

City Budget  
2012

311 Toronto  
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

### TABLE OF CONTENTS

<b>PART I: RECOMMENDATIONS</b> .....	2
<b>PART II: 2012 – 2021 CAPITAL PROGRAM</b>	
10–Year Capital Plan Summary (2012 Rec'd Budget, 2013–2021 Rec'd Plan) .....	3
10–Year Capital Plan Overview .....	5
10–Year Capital Plan: Operating Impact Summary .....	12
<b>PART III: 2012 RECOMMENDED CAPITAL BUDGET</b> .....	13
2012 Capital Budget by Project Category and Funding Source .....	13
2012 Recommended Cash Flow & Future Year Commitments .....	14
2012 Recommended Capital Project Highlights .....	15
<b>PART IV: ISSUES FOR DISCUSSION</b>	
2012 and Future Year Issues .....	16
Issues Referred to the 2012 Capital Budget Process .....	N/A
<b>APPENDICES</b>	
<b>Appendix 1: 2011 Performance</b> .....	18
<b>Appendix 2: 10–Year Recommended Capital Plan Project Summary</b> .....	20
<b>Appendix 3: 2012 Recommended Capital Budget; 2013 to 2021 Capital Plan</b> .....	21
<b>Appendix 4: 2012 Recommended Cash Flow &amp; Future Year Commitments</b> .....	22
<b>Appendix 5: 2012 Recommended Capital Projects with Financing Details</b> .....	23
<b>Appendix 6: 2012 Reserve / Reserve Fund Review</b> .....	24

**Contacts: Judy Broughton**  
 Manager, Financial Planning  
 Tel: (416) 392–8393

**Ron Budhu**  
 Senior Financial Planning Analyst  
 Tel: (416) 397–4559

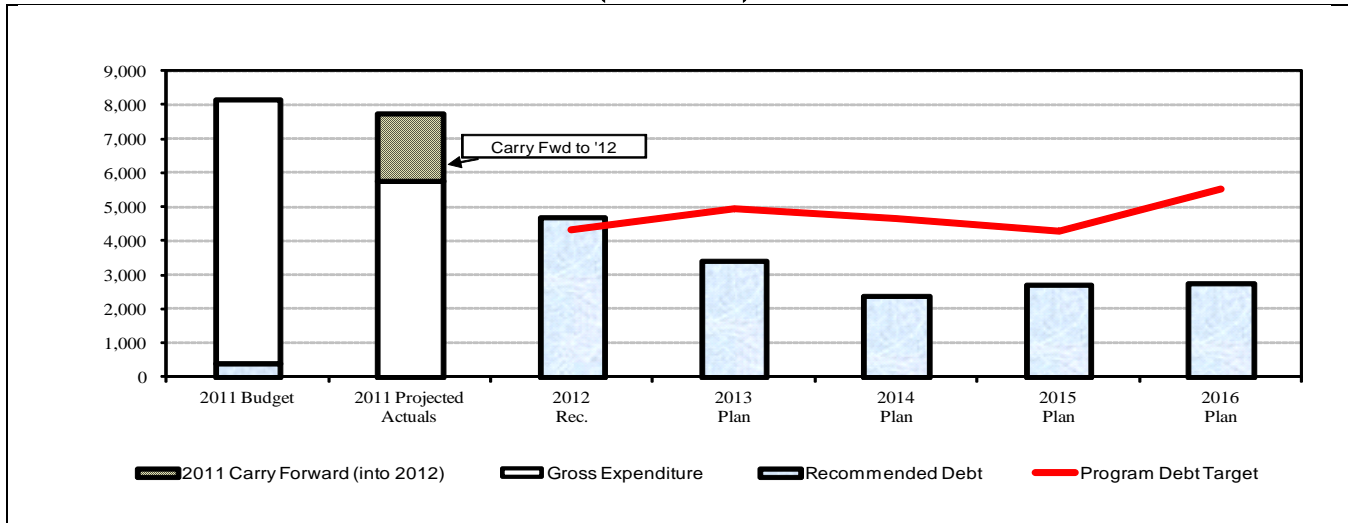
## PART I: RECOMMENDATIONS

The City Manager and Chief Financial Officer recommend that:

1. Council approve the 2012 Recommended Capital Budget for 311 Toronto with a total project cost of \$16.348 million, and 2012 cash flow of \$6.664 million and future year commitments of \$12.024 million comprised of the following:
  - a) New Cash Flow Funding for:
    - i) 2 new/change in scope sub-projects with a 2012 total project cost of \$16.348 million that requires cash flow of \$4.324 million in 2012 and a future year commitment of \$3.423 million in 2013, \$2.394 million in 2014, \$2.693 million in 2015, \$1.874 million in 2016 and \$0.328 million in each of the years 2017 through 2021;
    - ii) 1 previously approved sub-project with carry forward funding from 2010 and prior years requiring 2012 cash flow of \$0.385 million which forms part of the affordability target that requires Council to reaffirm its commitment; and
  - b) 2011 approved cash flow for 2 previously approved sub-projects with carry forward funding from 2011 into 2012 totalling \$1.955 million;
2. Council approve new debt service costs of \$0.094 million in 2012 and incremental debt costs of \$0.573 million in 2013, \$0.415 million in 2014, \$0.311 million in 2015, \$0.326 million in 2016, \$0.208 million in 2017, \$0.042 million in 2018, \$0.042 million in 2019, \$0.042 million in 2020 and \$0.042 million in 2021 resulting from the approval of the 2012 Recommended Capital Budget, to be included in the 2012 and future year operating budgets;
3. Council approve the 2013–2021 Recommended Capital Plan for 311 Toronto totalling \$8.951 million in project estimates, comprised of \$1.137 million in 2017; \$1.979 million in 2018; \$3.099 million in 2019; \$1.368 million in 2020; and \$1.368 million in 2021; and
4. Council consider operating impacts of \$0.617 million in 2012; \$0.153 million in 2013; \$0.540 million in 2014 and, \$0.540 million in 2016 emanating from the approval of the 2012 Recommended Capital Budget for inclusion in the 2012 and future year operating budgets.

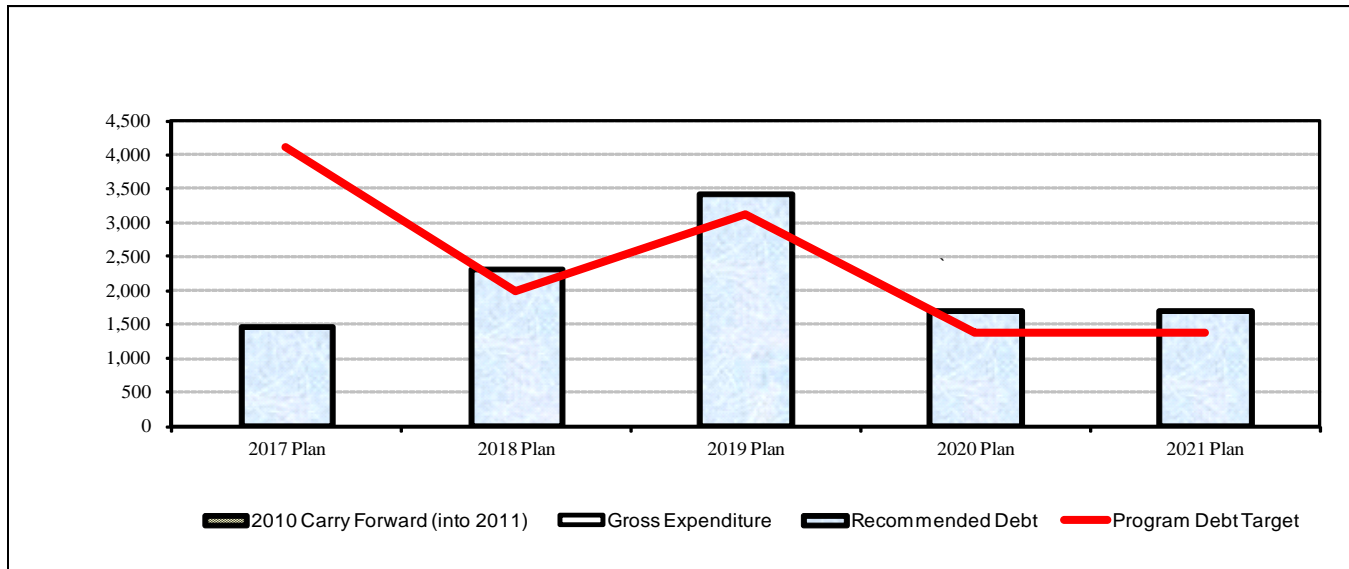
# PART II: 2012 – 2021 CAPITAL PROGRAM

## 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								
<b>Gross Expenditures:</b>											
	2011 Capital Budget & Approved FY Commitments	8,178	5,776								
	Recommended Changes to Approved FY Commitments										
	2012 New/Change in Scope and Future Year Commitments			4,324	3,423	2,394	2,693	2,752	15,586	98%	
	2013 - 2016 Capital Plan Estimates										
	2-Year Carry Forward for Reapproval			385						385	2%
	1-Year Carry Forward to 2012		1,955								
<b>Total Gross Annual Expenditures &amp; Plan</b>		<b>8,178</b>	<b>7,731</b>	<b>4,709</b>	<b>3,423</b>	<b>2,394</b>	<b>2,693</b>	<b>2,752</b>	<b>15,971</b>	<b>98%</b>	
<b>Program Debt Target</b>		<b>400</b>		<b>4,324</b>	<b>4,945</b>	<b>4,669</b>	<b>4,296</b>	<b>5,516</b>	<b>23,750</b>		
<b>Financing:</b>											
	<b>Recommended Debt</b>	<b>400</b>		<b>4,709</b>	<b>3,423</b>	<b>2,394</b>	<b>2,693</b>	<b>2,752</b>	<b>15,971</b>	<b>100%</b>	
	Reserves/Reserve Funds	7,778									
	Development Charges										
	ISF										
	Provincial/Federal										
	Other Revenue										
<b>Total Financing</b>		<b>8,178</b>		<b>4,709</b>	<b>3,423</b>	<b>2,394</b>	<b>2,693</b>	<b>2,752</b>	<b>15,971</b>	<b>100%</b>	
<b>By Project Category:</b>											
	Health & Safety										
	Legislated										
	SOGR			1,039	1,782	1,384	1,052	2,752	8,009	50%	
	Service Improvement	8,178		3,670	1,641	1,010	1,641		7,962	50%	
	Growth Related										
<b>Total By Project Category</b>		<b>8,178</b>		<b>4,709</b>	<b>3,423</b>	<b>2,394</b>	<b>2,693</b>	<b>2,752</b>	<b>15,971</b>	<b>100%</b>	
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 (%)											
				94	573	415	311	326	1,719		
Debt Service Costs											
Operating Impact on Program Costs				617	153	540	0	540	1,850		
New Positions				5	0	4	0	4	13		

### 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		
<b>Gross Expenditures:</b>								
2011 Capital Budget & Approved FY Commitments								
Recommended Changes to Approved FY Commitments								
2-Year Carry Forward for Reapproval							385 1%	
2012 New/Change in Scope and Future Year Commitments	328	328	328	328	328	17,226	65%	
2017 - 2021 Capital Plan Estimates	1,137	1,979	3,099	1,368	1,368	8,951	34%	
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>1,465</b>	<b>2,307</b>	<b>3,427</b>	<b>1,696</b>	<b>1,696</b>	<b>26,562</b>	<b>100%</b>	
<b>Program Debt Target</b>	<b>4,106</b>	<b>1,979</b>	<b>3,099</b>	<b>1,368</b>	<b>1,368</b>	<b>35,670</b>		
<b>Financing:</b>								
<b>Recommended Debt</b>	<b>1,465</b>	<b>2,307</b>	<b>3,427</b>	<b>1,696</b>	<b>1,696</b>	<b>26,562</b>	<b>100%</b>	
Reserves/Reserve Funds								
Development Charges								
ISF								
Provincial/Federal								
Other Revenue								
<b>Total Financing</b>	<b>1,465</b>	<b>2,307</b>	<b>3,427</b>	<b>1,696</b>	<b>1,696</b>	<b>26,562</b>	<b>100%</b>	
<b>By Project Category:</b>								
Health & Safety								
Legislated								
SOGR	1,465	2,307	3,427	1,696	1,696	18,600	70%	
Service Improvement							7,962	30%
Growth Related								
<b>Total By Project Category</b>	<b>1,465</b>	<b>2,307</b>	<b>3,427</b>	<b>1,696</b>	<b>1,696</b>	<b>26,562</b>	<b>100%</b>	
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	208	42	42	42	42	2,094		
Operating Impact on Program Costs	0	0	0	0	0	1,850		
New Positions	0	0	0	0	0	13		

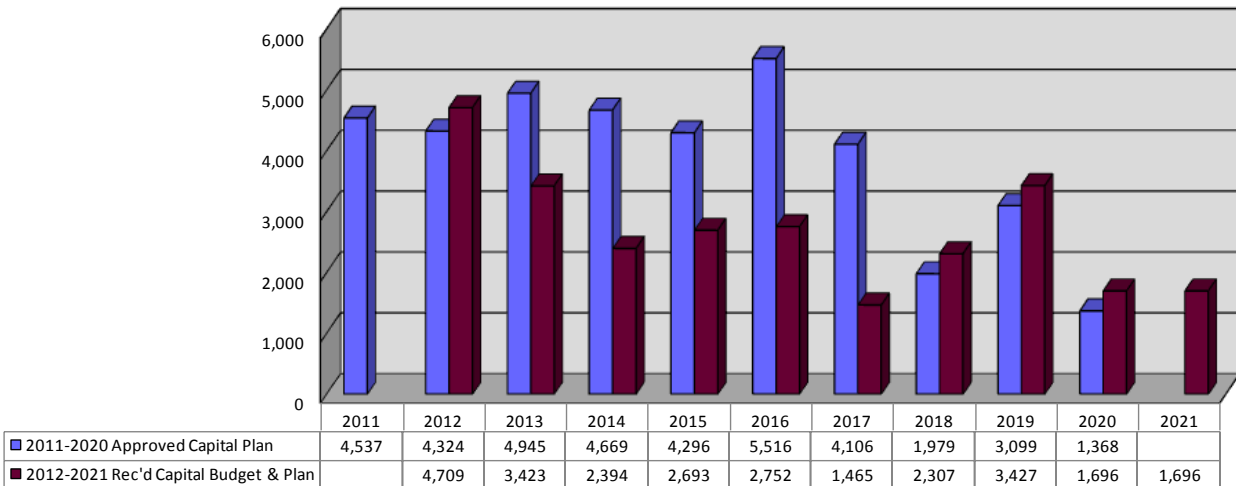
## 10–Year Capital Plan Overview

- The 10–Year Recommended Capital Plan supports the Council approved 311 service delivery model which consists of the consolidated 311 Contact Centre operating on a 24/7 basis to provide improved access to the City, general inquiry information and the placement and status tracking of service order requests for Solid Waste Management, Transportation, Toronto Water, Urban Forestry, Municipal Licensing and Standards and Animal Services.
- The continued development of the expanded services of Phase III will provide for the delivery of the Recreation program integration which will deliver enhancements to improve customer service; begin work on a divisional scheduler/payment module; provide public access to the 311 knowledge base with enhanced on line information search capabilities and deliver an open Application Programming Interface to enable mobile application functionality.
- The 311 Toronto 10–Year Recommended Capital Plan includes funding to support and maintain the new generation technology 311 solution in a state of good repair with lifecycle replacement of servers and hardware and software refreshes.
- The 10–Year Recommended Capital Plan will continue with service improvement projects in 2012 scheduled for completion in 2013, 2014 and 2015. Functionality will include the ability to schedule appointments and payment options that will deliver enhancements and provide additional service capacity that will improve customer services and service efficiencies currently available to the citizens and leverage the 311 solution.
- The 2012 Recommended Capital Budget and 2013–2021 Recommended Capital Plan totals \$26.562 million, of which \$15.971 or 60.1% is projected over the first five years with the final 5 years requiring funding of \$10.591 million or 39.9%.
- The 10–Year Recommended Capital Plan requires new debt funding of \$26.562 million which is under the debt target over the 10 years by \$9.108 million.
- The 10–Year Recommended Capital Plan will increase future year Operating Budgets by a total of \$1.850 million net. The operating impact is primarily for hardware and software maintenance to support and manage the delivery of the integrated systems and applications functionalities.
- Debt savings of \$9.493 million from the 2011–2020 Approved Capital Plan reflects the Core Service Review reduction to end development as of 2013.
- The 10–Year capital plan will require 311 Toronto to be flexible and responsive to ensure that the development of technology solutions in 311 reflect and align with corporate initiatives such as Electronic Service Delivery.

- Recommendations from the Core Service Review may impact the Division's ability to continue development and implement the 10–Year Recommended Capital Plan.

**Key Changes to the 2011 – 2020 Approved Capital Plan**

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



- The 2012 Recommended Capital Budget and 2013–2021 Recommended Capital Plan reflects a decrease of \$9.436 million or 27.5% from the 2011–2020 Approved Capital Plan. The changes to the 2011–2020 Approved Capital Plan reflect the decision of City Council's Core Service Review at its meeting of September 26 and 27, 2011 to eliminate new project development in 2013. The major change to the 2011–2020 Approved Capital Plan is outlined below:
  - The cash flow funding for the Integration and Strategy Initiative has been reduced by \$9.493 million (funded from debt) as a result of the Core Service Review direction to eliminate new initiatives beginning in 2013.
  - The Integration and Strategy Initiative will be limited to delivering additional service request capacity; creation of a glossary of technical terms in the knowledge base and pictures to further improve the 311 knowledge base for staff and the public; a cross– divisional scheduler that can be used to schedule court dates, facility room bookings or other City appointments; customer service activities for future bill payment; and the addition of online service requests.

- Details of changes to project cash flows funding reflecting the 2012–2021 Recommended Capital Plan are noted below:

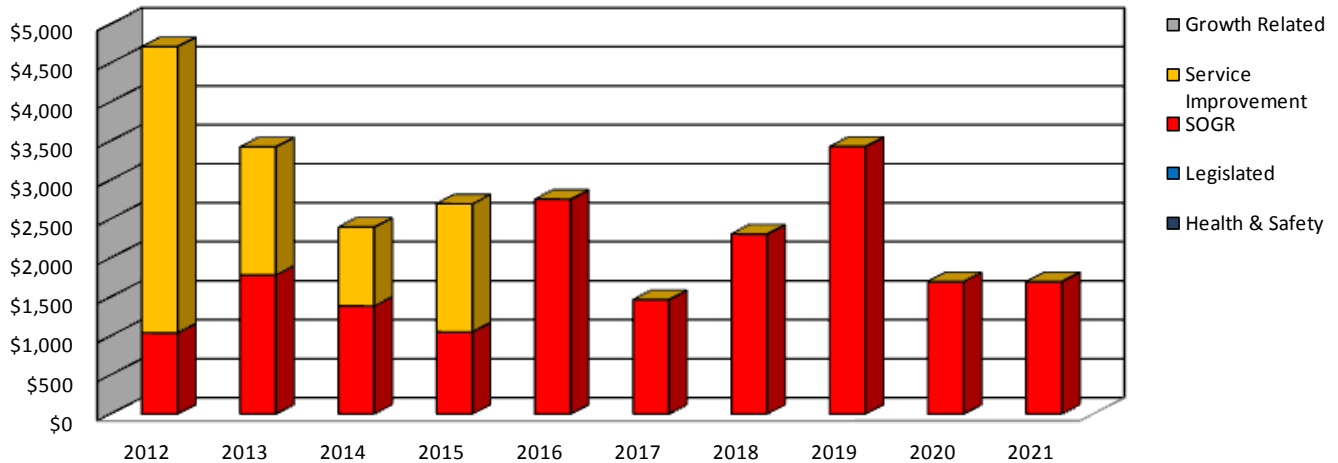
**Summary of Project Changes**  
(In \$000s)

Key Projects	Total Project Cost	2012	2013	2014	2015	2016	2017	2018	2019	2020	2012 - 2020	Revised Total Project Cost
Kiosks	535	385									385	535
Future Integration and Strategy Initiative	19,038		(1,522)	(2,275)	(1,603)	(2,764)	(2,641)	328	328	328	(9,821)	9,545
<b>Total Change</b>	<b>19,573</b>	<b>385</b>	<b>(1,522)</b>	<b>(2,275)</b>	<b>(1,603)</b>	<b>(2,764)</b>	<b>(2,641)</b>	<b>328</b>	<b>328</b>	<b>328</b>	<b>(9,436)</b>	<b>10,080</b>



2012 – 2021 Recommended Capital Plan

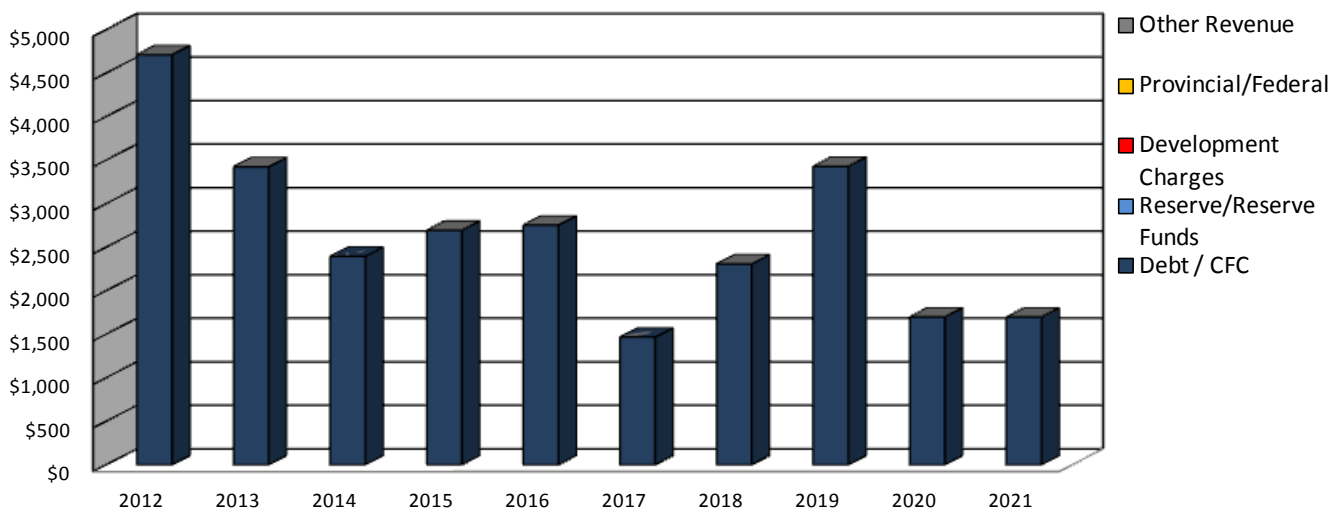
2012–2021 Capital Plan by Project Category  
(In \$000s)



- The 2012–2021 Recommended Capital Plan reflects funding for service enhancements and state of good repair projects to maintain the 311 Solution.
- State of Good Repair (SOGR) projects total \$18.600 million or 70% of total funding over the 10–Year Recommended Capital Plan period. Funding is allocated to provide hardware upgrading every 5 years while the lifecycle replacement of the software for the new generation technology solution will be replaced every 4 years to ensure continuity of the operations.
  - Funding to begin the refresh of servers, hardware and software upgrades to the most currently supported releases will begin in 2012. Total recommended funding over the first five years is \$8.009 million.
  - Funding of \$10.951 million is recommended in the second five years of the Capital Plan for a major software upgrade in 2016, a server refresh in 2018 and hardware upgrade in 2019.
- Service Improvement projects represent 30% or \$7.962 million of total funding in the 10–Year Recommended Capital Plan.
  - The first five years of the Capital Plan provides funding of \$7.962 million to integrate additional enhancements including a cross divisional scheduler, knowledge base enhancements, payment module and application program interface that will leverage the investment in the 311 technology which will improve services currently available to citizens.

- As a result of Council’s decision during the Core Service Review, new enhancements will not be initiated after 2012, work will continue to complete projects started in 2012. As the graph indicates, the percentage of Service Improvement projects will decrease from 77.9% in 2012 to 0% in 2016. Previously approved projects that will not be completed include two additional divisional integrations with 311, multi-media (ability to add video and music to the knowledge base and service requests), additional on-line service request and workflow management (ability for a single service request directed to multiple divisions).
- Future year commitment funding for Service Improvement projects is not required in the second 5 years of the 10-Year Capital Plan.

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



- The 2012–2021 Recommended Capital Plan is fully funded from debt, which accounts for \$26.562 million in total financing and is \$9.108 million below the combined 10-Year debt affordability guideline of \$35.670 million.
  - During the first five years of the 10-Year Capital Plan period, \$15.971 million or 60.1% of debt funding is required. This is \$7.779 million below the 5-Year debt affordability target of \$23.750 million. However, in 2012 the debt target is exceeded by \$0.385 million as a result of the need to carry forward funding from 2011 to 2012 for the Kiosk project approved in 2010. This project will support the Corporate Counter Review Efficiency Study and any recommendations.

- Funding will decrease to \$10.591 million or 39.9% in the second five years and is \$1.329 million below the debt affordability target for the last 5 year period as a result of the elimination of new development capacity beyond 2012.
- The fluctuation in the second 5 years resulted from discussions with Corporate I & T to distribute the components of the State of Good Repair projects over a longer period of time to lessen the burden of the high cost of upgrade in any one year.

### 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
<b>State of Good Repair (incl. H&amp;S , &amp; Leg.)</b>												
Technology Solution	16,632	1,039	1,782	1,384	1,052	2,424	1,137	1,979	3,099	1,368	1,368	16,632
Future Integration and Strategy Initiative-Sustainment						328	328	328	328	328	328	1,968
<b>Sub-Total</b>		1,039	1,782	1,384	1,052	2,752	1,465	2,307	3,427	1,696	1,696	18,600
<b>Service Improvements</b>												
Future Integration and Strategy Initiative	9,545	3,285	1,641	1,010	1,641							7,577
Kiosks	385	385										385
<b>Sub-Total</b>		3,670	1,641	1,010	1,641							7,962
<b>Sub-Total</b>												
<b>Total</b>		4,709	3,423	2,394	2,693	2,752	1,465	2,307	3,427	1,696	1,696	26,562

### Major Capital Initiatives

- The focus of the 10–Year Recommended Capital Plan will shift from development to maintaining and updating current systems. Council directed that further service enhancements will be eliminated beginning in 2013. Service improvement projects beginning in 2012 will be completed in future years, but no new service initiatives will be introduced in the future years beyond those currently in place.

#### *State of Good Repair:*

- *State of Good Repair projects* totalling \$18.600 million will provide funding for hardware upgrades every 5 years (\$8.009 million in the first five years) while the lifecycle replacement of the software for the new generation technology solution will be replaced every 4 years to ensure continuity of 311 operations.
- An additional \$10.591 million is recommended for the second five years of the Capital Plan period for a server refresh in 2018 and hardware upgrade in 2019. Servers are linked to back end service delivery systems that need to be replaced regularly at the time of vendor releases.

*Service Improvement:*

- *Service Improvement projects* totalling \$7.962 million over the 10 -Year Recommended Capital Plan will focus on more effective customer service by providing customers with the ability to access additional self-serve options and additional channels.
- The Integration and Strategy Initiative beginning in 2012 will deliver the Recreation program integration; begin cross- divisional scheduler requirements, 311 knowledge base enhancements and an open programming Interface.
- Current Service Improvement projects and those beginning in 2012 will continue to be updated and maintained from 2013 and beyond with no new enhancements.
  - Funding to maintain services currently provided include customer service activities for bill payment; management and the addition of online and service requests.

**State of Good Repair (SOGR) Backlog**

- 311 Toronto does not have any backlog of state of good repair projects. Funding included in the 10-Year Capital Plan addresses State of Good Repair projects, based on planned lifecycle, so there are no backlog and ensures continuity of the 311 Solution.

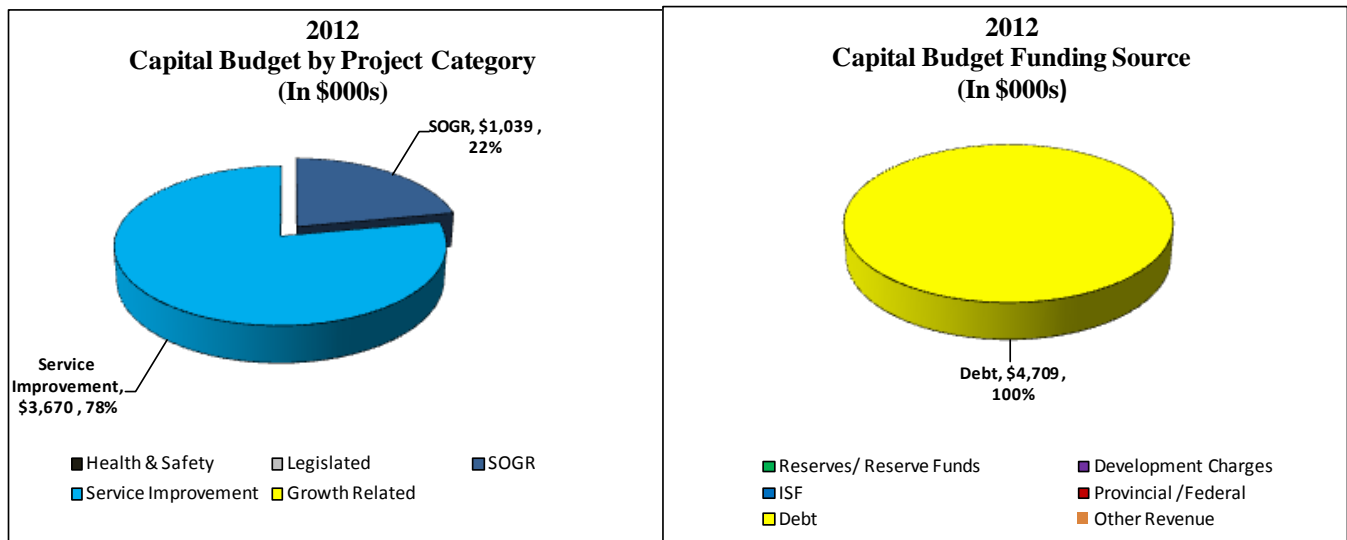
**10–Year Capital Plan: Operating Impact Summary**  
(In \$000s)

	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012- 2021 Total
<b>2012 Recommended Capital Budget</b>											
Program Cost (Net)	617	102	11								730
Approved Positions	5										5
<b>Recommended 10-Year Capital Plan</b>											
Program Cost (Net)		51	529		540						1,120
Approved Positions			4		4						8
<b>Total</b>											
Program Net	617	153	540	-	540	-	-	-	-	-	1,850
Approved Positions	5	-	4	-	4	-	-	-	-	-	13

- Approval of the 10–Year Recommended Capital Plan results in operating impacts from previously approved and new/change in scope capital projects for 2012 of \$0.617 million; 2013 of \$0.153 million; 2014 of \$0.540 million and 2016 of \$0.540 million;
- An additional 13 positions will be required once projects within the 10–Year Recommended Capital Plan are completed:
  - 3 additional positions and hardware and software will be required in 2012 with funding of \$0.336 million net required in 2012 and an additional \$0.102 million in 2013 for hardware and software maintenance to support the Animal Services and Recreation divisional integrations;
  - 1 staff resource with funding of \$0.114 million net in 2012 will be required for support and maintenance of hardware and software for the previously completed Business Integration Reporting system;
  - \$0.096 million net is required in 2012 for a position and hardware and software to integrate the Phase III Mobile Application sub–project and incremental funding of \$0.011 million is required in 2014 for a license application;
  - \$0.071 million net in 2012 is required to maintain the 311 Instant Update – Confirmation of Service Phase III sub–project;
  - Additional resources will be required for ongoing sustainment of the Integration Strategy implementation in 2014 and 2016 resulting in incremental funding of \$0.529 million in 2014 for 4 new staff and \$0.540 million in 2016 for 4 additional staff that will be necessary to provide ongoing sustainment of the 311 Solution.
- The operating impacts from these capital projects will be reviewed in detail each year as part of ongoing operating budget process.

**PART III – 2012 RECOMMENDED CAPITAL BUDGET**

**2012 Capital Budget by Project Category and Funding Source**



- The 2012 Recommended Capital Budget for 311 Toronto, excluding funding carried forward from 2011 to 2012, requires new 2012 cash flow funding of \$4.709 million.
- The 2012 Recommended Capital Budget allocates 77.9% or \$3.670 million in recommended funding to Service Improvement projects. The primary focus in the 2012 Recommended Capital Budget is to complete the Recreation program integration that will provide increased customer service. Funds will also be required to gather requirements for a common scheduler to improve access to booking City services; for knowledge transfer to improve divisional updates to information, to enhance public access to the 311 knowledgebase with updated on line information search capabilities and leverage open Application Program Interface to additional 311 services.
- State of Good Repair projects represent 22.1% of the funding included in the 2012 Recommended Capital Budget to begin upgrading the 311 Technology Solution.
- The 2012 Recommended Capital Budget is funded 100% from debt, which is \$0.385 million over the debt affordability guideline of \$4.324 million set for 311 Toronto in 2012 due to the need to carry forward this unspent 2 year project that has been delayed to align with the Counter Service Review completion in 2012.

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

	2010 & Prior Year Carry Forward	2012 New Cash Flow Rec'd	2012 Total Cash Flow Rec'd	2009 Debt Target	2011 Carry Forwards	Total 2012 Cash Flow (Incl 2010 C/Fwd)	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenditures</b>															
Previously Approved	385		385		1,955	2,340									
Change in Scope															
New		4,324	4,324			4,324	3,423	2,394	2,693	1,874	328	328	328	328	328
New w/Future Year															
<b>Total Expenditure</b>	385	4,324	4,709		1,955	6,664	3,423	2,394	2,693	1,874	328	328	328	328	328
<b>Financing</b>															
Debt	385	4,324	4,709			4,709	3,423	2,394	2,693	1,874	328	328	328	328	328
Other															
Reserves/Res Funds					1,955	1,955									
Development Charges															
ISF															
Provincial/Federal															
<b>Total Financing</b>	385	4,324	4,709	0	1,955	6,664	3,423	2,394	2,693	1,874	328	328	328	328	328

\*Please refer to Appendix 3 for detailed project listings

- 311 Toronto's 2012 Recommended Capital Budget of \$4.709 million provides funding for previously approved projects totalling \$0.385 million; and \$4.324 million for new projects.
- New projects include the implementation of the Future Integrations and Strategy Initiative project which will begin in 2012 (\$3.285 million), with future year commitment of \$1.641 million in 2013; \$1.010 million in 2014; \$1.641 million in 2015. Thereafter, from 2016 through 2021, \$0.328 million will be required in each year for servicing and supporting the integrations.
- The Technology Solution project will begin in 2012 (\$1.039 million), with future year commitments of \$1.782 million in 2013; \$1.384 million in 2014; \$1.052 million in 2015; and \$1.546 million in 2016 for maintaining the lifecycle of software and hardware related to a new generation technology solution.
- Approval of the 2012 Capital Budget will result in Council's commitment to future year cash flow funding for new projects of \$3.423 million in 2013; \$2.394 million in 2014; \$2.693 million in 2015; \$1.874 million in 2016; and \$0.328 million in each year from 2017 to 2021.
- Previously approved carry forward of the Kiosk project with funding of \$0.385 million is a result of the deferral to be aligned with the Counter Service Strategy to be completed in 2012.
- The \$1.955 million of 2011 carry forwards resulted from the hiring slowdown and the ability to hire staff with reduced resources in I & T and Human Resources to assist in the recruitment. This inability resulted in realignment of corporate initiatives which includes the program aligning to the Core Service Review efficiency studies, reliance on external

vendors to configure the backend systems and the technology purchasing process that impacted the full delivery of the 311 projects in 2011.

## 2012 Recommended Capital Project Highlights

### 2012 Recommended Capital Projects (In \$000s)

Project	Total Project Cost	2012	2013	2014	2015	2016	2012 - 2016	2017	2018	2019	2020	2021	2012 - 2021
Phase III	8145	1,805					1,805						1,805
Kiosks	535	535					535						535
Technology Solution	16632	1,039	1,782	1,384	1,052	2,424	7,681	1,137	1,979	3,099	1,368	1,368	16,632
Future Integration and Strategy Initiative	9545	3,285	1,641	1,010	1,641	328	7,905	328	328	328	328	328	9,545
							0						
<b>Total (including carry forward)</b>		<b>6,664</b>	<b>3,423</b>	<b>2,394</b>	<b>2,693</b>	<b>2,752</b>	<b>17,926</b>	<b>1,465</b>	<b>2,307</b>	<b>3,427</b>	<b>1,696</b>	<b>1,696</b>	<b>28,517</b>

The 2012 Recommended Capital Budget of \$6.664 million, including funding of \$1.955 million carried from 2011 to 2012, will:

- Complete Phase III activities with \$1.805 million providing for:
  - Delivery of Recreation program Integration;
  - Installation of mobile applications to allow citizens to instantly submit service requests; instant update/confirmation of service in an email or text message application that will provide Councillors and citizens with a automatic notification on the status of service requests; and
  - Consolidation and improvement of the reporting environment, as well as, tools to better communicate 311 data and information.
- Begin to upgrade the 311 Technology Solution with funding of \$1.039 million.
- Begin the investigation of a one-stop counter service for access to a wide range of municipal services with \$0.535 million, through the Counter Service Review.
- Begin the Integration and Strategy Initiative with \$3.285 million for:
  - Cross- divisional scheduler to use to schedule court dates or other City appointments;
  - Creation of glossary and pictures to enhance the Knowledge Base;
  - Decentralize the management of the Knowledge Base so that information can be updated immediately by each City division; and
  - Open Application Programming interface to enable additional mobile applications with additional 311 services.



## PART IV:ISSUES FOR DISCUSSION

### 2012 Issues

#### *Debt Target*

The 2012 Recommended Capital Budget is \$0.385 million over the allocated debt target of \$4.324 million due to funding required for the Kiosks project. The funding for this project was approved in 2010 and will form part of the 2012 debt target.

The 2010 Recommended Capital Budget and 2011–2019 Capital Plan provided funding of \$0.535 million (\$0.385 million in 2010 and \$0.150 million in 2011) for the Kiosk project. As part of the original phase-based 311 Customer Service Strategy that planned this development and implementation of a Kiosk program over the 2010/2011 time frame.

Since 2010, there have been a number of changes (in the area of customer service delivery overall and 311 Operations specifically) that warrant a re-consideration of the feasibility of proceeding with this aspect of the 311 Customer Service Strategy. A Counter Review Efficiency Study is planned to determine options for improved in-person customer service. One option available is an in-person self-serve channel with kiosk technology. As a result, the division requires carry forward funding and a change to the debt target so that the Counter Review Efficiency Study can be implemented.

Funding in the amount of \$0.385 million has been carried forward into this 10-Year Recommended Capital Plan to review the need for the Kiosk and other related counter related initiatives, however, this project will not proceed until such time as the findings of the Counter Service Review are known.

### 2012 and Future Year Issues

#### *Core Service Review Impacts*

At its meeting of September 26 and 27, 2011 City Council approved the report 'Core Service Review – 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 the 2012, 2013 and 2014 Operating Budgets.

- The following review was recommended for 311 Toronto:
  - Eliminate the development capacity in 2013 when 311 is fully implemented.

- The 2012 Recommended Capital Budget and 2013 to 2021 Recommended Capital Plan reflects the decision of Council with debt savings of \$9.493 million from eliminating new projects starting in 2013 except for the following:
  - To continue the State of Good Repair projects;
  - To continue to provide additional on-line service request for the newly integrated service divisions;
  - To add additional service requests for the new service channel (smart phone);
  - Develop a cross-divisional scheduler that can be used to schedule court dates, facilitate room bookings or other City appointments;
  - Implement customer service activities for bill payment within the 311 Contact Center; and
  - Create multi-media attachments, a glossary and pictures for the 311 knowledge base;
- The above initiatives will be completed by 2015 and associated funding is recommended in the balance of this plan.
- By the end of 2015, 311 Operation will have the following added features:
  - Integrated Toronto Water, Solid Waste Management, Transportation Services, Municipal Licensing and Standards (including enforcement and Toronto Animal Services), Parks, Forestry and Recreation (including Forestry and Recreation registrations);
  - Scheduler;
  - Bill Payment functionality;
  - Send and receive text and alerts; and
  - Ability to accept service request from smart phones.

## Appendix 1

### 2011 Performance

#### 2011 Key Accomplishments

In 2011, 311 Toronto achieved the following:

- ✓ Started the Tier one Call centre consolidation with Facilities Room booking effective June 6, 2011.
- ✓ Developed Corporate Customer Service Framework and Corporate Complaint Management Guidelines.
- ✓ Started the integration with Toronto Animal Service with delivery in December 2011.
- ✓ Started the integration with Recreation program with delivery scheduled for 2012.
- ✓ Enhanced reporting capability for Councillors and Divisions including Knowledge Base and Service Request Reports;
- ✓ Trained Council and Council staff and Integrated Service Programs on 311 Reporting tool.
- ✓ Deployed successfully the 311 contact centre performance metrics on the 311 intranet page;
- ✓ Developed the Open Application interface for the Mobile Application functionality with delivery by a third party expected in December 2011.
- ✓ Started the Instant update messaging and text messaging capability.
- ✓ Initiated additional on-line service request for all 311 service divisions.

## 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
8,178	1,879	23.0%	3,544	43.3%	4,634	56.7%

- The 311 Toronto's 2011 Approved Capital Budget of \$8.178 million was 23.0% or \$1.879 million spent at the end of September 30, 2011. Program staff project year-end spending to be \$3.544 million or 43.3% of the 2011 Approved Capital Budget. The under-expenditure is primarily due to the following:
  - The Phase III project that includes integration with Recreation registration program, full delivery of enhanced reporting and full delivery of instant update messaging was delayed due to realignment of corporate deliverables, coupled with the impact of the hiring slowdown affecting the capacity to recruit project staff which was followed by I & T procurement delays. As a result, \$1.805 million of the 2011 unspent balance will be carried forward to 2012.
  - The Kiosk program was placed on hold pending a related Counter Review Efficiency Study out of the Core Service Review. As a result, the unspent balance of \$0.535 million is projected to be spent in 2012 as part of the Counter Review.
  - The Tier one Call centre integration with Facilities & Real Estate is projected to be complete in 2012 with debt funding of \$0.400 million. This project was delayed in 2011 due to the alignment with program specific functionality (scheduler) with the Electronic Service Delivery Initiative.

### 2011 Funding to be Carried Forward to 2012

- The 2012 Recommended Capital Budget includes \$2.340 million in 2011 funding carried forward into 2012. However, based on the 3<sup>rd</sup> quarter variance, the carry forward funding is projected to increase to \$4.634 million. 311 Toronto is monitoring expenditures and will review and revise 2011 funding to be carried forward into 2012 with the 1<sup>st</sup> Quarter Variance Report of 2012.

## Appendix 2

### 10 – Year Recommended Capital Plan Project Summary

Projects (In \$Thousands)	2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012-2021 Total
Kiosks	385										385
Future Integration and Strategy Initiative	3,285	1,641	1,010	1,641	328	328	328	328	328	328	9,545
Technology Solution	1,039	1,782	1,384	1,052	2,424	1,137	1,979	3,099	1,368	1,368	16,632
<b>Total Program</b>	<b>4,709</b>	<b>3,423</b>	<b>2,394</b>	<b>2,693</b>	<b>2,752</b>	<b>1,465</b>	<b>2,307</b>	<b>3,427</b>	<b>1,696</b>	<b>1,696</b>	<b>26,562</b>

## **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



## Appendix 6

## 2012 Reserve / Reserve Fund Review

## Reserve/Reserve Fund Review - Program Corporate

Table 2		Projected Balance as at Dec. 31, 2011 *	Proposed Withdrawals										
Reserve / Reserve Fund Name	Project / SubProject Name and Number		2012 Rec. Budget	2013 Plan	2014 Plan	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2012 - 2021 Total
	Beginning Balance												
Capital Financing Reserve (XQ0011)	Phaase III THR907392		\$1,805										\$1,805
Capital Financing Reserve (XQ0011)	Kiosks THR907454		\$150										\$150
	Total Proposed Withdrawals		\$1,955										\$1,955

\* Based on 3rd Quarter Variance Report