

Analyst Briefing Notes

Community Services Committee

(November 8, 2005)

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PART I: CAPITAL PROGRAM**Executive Summary**

- The 2005 Approved Capital Budget of \$9.644 million was 38% spent as at September 30, 2005. Actual expenditures by year-end are anticipated to be \$5,309 million, or 55% of the 2005 Approved Budget. Projected 2005 cash flow funding of \$3.137 million is being carried forward into 2006. This projected under expenditure is primarily attributed to delays in construction and ongoing legal contract issues and a reassessment of the vendor's ability to meet Emergency Medical Services' (EMS) contract needs.
- The 2006 Proposed Capital Budget of \$5.120 million, including previously approved commitments of \$1.680 million (debt of \$1.680 million), and new projects of \$3.440 million (\$2.968 million debt), is below the debt affordability guideline of \$4.684 million. This cash flow combined with 2005 carry forward funding into 2006 of \$2.411 million brings the total 2006 Proposed Capital Budget to \$7.531 million gross, of which \$7.059 million is funded by debt.
- 70% of the 2006 proposed new cash flow is allocated to State-of-Good-Repair projects at \$3.580 million; 26% to Health & Safety project at \$1.340 million; and 4% to Service Improvement projects at \$0.200 million.
- The Revised 5-year Capital Plan requires debt funding of \$30.957, which is \$0.727 million or approximately 2% below the 5-year debt affordability guideline of \$31.684 million.
- The Revised 5-Year Capital Plan excludes the proposed Centralized Book-On Stations (CBOS) project pending a report to Council scheduled in early 2006. A feasibility needs analysis, design and development study is currently underway with a view to seeking Council approval for a formal commitment to a three to five year system-wide implementation plan. The Revised 5-Year Capital Plan may require adjustments subsequent to Council's consideration of EMS' CBOS project, impacting on debt levels.
- The Station 17 - Bathurst & York Downs Project with a 2006 cashflow of \$0.507 million, will be deferred pending a report from the General Manager of EMS to the Budget Advisory Committee in early 2006 on the financial and related impacts of this project, associated with the proposed CBOS project, on the Revised 5-Year Capital Plan.
- The Revised 5-Year Capital Plan totaling \$34.517 million with 2006 cash flow of \$7.531 million, and revised cashflow projection of \$6.548 million in 2007, \$7.812 million in 2008, \$7.869 million in 2009 and \$7.168 million in 2010 for Emergency Medical Services is being referred to the Deputy City Manager & Chief Financial Officer for review, and that appropriate staff will be reporting back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within Council's approved debt affordability limits.
- The Radio Communication System Replacement Project is being re-classified as a corporate priority and that EMS' requirements, as well as the similar joint requirements of Toronto Fire Services and Police Services, will be considered as a separately managed program.

Recommendations

It is recommended that:

1. the 2006-2015 Emergency Medical Services Capital Program Request with a total 10-year project cost of \$121.597 million be received;
2. the 2006 Proposed Capital Budget for Emergency Medical Services with a total project cost of \$5.248 million and a 2006 cash flow of \$7.531 million and future year commitments of \$2.478 million be approved. The 2006 Proposed Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 6 new sub-projects with a 2006 total project cost of \$5.248 million that requires cash flow of \$3.440 million in 2006 and a future year commitment of \$1.808 million in 2007;
 - ii) 4 previously approved sub-projects with a 2006 cash flow of \$1.6 million and future year commitment of \$0.570 million in 2007 and \$0.100 million in 2008;
 - iii) 1 sub-project from previously approved projects with carry forward funding from 2004 and prior years requiring 2006 cash flow of \$0.080 million; and,
 - b) 2006 approved cash flow for 7 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$2.411 million.
3. new debt service costs of \$0.139 million in 2006 and incremental costs of \$0.583 million in 2007, \$0.265 in 2008, and \$0.011 million in 2009 resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2006 and future year operating budgets;
4. expenditures for 2006 for the Station 17 (Bathurst & Work Downs) Project be deferred pending a report from the General Manager of Emergency Medical Services to the Budget Advisory Committee in early 2006 on the financial and related impacts of this project, associated with the proposed Centralized Book-On Station Project, on the Revised 5-Year Capital Plan;
5. the revised cashflow projections of \$6.548 million in 2007, \$7.812 million in 2008, \$7.869 million in 2009 and \$7.168 million in 2010 for Emergency Medical Services be referred to the Deputy City Manager & Chief Financial Officer for review, in consultation with appropriate staff, and report back to the Budget Advisory Committee in the Spring of 2006 on a recommended Firm 5-Year Capital Plan within Council's approved debt affordability limits; and,
6. the Radio Communication System Replacement project be re-classified as a Corporate priority and that EMS requirements, as well as the similar joint requirements of Toronto Fire Services and Police Services, be considered as separately managed program.

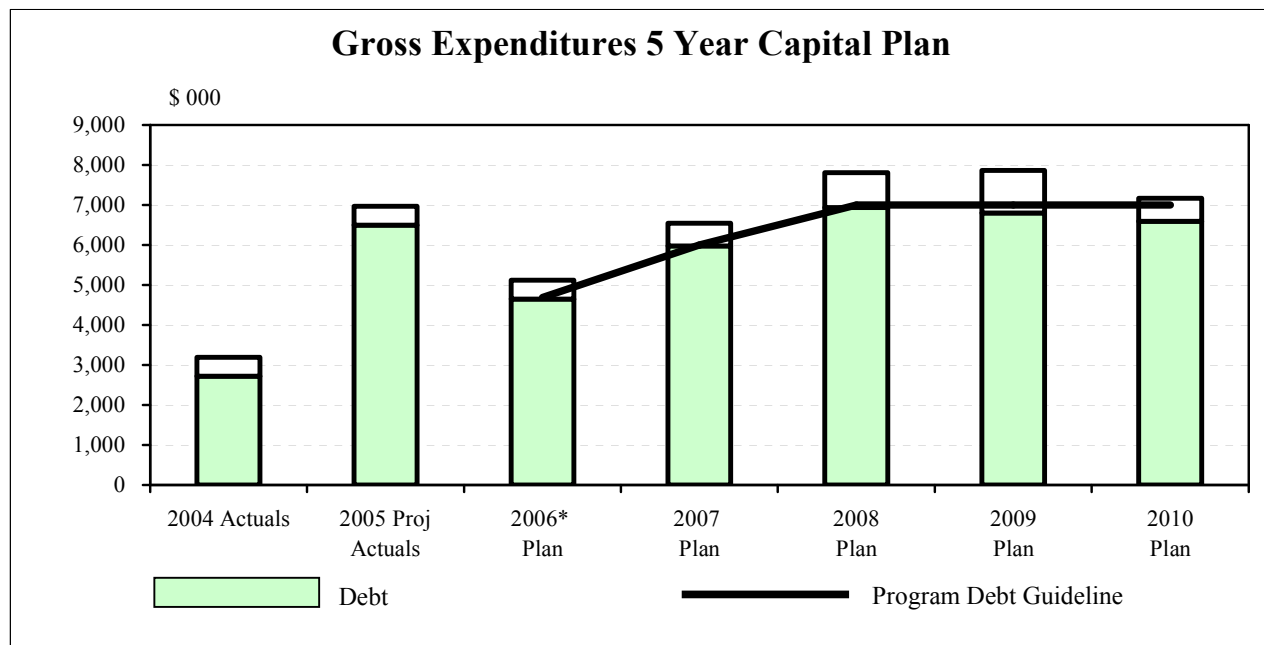
2005 Capital Variance Review

2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Unspent	\$	% Spent	\$ Unspent
9,644	3,699	62	5,309	55	4,335

Comments / Issues:

- Emergency Medical Services (EMS) is projecting the year-end spending rate for 2005 approved projects at 55% in its September 30, 2005 Variance Report. The projection for carry forward funding requested with the 2006 Capital submission is \$2.098 million implying year end actuals of \$7.546 million, higher than the projected actuals of \$5.309 million identified in the 3rd quarter variance report. The projected year-end spending rate of 55% represents an improvement over the 43% achieved for 2004.
- Based on the 3rd quarter variance report, the program is projecting an underexpenditure of \$4.335 million primarily attributed to delays in construction, ongoing legal contract issues and a project that has now been deferred pending a review of the vendor's ability to meet EMS contract needs. The 2005 carry forward funding into 2006 is projected to be \$3.137 million.
- The following 2005 projects require carry forward funding into 2006:
 - \$0.401 million for the Mobile Data Communications Project
 - \$1.200 million for Engineering Technology Project
 - \$0.120 million for Station 43 Vehicle Garage Widening Project
 - \$0.216 million for Radio Infrastructure for Portable Radios II Project
 - \$0.439 million for Public Access Defibrillator Program (PAD) Project
 - \$0.531 million for Asset Management – Renovating Project
 - \$0.125 million for Station 26 Project
 - \$0.105 million for Ambulance Multiple Book-On Station Project
- The remaining underexpenditure of \$1.178 million has been deferred to 2007 & 2008.
- Analysis of actuals to date and commitments in SAP indicates that additional carry forward funding will likely be required. Further review is required by the program given actuals, commitments to date and the carry forward funding being requested.
- The 2006 Proposed Capital Budget does not reflect any subsequent changes to funding being carried forward from 2005 to 2006 based on the unspent cash flow balance projected as at September 30th, 2005. Adjustments to carry forward funding will be reported through to the Budget Advisory Committee during its review of the 2006 Proposed Capital Budget.

5-Year Capital Plan (2006-2010)



	5 Year Plan							2006-2010
	2004	2005	2006	2007	2008	2009	2010	
Gross Expenditures:								
Budget (Excluding 1-Yr. Carry/Fwd)	6,074	8,114	5,120	6,548	7,812	7,869	7,168	34,517
1-Yr Carry/Fwd Gross (Reference only)	1,362	1,530	2,411					
Sub-Total Gross Exp. Including 1-Yr. Carry/Fwd	7,436	9,644	7,531					
Actuals	3,191	6,965						
Financing:								
Debt	1,668	6,144	4,648	5,976	6,940	6,797	6,596	30,957
Debt Actuals (including 1-Yr Carry/Fwd)	2,719	6,493						
Program Debt Target			4,684	6,000	7,000	7,000	7,000	31,684
Other Financing Sources:								
Reserves/Reserve Funds						500		500
Development Charges				100	100	100	100	400
Federal								
Provincial			472	472	472	472	472	2,360
Other Revenue					300			300
By Category:								
Health & Safety			1,340	700				2,040
Legislative				450				450
SOG			3,580	4,781	3,493	4,973	4,956	21,783
Service Improvement			200	100	2,979	2,896	2,212	8,387
Growth Related				517	1,340			1,857
Yearly SOGR Backlog Estimate (not addressed by current year projects)			1,319	1,900	1,900	1,900	1,900	
Accumulated Backlog Estimate (end of year)			14,764	16,664	18,564	20,464	22,364	

*Note: 2006 Debt excludes 1-year carry forward.

- The Revised 5-Year Capital Plan totals \$34.517 million, with debt funding of \$30.957. Debt funding required from 2006 and beyond is within the current debt guideline.
- Grants from the Ministry of Health included in the Revised 5-Year Capital Plan reflect firm commitments in the amount of \$0.472 million per annum for asset management.
- The Revised 5-Year Capital Plan places emphasis on both the state of good repair and service improvement projects. 63% of the projected cash flow is allocated to state of good repair projects at \$21.783 million; 24% to service improvement projects at \$8.387 million; 6% to health and safety projects at \$2.040 million; 5% to growth related projects at \$1.857 million; and 2% to legislative required projects at \$0.450 million.
- The Revised 5-year Capital Plan includes the following project highlights:
 - a) Facilities Improvement and Station Replacement: These projects include items such as roofing, HVAC systems replacement, paving and station rehabilitation to maintain state of good repair.
 - b) State of Good Repair and Station Reconstruction Projects include the construction of four ambulance station with three stations co-located with Fire and one station with Police, the rebuilding of three ambulance stations, the relocation of one station and sale of its existing site, construction of additional garage space for ambulance parking and equipment storage, and a station rehabilitation program to establish a state of good repair.
 - c) Communications System and Engineering Technology includes continuing with full implementation of its Mobile Data Terminal (MDT) and Electronic Patient Care (EPC) projects.
- For 2006, EMS Capital Budget has mainly been limited to ongoing previously approved technology infrastructure projects or projects required to maintain facility assets in a state of good repair. 70% of the 2006 proposed new cash flow is allocated to State-of-Good-Repair projects at \$3.580 million; 26% to Health & Safety project at \$1.340 million; and 4% to Service Improvement projects at \$0.2 million.
- An emerging issue that has been excluded in the Revised 5-Year Capital Plan is the Centralized Book-On Station (CBOS) Project. A feasibility needs analysis, design and development study is currently underway with a view to seeking Council approval for a formal commitment to a three to five year system-wide implementation plan. Depending on Council decision, EMS will revise the 5-Year Capital Plan accordingly to reflect the Program's longer-term plan.
- The Radio Communication System Replacement Project is being re-classified as a corporate priority and that EMS' requirements, as well as the similar joint requirements of Toronto Fire Services and Police Services, will be considered as a separately managed program.

2006 Capital Budget Submission Summary (\$000)

2006 Capital Projects		Total Project Cost		2004 Carry Forward		2006 Previous Commitment		2006 New		Total 2006 Request (w/o 2005 C/Fwd)		2005 Carry Forward		Total 2006 (Incl 2005 C/Fwd)	
Project / Sub-Project Name	Cat	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Carryforwards:															
Mobile Data Communications 2005	03	2,550	2,550									401	401	401	401
Renovating 2005	03	1,182	710									118	118	118	118
Electronic Data Collection - Phase 2	04	1,300	1,300									699	699	699	699
Radio Infrastructure for Portable Radios II	01	2,500	2,500									216	216	216	216
Public Access Defibrillator Program (PAD) 2	02	450	450									439	439	439	439
Stn. 43 Vehicle Garaging	03	560	560	80	80					80	80	120	120	200	200
Centralized Book-On Station (CBOS)	04	800	800									105	105	105	105
Sub-Total				80	80	0	0	0	0	80	80	2,098	2,098	2,178	2,178
Previously Approved:															
Mobile Data Communications 2005	03					400	400			400	400			400	400
Electronic Data Collection - Phase 2	04	1,182	1,182			100	100			100	100			100	100
Radio Infrastructure for Portable Radios II	01	1,300	1,300			1,000	1,000			1,000	1,000			1,000	1,000
Centralized Book-On Station (CBOS)	04	560	560			100	100			100	100			100	100
Sub Total				0	0	1,600	1,600	0	0	1,600	1,600	0	0	1,600	1,600
New and Change in Scope Projects															
Station 17 - Bathurst and York Downs	03	1,815	1,815					507	507	507	507			507	507
Renovating 2006	03	1,022	550					1,022	550	1,022	550			1,022	550
Facilities Management Fees 2006	03	76	76					76	76	76	76			76	76
District Service Office Emergency Power Supply	01	340	340					340	340	340	340			340	340
HQ Security	03	200	200					200	200	200	200			200	200
CACC and Systems SOGR	03	1,795	1,795					1,295	1,295	1,295	1,295			1,295	1,295
Sub Total		5,248	4,776	0	0	0	0	3,440	2,968	3,440	2,968	0	0	3,440	2,968
Total Submission 2006		5,248	4,776	80	80	1,600	1,600	3,440	2,968	5,120	4,648	2,098	2,098	7,218	6,746

*Category Index: (1) Health & Safety; (2) Legislated/ City Policy, (3) SOGR, (4) Service Improvement/Enhancement, (5) Growth Related

Proposed 2006 Capital Budget Changes (\$000)

		2006 Requested Cash Flow		Proposed Changes			2006 Propsoed Cash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards								
Mobile Data Communications 2005	03	401	401	(100)	(100)	Delays due to the overall procurement process	301	301
Renovating 2005	03	118	118	413	413		531	531
Electronic Data Collection - Phase 2	04	699	699				699	699
Radio Infrastructure for Portable Radios II	01	216	216				216	216
Public Access Defibrillator Program (PAD) 2	02	439	439				439	439
Stn. 43 Vehicle Garaging	03	120	120				120	120
Centralized Book-On Station (CBOS)	04	105	105				105	105
Sub Total		2,098	2,098	313	313		2,411	2,411
2004 Carryforwards								
Stn. 43 Vehicle Garaging	03	80	80				80	80
Sub Total		80	80	0	0		80	80
2006 Previously Approved Commitments								
Mobile Data Communications 2005	03	400	400				400	400
Electronic Data Collection - Phase 2	04	100	100				100	100
Radio Infrastructure for Portable Radios II	01	1,000	1,000				1,000	1,000
Centralized Book-On Station (CBOS)	04	100	100				100	100
Sub Total		1,600	1,600	0	0		1,600	1,600
New Projects								
Station 17 - Bathurst and York Downs	03	507	507				507	507
Renovating 2006	03	1,022	550				1,022	550
Facilities Management Fees 2006	03	76	76				76	76
District Service Office Emergency Power Supply	01	340	340				340	340
HQ Security	03	200	200				200	200
CACC and Systems SOGR	03	1,295	1,295				1,295	1,295
Sub Total New Projects		3,440	2,968	0	0		3,440	2,968
Total 2006 Proposed (Incl. 2005 C/Fwd)		7,218	6,746	313	313		7,531	7,059
Less 2005 Carry Forwards		(2,098)	(2,098)	(313)	(313)		(2,411)	(2,411)
Total 2006 Proposed (Excl. 2005 C/Fwd)		5,120	4,648	0	0		5,120	4,648

Total 2006 Proposed Cash Flow & Future Year Commitments (\$000s)

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Proposed	2006 Total Cash Flow Proposed	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011- 2015	Total Cost
Expenditures													
Previously Approved	80	1,600		1,680	1,124	2,411	4,091	570	100				4,761
Change in Scope													0
New			3,440	3,440	3,560		3,440	1,808					5,248
New w/Future Year													0
Total Expenditure	80	1,600	3,440	5,120	4,684	2,411	7,531	2,378	100	0	0	0	10,009
Financing													
Debt	80	1,600	2,968	4,648	4,684	2,411	7,059	2,378	100				9,537
Subsidy (SCPI)													0
Prov. Subsidy/Grant			472	472			472						472
Development Charges													0
Other													0
Federal Grants													0
Reserves/Res Funds													0
Total Financing	80	1,600	3,440	5,120		2,411	7,531	2,378	100	0	0	0	10,009

Comments / Issues:

- The 2006 Proposed Capital Budget is \$7.531 million gross, which includes \$1.600 million in funding for previously approved commitments, \$0.080 from previously approved projects with carry forward funding from 2004 and prior years, \$3.440 million for new/change in scope projects and \$2.411 million in funding for projects carried forward from 2005 to 2006.
- The 2006 Proposed Capital Budget (excluding 1-year carry forwards) of \$5.120 million with debt financing requirement of \$4.648 million, is below the debt affordability guideline of \$4.684 million by \$0.036 million or approximately 1%.
- Approval of the 2006 Proposed Capital Budget will result in future year commitments of \$2.378 million in 2007; and \$0.100 million in 2008.

Operating Budget Impact**Incremental Operating Budget Summary**

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$000s)	0.0	35.0			
Debt Service Charges (\$000s)	139.4	582.6	265.1	11.5	0.0
Approved Positions	0.0				

Program Incremental Operating Costs

The 2006 Proposed Capital Budget will increase the Program's Operating Budget, with incremental impacts in 2007 and future years as a result of the capital project listed below:

2006 Capital Projects/Sub-Projects	2006 (\$000s)	2006 approved position change	2007 (\$000s)
Station 17 - Bathurst and York Downs	0.0	0.0	35.0
TOTAL	0.0	0.0	35.0

The operating impact of previously approved and new capital projects will increase the 2007 operating base budget by approximately \$0.035 million representing incidental costs in setting up a new station.

Debt Service Cost

The 2006 Proposed Capital Budget will result in new debt service costs of \$0.139 million in 2006 and incremental cost of \$0.583 million in 2007, \$0.265 million in 2008 and \$0.011 million in 2009.

Debt service cost of repayment of principal and interest is calculated according to corporate guidelines, in the following manner: 3.0% Year 1, and 14% for subsequent years.

PART II: ISSUES FOR DISCUSSION**2006 Issues****2006 Proposed Capital Budget versus Guideline**

The 2006 debt affordability guideline for Emergency Medical Services was set at \$4.684 million, of which 76% of the debt funding was allocated for New / Change of Scope and previously approved commitments in 2005. The 2006 Proposed Capital Budget includes a debt commitment of \$4.648 million, which is \$0.036 million below the debt guideline. The only additional financing is a grant from the Ministry of Health in the amount of \$0.472 million.

5 Year Capital Plan Overview

The Revised 5-Year Capital Plan for EMS of \$34.517 million includes maintaining its aging assets in a state of good repair (pending Council decision on the CBOS project) and to continue with previously approved technology projects. The Revised 5-Year Capital Plan also includes projects that will support EMS' five-year information and technology plan focusing on developing additional communications centre deployment refinements (eg. patient call report documentation and performance monitoring) to meet both demographic and geographic response demands.

The CBOS project included in the 5-Year Budget Submission has been deferred pending Council's decision expected in early 2006. All future year costs associated with the CBOS system has been excluded from the Revised 5-Year Capital Plan. See Issue Section on CBOS.

EMS has deferred capital projects originally scheduled for 2006 until a decision is reached on the CBOS project. The Program is reluctant to invest capital funds in facilities which may not have a role, or which may be divested if the CBOS Project is implemented. If EMS does not proceed with the CBOS Project, then future year planning will be geared to repairing or replacing existing stations.

EMS operates 40-stations within the current dispatch system. SOGR projects, which makes up 63% of the Revised 5-Year Capital Plan addresses the resources required to maintain the currently 40-station deployment process; however, many of the existing stations no longer meet the operational needs of EMS and as such, substantial state of good repair and redevelopment costs are anticipated.

The 2006–2015 EMS Capital Program Submission amounted to \$121.597 million with 93% or \$113.377 million funded from debt, 4% of \$4.720 million from Reserve Funds, and the balance of 3% or \$3.5 million funded from Provincial revenues. The Revised 10-year plan has excluded funds allocated for the CBOS Project of \$56.811 million (fully funded from debt) pending Council's decision on the CBOS Project anticipated in early 2006. A number of new projects were deferred and spread over 2007 to 2010 to meet the Program's 5-year debt affordability target. The Revised 5-Year Capital Plan of \$34.517 million with debt funding of \$30.957 is within the 5-year debt affordability target of \$31.684 million.

Centralized Book-On Station (CBOS):

EMS will be reporting to the Community Services Committee in early 2006 on the CBOS Project.

CBOS project is a multi-year project which will pursue the consolidation of EMS' 40 geographically dispersed ambulance stations into three or four centralized multiple book-on locations. A request for capital funding for a consultant's study of the feasibility of a CBOS system in Toronto was approved in the 2005 Capital Budget. The study is approaching the end stages of its assessment and it is anticipated that a report will be ready for Council's consideration in early 2006.

The feasibility study is intended to identify the operational efficiencies in dispatching ambulances through 3 or 4 major district office centres. As part of the study, the operational and service efficiencies associated with the "Mega" stations will be evaluated. Potential service delivery enhancements include the following:

- Improvements in response times, reduction of costs associated with end-of-shift overtime and uncompleted meal breaks
- Reduction in non-productive time
- Increased asset and inventory management controls
- Improved compliance with regulatory cleaning and equipment maintenance standards.

The results of the study will determine which dispatch model, the district office centres or existing station model, proves most cost / operationally effective.

With approval of the CBOS project, EMS proposes, over time, divest itself of some of its regular ambulance stations and property holdings and will re-invest the capital and operating savings into the development and construction of three or four outsized stations.

The CBOS Project will impact the Station 17 – Bathurst and York Downs Project currently included in the Revised 5-Year Capital Plan. If the CBOS Project is approved, this project will no longer be required, representing a reduction of total project cost of \$1.815 million, with a 2006 proposed cashflow of \$0.507 million and future year commitment of \$1.308 million in 2007.

Thus, it is recommended that expenditures for 2006 for Station 17 (Bathurst & Work Downs) Project be deferred pending a report from the General Manager of EMS to the Budget Advisory Committee in early 2006 on the financial and related impacts of this project, associated with the proposed CBOS Project, on the Revised 5-Year Capital Plan

Radio Communication System Replacement:

The major impact of the Radio Communication System Replacement Project in 2009 has been addressed in terms of re-classifying the project as a corporate priority and reflecting the EMS' requirements together with similar joint requirements of Toronto Fire Services and Police Services as a separately managed program. This will be funded through debt in a corporate project and so does not affect the backlogs for these Services.

- On October 25, 2005 a meeting was held with all three programs and Financial Planning in order to get a current status on the project and rationalize the latest project cost and cash flow estimates.
- This project for replacement of the radio system infrastructure has currently been revised. The total project cost is now estimated to be \$70 million and would incorporate new system infrastructure requirements for all three services.
- In addition, the estimated \$43 million for the Police Services share was re-identified as being the required funding for the replacement of handheld radios currently dating from 1992.
- It should be noted that both EMS and Fire Services have budgeted for replacement of Portable radios included in the 2006 Proposed Capital Budgets. This is in addition to the funding for the system replacement but would be compatible with this system replacement.
- The currently estimated cash flows are as follows:

\$000s	2005	2006	2007	2008	2009	2010	2006-2010	2011-2015	Total
Consultant	100				500				500
Proposed Cash Flow System Replacement						17,375	34,750	17,375	69,500
% per year						25%	50%	25%	
Police Handheld Radio Replacements			7,133	5,133	5,133	11,133	28,532	14,266	42,898
Total Project	100	-	7,133	5,133	5,633	28,508	63,283	31,641	112,898

Revised 5-Year Plan Changes (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015		Comments / Issues
		Gross 1	Debt/ Internal Sources 2	Gross 3	Debt/ Internal Sources 4	Gross 5	Debt/ Internal Sources 6	Gross 7	Debt/ Internal Sources 8	Gross 9	Debt/ Internal Sources 10	Gross 11	Debt/ Internal Sources 12	
PROGRAM REQUEST		5,120	4,648	14,919	14,147	16,197	15,725	26,738	25,766	24,782	24,310	38,463	33,103	
Proposed 2006 Changes														
PROPOSED CHANGES: 2004 Carry Forwards:														
Previously Approved:				(1,372)	(1,072)	922	622			450	450			Deferred to meet target
New:														
Station 41	3			(1,724)	(1,724)	(318)	(318)	1,223	1,223	881	881			Deferred to meet target
Station 29	4			(757)	(757)	(442)	(442)	359	359	881	881			Deferred to meet target
Station 30	4							1,223	1,123	(1,247)	(1,347)			Deferred to meet target
Commissioner St - Waterfront Station	5			517	417	1,340	1,240			(549)	(549)	(1,579)	(1,579)	Accelerated to meet SOGR requirements
Station Island	3							(1,192)	(1,192)	1,250	1,250			Deferred to meet target
Station 18 - #1	3			(1,789)	(1,789)	(911)	(911)			549	549	1,579	1,579	Deferred to meet target
N/E Service District Office	3			(3,246)	(3,246)	(4,415)	(4,415)	(5,279)	(5,279)					Deferred pending report on CBOS proposal
S/W Service District	4					(3,311)	(3,311)	(4,503)	(4,503)	(5,384)	(5,384)			Deferred pending report on CBOS proposal
S/E Service District Office	3					(1,250)	(1,250)	(700)	(700)	(3,445)	(3,445)	(10,267)	(10,267)	Deferred pending report on CBOS proposal
N/W Service District Office	3									(1,000)	(1,000)	(14,011)	(14,011)	Deferred pending report on CBOS proposal
Police Fire EMS Communications System - Smartzone	4							(10,000)	(10,000)	(10,000)	(10,000)			Re-classified as a Corporate project
Sub-Total Proposed Changes		0	0	(8,371)	(8,171)	(8,385)	(8,785)	(18,869)	(18,969)	(17,614)	(17,714)	(24,278)	(24,278)	
Proposed 5-Yr. Cash Flow		5,120	4,648	6,548	5,976	7,812	6,940	7,869	6,797	7,168	6,596	14,185	8,825	
Debt Guideline			4,684		6,000		7,000		7,000		7,000			
Variance To Debt Guideline			(36)		(24)		(60)		(203)		(404)			

Capacity

- The 2004 EMS capital spending rate of 43% is mainly due to the intentional in-year deferral of two large station refurbishment projects (based on a decision to defer such projects in light of the possibility of the implementation of the CBOS project), legal issues with a technology infrastructure project, and delays associated with the procurement process.
- EMS is projecting a year-end spending rate of 55% or \$5.309 million in its 3rd quarter Variance Report. This represents an improvement over the 2004 capital spending rate of 43%. However, the Program has only spent 38% or \$3.699 million of the 2005 Approved Capital Budget, as of September 30, 2005. Delays in construction, legal contract issues and a project that has now been deferred to 2006 pending a review of the vendor's ability to meet EMS contract needs account for the anticipated underexpenditures of \$4.335 million.
- The 2006 Proposed Capital Budget is supported by firm cost estimates and a realistic assumption in meeting procurement timelines. Feasibility studies and needs assessments have been undertaken for all 2006 capital projects. However, for 2007 and beyond, several of the major projects are not supported by firm cost estimates. Future years spending will depend on Council's decision regarding the feasibility of the CBOS Project and its implementation timelines.

Backlog of Projects – Unmet Needs

Significant SOGR expenditures will be required if the existing station distribution model is to be maintained. The state of good repair backlog at the end of 2006 is estimated to be \$14.764 million. Based on EMS' 5-year debt affordability guideline, the Program estimates an annual SOGR backlog of \$1.9 million, resulting in an SOGR backlog of \$22.364 million by 2010. However, these SOGR projects do not factor in the development of the CBOS Project and may be modified in priority and scope in future years depending on Council's review of the CBOS Project.

Development Charge Funding

The Revised 5-Year Capital Plan includes development charge funding of \$0.1 million from 2007 and beyond for two new stations, the Commissioner St-Waterfront Station (2007 – 2008) and Station 30 Projects (2009 – 2010).

Issues Referred to 2006 Capital Budget

None

Outstanding Issues from Prior Years

None

Appendix 1
Proposed 2006 Capital Budget and 2007 to 2015 Plan

Appendix 2
Proposed 2006 Capital Budget
& Future Years Commitments

Appendix 3
Proposed 2006 Capital Project
with Financing Details

Appendix 4
Reserve / Reserve Fund Review

None