

# Analyst Briefing Notes

Community Services Committee  
(November 9, 2005)

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October 26, 2005

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

- The 2006 Capital Budget Submission for Social Service includes \$1.038 million for 3 projects in 2006.
  - Emergency Capital Repairs of \$0.130 million
  - Elevator repairs at 1631 Queen St. of \$0.063 million
  - Relocation of Social Services offices from 455 Dovercourt to an unknown location for \$0.845 million to allow for a Child Care Centre on the main floor.
- The 2006 Proposed Capital Budget reflects the transfer of funding for state good repair projects to Facilities and Real Estate's Capital Program and the deferral of the remaining 2006 Project funding for the relocation of Dovercourt office pending a report to Budget Advisory Committee on the financial implications.

**Recommendations**

It is recommended that \$1.0 million request for a Child Care Centre at 455 Dovercourt be deferred from 2006 to 2007 pending a report from the General Managers of Social Services and Children's to Budget Advisory Committee by early 2006 on details of the architectural study and financial implications for the following:

- (a) The proposed Childcare Centre on the ground floor at 455 Dovercourt; and
- (b) The relocation of the Social Services office from 455 Dovercourt.

### 2005 Capital Variance Review

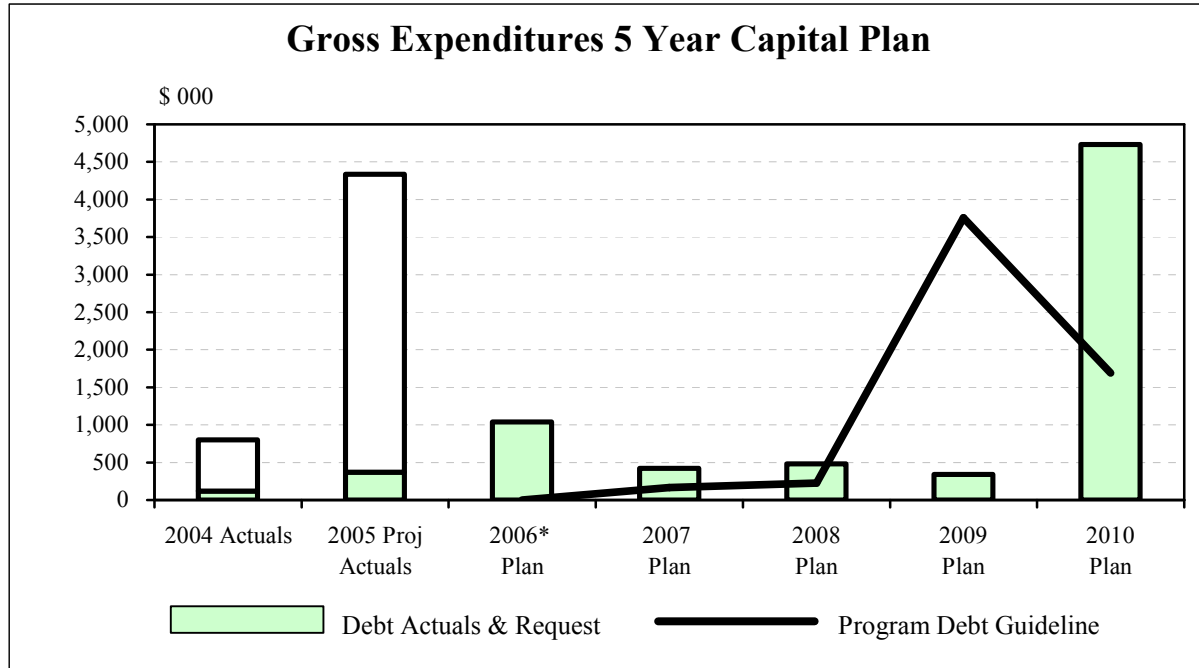
2005 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2005 Approved	Actuals as of Sept. 30 Y-T-D (3rd Qtr Variance)		Projected Actuals to Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
6,926	3,725	54	4,335	63	2,591

#### Comments / Issues:

- Social Services projecting a year end spending rate of 63% or \$2.6 million for 2005 approved projects as of September 30, 2005. IT Refresh Initiative will be completed in 2005 as planned. The project is expected to be under-spent by \$2.6 million mainly due lower price of computers.
- The renovation work required at 111 Wellesley St E is expected to be completed within budget of \$0.371 million.

# 2006-2015 Capital Program

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



	2004 Actuals	2005 Proj Act	5 Year Plan					2006-2010
			2006*	2007	2008	2009	2010	
2005 1-Yr C/F Gross (Reference purposes only)			0					
<b>Gross Expenditure Act &amp; New Req</b>	800	4,335	1,038	420	481	339	4,730	7,008
<b>Financing:</b>								
Debt Actuals & New Debt Request*	121	371	1,038	420	481	339	4,730	7,008
Program Debt Target				168	224	3,755	1,691	5,838
Other Financing Sources:								
Reserves/Reserve Funds								
Development Charges								
Federal								
Provincial								
Other Revenue								
<b>By Category:</b>								
Health & Safety								
Legislative							4,600	4,600
SOGR			1,038	420	481	339	130	2,408
Service Improvement								
Growth Related								
Yearly SOGR Backlog Estimate			0	0	0	0	0	
Accumulated Backlog Estimate			0	0	0	0	0	

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

- Debt target based on future year estimates of SOGR and I&T Refresh projects.

### 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
		1	2	3	4	5	6	7	8	9	10	11	12
Carryforwards:													
Sub-Total				0	0	0	0	0	0	0	0	0	0
Previously Approved:													
Sub Total				0	0	0	0	0	0	0	0	0	0
New and Change in Scope Projects													
Emergency Capital Repairs at City Owned Buildings	3	130	130					130	130	130	130		130
Elevator Repairs - various buildings	3	63	63					63	63	63	63		63
455 Dovercourt	3	845	845					845	845	845	845		845
Sub Total		1,038	1,038	0	0	0	0	1,038	1,038	1,038	1,038	0	0
Total 2006		1,038	1,038	0	0	0	0	1,038	1,038	1,038	1,038	0	0

## Proposed 2006 Capital Budget Changes (\$000)

		2006 Requested Cash Flow		Recommended Changes			2006 ProposedCash Flow	
Project/Sub Project Name	Cat.	Gross	Debt/ Internal Sources	Gross	Debt/ Internal Sources	Comments / Issues	Gross	Debt/ Internal Sources
2005 Carryforwards								
Sub Total		0	0	0	0		0	0
2004 Carryforwards								
Sub Total		0	0	0	0		0	0
2006 Previously Approved Commitments								
Sub Total		0	0	0	0		0	0
New Projects								
Emergency Capital Repairs at City Owned Buildings	3	130	130	(130)	(130)	Transfer to Facilities and Real Estate	0	0
Elevator Repairs - various buildings	3	63	63	(63)	(63)	Transfer to Facilities and Real Estate	0	0
455 Dovercourt - Relocation	4	845	845	(845)	(845)	Defer pending report detailed financial implications and outcome of study	0	0
Sub Total New Projects		1,038	1,038	(1,038)	(1,038)		0	0
Total 2006 Recommended (Incl. 2005 C/Fwd)		1,038	1,038	(1,038)	(1,038)		0	0
Less 2005 Carry Forwards		0	0	0	0		0	0
Total 2006 Recommended (Excl. 2005 C/Fwd)		1,038	1,038	(1,038)	(1,038)		0	0

## Comments / Issues:

- There are no 2006 Proposed Capital Budget and future year commitments for Social Services.
- The \$0.845 million request to relocate the Social Services Dovercourt office is deferred pending a report on the outcome of architectural study.
- It is proposed that the requested state of good repair funding of \$0.193 thousand be transferred to Facilities and Real Estate, including elevator repairs at 1631 Queen Street East.

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

The 2006 debt affordability guideline for Social Services was set at \$0 for 2006 based on the 2006 forecast in the 2005 Approved Budget. The 2006 Proposed Capital Budget for Social Services is equal to the debt affordability guideline.

For 2006, Social Services requested debt funding for the following projects: \$0.845 million for the relocation of its 455 Dovercourt offices (proposed to be deferred to 2007 pending report on details and financial implications), \$0.13 million Emergency Capital Budget and \$0.063 million for repairs to Elevator Sump Pit Drains at 1631 Queen Street East (all transferred to Facilities and Real Estate). See Issue Section.

**Capacity**

The program has demonstrated its ability to spend at budget.

**Capital Repairs – Backlog of Projects**

City-owned facilities for which Social Services has operational jurisdiction include:

- 1631 Queen St 24,120 Square Feet
- 111 Wellesley St E. 93,000 Square Feet
- 455 Dovercourt Rd. 20,065 Square Feet
- 52 Hillcrest Avenue 4,588 Square Feet

Before amalgamation, these building were maintained by Facilities and Real Estate within the former Metropolitan Toronto. After amalgamation, the buildings were omitted from the portfolio of buildings maintained by Corporate Facilities and Real Estate and were funded within Social Services program's capital budget, with support from Corporate Facilities and Real Estate. This resulted in a process whereby Facilities and Real Estate performed annual audits, providing Social Services with a SOGR Budget Submission and resulting in inter-departmental payment processing. Upon further review, it is being proposed that the Social Services state of good repair budget be transferred back to Facilities and Real Estate for the following reasons:

- To ensure consistent maintenance standards throughout the city;
- To benefit from economies of scale within Facilities and Real Estate;
- To improve efficiencies and avoid duplication of work between programs; and
- To streamline payment processing and centralize management control.

In summary, the Social Services facilities state of good repair backlog has been addressed, since urgent repairs at the Wellesley building were completed in 2004. Urgent repairs of \$0.470 million for the Dovercourt facility are included in the 2006 Proposed Children Services Capital Budget.

### **5 year Capital Plan Overview**

The Submitted 2006-2010 Revised Capital Plan included ongoing maintenance as consistent with the building assessment study. The request averages about \$0.4 million per year with the exception of 2010 when \$4.6 million is requested for I&T Refresh. The Toronto Social Services 5-year submission was driven by two requirements:

- State of Good Repair: Maintenance of 4 City-owned buildings based on the building condition assessment produced by Facilities and Real Estate. Currently, building assessment are produced every five years, and validated annually, so the firmness of the capital plan in this area depends on the recommendations from Facilities and Real Estate. It is proposed that the 5-year maintenance projects be transferred to Facilities and Real Estate. The ongoing maintenance of the Dovercourt facility will be included in the Children Services Capital Plan pending the outcome of the study and report to Committee (See Outstanding Issues from Prior Years section).
- IT Refresh every 5 years: since the current IT refresh program started in 2004 (ending in 2005), the next replacement is planned for 2010 totals \$4.6 million. The Social Services equipment that was purchased and installed in 2004 and 2005 through the Compugen contract are City-owned assets that are owned corporately and tracked through the City's asset management system. The refresh for the equipment in 2010 has been budgeted for through the technology refresh strategy that has been included in the Corporate I&T program budget.

Given that the transfer of the Social Services' buildings 2006 state of good repair funding and 2007 to 2010 forecast to Facilities and Real Estate and that Social Services I&T Refresh will be funded through Corporate Sustainment Program, Social Services does not currently have a 5 Year Revised Capital Program.



## 5-Year Plan Changes (\$000)

Project / Sub-Project Name	Cat	2006		2007		2008		2009		2010		TOTAL 2011-2015	
		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>		<b>1,038</b>	<b>1,038</b>	<b>420</b>	<b>420</b>	<b>481</b>	<b>481</b>	<b>339</b>	<b>339</b>	<b>4,730</b>	<b>4,730</b>	<b>5,423</b>	<b>5,423</b>
<b>Recommended 2006 Changes (see Table 4)</b>		(1,038)	(1,038)	845	845								
<b>CHANGES:</b>													
<b>2004 Carry Forwards:</b>													
<b>Previously Approved:</b>													
<b>New:</b>													
Transferred to Facilities and Real Estate:													
Emergency Capital Repairs at City Owned Buildings				(130)	(130)	(130)	(130)	(130)	(130)	(130)	(130)	(650)	(650)
455 Dovercourt (SOG)				(143)	(143)			(118)	(118)			(173)	(173)
111 Wellesley St (SOG)				(69)	(69)	(351)	(351)	(91)	(91)			0	0
Elevator Repairs (SOG)				(78)	(78)							0	0
Transferred to Corporate I&T:													
I&T Refresh										(4,600)	(4,600)	(4,600)	(4,600)
Sub-Total Recommended Changes		(1,038)	(1,038)	425	425	(481)	(481)	(339)	(339)	(4,730)	(4,730)	(5,423)	(5,423)
<b>Revised 5-Year Capital Plan</b>		<b>0</b>	<b>0</b>	<b>845</b>	<b>845</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Debt Guideline</b>			0		168		224		3,755		1,691		
<b>Variance To Debt Guideline</b>			0		677		(224)		(3,755)		(1,691)		

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

None

## **Outstanding Issues from Prior Years**

### **455 Dovercourt**

The Dovercourt facility is a 46 years old building with 20,065 sq. ft. of available space. Currently, both Children Services and Social Services occupy 455 Dovercourt: Children Services is located on the second floor and Social Services on the ground floor. The proposal includes the relocation of the child care centre to the main floor to provide full child care including service provision for infants, making way for a community-based tenant to co-occupy the site with Children Services. Social Services will then be required to relocate (as the Social Services office occupies the main floor). The child care centre at 455 Dovercourt is not currently in the service plan for Children Services.

Last year, Children Services included \$0.490 million in basic SOGR expenditures in its Capital Plan with agreement that future costs of developing the new child care centre would be included in the 2006 Capital Budget Submission pending a feasibility study and final costs estimates. Both Social Services' and Children Services' Capital Budget submissions include the option of Children Services staying in 455 Dovercourt (moving to the first floor and renovating to meet program and accessibility requirements) while Social Services relocates to another facility making way for a community-based tenant to co-occupy the site with Children Services.

The Children Services Capital Plan includes \$0.490 million in 2005 to ensure the site is in a state of good repair and \$1.0 million in 2006 to meet the requirements of the new child care centre. Social Services 2006 submission includes \$0.845 million to relocate its office to another facility. However, future SOGR costs were also included in Social Services 5 Year Capital Plan. These costs will be included in Children Services 5-Year Capital Plan once the architectural and feasibility study is completed.

A feasibility costing study is underway to determine costs and an appropriate site for relocation. The submission includes only estimates with potential expenditures between \$1.2 million including (construction \$0.845 million and \$0.39 million in ongoing operating costs for a 13,000 square feet office as occupied at 455 Dovercourt) and \$2.5 million (full office).

### **Recommendation:**

As the feasibility and architectural study has not been completed, it is recommended that the relocation of the Social Services Offices and the proposed new child care centre be deferred pending a report from the Deputy City Manager to Budget Advisory Committee on the outcome of the study with details and financial implications of the proposed childcare facility and relocation.

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

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

**None**

**Appendix 3**  
**2006 Capital Project with Financing Details**  
**Submission**

**None**

**Appendix 4**  
**Reserve / Reserve Fund Review**  
**None**