

Analyst Briefing Notes
Budget Committee
November 3, 2009

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PART I: CAPITAL PROGRAM**Executive Summary**

- The City Clerk's Office provides the foundation for city government in Toronto, realized through their services of conducting elections, making government work and making information accessible. The 10-Year Capital Plan provides for the tools, systems and resources required to support strategic priorities and the delivery of core services to build public trust and confidence in city government. Funding also incorporates the City Clerk's Office's Legislated and State of Good Repair (SOGR) requirements, including some previously approved projects. The majority of these are critical initiatives that will be implemented during the first five years.
- The 10-Year Recommended Capital Plan will fund a number of IT projects that are designed to strengthen the core capacity of Elections Operations to be in a good state of readiness for the 2010 and future Municipal Elections and for Information Management projects that will provide the solid foundation for a corporate information management framework.
- The following summarizes the allocation of recommended funding by project type:
 - The Archives Facility State of Good Repair (SOGR) and Expansion Project requires funding of \$20.978 million over the 10-year period. An expansion of the facility will enable the Program to continue to meet the needs of the public, provide safe and secure storage of the City's archival holding valued at \$30.000 million and facilitate access to the City's archival records.
 - Implementation of a New Vote Counting System requires funding of \$15.000 million over the 10-year period. New vote counting system will be required for the 2018 election to ensure the integrity of the voting process, the accuracy of the election results, reduce the risk to the City of equipment failure and provide the same level of service to the City's electors as is currently available.
 - The Integrated Infrastructure for Management and Long-term Preservation of Records Project requires funding of \$5.955 million over the 10-year period (excluding 1 year carry forward). This enterprise multi-year project is a joint effort with the Information and Technology Division to develop and implement an information management regime in the City of Toronto to manage information in all formats through their lifecycle.
 - The Toronto Election Information System requires funding of \$5.335 million over the 10-year period (excluding 1 year carry forward). This system is a multi-module system that supports all aspects of the municipal election.
- The 2009 Approved Capital Budget of \$17.599 million was 37.6% spent as at September 30, 2009. Actual expenditures by year-end are anticipated to be \$13.090 million, or 74.4% of the 2009 Approved Capital Budget. The projected under expenditure is primarily due to change in the delivery date of the printing equipment from December 2009 to January 2010, as well as the revised cash flows for The Toronto Meeting Management System (TMMIS). The revised schedule shows completion will be extended from 2010 to 2012.

- The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan totals \$64.579 million, excluding 2009 carry forward funding into 2010 of \$4.509 million, of which \$30.909 million is projected for the first 5 years, with the final 5 years requiring funding of \$33.670 million or 52.1%.
 - Changes to the 2009-2018 Approved Capital Plan amount to \$18.806 million or 44.2% compared to the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan. This is primarily due to increased estimates for the Archives Facility Upgrade & Expansion Project as a result of a feasibility study.
 - The 10-Year Recommended Capital Plan includes operating impacts from previously approved and new/change in scope projects for a total of \$1.693 million net over the 10 year period. This is comprised of costs to sustain the systems once they are completed and operationalized. The impact will be \$0.352 million in 2010, \$0.195 million in 2011, \$0.665 million in 2012, \$0.230 million in 2013, \$0.067 million in 2014, \$0.004 million in 2016, \$0.105 million in 2017 and \$0.075 million in 2018.
 - The SOGR backlog is estimated to be \$20.729 million by December 31, 2009. This is largely comprised of SOGR requirements for the Archives Facility. Funding required to address the backlog is included in the 10-Year Recommended Capital Plan. The 10-Year Recommended Capital Plan provides the funding to reduce the current State-of-Good Repair backlog by \$18.529 million to \$2.200 million by the end of 2014. The backlog will be reduced to zero by end of 2019.
 - The City Clerk's Office 2010-2019 Recommended Capital Plan reflects the strategic priorities to promote an *open and accessible government* that encourages full participation of the public in the City government by:
 - Effectively delivering the three Services of the City Clerk's Office: Elect Government, Make Government Work, and Make Information Accessible.
 - Aligning with the City's strategic directions of good governance, openness, transparency and accountability.
 - Reflecting the tools, systems, and investment required for delivering the priority actions in the Service Plan for the City Clerk's Office.
 - Ensuring the successful delivery of the 2010 and future municipal elections.
 - Building the foundation pieces of the City's information management program.
 - Incorporating the requirements of the Accountability Officers (Ombudsperson, Lobbyist Registrar, and Integrity Commissioner) for a case management system and the Lobbyist Registry
 - Advancing the goals and objectives of the eCity Committees: eGovernment, eBusiness, eService Committees, and the City's eCity Strategic Plan.
- The 2010 Recommended Capital Budget including previously approved commitments requires new 2010 cash flow of \$2.327 million. This cash flow combined with carry forward funding of \$4.509 million for 2009 projects brings the total 2010 Recommended Capital Budget to \$6.836 million of which \$1.732 million is funded from debt, with the balance of funding provided from Equipment Reserves and Election Reserve Funds.

- The 2010 Recommended Capital Budget for previously approved and new/change in scope projects (excluding 2009 carry forward funding into 2010) of \$2.327 million is 62% allocated to Legislated projects at \$1.443 million; 27% to State of Good Repair projects at \$0.617 million; 7% to Service Improvement projects at \$0.167 million; and 4% or \$0.100 million to Health and Safety projects.
- Approval of the 2010 Recommended Capital Budget will result in a commitment to future year funding for new/change in scope projects of \$1.995 million in 2011; \$1.425 million in 2012; \$0.255 million in 2013; and, \$0.500 million in 2014.
- The labour disruption in the summer of 2009 affected the progress of capital projects, such as the Printing Equipment Replacement Project, with some deliverables shifted from the latter part of 2009 to early 2010.
- The 2010 Recommended Capital Budget of \$2.327 million provides funding to ensure effective delivery of the City Clerk's Office services, including continuing work on the Toronto Elections Information System for the 2010 municipal election, building the foundation pieces for the City's Information Management Program and incorporating the requirements of the Accountability Offices of the Ombudsperson, Lobbyist Registrar and the Integrity Commissioner.
- The 2010 Recommended Capital Budget of \$2.327 million also provides funding to:
 - Begin work on the Mail Security and Mail Room Upgrade and the Public Appointments Database Projects (\$0.340 million);
 - Continue work on the Integrated Infrastructure for Management and Long-term Preservation of Records (\$0.200 million);
 - Begin a community consultation to confirm the vision for the Archives Facility SOGR and Expansion Project (\$0.192 million); and
 - Complete the Wedding Chamber Renovations, the Design, Print and Mail workflow management system and the clean-up of the Livelink Records Application Sustainment (\$0.392 million).

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2010 Recommended Capital Budget for the City Clerk's Office with a total project cost of \$4.198 million and a 2010 cash flow of \$6.836 million and future year commitments of \$4.175 million comprised of the following:
 - a) New Cash Flow Funding for:
 - i) 11 new/change in scope sub-projects with a 2010 total project cost of \$4.198 million that requires cash flow of \$1.035 million in 2010 and a future year commitment of \$1.278 million in 2011, \$1.130 million in 2012, \$0.255 million in 2013 and \$0.500 million in 2014; and
 - ii) 9 previously approved sub-projects with a 2010 cash flow of \$1.292 million, and a future year commitment of \$0.717 million in 2011, and \$0.295 million in 2012;
 - b) 2009 approved cash flow for 15 previously approved sub-projects with carry forward funding from 2009 into 2010 totalling \$4.509 million;
2. Council approve new debt service costs of \$0.023 million in 2010, and incremental debt costs of \$0.139 million in 2011, \$0.231 million in 2012, \$0.234 million in 2013, and \$0.255 million in 2014 resulting from the approval of the 2010 Recommended Capital Budget, to be included in the 2010 and future year operating budgets;
3. Council approve the 2011-2019 Recommended Capital Plan for the City Clerk's Office totalling \$58.077 million in project estimates, comprised of \$2.670 million in 2011; \$8.624 million in 2012; \$9.733 million in 2013; \$3.380 million in 2014; \$4.090 million in 2015; \$19.860 million in 2016; \$3.200 million in 2017; \$3.300 million in 2018, and \$3.220 million in 2019;
4. Council consider the operating impacts of \$0.352 million in 2010, \$0.195 million in 2011, \$0.665 million in 2012, \$0.230 million in 2013, \$0.067 million in 2014, \$0.004 million in 2016, \$0.105 million in 2017, and \$0.075 million in 2018 that emanate from the approval of the 2010 Recommended Capital Budget for inclusion in the 2010 and future year operating budgets; and
5. the City Clerk conduct broad consultation with other municipalities, the Province (including the Chief Electoral Officer) and other leaders in democracy to examine trends in automation and voting technologies, as well as leverage the City's Information Technology resources in order to develop a business plan on options for the replacement of the City's vote counting equipment after the 2014 municipal election and that the City Clerk begin her research and investigation immediately following the 2010 Municipal Election.

2009 Capital Variance Review

2009 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2009 Approved	Actuals as of Sept. 30th (3rd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
17,599	6,609	37.6%	13,090	74.4%	4,509

The City Clerk's Office 2009 Approved Capital Budget of \$17.599 million was 37.6% or \$6.609 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$13.090 million or 74.4% of the 2009 Approved Capital Budget.

The under-spending is primarily due to the Print Shop Retro-Fit Project. The project represents 22.5% of the 2009 Approved Capital Budget, but actual spending to date is very minimal by this period due to billings that are lagging. Project completion is expected to be in early 2010. In addition, the Printing Equipment Replacement Project represents 8.5% of the 2009 Approved Capital Budget. This equipment is expected to be delivered in the first quarter of 2010.

State of Good Repair projects represent 36.5% or \$6.425 million of the 2009 Approved Capital Budget. The significant State of Good Repair project is the Retrofit – Printing Facility Relocation Project which is expected to be completed in early 2010.

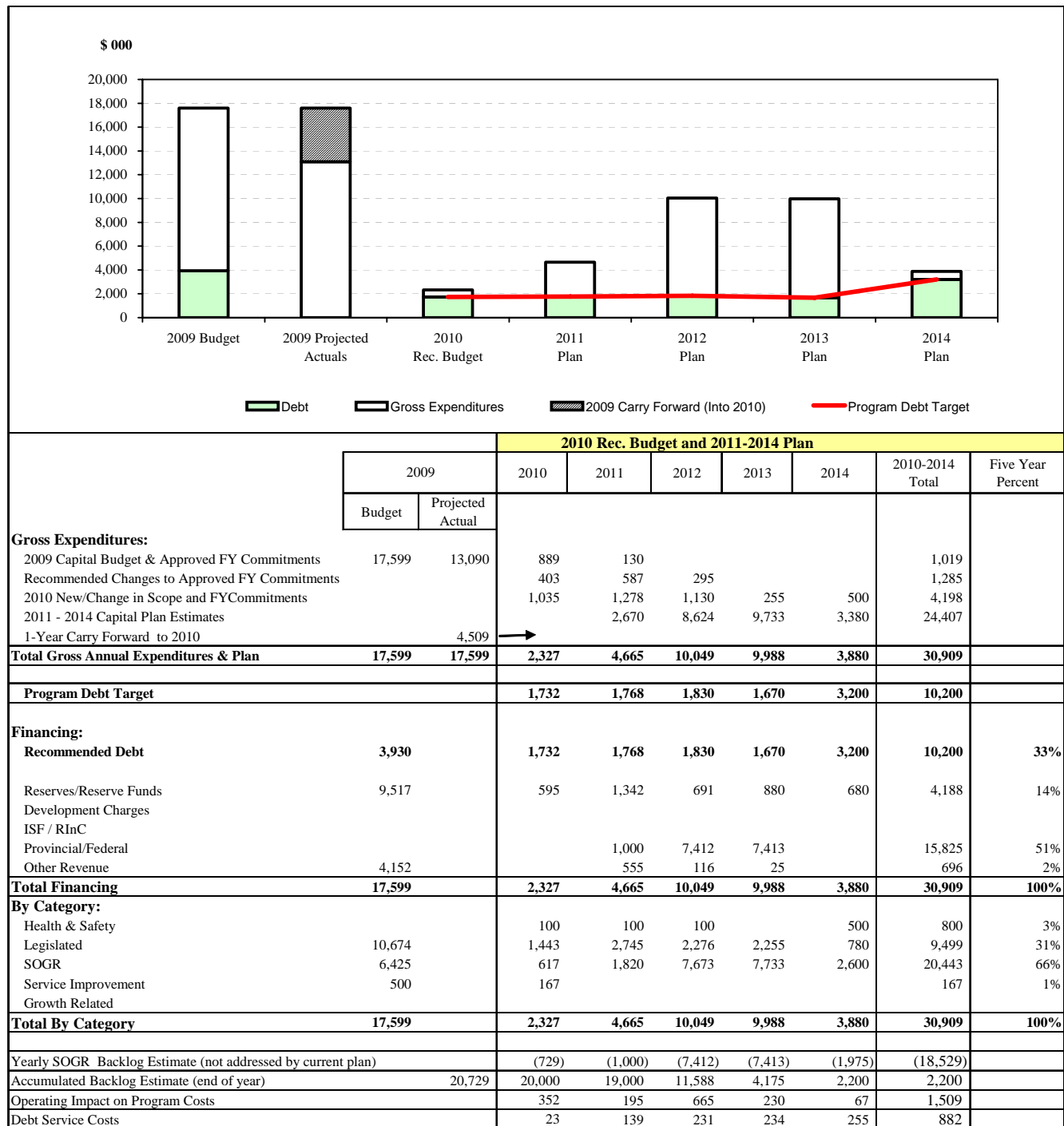
As most expenditures usually occur after the 2nd quarter, City Clerk's Office is presently projecting that the majority of the 2009 Approved Capital budget will be spent in the latter part of 2009. Also, the labour disruption in the summer of 2009 affected the progress of capital projects with some deliverables shifted from the latter part of 2009 to early 2010. The average spending rate for five years (2004-2008) is 30.3%. The low spending rate 2008 was due to difficulty in acquiring the land for the Print Shop Relocation and Elections Renewal facility in the intended year.

Large multi-year projects requiring 2009 carry forward funding in the 2010 Recommended Capital Budget include the:

- Printing Equipment Replacement Plan (\$1.500 million)
- Toronto Elections Information System (\$0.470 million)
- Toronto Meeting Management Information System (\$0.705 million)
- Design, Print and Mail Workflow Management System (\$0.500 million)
- Integrated Infrastructure for Management and Long-term Preservation of Records (\$0.200 million)

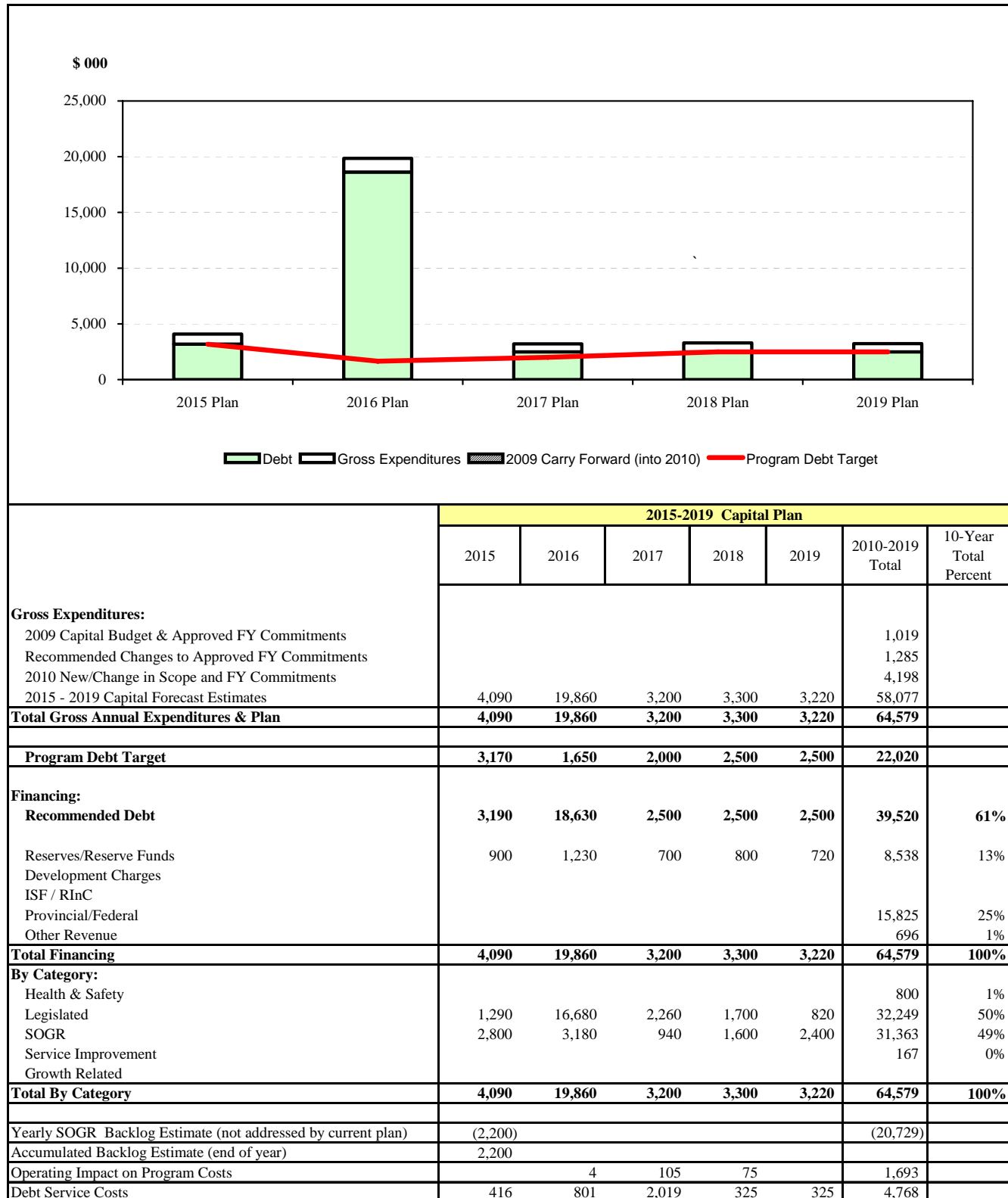
10-Year Capital Plan

2010 Recommended Capital Budget, 2011-2014 Recommended Capital Plan



10-Year Capital Plan

2015-2019 Recommended Plan



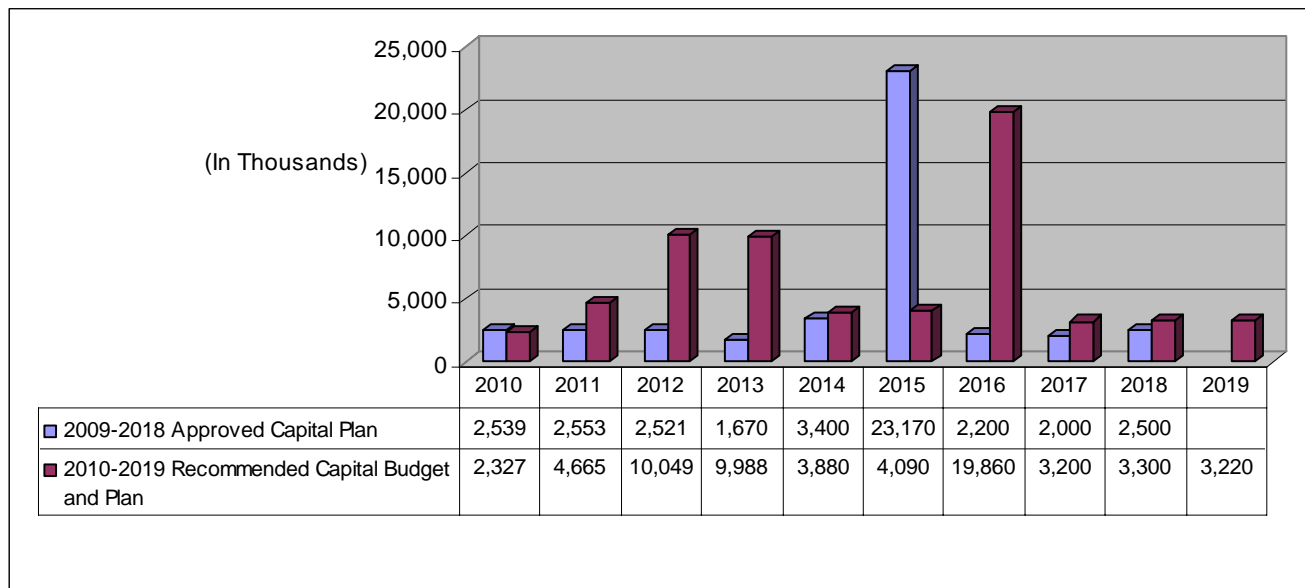
10-Year Capital Plan Overview

- The main objective of the 10-Year Capital Plan is to ensure the effective delivery of the City Clerk's Office's three core services to Elect Government, Make Government Work and Make Information Accessible. The resources provided will support the effective delivery of the 2010 and future municipal elections, build the foundation pieces of the City's Information Management Program, and incorporate the information requirements of the Accountability Officers (Ombudsperson, Lobbyist Registrar, and Integrity Commissioner).
- The 10-Year Capital Recommended Plan totals \$64.579 million excluding 2009 funding carried forward into 2010, with debt funding of \$39.520 million. The debt funding for the period of 2010-2014 is on target, while the debt funding for 2015-2019 is over the target by \$17.500 million, comprised of \$15.000 million for the replacement of the vote counting equipment and \$2.500 million for upgrades to the Lobbyist Registry and the Ombudsman's case management system. The remaining funding consists of Reserves/Reserves Funds at 13.2% or \$8.538 million, Federal Subsidy at 24.5% or \$15.825 million, and Other Revenue of 1.1% or \$0.696 million.
- The following summarizes the allocation of recommended funding by project category:
 - The 10-Year Recommended Capital Plan allocates significant financial resources to *Legislative Projects* which account for 49.9% or \$32.249 million of the 10-Year Recommended Capital Plan. The key Legislated project is the Implementation of a New Vote Counting System which will be required for the 2018 election to ensure the integrity of the voting process, the accuracy of the election results, reduce the risk to the City of equipment failure and provide the same level of service to the City's electors as is currently available.
 - *State of Good Repair projects* represent 48.6% or \$31.363 million of the funding allocated in the 10-Year Recommended Capital Plan. A significant state of good repair project is the Archives Facility SOGR and Expansion project to ensure the continued delivery of archival services to meet public demands and the secure storage of the City's archival holdings, valued at \$30.000 million.
 - *Health and Safety projects* account for 1.2% or \$0.800 million of the 10-Year Recommended Capital Plan. The Mail Security and Mail Upgrade projects enable the engagement of a consultant to identify the ideal workspace and workflow for the mailrooms, taking into consideration security requirements, and new ergonomic and health and safety standards.
 - *Service Improvement projects* represent 0.3% or \$0.167 million of the 10-Year Recommended Capital Plan. The Design, Print and Mail Workflow Management System project, which began in 2009, provides funding for a server to store multimedia files and an integrated workflow and tracking system between design and printing. This will coincide with the physical move of the staff and equipment into the new printing facility.

Key Changes to 2009-2018 Approved Capital Plan

The following highlights the changes from the 2009-2018 Approved Capital Plan with the 2010-2019 Recommended Capital Budget and Plan. As outlined in the table below, the 2010 Recommended Capital Budget of \$2.327 million in cash flow represents a decrease of 8.3% or \$0.212 million compared to 2010 Approved Capital Plan estimates of \$2.539 million in 2009. There is an \$18.806 million or 44.2% increase in the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan over the 9 year period.

Changes to the 2009-2018 Approved Capital Plan



Significant changes are as outlined below:

- Funding for the Implementation of the New Vote Counting System is identified in 2016 at \$15.000 million. This was previously estimated at \$20.000 million in 2015.
- Costs for the Archives Facility Expansion SOGR and Expansion project have increased. Preliminary cost estimates for the project are about \$20.192 million. This has increased from earlier estimates of \$4.000 million. Earlier estimates were understated as a feasibility study had not been completed.
- In addition, new sub projects identified to enhance the Toronto Elections Information System (TEIS) and the Integrated Infrastructure for Management and Long-term Preservation of Records projects have contributed to the increased cash flow in 2010-2019. The future year increases are attributed to new future needs identified of approximately \$5.360 million, for meeting priority and action items.

Key Changes to the 2010-2018 Capital Plan

Key Projects (\$000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2010 - 2018
Archives Facility Upgrade & Expansion	130	945	7,487	7,488	50	300	100			16,500
Toronto Election Information System	(147)	597	505	780	480	50	400	700	500	3,865
Integ. Infrast.for Mgt & LT Preserv. Rec.	200	(573)	(305)	285	(150)			190	680	327
New Vote Counting System						(19,980)	14,980			(5,000)
Total	183	969	7,687	8,553	380	(19,630)	15,480	890	1,180	15,692

Project Financing

The City Clerk's Office 10-Year Recommended Capital Plan is funded from debt (61.2%), federal subsidy (24.5%), reserves (5.0%), reserve funds (8.3%) and other revenue (1.1%) as shown in the table below:

(\$000s)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2010- 2019	Ratio
Federal Subsidy	-	1,000	7,412	7,413	-	-	-	-	-	-	15,825	24.5%
Reserves	192	745	186	100	200	500	680	-	300	300	3,203	5.0%
Reserve Funds	403	597	505	780	480	400	550	700	500	420	5,335	8.3%
Other	-	555	116	25	-	-	-	-	-	-	696	1.1%
Debt	1,732	1,768	1,830	1,670	3,200	3,190	18,630	2,500	2,500	2,500	39,520	61.2%
2010-2019 10-Year Capital Plan	2,327	4,665	10,049	9,988	3,880	4,090	19,860	3,200	3,300	3,220	64,579	100.0%

The Equipment Reserves provides the funding for the printing equipment replacements. The Toronto Election Information System (TEIS) is totally funded from the Elections Reserve Fund. Debt funding is mainly allocated to the Archives Facility Expansion, the Toronto Meeting Management Information System (TMMIS), the Electronic Polling and the Integrated Infrastructure for Management and Long-Term Preservation of Records Projects. The Archives Facility Expansion is also funded by Federal Subsidy.

10-Year Recommended Capital Plan Versus Multi-Year Debt Targets

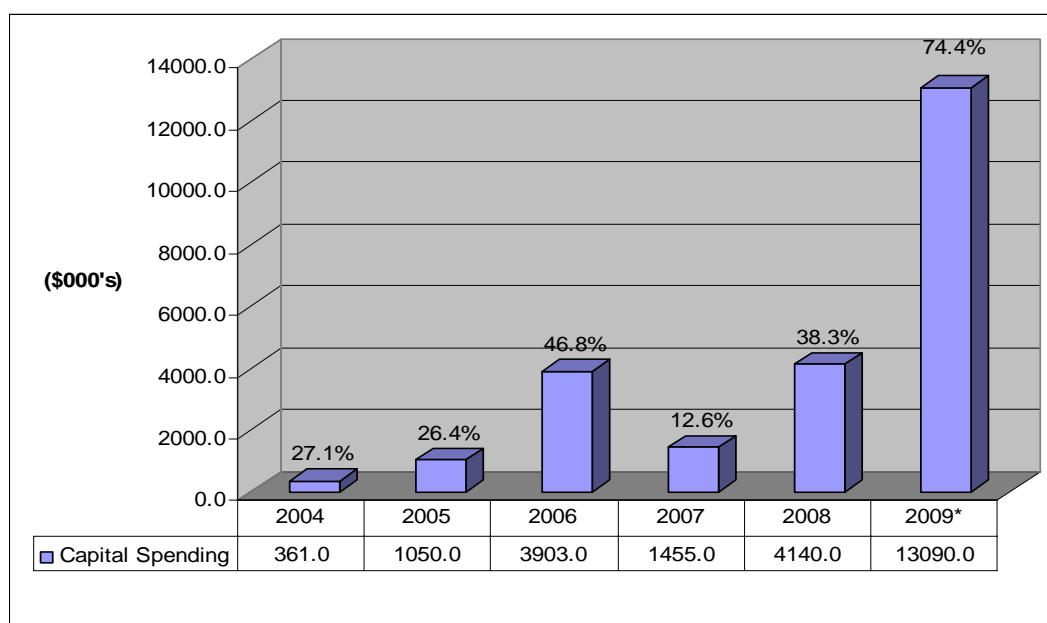
The 2010-2019 Recommended Capital Plan for the City Clerk's Office is above the debt affordability target of \$22.020 million by \$17.500 million or 79.5% over the ten year period of the Capital Plan. The debt funding for the period of 2010-2014 is on target, while the debt funding for 2015-2019 is over the target by \$17.500 million.

Three projects account for this overage for the period 2015-2019:

- The replacement of the vote counting equipment in 2015 and 2016 at \$15.000 million
- The State of Good Repair for the case management system for the Ombudsman, scheduled for 2016 at \$0.500 million
- The State of Good Repair and upgrade of the Lobbyist Registry, scheduled for 2016 and 2017 at \$2.000 million

Program Capacity and Readiness to Proceed

The City Clerk's Office 2009 Approved Capital Budget of \$17.599 million was 37.6% or \$6.609 million spent, as at September 30th, 2009. Actual expenditures by year-end are anticipated to be \$13.090 million or 74.4% of the 2009 Approved Capital Budget. The 2009 projected rate by year-end represents an improvement over the Program's historic spending capacity, with 2004 expenditures of \$0.361 million (27.1%); 2005 expenditures of \$1.050 million (26.4%); 2006 expenditures of \$3.903 million (46.8%); 2007 expenditures of \$1.455 million (12.6%); and, 2008 expenditures of \$4.140 million (38.3%), as outlined in the graph below:



Spending rates have been low over the past few years, mainly as a result of delays in the acquisition and retrofitting of the Print Shop. The program has advised that the project is in progress as scheduled and the billings are lagging. The Toronto Elections Information System (TEIS) project is critical to the Municipal Election in 2010. The City Clerk's Office will bring in resources including temporary staffing that will be dedicated to meeting the timelines for this project. Therefore, these projects are ready to proceed. The Toronto Meeting Management Information System (TMMIS) project will enter its second phase. This will allow access to the public and other City staff. The timeline for this project has been extended to 2012 to reflect adjusted deliverables that capture new technology and tools.

State of Good Repair (SOGR) Backlog

The projected backlog at the end of 2009 is \$20.729 million. The backlog is comprised mainly of the Archive Facility's SOGR needs (\$20.192 million). The 10-Year Capital Plan includes projects to address the backlog which is expected to be reduced to zero by 2019. The asset value is \$82.042 million.

Capital Projects Highlights

Capital projects in the City Clerk's Office 10-Year Recommended Capital Plan provide the tools and systems to support the strategic directions of the Office, and reflect the City's e-Government priorities to provide better access to and participation in decision-making processes. The City Clerk's Office 2010-2019 Recommended Capital Plan includes many IT application development and system renewal/upgrades as highlighted below:

- Toronto Elections Information System (TEIS) (\$5.335 million)
 - TEIS is a multi-module system that supports all aspects of the municipal election. The City Clerk is mandated by the Municipal Elections Act to conduct an election in compliance with legislation.

- Integrated Infrastructure for Management and Long-Term Preservation of Records (\$5.955 million)
 - This enterprise multi-year project is a joint effort with the Information & Technology Division to develop and implement an information management regime in the City of Toronto to manage records in all formats through their lifecycle.
- Access to Information (\$1.350 million)
 - This project will enable the City to meet its information management requirements under the Municipal Freedom of Information and Protection of Privacy Act and the Public Health Information and Privacy Act. Implementation of the solution will facilitate the public to access City information that is proactively disclosed on the internet.
- Archives Facility SOGR and Expansion (\$20.978 million)
 - The City's archival holdings are valued at \$30.000 million. The Archives located at 255 Spadina is hard-pressed to meet the needs of the public while providing secure storage of its valuable holdings. The project will leverage federal funding opportunities.
- Toronto Meeting Management Information system for City Divisions (\$3.243 million)
 - This project will provide convenient web access to items and decisions of committees and council, an up-to-date meeting schedule, decision body membership, extensive search capability and various reports, including open-data support.
- Public Appointments Database (\$0.240 million)
 - The Public Appointments Policy is an integral piece of the City's civic engagement and public outreach strategy and the Mayor's priority to increase public participation in civic affairs. This project will provide an on-line tool for the public to apply for appointments to more than 270 city committees and special purpose bodies in a secure web-based environment.
- Mail Security and Mail Upgrade (\$0.800 million)
 - This project includes the engagement of a consultant to identify the ideal workspace and workflow for the mailrooms, taking into consideration security requirements and new ergonomic and health and safety standards.

Summary of Major Capital Initiatives

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
New & Expanded Facility Projects											
Archives Facility Expansion	192	1,000	7,412	7,413	1,975	2,200					20,192
IT Projects											
TEIS Maintenance & Upgrade fr 2014 Election		450	505	780	480						2,215
TEIS Maintenance & Upgrade fr 2018 Election						400	550	700	500		2,150
Lobbyist Registry Development & Maintenance SOGR							1,500	500			2,000
Toronto Meeting Management Information System (TMMIS)-SOGR							300	600	1,000	400	2,300
Case Management System for Ombudsman - SOGR							500				500
Electronic Polling - Phase2							500	960	200		1,660
SOGR for Tracking System for Access to Information							400	250			650
Desktop Application to Managing Current & Archival Records - SOGR								190	680	2,100	2,970
Design/Print/Mail Workflow Mgt System - SOGR									620		620
Public Appointments Database	240										240
Replacement of Vote Counting Equipment						20	14,980				15,000
Total IT Projects	240	450	505	780	480	420	18,730	3,200	3,000	2,500	30,305
Sub-Total	432	1,450	7,917	8,193	2,455	2,620	18,730	3,200	3,000	2,500	50,497
Other Major City Initiatives:											
Mail Security & Mail Room Upgrades	100	100	100		500						800
Printing Equipment Replacement Plan		745			200	500	550		300	300	2,595
Sub-Total	100	845	100		700	500	550		300	300	3,395
Total	532	2,295	8,017	8,193	3,155	3,120	19,280	3,200	3,300	2,800	53,892

The 2010-2019 Recommended Capital Plan provides \$39.371 million for information and technology projects that are mainly legislated and are program specific. The 10-Year Plan includes one facility state of good repair and expansion project; Archives SOGR and Expansion in the amount of \$20.978 million.

The main objective of the 10-Year Recommended Capital Plan is to ensure the City is in a state of readiness for the 2010 and subsequent Municipal Elections and build and enhance public participation in the City's decision making processes. The plan also includes Information Management projects that will provide the solid foundation for a corporate information management framework and enhance public access to information. These projects include the Vote Counting Equipment, the Toronto Elections Information System (TEIS), the Toronto Management Information System (TMMIS) and the Information Management Infrastructure project.

10-Year Capital Plan

Incremental Operating Impact Summary

(In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
2010 Recommended Capital Budget											
Program Costs (Net)	352										352
Approved Positions	0.4										0.4
Recommended 10-Year Capital Plan											
Program Costs (Net)		195	665	230	67		4	105	75		1,341
Approved Positions		2.2	4.0	2.0	0.5				0.2		8.9
Total											
Program Costs (Net)	352	195	665	230	67		4	105	75		1,693
Approved Positions	0.4	2.2	4.0	2.0	0.5				0.2		9.3

The 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan will increase future year Operating Budgets by a total of \$1.693 million net over the 10 year period. This is primarily comprised of costs to sustain the systems once they are completed and operationalized. The impact is projected to be \$0.352 million in 2010, \$0.195 million in 2011, \$0.665 million in 2012, \$0.230 million in 2013, \$0.067 million in 2014, \$0.004 million in 2016, \$0.105 million in 2017 and \$0.075 million in 2018.

City Clerk's Office has identified 9.3 new temporary positions arising from approval of the 2010 Recommended Capital Budget and 2011-2019 Recommended Capital Plan. Capital Projects with complement increases include:

- Case Management System for Accountability Officers and Councillors Electronic Expense Reporting System (2010 – 0.4 position)
- Design, Print and Mail Workflow Management System (2011 – 1 position)
- Integrated Infrastructure for Management and Long-Term Preservation of Records (2011 – 1 position, 2012 – 2 positions, 2013 – 2 positions)
- Public Appointment Database (2011 – 0.2 position)
- Toronto Meeting Management Information System (2012 – 2 positions)
- Electronic Polling (2014 – 0.5 position)

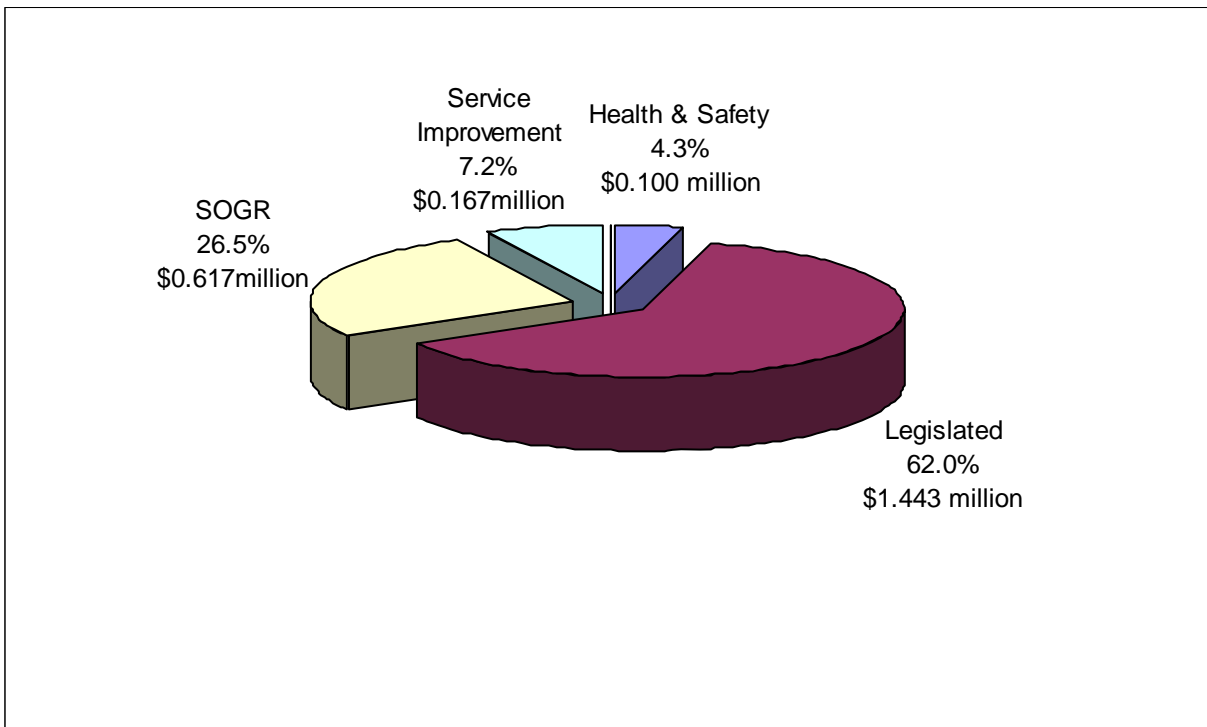
Total 2010 Recommended Cash Flow & Future Year Commitments (\$000s)

(In \$ Thousands)	2008 & Prior Year Carry Forwards	2010 Previously Approved Cash Flow Commitments	2010 New Cash Flow Rec'd	2010 Total Cash Flow Rec'd	2009 Carry Forwards	Total 2010 Cash Flow (Incl 2008 C/Fwd)	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total Cost
Expenditures																
Previously Approved		1,292		1,292	4,509	5,801	717	295								6,813
Change in Scope			(62)	(62)		(62)		278								216
New			905	905		905	1,000	1,130	255	500						3,790
New w/Future Year			192	192		192										192
Total Expenditure	0	1,292	1,035	2,327	4,509	6,836	1,995	1,425	255	500	0	0	0	0	0	11,011
Financing																
Reserves/Res Funds		465	130	595	2,120	2,715	147									2,862
Development Charges				0		0										0
Other				0	2,389	2,389	555	41								2,985
Debt		827	905	1,732		1,732	1,293	1,384	255	500						5,164
Total Financing	0	1,292	1,035	2,327	4,509	6,836	1,995	1,425	255	500	0	0	0	0	0	11,011

- The 2010 Recommended Capital Budget is \$6.836 million, and includes funding for 2009 projects carried forward into 2010 of \$4.509 million, previously approved funding of \$1.292 million, and new funding of \$1.035 million.
- Approval of the 2010 Recommended Capital Budget will result in a future year commitment of \$1.995 million in 2011, \$1.425 million in 2012, \$0.255 million in 2013, and \$0.500 million in 2014.
- The 2010 Recommended Capital Budget is funded from debt, reserves/reserve funds and other, with a ratio of 25.3%, 39.7% and 34.9% respectively.

2010 Recommended Capital Budget Overview

Capital Budget by Project Category



The following summarizes the allocation of recommended funding by project category:

- The 2010 Recommended Capital Budget reflects the allocation of significant funding for *Legislated projects*. These projects account for approximately \$1.443 million or 62.0% of the total new cash flow of \$2.327 million being recommended for 2010. The principal Legislated project is the development of the Toronto Elections Information System for the 2010 Municipal Elections.
- *State of Good Repair projects* represent 26.5% or \$0.617 million of the total new recommended cash flow for 2010. A key state of good repair project is the final phase of the Printing Facility Retrofit Project.
- *Service Improvement projects* account for 7.2% or \$0.167 million of the 2010 Recommended Capital Budget. This category includes the Design, Print and Mail Workflow Management System project which will store multimedia files and integrate the workflow and tracking system between design and printing.
- Approximately 4.3% or \$0.100 million of the 2010 Recommended Capital Budget is allocated to *Health and Safety projects*. This includes the Mail Security and Mail Upgrade project which will identify the ideal workspace and workflow for the mailrooms, taking into consideration security requirements, and new ergonomic and health and safety standards.

2010 Recommended Capital Budget versus Debt Target

The 2010 Recommended Capital Budget requires new 2010 cash flow of \$2.327 million with debt funding of \$1.732 million. This cash flow combined with funding carried forward of \$4.509 million

for 2009 projects results in a total 2010 Recommended Capital Budget of \$6.836 million. The 2010 Recommended Capital Budget for the City Clerk's Office meets the 2010 debt affordability target of \$1.732 million.

Capacity and Readiness to Proceed

There are a number of priority projects related to Elections Operations to be completed for the 2010 Municipal Election, such as the Toronto Elections Information System (TEIS). A concentrated effort will be made to deliver on these. The City Clerk's Office will bring in resources including temporary staffing that will be dedicated to meeting the critical timelines for these projects. The Toronto Meeting Management Information System for City Divisions will continue in 2010 and the timeline for the project has been extended to 2012 to reflect adjusted deliverables that capture new technology and tools.

2010 Capital Project Highlights:

The 2010 Recommended Capital Budget provides funding to ensure effective delivery of the City Clerk's Office services, including ensuring the effective delivery of the 2010 Municipal Elections, building the foundation pieces for the City's Information Management Program and incorporating the requirements of the Accountability Offices of the Ombudsperson, Lobbyist Registrar and the Integrity Commissioner.

The 2010 Recommended Capital Budget provides funding to:

- Begin the following projects:
 - Archives Facility Expansion - \$0.192 million
 - E-Form and Integrated Access to Archival Records - \$0.200 million
 - Mail Security and mail Room Upgrades - \$0.100 million
 - Public Appointments Database - \$0.240 million
- Continue with the following project:
 - Improve Public Access to City Records - \$0.100 million
 - Toronto Election Information System - \$0.403 million
- Complete the following projects:
 - Livelink Records Application Sustainment and Clean-up - \$0.100 million
 - Wedding Chamber Renovations - \$0.125 million
 - Business Rules - \$0.060 million
 - Pre-Amalgamation By-Law Digitalization Project - \$0.075 million
 - Design, Print & Mail Workflow Management System - \$0.167 million
 - Retrofit-Printing Facility Relocation - \$0.300 million
 - Case Management System for Accountability Officers (Ombudsman) - \$0.265 million

PART II: ISSUES FOR DISCUSSION**2011-2019 Recommended Capital Plan Issues****10-Year Plan versus Debt Target**

The debt target for the City Clerk's Office 10-year Recommended Capital Plan is \$22.020 million. The recommended debt of \$39.520 million exceeds the target by \$17.500 million.

The following projects account for this overage:

- The replacement of the vote counting equipment in 2015 and 2016 at \$15.000 million
- The State of Good Repair for the case management system for the Ombudsman, scheduled for 2016 at \$0.500 million
- The State of Good Repair and upgrade of the Lobbyist Registry, scheduled for 2016 and 2017 at \$2.000 million

These are discussed below:

Vote Counting Equipment

The City currently owns 1,850 optical scan vote counting units with a wireless modem for the transmission of election night results. These vote counting units were purchased in 2000 from Elections Systems and Software Inc (ES&S). A performance clause that parts and maintenance services would be available for 15 years was included in the agreement. This agreement expires after the 2014 election. A new vote counting system needs to be in place for the 2018 election to ensure the integrity of the voting process, the accuracy of the election results, reduce the risk to the City of equipment failure and provide the same level of service to the City's electors as is currently available. Although the need to replace has been identified, the cost to replace and the type of system and technology that may be available in 2015-2016 are unknowns. The 10-Year Capital Plan includes an estimate of \$15.000 million in 2016 to replace the equipment.

It is recommended that the City Clerk conduct broad consultation with other municipalities, the Province (including the Chief Electoral Officer) and other leaders in democracy to examine trends in automation and voting technologies, as well as leverage the City's Information Technology resources in order to develop a business plan on options of the replacement of the City's vote counting equipment after the 2014 Municipal Election.

It is also recommended that the City Clerk begin her research and investigation immediately following the 2010 Municipal Election.

Accountability Offices Capital Requirements

The capital requirements of the Accountability Officers in 2009 were incorporated into the City Clerk's Office 2009 and 2010 Capital Budgets. Both the Ombudsman and the Lobbyist Registrar have now identified requirements for the refresh of their systems in future years, which had not been identified in the 2009-2018 City Clerk's Office Capital Plan. The Accountability Offices are independent from the City's administration.

The 10-Year Recommended Capital Plan includes funding in the amount of \$2.500 million to meet these needs. The appropriate location of this budget (outside of the City Clerk's Office) and funding levels will be reviewed as part of the 2011 Capital Budget process.

Archives Facility Expansion

A preliminary feasibility study of the expansion of the Toronto Archives at 255 Spadina Road has provided valuable information on expansion possibilities and preliminary cost estimates for various expansion options. Preliminary cost estimates for the project are about \$20.192 million, with \$4.175 million to be funded by debt. The remainder of the funding will be drawn from federal/provincial grants, such as Cultural Spaces, private sector donations/partnerships, and other revenue sources. A detailed funding plan will need to be reviewed and the funding source from Federal subsidy and other sources confirmed during the 2011 Capital Budget Process.

Adequacy of the Election Reserve Fund Over Time

It is essential to highlight the critical need to replenish the Elections Reserve Fund. The adequacy of the Reserve Fund is seriously at risk if the annual contributions to this Reserve Fund are not increased, or other sources of financing are not identified to ensure an adequate balance. The reserve fund is inadequate to fund capital projects as well as the operating requirements of the election year.

A table forecasting the balances in the Election Reserve fund over the next 10 years is presented below:

ELECTION RESERVE FORECAST 2010-2019

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Election Reserve Fund, Beginning Balance	8,372,218	11,305,674	7,150,902	1,617,579	700,358	2,598,825	4,422,292	(989,286)	(1,966,483)	(131,048)	1,770,873	(4,116,685)
Contributions:	3,267,852	2,797,217	600,000	2,797,217	2,797,217	2,797,217	600,000	2,797,217	2,797,217	2,797,217	600,000	2,797,217
a. Contribution to Reserves from Current	2,197,217	2,197,217	-	2,197,217	2,197,217	2,197,217	-	2,197,217	2,197,217	2,197,217	-	2,197,217
b. Non-Program Contribution to Reserves	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
c. Additional Corporate surplus contribution			-	-	-	-	-	-	-	-	-	-
d. Interest Income at 0%												
e. Contract Elections Revenue	470,635											
Withdrawals:	(334,396)	(6,951,989)	(6,133,323)	(3,714,438)	(898,750)	(973,750)	(6,011,578)	(3,774,415)	(961,782)	(895,296)	(6,487,558)	(4,072,575)
a. Election Event			(5,110,323)				(5,531,578)				(5,987,558)	
b. Election Clean-Up				(79,938)				(86,527)				(93,660)
c. By-Election	-				(175,000)	(175,000)			(175,000)	(175,000)		
d. Voters' List												
e. Contribution Rebate	(278,898)			(3,000,000)	(200,000)			(3,247,296)	(216,486)			(3,514,978)
f. Compliance Audit Committee				(37,500)	(18,750)	(18,750)		(40,591)	(20,296)	(20,296)		(43,937)
g. Capital Projects												
1. Replacement of the Toronto Election Information System & SOGR	(55,498)	(711,000)	(873,000)	(597,000)	(505,000)	(780,000)	(480,000)	(400,000)	(550,000)	(700,000)	(500,000)	(420,000)
2. Electronic Transmission of Election Results - Transmission Equipment Replacement		(450,000)	(150,000.0)									
3. Election Facility Acquisition		(2,390,989)										
4. Election Facility Renovation	-	(2,400,000)										
h. Elections Staffing		(1,000,000)										
Election Reserve Fund, Uncommitted Ending Balance:	11,305,674	7,150,902	1,617,579	700,358	2,598,825	4,422,292	(989,286)	(1,966,483)	(131,048)	1,770,873	(4,116,685)	(5,392,043)

The projected balance at year end 2009 for the Election Reserve Fund is \$7.151 million. In 2010, contributions from Non-Program total \$0.600 million, while funding for the TEIS capital project and election event total \$6.133 million. By the end of 2010, the Election Reserve Fund is projected to have a balance of \$1.618 million. The Elections Reserve Fund will not be sufficient to fund the 2014 Municipal Election.

Appendix 1

10-Year Recommended Capital Plan Project Summary

Project	2010	2011	2012	2013	2014	2010-2014	2015	2016	2017	2018	2019	2010-2019
MAIL SECURITY AND MAIL ROOM UPGRADES	100	100	100		500	800						800
TORONTO ELECTION INFORMATION SYSTEM (TEIS)	403	597	505	780	480	2,765	400	550	700	500	420	5,335
IMPLEMENTATION OF NEW VOTE COUNTING SYSTEM							20	14,980				15,000
LIVELINK RECORDS APPLIC. SUSTAINMENT AND CLEAN-UP	100					100						100
TORONTO MEETING MANAGEMENT SYSTEM (TMMIS)		648	295			943		300	600	1,000	400	3,243
BUSINESS RULES	60					60						60
CASE MANAGEMENT SYSTEM FOR OMBUDSMAN	265					265		500				765
ELECTRONIC POLLING		200	146	920	100	1,366		500	960	200		3,026
ACCESS TO INFORMATION	100	450	150			700		400	250			1,350
ARCHIVAL INFRASTRUCTURE MAINTENANCE & UPGRADE	75					75						75
INTEGRATED INFRASTR. FOR MGT & LT PRESERV OF RECORD	200	850	1,180	555	200	2,985			190	680	2,100	5,955
REGISTRY SERVICE TRACKING SYSTEM (RSTS) - SOGR							370					370
TORONTO GAMING INFORMATION SYSTEM (TGIS) - SOGR							500					500
IMPL OF PROVINCIAL CUSTOMER SERV ACCESSIBILITY STD								350				350
PUBLIC APPOINTMENTS DATABASE	240					240						240
ARCHIVES FACILITY UPGRADE & EXPANSION	192	1,075	7,673	7,588	2,050	18,578	2,300	100				20,978
WEDDING CHAMBER RENOVATIONS	125					125						125
PRINTING EQUIPMENT REPLACEMENT PLAN		745			200	945	500	550		300	300	2,595
DPM WORKFLOW MANAGEMENT SYSTEM	167					167				620		787
LOBBYIST REGISTRY DEVELOPMENT & MAINTENANCE								1,500	500			2,000
RECORDS CENTRE TRACKING SYSTEM				145	350	495		130				625
PRINTING FACILITY RELOCATION	300					300						300
TOTAL	2,327	4,665	10,049	9,988	3,880	30,909	4,090	19,860	3,200	3,300	3,220	64,579

Appendix 2
2010 Recommended Capital Budget; 2011 to 2019 Capital Plan

Appendix 3
2010 Recommended Cash Flow
and Future Year Commitments

Appendix 4
2010 Recommended Capital Projects
with Financing Details

Appendix 5

Reserve / Reserve Fund Review

Reserve / Reserve Fund Name (In \$Thousands)	Balance as of December 31, 2009	Proposed Withdrawals										
		2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
XQ1507 - Clerk's Equipment Reserve	2,521	1,692	745	186								2,623
XR1017 - Elections Reserve Fund	7,151	1,023	597	505								2,125
Total Reserve / Reserve Fund	9,672	2,715	1,342	691	0	0	0	0	0	0	0	4,748

Appendix 6

2010 to 2019 New Facilities and Expansion Projects

Projects (In \$Thousands)	2010 Rec. Budget	2011 Plan	2012 Plan	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2010-2019 Total
Archives Facility Expansion	192	1,000	7,412	7,413	1,975	2,200					20,192
Total	192	1,000	7,412	7,413	1,975	2,200					20,192