

# Analyst Briefing Notes

## Budget Committee - February 16, 2010

### PART I: 2010 OPERATING BUDGET

Executive Summary .....	2
Recommendations .....	6

### PART II: 2010 SERVICE OVERVIEW AND PLAN

Mission Statement .....	7
Program Map .....	7
2010 Recommended Services: Overview .....	7

### PART III: 2009 EXPERIENCE

2009 Accomplishments .....	10
2009 Budget Variance Analysis .....	11
Impact of 2009 Operating Variance on 2010 Recommended Budget .....	11

### PART IV: 2010 RECOMMENDED BASE BUDGET

2010 Recommended Base Budget .....	12
2010 Key Cost Drivers .....	13
2010 Service Changes .....	13

### PART V: RECOMMENDED SERVICE CHANGES

2010 Recommended Service Changes .....	15
--	----

### PART VI: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

2010 Service Priority Actions .....	17
-------------------------------------	----

### PART VII: ISSUES FOR DISCUSSION

2010 Budget Issues .....	18
2011 and Future Year Issues .....	N/A
Issues Referred to the 2010 Operating Budget Process .....	N/A
Issues Referred from 2009 and Prior Years .....	N/A

<b>Appendix A:</b> 2010 Recommended Base Budget Changes vs. 2009 Approved Budget .....	19
--	----

<b>Appendix B:</b> Summary of Service Changes .....	20
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<b>Appendix C:</b> Summary of 2010 Recommended New/Enhanced Service Priority Actions.....	21
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<b>Appendix D:</b> Program Summary by Expenditure Category .....	22
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<b>Appendix E:</b> Inflows / Outflows to / from Reserves and Reserve Funds.....	23
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February 24, 2010

## Executive Summary

- The 311 Customer Service Strategy represents a new service model for the City of Toronto. Phases of this initiative are under the implementation of the 311 Project Management Office. In September 2009, 311 Toronto launched the Contact Centre and other channels, operating 24 hours a day, seven day a week to provide reliable access to non-emergency City services to all residents in 180 languages. The 311 Customer Service Strategy consist of two 2 services: The 311 Project Management Office and 311 Toronto.
  - **The 311 Project Management Office** currently performs the role of developing, managing and implementing the 311 Customer Service Strategy for Phase I, II and III.
  - **311 Toronto** provides residents and businesses access to information about City services and programs and is leading the service transformation culture at the City. Through one easy to remember phone number, residents, businesses and visitors have access to non-emergency City services, programs and information 24 hours a day, seven days a week.
- The 311 Customer Service Strategy's service objectives include:
  - Delivering of the approved 311 Customer Service Strategy.
  - Fostering continued service innovation throughout the City.
- 2009 accomplishments for the 311 Customer Service Strategy includes:
  - The soft launch of 311 Toronto in March 2009 and the public launch of Phase 1 on September 24, 2009.
  - Early in the year, the electronic capacity to initiate and track service order requests to the public was implemented.
  - Councillors' orientation on the 311 Knowledge base; Reporting and delivery of On-line Service Requests and training was completed.
  - Completed the Service level agreements within City Programs.
  - Delivered 311 Soft Skills and Technical Training to full time and part time Customer Service staff.
  - Completed 87% recruitment and developed business and management plans and operating manuals for the operating division.
- For 2009, the 311 Customer Service Strategy projects year-end net expenditures of \$7.348 million, \$0.153 million or 2.0% under the 2009 Approved Operating Budget of \$7.501 million net. This favourable variance primarily results from unspent funds arising from the delays in hiring staff compounded by the labour disruption and staff transfers into 311.

- There is no impact on the 2010 Recommended Budget as a result of the 2009 Operating Variance.

**Table 1: 2010 Recommended Budget**

	2009		2010 Recommended Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget			2011	2012
	\$	\$	\$	\$	\$	\$	%	\$	\$
(In \$000s)									
GROSS EXP.	15,444.3	14,939.4	17,263.9	236.0	17,499.9	2,055.6	13.3	783.8	80.3
REVENUE	7,943.3	7,591.4	7,992.0	236.0	8,228.0	284.7	3.6	363.0	0.0
NET EXP.	7,501.0	7,348.0	9,271.9	0.0	9,271.9	1,770.9	23.6	420.8	80.3
Approved Positions	188.5	163.5	181.5	0.0	181.5	(7.0)	(3.7)	1.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	9,366.8	9,271.9	(94.8)	8,782.5
PROGRAM REDUCTION (\$)	(723.3)	(818.1)	(94.9)	(375.1)
PROGRAM REDUCTION (%)	(9.6)	(10.9)	(1.3)	(5.0)

- The 2010 Recommended Operating Budget for 311 Customer Service Strategy of \$17.500 million gross and \$9.272 million net is \$1.771 million or 23.6% above the 2009 Approved Operating Budget, and achieves Program reductions of \$0.818 million or 10.9% of the 2009 Approved Budget, which is \$0.095 million or 1.3% over the reduction target for 311 Customer Service Strategy in 2010.
- The 2010 Recommended Operating Budget for 311 Customer Service Strategy is comprised of base funding of \$17.264 million gross and \$9.272 million net and funding for new/enhanced priority actions of \$0.236 million gross and \$0.000 million net for technical support expertise to integrate additional work order systems.
- Approval of the 2010 Recommended Budget will result in the Program’s total staff complement decreasing from 189.5 to 181.5 approved positions as a result of the elimination of 8 permanent annualized positions arising from recommended service efficiencies and the deletion of 1.7 temporary positions following the completion of the Phase 11 capital project implementation. An increase of 2.7 positions is required for 2 permanent positions with an additional increase of 0.7 project staff (temporary position) for the ongoing sustainment of 311 capital projects.
- The 2010 Recommended Operating Budget for 311 Customer Service Strategy results in incremental costs to the Program of \$0.421 million in 2011 and \$0.080 million in 2012.
  - In 2011, increases of \$0.400 million for COLA, progression pay and step increases and \$0.021 million for the annualization of the support and maintenance of Interactive Voice Response (IVR) ports in the Contact Centre are projected.
  - The 2012 Outlook anticipates incremental increases of \$0.080 million for progression pay and step increases.

- Options for service changes to achieve the 5% reduction target will be reviewed over the course of the year and presented for consideration with the 2011 Operating Budget.
- The 2010 Recommended Base Budget provides funding for the following key cost drivers:
  - Annualized costs of \$0.812 million for staff working in 311 Toronto and towards Phase II capital project implementation approved in the 2009 Approved Capital Budget.
  - Maintenance and support costs for the 311 Solution to sustain the Contact Centre resulting in a net pressure of \$1.419 million for 2010.
  - A cost of living adjustment (COLA) of 2% for union staff and 1% for exempt staff and step and progression pay increases results in an increase to salaries and benefits of \$0.549 million.
- The cost drivers noted above will be partially off-set by the following savings included in the 2010 Recommended Operating Budget:
  - Recovery from the Capital Budget in the amount of \$0.126 million for Phase II and Commissioning projects.
  - Increases in recovery of \$0.148 million to offset the Program's inflationary labour expenses for staff providing services to other Programs.
- The Program's 2010 Recommended Operating Budget includes service changes with savings of \$0.660 million for 2010 that has no incremental impact in 2011. The service change actions include \$0.565 million in service efficiency savings and \$0.095 million for minor service change savings. Through the reassignment and absorption of additional duties by existing staff, 311 Customer Service Strategy are expected to exceed 2009 service levels while eliminating:
  - 8 vacant staffing positions due to the redirection of service channels at the former Access Toronto Counters in City Civic Centres and City Hall while providing self help channels to the public, and
- Approval of the above Service Changes will result in a reduction of 8 approved positions reducing the complement to 181.5.
- The following key program issues have been identified during the 2010 Operating Budget process:
  - Call volumes are anticipated to increase from the inception of the public launch and it is expected to continue throughout 2010. Staff reductions at a time when call volumes are increasing may directly affect customer service and 311 service levels.
  - 311 Toronto will be challenged to continue the service culture transformation in the City to better allow residents and businesses access to information on City services and programs through an integrated service delivery model (e.g. service bundling and consolidated counters).

- Retention strategies are necessary to retain and offset potential turn over of new 311 Contact Centre Service Representative (CCSR) and other staff resources, including I&T technical support, capable of delivering the 311 service under unpredictable call volume peak demand events and sustained call volume increases in a new and evolving operation.
- Negotiating on-going maintenance and support contract for the 311 Solution.
- Extension of the 311 tools to Divisional Tier 2 specialists and public access to the knowledgebase.
- Extension of the 311 technology solution to other City applications.
- Enhanced in-person channel access to service requests and increase internal City efficiencies.
- The 2010 Recommended Operating Budget for 311 Customer Service Strategy provides funding for the Program to complete, continue and initiate the following activities:
  - Continue operating on a 24 hour a day, seven day a week basis to provide reliable access to non-emergency City Services for all residents in 180 languages.
  - Answer 80% of all calls within 75 seconds.
  - Expand the range of services handled by 311 Toronto to include those offered by Municipal Licensing and Standards and Urban Forestry Services as part of the second phase.
  - Continue work on subsequent launches of additional self-serve service requests that are appropriate for Web application.
  - Enhance the 311 service order menu and Web design in Phase II which will also include assessing the appropriate on-line service requests for Municipal Licensing and Standards and Urban Forestry Services.
  - Maintain responsibility for monitoring and documenting all sub-project deliverables.
  - Begin planning Phase III in the second quarter of 2010. Deliverables include: integration of two work order systems, online Knowledge Base, tier II tools and the implementation of the Counter and Kiosk Strategy.
  - Continue work on the consent for Councillors' access to personal information and the ability for 311 to report those service requests with consent separately.
  - Continue with the integration of data applications to provide details of the time and day each of the service requests comes in to 311. 311 will also be able to report on the length of call for type of service request or general inquiry. This information will be valuable for making services and operations more effective. Initial results are expected in late 2010.

**Recommendations**

The City Manager and Chief Financial Officer recommend that:

- 1. City Council approve the 2010 Recommended Operating Budget for 311 Customer Strategy of \$17.500 million gross and \$9.272 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
311 Project Management Office	4,744.0	807.7
311 Toronto	<u>12,755.9</u>	<u>8,464.2</u>
Total Program Budget	<u><u>17,499.9</u></u>	<u><u>9,271.9</u></u>

**Mission Statement**

The 311 Customer Service Strategy mission through the Project Management Office is to provide leadership to City divisional partners in developing, managing, and implementing the Council approved 311 Service Model, including ongoing service enhancements/ expansion, and formal Project Close-out activities and development of the 311 Toronto operating division. 311 Toronto will ensure a single-point-of-access to non-emergency City of Toronto program and service inquiries for all residents, businesses and visitors, in order to provide convenient, prompt, accurate and reliable City government information and requests for service to the public, while making the best use of staff expertise, resources and technology.

**Program Map**



The 311 Customer Service Strategy represents a new service model for the City of Toronto. Phases of this initiative are under implementation by the 311 Project Management Office. On September 24, 2009, 311 Toronto launched the consolidated contact Centre and other channels, operating on a 24 hour a day, seven day a week basis to provide reliable access to non-emergency City Services for all residents in 180 languages.

The Strategy is delivered through two services: The 311 Project Management Office and 311 Toronto. The 311 Project Management Office is responsible for developing and implementing the 311 Project systems. 311 Toronto provides the residents, businesses and visitors with one easy number with access to City services, programs and information. 311 customer service

representatives are able to answer most inquiries, or for more detailed or specialized questions, link callers to the right person in the City within that call.

### **311 Project Management Office**

311 Project Management Office Customer Service Strategy will develop and manage delivery of the 311 Service Model through the 311 Project Management Office responsible for the overall project planning, divisional co-ordination, capital expenditure approvals and leadership resulting in operating and business deliverables for the 311 Toronto operating division.

### **311 Toronto**

311 Toronto will use state of the art technology to track requests for service. Where applicable, callers making a service request will be given a tracking number that they can use to track the progress of their request through to completion.

### **Service Objectives**

311 Customer Service Strategy has established service objectives to respond to critical challenges in sustaining the operating division in successfully delivering the Council approved Service Model and to provide a supportive environment that fosters continued service innovation at all levels in the City. The following section outlines 311 Customer Service Strategy's service objectives for 2010 and beyond.

#### **Delivering the approved 311 Customer Service Strategy consisting of:**

- Focusing on delivery, consistent with the established standards and service levels aimed at achieving or exceeding a baseline of resolving 70% of calls at the first point-of-contact (30% transferred);
- Consistent and clear customer service standards (Quality Criteria) based on the "5 Drivers" of Customer Satisfaction
  - Timely Service (making contact and obtaining response);
  - Knowledge/Competence of 311 staff (to answer or to connect to right source);
  - Courtesy of 311 staff (going the extra mile);
  - Fair Treatment (of all contacts, customers);
  - Outcome (extent of satisfaction with result of contact);
- Establish Service Levels for each contact channel using the existing corporate standards and targets including:
  - Answer phone contacts in 75 seconds, 80% of time;
  - Return voice-mail contacts within 24 hours;

- Respond to e-mail contacts by the end of the next business day;
- Respond to fax/mail contacts within 5 business days;
- Up-date Web site information within 12 hours of receiving changes;
- **To foster continued service innovation throughout the City:**
  - Enhanced capability of the web on-line Service Page;
  - Access to information on City programs and services; and
  - Enhanced capability of “in-person” service transactions.

## 2009 Accomplishments

The 311 Customer Service Strategy's major accomplishments in 2009 include:

- Successful Soft Launch of 311 Toronto in March 2009 and Public Launch of Phase I, September 24, 2009.
- 311 Toronto handled more than 300,000 calls of which 82% were answered in 120 seconds or less since the official launch. This exceeded the target service level answering 80% of all calls within 120 seconds for 2009.
- Successfully delivered on-line service requests to Councillors on the intranet in September 2009.
- Completed the Councillor orientation on the 311 Knowledge base, Reporting and On-line Service Requests in the second quarter and Councillor training completed in the fourth quarter.
- Implemented the electronic capacity to initiate and track service order requests to completion for the public.
- Delivered seventeen days of intensive training including hard skills (use of the new technology and systems) and other skills related to customer service excellence and communication was delivered to 90 full time and 48 part time Customer Service staff.
- Completed 87% of 311 Customer Service staff operational recruitment.
- Completed consultation and review of the e-Service Strategic Plan RFP and the development of a Customer Service Policy.
- Completed Integrated Privacy and Security Risk Assessments Report for the 311 System (Integrated Technology Model).
- Developed business plan, management plan and operating manuals for 311 Toronto.

**Table 2: 2009 Budget Variance Review (\$000s)**

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	8,115.7	15,444.3	14,939.4	(504.9)	(3.3)
<b>REVENUES</b>	4,312.9	7,943.3	7,591.4	(351.9)	(4.4)
<b>NET EXP.</b>	3,802.8	7,501.0	7,348.0	(153.0)	(2.0)
<b>Approved Positions</b>	87.3	188.5	163.5	(25.0)	(13.3)

\*Projected Actuals Based on the September 30, 2009 Variance Report

**2009 Budget Variance Analysis**

The 311 Customer Service Strategy Third Quarter Variance report projects that the Program will be \$0.153 million or 2.0% under the 2009 Approved Operating Budget of \$7.501 million net by year-end.

- The under expenditure is the result of unspent payroll funds arising from the timing of hiring of staff, which was delayed due to the labour disruption and staff transfers from other City Programs into 311 Toronto.

**Impact of 2009 Operating Variance on the 2010 Recommended Budget**

- There is no impact on the 2010 Recommended Budget as a result of the 2009 Operating Variance.

**Table 3: 2010 Recommended Base Budget (\$000s)**

	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
					2011	2012
(In \$000s)	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	15,444.3	17,263.9	1,819.6	11.8	420.8	80.3
<b>REVENUE</b>	7,943.3	7,992.0	48.7	0.6	0.0	0.0
<b>NET EXP.</b>	7,501.0	9,271.9	1,770.9	23.6	420.8	80.3
<b>Approved Positions</b>	188.5	181.5	(7.0)	(3.7)	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
<b>NET BUDGET</b>	<b>9,366.8</b>	<b>9,271.9</b>	<b>(94.8)</b>	<b>8,782.5</b>
<b>PROGRAM REDUCTION (\$)</b>	<b>(723.3)</b>	<b>(818.1)</b>	<b>(94.9)</b>	<b>(375.1)</b>
<b>PROGRAM REDUCTION (%)</b>	<b>(9.6)</b>	<b>(10.9)</b>	<b>(1.3)</b>	<b>(5.0)</b>

**Table 3a: Program Reduction Requirements (\$000s)**

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	7,501.0	
<b>Pressures Reported with 2010 / 2011 Outlook</b>	<b>2,240.8</b>	<b>(209.2)</b>
Pressures Not Reported with 2010 / 2011 Outlook	348.2	0.0
<b>5% Reduction Target</b>	<b>(375.1)</b>	<b>(375.1)</b>
Additional Pressures not in 2010 Reported Outlook	<b>(348.2)</b>	<b>0.0</b>
<b>Program Reduction Target</b>	<b>(723.3)</b>	<b>(375.1)</b>
<b>Net Budget Target</b>	<b>9,366.8</b>	<b>8,782.5</b>

**2010 Recommended Base Budget**

The 2010 Recommended Base Budget of \$9.272 million net represents a \$1.771 million or 23.6% increase over the Customer Service Strategy's 2009 Approved Operating Budget of \$7.501 million net. The 2010 Recommended Base Budget includes funding of \$2.589 million for base budget increases, which have been partially offset by \$0.818 million in budget reductions for base budget

reductions, service efficiencies and minor service level changes, resulting in the Program exceeding its budget target by \$0.095 million or 1.3% to 10.9% of the 2009 Approved Budget.

- Approval of the 2010 Recommended Base Budget will result in the Program's total approved complement decreasing from 189.5 to 181.5 approved positions as a result of the elimination of 8 vacant permanent positions as a result of service changes and 1.7 temporary capital positions following the completion of Phase II capital project implementation. An increase of 2.7 positions is required for 2 permanent positions with an additional increase of 0.7 project staff (temporary position) for ongoing sustainment of 311 capital projects.

### **2010 Base Budget Key Cost Drivers**

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- Cost of living allowance (COLA) of 2% for union staff and 1% for exempt staff resulting in an increase of \$0.400 million for salaries and benefits.
- Step and progression pay increments of \$0.149 million.
- Reversal of one time revenues received in 2009 of \$0.065 million.
- Annualized costs of \$0.812 million for staff working in 311 Toronto and towards Phase II capital project implementation approved in the 2009 Approved Capital Budget.
- Additional caller capacity with support and maintenance costs from the service provider in the amount of \$0.654 million
- Hardware and software maintenance and support costs of \$0.765 million.

The cost drivers noted above will be partially offset by the following savings included in the 2010 Recommended Base Budget:

- Recovery from the 311 Capital Budget of \$0.126 million.
- Increases in recovery of \$0.148 million from internal programs to offset the Program's inflationary labour expenses.
- Reduction of 1.7 temporary capital positions that will no longer be required for capital projects after Phase II implementation in the second quarter of 2010 for savings of \$0.158 million.

### **2010 Service Changes**

The 311 Customer Service Strategy's 2010 Recommended Base Budget includes service adjustment savings of \$0.818 million with no incremental impacts in 2011. The recommended 2010 service adjustments are comprised of \$0.158 million in base change savings noted above and \$0.565 million in efficiency savings and \$0.095 million in minor service level changes.

The recommended service changes are summarized below:

*Service Efficiencies (\$0.565 Million)*

- Reduction of 8 vacant staffing positions due to the redirection of service channels at the former Access Toronto Civic Centres and City Hall front counters, resulting in savings of \$0.565 million.

*Minor Service Level change (\$0.095 million)*

- A reduction of staff hours, equivalent to 1.5 part-time Customer Service Representatives (CSR) resulting in savings \$0.095 million and a service level (response time) of 80% of calls answered in 75 seconds. Please refer to the 2010 Budget Issues for a discussion of service level/response times.

Please refer to Part V for a discussion regarding the 2010 Recommended Base Budget Service Changes.

**2011 and 2012 Outlook: Net Incremental Impact**

Approval of the 2010 Recommended Base Budget for 311 Customer Service Strategy will result in a 2011 and 2012 incremental increase of \$0.421 million and \$0.080 million respectively to maintain the 2010 level of service and staff complement. Future year costs are primarily attributed to the following:

- The 2011 Outlook for 311 Customer Service Strategy anticipates incremental net expenditure increases of \$0.421 million for COLA, progression pay and step increases.
  - The 2010 Recommended Operating Budget will not result in any 2011 incremental service change savings to assist the Program in achieving its 2011 reduction target of \$0.375 million or 5% of the 2009 Approved Budget. Other options will be reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.
- The 2012 Outlook anticipates incremental increases of \$0.080 million for progression pay and step increases only.

**Table 4: 2010 Recommended Service Change Summary**  
(In \$000s)

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009 Budget	2011	
	#	\$	\$	#	\$	# Pos
<b>Base Change Summary</b>	<b>(1.7)</b>	<b>(158.0)</b>	<b>(158.0)</b>	<b>(2.1%)</b>		
<b>Service Efficiencies:</b> Redirection of Service Channel at Front Counters	(8.0)	(565.1)	(565.1)	(7.5%)		
<b>Minor Service Level Changes:</b> Reduction in Customer Service Response Time		(95.0)	(95.0)	(1.3%)		
<b>Sub-Total Service Changes</b>	<b>(8.0)</b>	<b>(660.1)</b>	<b>(660.1)</b>	<b>(8.8%)</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Changes</b>	<b>(9.7)</b>	<b>(818.1)</b>	<b>(818.1)</b>	<b>(10.9%)</b>	<b>0.0</b>	<b>0.0</b>

### 2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget, with savings estimated at \$0.660 million in 2010 with no incremental impact in 2011. Approval of the recommended service changes will result in a reduction of 8 approved permanent vacant positions and 1.7 temporary capital positions, reducing the 311 Customer Service Strategy's complement to 181.5 approved positions.

#### Service Changes

The following 2 recommended service changes included in the 311 Customer Service Strategy's 2010 Recommended Base Budget are discussed below.

##### *Service Efficiencies*

##### *Redirection of Service Channel at Front Counters (\$0.565 million, net)*

The 2010 Recommended Operating Budget for the 311 Customer Service Strategy includes permanent cost reductions of \$0.565 million arising from the reduction of 8 vacant permanent positions as a result of the redirection of the in-person channel for service delivery at the former Access Toronto Civic Centres and City Hall to a self-help channel effective January, 2010.

***Minor Service Level Changes******Reduction in Customer Service Response Time (\$0.095 million, net)***

The 2010 Recommended Operating Budget for the 311 Customer Service Strategy includes \$0.095 million in additional net salary savings arising from reducing part time Customer Service Representatives hours for answering calls 80% of the time in 75 seconds from the 2010 planned response time of 70% of calls answered in 30 seconds. This service level change means that callers will wait an additional 45 seconds above the planned industry standard target of 30 seconds wait time per caller.

At the 311 launch in 2009, 80% of the calls received by the Contact Centre were answered within 120 seconds. The 2010 projected call wait times were for 70% of calls to be answered in 30 seconds in 2010. However, in order to respond to the City's financial constraints, the recommended response time will be 80% of call received answered in 75 seconds. This is still a marked improvement over the response times in 2009.

**Table 5: 2010 New / Enhanced Service Priority Actions: Summary**

(In \$000s)

Description	2010 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Positions	2011		2012	
	\$	\$	#	\$	# Pos	\$	# Pos
<b>Enhanced Services:</b>							
(a) Enhanced Services - Council Approved Funding to support Capital Projects	236.0	0.0	0.0	-	1.0		
(b) Enhanced Services - Program Initiated							
<b>Sub-Total Enhanced Services</b>	<b>236.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
<b>New Services:</b>							
(a) New Services - Council Approved							
(b) New Services - Program Initiated							
<b>Sub-Total New Services</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Enhanced/New Services</b>	<b>236.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>

**2009 Recommended New / Enhanced Service Priority Actions****Enhanced Service Priority Actions***Council Approved**Funding to Support Capital Projects (\$0.236 million, \$0 net)*

The 2010 Approved Capital Budget for 311 included \$0.236 million for 2 Senior Systems Integrators in 2010 and an additional resource in 2011 requiring incremental funding of \$0.127 million to support the development of the Phase III capital project including implementation of the Counter and Kiosk Strategy and the integration of additional work order systems for Municipal Licensing and Standards and Forestry Services in 311 Toronto.

These positions were funded in the Information & Technology's 2008 and 2009 Approved Capital Budget. Continuation of these resources is required. It is recommended that funding be provided for these temporary positions to be recovered from reserves.

## 2010 Budget Issues

### 311 Toronto/Service Levels

311 Toronto was officially launched to the public on September 24, 2009. 311 Toronto is the largest, most exciting customer service improvement undertaken by the City of Toronto since amalgamation, 311 improves accessibility to non-emergency City services and information and will increase the City's effectiveness in responding to public inquiries. The 2010 Recommended Base Budget reflects salary and non salary costs for 148 staff positions in the 311 Contact Centre, the majority of which came from existing City programs and budgets in 2009.

The recommended staffing levels are crucial to the success of the 311 service, especially due to the seventeen days of intensive training provided to the Customer Service Representatives (CSRs) in 2009 to enable them to deliver excellent customer service and communication. As 311 Toronto is still in its infancy stage, very little data is available on call patterns and volumes. However, response results for 2009 indicate that 82% of all calls are answered within 120 seconds. This exceeded the target service level of answering 80% of calls within 120 seconds for 2009.

At start up, the Program anticipated that 2010 response times would increase to 70% all calls being answered within 30 seconds.

The 2010 Recommended Operating Budget includes a service change to reduce response times to all calls being answered in 75 seconds, 80% of the time. While the recommended response time is lower than planned, it is an improved service level from the 2009 response time of 82% of calls answered within 120 seconds.

Following the September 24, 2009 launch of 311, the system has been collecting data provided by the new 311 Technical Solution. As 311 has only been officially in operation for four months, the amount of data acquired to date is limited, as is its usefulness for measuring overall performance. 311 Toronto will require a full year's data in order to critically analyze performance.

As part of the 311 commitment to share performance data with the public, a progress report on the first four months of operations of the 311 Project and operations has been submitted to the Government Management Committee meeting of February 5, 2010.

In addition, quarterly reports will be submitted to the Government Management Committee in 2010 and annual reports each year thereafter.

**Appendix A**

**2010 Recommended Base Budget Changes vs. 2009 Approved Budget**

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
<b>2009 Council Approved Operating Budget</b>	<b>188.5</b>	<b>15,444.3</b>	<b>7,943.3</b>	<b>7,501.0</b>	<b>0.0</b>	<b>0.0</b>
Technical Adjustments						
In-Year Budget Adjustments						
<b>2009 Approved Operating Budget</b>	<b>188.5</b>	<b>15,444.3</b>	<b>7,943.3</b>	<b>7,501.0</b>	<b>0.0</b>	<b>0.0</b>
Prior Year Impacts:						
Annualizations from Prior Year		651.5		651.5		
Reversals from Prior Year			(65.1)	65.1		
Operating Impacts of Capital			(160.8)	160.8		
Zero Base Items						
Economic Increases:						
Salary		549.1		549.1	399.9	80.3
Non Salary		18.4		18.4		
<b>Adjusted Base Budget</b>	<b>188.5</b>	<b>16,663.3</b>	<b>7,717.4</b>	<b>8,945.9</b>	<b>399.9</b>	<b>80.3</b>
Base Expenditure Changes	1.0	1,260.7		1,260.7	20.9	
Base Revenue Changes			274.6	(274.6)		
<b>2010 Base Budget Prior to Service Changes</b>	<b>189.5</b>	<b>17,924.0</b>	<b>7,992.0</b>	<b>9,932.0</b>	<b>420.8</b>	<b>80.3</b>
Recommended Service Changes:						
Service Efficiencies	(8.0)	(565.1)		(565.1)		
Revenue Changes						
Minor Service Level Changes		(95.0)		(95.0)		
Major Service Level Changes						
<b>Total Recommended Base Changes</b>	<b>(8.0)</b>	<b>(660.1)</b>	<b>0.0</b>	<b>(660.1)</b>	<b>0.0</b>	<b>0.0</b>
<b>2010 Recommended Base Budget</b>	<b>181.5</b>	<b>17,263.9</b>	<b>7,992.0</b>	<b>9,271.9</b>	<b>420.8</b>	<b>80.3</b>

**Appendix B**

**Summary of Service Changes**

**Appendix C**

**Summary of 2010 Recommended New/Enhanced  
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: 311 Customer Service Strategy							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	14,057.5	13,552.6	14,695.3	637.8	4.5%	15,095.2	15,175.5
Materials and Supplies	65.1	65.1	48.6	(16.5)	(25.3%)	48.6	48.6
Equipment	493.4	493.4	1,258.9	765.5	155.1%	1,258.9	1,258.9
Services & Rents	706.6	706.6	1,375.4	668.8	94.7%	1,396.3	1,396.3
Contributions to Capital							
Contributions to Reserve/Res Funds	21.0	21.0	21.0	0.0	0.0%	21.0	21.0
Other Expenditures							
Interdivisional Charges	100.7	100.7	100.7	0.0	0.0%	100.7	100.7
<b>TOTAL GROSS EXPENDITURES</b>	<b>15,444.3</b>	<b>14,939.4</b>	<b>17,499.9</b>	<b>2,055.6</b>	<b>13.3%</b>	<b>17,920.7</b>	<b>18,001.0</b>
Interdivisional Recoveries	4,143.4	4,143.4	4,291.7	148.3	3.6%	4,291.7	4,291.7
Provincial Subsidies	62.0	20.0		(62.0)	(100.0%)	0.0	0.0
Federal Subsidies							
Other Subsidies							
User Fees & Donations							
Transfers from Capital Fund	3,734.8	3,424.9	3,936.3	201.5	5.4%	3,936.3	3,936.3
Contribution from Reserve Funds							
Contribution from Reserve							
Sundry Revenues	3.1	3.1		(3.1)	(100.0%)	0.0	0.0
<b>TOTAL REVENUE</b>	<b>7,943.3</b>	<b>7,591.4</b>	<b>8,228.0</b>	<b>284.7</b>	<b>3.6%</b>	<b>8,228.0</b>	<b>8,228.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>7,501.0</b>	<b>7,348.0</b>	<b>9,271.9</b>	<b>1,770.9</b>	<b>23.6%</b>	<b>9,692.7</b>	<b>9,773.0</b>
<b>APPROVED POSITIONS</b>	<b>188.5</b>	<b>188.5</b>	<b>181.5</b>	<b>(7.0)</b>	<b>(3.7%)</b>	<b>182.5</b>	<b>182.5</b>

**Appendix E**

**Inflows / Outflows to / from Reserves & Reserve Funds**

**Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2009	Proposed Withdrawals (-) / Contributions (+)		
			2010	2011	2012
		\$	\$	\$	\$
Insurance Reserve Fund	XR1010	32,534.1	21.0	21.0	21.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>21.0</b>	<b>21.0</b>	<b>21.0</b>