



City Budget
2012

Toronto Employment & Social Services
Capital Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Capital Budget funds major infrastructure.

2012–2021 Capital Program

2012 CAPITAL BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE NOVEMBER 28, 2011

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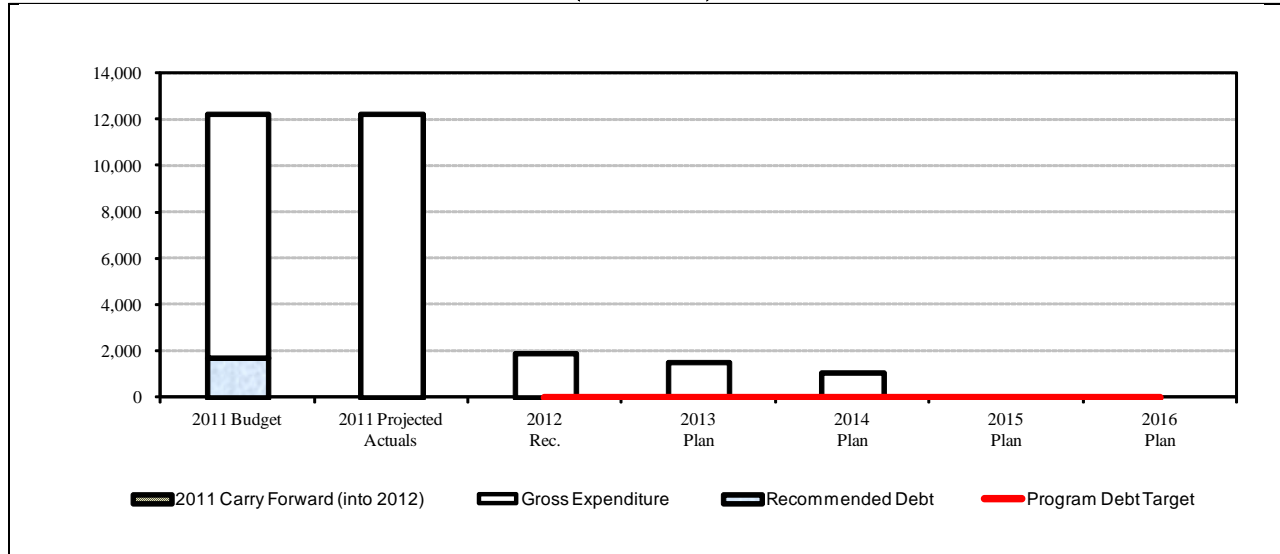
PART I: RECOMMENDATIONS

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for Toronto Employment and Social Services with a total project cost of \$1.900 million and a 2012 cash flow of \$1.900 million and future year commitments of \$2.600 million. The 2012 Recommended Capital Budget consists of the following:
 - a) New Cash Flow Funding for:
 - i) 2 change in scope sub-projects with a 2012 total project cost of \$1.900 million that requires a cash flow of \$0.600 million in 2012 and future year commitments of \$0.500 million in 2013 and \$0.800 million in 2014;
 - ii) 4 previously approved sub-projects with a 2012 cash flow of \$1.300 million and a future year commitment of \$1.000 million in 2013; and \$0.300 million in 2014; and,
2. Council approve the future year commitment of \$2.600 million for IT projects, which will be fully funded by Provincial subsidies.

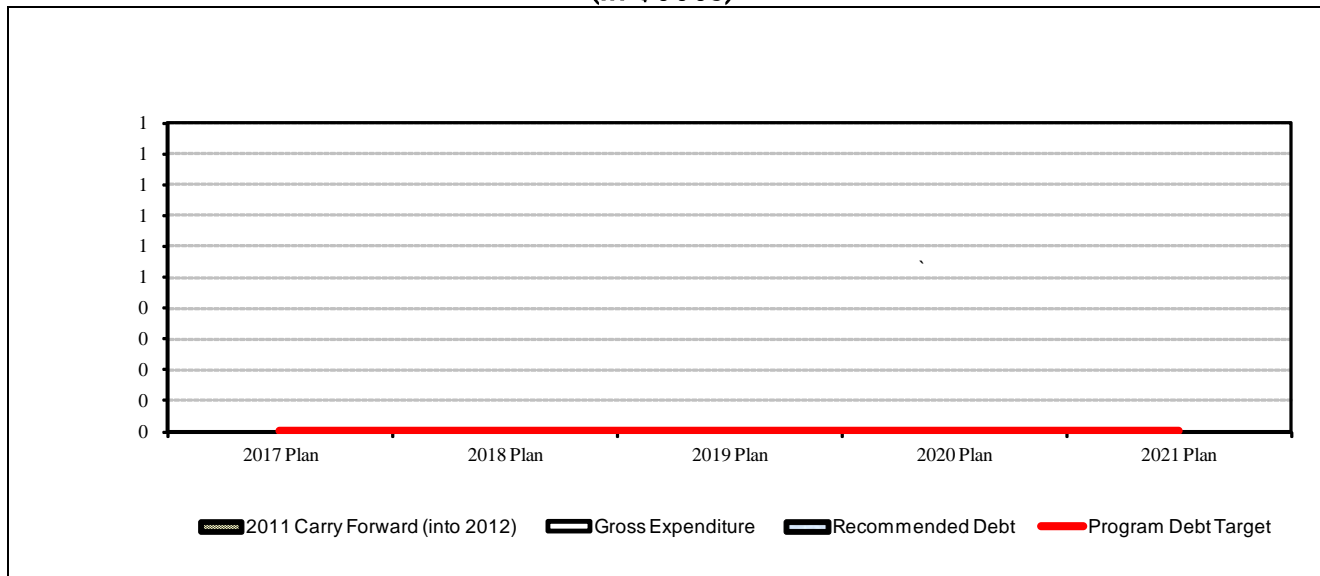
PART II: 2012 – 2021 CAPITAL PROGRAM

10-Year Capital Plan 2012 Recommended Budget, 2013–2016 Recommended Plan (In \$000s)



		2012 Rec. Budget and 2013-2016 Plan										
		2011		2012	2013	2014	2015	2016	2012-2016	5-Year Total		
		Budget	Projected Actual									
Gross Expenditures:												
2011 Capital Budget & Approved FY Commitments		12,219	12,219	1,300	1,000	300				2,600	58%	
Recommended Changes to Approved FY Commitments										0	N/A	
2012 New/Change in Scope and Future Year Commitments				600	500	800				1,900	42%	
2013 - 2016 Capital Plan Estimates										0	0%	
1-Year Carry Forward to 2012				→								
Total Gross Annual Expenditures & Plan		12,219	12,219	1,900	1,500	1,100	0	0	4,500	100%		
Program Debt Target		1,696										
Financing:												
Recommended Debt		1,696									0	0%
Reserves/Reserve Funds		9,223									0	0%
Development Charges											0	0%
ISF											0	0%
Provincial/Federal		1,300		1,900	1,500	1,100				4,500	100%	
Other Revenue											0	0%
Total Financing		12,219		1,900	1,500	1,100	0	0	4,500	100%		
By Project Category:												
Health & Safety											0	0%
Legislated											0	0%
SOGR											0	0%
Service Improvement		12,219		1,900	1,500	1,100				4,500	100%	
Growth Related											0	0%
Total By Project Category		12,219		1,900	1,500	1,100	0	0	4,500	100%		
Asset Value - end of each year (\$)												
Yearly SOGR Backlog Estimate (not addressed by current plan)												
Accumulated Backlog Estimate (end of year)												
Backlog: Percentage of Asset Value (%)												
Debt Service Costs												
0												
Operating Impact on Program Costs												
0												
New Positions												
0												

**10-Year Capital Plan
2017–2021 Recommended Plan
(In \$000s)**



	2017 - 2021 Capital Plan							10-Year Total Percent
	2017	2018	2019	2020	2021	2012-2021		
Gross Expenditures:								
2011 Capital Budget & Approved FY Commitments						2,600	58%	
Recommended Changes to Approved FY Commitments						0	0%	
2012 New/Change in Scope and Future Year Commitments						1,900	42%	
2017 - 2021 Capital Plan Estimates						0	0%	
Total Gross Annual Expenditures & Plan	0	0	0	0	0	4,500	100%	
Program Debt Target						0		
Financing:								
Recommended Debt						0	0%	
Reserves/Reserve Funds						0	0%	
Development Charges						0	0%	
ISF						0	0%	
Provincial/Federal						4,500	100%	
Other Revenue						0	0%	
Total Financing	0	0	0	0	0	4,500	100%	
By Project Category:								
Health & Safety						0	0%	
Legislated						0	0%	
SOGR						0	0%	
Service Improvement						4,500	100%	
Growth Related						0	0%	
Total By Project Category	0	0	0	0	0	4,500	100%	
Asset Value - end of each year (\$)								
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)								
Backlog: Percentage of Asset Value (%)								
Debt Service Costs						0		
Operating Impact on Program Costs						0		
New Positions						0		

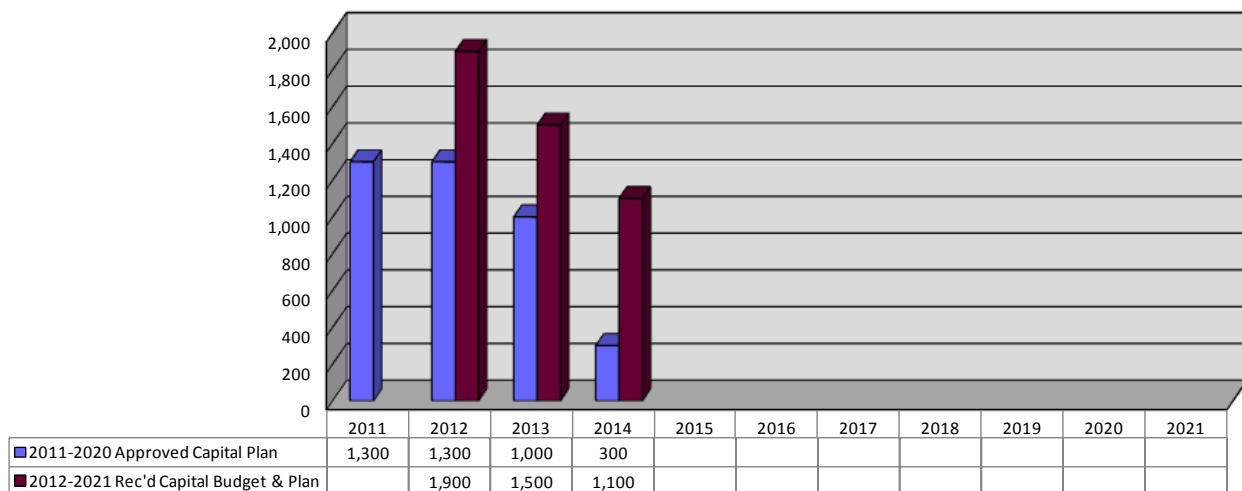
10–Year Capital Plan Overview

- The TESS' 10–Year Recommended Capital Plan provides total funding of \$4.500 million that advances the Program's strategic direction to improve quality and efficiency of service delivery to Torontonians.
- The Province announced in July 2010 that it will replace the current Service Delivery Model Technology (SDMT) with the new Social Services Solutions Modernization Project (SSSMP). According to the Provincial timetable, SSSMP will be rolled out in 2013 and be completed by 2014. The main focus of the 2012–2021 Recommended Capital Plan is to ensure continued improvement to the delivery of financial assistance and other services to eligible clients, while ensuring a smooth transition from SDMT to SSSMP.
- The 2011–2021 Recommended Capital Plan that totals \$4.500 million is entirely allocated to Service Improvement (Information Technology) projects fully funded by the Province, which includes the following projects:
 - *The Employment Assistance (EA) – Phase 2* sub–project provides access to services and information online and streamlines administration processes to enhance operational efficiency (\$1.500 million is required from 2012 to 2014);
 - *The MIS–Data Mart – Phase 1* sub–project provides an enhancement to the existing TESS' Data Mart infrastructure to improve information gathering and analysis regarding OW caseload (financial, client services, and Employment Centre statistics) and to link strategy to outcomes (\$0.400 million is required from 2012 to 2013);
 - *The Case Management – Phase 2* sub–project provides a start–to–finish case management tool that integrates all components of OW programs, as well as the non–OW cases that are served by TESS. In particular, TESS will focus on the development of the City Services Benefit Card to streamline the labour intensive administration process, improve customer satisfaction and service quality, and achieve operational efficiencies and reduce operating costs (\$2.300 million is required from 2012 to 2014); and,
 - *The Workforce Management and Engagement System* sub–project provides a web application for a single point of access to information on recruitment, opportunities for promotion, expressions of interests for TESS' staff in leadership and professional development, including job shadowing, and performance management within TESS' Succession Management Framework (SMF) (\$0.300 million is required in 2012).
- TESS' 10–Year Recommended Capital Plan does not include capital projects that relies on City debt. All information technology projects are funded by the Province.

- All TESS' facility State of Good Repair (SOGR) funding requirements were previously transferred and consolidated within the Facilities & Real Estate (F&RE) Capital Budget and Plan. Any reporting of TESS facility backlog would form part of the Facilities Capital Plan, while TESS' SOGR projects are funded by City (debt).
- The Case Management Phase 2 capita project provides funding for the implementation of the City Services Benefit Card to improve service quality and enhance operational efficiencies. The Request for Proposal (RFP) has been issued and the General Manager of Toronto Employment & Social Services report to City Council on progress on implementation of the City Services Benefit Card and the associated cost savings resulting from operational efficiency, once the implementation plan and the operational savings are identified upon the completion of the RFP process.

Key Changes to 2011 to 2020 Approved Capital Plan

**Changes to the 2011–2020 Approved Capital Plan
(In \$000s)**



- The above chart highlights the changes between the 2011–2020 Approved Capital Plan and the 2012–2021 Recommended Capital Budget and Plan. As outlined in the table below, the 2012 Recommended Capital Budget of \$1.900 million represents an increase of \$0.600 million compared to the planned cash flow for 2012 of \$0.600 million in 2011 due to the increase in project scope of the Case Management: Phase 2 capital project.
- Overall, the 10–Year Recommended Capital Plan is \$1.900 million more than the cash flow requirement approved in 2011 to reflect the change in scope to two on–going Information Technology:

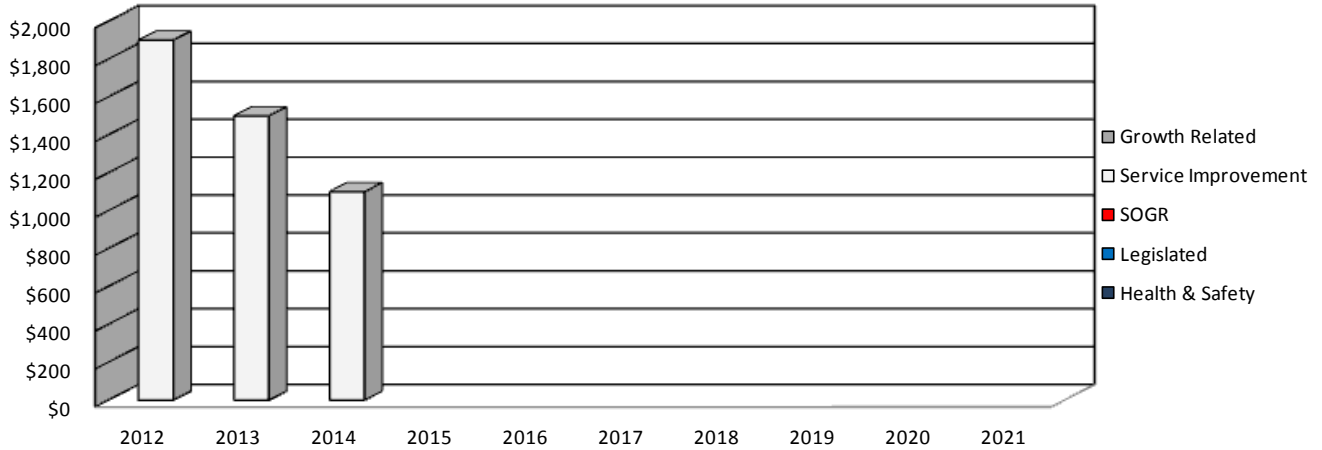
- Case Management: Phase 2: the additional funding of \$0.600 million for 2012, \$0.500 million for 2013, and \$0.300 million for 2014 will enable TESS to:
 - Develop the City Services Benefit Card to distribute financial assistance to Ontario Works clients through electronic financial transactions to improve security and administrative efficiency;
 - Enhance the Employment Opportunities System, an online recruiting software and Applicant Tracking System, to assist OW clients' career planning needs; and,
 - The Province announced in July 2010 to replace the current Service Delivery Model Technology (SDMT) to the new Social Services Solutions Modernization Project (SSSMP). The SSSMP will be rolled out in 2013 and be completed by 2014. The additional funding will enable TESS to modify the current systems/processes to integrate/migrate to the new system by 2013.
- Employment Assistance: Phase 2(\$0.500 million)
 - The 2011 approved capital budget for the Employment Assistance: Phase 2 project provides for automation of the Individual Services & Support business process, the implementation of on–line financial control and monitoring, and on–line client self referral to employment services.
 - The additional funding of \$0.500 million required in 2014 enables TESS to expand its system to allow clients to search and view available training opportunities on–line, allow employment services providers to receive referrals on–line.
- The 10–Year Recommended Capital Plan does not include planned projects and cash flow requirements beyond 2015 mainly due to recently announced changes in the Provincial Ontario Works service delivery technology. New sub–projects will be submitted in future years to reflect the changes in technology and requirements of the provincially–mandated Ontario Works Program.

Summary of Project Changes
(In \$000s)

Key Projects	Total Project Cost	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021	Revised Total Project Cost
Employment Assistance: Phase 2	1,500			500								500	2,000
Case Management: Phase 2	900	600	500	300								1,400	2,300
MIS DataMart: Phase 1	1,575												1,575
Workforce Management & Engagement System	730												730
Total Change	4,705	600	500	800								1,900	6,605

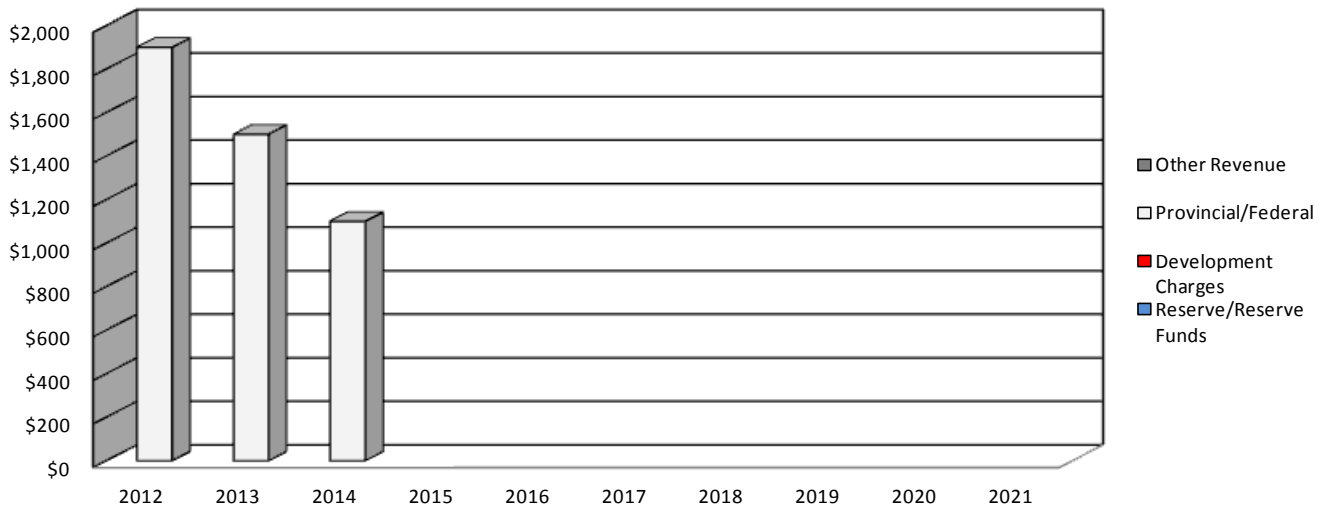
2012 – 2021 Recommended Capital Plan

2012–2021 Capital Plan by Project Category
(In \$000s)



- The 10-Year Recommended Capital Plan includes four IT sub-projects, all of which are Service Improvement projects.
- The 10-Year Recommended Capital Plan does not include any State of Good Repair (SOGR) projects, as all of TESS' facility SOGR funding requirements were previously transferred and consolidated within the Facilities & Real Estate (F&RE) Capital Budget and Capital Plan.

**2012–2021 Capital Plan by Funding Source
(In \$000s)**



- The 10–Year Recommended Capital Plan for TESS totals \$4.500 million, all of which is 100% funded from Provincial subsidies in years 2012 to 2014.

**Summary of Major Capital Initiatives by Category
(In \$000s)**

	Total Project Cost	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
Service Improvements (IT Project)												
Employment Assistance: Phase 2	2,000	500	500	500								1,500
Case Management: Phase 2	2,300	900	800	600								2,300
MIS DataMart:Phase 1	1,575	200	200									400
Workforce Management & Engagement System	730	300										300
Total	6,605	1,900	1,500	1,100								4,500

Major Capital Initiatives

- The mix of projects included in the 10–Year Recommended Capital Plan supports TESS' objective of improving quality and efficiency of service delivery to Torontonians.

Service Improvements Projects

- Funding of \$4.500 million for information technology projects is recommended for the Web–Based IT Development project to assist the Program in utilizing technology to adopt a more client–centric approach to service delivery. The 10–Year Recommended Capital Plan includes funding for 4 information technology initiatives:
 - Employment Assistance (Phase 2) of \$1.500 million;
 - MIS – Data Mart (Phase 1) of \$0.400 million;

- Case Management (Phase 2) of 2.300 million; and,
- Workforce Management & Engagement System of \$0.300 million.
- These IT projects will enable TESS to manage its business more efficiently and effectively, and to provide clients with better access to the services, information and resources they need in order to make informed employment and service choices.
- The Case Management Phase 2 sub–project ensures that TESS will be able to migrate from the current Service Delivery Model Technology (SDMT) to the new Social Services Solutions Modernization Project (SSSMP) by 2013.
- The Workforce Management & Engagement system will enable TESS to develop a web application that targets recruitment and staff development in order to sustain its human resources and intellectual capacity.
- These IT sub–projects will be fully funded by Provincial subsidy, which is expected to continue for the foreseeable future.

State of Good Repair (SOGR)

- TESS' 10–Year Recommended Capital plan does not include any SOGR projects.
 - TESS' facilities SOGR capital funding requirements were previously transferred and consolidated within the Facilities & Real Estate (F&RE) Capital Budget and Capital Plan.

10–Year Capital Plan: Operating Impact Summary
(In \$000s)

	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012- 2021 Total
2012 Recommended Capital Budget											
Program Gross											
Program Revenue											
Program Cost (Net)											
Approved Positions											
Recommended 10-Year Capital Plan											
Program Gross											
Program Revenue											
Program Cost (Net)											
Approved Positions											
Total											
Program Gross											
Program Revenue											
Program Cost (Net)											
Approved Positions											

Capital Project Delivery, Temporary Positions
(in \$000s)

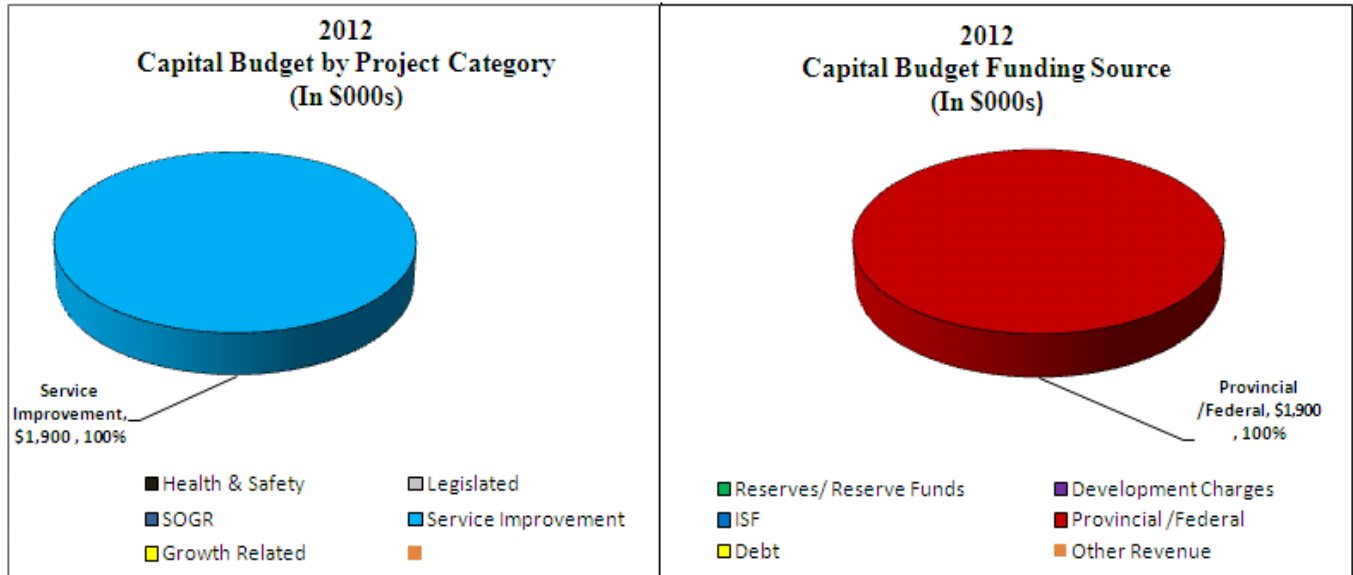
Position Title	CAPTOR Project Number	# of Position s	Project Delivery		Salary and Benefits \$ Amount				
			Start Date	End Date	2012	2013	2014	2015	2016 to 2021
Information & Technology Integrator	CSS006	3.00	1/1/2007	12/31/2014	260.00	260.00	260.00		
Total					260.00	260.00	260.00		
Total Temporary Positions					3	3	3		

- The approval of the four IT sub-projects will neither impact the Program's Operating Budget, nor the City's debt service costs, as both the recommended projects and the three temporary staff that are working on these projects will be funded by the Province.
- The Program's permanent IT staff will assume responsibility for ongoing maintenance; thus, there will be no additional costs to the Program's Operating Budget upon completion of the capital projects.
- TESS projects an anticipated operational savings ranging between \$2.0 million to \$5.0 million gross and \$1.0 million to \$2.5 million net, resulting from administrative efficiencies once the City Services Benefit Card is implemented. The Request for Proposal (RFP) has been issued and the General Manager of Toronto Employment &

Social Services report to City Council on progress on implementation of the City Services Benefit Card and the associated cost savings resulting from operational efficiency, once the implementation plan and the operational savings are identified upon the completion of the Request for Proposal process.

PART III – 2012 Recommended Capital Budget

2012 Capital Budget by Project Category and Funding Source



- The 2012 Recommended Capital Budget requires cash flow of \$1.900 million and is 100% allocated to Service Improvement projects.
 - All IT sub-projects funded in the 2012 Recommended Capital Budget are Service Improvements projects to assist the Program in utilizing technology to strengthen and expand service delivery to Torontonians. The recommended 4 IT capital projects that total \$1.900 million are fully funded by Provincial subsidy.

2012 Recommended Cash Flow & Future Year Commitments (In \$000s)

	2010 & PY	2012 Total Cash Flow Rec'd	2011 Carry Forwards	Total 2012 Cash Flow (Incl 2011 C/Fwd)	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total Cost
Expenditures														
Previously Approved		1,300		1,300	1,000	300								2,600
Change in Scope		600		600	500	800								1,900
New														
New w/Future Year														
Total Expenditure		1,900		1,900	1,500	1,100								4,500
Financing														
Debt														
Other														
Reserves/Res Funds														
Development Charges														
ISF														
Provincial/Federal		1,900		1,900	1,500	1,100								4,500
Total Financing		1,900		1,900	1,500	1,100								4,500

- Approval of the 2012 Recommended Capital Budget will result in future year commitments of \$1.000 million for the Employment Assistance – Phase 2, \$1.400 million for the Case Management – Phase 2, and \$0.200 million for the MIS – Data Mart – Phase 1. As the future year commitments are funded fully by provincial subsidy, commitments will not be made to projects until the funding is confirmed by the Province annually.

2012 Recommended Capital Project Highlights

2012 Recommended Capital Projects

(In \$000s)

Project	Total Project Cost	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021 Total
Employment Assistance: Phase 2	2,000	500	500	500								1,500
MIS DataMart:Phase 1	1,575	200	200									400
Workforce Management & Engagement System	730	300										300
Case Management: Phase 2	2,300	900	800	600								2,300
Total Projects in 2011	6,605	1,900	1,500	1,100								4,500

The 2012 Recommended Capital Budget of \$1.900 million provides the needed funding for TESS to:

- Continue previously approved projects including:
 - The Employment Assistance: Phase 2 (\$0.500 million): that will automate and streamline the Individual Services & Support process such as online financial control and monitoring (electronic invoice submission) and online client self referral to employment services to enhance operational efficiency ;
 - The MIS–DataMart: Phase 1 (\$0.200 million): which will enhance information availability and efficient trend analysis on Ontario Works caseloads; and,
 - The Case Management: Phase 2 (\$0.900 million): which will improve administration efficiency through the development of the City Services Benefit Card and the Employment Opportunities System, while ensuring a smooth migration to the new Provincial Social Services Solution Moderation Project (SSSMP) in 2013.
- Complete the Workforce Management & Engagement System project (\$0.300 million): which will enhance access to information on recruitment, opportunities for promotion, expressions of interests for TESS’ staff in leadership and professional development.

PART IV: ISSUES FOR DISCUSSION

2012 Issues and Future Year Issue

Operating Impacts from Capital Project

- New technologies offer opportunities for modernization of service delivery to Torontonians. Many City divisions continue to rely on outdated business practices such as cheque payment processes in the delivery of programs and services. For TESS, the Program continues to issue a significant percentage of financial assistance payments through cheque. The introduction of a City Services Benefit Card leverages current card technologies widely used in other sectors and jurisdictions, and coincides with broader efforts at the City and province to modernize the delivery of social assistance and other critical services.
- Consistent with the objectives of the City's eService strategy and current priorities on improving customer service and reducing costs, research to date indicates a City Services Benefit Card will provide greater accessibility and security for residents among other benefits, while producing administrative efficiencies, streamlining paper cheque processes and enhancing program integrity for the City.
- A Request for Proposal (RFP) has been issued in the Fall of 2011 and the City Services Benefit Card Steering Committee will commence evaluating the proposals submitted soon. In June 2011, TESS anticipated an operational saving ranging between \$2.0 million to \$5.0 million gross and \$1.0 million to \$2.5 million net, resulting from administrative efficiencies once the City Services Benefit Card is implemented. However, the 2012 projected operating savings have yet to be confirmed, and will be quantified through the RFP process.
- As noted in the staff report entitled "Modernizing Service Delivery through Card Technology" approved by City Council on July 12th, 2011, the General Manager of Toronto Employment & Social Services report to City Council on progress on implementation of the City Services Benefit Card and the associated cost savings resulting from operational efficiency, once the implementation plan and the operational savings are identified upon the completion of the Request for Proposal process.

Appendix 1

2011 Performance

2011 Key Accomplishments

In 2011, TESS achieved the following:

- ✓ Case Management – Phase 1
 - An RFP was issued for the City Services Benefit card, which will distribute financial assistance to Ontario Works clients through electronic financial transactions, streamline administration process, and achieve operational efficiencies and cost savings.
 - In 2011, Web Access to Your Services (WAYS) was replaced by the first phase of the new provincial Social Services Solutions Modernization Project (SSSMP). However, this technology did not have on-line appointment scheduling which was available in WAYS. Thus, TESS developed an application appointment scheduler to provide this functionality for residents of the City of Toronto applying for Ontario Works.
- ✓ Employment Assistance – Phase 1
 - The Employment Services System (ESS) was expanded to incorporate two additional employment programs (Individual Services and Support (ISS) and Second Career) to provide complete case management for OW clients.

2011 Capital Variance Review

2011 Budget to Actuals Comparison – Total Gross Expenditures

(In \$000s)

2011 Approved	Actuals as of September 30th (3rd Qtr Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$	% Unspent
12,219	591	4.8%	12,219	100.0%	0	0%

- At the end of September 30, 2011, TESS spent \$0.591 million or 4.8% of its 2011 Approved Capital Budget of \$12.219 million. The under-expenditure at the 3rd quarter is mainly due to :
 - The TESS Office Relocation project (\$9.223 million) experienced delays pending Real Estate Services' evaluation of options for the relocation of a TESS office; and,
 - TESS will not proceed with the renovation project at 455 Dovercourt, as the Program has identified an alternative location (City-owned) that is more suitable and will result in program delivery efficiencies. The 2011 approved funding of \$1.400 million for the 455 Dovercourt capital project will be utilized to renovate and retrofit the alternative location.
- Although the Program is projecting to fully spend its 2011 Approved Capital Budget, TESS is reviewing its overall 2011 cash flow funding requirements and will report on any necessary 2011 carry forward funding into 2012 in early 2012.

Appendix 2

10 – Year Recommended Capital Plan Project Summary

Projects	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
Employment Assistance: Phase 2	500	500	500								1,500
Case Management: Phase 2	900	800	600								2,300
MIS DataMart:Phase 1	200	200									400
Workforce Management & Engagement System	300										300
Total	1,900	1,500	1,100								4,500

Appendix 3

2012 Recommended Capital Budget; 2013 to 2021 Capital Plan

Appendix 4

2012 Recommended Cash Flow and Future Year Commitments

Appendix 5

2012 Recommended Capital Project with Financing Details