

Analyst Briefing Notes

Budget Committee Review

(February 8, 2007)

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PART I: CAPITAL PROGRAM

Executive Summary

- The 5-Year Capital Plan is based on improving the Provincial Service Delivery Model Technology (SDMT) system to deliver the financial assistance and other services to eligible clients. Three client centric initiatives were identified in the IT strategy developed in 2005: External Web Portal, Employment Assistance Management and Case Management. In 2006, the External Web Portal was identified as a priority, and forms part of the 5-Year Capital Plan.
- The 5-Year Capital Plan of \$6.7 million will be fully funded from provincial revenue and consists of three projects committed to begin in 2007 (Ontario Work External Web, Employment Assistance Management System, and Data Mart Infrastructure Enhancement) and one project to begin in 2008 (Case Management System).
- The 2007 Recommended Capital Budget of \$1.7 million includes future year commitments of \$1.3 million in 2008, \$0.8 million in 2009, and \$0.9 million in 2010 for three Service Improvement IT projects as follows:
 - The Ontario Work External Web project will provide web-enabled interactive tools to support clients and community partners and improve service delivery by offering another channel for its clients and community partners to obtain information, self-assess potential eligibility, complete on-line application and self-select an appointment time for the Ontario Works program. This project costs \$1.2 million and is expected to be completed in 2007.
 - The Employment Assistance Management System will develop an efficient and reliable web-based solution to support strategic areas such as vendor relationships, OW program delivery, and a client centric case management approach. This new system will simplify, automate and standardize business processes, improve allocation of resources for service delivery and audit tracking, and establish a model for the integration of other Employment Assistance initiatives, Ontario Works programs and vendor relationships. The project will commence in 2007 and is expected to be completed by 2010 at a cost of \$2.0 million.
 - The Data Mart Infrastructure Enhancement will facilitate the creation of Divisional and ad hoc management and operational reports by integrating financial, client services, and Employment Resource Centre statistics data from various systems to facilitate in-depth information gathering and trend analysis. The project will begin in 2007 and be completed by 2010 at a cost of \$1.5 million.

Recommendations

The City Manager and Chief Financial Officer recommend that:

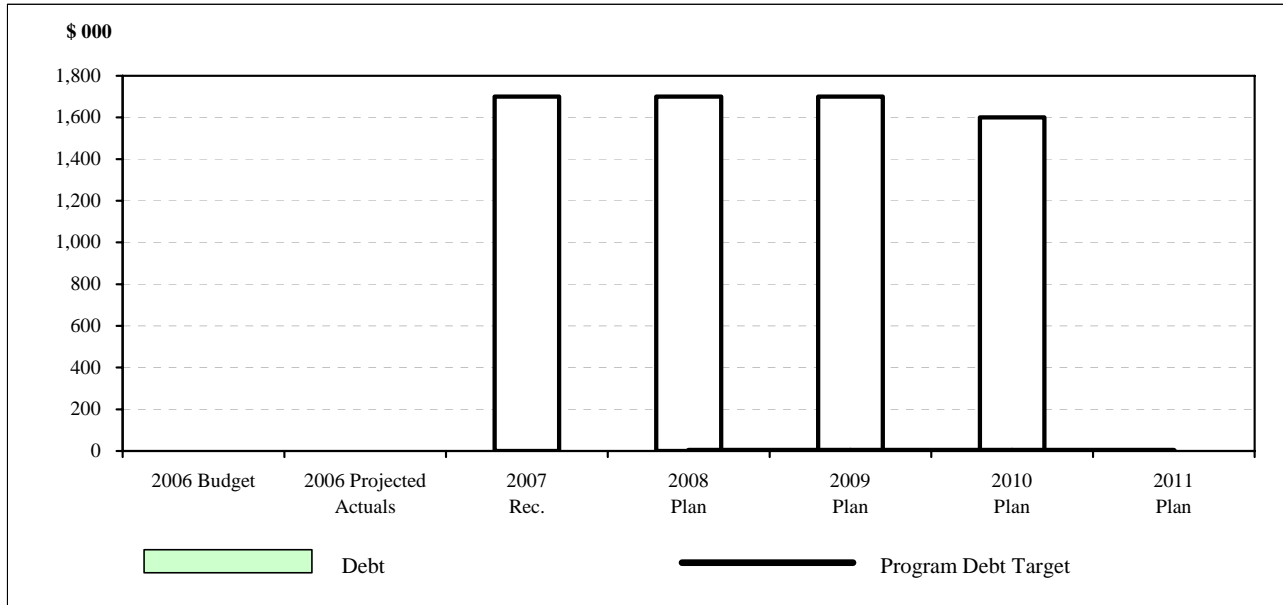
- 1) the 2007 Recommended Capital Budget for Social Services with a total project cost of \$4.7 million and a 2007 cash flow of \$1.7 million and future year commitments of \$3.0 million be approved.
The 2007 Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 3 new sub-projects with a 2007 total project cost of \$4.7 million that requires cash flow of \$1.7 million in 2007 and a future year commitment of \$1.3 million in 2008; \$0.8 million in 2009; and, \$0.9 million in 2010;
- 2) no new debt be issued to finance the 2007 cash flow requirement of the 5-Year Capital Plan and that the 2007 Recommended Social Services Capital Budget be fully funded from provincial revenue; and,
- 3) the 2008-2011 Capital Plan for Social Services totalling \$5.0 million in project commitments and estimates, comprised of \$1.7 million in 2008; \$1.7 million in 2009; and, \$1.6 million in 2010, be approved.

2006 Capital Variance Review

Comments / Issues:

In 2006, the Social Services state of good repair (SOGR) capital requirements were transferred and consolidated within the Facilities and Real Estate Capital Budget. Hence, the Program did not have a 2006 Recommended Capital Budget.

5-Year Capital Plan (2007-2011)



	2006		5-Year Plan					2007-2011
	Budget	Projected Actual	2007 Rec.	2008	2009	2010	2011	
Gross Expenditures:								
Capital Budget & Future Year Commitments Balance			1,700	1,300	800	900		4,700
New Plan Estimates				400	900	700		2,000
1-Year Carry Forward to 2007								
Total Gross Annual Expenditures & Plan	0	0	1,700	1,700	1,700	1,600	0	6,700
Program Debt Target								0
Financing:								
Recommended Debt								
Other Financing Sources:								
Reserves/Reserve Funds								
Development Charges								
Federal								
Provincial			1,700	1,700	1,700	1,600		6,700
Other Revenue								
Total Financing	0	0	1,700	1,700	1,700	1,600	0	6,700
By Category:								
Health & Safety								
Legislative								
SOGR								
Service Improvement			1,700	1,700	1,700	1,600		6,700
Growth Related								
Total By Category	0	0	1,700	1,700	1,700	1,600	0	6,700
Yearly SOGR Backlog Estimate (not addressed by current plan)		NA						NA
Accumulated Backlog Estimate (end of year)		NA						NA
Operating Impact on Program Costs								0
Debt Service Costs								0

5-Year Capital Plan Overview

Overview

The 5-Year Capital Plan is based on improving the Provincial Service Delivery Model Technology (SDMT) system, which has functionality gaps, to deliver the financial assistance and other services to eligible clients. The gaps include the following: failure to manage and track fraud, limitation in scheduling meetings between caseworkers and clients, and no contingency functionality to ensure clients received payment due to system failure.

Toronto Social Services has developed and implemented many supplemental systems & tools to facilitate supports and services over the years. To move the Program further to a client centric environment, an IT Strategy and an associated IT Strategy Roadmap were developed in 2005. In the process, three client centric initiatives were identified: External Web Portal, Employment Assistance Management and Case Management. In 2006, the External Web Portal was identified as a priority, and forms part of the 5-Year Capital Plan.

The 5-Year Capital Plan (all Service Enhancements) has been developed based on Web applications / new technology upgrades to move the Program forward by utilizing the latest technologies to manage its operation more efficiently and effectively.

The 5-Year Capital Plan of \$6.7 million is fully funded from provincial revenue which will deliver the following new projects:

- the Ontario Works External Web project (\$1.2 million in 2007) will provide support to clients and community partners to obtain information, self assess potential eligibility, complete an on-line application and self-select an appointment time with an OW caseworker. The new web enabled services and electronic application processes will move the Program forward in creating multiple channels of access for social assistance application. Clients who choose a self service electronic approach to apply for assistance or access information will also be able to anonymously determine potential eligibility, receive information regarding similar programs and services via the web. Programs and services available to low income families within the City will also be accessible and coordinated through the web services building on existing linkages with other divisions;
- the development of the Employment Assistance Management System (\$2.0 million from 2007 thru 2010) will provide the Program a secure, scalable, adaptable web-based solution to support its three strategic areas: vendor relationships, OW Program delivery and administration, and implementing a client centric case management approach. The System will support the implementation of a new delivery model for the EA program, create a working model from which other program areas could eventually manage, track and maintain vendor relationships / services securely on-line, establish a framework for the eventual inclusion of other Ontario Works programs and supports (case management / administration), establish a secure framework for the integration of the other EA initiatives (Case Management, Employment Resource Centres), and establish a model for the expansion of client self service;
- Data Mart infrastructure enhancements (\$1.5 million from 2007 thru 2010), of which the Program is part of the corporate pilot, will develop a complex web based application that will integrate the data from several existing in-house sub-systems, and some systems from other

Program areas, with the existing Toronto Social Services (TSS) Data Mart Operational Data Store for the purpose of facilitating the creation of Divisional and ad hoc management and operational reports; and,

- the Case Management application (\$2.0 million from 2008 thru 2010) will integrate all components of the OW program outside of eligibility assessment and social assistance financial management. The application will provide start-to-finish case management tools, tracking, placement, review, special requirements, quality assurance and exit planning for OW clients.

The 5-Year Capital Plan for Social Services totals \$6.7 million or approximately \$1.7 million per year and is 100% funded by the Province. The Provincial subsidy will be available to fund these I&T initiatives following the Province's decision to download technology acquisition and maintenance costs to municipalities in 2003. The initiatives must be directed to OW I&T or the funding will be jeopardized.

Multi Year Debt Affordability Target

The 5-Year Capital Plan is 100% funded by the Province and thus does not require debt financing.

Capacity and State of Project Readiness

The 5-Year Capital Plan includes four projects. Three projects (External Web, Employment Assistance, Data Mart Infrastructure Enhancement) are included in 2007 cashflow of \$1.700 million. The ability to complete these projects as planned depends upon the progress to finalize contract(s) with external expertise. However, procurement planning has been done and the Program is anticipating to spend its annual cash flow requirement as planned.

Recommended Changes to the 5-Year Plan

The 5-Year Capital Plan (2007 – 2011) for Social Services has no changes to the 5-Year Capital Plan (2006 – 2010) that City Council previously considered and endorsed in principle at its meeting of July 25, 26 and 27, 2006.

Backlog of Projects – Unmet Needs

The Program does not have a backlog of projects. In the 2006 Recommended Capital Budget, the state of good repair (SOGR) capital requirements were transferred and consolidated within the Facilities and Real Estate Capital Budget.

Operating Impact of the 5-Year Capital Plan

The 5-Year Capital Plan will not impact the Program's Operating Budget since both the recommended projects and the three temporary staff that will be hired to manage the projects will be funded by the Province. The Program's permanent IT staff will assume responsibility for ongoing maintenance; thus, there will be no additional costs to the Program's Operating Budget upon completion of the projects.

Pre-approvals

Social Services did not require pre-approval spending as the recommended projects will not commence until March 2007.

**Total 2007 Recommended Cash Flow & Future Year Commitments
(\$000s)**

	2005 & Prior Year Carry Forward	2007 Previously Approved Cash Flow Commitments	2007 New Cash Flow Recommended	2007 Total Cash Flow Recommended	2007 Debt Target	2006 Carry Forward	Total 2007 Cash Flow (Incl 2006 C/Fwd)	2008	2009	2010	2011	2012-2016	Total Cost
Expenditures													
Previously Approved													
Change in Scope													
New			1,200	1,200			1,200						1,200
New w/Future Year			500	500			500	1,300	800	900			3,500
Total Expenditure	0	0	1,700	1,700	0	0	1,700	1,300	800	900	0	0	4,700
Financing													
Debt													
Subsidy (SCPI)													
Prov. Subsidy/Grant			1,700	1,700			1,700	1,300	800	900			4,700
Development Charges													
Other													
Federal Grants													
Reserves/Res Funds													
Total Financing	0	0	1,700	1,700	0	0	1,700	1,300	800	900	0	0	4,700

Comments / Issues:

- The 2007 Recommended Cash Flow of \$1.7 million includes \$1.2 million for the Ontario Works External Web project, \$0.35 million for the Employment Assistance Management System, and \$0.15 million for Data Mart infrastructure enhancements.
- Approval of the 2007 Recommended Capital Budget of \$1.7 million will result in a future commitment of \$1.3 million in 2008, \$0.8 million in 2009, and \$0.9 million in 2010 for the three recommended projects.

2007 Recommended Capital Budget

2007 Recommended Capital Budget versus Debt Target

The 2007 Recommended Capital Budget requires no debt as the three IT projects will be 100% funded by the Province.

Capacity / Readiness to Proceed

The 2007 Capital Budget includes three projects as follows: External Web, Employment Assistance, Data Mart Infrastructure Enhancement. The ability to complete these projects depends on the progress in finalizing contract(s) with external consultants as planned. However, as the Provincial funding can be carried forward there will be no impact on the City's debt levels.

Project estimates are based on the best information available at this early stage, pending detailed scopes of work and Requests for Proposal. The projects (Employment Assistance, Case Management System, and Data Mart Infrastructure Enhancement) are phased over the years in order to align expected costs with the annual level of provincial funding dedicated to technology. This provincial funding is specific to IT reinvestment and its associated costs.

Operating Budget Impact

Incremental Operating Impact

The 2007 Recommended Capital Budget does not impact the Program's Operating Budget as the three IT projects along with the three new temporary staff required to develop the projects will be fully funded by the Province. Once these projects are completed, permanent IT staff will assume responsibility for ongoing maintenance.

PART II: ISSUES FOR DISCUSSION**5-Year Capital Plan Issues****Future Year Estimates**

Historically, all computers that support the delivery of the Ontario Works program were acquired under a Provincial lease, with the City paying half the cost (\$1.94 million annually). In 2003, the cost to support, maintain, service and replace this equipment became the responsibility of the City and the lease payments ceased.

The I&T Refresh program of \$7.234 million was approved by Council in 2004 and was completed in 2005 at a cost of \$4.442 million. The refresh program was funded from the Operating Budget utilizing the previously budgeted provincial lease payments. During the 2006 Operating Budget process, these funds were removed from the operating budget. The next phase of the I&T Refresh program, estimated to cost up to \$4.600 million, is expected to begin in 2010 and will be funded by the Corporate I&T Sustainment Reserve.

At this time, there are no new I&T projects beyond 2010 included in the Capital Plan. The cashflow requirements for projects beyond 2010 will be included in future year submissions upon review of the progress of current I&T projects, new business needs and funding.

Appendices not available online.