

# **Analyst Briefing Notes**

## **Community Services Committee**

**(November 8, 2005)**

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**PART I: CAPITAL PROGRAM****Executive Summary**

- Shelter, Support & Housing Administration projects the year-end spending rate at 26%, or \$1.981 million of the 2005 Approved Budget of \$7.543 million. Program under spending is primarily related to shelter-site location problems and timing delays in the Shelter Management Information System work plan.
- The 2006 Proposed Capital Budget, including new and previously approved commitments requires cash flow of \$6.165 million with debt funding of \$5.253 million. This cash flow, combined with the 2005 carry forward funding of \$2.414 million into 2006, brings the total 2006 Proposed Capital Budget to \$8.579 million gross, of which \$6.143 million is funded by debt.
- The 2006 Proposed Capital Budget includes funding for three shelter-feasibility studies; three shelter sites with are firm locations: Eva's Youth, 717 Broadview, and Bethlehem United; the Shelter Management Information System; the feasibility study for Social Housing Administration System,; and the Capital Maintenance Plan, which includes HVAC Upgrade for Seaton House.
- 82% of the 2006 Proposed new cash flow is allocated to Service Improvement projects at \$5.080 million; 5% to Health & Safety projects at \$0.300 million; 13% to State of Good Repair projects at \$0.785 million.
- Approval of the 2006 Proposed Capital Budget will result in future year commitments of \$3.840 million in 2007; \$0.912 million in 2008; \$2.024 million in 2009; \$0.912 million in 2010; and \$0.912 million in 2011.
- The Revised 5-Year Capital Plan totals \$26.278 million with 2006 cash flow of \$6.165 million; \$5.939 million in 2007; \$4.362 million in 2008; \$4.534 million in 2009; and \$5.278 million in 2010. A total of \$9.277 million is also forecasted for the 2011 – 2015 period. The Revised 5-Year Capital Plan is below the annual debt guideline of \$5.500 million in each year of the plan, and includes Development Charges financing of \$0.388 million in total, with \$0.067 million in 2006; \$0.183 million in 2007; and \$0.138 million in 2010.
- The Revised 2006 Capital Plan includes funding for 521 new and replacement beds; the Capital Maintenance Plan for 15 City-Owned and City-Leased Shelters, and funding for the Shelter Management Information System.
- The 2006 Proposed Capital Budget incurs additional operating and debt service costs in years 2006 through 2010 as the program brings new and replacement beds on line in the City's shelter system, and as the Shelter Management Information System becomes operational. Operating costs will increase in 2006 by \$0.482 million, and in 2007 by \$2.583 million; Four new positions will be required 2006 to help implement the Shelter Management Information System.

### **Recommendations**

It is recommended that:

1. the 2006-2015 Shelter, Support, and Housing Administration capital program request with a total 10-year project cost of \$37.969 million be received;
2. the 2006 Proposed Capital Budget for Shelter, Support, and Housing Administration with a total project cost of \$2.200 million and a 2006 cash flow of \$8.579 million and future year commitments of \$8.600 million be approved. The 2006 Proposed Capital Budget consists of the following:
  - a) New Cash Flow Funding for:
    - i) 7 new and change in scope subprojects with a 2006 total project cost of \$2.200 million that requires cash flow of \$1.221 million in 2006 and a future year commitment of \$0.979 million in 2007;
    - ii) 8 previously approved sub-projects with a 2006 cash flow of \$4.844 million and a future year commitment of \$2.861 million in 2007; \$0.912 million in 2008; \$2.024 million in 2009; \$0.912 million in 2010; and \$0.912 million in 2011.
    - iii) 1 sub-project from previously approved projects with carry forward funding from 2004 and prior years requiring 2006 cash flow of \$0.100 million, which forms part of the affordability targets that requires Council to reaffirm its commitment; and
  - b) 2006 approved cash flow for 7 previously approved sub-projects with carry forward funding from 2005 into 2006 totalling \$2.414 million;
3. new debt service costs of \$0.158 million in 2006 and incremental costs of \$0.676 million in 2007; \$0.388 million in 2008; \$0.161 million in 2009; and \$0.250 million in 2010 resulting from the approval of the 2006 Proposed Capital Budget, be approved for inclusion in the 2006 and future year operating budgets;
4. operating impacts in the Shelter, Support, and Housing Administration Operating Budget of \$0.482 million for 2006; \$2.583 million for 2007 emanating from the approval of the 2006 Capital Budget be considered within the overall scope of the Shelter, Support and Housing Administration's 2006 and future year's operating budget submissions; and
5. that the revised cash flow projections \$5.939 million in 2007, \$4.362 million in 2008, \$4.534 million in 2009 and \$5.278 million in 2010 for Shelter, Support and Housing Administration, 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.

**Table 1: 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
\$	\$	% Spent	\$	% Spent	\$ Unspent
7,543	932	12	1,981	26	5,562

**Comments / Issues:**

- Shelter, Support & Housing Administration (SSHA) is projecting a year end spending rate of 26%, or \$1.981 million as of September 30, 2005. This spending rate represents decrease from 2005, when SSHA's spending rate was 32% of the Program budget.
- The variance between the 2005 Approved Capital Budget and the Projected Actuals to year end reflects under spending in 11 of the program's 14 projects, with no spending projected for seven of these projects. This spending pattern reflects the difficulties the Program faces in locating suitable sites and accommodating community concerns.
- The 2006 Proposed Capital Budget does not reflect the adjustments to carry forwards resulting from updated year-end spending projections. Adjustments to carry forward funding from 2005 to 2006 will be made before the 2006 Proposed Capital Budget is budget is approved.

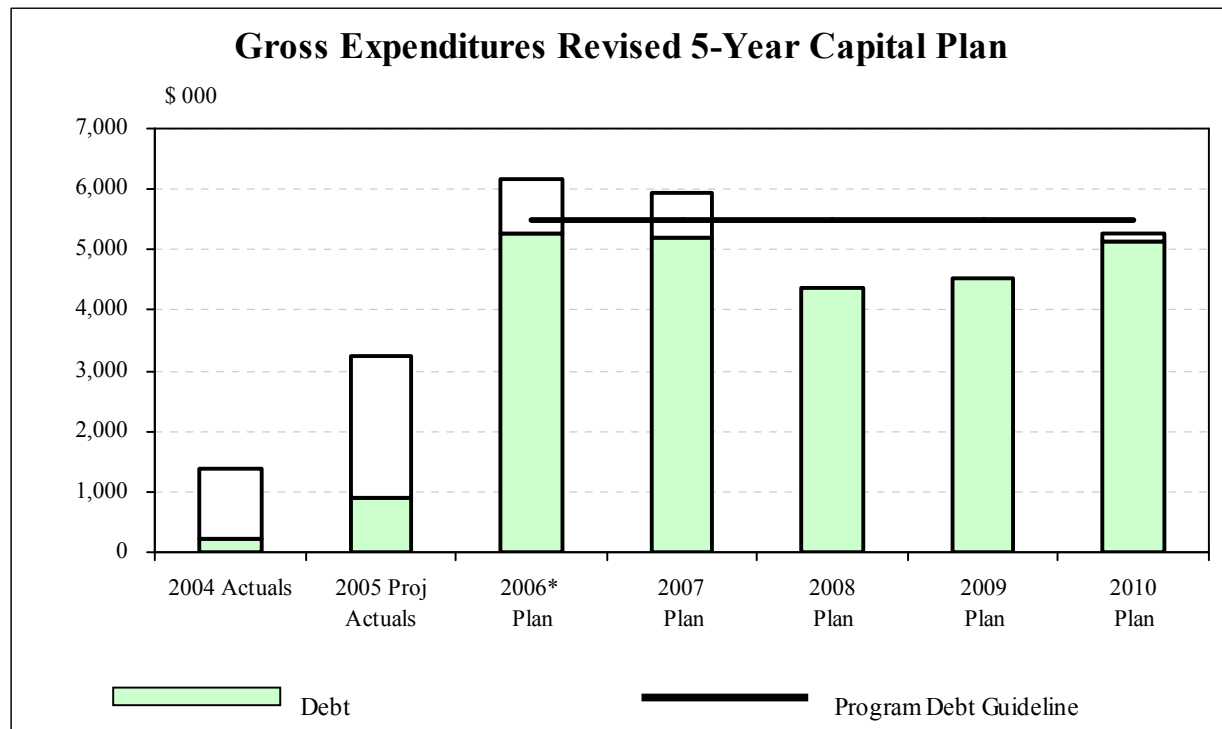
The following table summarizes the program year-end spending projections:

Project Name	2005 Budget (\$000's)	2005 Projection (\$000's)	Comment	C/Fwd to 2006
Shelter Management Information System	1.269	0.672	Caro Systems has been selected as the vendor to deliver the system. Contract negotiations on the second phase of the contract have resulted in a delay in the budgeted work plan.	√
Seaton House HVAC System	0.107	0.007	Spending delayed pending provincial study on air quality / air flow regulations.	√
717 Broadview	.080	.459	Property purchased in 2002, with renovations/ planning to commence in 2006, once lease expires with Chester Village. Ledger adjustments made in Sept. to reflect security deposit with Chester Village, with no impact on total project cost.	
Emergency Beds Single Men	0.150	.000	Project to be closed	

**2006-2015 Capital Program****Shelter, Support & Housing Admin**

Emergency Beds Coed	1.679	0.050	<ul style="list-style-type: none"><li>• Emergency Beds Coed: \$.250 budget; project deferred until 2007.</li><li>• Bethlehem United: \$1.429 budget; Site operator has been selected, with public information session to commence in Nov; Construction to commence in 2006.</li></ul>	√
Client Group Non Specified	0.150	.000	No spending plans for 2005; project deferred.	
Short Term Accommodation	3.808	0.493	<ul style="list-style-type: none"><li>• Eva's Youth \$.800 budget: projected spending: \$.050; OMB approved Eva's Youth Shelter; currently negotiating planning issues with Committee of Adjustments</li><li>• 38 Bathurst \$.443 budget: projected spending residual funds</li><li>• Replacement Beds \$.640 budget; project deferred</li><li>• 3 projects deferred, pending predevelopment spending in 2006 for: Women's Harm Reduction \$.100 budget; Christie Ossington Coed \$1.000 budget; Met United \$.825 budget;</li></ul>	√  √
Capital Repairs/Replacement City Owned /Leased Shelters	.300	.300	Spending projected to be on target; work plan includes roof and equipment replacements at specific sites.	
Total	7.543	1.981		

## 5-Year Capital Plan (2006-2010)



	5 Year Plan							
	2004	2005	2006	2007	2008	2009	2010	2006-2010
<b>Gross Expenditures:</b>								
Budget (Excluding 1-Yr. Carry/Fwd.)	10,163	5,347	6,165	5,939	4,362	4,534	5,278	26,278
1-Yr. Carry/Fwd Gross (Reference only)	5,216	2,196	2,414					
Sub-Total Including 1 Yr. Carry/fwd	15,379	7,543	8,579					
Actuals	1,143	2,353						
<b>Financing:</b>								
Debt	3,185	3,465	5,253	5,204	4,362	4,534	5,140	24,493
Debt Actuals (inc 1-Year Carry/fwd)	237	902						
<b>Program Debt Target</b>			<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>5,500</b>	<b>27,500</b>
Other Financing Sources:								
Reserves/Reserve Funds								
Development Charges			67	183	0	0	138	388
Federal			137	0	0	0	0	137
Provincial (MOH Funding)								
Other Revenue			5,961	552	0	0	0	1,260
<b>By Category:</b>								
Health & Safety			300	2,618				2,918
Legislative								
SOGR			785	799	350	710	366	3,010
Service Improvement			5,080	2,522	4,012	3,824	4,912	20,350
Growth Related								
Yearly SOGR Backlog Estimate			333	333	333	333	333	
Accumulated Backlog Estimate			400	733	1,066	1,399	1,732	

\* 2006 includes 1 - year carry/fwd funding

- Years 2007 – 2010 of the Revised 5-Year Capital Plan includes \$10.200 million for 27 replacement and 80 new beds, and \$2.225 million for Capital Repairs / Replacement for City operated and leased shelter facilities.
- While the Program's 2003-2012 Capital Program was based on the Multi-Year Shelter Strategy approved by Council in June 2002, the Revised 5-Year Capital Plan reflects the program's re-assessment of the community's needs, and hence, includes a significant revision from the previous program. The 2003-2012 Multi-Year Shelter Strategy focused on adding a significant number of beds to increase the City's shelter capacity, implementing new space standards in the existing shelters, and increasing access to shelters City wide for a diverse client base. The Revised 5-Year Capital Plan reflects changes in capacity requirements, based on revised shelter occupancy levels. It also includes a change in direction that reflects consideration for a) the City's high rental vacancy rate, b) a number of new Federal / Provincial and City pilot projects that are designed to move homeless directly into permanent housing.
- Although the Revised 5-Year Capital Plan for shelter development reflects a decrease in cost and scope from past years, the program continues to face delays that prevent the completion of its capital plan. Projects are often delayed for years, as various parties make appeals through the Ontario Municipal Board; as well, the program encounters difficulties in locating suitable sites or in selecting suitable site operators. These delays result in a significant amount of carry forward funding in the current-and-future year project requests.
- The Revised 5-Year Plan is below the annual debt-guideline of \$5.500 million in each year by the following amounts: in 2006 by \$0.247 million; in 2007 by \$0.296 million; in 2008 by \$1.138 million; in 2009 by \$0.966 million; and in 2010 by \$0.360 million. In total SSHA is below the guideline by \$3.007 million.
- 78% of the Revised 5-Year Plan is categorized as Service Improvement, expenditures for new and replacement shelter beds, the Shelter Management Information System, and the new IT system for Social Housing; 11 % is State of Good Repair, expenditures for capital maintenance on City owned and City leased shelters; and 11 % for Health and Safety, expenditures for a new HVAC system at Seaton House and for the replacement of Eva's Youth Shelter.
- The City owns 15 shelter sites, seven in City Operated Sites, and eight in City facilities that are leased to shelter operators. The Program has recently completed an engineering study that supported an annual SOGR budget, based on a 30-year building life cycle, of \$1.900 million. The Proposed Capital Plan includes a request of \$0.785 million in 2006 to maintain these facilities in a state of good repair; as well, \$2.225 million is suggested over the next four years, bringing the 5-Year Capital Maintenance to \$3.010 million. While the engineering study had identified a backlog of capital maintenance within these facilities, the backlog can be managed within this proposal.
- The Revised 5-Year Capital Plan maximizes the use of Development Charge and third-party grants, reducing the requirement for debt financing.
- The Revised 5-Year Capital Plan for Shelter, Support and Housing Administration is to be referred back to the Deputy City Manager and Chief Financial Officer, and to the Budget Advisory Committee for final review in the Spring of 2006 for final approval.

## 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
<b>Carryforwards:</b>															
Women's Harm Reduction	4	1,700	900	100						100	0			100	0
<b>Sub-Total</b>				<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>Previously Approved:</b>															
Eva's Youth	1	2,000	500	300	0	1,078	500			1,378	500	400	0	1,778	500
Seaton House - HVAC Renovation	1	1,000	1,000			300	300			300	300	100	100	400	400
Bethlehem United	4	2,200	1,000			750	750			750	750	1,169	250	1,919	1,000
CONC Replacement	4	2,500	1,200	800	0					800	0	200	0	1,000	0
Replacement Beds # 1	4	5,500	5,500									440	440	440	440
Central Neighbourhood House (Met United)	4	2,500	2,500	25	25					25	25	800	800	825	825
Capital Repairs / Replacement - City Operated	1	600	600			300	300			300	300			300	300
717 Broadview	4	8,800	4,287			2,302	2,019			2,302	2,019			2,302	2,019
Shelter Management Information System	4	3,649	1,606			1,192	730			1,192	730	105	0	1,297	730
<b>Sub Total</b>				<b>1,125</b>	<b>25</b>	<b>5,922</b>	<b>4,599</b>	<b>0</b>	<b>0</b>	<b>7,047</b>	<b>4,624</b>	<b>3,214</b>	<b>1,590</b>	<b>10,261</b>	<b>6,214</b>
<b>New and Change in Scope Projects</b>															
Eva's Youth - Scope Change	1	640	626					222	208	222	208			222	208
Bethlehem United - Scope Change	4	500	500					161	161	161	161			161	161
Capital Repairs/Replacement - Leased Bldgs	3	100	100					100	100	100	100			100	100
Additional Capital Repairs for 2006: City Operated	3	385	385					385	385	385	385			385	385
717 Broadview	4	0	(67)					0	(67)	0	(67)			0	(67)
<b>Sub Total</b>		<b>1,625</b>	<b>1,544</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>868</b>	<b>787</b>	<b>868</b>	<b>787</b>	<b>0</b>	<b>0</b>	<b>868</b>	<b>787</b>
<b>Total 2006</b>		<b>32,074</b>	<b>20,637</b>	<b>1,225</b>	<b>25</b>	<b>5,922</b>	<b>4,599</b>	<b>868</b>	<b>787</b>	<b>8,015</b>	<b>5,411</b>	<b>3,214</b>	<b>1,590</b>	<b>11,229</b>	<b>7,001</b>

\*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 Proposed Cash Flow		
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards								
Eva's Youth	1	400	0		0		400	0
Seaton House - HVAC Renovation	1	100	100				100	100
Shelter Management Information System	4	105	0				105	0
Bethlehem United	4	1,169	250				1,169	250
CONC Replacement	4	200	0	(100)		Deferred pending feasibility study completion	100	0
Replacement Beds # 1	4	440	440				440	440
Central Neighbourhood House (Met United)	4	800	800	(700)	(700)	Deferred pending feasibility study completion	100	100
Sub Total		3,214	1,590	(800)	(700)		2,414	890
2004 Carryforwards								
Eva's Youth	1	300	0	(300)		Spending deferred to 2007pending Committee of Adjustment review	0	0
Women's Harm Reduction	4	100	0				100	0
CONC Replacement	4	800	0	(800)		Deferred, pending site selection	0	0
Central Neighbourhood House (Met United)	4	25	25	(25)	(25)	Deferred, pending site selection	0	0
Sub Total		1,225	25	(1,125)	(25)		100	0
2006 Previously Approved Commitments								
Eva's Youth	1	1,078	500	(1,078)	(500)	Deferred to 2007pending Committee of Adjustment review	0	0
Seaton House - HVAC Renovation	1	300	300				300	300
Bethlehem United	4	750	750				750	750
Shelter Management Information System	4	1,192	730				1,192	730
Capital Repairs / Replacement - City Operated	1	300	300				300	300
717 Broadview	4	2,302	2,019				2,302	2,019
Sub Total		5,922	4,599	(1,078)	(500)		4,844	4,099
New Projects								
Eva's Youth - Scope Change	1	222	208	(222)	(208)	Spending deferred to 2007pending Committee of Adjustment review	0	0
Bethlehem United - Scope Change	4	161	161				161	161
Capital Repairs/Replacement - Leased Bldgs	3	100	100				100	100
Additional Capital Repairs for 2006: City Operated	3	385	385				385	385
717 Broadview	3	0	(67)				0	(67)
Social Housing Administration System	4			575	575	New project to assess need for system modifications/enhancements	575	575
Sub Total New Projects		868	787	353	367		1,221	1,154
Total 2006 Proposed (Incl. 2005 C/Fwd)		11,229	7,001	(2,650)	(858)		8,579	6,143
Less 2005 Carry Forwards		(3,214)	(1,590)	800	700		(2,414)	(890)
Total 2006 Proposed (Excl. 2005 C/Fwd)		8,015	5,411	(1,850)	(158)		6,165	5,253

**Total 2006 Proposed Cash Flow & Future Year Commitments**

(\$000s)

	2004 & Prior Year Carry Forward	2006 Previous Commitments	2006 New Rec'd	2006 Total Cash Flow Rec'd	2006 Guidelines	2005 Carry Forward	Total 2006 Cash Flow (Incl 2005 C/Fwd)	2007	2008	2009	2010	2011	Total Cost
<b>Expenditures</b>													
Previously Approved	100	4,844		4,944	4,099	2,414	7,358	2,861	912	2,024	912	912	14,979
Change in Scope			161	161	94		161	979					1,140
New			1,060	1,060	1,060		1,060						1,060
New w/Future Year													
<b>Total Expenditure</b>	<b>100</b>	<b>4,844</b>	<b>1,221</b>	<b>6,165</b>	<b>5,253</b>	<b>2,414</b>	<b>8,579</b>	<b>3,840</b>	<b>912</b>	<b>2,024</b>	<b>912</b>	<b>912</b>	<b>17,179</b>
<b>Financing</b>													
Debt		4,099	1,154	5,253	5,500	890	6,143	3,274	912	2,024	912	912	14,177
Subsidy (SCPI)	100	31		131		1,079	1,210	552					1,762
Provincial (MOH Funding)			67	67			67	14					81
Development Charges				577		445	1,022						1,022
Other		577		577			137						137
Federal Grants		137		137									
Reserves/Res Funds													
<b>Total Financing</b>	<b>100</b>	<b>4,844</b>	<b>1,221</b>	<b>6,165</b>		<b>2,414</b>	<b>8,579</b>	<b>3,840</b>	<b>912</b>	<b>2,024</b>	<b>912</b>	<b>912</b>	<b>17,179</b>

**Comments / Issues:**

- The 2006 Proposed Capital Budget is \$8.579 million gross, including \$4.844 million in funding for previously approved commitments; \$1.221 million for new/change in scope projects; \$2.414 million in 2005 carry forward funding into 2006; and \$0.100 million in 2004 carry forward funding into 2006.
- Approval of the 2006 Proposed Capital Budget will result in future year commitments of \$3.840 million in 2007; \$0.912 million in 2008; \$2.024 million in 2009; and \$0.912 million in 2010; and \$0.912 million in 2011. Beyond 2007, commitments pertain to one project, Replacement Beds, with commitments of \$4.760 million. This project provides for the replacement of 101 beds, and facilitates the implementation of new space standards, eliminates the use of mats and eliminates the use of out-of-town motel programs. The timing and commitment of the bed replacement plan will be reviewed as part of the 5-year reporting process.
- Approval of the 2006 Proposed Capital Budget will result in an increase in operating costs in 2006 of \$0.482 million and \$2.583 million in 2007.
- Other funding of \$1.022 million includes the following sources: rental income of \$0.283 million; SSHA operating contribution to capital of \$0.398 million; and proceeds of sale from Princess Margaret Hospital of \$0.341 million. Operating impacts emanating from the 2006 Proposed Capital Budget are \$0.482 million for 2006 and \$2.583 million for 2007.

## Operating Budget Impact

### Incremental Operating Budget Summary

Incremental Operating Budget Impact	2006	2007	2008	2009	2010
Program Costs (net) (\$000s)	482.0	2,583.0			
Debt Service Charges (\$000s)	157.6	676.1	387.5	161.0	250.0
Approved Positions	4				

### Program Incremental Operating Costs

The 2006 Proposed Capital Budget will increase the Program's Operating Budget, with incremental impacts in 2006 and future years as a result of the following capital projects/subprojects:

2006 Capital Projects/Sub-Projects	2006 (\$000s)	2007 (\$000s)	Total	Rec'd position change
717 Broadview		1.594	1.594	
Eva's Youth		0.178	0.178	
Shelter Management Information System	0.289	0.138	0.427	4.0
Bethlehem United	0.193	0.673	0.866	
<b>TOTAL</b>	<b>0.482</b>	<b>2.583</b>	<b>3.065</b>	<b>4.0</b>

Operating costs will increase in 2006 by \$0.482 million and by \$2.583 million in 2007. Four new positions will be required in 2006 to implement and operate the Shelter Management Information System; these positions are included in the 2006 Operating Budget.

### Debt Service Cost

The proposed Shelter, Support and Housing Administration Capital Program will result in new debt service cost of \$0.158 million in 2006; \$0.676 million in 2007; \$0.388 million in 2008; \$0.161 million in 2009; and \$0.250 million in 2010.

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 SSHA is \$5.500 million. The 2006 Proposed Capital Budget is \$5.253 million, or \$0.247 million below the guideline. Of the proposed 2006 debt amount, \$1.154 million, or 22%, is for new/change in scope projects, and \$4.099 million, or 78%, is for previously approved projects.

#### 5 Year Capital Plan Overview

The cash flow for the Revised 5-Year Capital Plan is summarized by category, and is presented in the following table. The Capital Program totals \$26.278 million, with \$6.165 million allocated to 2006; \$5.939 million in 2007; \$4.362 million in 2008; \$4.534 million in 2009; and \$5.278 million in 2010.

76.2 % or \$20.018 million of the Revised 5-Year Plan is allocated to new and replacement beds; 8.9 % or \$2.350 million is allocated to information technology systems development; and 14.9 %, or \$3.910 million is allocated to capital maintenance.

The 5-Year Capital Plan is below the annual debt target of \$5.500 million, and \$3.007 million below the target for the five years.

#### 5-Year Capital Plan \*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
New and Replacement Beds						
Women's Harm Reduction	100					100
Bethlehem United	911	339				1,250
Replacement Beds #1		300	912	2,024	912	4,148
Eva's Youth Shelter		2,018				2,018
717 Broadview	2,302					2,302
Replacement Beds			500	500	500	1,500
Emergency Beds		1,300	2,600	1,300		5,200
Client Group - Non Specified					3,500	3,500
	<u>3,313</u>	<u>3,957</u>	<u>4,012</u>	<u>3,824</u>	<u>4,912</u>	<u>20,018</u>
Information Systems						
Social Housing Administration System	575					575
Shelter Management Information System	1,192	583				1,775
	<u>1,767</u>	<u>583</u>				<u>2,350</u>
Capital Maintenance						
Seaton House - HVAC Upgrade	300	600				900
Capital Repairs: City Operated	685	699	250	610	266	2,510
Capital Repairs: City Leased	100	100	100	100	100	500
Total Capital Maintenance	<u>1,085</u>	<u>1,399</u>	<u>350</u>	<u>710</u>	<u>366</u>	<u>3,910</u>
Total Proposed 5-Year Capital Plan	<u>6,165</u>	<u>5,939</u>	<u>4,362</u>	<u>4,534</u>	<u>5,278</u>	<u>26,278</u>
Cash Flow Distribution	23.5%	22.6%	16.6%	17.3%	20.1%	
* Excluding 2005 carry fws						

- **New and Replacement Beds:** The plan provides for 521 beds, including 300 new, 114 replacement and 107 future-year new and replacement beds between 2006 and 2010, at cost of \$20.018 million. Of this amount, \$5.570 million is for site-specific expenditures as noted: Bethlehem United, \$1.250 million; Eva's Youth, \$2.018 million; 717 Broadview Avenue, \$2.302 million.

The following table delineates the timing of the beds coming into service:

**5-Year Shelter Bed Plan**

New Beds	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
Eva's Youth		10				10
717 Broadview		170				170
Bethlehem United	60	60				120
Emergency Beds (Edward St)*				80		80
<b>Total New</b>	<b>60</b>	<b>240</b>	<b>0</b>	<b>80</b>	<b>0</b>	<b>380</b>
Replacement Beds						
Eva's Youth		30				30
Replacement Beds *		13	26	46	26	111
<b>Total Replacement</b>	<b>0</b>	<b>43</b>	<b>26</b>	<b>46</b>	<b>26</b>	<b>141</b>
<b>Total Beds</b>	<b>60</b>	<b>283</b>	<b>26</b>	<b>126</b>	<b>26</b>	<b>521</b>

\* The timing and commitment of the future-year bed replacement plan will be reviewed as part of the 5-Year reporting process.

- **Information Systems:** Included in the five year plan is \$2.350 million for two information systems as follows: the Shelter Management Information System, which will maintain client information to support the program's shelter delivery needs; and the Social Housing Administration System, a feasibility study that will assess upgrade requirements for the existing information system of the Social Housing Program. Additional funding requirements for system development will be considered, once the study has been completed.
- **Capital Maintenance:** Also included in the five year plan is the capital maintenance program for Hostel Services that totals \$3.910 million. The maintenance program is comprised of three projects: \$0.900 million for HVAC upgrades at Seaton House, and two capital maintenance projects with a combined total of \$3.010 million. These two projects include funding for the City owned and leased shelters, and provide for expenditures that will bring City shelters into compliance with Ontario Building Code, and provide funding for various health and safety related building deficiencies. These expenditures include window replacement, foundation repairs, and building retro-fits required to be bring the facilities into compliance with the fire-code by-law. In accordance with City policy, capital repair and maintenance is planned for only City-owned assets.

While the Revised 5-Year Capital Plan is below the Program Debt Guideline, the Revised 2006 Capital Plan for Shelter, Support and Housing Administration is to be referred back to the Deputy City Manager and Chief Financial Officer, and to the Budget Advisory Committee in the Spring of 2006 for final approval.

# 2006-2015 Capital Program      Shelter, Support & Housing Admin

## Revised 5-Year Capital Plan (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015		Comments / Issues
		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	
<b>PROGRAM REQUEST</b>		8,015	5,411	9,889	8,720	8,305	8,208	3,703	3,703	5,678	5,540	4,977	4,977	
<b>Recommended 2006 Changes (see Table 4)</b>		(1,850)	(158)											
<b>RECOMMENDED CHANGES: 2004 Carry Forwards:</b>														
<b>Previously Approved:</b>														
Women's Harm Reduction	4			(700)		(800)	(777)	(100)	(100)					Project deferred due site location problems
Emergency Beds - 110 Edward Street	4			(3,900)	(3,730)	(1,300)	(1,300)							Deferred to future year
CONC Replacement	4			(300)		(890)	(890)	(297)	(297)					Project deferred due site location problems
Replacement Beds # 1	4			(712)	(712)	(100)	(100)	1,012	1,012	(100)	(100)	(100)	(100)	Rephased cash flow to reflect affordability
Central Neighbourhood House (Met United)	4			(838)	(838)	(628)	(628)	(209)	(209)					Project deferred due site location problems
Eva's Youth	1			1,600	708									Project rephased due to Committee of Adjustments negotiations
<b>New:</b>														
Eva's Youth - 2007 Change in Scope	1				326									Project rephased due to Committee of Adjustments negotiations
<b>Future Year</b>														
Emergency Beds - 110 Edward Street	1			1,300	1,130	2,600	2,600	1,300	1,300					Rephased from previously approved
Emergency Beds Aboriginal	4					(2,925)	(2,851)	(975)	(975)			3,900	3,826	Rephased to meet affordability guideline
Replacement Beds - Additional	4			(400)	(400)	100	100	100	100	100	100	100	100	Rephased to meet affordability guideline
Client Group - Non Specified	3									(400)	(400)	400	400	Rephased to meet affordability guideline
<b>Sub-Total Recommended Changes</b>		(1,850)	(158)	(3,950)	(3,516)	(3,943)	(3,846)	831	831	(400)	(400)	4,300	4,226	
<b>Revised Cash Flow</b>		6,165	5,253	5,939	5,204	4,362	4,362	4,534	4,534	5,278	5,140	9,277	9,203	
<b>Debt Guideline</b>			5,500		5,500		5,500		5,500		5,500			
<b>Variance To Debt Guideline</b>			(247)		(296)		(1,138)		(966)		(360)			

**Capacity**

While the previous Capital Program was based on a needs analysis that was approved by Council in the 2003-2012 Multi-Year Shelter Strategy, the 5-Year Capital Plan reflects the Program's re-assessment of the community's needs, and hence, included a significant revision from the previous program.

The 2006 Proposed Capital Budget reflects the recognition of the difficulties the Program faces in locating sites, and has resulted in a review and revision of the 2006 Budget and 5-Year Capital Plan request by the program. The Revised 5-Year Capital Plan has been amended to better reflect SSHA's spending capacity and has been smoothed to accommodate the affordability target. The adjustments to the Program submission are significant, and reflect project cancellations and deferrals that total \$11.600 million, with \$9.700 million in debt financing.

This review has resulted in the following three previously approved projects being deferred beyond the 5- year period, pending site selection:

- Women's Harm Reduction has been deferred until future years, with total project cost of \$1.600 million, and \$0.900 million debt;
- CONC Coed Replacement has been deferred until future years, with total project cost of \$2.400 million and \$1.200 million debt;
- Central Neighbourhood House has been deferred until future year years, with total project cost of \$2.400 million and \$2.400 million debt.

The 2006 Proposed Capital Budget still includes a total of \$0.300 million (\$0.100 million for each project) for a final effort to locate sites; pending this review, these projects may be accelerated and included in the 5-year projections.

In addition to these projects deferrals, Emergency Beds Coed #1: Edward Street has been deferred and included as a future-year project to reflect spending capacity and to meet affordability guidelines. This project cost is \$5.200 million, and is primarily debt financed, with \$0.169 financing from development charges.

In addition, future year projects have been deferred to better reflect the ability to spend and to meet affordability guidelines. Accordingly, two projects with a cash flow of \$4.300 million have been rephased, moving the request from 2006-2010 to 2011-2015.

**Backlog of Projects – Unmet Needs**

In 2003 Hostel Services, as part of its portfolio management strategy, and in response to Council motions related to the state of good repair in the shelter system, initiated a building condition assessment of 56 of the 65 shelter locations. All facilities owned by the city, and those owned by third-party service providers were evaluated by IBI Group in association with Trow Associates. These assessments were conducted by building science engineers using industry standard cost and quantity estimates using life cycle replacement principles to keep the buildings operating in perpetuity.

Based on the recommendations made in this study, in 2005 the Program submitted and received approval for a capital maintenance plan that addressed the State of Good Repair backlog for the City owned and leased shelters. The capital program is backed by a work plan that addresses building health and safety deficiencies, brings the facilities into compliance with the fire-code by-law and address various upgrades required to bring these facilities into compliance with Ontario Building Code.

Although the building condition assessment had identified a backlog of capital maintenance within the City-owned facilities managed by Hostel Services, the Program has indicated that the backlog can be managed within the proposed maintenance program. Accordingly, the 2005 approved budget included \$0.300 million for capital maintenance for City operated facilities; the Program is projecting that this amount will be fully spent by year-end. The 2006 Proposed Capital Budget for Capital Repairs to City/Operated Facilities includes a previously approved commitment of \$0.300 million, plus a new request for \$0.385 million; the 2006 Proposed Capital Budget also includes a new request of \$0.100 million for Capital Repairs City/Leased facilities.

### **Development Charge Funding**

The 2006 Proposed Capital Budget includes \$0.388 million in Development Charge financing, reducing the debt financing in two previously approved and two future year subprojects. Developmental charges are used as a financing source for those projects as permitted through the Development Charge By-law, and offset the need for debt and third-party financing.

Project Name	Amount (000's)	Year
717 Broadview	67.0	2006
Eva's Youth	14.0	2007
Emergency Beds - Edward Street	169.0	2007
Client Group - Non-specified	138.0	2010
Total	388.0	

### **Issues Referred to 2006 Capital Budget**

None

### **Outstanding Issues from Prior Years**

None



**Appendix 1**  
**2006 Proposed Capital Budget and 2007 to 2015**  
**Revised Program**

**Appendix 2**  
**2006 Proposed Capital Budget & Future Years**  
**Commitments**  
**Submission**

**Appendix 3**  
**2006 Proposed Projects with Financing Details**  
**Submission**

**Appendix 4**  
**Reserve / Reserve Fund Review**

**None**