

## Information & Technology 2014 OPERATING BUDGET OVERVIEW

### What We Do

Information & Technology (I&T) delivers enterprise and business solution application development, maintenance and support to key City Programs and Services. I&T supports 700 business solutions/applications, maintains City website with 41,000 pages and 2 million views weekly and manages 100 IT projects in partnership with divisions.

### 2014 Budget Highlights

(In \$000s)	Approved 2013 Budget	Recommended 2014 Budget	Change	
			\$	%
Gross Expenditures	106,815.0	110,962.3	4,147.3	3.9%
Gross Revenue	38,968.5	41,895.7	2,927.2	7.5%
Net Expenditures	67,846.5	69,066.6	1,220.1	1.8%

For 2014, Information & Technology identified a net pressure of \$4.874 million due mainly to inflationary increases and operational requirements. As a result, the City will invest in establishing additional IT capacity to enable technology based City solutions to meet City needs. These pressures were offset by savings identified through on-going service efficiencies for all but \$1.2 million.

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Fast Facts

- Receives more than 120,000 service desk calls per year for more than 23,000 users
- Supports more than 20,000 desktops & notebook computers
- Maintains 23,000 phones and 11,000 wireless devices
- Manages network telecommunications for 650 City facilities
- Service 3 data centres with more than 1,200 servers, 24 hours year round.

Trends

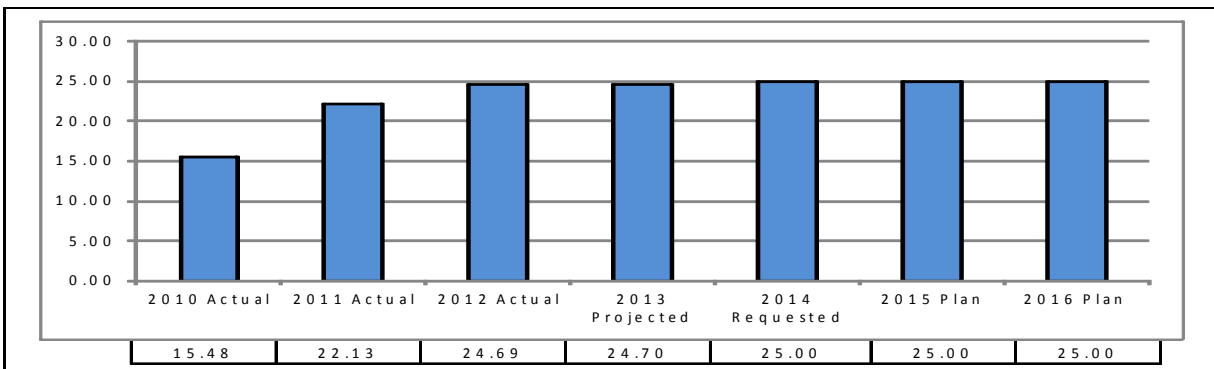
- The number of visits to the City’s Municipal Website per Capita has increased since 2011, mainly due to the City’s ability to capture online applications and dynamic web pages in the overall visits to the Municipal Web Site.
- The trend of Visits to the City’s Municipal Web Site per Capita is forecasted to increase as the City provides more online services to the public.

**Our Service Deliverables for 2014**

The 2014 Operating Budget for Information & Technology of \$ 110,962 million gross provides funding for:

- Deliver high quality, innovative IT solutions that meet business needs
- Design and build an IT foundation accessible to all services
- Drive program outcomes and city priorities through IT investment
- Mature planning, portfolio management, architecture and IT governance
- Maintain and improve state of good repair for IT products and services
- Focus and transform client service delivery
  - Focus on IT workforce, capacity and capability, retention and career planning
  - Complete the deployment of Windows 7 for desktop/notebook computers
  - Continue to publish more Open Data datasets for Open Government.
  - Implement the managed print services contract corporately to rationalize print devices and realize efficiencies.

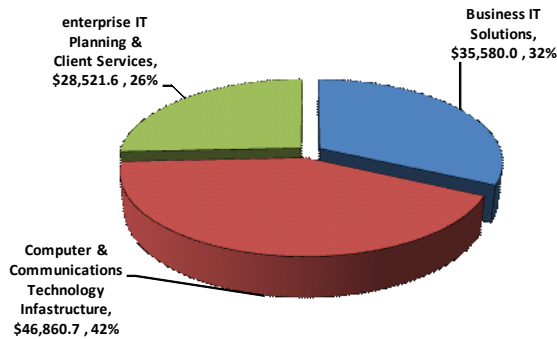
**Visits to the City’s Municipal Web Site per Capita**



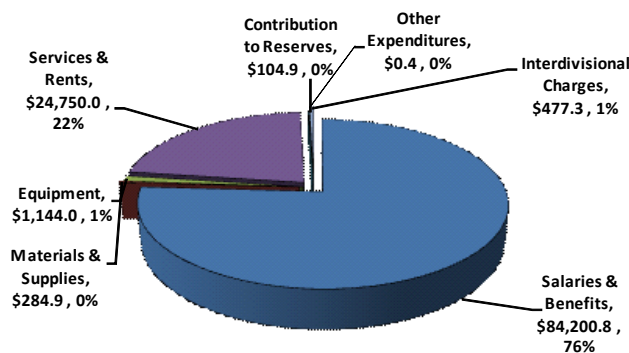
2014 Budget Expenditures & Funding

Where the money goes:

2014 Operating Budget by Service  
\$110,962 Million

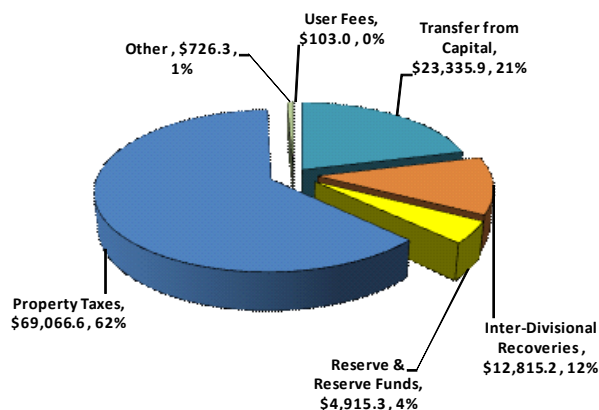


2014 Operating Budget by Expenditure Category



Where the money comes from:

2014 Operating Budget Funding Source  
\$110,962 Million



Our Key Challenges & Priority Actions

- Increasing business demand and reliance on technology solutions to deliver service excellence
  - Build and leverage partnership opportunities with the City's Programs and Agencies and vendors to drive customer service excellence
- Large number of competing complex IT projects that are transforms require project management capacity and significant resources from the businesses and I&T
  - Ensure effective IT investment priority setting through IT governance with clear alignment to key City business strategies and priorities
  - Enhance IT program and project management maturity across the City to support effective project delivery and success
- Challenges in recruitment and developing talent & skills to meet changing demands & technologies
  - Attract and develop a motivated and engaged team through Talent Management.

## II: RECOMMENDATIONS

### Recommendations

The City Manager and Chief Financial Officer recommend that:

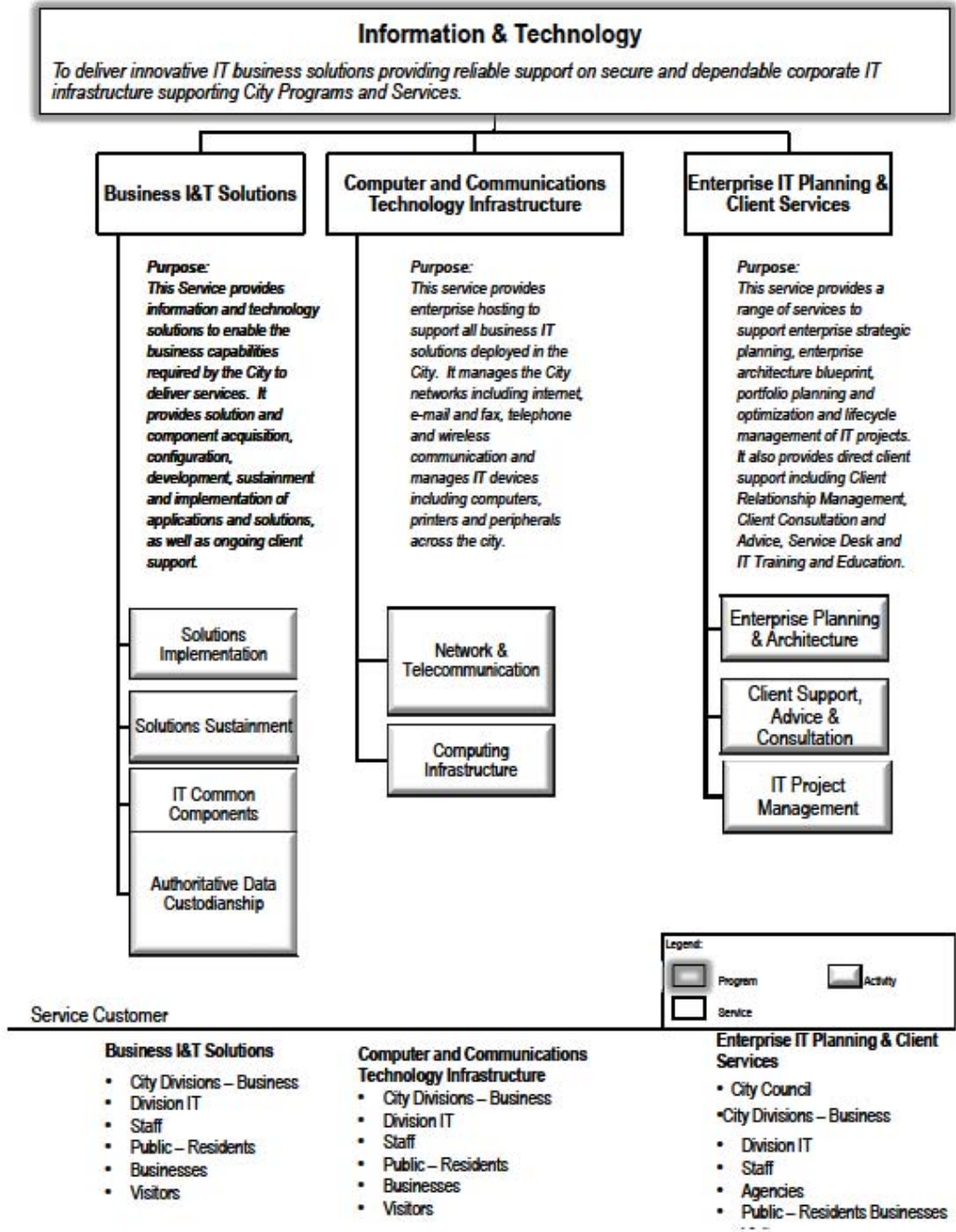
1. City Council approve the 2014 Recommended Operating Budget for Information & Technology of \$110.962 million gross and \$69.067 million net, comprised of the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Business IT Solutions	35,580.0	19,908.4
Computer & Communications Technology		
Infrastructure	46,860.7	30,745.7
Enterprise IT Planning & Client Services	28,521.6	18412.5
	<hr/>	<hr/>
Total Program Budget	110,962.3	69,066.6
	<hr/>	<hr/>

2. City Council approve Information & Technology 's 2014 recommended service levels, as outlined on pages 6, 8 and 11 and associated staff complement of 767 positions.
3. City Council approve the 2014 recommended user fee changes for Information & Technology identified in Appendix 6.

### III: 2014 SERVICE OVERVIEW AND PLAN

#### Program Map





## 2014 Service Deliverables

The 2014 Recommended Operating Budget of \$110.962 million gross and \$69.067 million net for Information & Technology will enable the Program to:

- Deliver Business Solution application development, maintenance and support to over 400 applications for City-wide and Divisional business needs, including:
  - 2014 Municipal Election systems support for a successful election process.
  - City Website enhancements to improve public access to City information and services (Web Revitalization phase 2 design and usage improvements).
  - eLearning implementation to improve City program and employee learning and development capabilities.
  - Financial Planning Analysis Reporting System support to enable corporate financial planning and management capabilities.
  - 311 City-wide Public inquiry/service request systems to deliver City customer response and services.
  - Employee self-service capabilities for union staff extending self-service lookup
  - Multi-residential RFID waste collection tracking system and improvements in commercial waste collection billing.
  - Complete the Unified Communications project
  - First phases of the new City email system migration.
  - Complete up to 90% of the planned sites for high-speed connection (Cogeco fibre network)
- Deliver effective Client Support for over 23,000 City employees through City IT service desk, desktop technical and business application support:
  - Timely response to 120,000+ support requests to ensure employees can effectively use IT resources and implement self-serve IT service requests.
  - Manage over 500 Client Relationship Management engagements with divisions to plan for IT needs and innovative opportunities to leverage IT for business.
- Maintain State of Good Repair for IT infrastructure including management and support of:
  - Data centres including 1200+ servers and storage devices.
  - 20,000 desktop/notebook computers and 3,500 printers/multi-function devices.
  - 23,000 phones and 11,000 wireless devices.
  - Network telecommunications for 650+ city facilities
  - Complete the deployment of Windows 7 for the desktop/notebook computers
- In partnership with City Clerk's, divisions and other jurisdictions, continue to publish more Open Data datasets, including geospatial mapping information, and foster increased public community engagement and support for Open Government.

- Develop a City-wide application rationalization plan for both enterprise and divisional business and system needs to realize efficiencies and opportunities for leveraging IT investments.
- Implement the managed print services contract corporately to rationalize print devices and realize efficiencies.
- Implement new IT Governance and IT Funding models to improve decision-making and IT investment planning at the City.
- Implement a performance management framework for I&T Division to enhance accountability and improve results.
- Undertake further review of IT directions from City Shared Service study in partnership with City division partners and ABCs.

**Service Profile: Business IT Solutions**



**What we do**

- Provide Information and Technology solutions to enable the business capabilities required by the City to deliver services.
- Provide solution and component acquisition, configuration development, sustainment and implementation of applications and solutions.
- Provide ongoing client support.

2014 Recommended Service Levels

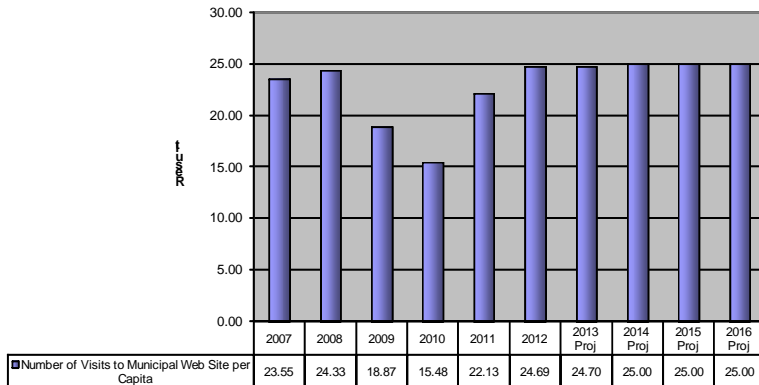
Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
Enterprise Management (Financial, Procurement, Payroll, HR)	Business solution support		Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays)	Consultation or per agreed work plan Infrastructure supported 24/7/365	
	Business solution/application development		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	
	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	
Enterprise Web	Business solution/application development		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	
	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.	
	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.	
	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.	
	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
	Business solution/application development		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	
	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	



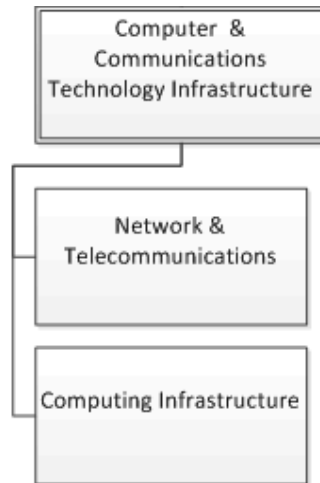
Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
Enterprise-Other Solutions (e.g. 311, Revenue)	Business solution support	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Enhanced supported provided for critical issues & services 24/7/365  Consultation or per agreed work plan			
	Business solution/application development	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			
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			
	Business solution/application development	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			

**Service Performance Measures**

Efficiency Measure – Visits to the City’s Municipal Web Site per Capita



- The number of visits to the City’s Municipal Website per Capita has varied significantly from 2007 to present.
- In 2009 the measure decreased due to data containing static web pages only.
- A significant increase in 2011 was attributed to the City’s ability to capture online applications and dynamic web pages.
- The trend of Visits to the City’s Municipal Web Site per Capita is forecasted to increase as the City provides more online services to the public.

**Service Profile: Computer & Communications Technology Infrastructure****What we do**

- Provides enterprise hosting support to all business IT solutions deployed in the City.
- Manages the City networks including internet, e-mail and fax, telephone and wireless communication and IT devices including computers, printers, and peripherals across the City.

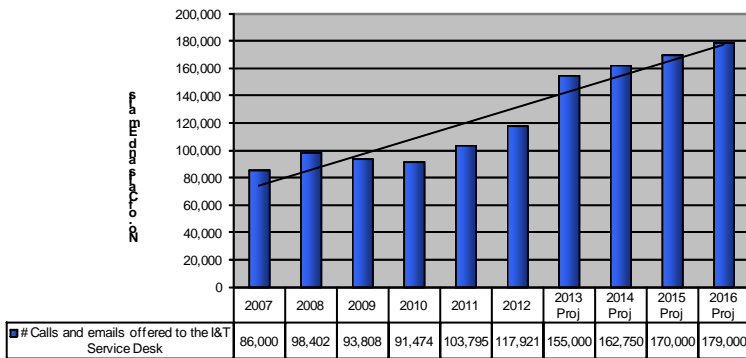
2014 Recommended Service Levels

Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
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			
	Infrastructure Security	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.			
	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.			
	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 (excluding scheduled maintenance)  On-site support 7:30am - 5:00pm on business days, with on-call support for off-hours.			
	Storage infrastructure	99%	99%	99%	99%
Telephone & Wireless Communication	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			
	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			
	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			
Network	Network infrastructure – Wired – Data/Phone	95%	95%	99.50%	
	Network infrastructure – Wireless - Data	99.90%	99.90%	99.90%	99.90%

Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
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 24/7/365 with 98% up time (excluding scheduled maintenance)	Standard incident management targets  Service availability 24/7/365 with 98% up time (excluding scheduled maintenance)
	Enterprise Fax	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays)  Standard incident management targets  Service Availability 24/7/365 with 98% up time			
		98%	98%	98%	
	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			
99%		99%	99%	99%	
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				

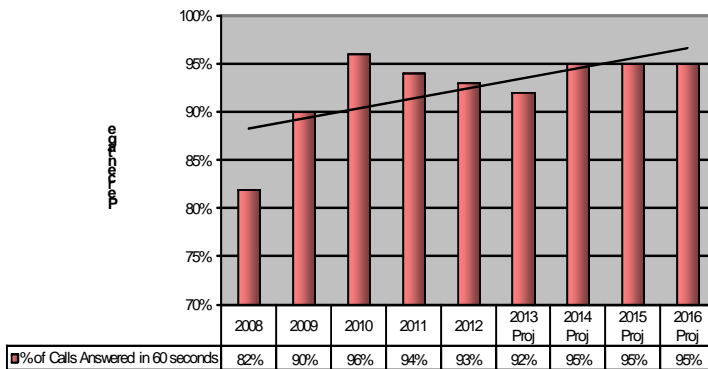
**Service Performance Measures**

Output Measure – Calls and Emails to the Service Desk



- As new Telecom technology support and new divisional support is implemented, the number of Calls and Emails to the Service Desk is expected to steadily increase over the upcoming years.
- I & T has maintained service levels without additional resources and with the implementation of employee self serve IT requests

Efficiency Measure – % of Calls Answered in 60 Sec – Service Desk



- Although a significant increase in call volume is projected, the % of Calls Answered in 60 Seconds by the Service Desk is forecasted to remain constant, around the 92-95% range.
- As a result of the implementation of new technology, the Service Desk, staff complement will remain the same.

**Service Profile: Enterprise IT Planning & Client Services**



**What we do**

- Provide a range of services to support to enterprise strategic planning and enterprise architecture blueprint.
- Portfolio planning, and optimization and lifecycle management of IT projects.
- Provides direct client support including Client Relationship Management, Client Consultation and Advice, service Desk and IT Training and Education.

2014 Recommended Service Levels

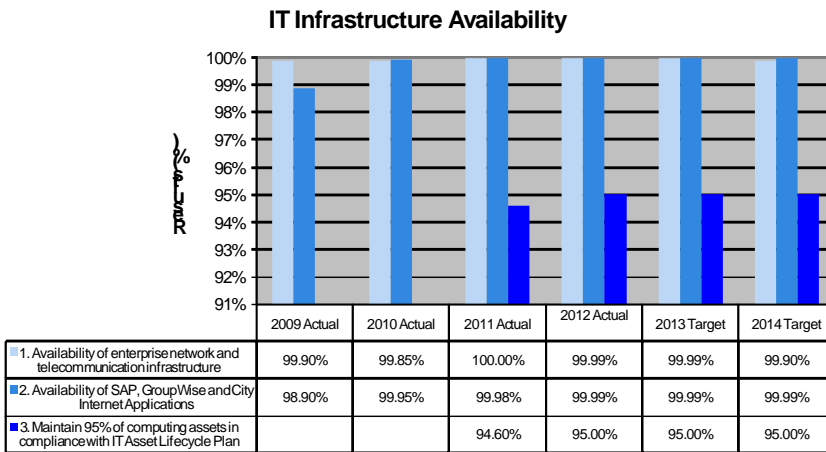
Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
IT Project Management	Managed project	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			
	Project management expertise	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			
	Project management tools, standards	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			
Client Service Support	A Service Desk & Client Side Support resolved service request/incident	(1) In 2011 - 94 % of calls answered within 1 minute and (2) In 2012 - 92 % of calls answered within 1 minute  99% of Incidents resolved by the Service Desk met the time targets	Support is available from the Service Desk Mon-Fri 7:00a.m to 5:00 p.m and at all other hours (evenings/overnight) and weekend/holidays, calls are re-directed to Computer Operations. Response Targets: - Phone: 92% of Calls Answered within 1 minute	Support is available from the Service Desk Mon-Fri 7:00a.m to 5:00 p.m and at all other hours (evenings/overnight) and weekend/holidays, calls are re-directed to Computer Operations. Response Targets: - Phone: 95% of Calls Answered within 1 minute - Voicemail: Response within 4 hours - E-Mail: Response within 4 hours to Next Business Day (for after-hours E-Mail)  Desktop Management (Workstations, Peripherals, Software) Support available Mon-Fri 8:30 a.m. to 4:30 p.m. (excluding statutory holidays).  Both Service Desk and Desktop Management incidents are prioritized and resolved in accordance within standard Incident Management (IM) Targets.  Standard Incident Management Resolution Targets:  Priority 1: 2 business hours Priority 2: 8 business hours (1 day)	
		94% calls answered in 60 sec.	93% calls answered in 60 sec.	92% calls answered in 60 se. (projected)	
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			
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			
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			
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			
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			



Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
	Divisional IT procurement plan		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		
	IT Consultation & Facilitation		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		
	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		
	Service Level Agreements				Target response within 1 business day
	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		
	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		
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 99.00% Availability between 8:30am - 4:30pm		
	Instructor-Led Training & Education		Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays)  Per agreed work plan / schedule 99.00% Availability between 8:30am - 4:30pm		
	Self-Directed Training services (online)		Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays)  Per agreed work plan / schedule 99.00% Availability between 8:30am - 4:30pm		
IT Financial Management, Procurement &	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		
	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		
	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		
	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		

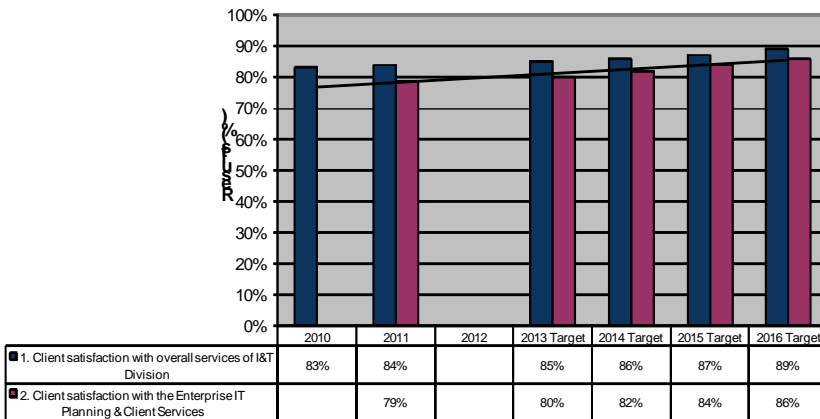
Service Performance Measures

Effectiveness Measures – IT Infrastructure Availability



- IT Infrastructure provides high levels of availability for users of network, telecommunication, SAP, email and City Internet applications.
- I&T will continue to maintain high levels of availability for IT infrastructure at minimum of 98.00%.

Efficiency Measure- I&T Customer Satisfaction



- Overall client satisfaction with I&T services is tracked and monitored on an annual basis to identify opportunities for improvement in effectiveness and efficiency.
- The trend reveals a continuous increase in customer satisfaction of IT services among divisions.
- A Client Service survey was not conducted in 2012 due to revisions in the I&T Performance Measurement Framework.

## IV: 2014 Recommended Total Operating Budget

### 2014 Recommended Operating Budget (In \$000s)

(In \$000s)	2013		2014 Recommended Operating Budget			2014 Rec'd vs. 2013 Budget Approved Changes		Incremental Change 2015 and 2016 Plan				
	Approved Budget	Projected Actual	2014 Rec'd Base	2014 Rec'd New/Enhanced	2014 Rec'd Budget	\$	%	2015		2016		
	\$	\$	\$	\$	\$			%	\$	%	\$	%
<b>By Service</b>												
<b>Business IT Solutions</b>												
Gross Expenditures	33,343.7	26,275.0	35,478.6	101.4	35,580.0	2,236.3	6.7%	4,427.6	12.4%	474.1	1.2%	
Revenue	14,013.8	8,830.2	15,573.9	97.7	15,671.6	1,657.8	11.8%	660.1	4.2%	(205.1)		
Net Expenditures	19,329.9	17,444.8	19,904.7	3.7	19,908.4	578.5	3.0%	3,767.5	18.9%	679.2	2.9%	
<b>Computer &amp; Communications Technology Infrastructure</b>												
Gross Expenditures	45,506.4	35,859.2	46,860.7		46,860.7	1,354.3	3.0%	3,979.4	8.5%	2,802.4	5.5%	
Revenue	16,186.0	10,198.9	16,115.0		16,115.0	(71.0)	(0.4%)	158.5	1.0%	(512.0)		
Net Expenditures	29,320.4	25,660.3	30,745.7		30,745.7	1,425.3	4.9%	3,820.9	12.4%	3,314.4	9.6%	
<b>Enterprise IT Planning &amp; Client Services</b>												
Gross Expenditures	27,964.9	22,036.5	28,500.9	20.7	28,521.6	556.7	2.0%	1,416.0	5.0%	1,255.9	4.2%	
Revenue	8,768.7	5,525.2	10,084.7	24.4	10,109.1	1,340.4	15.3%	(1,373.5)	(13.6%)	(1,100.0)		
Net Expenditures	19,196.2	16,511.3	18,416.2	(3.7)	18,412.5	(783.7)	(4.1%)	2,789.5	15.2%	2,355.9	11.1%	
<b>Total</b>												
Gross Expenditures	106,815.0	84,170.7	110,840.2	122.1	110,962.3	4,147.3	3.9%	9,823.0	8.9%	4,532.4	3.8%	
Revenue	38,968.5	24,554.3	41,773.6	122.1	41,895.7	2,927.2	7.5%	(554.9)	(1.3%)	(1,817.1)	(4.4%)	
Total Net Expenditures	67,846.5	59,616.4	69,066.6		69,066.6	1,220.1	1.8%	10,377.9	15.0%	6,349.5	8.0%	
Approved Positions	748.0	577.0	766.0	1.0	767.0	19.0		28.0		10.0		

The 2014 Recommended Operating Budget for Information & Technology of \$110.962 million gross and \$69.067 million net, reflect a 1.8% increase over the 2013 Approved Operating Budget is comprised of the following services:

- **The Business IT Solutions** service's 2014 Recommended Operating Budget of \$35.580 million gross reflects a year over year increase of \$2.236 million or 6.7% over the 2013 Approved Budget gross expenditures.
  - Base pressures are primarily due to salary increases for COLA and progression pay/step and funding for the pool of 58 positions approved in 2013.
  - Future year incremental costs of \$4.428 million in 2015 and \$0.474 million in 2016 are attributable to operating impacts for capital projects, incremental funding for the capital pool resources, conversion of capital positions to operating and salaries and benefits.
- **The Computer & Communications Technology Infrastructure** service's 2014 Recommended Operating Budget of \$46.861 million gross reflects a year over year increase of \$1.354 million or 3.0% over the 2013 Approved Budget gross expenditures.
  - Base pressures are primarily due to salary increases for COLA and progression pay/step and funding for the pool of 58 positions approved in 2013.

- Future year incremental costs of \$3.979 million in 2015 and \$2.802 million in 2016 are attributable to operating impacts for capital projects, incremental funding for the capital pool resources, and conversion of capital positions to operating and salaries and benefits.
- **The Enterprise IT Planning & Client Services' 2014 Recommended Operating Budget** of \$28.522 million gross reflects a year over year increase of \$0.557 million or 2.0% over the 2013 Approved Budget gross expenditures.
  - Base pressures are primarily due to salary increases for COLA and progression pay/step and funding for the pool of 58 positions approved in 2013.
  - A onetime, increase of \$0.583 million to configure office space to accommodate 66 new staff.
  - Future year incremental costs of \$1.416 million in 2015 and \$1.256 million in 2016 are attributable to operating impacts for capital projects, incremental funding for the capital pool resources, and conversion of capital positions to operating and salaries and benefits.

Approval of the 2014 Recommended Budget will result in a net increase of 19 positions to the Program's approved staff complement from 748 to 767 as highlighted in the table below:

#### 2014 Recommended Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
<b>Opening Complement</b>	744.0	767.0	795.0
In-year Adjustments	4.0		
<b>Adjusted Staff Complement</b>	<b>748.0</b>	<b>767.0</b>	<b>795.0</b>
<b>Recommended Change in Staff Complement</b>			
- Temporary Complement - capital project delivery	11.0		
- Operating impacts of completed capital projects	2.0	28.0	10.0
- Service Change Adjustments	5.0		
- New / Enhanced	1.0		
<b>Total</b>	<b>767.0</b>	<b>795.0</b>	<b>805.0</b>
<b>% Change over prior year</b>	<b>2.5%</b>		

- Addition of 4 positions in 2013 due to service changes.
- Deletion of 22 temporary capital positions that are no longer required as a result of the completion of capital projects.
- Deletion of 2 Systems Integrator positions that are no longer required by the Municipal Licensing & Standards Division.
- Addition of 20 temporary capital positions is required to support the *Cross Application, Time Sheet and Employee Self Serve* capital projects.
- Addition of 11 temporary capital positions is required to support capital projects.

- Addition of 4 temporary capital positions is required to support Facilities & Real Estate capital projects.
- An increase of 2 permanent positions to support Engineering and Construction Services' completed capital project and the Corporate Finance CS STARS system.
- An additional 4 permanent positions are required for the Telecom Optimization Initiative for voice and network support, funded from the savings generated from this initiative.
- An additional temporary position is required to work on major capital infrastructure for Planning & Policy Finance and Administration.
- An additional permanent position will provide support for the *Parking Ticket Management System*.
- 28 positions deferred from 2013 will be added to sustain completed capital projects in 2015 and 10 will be added in 2016.

**2014 Recommended Base Budget  
(In \$000s)**

(In \$000s)	2013 Approved Budget	2014 Rec'd Base	Change		Incremental Change			
			2014 Recommended Base vs. 2013 Approved Budget		2015 Plan		2016 Plan	
By Service	\$	\$	\$	%	\$	%	\$	%
<b>Business IT Solutions</b>								
Gross Expenditures	33,343.7	35,478.6	2,134.9	6.4%	4,427.6	12.5%	474.1	1.2%
Revenue	14,013.8	15,573.9	1,560.1	11.1%	660.1	4.2%	(205.1)	
Net Expenditures	19,329.9	19,904.7	574.8	3.0%	3,767.5	18.9%	679.2	2.9%
<b>Computer &amp; Communications Technology Infrastructure</b>								
Gross Expenditures	45,506.4	46,860.7	1,354.3	3.0%	3,979.4	8.5%	2,802.4	5.5%
Revenue	16,186.0	16,115.0	(71.0)	(0.4%)	158.5	1.0%	(512.0)	
Net Expenditures	29,320.4	30,745.7	1,425.3	4.9%	3,820.9	12.4%	3,314.4	9.6%
<b>Enterprise IT Planning &amp; Client Services</b>								
Gross Expenditures	27,964.9	28,500.9	536.0	1.9%	1,416.0	5.0%	1,255.9	4.2%
Revenue	8,768.7	10,084.7	1,316.0	15.0%	(1,373.5)	(13.6%)	(1,100.0)	
Net Expenditures	19,196.2	18,416.2	(780.0)	(4.1%)	2,789.5	15.1%	2,355.9	11.1%
<b>Total</b>								
Gross Expenditures	106,815.0	110,840.2	4,025.2	3.8%	9,823.0	8.9%	4,532.4	3.8%
Revenue	38,968.5	41,773.6	2,805.1	7.2%	(554.9)	(1.3%)	(1,817.1)	(4.4%)
Total Net Expenditures	67,846.5	69,066.6	1,220.1	1.8%	10,377.9	15.0%	6,349.5	8.0%
Approved Positions	748.0	766.0	18.0	2.4%	28.0		10.0	

The 2014 Recommended Base Budget of \$110.840 million gross and \$69.067 million net is \$1.220 million or 1.8% over the 2013 Approved Budget of \$67.847 million net. It provides \$4.874 million in funding for base budget increases which have been offset by \$3.654 million in recommended service budget reductions.

Key cost drivers in base budget pressures of \$4.874 million are detailed in the table below:

**Key Cost Drivers  
(In \$000s)**

(In \$000s)	2014 Rec'd Base Budget
<b>Gross Expenditure Changes</b>	
<b>Prior Year Impacts</b>	
Annualization of positions approved in 2013	1,369.7
<b>Operating Impacts of Capital</b>	
Maintenance costs	519.3
<b>Economic Factors</b>	
Non-Labour economic factors	483.2
<b>COLA and Progression Pay</b>	
Labour economic factors including 1.75% COLA union/non-union, progression pay including related fringe benefit adjustments	1,647.8
<b>Other Base Changes</b>	
Telus Data Centre Co-Location Costs	212.9
Maintenance Pressures	455.5
Conversion of Reserved Funded position to Operating	95.0
Decrease in Inter-Divisional Recoveries	90.3
<b>Total Changes</b>	<b>4,873.7</b>
<b>Total Changes</b>	
<b>Net Expenditures</b>	<b>4,873.7</b>

- *Annualization* represents an increase of \$1.370 million for the phased in cost of the 58 positions to support capital delivery approved in 2013. Details are provided in the Issues for Discussion Section.



- In order to offset the above pressures, base expenditure reductions of \$3.654 million are recommended are detailed below:

**2014 Recommended Service Change Summary by Program**  
(In \$000s)

Description (\$000s)	2014 Recommended Service Changes				Net Incremental Impact			
	Position Change	Gross Exp.	Net Expense	% Change over 2013 Budget	2015		2016	
					Net Expense	Pos.	Net Expense	Pos.
#	\$	\$	%	\$	#	\$	#	
<b>Base Changes:</b>								
<b>Base Expenditure Changes</b>								
<i>Realized Savings from Personnel Expenditure Projection</i>		(1,404.8)	(1,404.8)	(2.1%)				
<i>Line By Line Review</i>		(507.5)	(507.5)	(0.7%)				
<b>Base Expenditure Change</b>		(1,912.3)	(1,912.3)	(2.8%)				
<b>Base Revenue Changes</b>								
<i>Inflationary Factor - User Fees</i>			(23.8)	(0.0%)				
<b>Base Revenue Change</b>			(23.8)	(0.0%)				
<b>Sub-Total</b>		(1,912.3)	(1,936.1)	(2.9%)				
<b>Service Efficiencies</b>								
<i>Telecom Optimization Initiative</i>		(1,000.5)	(1,000.5)	(1.5%)				
<i>Reduce Hardware &amp; Software Maintenance Contracts</i>		(717.0)	(717.0)	(1.1%)				
<b>Sub-Total</b>		(1,717.5)	(1,717.5)	(2.5%)				
<b>Total Changes</b>	-	(3,629.8)	(3,653.6)	(5.4%)				

The 2014 recommended service changes consist of base expenditures and revenue changes of \$1.936 million net and service efficiency savings of \$1.718 million net. In total, the Program has achieved reductions of \$3.654 million net bringing the 2014 Recommended Base Budget to \$1.220 million or 1.8% over the 2013 Approved Budget of \$67.847 million.

The 2014 recommended service changes and 2015 and 2016 incremental impacts are discussed below:

**Base Expenditure Changes: (Savings of \$1.912 million gross and net)**

*Realignment of Salaries and Benefits*

- Reductions of \$1.405 million gross and net in salaries and benefits reflect savings resulting from vacant positions budgeted at lower salary ranges based on the new budgetary guidelines of the Personnel Expenditure Projection (PEP) functionality in FPARS's Public Budget Formulation (PBF).

*Line By Line Review*

- A line by line review of Information & Technology's Operating expenses resulted in non payroll savings of \$0.507 million gross and net based on prior years actual experience in material, equipment and other service costs.

**Base Revenue Changes: (Revenue of \$0.024 million)***Increase to Existing User Fees*

- In accordance with Council's approved User Fee Policy inflationary factors that reflect service specific cost increases are applied in order to recover the full costs. As a result, the 2014 Recommended Operating Budget includes additional revenues of \$0.024 million.

**Service Efficiencies: (Savings of \$1.718 million gross and net)***Optimization of Telecommunication Technologies*

- Optimizing telecommunication technologies will save \$1.001 million net in 2014 from lower monthly rates per phone line as a result of the new contract for voice and data services and converting 17, 830 existing Centrex telephone lines across 50 plus sites in the City with Unified Communication implementation to VoIP (Voice over Internet Protocol). Gross savings of \$1.182 million is anticipated in 2014 with \$0.181 million allocated for four new permanent positions to be funded from telecom savings for net savings of \$1.001 million.

This is the last year of expected savings. The program has realized total net savings of \$3.288 million since the inception of the Integrated Telecommunications Infrastructure began in 2010.

*Reduce Hardware and Software Maintenance Contracts*

- A review of the maintenance service contract costs will save \$0.717 million through efficiencies and lower pricing from contracts renewal and the replacement of existing solutions.

## 2014 Recommended New / Enhanced Service Priority Actions

(In \$000s)

Description	2014 Recommended			Net Incremental Impact			
	Gross Expenditures	Net Expenditures	New Positions	2015 Plan		2016 Plan	
				Net Expenditures	# Positions	Net Expenditures	# Positions
Enhanced Services Priorities							
IT Support for the Parking Ticket Management System	122.1		1.0				
<b>Sub-Total</b>	<b>122.1</b>		<b>1.0</b>				
New Service Priorities							
<b>Sub-Total</b>							
<b>Total</b>	<b>122.1</b>		<b>1.0</b>				

## Recommended Enhanced Service Priorities

*IT Support for the Parking Ticket Management System*

- An additional permanent position is recommended in Information Technology to provide support for the *Parking Ticket Management System* at a cost of \$0.105 million and \$0.017 million is recommended for equipment and software licenses for a total of \$0.123 million gross in 2014. The position will be dedicated to support both Court Services and Revenues Services Parking Tag Operations. Funding will be recovered from the Non-Program Parking Enforcement budget for a net \$0 impact to Information & Technology.

2015 and 2016 Plan  
(In \$000s)

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
<b>Known Impacts:</b>										
Progression Pay	570.8		570.8	0.8%		429.2		429.2	1.5%	
Step Increases	140.4		140.4	0.2%		34.7		34.7	0.3%	
COLA and Fringe Benefits	1,080.1		1,080.1	1.6%						
Annualization	2,256.3		2,256.3	3.3%		(372.4)		(372.4)	2.8%	
Operating Impacts	4,862.1	(458.6)	5,320.7	7.8%	28.0	3,663.1	(1,818.1)	5,481.2	15.9%	10.0
Conversion of capital positions to operating	481.3		481.3	0.7%		357.7		357.7	1.2%	
Inter-Divisional Charges/Recoveries		(85.9)	85.9	0.1%			10.4	(10.4)	0.1%	
User fees		(10.4)	10.4	0.0%			(9.4)	9.4	0.0%	
Non-Labour Economic Factor	432.0		432.0	0.6%		420.1		420.1	1.3%	
<b>Sub-Total</b>	<b>9,823.0</b>	<b>(554.9)</b>	<b>10,377.9</b>	<b>15.3%</b>	<b>28.0</b>	<b>4,532.4</b>	<b>(1,817.1)</b>	<b>6,349.5</b>	<b>24.7%</b>	<b>10.0</b>
<b>Total Incremental Impact</b>	<b>9,823.0</b>	<b>(554.9)</b>	<b>10,377.9</b>	<b>15.3%</b>	<b>28.0</b>	<b>4,532.4</b>	<b>(1,817.1)</b>	<b>6,349.5</b>	<b>24.7%</b>	<b>10.0</b>

Approval of the 2014 Recommended Base Budget for Information & Technology will result in a 2015 and 2016 incremental increase of \$10.378 million and \$6.350 million respectively to maintain the 2014 levels of service.

Future year incremental costs are primarily attributable to the following:

## Known Impacts for 2015

- Progression pay* increases for non-union staff of \$0.571 million gross and net.

- *Step increases* for unionized staff will result in an increase of \$0.140 million gross and net based on the negotiated settlement.
- *Cost of living increases* for unionized staff of \$1.080.1 million gross and net based on the negotiated settlement.
- *Annualization* of \$0.481 million is projected for the renewal of maintenance & support contracts and licenses.
- *Annualization* includes an increase of \$1.775 million for the phased in cost of the 58 positions approved in 2013.
- *Operating impact* of capital will increase costs by \$4.862 million gross for 28 positions deferred from 2013.
- *Conversion of capital positions to operating* will increase operating costs by \$0.481 million.
- Non-labour corporate economic factors will increase costs by \$0.432 million.

**Known Impacts for 2016**

- *Progression pay* increases for non-union staff of \$0.429 million gross and net.
- *Step increases* for unionized staff result in \$0.035 million gross increase.
- *Annualization* includes an increase of \$1.775 million gross for the phased in cost of the 58 positions approved in 2013.
- *Operating impact* of capital will increase costs by \$3.663 million for 10 positions deferred from 2013.
- *Conversion of capital positions to operating* will increase operating costs by \$0.358 million.
- *Non-labour corporate economic factors* will increase costs by \$0.420 million.

## V: ISSUES FOR DISCUSSION

### 2014 Issues

*Update on HR Recruitment Strategy and Hiring Status of the 58 Approved Positions for IT Capital Project Delivery*

#### Background

During the 2013 Budget process, the Financial Planning Division and I&T staff undertook a comprehensive review of all the City-wide I&T capital projects. The review resulted in over 100 capital projects to be implemented and included in the 10 year Capital Budget and Plan. Once the magnitude of the business requirements was identified, the resources available to deliver the capital program were extensively reviewed. It determined that the City's historical low completion rates on IT capital projects is primarily due to the lack of resources to assist in implementation of capital projects. A recommendation of an additional 58 positions in the I&T Division to support delivery of IT capital projects, with funding from capital and reserves, gradually phased into the tax base was approved by City Council in the 2013 Operating Budget.

#### Current Status

I&T has experienced challenges in the recruitment process. Although I&T has collaborated with Human Resources (HR) with an emphasis on hiring 58 employees within the scheduled timelines, its recruitment campaign was impacted by HR's own resourcing challenges. Because of these challenges, the Division partnered with HR to hire and train 3 HR Recruitment Specialists before initiating efforts to recruit the 58 positions. A number of the existing job profiles were reviewed with HR Strategic Recruitment, Compensation & Employment Services to ensure that compensation was competitive with industry expectations and skill sets were aligned with current organizational goals and requirements. This process delayed the hiring by approximately 3 months. In addition, a number of competitions were unsuccessful as they failed to attract candidates with the knowledge and skills required to deliver foundational and program specific IT projects.

I&T's capability and ability to support and deliver the IT capital projects was hindered in 2013 through the inability to attract and hire qualified personnel. The Division is under considerable pressure to hire skilled staff due to rapid advancement in technologies. As of August 31, 2013, I&T had 11 capital positions filled, but the resource demand to deliver IT capital projects continues to increase from 126 staff required in 2013 to a projected 131 in 2014. By the end of 2013, only 13 of the 58 new positions will be filled.

#### 2013 Progress and Plan for 2014

I&T in conjunction with Human Resources have developed a plan to ensure the remaining positions are filled by the end of the second quarter of 2014.

In July 2013, the City Manager provided approval for HR to hire an additional five (5) temporary positions dedicated to supporting the hiring process. These positions were filled as of September 1, 2013. At its meeting of October 8, 9, 2013 City Council approved an

additional five permanent positions in HR to support the hiring process and the five temporary positions to be funded from a reallocation from the 2013 Non-Program Budget.

In addition, internal reviews have been made to identify opportunities for streamlining aspects of the hiring and selection processes to increase efficiencies and ensure that vacancies can be filled as quickly as possible. Hiring requisitions, where possible will be combined into one hiring process activity to fill vacancies in the same classification. HR will also create a centralized Skills Assessment Centre that conducts standardized testing of candidates using computer-based specialized software to support a variety of job competitions and evaluations/assessments.

With HR resources in place, the hiring process has been expedited. I&T has prioritized the requested positions and an on-line recruitment campaign to attract the best possible candidates was launched in early 2013. The following table provides a summary of the current status and plan in 2014:

Recruitment Status	# of Positions
Filled in 2013 (projection)	13
To be Filled in Q1 2014	36
To be Filled in Q2 2014	9
<b>Total</b>	<b>58</b>

The 2013 Approved Budget includes a financing strategy that was developed to phase in the impact on the Information & Technology's operating budgets over the next few years. The 2014 Recommended Operating Budget for I&T will continue the strategy as planned, with funding from a combination of the IT Sustainment Reserve, Capital and Operating Budget (tax base) for the 58 positions.

#### *2014 Recommended User Fee Changes*

In accordance with the City's User Fee policy, inflationary increases automatically apply to most user fees. Please see Appendix 6 for User Fee increases as a result of inflation.



**Issues Referred to the 2014 Operating Budget Process**

*2014 Service Level Review Process*

At its meeting on September 9, 2013, the Government Management Committee made the following recommendation:

Referred the following recommendation to the Budget Committee, the City Manager and the Deputy City Manager and Chief Financial Officer for consideration as part of the 2014 Budget Process:

“That the Government Management Committee recommend to City Council that the service level for Information and Technology be adjusted to the 95<sup>th</sup> percentile in order to ensure a 60 second response and direct the Deputy City Manager and Chief Financial Officer to include recommended resources in the 2014 recommended budget.”

In order to meet the service level service desk calls answered within 60 seconds 95% of the time, an additional 2 permanent FTEs and \$0.180 million ongoing would be required. These resources are not included in the 2014 Recommended Operating Budget. Other options have been contemplated, including increasing the wait time in order to achieve the 95<sup>th</sup> percentile without additional resources.

To comply with the Auditor General's recent recommendations, a review of opportunities for further efficiencies will be undertaken, including a review by the City Manager on whether some level of consolidation of same or similar divisional functions would be beneficial.

It is recommended that any request for budget funding to increase staffing for the IT Service Desk be deferred to the 2015 Operating Budget process, pending the results from an internal review of efficiency opportunities to be completed in 2014.

**Standing Committee Service Level Review Impacts  
(In \$000s)**

Description (\$000s)	2014			Net Incremental Impact			
	Gross Expenditure	Net Expenditure	New Positions	2015 Plan		2016 Plan	
				Net Expenditure	# Positions	Net Expenditure	# Positions
<b>Service Level Changes</b>							
<i>Recommended actions to adjust service level for 60 second response of IT Service Desk to the 95th percentile</i>	nil	nil	nil	180.0	2.0		
<b>Total</b>				<b>180.0</b>	<b>2.0</b>		

# Appendix 1

## 2013 Service Performance

### 2013 Key Accomplishments

In 2013, the Information & Technology achieved the following results:

- ✓ Enhanced the City's website across all programs and services improving search and accuracy for the public and making [www.toronto.ca](http://www.toronto.ca) mobile device friendly
- ✓ Implemented new Public Budget Formulation (PBF) capabilities to support service-based budgeting and enhancing overall City financial planning and management
- ✓ Modernized 75% of the City's traditional (Centrex) phone lines to VoIP, realizing savings of \$3 million+ and setting the foundation for new City collaboration solutions
- ✓ Upgraded IT equipment used by City staff as part of life cycle management : 4,500 desktops/notebooks/tablets, 200 servers, 360 printers, 550 monitors, 308 network devices
- ✓ Enabled the City's mobile workforce by implementing new mobile device management capabilities to configure, secure and manage a wider range of smart phones and tablets.
- ✓ Implemented free public Wi-Fi Internet service at City Hall, North York Civic Centre, Scarborough Civic Centre and Etobicoke Civic Centre
- ✓ Completed a strategy setting business direction on how IT can enable employees, enable management and deliver foundational internal City-wide business capability improvements
- ✓ Improved software license compliance and future IT planning capability across the City by implementing a new asset management solution
- ✓ Deployed Windows 7 upgrade to 70% of City computers.

## 2013 Financial Performance

2013 Budget Variance Analysis  
(In \$000s)

(\$000s)	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Projected Actuals*	2013 Approved Budget vs Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	84,973.8	82,718.5	106,815.0	84,170.7	(22,644.3)	(21.2)
Revenues	23,439.5	22,715.7	38,968.5	24,554.3	(14,414.2)	(37.0)
Net Expenditures	61,534.3	60,002.8	67,846.5	59,616.4	(8,230.1)	(12.1)
Approved Positions	635.0	539.0	748.0	577.0	(171.0)	(22.9)

\* Based on the 3rd Operating Budget Variance Report

## 2013 Experience

The Information & Technology's year-end favourable variance is projected to be \$8.230 million or 12.1% below the 2013 Approved Operating Budget of \$67.847 million net.

- The projected favourable variance of \$22.644 million gross includes anticipated under spending of \$20.9 million arising from hiring delays and recruitment challenges which resulted in lower salary costs.
- Although there is a dedicated process to expedite hiring to fill all urgent positions in 2013, some vacancies will remain until year-end.
- In addition, lower prices obtained on hardware and software maintenance costs will result in savings of \$2.3 million reduced by \$0.590 million for one time accommodation costs for new staff offices.
- This net under-spending includes a reduction in revenues of \$3.757 million not recovered from the IT Sustainment Reserve due to the delays in filling the vacant capital pool positions.

## Impact of 2013 Operating Variance on the 2014 Recommended Budget

- The 2014 Operating Budget includes the reduced prices obtained on hardware and software contracts.
- The 2014 Recommended Operating Budget for I&T provides funding to continue the strategy, as planned to complete the hiring of the additional 58 positions to support the delivery of capital projects. Any delays in filling vacancies will result in savings in 2014.

## Appendix 2

### 2014 Recommended Total Operating Budget by Expenditure Category

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

Category of Expense	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Rec'd	2013 Approved	2013 Approved	Plan	Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	59,486.5	57,080.6	79,920.5	58,998.3	84,200.8	4,280.3	5.4%	92,321.5	94,233.7
Materials and Supplies	101.5	142.3	220.5	335.0	284.9	64.4	29.2%	298.8	302.6
Equipment	672.6	641.3	546.3	942.3	1,144.0	597.7	109.4%	553.1	564.3
Services & Rents	24,105.3	24,211.0	25,582.2	23,333.6	24,750.0	(832.2)	(3.3%)	27,451.0	30,056.2
Contributions to Capital									
Contributions to Reserve/Res Funds	108.6	108.4	108.4	108.4	104.9	(3.5)	(3.2%)	104.9	104.9
Other Expenditures		62.0	0.4	0.4	0.4	-	0.0%	0.4	0.4
Interdivisional Charges	499.3	472.9	436.7	452.7	477.3	40.6	9.3%	55.6	55.6
<b>Total Gross Expenditures</b>	<b>84,973.8</b>	<b>82,718.5</b>	<b>106,815.0</b>	<b>84,170.7</b>	<b>110,962.3</b>	<b>4,147.3</b>	<b>3.9%</b>	<b>120,785.3</b>	<b>125,317.7</b>
Interdivisional Recoveries	12,764.8	13,132.1	12,573.4	12,589.3	12,815.2	241.8	1.9%	12,729.2	12,739.6
User Fees & Donations	89.0	64.1	79.2	65.0	103.0	23.8	30.1%	92.7	83.2
Transfers from Capital Fund	9,847.0	9,115.7	21,355.1	11,074.5	23,335.9	1,980.8	9.3%	21,750.4	23,476.9
Contribution from Reserve Funds			4,234.5	477.5	4,915.3	680.8	16.1%	6,042.2	2,497.7
Contribution from Reserve						-			
Sundry Revenues	738.7	403.8	726.3	348.0	726.3	-	0.0%	726.3	726.3
Required Adjustments						-			
<b>Total Revenues</b>	<b>23,439.5</b>	<b>22,715.7</b>	<b>38,968.5</b>	<b>24,554.3</b>	<b>41,895.7</b>	<b>2,927.2</b>	<b>7.5%</b>	<b>41,340.8</b>	<b>39,523.7</b>
<b>Total Net Expenditures</b>	<b>61,534.3</b>	<b>60,002.8</b>	<b>67,846.5</b>	<b>59,616.4</b>	<b>69,066.6</b>	<b>1,220.1</b>	<b>1.8%</b>	<b>79,444.5</b>	<b>85,794.0</b>
<b>Approved Positions</b>	<b>635.0</b>	<b>539.0</b>	<b>748.0</b>	<b>577.0</b>	<b>767.0</b>	<b>19.0</b>	<b>2.5%</b>	<b>795.0</b>	<b>805.0</b>

### 2014 Key Cost Drivers

- Salaries and Benefits is the largest expenditure category and accounts for 75.9% of the Program's gross expenditures, followed by Services & Rents at 22.3%.
- Revenues consist of recoveries from capital projects which constitute 55.7% of the total revenues, 30.6% of inter-divisional recoveries from other Programs for salaries and other non-salary expenses, and the 11.7% from reserve funds.

### Salaries and Benefits

- Salaries and benefit* costs for 2013, 2014, and 2015 includes provision for labour related inflationary pressures in accordance with approved settlements, and costs for the additional 58 capital positions.
- The 2014 budget for *Salaries and Benefits* is \$84.201 million, reflecting an increase of \$4.280 million or 5.4% higher compared to the 2013 Approved Operating Budget.
  - The 58 new permanent positions were added to the Program's complement to deliver IT capital projects City-wide in 2013 will increase salaries and benefits by \$2.532 million gross in 2014 and 35 new temporary positions to support capital projects will increase salaries and benefits by \$3.690 million.

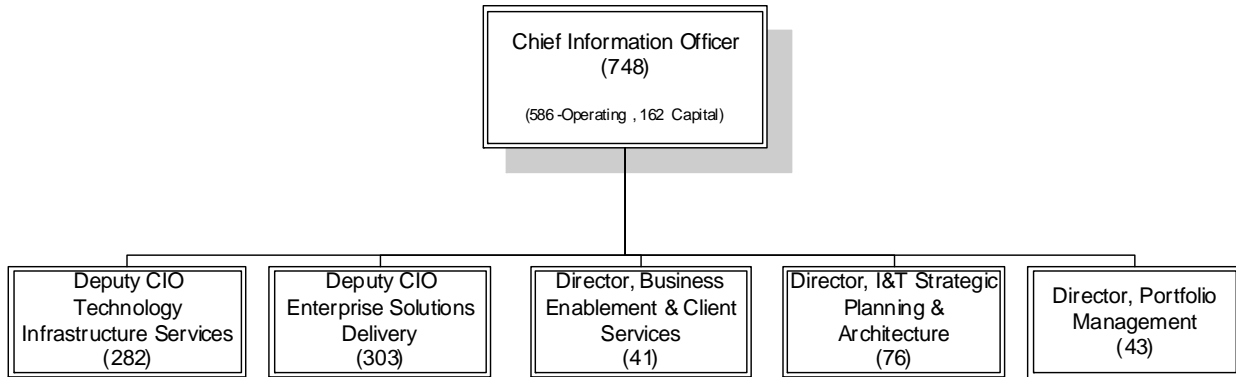
- An increase of \$0.209 million is recommended for the addition of 2 new positions for Projectwise and CS-STARS in Technical Services Engineering & Construction services and Corporate Finance and a total of \$0.095 million for fringe benefit, cost of living, progression pay and step increases for eligible non-union and union positions.
- The addition of 4 new positions for the Telecom Optimization Initiative will increase salaries and benefits by \$0.181 million.
- An increase of \$0.122 million for the new staff to support the Parking Ticket Management System initiative fully recovered from Parking Tag Enforcement.
- Offsetting the above increases is a decrease of \$2.630 million due to the deletion of 24 temporary capital positions that are no longer required.

**Equipment**

- The 2014 recommended budget for Equipment of \$1.144 million is \$0.598 million or 109.4% higher than the 2013 Approved Operating Budget.
  - This is mainly attributable to an increase of \$0.583 million in furniture and fixtures for cost to accommodate 66 new staff.

## Appendix 2 - Continued

### 2014 Organization Chart



### 2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	1.0	65.0	213.0	468.0	747.0
Part-Time				1.0	1.0
<b>Total</b>	1.0	65.0	213.0	469.0	748.0

## Appendix 3

### Summary of 2014 Recommended Service Changes

**2014 Operating Budget - Staff Recommended Service Change  
Summary by Service  
(\$000s)**

Form ID		Internal Focused Services Program: Information & Technology	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

<b>2014 Staff Recommended Base Budget Before Service Change:</b>	<b>112,557.7</b>	<b>41,773.6</b>	<b>70,784.1</b>	<b>762.0</b>	<b>10,822.6</b>	<b>6,401.4</b>
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638	<b>Reductions in Maintenance &amp; Non-salary expenditure</b>
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51	1	<b>Description:</b>
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Reductions of \$0.717 million has been found through efficiencies and lower pricing of contracts.

**Service Level Impact:**

There is no service level impact as the decreased costs are mainly due to contract negotiations, replacement of older technologies, and efficiencies.

Service: Computer & Communications Technology Infrastructure

Total Staff Recommended:	(717.0)	0.0	(717.0)	0.0	0.0	0.0
<b>Staff Recommended Service Changes:</b>	<b>(717.0)</b>	<b>0.0</b>	<b>(717.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

654	<b>Optimization of Telecommunication Technologies</b>
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51	1	<b>Description:</b>
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Savings in telecom budget of \$1.182 million are realized through lower phone line rates as a result of the new contract and consolidation of existing telephone lines across 50 plus sites in the City with Unified Communication for implementation to Voice over Internet Protocol (VoIP). These savings are partially offset by the costs of \$0.181 million to fund the conversion of 4 positions from temporary to permanent.

**Service Level Impact:**

**Category:**

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change



**2014 Operating Budget - Staff Recommended Service Change  
Summary by Service  
(\$000s)**

Form ID		Internal Focused Services Program: Information & Technology	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

The service levels remain the same as 2013.

Service: Computer & Communications Technology Infrastructure

Total Staff Recommended:	(1,000.6)	0.0	(1,000.6)	4.0	127.4	16.9
<b>Staff Recommended Service Changes:</b>	<b>(1,000.6)</b>	<b>0.0</b>	<b>(1,000.6)</b>	<b>4.0</b>	<b>127.4</b>	<b>16.9</b>

**Summary:**

<b>Staff Recommended Service Changes:</b>	<b>(1,717.5)</b>	<b>0.0</b>	<b>(1,717.5)</b>	<b>4.0</b>	<b>127.4</b>	<b>16.9</b>
<b>Total Staff Recommended Base Budget:</b>	<b>110,840.2</b>	<b>41,773.6</b>	<b>69,066.6</b>	<b>766.0</b>	<b>10,950.0</b>	<b>6,418.3</b>

**Category:**

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

## Appendix 4

### Summary of 2014 Recommended New / Enhanced Service Changes

**2014 Operating Budget - Staff Recommended New and Enhanced Services**  
**Summary by Service**  
(\$000s)

Form ID		Internal Focused Services Program: Information & Technology	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

2889	<b>IT 2889 - Support for Revenue Services Parking Tickets</b>
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72	1	<b>Description:</b>
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Funding of \$0.122 million is recommended for one permanent position within Corporate Information and Technology to provide ongoing I/T support for Revenue Services systems that support parking tickets and courts scheduling (PTMS, Parking Ticket Management System). This support is provided by Corporate Information and Technology staff with funding for dedicated full-time Information and Technology support position eliminated in 2010, recovered from Non-Program Parking Tags Enforcement and Operations with a zero net impact.

**Service Level Impact:**

There will be no service level impact.

Service: Business IT Solutions

Total Staff Recommended:	101.5	97.6	3.9	0.8	(3.7)	0.0
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Service: Enterprise IT Planning & Client Services

Total Staff Recommended:	20.6	24.4	(3.8)	0.2	3.6	(0.0)
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<b>Staff Recommended New/Enhanced Services:</b>	<b>122.1</b>	<b>122.1</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
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**Category:**

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

**2014 Operating Budget - Staff Recommended New and Enhanced Services**  
**Summary by Service**  
(\$000s)

Form ID		Internal Focused Services Program: Information & Technology	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

**Summary:**

<b>Staff Recommended New/Enhanced Services:</b>	<b>122.1</b>	<b>122.1</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>
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**Category:**

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

## Appendix 5

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

#### Corporate Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
<b>Projected Beginning Balance</b>			<b>32,876.2</b>	<b>28,065.8</b>	<b>22,128.5</b>
Insurance Reserve Funds	XR1010	18,307.0	94.5	94.5	94.5
IT Vehicle Reserve	XQ1509	18.7	10.4	10.4	10.4
Equipment Reserve -IT Sustainment	XQ1508	14,550.5	(4,915.3)	(6,042.2)	(2,497.7)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>32,876.2</b>	<b>28,065.8</b>	<b>22,128.5</b>	<b>19,735.7</b>
<b>Other program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>32,876.2</b>	<b>28,065.8</b>	<b>22,128.5</b>	<b>19,735.7</b>

## Appendix 6

### 2014 User Fee Rate Changes

#### Inflation and Other Adjustment

Division / Agency	Ref #	User Fee Description	Fee Category	Fee Unit/ Basis	2013 Fee	Inflationary Adjusted Fee	Other Adjustments	2014 Recommended Fee	2014 Incremental Revenue
Information & Technology	IT001	Property data map (1:4,000)	Full Cost Recovery	Map	\$4.18	\$4.27		\$4.27	\$23,861.00
Information & Technology	IT002	Paper index map illustrating the boundaries of the PDM maps	Full Cost Recovery	Map	\$26.11	\$26.68		\$26.68	
Information & Technology	IT003	Property data map (1:2,000)	Full Cost Recovery	Map	\$6.26	\$6.40		\$6.40	
Information & Technology	IT004	Municipal map book- 1:4,000	Full Cost Recovery	Book	\$41.78	\$42.70		\$42.70	
Information & Technology	IT005	Municipal map book set - 1:4,000	Full Cost Recovery	Map	\$146.22	\$149.44		\$149.44	
Information & Technology	IT007	Electronic pdf municipal map book set	Full Cost Recovery	Map	\$146.22	\$149.44		\$149.44	
Information & Technology	IT008	Community council boundaries & electoral wards map - 11"x17"	Full Cost Recovery	Map	\$10.44	\$10.67		\$10.67	
Information & Technology	IT009	Community council boundaries & electoral wards maps - 24"x36"	Full Cost Recovery	Map	\$15.67	\$16.01		\$16.01	
Information & Technology	IT010	Community council boundaries & electoral wards map - 36"x70"	Full Cost Recovery	Map	\$26.11	\$26.68		\$26.68	
Information & Technology	IT011	36"x60" Paper or PDF map at 1:30,000 scale or provide non-ge	Full Cost Recovery	Map	\$26.11	\$26.68		\$26.68	
Information & Technology	IT012	Provide paper or electronic PDF Ward maps - 36"x26"	Full Cost Recovery	Map	\$6.26	\$6.40		\$6.40	
Information & Technology	IT013	Provide paper or electronic PDF Ward maps - 11"x17".	Full Cost Recovery	Map	\$5.22	\$5.33		\$5.33	
Information & Technology	IT014	Aerial photo enlargement (letter sized)	Full Cost Recovery	Print	\$5.22	\$5.33		\$5.33	
Information & Technology	IT015	Aerial photo enlargement - 11"x17"	Full Cost Recovery	Print	\$7.31	\$7.47		\$7.47	