

APPENDIX 2: Background of the \$62.5M balance in Reserve #126

The 2021 Year-end Balance in Reserve #126 – Pledge to Peel Memorial Hospital is \$62,550,000, which is comprised of the following 3 components:

1. \$22,007,000 Phase 2 funding for Peel Memorial Expansion
2. \$32,490,000 in Return of Capital and Funding Substitution between the Centre for Innovation & Fire Campus
3. \$8,053,000 Return of Capital

This appendix provides detailed financial transactions for each of the 3 components below:

1. \$22,007,000 Phase 2 funding for Peel Memorial Expansion

	2011	2012	2013	2014	2015	2016
Opening Balance		1	1,015,754	11,006,392	21,125,102	31,417,893
Contribution from Operating	1	1,000,000				
Special Tax Levy			9,833,333	9,833,333	9,833,333	9,833,333
Investment Income		15,753	157,305	285,377	459,458	272,697
Disbursement to WOHS			-			- 40,000,000
Ending Balance	1	1,015,754	11,006,392	21,125,102	31,417,893	1,523,923

	2017	2018	2019	2020	2021 (Prior to Resolution BC022-2021)
Opening Balance	1,523,923	11,494,452	20,349,838	20,850,790	21,392,867
Contribution from Operating					
Special Tax Levy	9,833,333	8,500,000			
Investment Income	137,196	355,386	500,952	542,077	614,276
Disbursement to WOHS					
Ending Balance	11,494,452	20,349,838	20,850,790	21,392,867	22,007,144

2. \$32,490,000 in Return of Capital and Funding Substitution between the Centre for Innovation & Fire Headquarters

The City receives annual funding from the Canada Community-Building Fund (previously known as Federal Gas Tax) and through AMO, municipalities are requested to spend contributions within 3 years of receipt. It has been a challenge for the City to spend this funding within this expectation.

Recently, the Canada Community-Building Fund (previously known as Federal Gas Tax) changed its eligibility criteria to include Fire infrastructure. At the time the Williams Parkway Fire Campus was approved, this funding source was not eligible and Reserve 4 – tax-based funding was utilized. The Williams Parkway Fire Campus is a large project that is well underway, hence with the change in rules, it is now an ideal candidate for Canada Community-Building Fund allocation.

Conversely, the Centre for Innovation was originally funded with \$30.6 million from the Canada Community-Building Fund and this project is still in the process of defining scope and design, hence, spending on this project continues to be delayed. As this project is a few years away from being realized, funding substitution was recommended and approved by Council (Resolution BC032-2021) to transfer the Canada Community-Building Fund amount from the Centre for Innovation to the Williams Parkway Fire Campus, thus ensuring that the funding will be utilized in a timely manner.

As the Williams Parkway Fire Campus was originally funded with Reserve 4 tax-based funding, this allowed the City to return those funds back to source and re-allocate based on Council's priorities, thus maximizing use of taxpayer funding and delaying issuance of debt until necessary

The table below illustrates the changes in funding for these 2 projects:

(\$ Millions)	Canada Community Building Fund	Reserve 4 - Repair and Replacement	Other Funding	External Tax-Based Debt	Total
Project Budget Prior to Funding Substitution					
Center for Innovation (CFI)	30.6	0.0	0.0	99.4	130.0
Fire Campus	0.0	32.5	0.7	26.0	59.2
Project Budget Post Funding Substitution					
Center for Innovation (CFI)	0.0	0.0	0.0	99.4	99.4
Fire Campus	32.5	0.0	0.7	26.0	59.2
Changes in Funding Sources Utilization					
Center for Innovation (CFI)	-30.6	0.0	0.0	0.0	-30.6
Fire Campus	32.5	-32.5	0.0	0.0	0.0
+ increase /- decrease utilization	1.9	-32.5	0.0	0.0	-30.6

3. \$8,053,000 Return of Capital for various other initiatives

The total amount of tax-based funded (Reserve #4) return of capital, excluding the Fire Campus funding discussed in component 2 of this appendix, is \$12,119,663. Of this amount \$8,053,000 was transferred to Reserve #126, as per resolution BC022-2021. The difference of \$4,066,663 was returned to Reserve #4 – Repair and Replacement for future utilization.

Please note that the projects identified and the associated amounts followed the standard semi-annual practice of capital return utilized to manage the capital backlog and to optimize utilization of available capital funding. Main drivers for project returns include project closures and project delays and cancellations due to COVID-19 or other factors. The table below provides a comprehensive listing of all projects that contributed to the return.

Department	Description	Project #	Res # 4 Funding Returned	Return of Capital Rationale
Legislative Services	Land Acquisition & Due Diligence	191542	4,133,223	Funding not required until 2023. New funding request included in 2023 Approved Capital Budget, which is aligned with anticipated timing of acquisition
Public Works & Engineering	Animal Shelter	215180	3,000,000	Programming needs and appropriate location are under review. Design is not anticipated to be ready to procure until 2024. Funding returned and new request included in the Approved 2024 Capital Budget.
Public Works & Engineering	Interior Design Services	201900	1,330,000	Project originally planned to reconfigure the space on the 3rd floor of City Hall. The project needs to be re-evaluated and re-validated again based on the remote work options available, updated space planning and Modernized Workplace guidelines. A large portion of the existing funding was returned as the project could not go forward as previously planned. Some funds were retained for planning and preliminary design for the future work on the floor.
Corporate Support Services	Corporate Technology Program	191480	556,800	Approximately 70% of the dollars returned correspond to project work that was completed by internal labour resources due to shortened project timelines (Enterprise Workflow and Animal Services Process Improvements), 25% corresponds to work that the operating department is reassessing (Enterprise Risk Management), and the remaining 5% is for project activities that were completed and excess funding returned
Public Works & Engineering	Facilities Repair-Replacement	211650	500,000	New request every year. 2021 funding not anticipated to be fully utilized
Corporate Support Services	Business Systems Initiatives	151790	407,419	Project activities completed and excess funding returned
Public Works & Engineering	New Facilities Development	211518	390,000	New request every year for recoveries
Community Service	New Capital Development	215865	350,000	The Parks Recreation Masterplan will provide direction on these items
Public Works & Engineering	Facilities Repair-Replacement	171650	300,000	Funding returned from an older project. New request every year for annual R&R program.
Corporate Support Services	Corporate Technology Program	181480	263,125	Project activities completed and excess funding returned
Public Works & Engineering	New Facilities Development	201518	218,245	New request every year for recoveries
Corporate Support Services	Corporate Technology Program	201480	200,000	Project work was completed by internal labour resources due to shortened project timelines
Corporate Support Services	Mobile Printing Productivity	131459	88,023	Project activities completed and excess funding returned
Corporate Support Services	Prosecution Tracking-Migration	141466	68,796	Project activities completed and excess funding returned
Transit	Zum Service Expansion	174800	67,828	Work was completed, funding returned
Planning, Building & Economic Development	Large Format Mixed Use	097813	60,482	Work was completed, funding returned
Planning, Building & Economic Development	Downtown Flood Risk Mitigation	137030	41,257	Work was completed, funding returned
Community Service	Rec. Trail Repair-Replacement	195941	37,734	Work was completed, funding returned
Corporate Support Services	Business Systems Initiatives	161790	29,000	Project activities completed and excess funding returned
Corporate Support Services	Core Technologies Program	171427	21,636	Project activities completed and excess funding returned
Public Works & Engineering	Project Design	213610	20,000	Design funding no longer require as it is developer built road (budgeted in 2023 and 2024)
Community Service	New Capital Development	205865	10,000	The Parks Recreation Masterplan will provide direction on this item
Corporate Support Services	Corporate Technology Program	171480	9,100	Project activities completed and excess funding returned
Transit	Vehicle Maintenance System Pilot	174700	8,974	Work was completed, funding returned
Planning, Building & Economic Development	Heritage Studies	137866	2,956	Work was completed, funding returned
Community Service	Minor Capital - Service Brampton	178199	2,585	Work was completed, funding returned
Transit	Bus Refurbishments	184680	1,623	Work was completed, funding returned
Community Service	Wayfinding & Signage-Outdoors	195430	337	Work was completed, funding returned
Transit	Minor Capital Transit	184799	255	Work was completed, funding returned
Transit	Transit Amenity Program	174771	243	Work was completed, funding returned
Transit	Minor Capital Transit	174799	11	Work was completed, funding returned
Community Service	Minor Capital Parks OD Assets	195499	9	Work was completed, funding returned
			12,119,663	