

City Budget 2012

Information and Technology Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for City services.

2012 Operating Budget

2012 OPERATING BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

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PART I: RECOMMENDATIONS

2012 Recommended Operating Budget (In \$000s)

	2011		2012 Recommended Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appvd. Budget		FY Incremental Outlook	
	2011 Appvd. Budget	2011 Projected Actual	2012 Rec. Base	2012 Rec. New/Enhanced	2012 Rec. Budget			2013	2014
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	101,510.6	92,597.8	97,097.3	0.0	97,097.3	(4,413.3)	(4.3)	2,666.9	3,167.8
REVENUE	34,054.7	28,054.3	33,199.4	0.0	33,199.4	(855.3)	(2.5)	164.4	218.7
NET EXP.	67,455.9	64,543.5	63,897.9	0.0	63,897.6	(3,558.3)	(5.3)	2,502.5	2,949.1
Approved Positions	685.0	567.0	648.0	0.0	648.0	(37.0)	(5.4)	668.0	671.0

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(6,302.4)	(6,302.4)	0.0	10.0%

Recommendations

The City Manager and Chief Financial Officer recommend that:

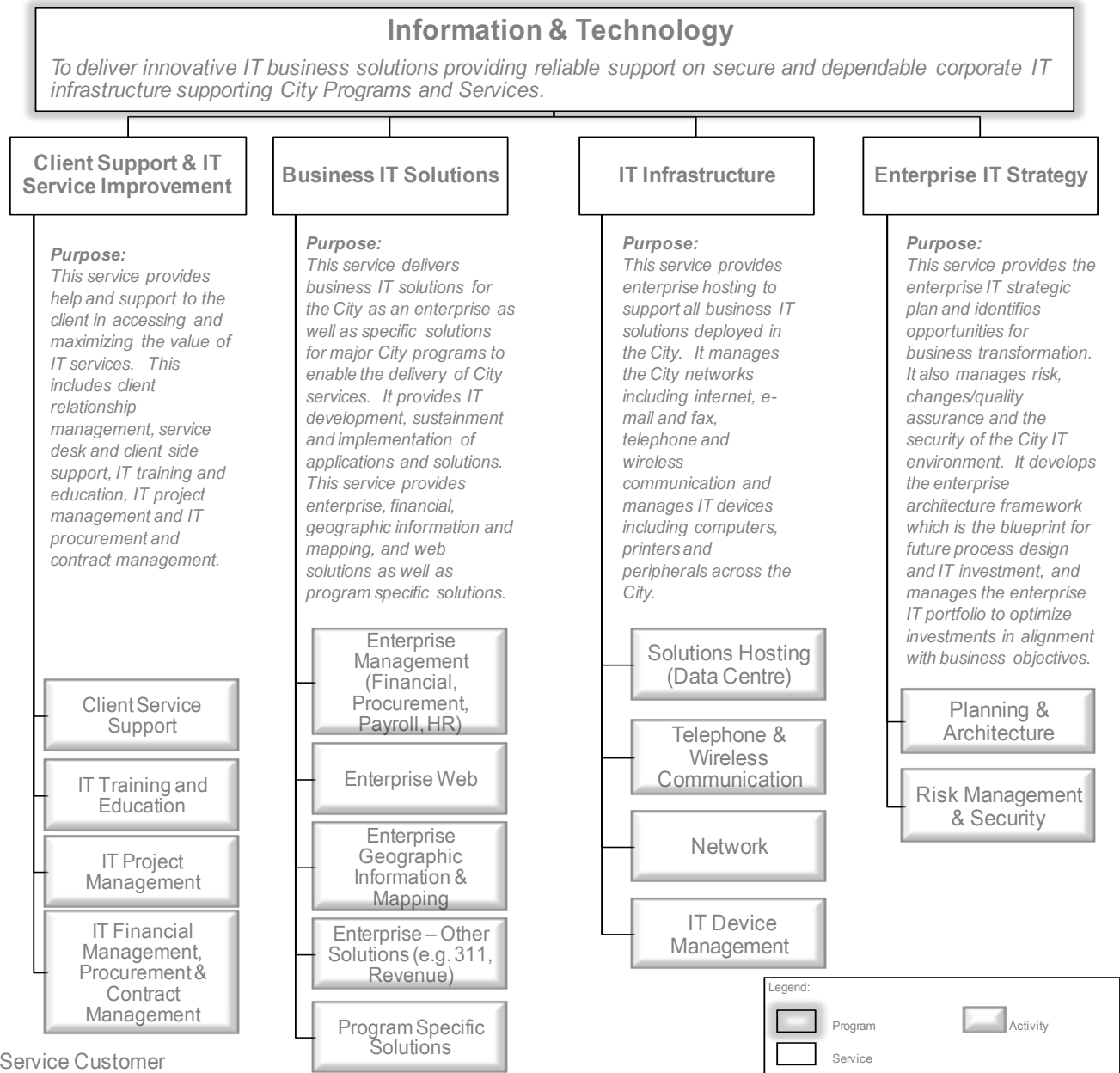
1. City Council approve the 2012 Recommended Operating Budget for Information and Technology of \$97.097 million gross and \$63.898 million net, comprised of the following services:

<u>Services</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Desktop Computing	53,332.6	33,883.7
Application Delivery	28,112.8	21,781.4
Voice and Telecommunications	10,499.4	4,607.3
Information and Products	5,152.4	3,625.4
Total Program Budget	<u>97,097.2</u>	<u>63,897.8</u>

2. The information contained in Confidential Attachment 1 remain confidential until outcome of Council's decision has been communicated to the Unions and affected staff.

PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Client Support & IT Service Improvement

- City Divisions – Business
- Division IT
- Staff
- Public – Residents
- Businesses
- Visitors

Business IT Solutions

- City Divisions – Business
- Division IT
- Staff
- Public – Residents
- Businesses
- Visitors

IT Infrastructure

- City Divisions – Business
- Division IT
- Staff
- Public – Residents
- Businesses
- Visitors
- Agencies

Enterprise IT Strategy

- City Council
- City Divisions – Business
- Division IT
- Staff
- Agencies
- Public – Residents Businesses
- Visitors

2012 Recommended Service Levels

The chart below lists the 2011 service level for the type of activities, within the services of Information and Technology. The proposed 2012 service levels are the same as 2011.

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
Client Support & IT Service Improvement	Client Service Support	A Service Desk & Client Side Support resolved service request/incident	(1) In 2010 - 98 % of calls answered within less than 2 minutes and (2) In 2010 - 2.27% of phone calls abandoned 99% of Incidents resolved by the Service Desk met the time targets 2010 - 15 Emergency IT Broadcast E-mails sent, Web updates not currently tracked; 96% of incidents and service requests resolved by time target based on priority; Service Availability 24/7/365 with 99% up time. Service Availability 7 a.m. to 4 p.m. Mon-Fri with 99% up time Incidents are resolved 85% of the time per Incident Resolution Targets	1) In 2010 - 98 % of calls answered within less than 2 minutes and (2) In 2010 - 2.27% of phone calls abandoned 99% of Incidents resolved by the Service Desk met the time targets 2010 - 15 Emergency IT Broadcast E-mails sent, Web updates not currently tracked; 96% of incidents and service requests resolved by time target based on priority; Service Availability 24/7/365 with 99% up time. Service Availability 7 a.m. to 4 p.m. Mon-Fri with 99% up time Incidents are resolved 85% of the time per Incident Resolution Targets
		Client business requirements	Core business hours are Monday to Friday , 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday , 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
		Client Engagement Strategy	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
		Divisional IT business case preparation support	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
		Divisional IT dashboard report	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
		Divisional IT performance review report	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
		Divisional IT procurement plan development support	Core business hours are Monday to Friday, 8:30am – 4:30pm (excluding statutory holidays)	Core business hours are Monday to Friday, 8:30am – 4:30pm (excluding statutory holidays)
		Divisional IT Strategic Plan development support	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
		IT Consultation & Facilitation	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Consultation Only	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Consultation Only
		Managed Client Relationship	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
		Operating Level Agreements	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday, 9:00am – 5:00pm (excluding statutory holidays), Target response within 1 business day Consultation or per agreed work plan
Client Support & IT Service Improvement		Service Level Agreements	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan Provide monthly (TIS) incident performance, service request volume reports and conduct quarterly performance reviews with clients with signed SLA's.	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan Provide monthly (TIS) incident performance, service request volume reports and conduct quarterly performance reviews with clients with signed SLA's.
		Service Level Management	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan
		Service Level Requirements	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan
	IT Training and Education	Divisional IT Training plan	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule for instructor-led training, custom training, or educational events. 99.00% Availability between 8:30am - 4:30pm on business days for online / web training.	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule for instructor-led training, custom training, or educational events. 99.00% Availability between 8:30am - 4:30pm on business days for online / web training.
		Instructor-Led Training & Education	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule for instructor-led training, custom training, or educational events. 99.00% Availability between 8:30am - 4:30pm on business days for online / web training.	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule for instructor-led training, custom training, or educational events. 99.00% Availability between 8:30am - 4:30pm on business days for online / web training.
		Self-Directed Training services (online)	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule for instructor-led training, custom training, or educational events. 99.00% Availability between 8:30am - 4:30pm on business days for online / web training.	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule for instructor-led training, custom training, or educational events. 99.00% Availability between 8:30am - 4:30pm on business days for online / web training.
	IT Project Management	Managed project	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Project management expertise	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Project management tools, standards	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services

Service	Activity	Type	2011 Current 2012 Service Level	2012 Proposed Service Level
Client Support & IT Service Improvement	IT Financial Management, Procurement & Contract Management	Agreements & Contracts	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Budget management	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Expenditure processing and management	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Procurement	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
Business IT Solutions	Enterprise Management (Financial, Procurement, Payroll, HR)	Business solution support	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan Infrastructure supported 24/7/365	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan Infrastructure supported 24/7/365
		Business solution/application development	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
		Business solution/application maintenance	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
		Financial, Procurement, Payroll, HR, Asset Management, Real Estate Management	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan Infrastructure supported 24/7/365	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan Infrastructure supported 24/7/365

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
Enterprise Web	Business solution support		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) 99.00% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) 99.00% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.
	Business solution/application development		Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan
	Business solution/application maintenance		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
	City Internet website		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) 99.00% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) 99.00% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.
	City Intranet website		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) 99.00% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) 99.00% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.
Enterprise Geographic Information & Mapping	Business solution support		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets or consultation per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets or consultation per agreed work plan
	Business solution/application development		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
	Business solution/application maintenance		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
	Geographic Information dataset/map		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets or consultation per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets or consultation per agreed work plan
Enterprise-Other Solutions (e.g. 311, Revenue)	Business solution support		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Enhanced supported provided for critical issues & services 24/7/365 Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Enhanced supported provided for critical issues & services 24/7/365 Consultation or per agreed work plan
	Business solution/application development		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
	Business solution/application maintenance		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
Program Specific Solutions	Business solution support		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
	Business solution/application development		Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
		Business solution/application maintenance	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan
IT Infrastructure	Solution Hosting (Data Centre)	Business solution platform / environment	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases
		Infrastructure Security	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Token requests resolved within 10 Business Days, 90% of the time Access requests resolved within 5 Business Days, 90% of the time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Token requests resolved within 10 Business Days, 90% of the time Access requests resolved within 5 Business Days, 90% of the time
		Internet Access	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time.
		Server infrastructure	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time, 20% infrastructure upgraded/replaced annually as part of state of good repair. On-site support 730am - 5:00pm on business days, with on-call support for off-hours 2 week turnarounds on GPO's 24 hour turnaround for remote control access	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time, 20% infrastructure upgraded/replaced annually as part of state of good repair. On-site support 730am - 5:00pm on business days, with on-call support for off-hours 2 week turnarounds on GPO's 24 hour turnaround for remote control access
		Storage infrastructure	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time, 20% infrastructure upgraded/replaced annually as part of state of good repair. On-site support 730am - 5:00pm on business days, with on-call support for off-hours	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time, 20% infrastructure upgraded/replaced annually as part of state of good repair. On-site support 730am - 5:00pm on business days, with on-call support for off-hours

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
IT Infrastructure	Telephone & Wireless Communication	Smart-phone/blackberry	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 60% of bills validated for payment within 2 weeks after receipt	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 60% of bills validated for payment within 2 weeks after receipt
		Telephone	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.50% Availability between 8:30am – 4:30pm on business days. § Time to restore (TTR) within 24 hours § Mayor / Councillor voice mail system Time to restore (TTR) within 2 hours *Availability time excludes scheduled maintenance. 97.6% Availability All bills validated for payment within 2 weeks after receipt	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.50% Availability between 8:30am – 4:30pm on business days. § Time to restore (TTR) within 24 hours § Mayor / Councillor voice mail system Time to restore (TTR) within 2 hours *Availability time excludes scheduled maintenance. 97.6% Availability All bills validated for payment within 2 weeks after receipt
		Voicemail	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases Currently achieving 95.0% availability	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases Currently achieving 95.0% availability
	Network	Network infrastructure – Wired – Data/Phone	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.99% Availability between 8:30am – 4:30pm on business days. *Availability time excludes scheduled maintenance.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.99% Availability between 8:30am – 4:30pm on business days. *Availability time excludes scheduled maintenance.
		Network infrastructure – Wireless - Data	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time
	IT Device Management	E-mail	Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases. New account created within 48 hours 98% of the time Service Availability 24/7/365 with 98% up time	Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases. New account created within 48 hours 98% of the time Service Availability 24/7/365 with 98% up time

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
		Enterprise Fax	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets New account created within 48 hours, 99% of the time. Service Availability 24/7/365 with 98% up time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets New account created within 48 hours, 99% of the time. Service Availability 24/7/365 with 98% up time
		Enterprise printing	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets. Service Availability 24/7/365 with 99% up time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets. Service Availability 24/7/365 with 99% up time
		IT device infrastructure - desktop, monitor, notebook, tablet, printer, scanner, peripheral	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets 90 % of deployments are successfully completed with minimal client interruption Images kept current as required through planned hardware/software upgrades Timely review and selection as required. Timely production of policies and procedures as required. Contracts are in place for standard desktop-related items. Current average reduction January 1 - April 1, 2011 is 37% 90 % of installs are successfully installed with minimal client interruption	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets 90 % of deployments are successfully completed with minimal client interruption Images kept current as required through planned hardware/software upgrades Timely review and selection as required. Timely production of policies and procedures as required. Contracts are in place for standard desktop-related items. Current average reduction January 1 - April 1, 2011 is 37% 90 % of installs are successfully installed with minimal client interruption
Enterprise IT Strategy	Planning & Architecture	Business Process Reengineering/ Analysis	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan
		Enterprise Architecture – Business, Information, Security,	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan
		Application, Technology Architecture Design	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan
		Enterprise IT Investment Optimization	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services
		Enterprise IT Excellence	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services

Service	Activity	Type	2011 Current Service Level	2012 Proposed Service Level
Enterprise IT Strategy	Planning & Architecture	Enterprise wide IT strategic plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		I&T Division Business Strategy/Plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		IT Policy, Standards & Processes	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
Risk Management & Security	Risk Management & Security	Business Continuity Plan	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Investigations	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Privacy Impact Assessment	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Risk Management plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Vulnerability/ Threat-Risk Assessment	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services
		Control and Manage IT Changes	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services

2012 Service Deliverables

The 2012 Recommended Operating Budget of \$97.097 million gross and \$63.898 million net will provide funding to enable Information and Technology to meet its responsibilities for Information and Technology stewardship as part of the City's priority for improved Public Service, and to support the development and sustainment of an electronically enabled City by providing information technology leadership, applications, and services in order to support program delivery, service improvement, and increase operational effectiveness and efficiency, namely:

- Manage an enterprise-wide IT Service Desk that offers the central point of contact for City staff to receive a wide range of support for IT service requests and IT incident resolution.
- Provide full data centre operations services, including disaster recovery.
- Deliver software and eSecurity updates through the central network to up to 19,500 desktop computers and notebooks.
- Provide daily data processing and support for business applications such as SAP, water, tax, and parking tag payments.
- Manage the availability and performance of more than 1,100 servers.
- Plan, develop, implement and sustain business solutions to support and enhance service delivery by City Programs.
- Provide IT solution project management services.
- Manage the planning, security, license administration and daily sustainment for enterprise human resource, financial management and work management systems (SAP).
- Provide technical and project management services for the implementation of SAP, 311, Tax & Water, Recreation Program Registration (CLASS), and Building Permit/Inspections, Integrated Business Management System (IBMS) enhancements and new functionality.
- Manage the City-wide voice and data telecommunication systems with more than 23,800 phone lines, 700 Wide Area Network sites and associated services.
- Manage the voice mail servers with more than 15,000 mail boxes.
- Provide technical support for approximately over 10,000 wireless devices, including cell phones, and pagers, and more than 3,000 Blackberries.
- Manage the City's geospatial information solutions to enhance City services and operations through geographical and visual information.
- Continue to enhance the City's website.
- Maintain a secure, reliable and high performance technology infrastructure.

- Provide enterprise IT strategies, including managing risk and security of the City's environment, an enterprise architecture framework which is the blueprint for future IT investments, and management of the enterprise portfolio of all IT projects in the City.

PART III: Recommended Base Budget

2012 Recommended Base Budget

(In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
	\$	\$	\$	%	2013 \$	2014 \$
GROSS EXP.	101,510.6	97,097.3	(4,413.3)	(4.3)	2,666.9	3,167.8
REVENUE	34,054.7	33,199.4	(855.3)	(2.5)	164.4	218.7
NET EXP.	67,455.9	63,897.9	(3,558.0)	(5.3)	2,502.5	2,949.1
Approved Positions	685.0	648.0	(37.0)	(5.4)	668.0	671.0

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 Rec'd Reduction vs. 2012 10% Reduction Target	Target %
2012 Reductions	(6,302.4)	(6,302.4)	0.0	10.0%

2012 Recommended Base Budget

- The 2012 Recommended Base Budget of \$97.097 million gross, and \$63.898 million net represents a \$3.558 million or 5.3% decrease from the 2011 Approved Operating Budget of \$67.456 million net.
- The 2012 Recommended Base Budget of \$63.898 million net includes Program budget reductions of \$6.303 million net or 10% of the 2011 Approved Operating Budget. This meets the Program's 10% net budget reduction target.
- The recommended reductions of \$6.303 million net include base budget reductions of \$1.931 million net, efficiencies savings of \$2.308 million net, and minor service level changes of \$2.064 million.
- The 2012 Recommended Operating Budget for Information and Technology reflects the addition of 12 new temporary capital positions to deliver capital projects, and the deletion of 29 temporary and 2 permanent capital and client funded positions due to completion of projects; as well as the deletion of 18 permanent positions as a result of efficiency savings, of which 11 are vacant and 7 are filled. The total staff complement will decrease from 685 to 648, as noted below:

2012 Recommended Staff Complement – Base Budget Summary

Changes	Staff Complement
2011 Approved Positions	684.0
- 2011 In-year Adjustments	1.0
2011 Approved Staff Complement	685.0
2012 Recommended Staff Complement Changes	
- 2012 Temporary Positions - Capital Project Delivery	12.0
- 2012 Operating Impacts of completed Projects	(31.0)
- 2012 Service Changes	(18.0)
Total Recommended Positions	648.0

2012 Recommended Service Change Summary
(In \$000s)

Description	2012 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% of 2012 Budget Reduction Target	2013		2014	
	#	\$	\$	%	\$	# Pos.	\$	# Pos.
Base Changes:								
Base Expenditure Changes								
Forego Economic Factors for Non-salary Costs		(83.5)	(83.5)	(0.1%)				
Reduce Expenditures on Materials, Supplies, Equipment, and Services		(752.2)	(752.2)	(1.2%)				
Reduction of Hardware and Software Maintenance		(1,006.6)	(1,006.6)	(1.6%)				
Reduction of Inter-Divisional Charges		(12.7)	(12.7)	(0.0%)				
Reduction in Overtime		(17.3)	(17.3)	(0.0%)				
Reduction of SAP Maintenance Costs		(58.5)	(58.5)	(0.1%)				
Base Expenditure Changes	0.0	(1,930.8)	(1,930.8)	(3.1%)	0.0	0.0	0.0	0.0
Sub-Total Base Budget Changes	0.0	(1,930.8)	(1,930.8)	(3.1%)	0.0	0.0	0.0	0.0
Service Efficiencies								
Optimization of Telecom Technologies		(487.4)	(487.4)	(0.8%)	(2,137.0)			
Reduce Stand by/On call for Web Competency Centre		(81.0)	(81.0)	(0.1%)				
Efficiency in Technology Infrastructure Services (TIS)	(7.0)	(703.1)	(703.1)	(1.1%)				
Efficiency in Solutions, Development and Sustainment. (SDS)	(8.0)	(737.6)	(737.6)	(1.2%)				
Efficiency in Strategic Planning and Architecture (SP&A).	(1.0)	(121.4)	(121.4)	(0.2%)				
Service Efficiency (Confidential)	(1.0)	(68.3)	(68.3)	(0.1%)				
Efficiency in the Finance & Administration team.	(1.0)	(109.3)	(109.3)	(0.2%)				
Sub-Total Service Efficiencies	(17.0)	(2,308.1)	(2,308.1)	(3.7%)	(2,137.0)	0.0	0.0	0.0
Minor Service Impact:								
Defer hiring of 20 positions		(2,063.5)	(2,063.5)	(3.3%)	2,063.5			
Sub-Total Minor Service Impacts	0.0	(2,063.5)	(2,063.5)	(3.3%)	2,063.5	0.0	0.0	0.0
Total Service Changes	(17.0)	(6,302.4)	(6,302.4)	(10.0%)	(73.5)	0.0	0.0	0.0

2012 Recommended Service Changes

- The 2012 recommended service changes consist of base expenditure reductions of \$1.931 million net, service efficiency savings that total \$2.308 million net, and a reduction of \$2.064 million net as a result of minor service level changes. Management will look at ways and means to minimize any service impacts that may result from these changes.

Base Changes *(savings of \$1.931 million gross and net)**Forego Economic Factors for Non-salary expenditures*

- A savings of \$0.084 million is expected from absorbing the inflationary increases in non-salary expenditures.

Reduce Expenditure on Materials, Supplies, Equipment, Services and Rentals

- A savings of \$0.752 million is identified through a line by line analysis and review of actual expenditures compared to budgets during the past few years for purchases of materials, supplies, equipment, services and rents.

Reduction of Hardware and Software Maintenance

- As a result of implementing new technology and enterprise architecture, reducing usage, consolidating servers, and better pricing from contract renewals, a savings of \$1.006 million is expected.

Reduction of Inter-divisional Charges

- A reduction of \$0.013 million in inter-divisional charges from the City Clerk's Office and Facilities Management Division, can be achieved through an alignment of actual spending for copying and printing requisitions to the City Clerk's Office Print shop, and from a cancellation of parking spaces to Facilities Management that were used by the Solutions, Development and Sustainment unit staff.

Service Efficiencies *(savings of \$2.308 million gross and net)**Optimization of Telecommunication Technologies*

- Information and Technology is implementing a new telecommunication infrastructure by converting the Centrex lines for telephone to Unified Messaging technology and Voice over Internet Protocol (VoIP), and establishing a high capacity Wide Area Network (WAN) data services. This will result in advanced communication methodologies, protocols, and transmission technologies for delivery of voice and data communications and multi-media sessions.
- The new telecommunication infrastructure is expected to save \$0.487 million in 2012, and a further \$2.137 million in 2013 from lower costs through the use of unified messaging technology.

Reduce Stand-by/On Call for Web Competency Centre

- A savings of \$0.081 million will be achieved through the discontinuance of the stand-by and on-call payment during non-business hours and on weekends to provide 7/24 IT update coverage for the City's website. News releases can be posted to the Web

without any support from I&T staff. Newsletters, which are posted during business hours, do not require after hours support.

Efficiency in Technology Infrastructure Services (TIS):

- The Technology Infrastructure Services (TIS) Section provides enterprise level infrastructure resource management and support services including technology lifecycle strategies, enterprise level systems management, data network infrastructure management, and for support of local hardware and software devices.
- Rationalization of functions and activities within the Technology Infrastructure Services groups has enabled Information and Technology to achieve savings of \$0.703 million from deleting 7 permanent positions, of which 5 are vacant and 2 are filled, but they will become vacant through attrition effective January 1, 2012. There will be no impact on services as a result of these deletions.

Efficiency in Solutions, Development and Sustainment (SDS):

- The Solutions, Development and Sustainment (SDS) Section ensures effective use of an enterprise management framework of strategies, standards, designs, processes, methods, reusable components, tools, an enterprise application environment, virtual competencies and resources. Lead Web application lifecycle services for the enterprise, from strategic planning through creative design, development, sustainment and consulting services to deliver consistent, efficient enterprise and effective business-specific solutions that enable and enhance City web services.
- Rationalization of functions and activities within the Solutions, Development and Sustainment group has enabled Information and Technology to achieve savings of \$0.738 million from deleting 8 permanent positions, of which 5 are vacant and 3 are filled, which will become vacant through attrition effective January 1, 2012.

Efficiency in Strategic Planning and Architecture (SP&A):

- The Strategic Planning and Architecture (SP&A) Section manages an integrated, business-strategy-driven enterprise architecture program to facilitate sustainable client or citizen-centred business transformation. The Unit is developing a blueprint framework of enterprise architecture standards, guidelines, methods, models and tools to align technology implementation with city services. The Unit Provides oversight and coordination of architects, collaborates with other enterprise level strategic I&T functions and supports the Enterprise Architecture Review Panel.
- Rationalization of functions and activities within the Strategic Planning and Architecture groups has enabled Information and Technology to eliminate 1 permanent filled position effective January 1, 2012, for annualized savings of \$0.121 million gross and net.

Service Efficiency

- A saving of \$0.068 million net will be achieved by deleting 1 filled position effective January 1, 2012 that needs to remain confidential. Details are presented in Confidential Attachment 1.

Efficiency Savings in Finance and Administration Section:

- The Finance and Administration Section is part of the Office of the Chief Information Officer. It provides all finance and administration functions for the I&T Division, including budgeting and payroll, establishing a framework for and coordinating the procurement process, and providing contract administration service for all I&T contracts.
- Rationalization of functions and activities within the Finance and Administration Section has enabled Information and Technology to eliminate 1 permanent vacant position effective January 1, 2012 for savings of \$0.109 million gross and net.

Minor Service Impacts (*savings of \$2.064 million gross and net*)*Defer Hiring of Vacant Positions:*

- Information and Technology currently has a total 143 vacant positions, out of a total approved staff complement of 685 positions, representing 20.8% of I&T's approved workforce. Of the total vacant positions, 28 are held for gapping purposes. In order to meet the 10% net budget reduction target, Information and Technology has identified 20 positions to be deferred to 2013 for hiring. This is expected to save \$2.064 million net.
- This deferral will result in reduced response time or service availability. Alternate actions in case of emergencies, will be re-deployment of staff or the use of overtime as necessary. The risk factor is considered acceptable.
- This is not a sustainable reduction. Please refer to issues section on page 23.

2013 and 2014 Outlook:

- Approval of the 2012 Recommended Base Budget for Information and Technology will result in incremental costs of \$2.502 million net in 2013 and \$2.949 million net in 2014 to maintain 2012 level of service, and to provide funding for the operating impacts of capital projects. Future year costs are primarily attributed to the following:
 - For 2013, the incremental expenditures are projected to be \$2.502 million net. The 2013 Outlook includes increases for progression pay and step increases of \$0.386 million net, reversal of 1 extra work day in 2012 of (\$0.212) million, the reversal of 20 positions gapped in 2012 of \$2.063 million, offset by savings of (\$2.137

million) from the Integrated Telecomm Infrastructure and operating impacts from capital projects of \$2.402 million.

- For 2014, the incremental expenditures are projected to be \$2.949 million net. The 2014 Outlook includes increases for progression pay and step increases of \$0.386 million net, and operating impacts from capital projects of \$2.563 million.

Part V: ISSUES FOR DISCUSSION

2012 and Future Year Issues

2012 Issues

2012 Service Level Change Strategy

- The Information and Technology's 2012 Recommended Operating Budget is predominantly comprised of salaries and benefits costs. In order to meet the City's 10% reduction target, on a sustainable basis, a total of 38 positions would need to be deleted. The Information and Technology Division undertook a significant review of its functions and has proposed the permanent reduction of 18 positions resulting in ongoing savings of \$2.308 million that enables the Program to achieve 100% of its 10% reduction target. The review included optimizing organizational structures, sharing responsibilities, scheduling, consolidation and coordination. It is anticipated that the permanent deletion of 18 positions will have minimal impact on I&T service levels. The impact on services will be managed through work process redesign and organizational changes.
- To meet the balance of the target I&T would have to delete an additional 20 positions. This is not sustainable for the organization and would impact service.
- Instead, recommending the deferred hire of 20 positions for 2012. It is recognized that this recommended proposal does not result in permanent savings, but it is a strategy to bridge until the Program realizes permanent sustainable savings from the full implementation of Voice over Internet Protocol (VoIP) that will result in savings of \$2.137 million in 2013.
- As mentioned above, the City will be realizing permanent savings from Voice over Internet Protocol (VoIP) over the two year period, 2012–2013, totaling \$2.624 million given the need to implement Enterprise Wide.
- Acknowledging these savings, a transition strategy is proposed that enables I&T to meet the target in advance of the VoIP savings.
- As well, the City Manager's findings from Shared Service reviews' results will be considered in 2013 and 2014.

Issues Referred to the 2012 Operating Budget Process

Core Service Review Impacts

- At its meeting of September 26 and 27, 2011, City Council approved the report 'Core Service–Final Report to Executive Committee' from the City Manager. The City Manager was directed to review efficiency related opportunities for various program areas to determine whether and in what manner implementation is appropriate through 2012, 2013 and 2014 Operating Budgets.
- The following reviews were recommended for Information and Technology:
 - Information and Technology continue to investigate strategic sourcing of IT infrastructure, Business IT solutions, Client Support and IT Service Improvement.
 - Information and Technology continue to pursue standardization of enterprise application.
 - Information and Technology consider further consolidation of IT functions into a shared service centre.
 - Information and Technology continue to develop and examine indicators beyond availability and timeliness.
 - Total IT Capital and Operating Budgets for the City and its agencies broken out by specific Division and Agency, and how this compares to large urban cities such as Montreal, Ottawa, Vancouver, Chicago and the Ontario government.
 - Identification of what the Province of Ontario has done, and where is there an opportunity for the City to save monies in the IT Division across all Agencies, Boards, Commissions and Divisions.
 - The total IT headcount for the City, and its agencies broken out by specific Division, and Agency, and why some Divisions have their own IT staff, and how this compares to Montreal, Ottawa, Vancouver, Chicago, and the Ontario Government; and
 - Potential cost savings, and timeliness if the City, and agencies outsourced all IT functions.
- These reviews are pending and the City Manager will be reporting, as appropriate, to Standing Committee and/or City Council or through the City's operating budget process.

Appendix 1

2011 Performance

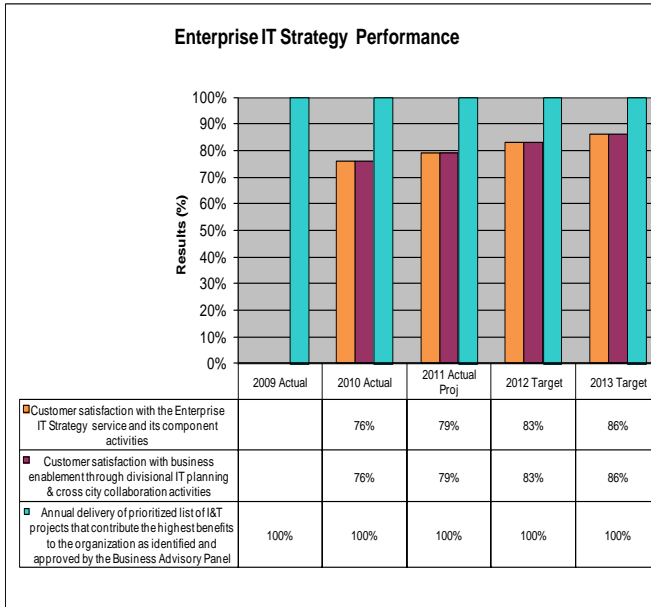
2011 Key Accomplishments:

In 2011, Information and Technology achieved the following results:

- ✓ Provided effective enterprise-wide IT technical support through the I&T Service Desk.
- ✓ Trained 2500+ staff on corporate and business applications and provided self directed IT training services to 140 City staff.
- ✓ Continued successful integration of Desktop Support and Service Desk activities as a result of centralization of Cluster IT and some divisional IT groups.
- ✓ Provided Client Relationship Management in support of key enterprise and client division strategic projects and initiatives.
- ✓ Developed a new framework for geographic data collection and maintenance.
- ✓ Enhanced and upgraded the Enterprise Geospatial Environment to allow for deployment of business web mapping applications.
- ✓ Successfully upgraded the Recreation Program Registration (Class) system, implemented the residential 24 hour and 48 hour temporary/guest on-street parking permits, the Children Services' Online Subsidy Application Form, and the Bentley ProjectWise system for managing City engineering drawings.
- ✓ Successfully consolidated Toronto Water, Transportation Services and Technical Services capital construction accomplishment reporting.
- ✓ Successfully completed the financial integration between IBMS and SAP to improve the speed of permit delivery and reduce back-office errors in accordance with Auditor General's recommendations.
- ✓ Completed the City's Wide Area Network (WAN) redesign, the enhanced network routing for the City's core network and high-speed service to support virtualized datacentre.
- ✓ Completed implementation of the productivity suite upgrade to Microsoft Office 2007;
- ✓ Developed a framework for performance measurement/metrics for each unit in Technology Infrastructure Services.
- ✓ Approved eCity Vision, Visionary Goals and Strategic Goals for 2011–2015, setting enterprise IT strategic direction as approved by the Business Advisory Panel.
- ✓ Established Electronic Service Delivery (ESD) program, an enterprise approach in support of advancing eService capabilities at the City.
- ✓ Developed a new IT Enterprise Policies and Standards Framework which included completing fit/gap analyses, restructuring the relevant intranet site and revising communication methodologies.

2011 Performance

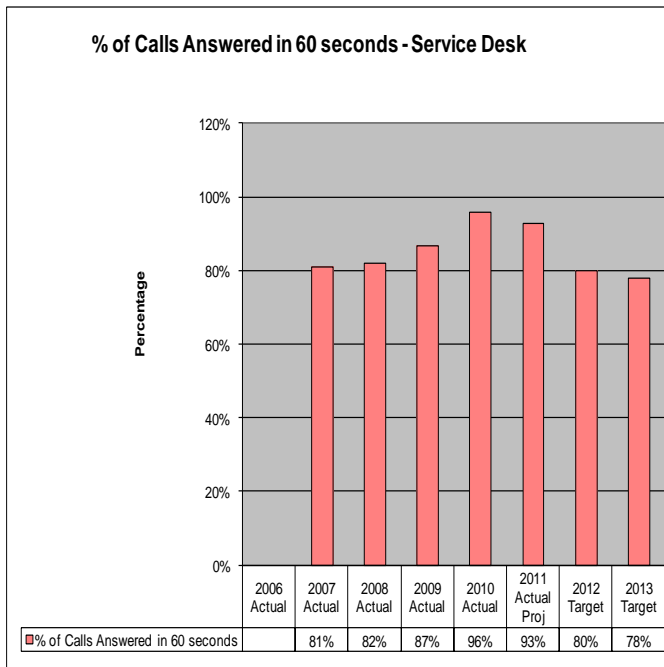
Effectiveness



Enterprise IT Strategy Performance

- Reflects the results of the 2010/11 Client Satisfaction Survey.
- The customer satisfaction level increased in 2011 by 3% from 76% in 2010.
- The target for 2012 is 83% for customer satisfaction.
- The annual delivery of prioritized of I&T projects that contribute the highest benefits to the organization as identified and approved by the Business Advisory Panel is 100% each year.

Efficiency



% of Calls Answered in 60 seconds – Service Desk

- % of Call Answered depends on the agent's availability
- The percentage decreased in 2011 compared to 2010 due an increase in the number incoming calls attributed to use of new technology and systems supported by the Service Desk while staff complement remains the same.
- With staff reductions arising from budgetary constraints and pressures, the % of calls answered in 60 seconds is forecasted to Decrease in 2012 and 2013 to 80% and 78% respectively.

2011 Budget Variance Analysis

2011 Budget Variance Review (In \$000s)

	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	\$	%
GROSS EXP.	70,465.8	76,368.7	101,510.6	92,597.8	(8,912.8)	(8.8)
REVENUES	13,060.6	16,263.6	34,054.7	28,054.3	(6,000.4)	(17.6)
NET EXP.	57,405.2	60,105.1	67,455.9	64,543.5	(2,912.4)	(4.3)
Approved Positions	413.0	568.0	685.0	567.0	(118.0)	(17.2)

2011 Experience

- The projected year-end net variance for Information and Technology as at September 30, 2011 is \$2.912 million or 4.3% below the 2011 Approved Net Operating Budget.
- The projected under-spending is largely due to lower salaries and benefits attributed to vacancies resulting from resignations, retirements, the hiring slowdown and recruitment challenges faced by the Division.
- In addition, lower software and hardware maintenance and telephone costs were achieved through better pricing and terms from effective contract negotiations on contract renewals.
- Conscious efforts to control discretionary expenses also contributed to the under-expenditure.
- Year-end revenues are projected to be \$6.000 million below budget primarily due to the current level of vacant capital positions resulting in lower recoveries from capital.

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- There is no impact of the 2011 operating variance on the 2012 Recommended Operating Budget.

Appendix 2

2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2009 Actual	2010 Actual	2011 Budget	2011 Projected Actual	2011 Recommended Budget	2012 Change from 2011 Approved Budget		2013 Outlook	2014 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	50,659.2	57,250.4	71,696.6	63,396.6	68,310.2	(3,386.4)	(4.7%)	70,712.2	71,543.0
Materials and Supplies	185.4	125.8	274.2	274.2	247.6	(26.5)	(9.7%)	247.6	247.6
Equipment	1,011.5	599.3	665.7	665.7	546.2	(119.5)	(17.9%)	546.2	546.2
Services & Rents	16,708.5	17,780.9	28,290.5	27,690.5	27,391.8	(898.7)	(3.2%)	25,565.8	25,895.8
Contributions to Capital									
Contributions to Reserve/Res Funds	89.0	94.1	104.3	104.3	107.2	2.9	2.8%	107.2	107.2
Other Expenditures	2.1	0.7	0.4	0.4	0.4	(0.0)	(1.1%)	0.4	0.4
Interdivisional Charges	2,567.2	517.5	479.0	479.0	493.7	14.7	3.1%	493.7	493.7
TOTAL GROSS EXPENDITURES	71,222.8	76,368.6	101,510.6	92,610.6	97,097.2	(4,413.4)	(4.3%)	97,673.1	98,833.9
Interdivisional Recoveries	5,675.4	6,060.1	13,182.0	13,182.0	13,457.0	275.0	2.1%	13,457.0	13,457.0
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations		105.0	170.4	170.4	170.4	0.0	0.0%	170.4	170.4
Transfers from Capital Fund	5,803.9	8,009.1	17,744.6	11,744.6	16,462.7	(1,281.9)	(7.2%)	16,614.6	16,818.9
Contribution from Reserve Funds									
Contribution from Reserve	2,333.9	1,519.3	2,388.0	2,388.0	2,388.0	0.0	0.0%	2,388.0	2,388.0
Sundry Revenues	4.3	531.2	569.8	569.8	721.2	151.4	26.6%	733.8	748.2
TOTAL REVENUE	13,817.5	16,263.6	34,054.8	28,054.8	33,199.4	(855.4)	(5.3%)	33,363.8	33,582.5
TOTAL NET EXPENDITURES	57,405.3	60,105.1	67,455.8	64,555.8	63,897.8	(3,558.0)	0.9%	64,309.3	65,251.4
APPROVED POSITIONS	487.5	568.0	685.0	573.0	648.0	(37.0)	(5.4%)	648.0	650.0

2012 Key Cost Drivers

- Salaries and benefits are the largest expenditure category and account for 70.4% of the total recommended expenditures, followed by services and rents at 28.2%, Materials Supplies and Equipment at 0.9%.
- The 2012 budget for salaries and benefits is \$68.310 million reflecting a decrease of \$3.387 million from the 2011 budget of \$71.697 million.
 - In 2012, the Program will delete 18 positions, thus lowering its salaries and benefits budget by \$1.740 million. In addition, it will gap 20 positions to reduce

costs by \$2.064 million, offset by an increase in inflationary increases for fringe benefits.

- The 2012 budget for services and rents of \$27.392 million is \$0.899 million or 3.2% lower than the 2011 operating budget.
 - It reflects decreases in costs attributed to the implementation of the integrated telecommunication infrastructure (\$0.487 million), reduced hardware and software maintenance (\$0.120), and alignment of budget to actual expenditures (\$0.668 million), offset by increases for professional services, and data and network service provider costs of \$0.376 million.
- The 2012 budget for equipment is \$0.546 million or 0.6% lower than the 2011 budget of \$0.666 million.
 - This is largely attributed to an alignment of budget to actual expenditures experienced.
- An amount of \$13.457 million or 40.5% of the total revenues budget is in interdivisional recoveries from client Divisions for I&T services. This is \$0.275 million or 2.1% higher than the 2011 budget. This is due to growth in demand for services from I&T.
- Transfers from the Capital Budget total \$16.463 million or 49.6% of total revenues, to fund the delivery of capital projects in 2012. This represents a decrease of 7.2% from 2011 to reflect the scope of work for the year.

Appendix 3

Summary of 2012 Recommended Service Changes

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2011	2012	2013	2014
			\$	\$	\$	\$
I&T Vehicle Reserve	XQ1509	Projected Beginning Balance	20.9	20.9	34.8	48.7
		Proposed Withdrawals (-)				
		Contributions (+)		13.9	13.9	13.9
Balance at Year-End			20.9	34.8	48.7	62.6
I&T Equipment Reserve	XQ1508	Projected Beginning Balance	8,042.0	8,042.0	8,042.0	8,042.0
		Proposed Withdrawals (-)		(2,388.0)	(2,388.0)	(2,388.0)
		Contributions (+) from non - Program		2,388.0	2,388.0	2,388.0
Balance at Year-End			8,042.0	8,042.0	8,042.0	8,042.0

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2011 *	Proposed Withdrawals (-) / Contributions (+)		
			2012	2013	2014
			\$	\$	\$
Insurance Reserve Fund	XR1010		93.3	93.3	93.3
Total Reserve / Reserve Fund Draws / Contributions			93.3	93.3	93.3