017
41 Division	0.0	0.0	0.0	0.0	0.0	72.0	72.0	0.0	0.0	0.0	Building Operations, Service Contracts and Utilities; starting half a year 2019
Radio Replacement	88.0	194.0	326.0	-410.0	26.0	-26.0	98.0	-14.0	-121.0	0.0	Additional support cost - Extend life from 7 years to 10 years
13 Division	0.0	0.0	0.0	0.0	0.0	0.0	0.0	72.0	72.0	3.0	Building Operations, Service Contracts and Utilities; starting 2021
Business Intelligence Technology	0.0	0.0	0.0	0.0	0.0	528.0	528.0	0.0	0.0	0.0	\$0.6M for salaries for 5 people; \$0.5M for maintenance
Electronic Document Management	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	System Maint Fee for \$100K; starting 2017
Total Projects- Incremental Operating Impact	966.0	2,339.0	372.0	-89.0	297.0	670.0	725.0	85.0	-21.0	31.1	
Total Reserve Operating Impact	6,000.0	1,000.0	1,000.0	1,000.0	1,000.0	0.0	0.0	0.0	0.0	0.0	Based on current assumptions
Total Operating Impact from Capital	6,966.0	3,339.0	1,372.0	911.0	1,297.0	670.0	725.0	85.0	-21.0		