# Internal Services

# 2014 Recommended Operating Budget & 2014 – 2023 Capital Budget and Plan

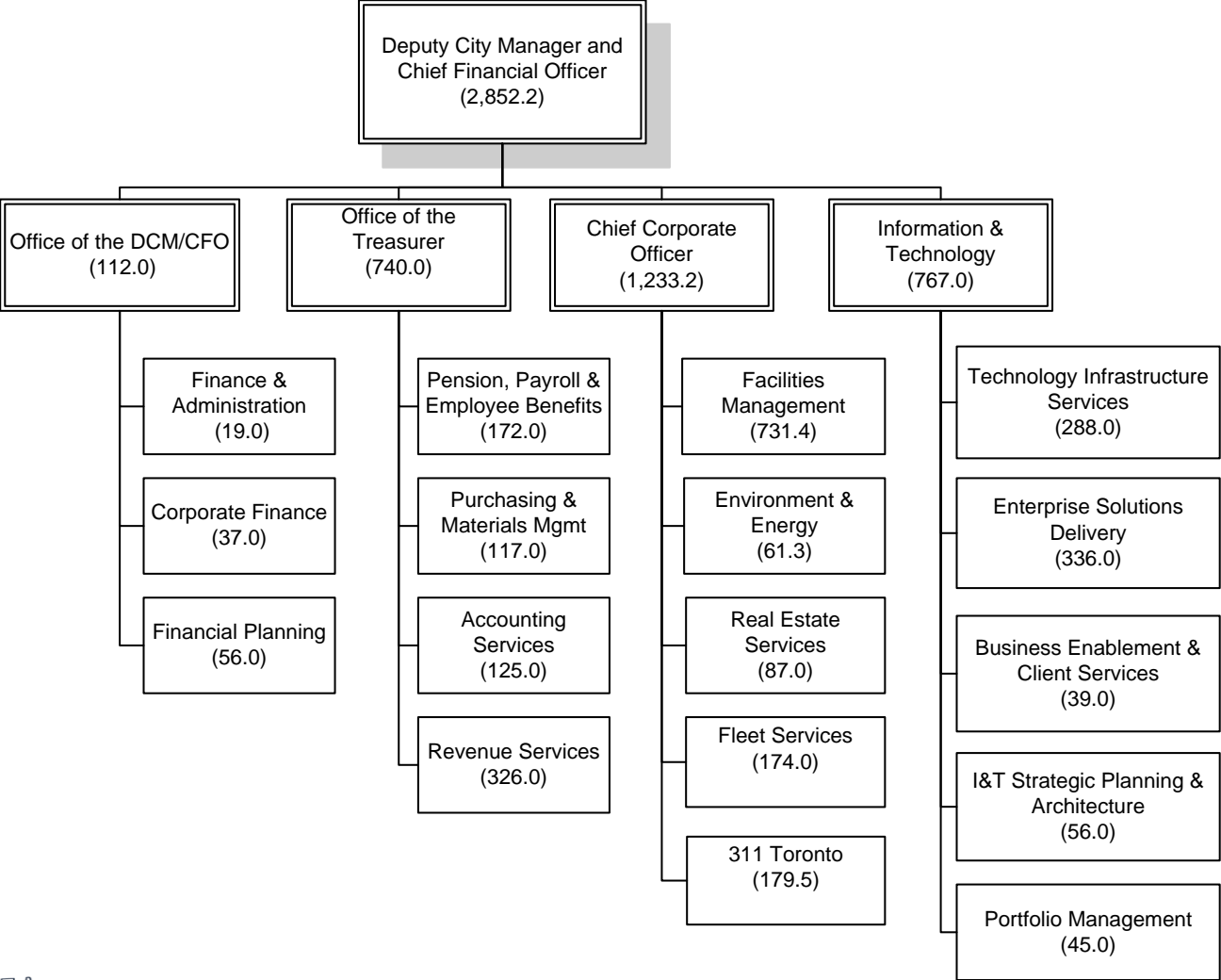**Budget Committee Presentation – December 11, 2013**

# Agenda

- **Operating Overview**

  ➢ 2013 Service Performance

  ➢ 2014 Staff Recommended Operating Budget

- **Capital Overview**

  ➢ 2013 Capital Performance

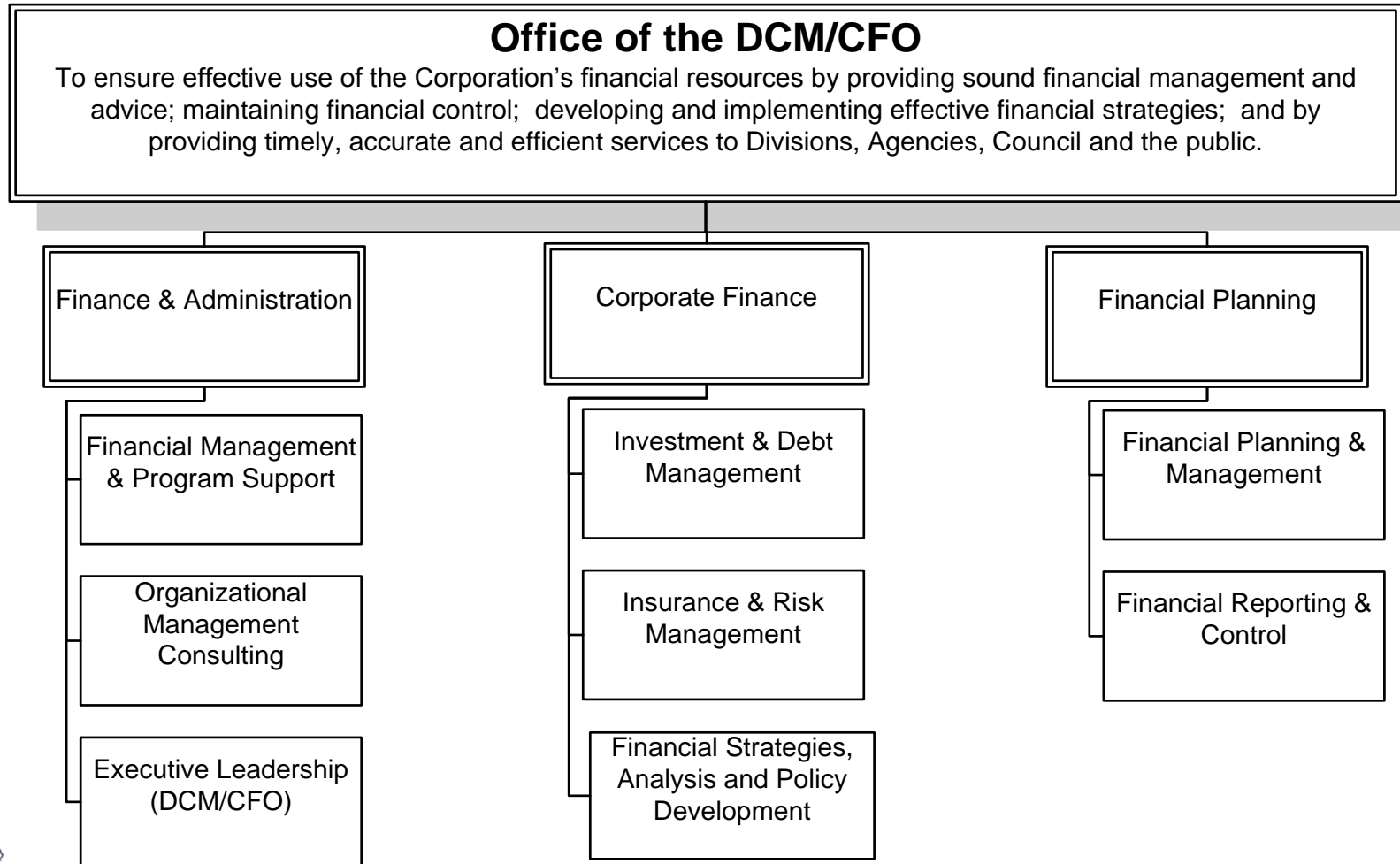  ➢ 2014 – 2023 Staff Recommended Capital Budget & Plan
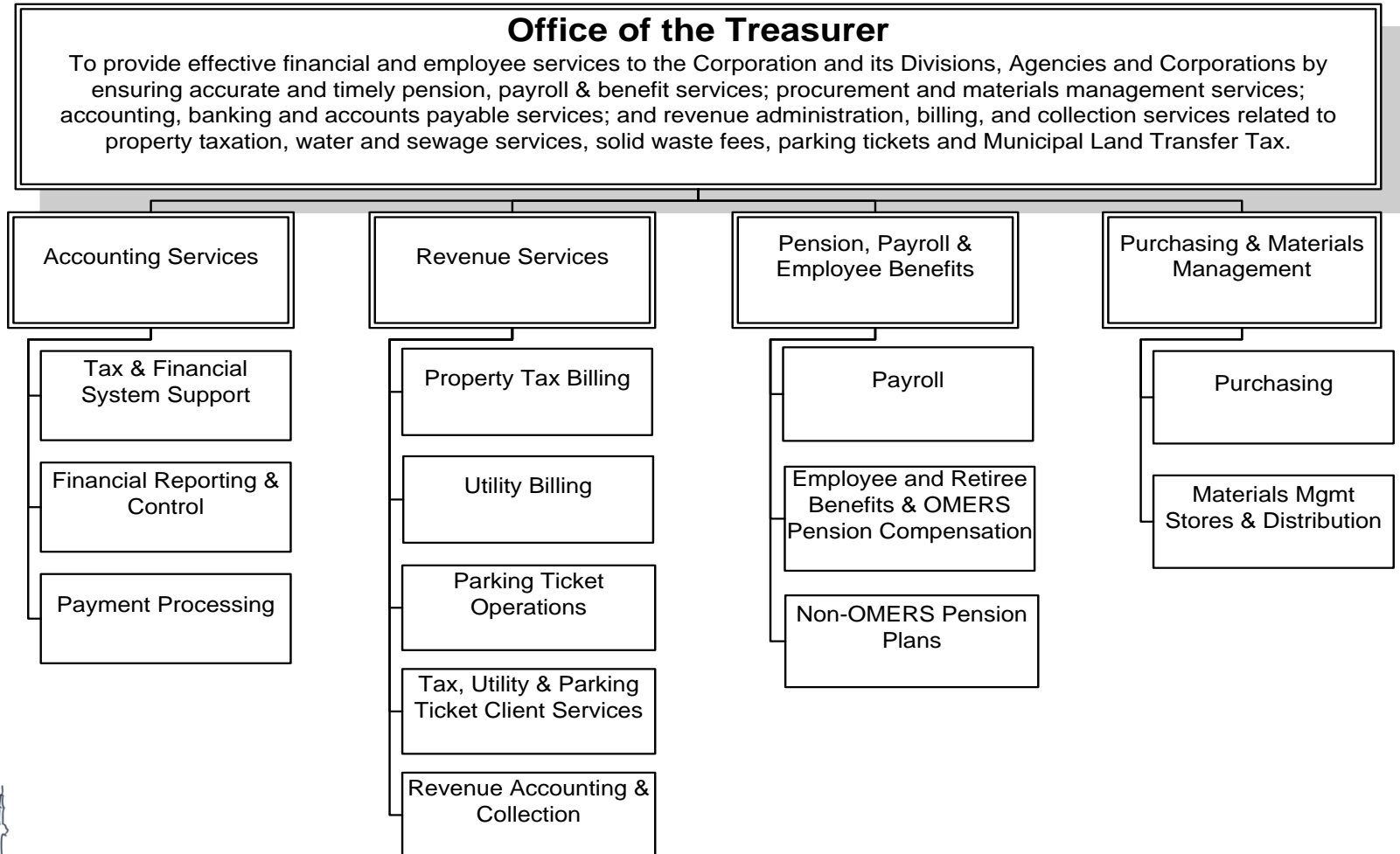
# Operating Overview

# 2014 Organization Chart

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                    ┌──────────────────────────┐
                    │  Deputy City Manager and │
                    │  Chief Financial Officer │
                    │        (2,852.2)         │
                    └──────────────────────────┘
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| Office of the DCM/CFO (112.0) | Office of the Treasurer (740.0) | Chief Corporate Officer (1,233.2) | Information & Technology (767.0) |
|---|---|---|---|
| Finance & Administration (19.0) | Pension, Payroll & Employee Benefits (172.0) | Facilities Management (731.4) | Technology Infrastructure Services (288.0) |
| Corporate Finance (37.0) | Purchasing & Materials Mgmt (117.0) | Environment & Energy (61.3) | Enterprise Solutions Delivery (336.0) |
| Financial Planning (56.0) | Accounting Services (125.0) | Real Estate Services (87.0) | Business Enablement & Client Services (39.0) |
| | Revenue Services (326.0) | Fleet Services (174.0) | I&T Strategic Planning & Architecture (56.0) |
| | | 311 Toronto (179.5) | Portfolio Management (45.0) |

# 2014 Program Map – Office of the DCM/CFO

**Office of the DCM/CFO**

To ensure effective use of the Corporation's financial resources by providing sound financial management and advice; maintaining financial control; developing and implementing effective financial strategies; and by providing timely, accurate and efficient services to Divisions, Agencies, Council and the public.

## Finance & Administration

- Financial Management & Program Support
- Organizational Management Consulting
- Executive Leadership (DCM/CFO)

## Corporate Finance

- Investment & Debt Management
- Insurance & Risk Management
- Financial Strategies, Analysis and Policy Development

## Financial Planning

- Financial Planning & Management
- Financial Reporting & Control

# 2014 Program Map – Office of the Treasurer

## Office of the Treasurer

To provide effective financial and employee services to the Corporation and its Divisions, Agencies and Corporations by ensuring accurate and timely pension, payroll & benefit services; procurement and materials management services; accounting, banking and accounts payable services; and revenue administration, billing, and collection services related to property taxation, water and sewage services, solid waste fees, parking tickets and Municipal Land Transfer Tax.

### Accounting Services

- Tax & Financial System Support
- Financial Reporting & Control
- Payment Processing

### Revenue Services

- Property Tax Billing
- Utility Billing
- Parking Ticket Operations
- Tax, Utility & Parking Ticket Client Services
- Revenue Accounting & Collection

### Pension, Payroll & Employee Benefits

- Payroll
- Employee and Retiree Benefits & OMERS Pension Compensation
- Non-OMERS Pension Plans

### Purchasing & Materials Management

- Purchasing
- Materials Mgmt Stores & Distribution

**TORONTO**

# 2014 Program Map – Chief Corporate Officer



**Chief Corporate Officer Organization**
We work across the City with our clients and stakeholders to deliver an effective customer experience by managing assets and offering services that fully utilize the City's property assets, fleet, energy supply and environmental programs, and contact centre resources in an innovative and fiscally sustainable manner.

- Facilities Management and Real Estate
  - Facilities Management
    - Facilities Maintenance
    - Corporate Security
    - Custodial Care
    - Design & Construction
    - Environment & Energy Office
  - Real Estate Services
    - Manage Leases
    - Acquire/Dispose Property
    - Appraise Property
    - Manage & Develop Real Estate Portfolio
- 311 Toronto
  - 311 Service Delivery
  - 311 Information and Business Processing
  - 311 Performance Reporting
  - 311 Development Office
- Fleet Services
  - Fleet Management
  - Fuel Management

# 2014 Program Map – Information & Technology

**Information & Technology**
To drive innovative Information Technology solutions that enhance the delivery of City Services

| Business I&T Solutions | Computer and Communications Technology Infrastructure | Enterprise IT Planning & Client Services |
|---|---|---|
| Solutions Implementation | Network & Telecommunications | Enterprise Planning & Architecture |
| Solutions Sustainment | Computing Infrastructure | Client Support, Advice & Consultation |
| IT Common Components | | IT Project Management |
| Data Management | | |

# 2014 Key Service Levels

**Office of the DCM/CFO**

- Manage City's $2.8B net debt portfolio

- Manage City's $5.9B investment portfolio

- Insure $14.0B worth of property

- Review 360 contract reports for financial impact/budget for award by Bid Committee

- Manage City's development charges system which yields over $170M annually

- Review, analyze and make recommendations on the 10-year 2014-2023 Capital Budget totalling $24.5B

- Review, analyze and make recommendations on the 2014 Operating Budget totalling approximately $10.9B

- Review 1,600 staff reports with financial implications annually

- Financial analytical support for large complex City projects (e.g. Long Range Transit Plan, Portlands Redevelopment)

# 2014 Key Service Levels

## Office of the Treasurer

- Over 500,000 invoices with 90% paid within 60 days

- 1.5M tax bills with revenues of $5.7B (City and Education)

- 2.8M parking tickets with revenues of $80M

- 1.5M utility bills with revenues of $870M

- 770,000 pay cheques and 103,000 pension cheques

- Ensure appropriate controls in place for $200M employee benefits plan

- 5 Pre-OMERS Pension Plans with assets of approximately $1.6B

- Estimated $1.5B in purchases

- 1,800 purchase orders/contracts

- 7 warehouses with inventory flow valued at $6.6M

- 68,400 issues of warehoused goods from City warehouses

# 2014 Key Service Levels

## Facilities Management & Real Estate

- 277 City-owned facilities covering more than 9.6M square feet
- 36,790 building maintenance work orders annually
- Safe and secure environment for 1,345 facilities
- 5,400 special events open to the public annually
- 25 building energy retrofits annually
- 15 energy audits annually and monitor 3,500 energy accounts
- Manage over 5,400 properties in the Asset Portfolio
- 444 property appraisals annually
- 1,000 leases in the portfolio, with over $48M in lease revenue annually
- Review property tax assessments for over 5,600 City-owned properties
- 35 property disposals

# 2014 Key Service Levels

**Fleet Services**

- 5,000 vehicles and pieces of equipment

- 32,000 repair orders annually on a timely basis

- 225 short term rental vehicles

- 420 spot checks annually to ensure safe vehicle usage

- Training and testing for Ontario Ministry of Transportation license upgrades to 80 City operators annually

- Train, test and monitor over 10,000 vehicle and equipment operators

- Work with client Divisions to maintain or improve the Commercial Vehicle Operator's Registration (CVOR) safety rating in good standing

- Ensure fuel is available 24/7 to support divisional operations

# 2014 Key Service Levels

**311 Toronto**

- Provide 24/7 non-emergency municipal information and services using a customer focused "end-to-end" integrated service delivery model in over 180 languages

- 311 services provided to residents, businesses and visitors through multiple channels: telephone, email, fax, mail, website and smartphone

- Answer more than 940,000 general enquiries and initiate close to 383,000 service requests

- 80% of calls answered within 75 seconds, with average talk time of 240 seconds per call (2013 average talk time currently is 246 seconds per call)

- 70% of customer interactions resolved at first point of contact

# 2014 Key Service Levels

**Information & Technology**

- Deliver application development, maintenance and support to over 300 systems

- Phase II of Website Revitalization Project including rollout of the enterprise content management system

- 41,000 web pages, with over 2M views weekly of the City's website

- 3 data centres 7x24x365 hosting mission and business critical systems

- More than 1,200 servers

- Maintain data communications network access to 650 City facilities

- Provide Client Support to 23,000 IT users, responding to over 120,000 service desk calls annually

- IT training to over 2,500 city staff per year on a wide range of key skill areas

- 21,200 telephones and over 11,000 wireless devices

# Staffing Trend (Excludes Capital Positions)



| Year | Value |
|------|-------|
| 2007 | 2,122 |
| 2008 | 2,295 |
| 2009 | 2,576 |
| 2010 | 2,572 |
| 2011 | 2,575 |
| 2012 | 2,393 |
| 2013 | 2,463 |
| 2014 Rec'd | 2,510 |
| 2015 Plan | 2,539 |
| 2016 Plan | 2,553 |
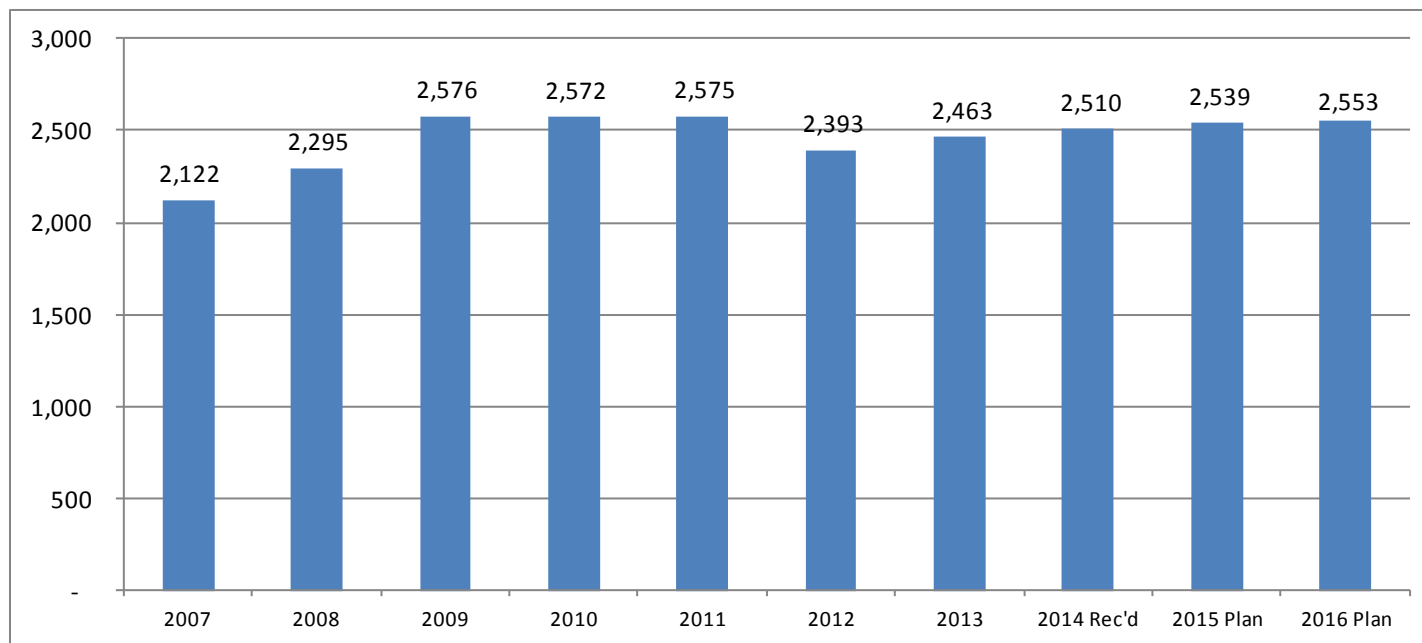
## Key Points:

- 2008: position increase mainly due to start up of 311 Toronto (108.3) and MLTT and Utility Billing Initiative (31)

- 2009: 147 IT positions transferred in form Clusters A & B as part of IT Transformation, 100.5 positions added to FMRE for the mgmt of Union Station and to address increased client demands

- 2012: 119.2 positions deleted due to contracting out of custodial services, 56 positions deleted through efficiencies

- 2013: 58 new operating positions to deliver IT capital projects, 21.6 positions transferred in from Toronto Environment Office

- 2014, 2015 Plan and 2016 Plan: position increase mainly due to operating impacts of capital

# 2013 Service Performance

# 2013 Key Accomplishments

- Obtained Council approval of 2013 Operating and 2013-2022 Capital Budget and Plan for Rate and Tax Supported Budgets by mid January 2013

- Delivered City's first service-based 3 year Operating Budget with the successful rollout of the new Public Budget Formulation (PBF) budgeting tool to City Divisions and Agencies in May

- Completed review of City's budget process and implemented improvements (web, presentations, analyst notes, etc.)

- Worked on major corporate initiatives – Toronto-York Spadina Subway, Waterfront Revitalization, Pan Am Games, Scarborough Subway, Casino Development and Transit Funding Tools

- Upgraded two and closed five City-owned fuel sites to reduce environmental risks and to improve operational efficiencies

- Continue to implement Fuel Hedging Program as a strategy to mitigate the impacts of fluctuating market fuel prices and to reduce fuel costs

# 2013 Key Accomplishments

- Integrated Fleet and Fuel Management services for Toronto Community Housing Corporation and Solid Waste Management Haulage Services

- Received prestigious GFOA Award for Financial Reporting for the 6th year in a row for the City's 2011 Annual Financial Report

- Accounting and Payroll teams implemented system process changes to capture Service View (Go-Live Date: November 12, 2013)

- Implemented the on-line Posting of the City's Sole Source Contracts

- Successfully launched new cashiering software for all eight of Revenue Services' customer service counter operations

- Implemented E-Post electronic billings for 2013 property tax bills

- Completed review and reported to Council on recommended changes to the Non-Union Employee Benefits Plan

- Implemented new sick occurrence provision for Local 79 Collective Agreement

# 2013 Key Accomplishments

- Upgraded IT equipment: 4,500 desktops/notebooks/tablets, 200 servers, 360 printers, 550 monitors, 308 network devices

- Implemented free public Wi-Fi Internet service at City Hall, North York Civic Centre, Scarborough Civic Centre and Etobicoke Civic Centre

- Expanded public access to Court Services by integrating a call back request process into the 311 system

- Implemented new self services using smart phones (e.g. use of mobile apps to report potholes and graffiti)

- Implemented organizational changes within Facilities Management and Real Estate (FM&RE) to improve customer service focus, efficiencies and portfolio accountabilities

- Continue to conduct building condition assessments for all facilities in the FM&RE portfolio

- Introduced Security Awareness Program to ensure employees are aware of their role as safety and security partners

# Performance of City's Investment Funds

### City's Investment Funds' Returns vs Benchmarks Returns



Legend:
- Bond Fund (Annualized 5-yr)
- Benchmark for Bond Fund (Annualized 5-yr)
- Money Market Fund (Annualized 5-yr)
- Benchmark for Money Market Fund (Annualized 5-yr)
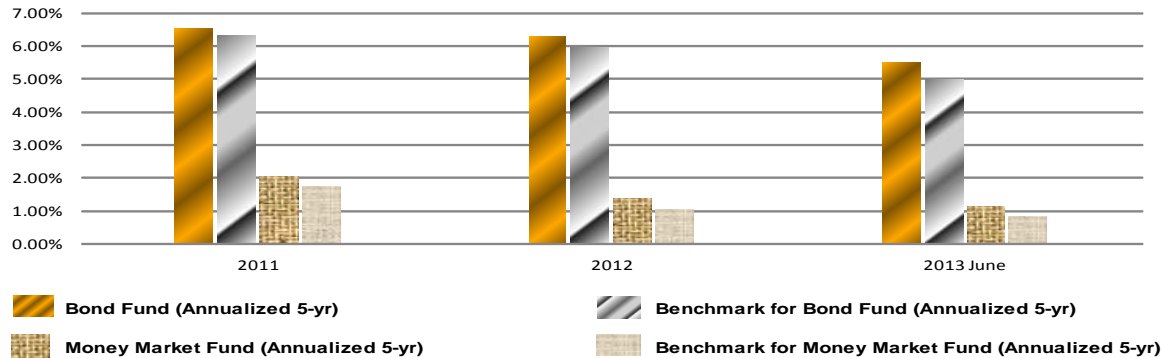
### Added Return% Compared to Benchmarks



- Bond Fund (Annualized 5-year)
- Money Market Fund (Annualized 5-year)
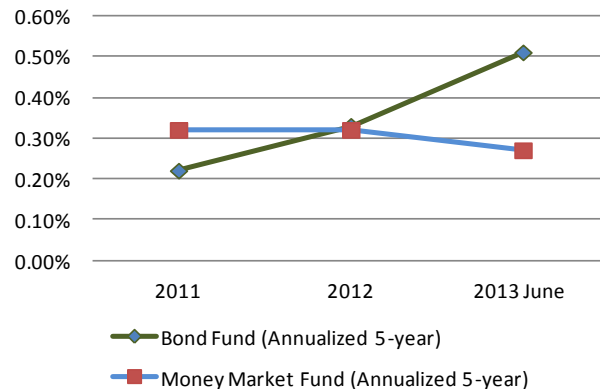
### Total Added Value (vs Benchmarks)



- Added Value (Annualized 5-year, $M)
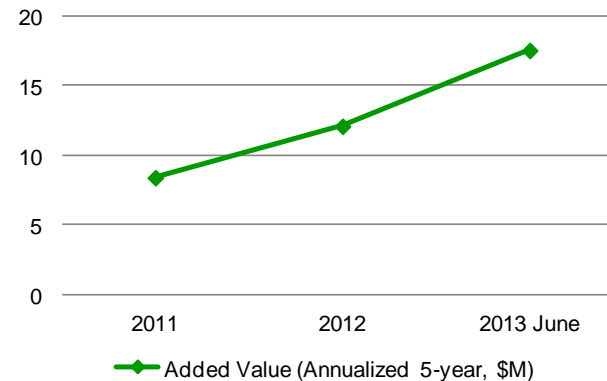
Benchmarks: RBC Dexia 3—Day T-Bill Return Index & RBC Dexia Government Universe Bond Index

# Revenue Services Call Centre – Call Abandonment Rate



| | 2011 Actual | 2012 Actual | 2013 Budget | 2014 Requested | 2015 Plan | 2016 Plan |
|---|---|---|---|---|---|---|
| ☐ Call Abandonment Rate | | 30.3% | 27.5% | 20.0% | 20.0% | 15.0% |
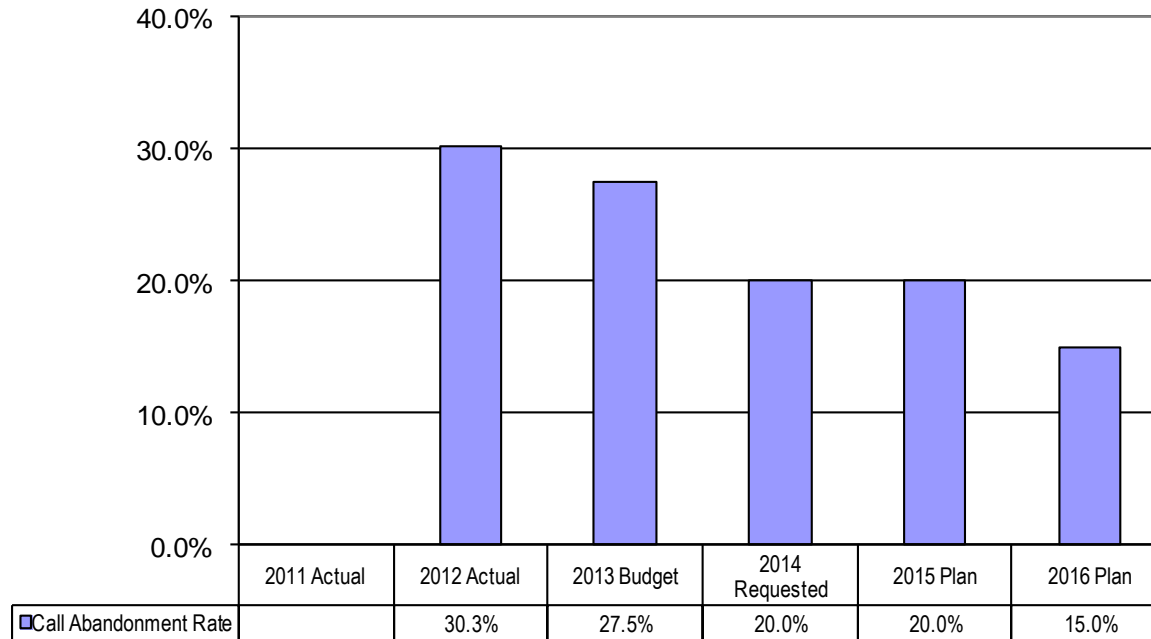
**Explanation of Performance Measurement Trend:**

Call abandonment rate identifies the number of callers in queue that hang up before being connected to Call Centre personnel (includes calls abandoned before welcome message is played). An improving trend over 2013-2016 reflects increases in the number of Call Centre personnel (7 new part-time staff added in 2013), and the introduction of new self-serve functionality in 2013, including the option to leave a message and receive a call back. Automated voice-response option is planned for 2014.

# Electricity Demand Reduction (Megawatt)
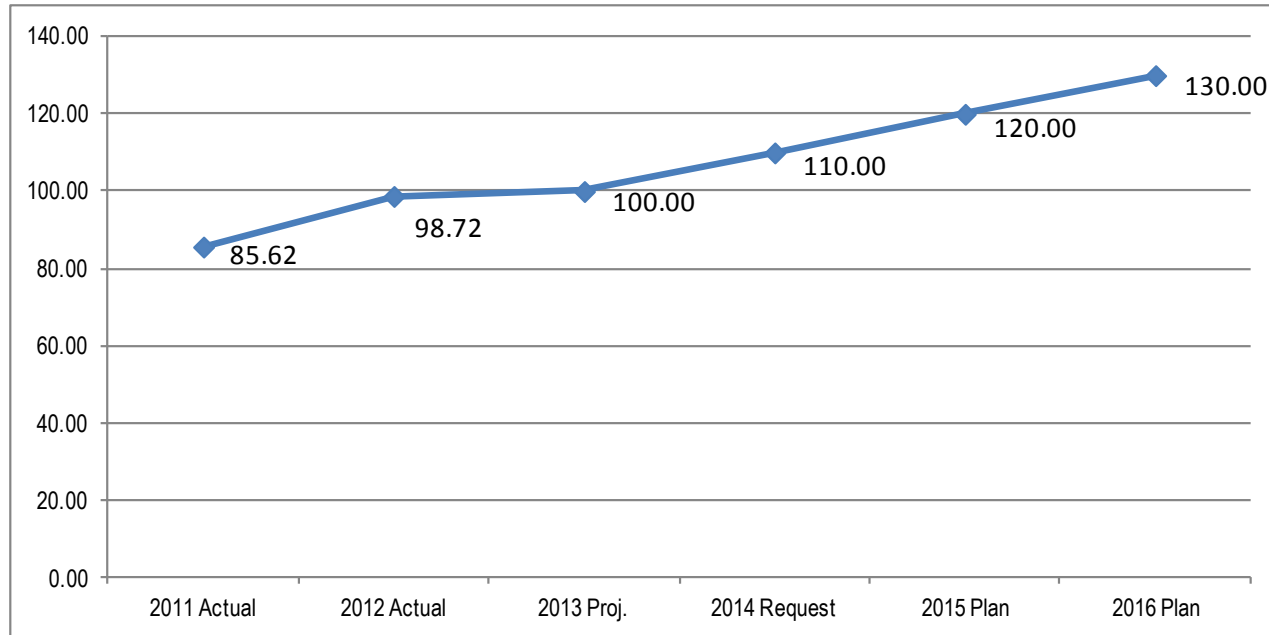


**Explanation of Performance Measurement Trend:**

This graph represents cumulative amounts. Since 2011, there has been reduction in electricity demand every year. The goal of the Environment and Energy Office is to reduce electricity demand in Toronto by 133 megawatts by 2016, focusing on energy efficient buildings and infrastructure, and encouraging stakeholders to reduce energy consumption through planned efficiencies and effective communication strategies.

**Every 5MW reduction in demand is equivalent to the demand of a new 40-story condominium tower.**

# Discount Over Market Price for Gasoline
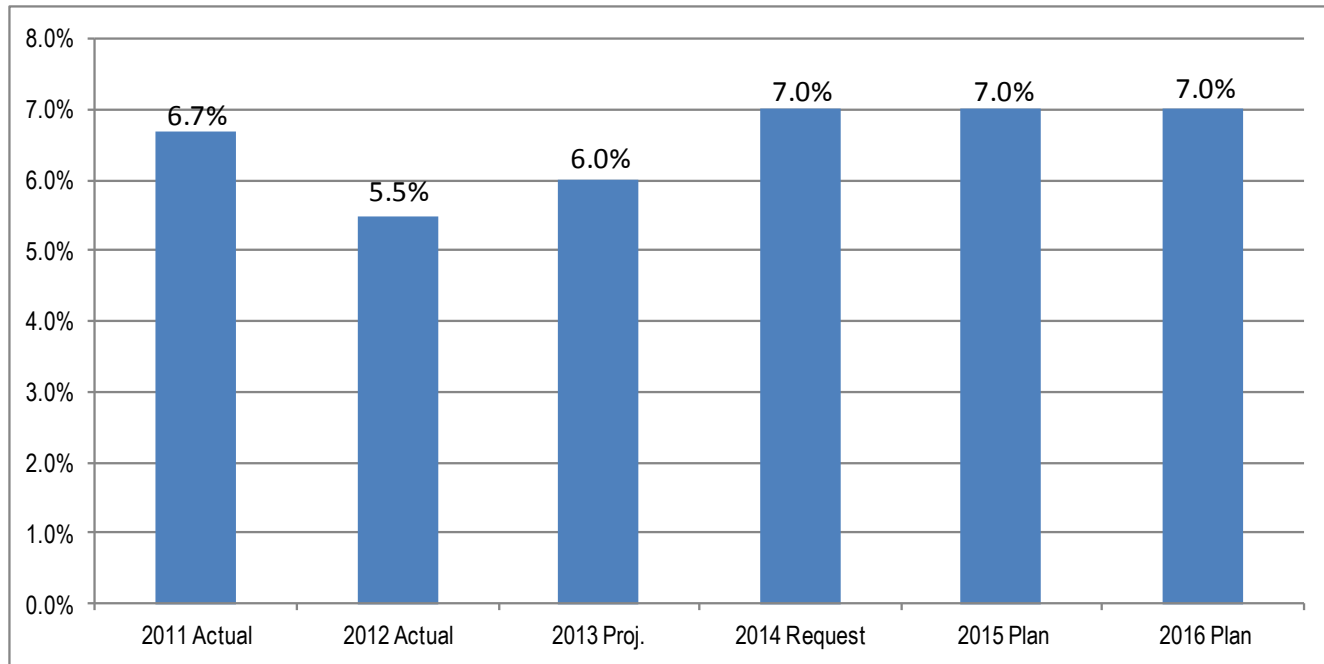


**Explanation of Performance Measurement Trend:**

This graph outlines the discount achieved between market price and actual price paid for gasoline purchased. Discounts are achieved through a combination of hedging and better contract negotiations.

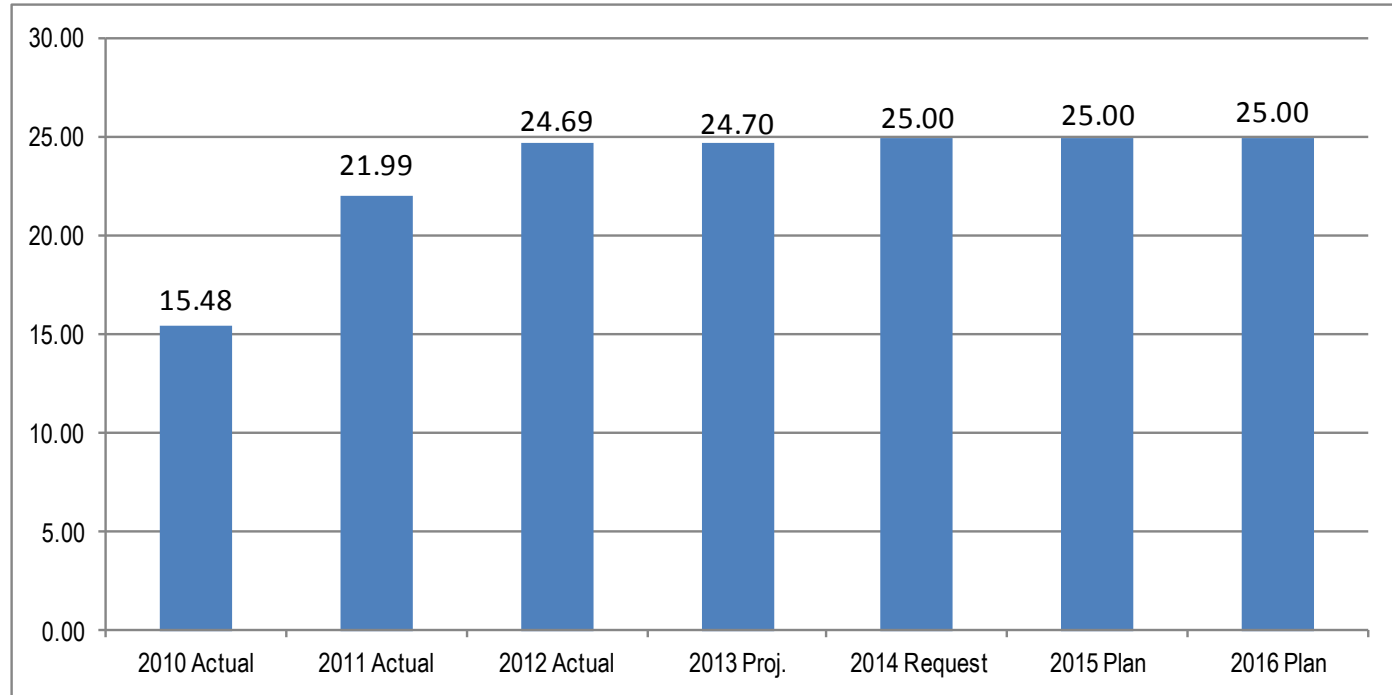# 311 Service Delivery - % of Calls Answered Within 75 Seconds
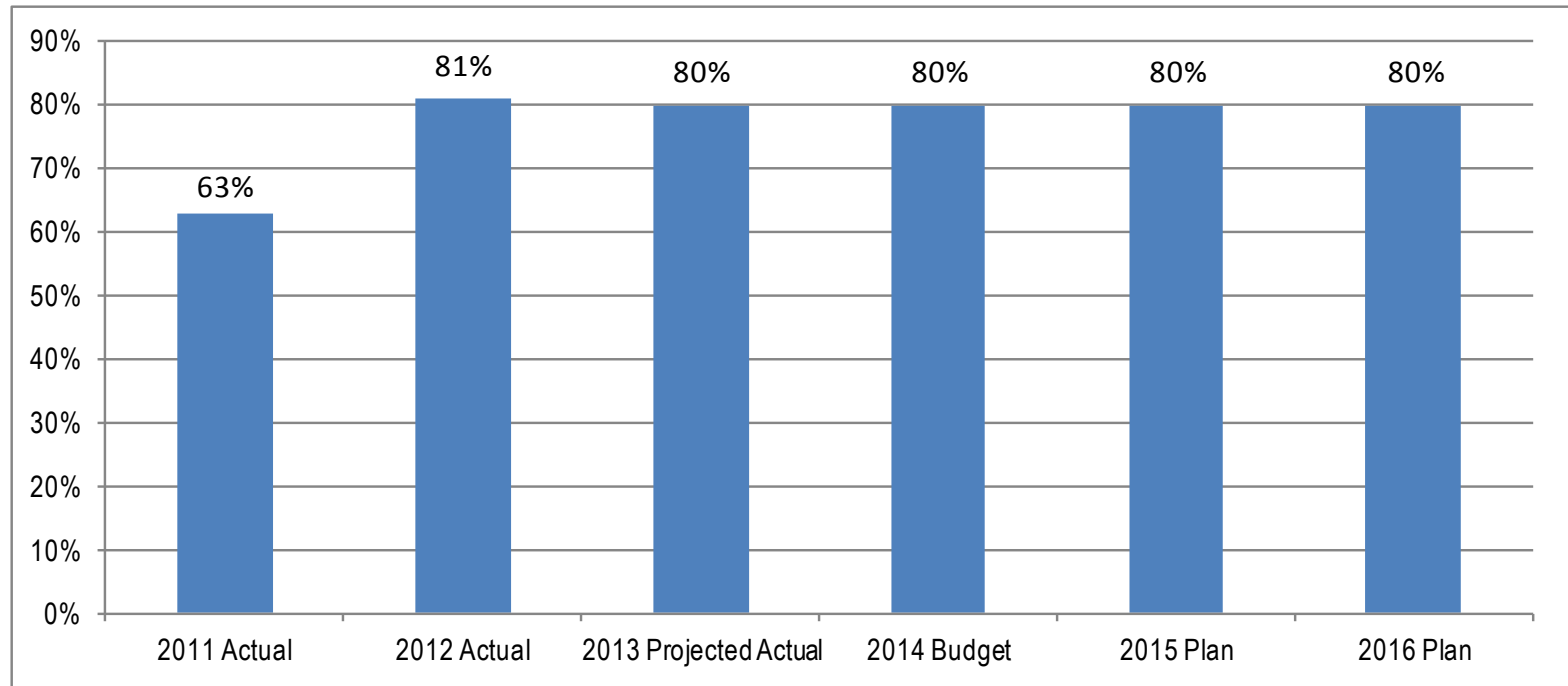


**Explanation of Performance Measurement Trend:**

311 Toronto will answer 80% of its calls within 75 seconds based on the service level approved by Council.

# Visits to the City's Municipal Web Site per Capita



**Explanation of Performance Measurement Trend:**

A significant increase in 2011 was attributed 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.

# 2013 Budget Variance - as at September 30, 2013

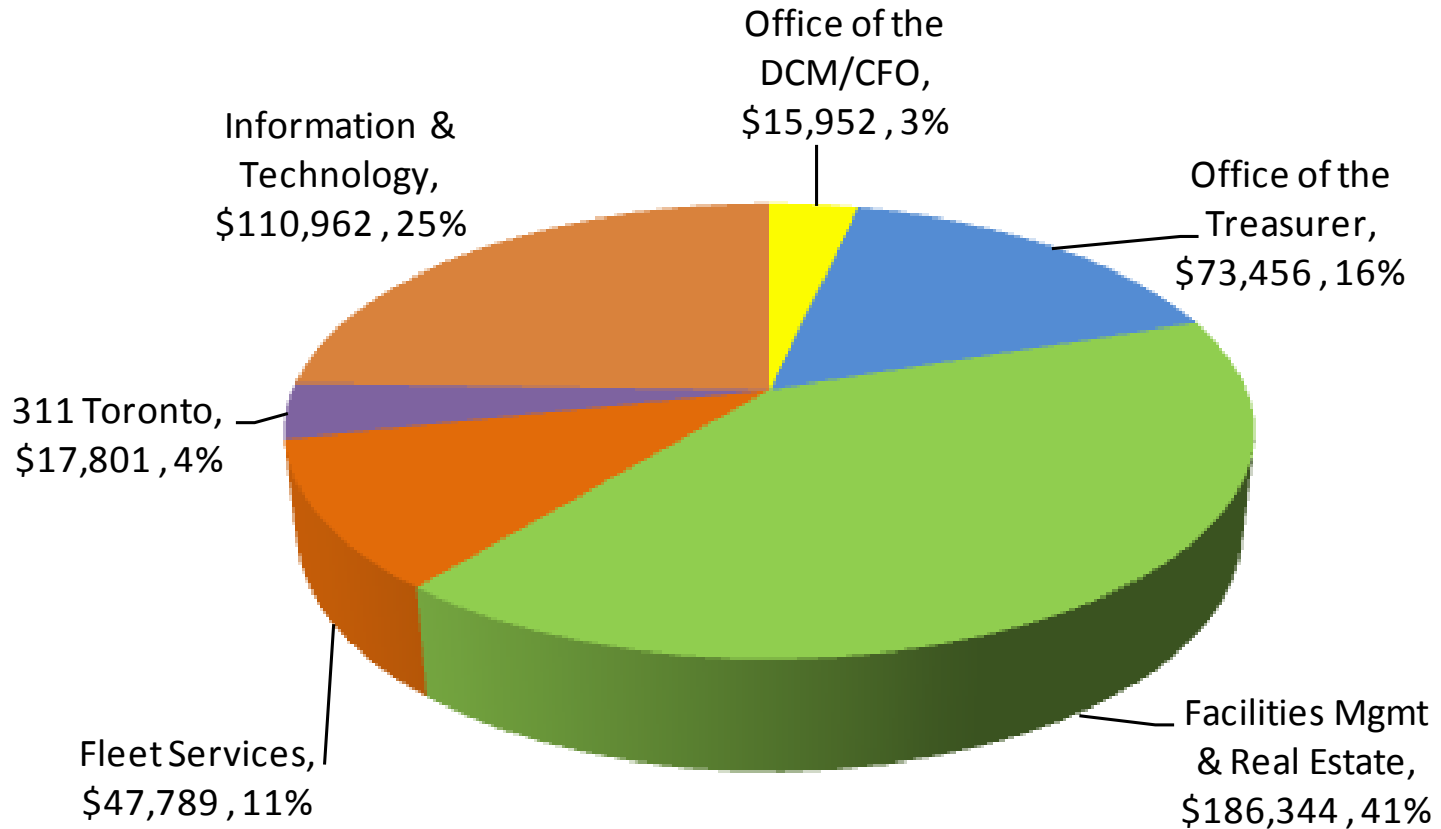| (In $000's) | 2011 Actuals | 2012 Actuals | 2013 Approved Budget | 2013 Sept. 30 YTD Actuals | 2013 Projected Actuals | 2013 Approved Budget vs Projected Actuals | |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | % |
| Expenditures | 408,696 | 387,853 | 447,575 | 293,529 | 406,024 | (41,551) | (9.3%) |
| Revenues | 251,917 | 229,298 | 266,665 | 148,346 | 239,295 | (27,370) | (10.3%) |
| **Net** | **156,779** | **158,555** | **180,910** | **145,183** | **166,729** | **(14,181)** | **(7.8%)** |

**Key Points:**

- Projected favourable year-end under-expenditures is primarily due to:
  - salary savings as a result of delays in filling vacant operating and capital positions ($36.5M)
  - utility savings due to favourable weather conditions ($1.8M)
  - savings in telephone and hardware and software maintenance costs ($2.2M)
- The above under-expenditures are partially offset by a corresponding reduction in recoveries from capital projects and programs funded by reserves
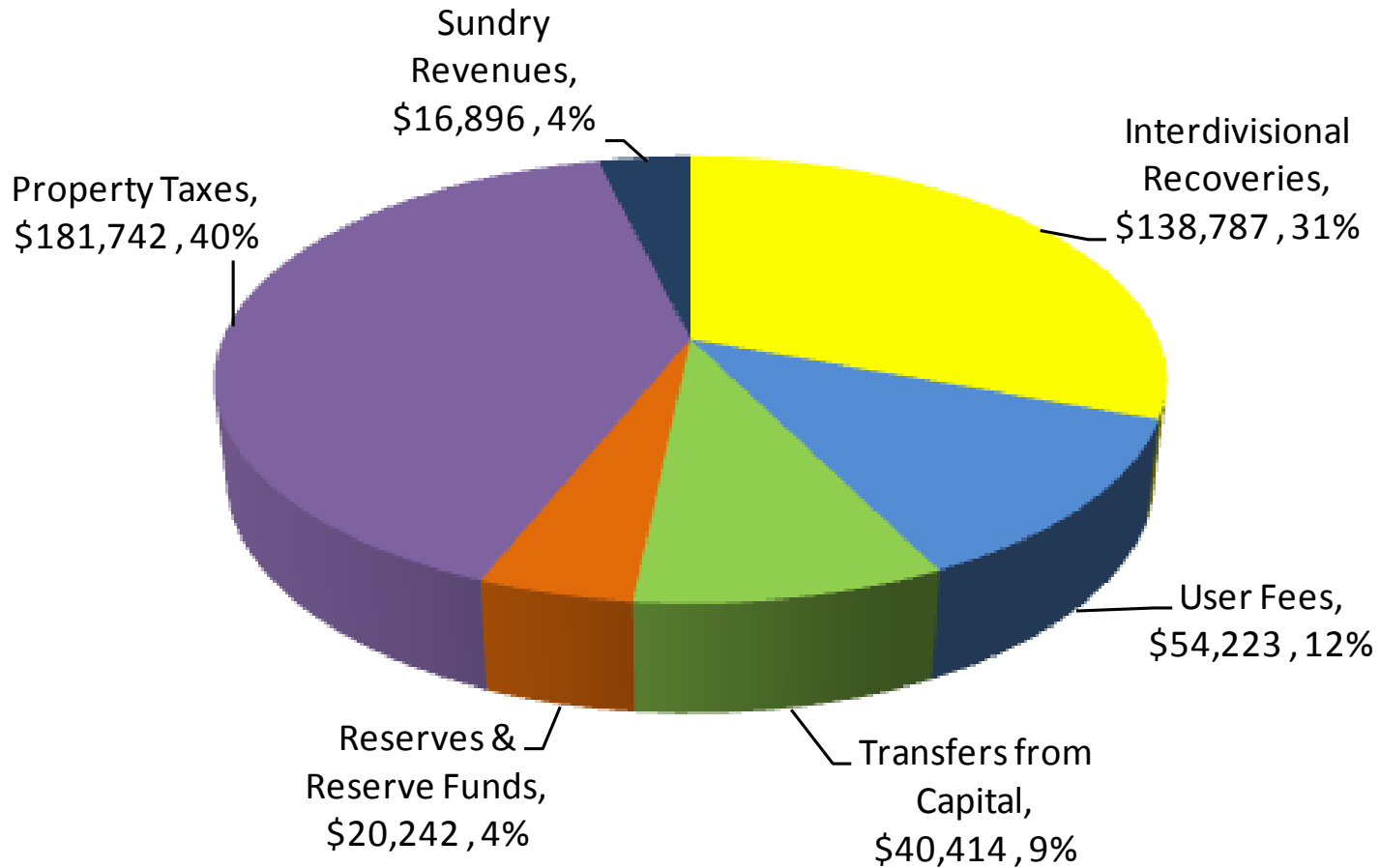
# 2014 Staff Recommended Operating Budget

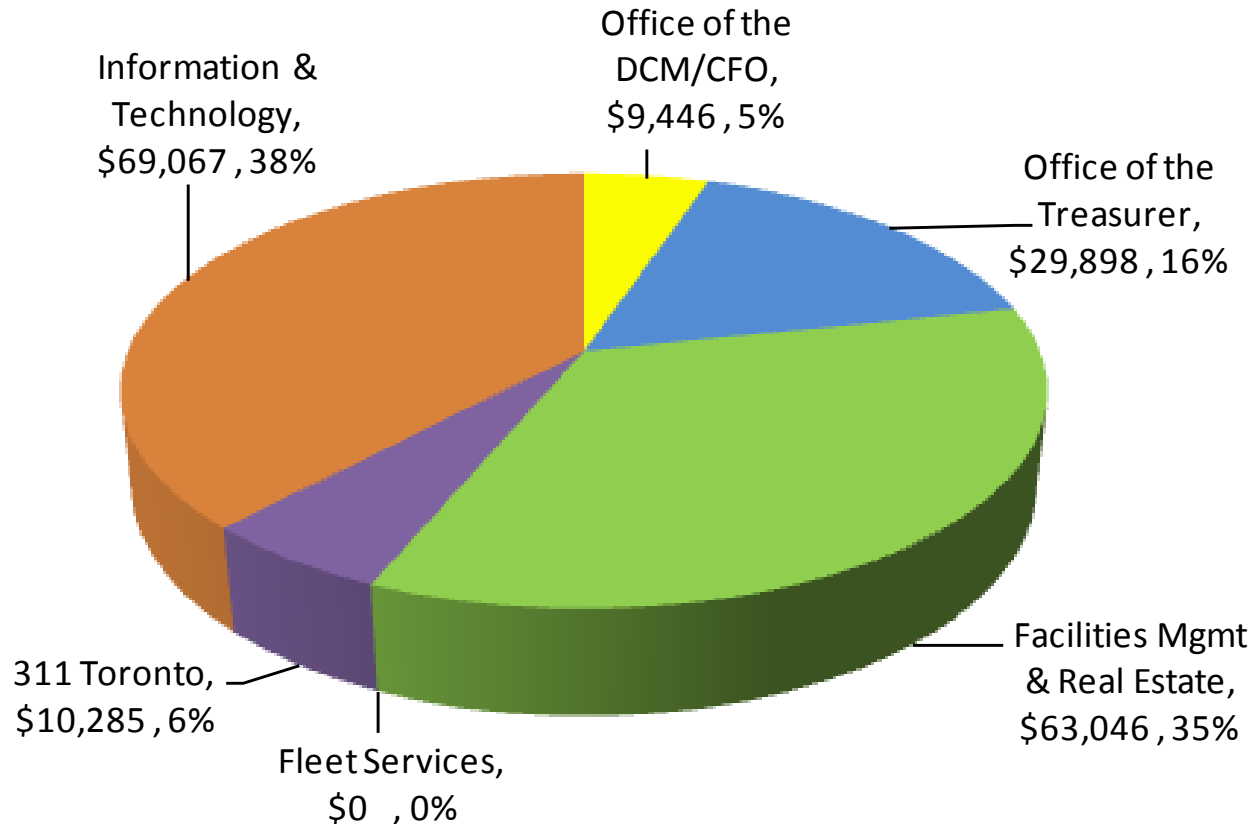# Where the Proposed Gross Expenditure Goes ($000s)

**Gross: $452,304**



- Office of the DCM/CFO, $15,952 , 3%
- Office of the Treasurer, $73,456 , 16%
- Facilities Mgmt & Real Estate, $186,344 , 41%
- Fleet Services, $47,789 , 11%
- 311 Toronto, $17,801 , 4%
- Information & Technology, $110,962 , 25%

# Where The Money Comes From ($000s)

**Revenues: $452,304**



Sundry Revenues, $16,896 , 4%

Property Taxes, $181,742 , 40%

Interdivisional Recoveries, $138,787 , 31%

User Fees, $54,223 , 12%

Transfers from Capital, $40,414 , 9%

Reserves & Reserve Funds, $20,242 , 4%

# Where the Proposed Property Taxes Go ($000s)

## Net Budget: $181,742



Information & Technology, $69,067 , 38%

Office of the DCM/CFO, $9,446 , 5%

Office of the Treasurer, $29,898 , 16%

Facilities Mgmt & Real Estate, $63,046 , 35%

Fleet Services, $0 , 0%

311 Toronto, $10,285 , 6%

# Staff Recommended 2014 Operating Budget

| (In $000s) | 2013 Approved Budget | | 2014 Recommended Budget | | Change from 2013 Over/(Under) | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Gross | | Net | |
| | Gross | Net | Gross | Net | $ | % | $ | % |
| Office of the DCM/CFO | 16,254 | 9,446 | 15,952 | 9,446 | (302) | (1.9%) | - | 0.0% |
| Office of the Treasurer | 73,760 | 29,898 | 73,456 | 29,898 | (304) | (0.4%) | - | 0.0% |
| Facilities Mgmt & Real Estate | 184,459 | 63,046 | 186,344 | 63,046 | 1,885 | 1.0% | - | 0.0% |
| Fleet Services | 47,266 | 165 | 47,789 | - | 523 | 1.1% | (165) | (100.0%) |
| 311 Toronto | 18,872 | 10,360 | 17,801 | 10,285 | (1,071) | (5.7%) | (75) | (0.7%) |
| Information & Technology | 106,815 | 67,847 | 110,962 | 69,067 | 4,147 | 3.9% | 1,220 | 1.8% |
| **Total Internal Services** | **447,426** | **180,762** | **452,304** | **181,742** | **4,878** | **1.1%** | **980** | **0.5%** |

# 2014 Operating Budget – Key Cost Drivers

| (In $000s) | Gross Expenditures | Net Expenditures | # Positions |
|---|---|---|---|
| **2013 Approved Budget** | **447,426** | **180,762** | **2,804** |
| **Adjusted Base Increases:** | | | |
| Annualization of IT positions approved in 2013 | 2,532 | 1,370 | - |
| Operating Impact of Capital | 1,511 | 1,090 | 9 |
| Reversal of 1.5% Union Lump Sum Pymt in 2013 | (1,693) | - | - |
| Impact of Capital Project Delivery Positions | (1,998) | - | (11) |
| COLA/Progression Pay/Step Increases | 6,688 | 5,986 | - |
| Economic Factors | 3,405 | 3,428 | - |
| **Other Base Changes:** | | | |
| Labor Related Costs | (18) | 39 | (1) |
| Non-Labour Related Costs | 1,509 | 898 | - |
| Better Building Partnership Loan Program | 1,153 | - | - |
| Real Estate Reorganization | - | - | 5 |
| Inclusion of Part-Time Security Guards in complement | - | - | 20 |
| **Revenue Changes:** | | | |
| Revenue Changes | (29) | 272 | - |
| **Total Pressures from 2013** | **13,061** | **13,081** | **23** |
| | | | |
| **2014 Recommended Base Budget** | **460,487** | **193,843** | **2,827** |

# 2014 Recommended Budget Reductions
# - to Achieve Target

| Description ($000s) | 2014 Recommended Budget Reductions | | | |
|---|---|---|---|---|
| | Position Changes | Gross Expense | Net Expense | % Change over 2013 Budget |
| **Base Changes:** | | | | |
| **Base Expenditure Changes** | | | | |
| • Salaries and Benefits Adjustments based on Actual Experience | - | (3,637.6) | (3,474.3) | (1.9%) |
| • Reductions in Custodial and Facility Maintenance for Toronto Police | (2.0) | (1,335.1) | - | 0.0% |
| • Non-Salary Expenditures based on Actual Experience | - | (1,345.2) | (1,339.9) | (0.7%) |
| • Absorb Economic Factors | - | (511.2) | (511.2) | (0.3%) |
| **Sub-Total Base Expenditure Changes** | **(2.0)** | **(6,829.1)** | **(5,325.4)** | **(2.9%)** |
| | | | | |
| **Base Revenue Changes** | | | | |
| • Revenue Adjustments for COLA & Inflation Increases | - | - | (2,084.3) | (1.2%) |
| • Increase in IDRs due to higher demand | - | - | (305.0) | (0.2%) |
| • User Fee Increases | - | - | (380.7) | (0.2%) |
| • Capital Financing Reserve | - | - | (202.0) | (0.1%) |
| **Sub-Total Base Revenue Changes** | **-** | **-** | **(2,972.0)** | **(1.6%)** |
| | | | | |
| **Service Efficiencies** | | | | |
| • Telecom Optimization Initiative | 4.0 | (1,000.5) | (1,000.5) | (0.6%) |
| • Reduce Hardware and Software Maintenance Contracts | - | (717.0) | (717.0) | (0.4%) |
| • Utility Savings | - | (655.1) | (655.1) | (0.4%) |
| • Reduce Expenditures in Municipal Land Transfer Tax (MLTT) | - | (179.3) | (179.3) | (0.1%) |
| • Increase Gapping Rate | - | (299.6) | (299.6) | (0.2%) |
| **Sub-Total Service Efficiencies** | **4.0** | **(2,851.5)** | **(2,851.5)** | **(1.6%)** |
| | | | | |
| **Revenue Adjustments:** | | | | |
| • Increase in Leasing Revenue | - | - | (750.0) | (0.4%) |
| • Tenant Insurance Cost Recovery | - | - | (250.0) | (0.1%) |
| **Sub-Total Revenue Adjustments** | **-** | **-** | **(1,000.0)** | **(0.6%)** |
| **Total Budget Reductions** | **2.0** | **(9,680.6)** | **(12,148.9)** | **(6.7%)** |
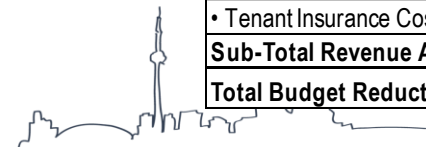
# Recommended New / Enhanced Services

| Description | 2014 Recommended | | | Net Incremental Impact | | | |
|---|---|---|---|---|---|---|---|
| | | | | 2015 Plan | | 2016 Plan | |
| | Gross Expenditures | Net Expenditures | New Positions | Net Expenditures | # Positions | Net Expenditures | # Positions |
| **Enhanced Services Priorities** | | | | | | | |
| 3 new positions in the Insurance Risk Mgmt Unit to improve client services and claims handling | 319.6 | - | 3.0 | | | | |
| 1 Standards and Specifications Engineer to reduce delays in the Procurement Process | 80.0 | 80.0 | 1.0 | 29.9 | | | |
| Additional IT resource for Parking Tag Operations | 123.0 | - | 1.0 | | | | |
| Union Station - Real Estate Property Manager | 74.9 | - | 1.0 | | | | |
| Project Coordinator for Building Automation Systems | - | - | 1.0 | | | | |
| Security Guards for Client Divisions | 104.7 | - | 3.5 | | | | |
| **Sub-Total** | **702.2** | **80.0** | **10.5** | **29.9** | **-** | **-** | **-** |
| **New Service Priorities** | | | | | | | |
| 1 Policy and Issues Management Analyst and 1 Corporate Market Analyst to help build research, policy development and market/data analysis capacity in PMMD | 142.9 | 142.9 | 2.0 | 53.7 | | | |
| Implementation of TAMS Capital Project | 530.0 | - | 11.0 | | | | |
| New User Fee to reprint Tax and Utility Bills | | (140.3) | | (12.8) | | | |
| New User Fee for Redistribution / Transfer of Tax, Utility and/or MLTT Payments | | (14.7) | | (2.0) | | | |
| New User Fee when a site vist is conducted as part of the Tax Sale process | | (19.5) | | | | | |
| **Sub-Total** | **672.9** | **(31.6)** | **13.0** | **38.9** | **-** | **-** | **-** |
| **Total** | **1,375.1** | **48.4** | **23.5** | **68.8** | **-** | **-** | **-** |

# User Fee Changes - Highlights

**New Fee: Re-Print of Tax and Utility Bills ($140K net)**

- $17 fee for a duplicate or re-print of a current or prior Tax and Utility bill
- Effective February 1, 2014

**New Fee: Payment Distribution ($15K net)**

- $40 fee for Tax, Utility and/or Municipal Land Transfer Tax payment redistributed/transferred from one account to another
- Effective February 1, 2014

**New Fee: Site Visit for Tax Sale Cost ($20K net)**

- $195 fee for a Revenue Services Collection staff site visit prior to the registration of a Tax Arrears Certificate against the title of a property
- Effective February 1, 2014

# Standing Committee Recommended Service Level Changes

## GM24.15 – Motions Referred to Budget Committee

## Fleet Services

- All divisions commit capital reserve contributions for vehicle replacements to reduce the replacement / sustainability concerns and the increased maintenance costs that the City has incurred from this shortfall
  - ➤ Funding strategy to be developed for the 2015 budget process that considers:
    - Utilization and rationalization of current fleet complement
    - Extending vehicle lifecycle
    - Increasing reserve contributions, and
    - Current and future service delivery plans that may impact fleet requirements

## Information & Technology

- The service level for Information and Technology be adjusted to the 95th percentile in order to ensure a 60 second response
  - ➤ $0.180M, 2 FTEs deferred to 2015 pending internal review of efficiency opportunities

# Standing Committee Recommended Service Level Changes

## Revenue Services

- Reduce the target for the call abandonment rate to 20 per cent
  - ➢ Target has been reduced to 20% in 2014 without additional funding by filling vacant positions, utilizing self-serve functionality and implementing automated voice response option

## 311 Toronto

- The Director, 311 Toronto, report directly to City Council on the reasons why existing 311 technology and data are not yet being fully leveraged in 311 operations
  - ➢ Report request was referred to Budget Committee by GMC
  - ➢ Budget Committee to decide if a report is required

# 2015 and 2016 Plans

| Description | 2015 - Incremental Increase | | | | | 2016 - Incremental Increase | | | | | % Net Cumulative Chg from 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Expense | Revenue | Net Expense | % Net Cumulative Chg from 2014 | # Pos. | Gross Expense | Revenue | Net Expense | % Net Cumulative Chg from 2014 | # Pos. | |
| **Known Impacts** | | | | | | | | | | | |
| COLA/Progression Pay/Step and Benefits | 7,904.1 | 131.6 | 7,772.5 | 4.3% | 0.0 | 2,691.2 | (7.6) | 2,698.8 | 1.3% | 0.0 | 5.8% |
| Economic Factors | 3,689.7 | 10.0 | 3,679.7 | 2.0% | 0.0 | 3,714.0 | 9.6 | 3,704.4 | 1.8% | 0.0 | 4.1% |
| Operating impact of Capital | 5,181.6 | (458.6) | 5,640.2 | 3.1% | 29.0 | 4,132.1 | (1,818.1) | 5,950.2 | 2.9% | 14.0 | 6.4% |
| Annualization | 1,907.8 | (432.1) | 2,339.9 | 1.3% | (12.0) | (2,146.6) | (1,774.2) | (372.4) | (0.2%) | 0.0 | 1.1% |
| Conversion of Capital Positions to Operating | 481.3 | 0.0 | 481.3 | 0.3% | 0.0 | 357.7 | 0.0 | 357.7 | 0.2% | 0.0 | 0.5% |
| Other | 17.8 | (76.9) | 94.7 | 0.1% | 0.0 | 0.0 | 19.0 | (19.0) | (0.0%) | 0.0 | 0.0% |
| **Sub-Total Known Impacts** | **19,182.3** | **(826.0)** | **20,008.3** | **11.0%** | **17.0** | **8,748.4** | **(3,571.3)** | **12,319.7** | **6.1%** | **14.0** | **17.8%** |
| | | | | | | | | | | | |
| **Total Incremental Impacts** | **19,182.3** | **(826.0)** | **20,008.3** | **11.0%** | **17.0** | **8,748.4** | **(3,571.3)** | **12,319.7** | **6.1%** | **14.0** | **17.8%** |

# Capital Overview

# Capital Overview

- Capital improvement & repairs for 277 City owned facilities with an approximate replacement value of $4.2 billion

- 5,000 vehicles and pieces of equipment with estimated replacement value of $323M

- 44 City owned fuel sites: Fleet Services manage 20 and Client Divisions manage 24

- 20,000 desktop computers and notebooks, 21,200 telephones and over 11,000 wireless devices

- 700 enterprise and business solutions/applications

# Key Objectives

- Address backlog and implement state of good repair projects

- Continue major projects such as Union Station Revitalization and St. Lawrence Market North

- Focus on asset management systems and building assessments of facilities

- Business process improvements and enhancements, including self service options that result in better financial and management information

# 2013 Capital Performance

# Summary of Major Projects Completed in 2013

- Cashiering project successfully completed (with 8 counter locations)

- e-Post/electronic delivery of Property Tax Bills successfully implemented

- Financial Planning, Analysis and Reporting System (FPARS)
  - Public Budget Formulation (PBF) Go-Live for 2014 budget preparation
  - Re-design/configuration of the City's Financial System (SAP) to capture the Service View for accounting, payroll & HR data

- Union Station
  - Major components completed include: West Wing handover to Metrolinx, VIA Baggage Handling System, 4th Floor VIA Offices, West Wing exterior restoration, significant M&E installations, and all column replacements in the York Concourse and floor slabs are being poured

# Summary of Major Projects Completed in 2013

- Nathan Phillips Square
  - Completed Phase 1 and 2 work; the contract for the final phase issued and the work has commenced

- St. Lawrence Market North
  - Commenced the procurement process for interim market and the design development of the new facilities is underway

- Completed various State of Good Repair Projects at City Facilities including 2700 Eglinton, St. Lawrence Market, City Hall, NYCC and various Fire and EMS locations

- Installed a slow fill compressed natural gas station at Ellesmere Yard for the natural gas powered garbage packers

- Installed 16 electric vehicle charging stations at City buildings and yards

# Summary of Major Projects Completed in 2013

- Completed the upgrade of two fuel sites with above ground fuel storage tanks that would minimize the risk of soil contamination and the closure of five below ground fuel sites

- Collaborated with Transportation Services to develop and implement a mobile Command Centre that is operated by the Office of Emergency Management

- Migrated City web pages for 44 divisions, making the City website mobile friendly, easier to search and relevant to the public

- Completed the Solar Photovoltaic Program Phase I - (in partnership with Toronto Hydro)

# Summary of Major Projects Completed in 2013

- Modernized 75% of the City's traditional (Centrex) phone lines to VoIP, realizing savings of over $3 million and setting the foundation for new City collaboration solutions

- Completed pilot project for the enterprise solution for electronic forms for the public

- Implemented Facilities Parking application that manages City parking allocations and provides taxable parking reports to Canada Revenue Agency

- Implemented enhancements to access constituent information more readily in the field for constituency management

- Loan agreements finalized and funds disbursed to Toronto Community Housing Corporation as part of tower renewal initiatives totalling $6M

# Capital Spending – Budget to Actual Comparison

| Program | 2013 Approved | Projected Actuals at Year End | | Unspent Balance | |
|---|---|---|---|---|---|
| | $000s | $000s | % Spent | $000s | % Spent |
| Facilities Management & Real Estate | 312,358 | 178,970 | 57.3% | 133,387 | 42.7% |
| Financial Services | 35,153 | 18,502 | 52.6% | 16,651 | 47.4% |
| Fleet Services | 56,670 | 35,041 | 61.8% | 21,629 | 38.2% |
| Information & Technology | 66,873 | 40,115 | 60.0% | 26,758 | 40.0% |
| Sustainable Energy Plan | 28,368 | 9,693 | 34.2% | 18,675 | 65.8% |
| 311 Toronto | 7,474 | 4,538 | 60.7% | 2,936 | 39.3% |
| **Total Internal Services** | **506,895** | **286,858** | **56.6%** | **220,037** | **43.4%** |

# Summary of Major Capital Projects (2014 – 2023)

**Facilities Management & Real Estate**

- Union Station Revitalization ($301.5M)

- Old City Hall refurbishments ($6.1M)

- Redevelopment of St. Lawrence Market North ($87.1M)

- Security projects ($17.0M)

**Sustainable Energy Plan**

- Energy Retrofit – Arena Facilities Lighting Retrofits ($1.2M)

- Pan Am Aquatic Centre - Solar Photovoltaic ($1.3M)

- Demand Response ($30.0M)

# Summary of Major Capital Projects (2014 – 2023)

## Financial Services

- Financial Planning, Analysis & Reporting System ($20.7M)

- Replacement of Tax Billing System ($8.2M) and Utility Billing System ($5.3M)

- CAPTOR migration to a new capital budgeting system ($5.0M)

## Fleet Services

- Vehicle replacements ($439.0M)

- Fuel site closures, upgrades and replacement ($20.5M)

# Summary of Major Capital Projects (2014 – 2023)

**Information & Technology**

- Consolidated Data Centre project ($24.7M)

- Asset Lifecycle Management ($163.3M)

- Application Systems upgrade and replacement ($38.1M)
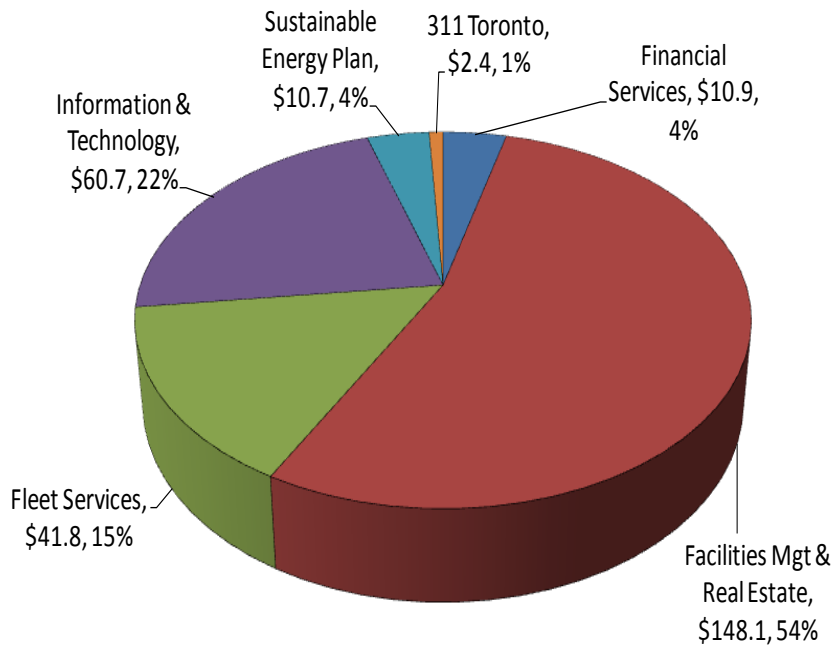
  e.g., SAP Solutions, Web Solutions, Geospatial Solutions

**311 Toronto**

- Technology Solution SOGR ($19.2M)

- Contact Centre Enhancement Initiative ($4.2M)

  ➢ Add new system integrations to existing technology to allow 311 to process registrations and receive payments from the public for City services
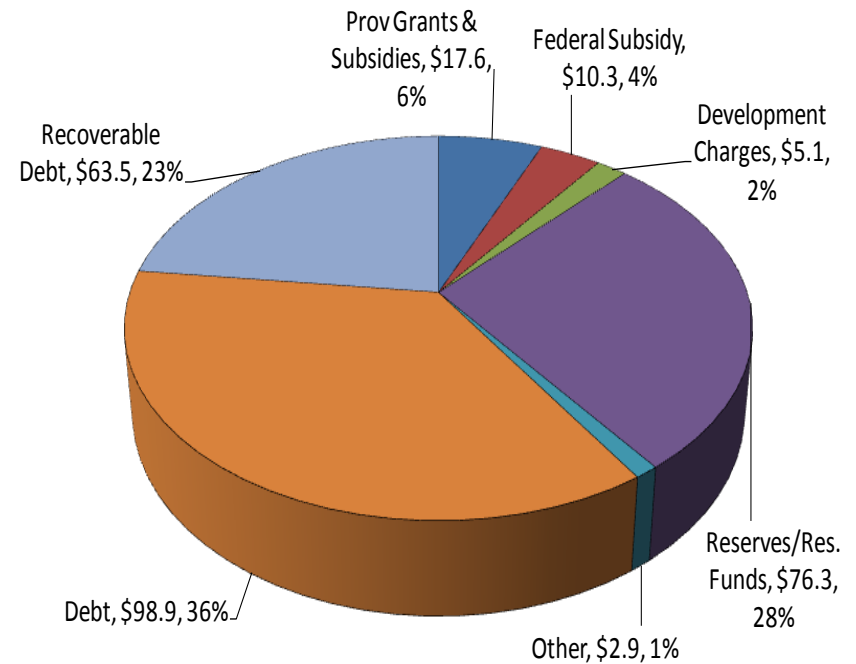
# Capital Spending by Program and Funding Sources  2014 Capital Budget
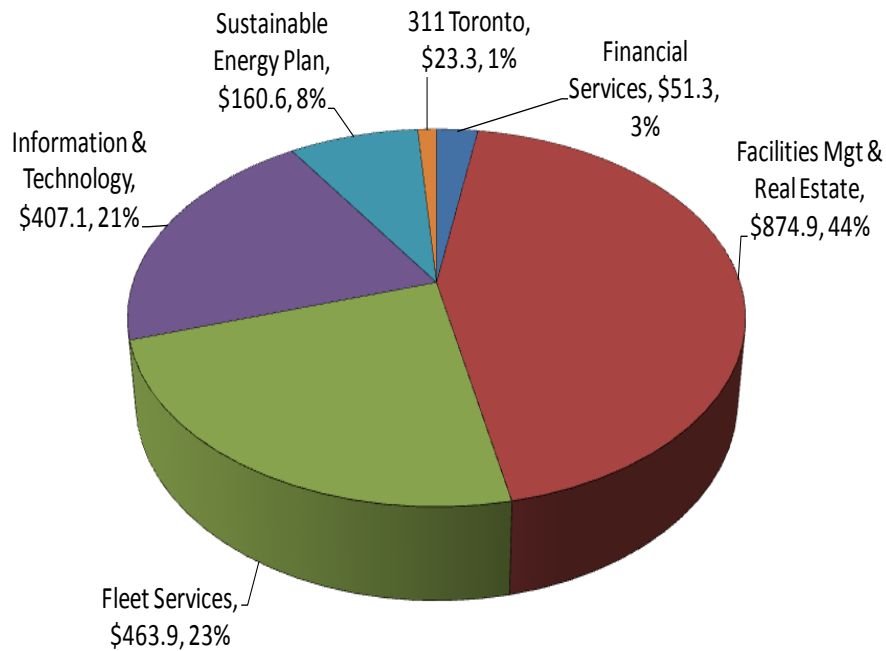
## Where the Money Goes
### $274.6M

- Sustainable Energy Plan, $10.7, 4%
- 311 Toronto, $2.4, 1%
- Financial Services, $10.9, 4%
- Information & Technology, $60.7, 22%
- Fleet Services, $41.8, 15%
- Facilities Mgt & Real Estate, $148.1, 54%

## Where the Money Comes From
### $274.6M

- Prov Grants & Subsidies, $17.6, 6%
- Federal Subsidy, $10.3, 4%
- Development Charges, $5.1, 2%
- Recoverable Debt, $63.5, 23%
- Debt, $98.9, 36%
- Other, $2.9, 1%
- Reserves/Res. Funds, $76.3, 28%

# Capital Spending by Program and Funding Sources 2014 – 2023 Capital Budget

## Where the Money Goes
## $1,981.1M



- Sustainable Energy Plan, $160.6, 8%
- 311 Toronto, $23.3, 1%
- Financial Services, $51.3, 3%
- Facilities Mgt & Real Estate, $874.9, 44%
- Information & Technology, $407.1, 21%
- Fleet Services, $463.9, 23%

## Where the Money Comes From
## $1,981.1M



- Recoverable Debt, $292.0, 15%
- Prov Grants & Subsidies, $92.6, 5%
- Federal Subsidy, $46.0, 2%
- Development Charges, $5.8, 0%
- Debt, $780.9, 39%
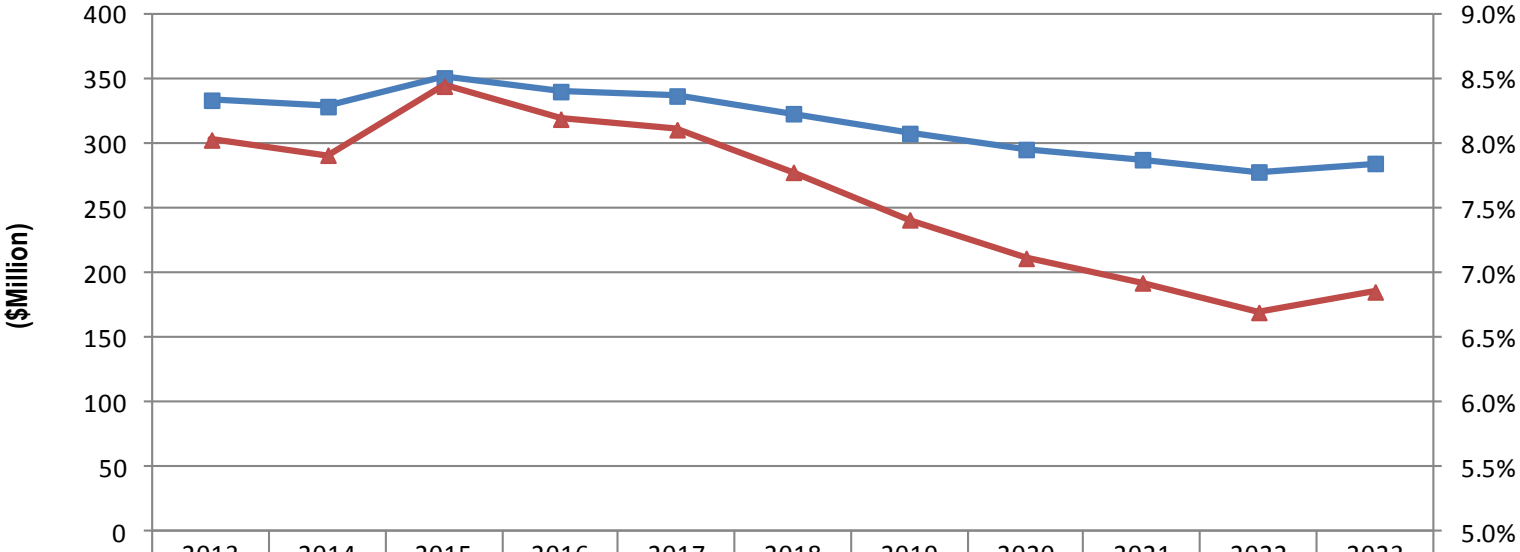- Reserves/Res. Funds, $708.0, 36%
- Other, $55.8, 3%
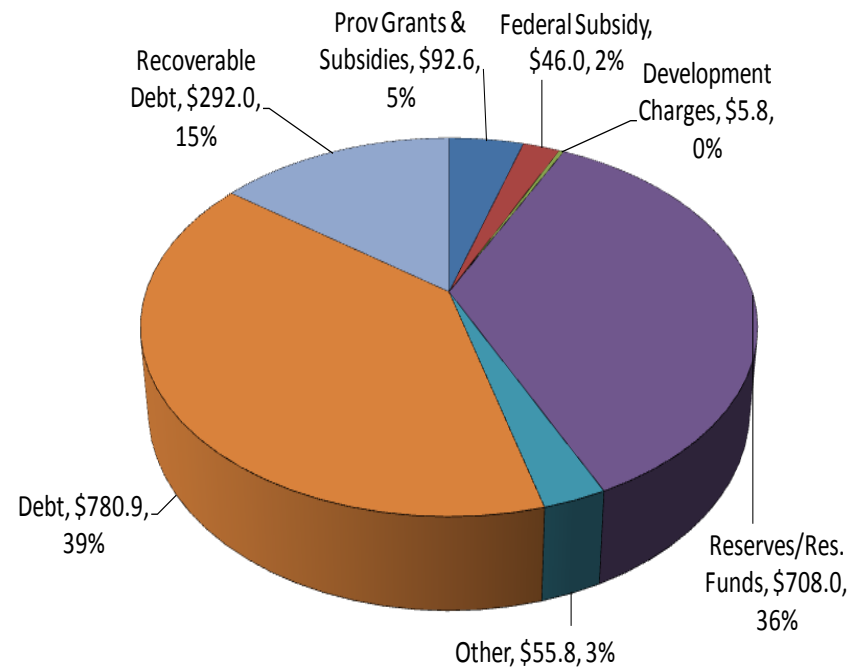
# 2014 – 2023 Capital Plan by Category

**10 Year Capital Plan $1,981.1M**
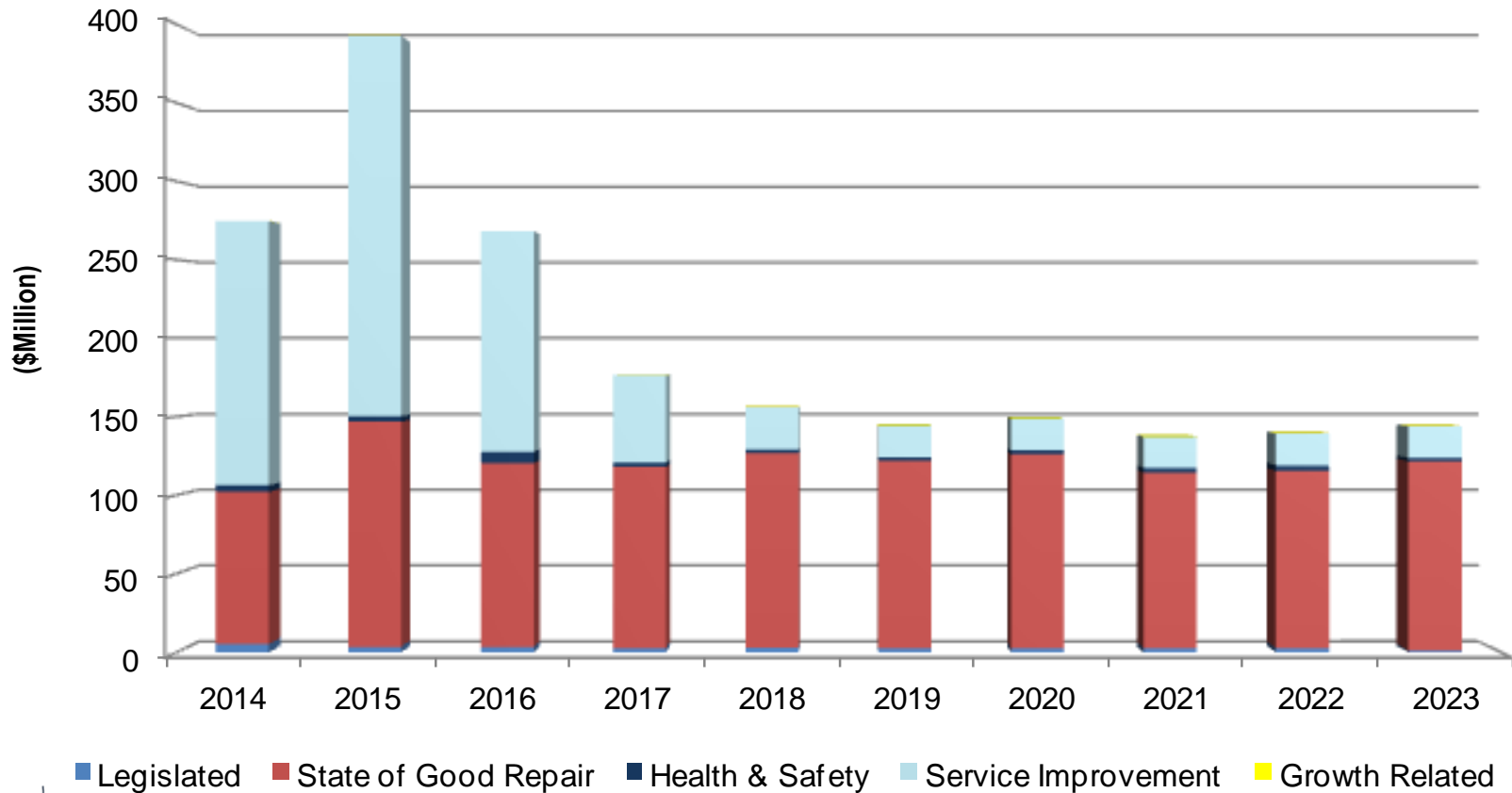
# SOGR Backlog as a % of Capital Asset Value
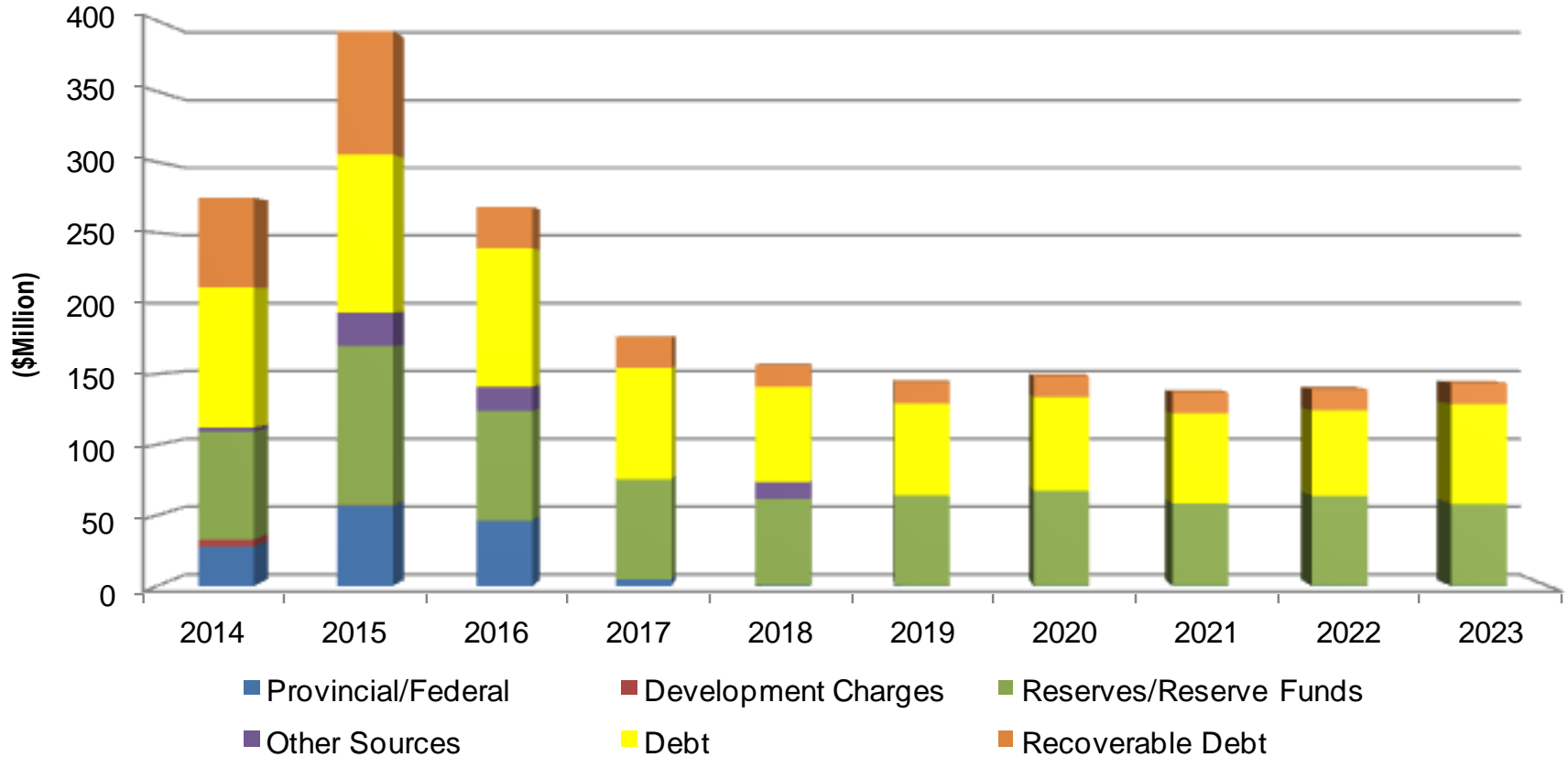
## Facilities Management & Real Estate

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Accum. Backlog Est. (end of year) | 334.1 | 329.2 | 351.4 | 340.8 | 337.4 | 323.7 | 308.4 | 296 | 288.1 | 278.6 | 285.2 |
| Backlog % Asset Value | 8.0% | 7.9% | 8.4% | 8.2% | 8.1% | 7.8% | 7.4% | 7.1% | 6.9% | 6.7% | 6.9% |

# 2014 – 2023 Capital Plan by Funding Source

**10 Year Capital Plan $1,981.1M**

# Key Issues for 2014 and Beyond

- Competing demands for limited IT and other internal staff resources

- I&T Foundation required to support Corporate & Divisional Business requirements

- Aging building infrastructure continues to be a significant challenge with 20% of City owned buildings over 50 years old and 35% of the buildings will be over 50 years old over the next 10 years

- FMRE invests in SOGR in facilities below industry standards of 2% of replacement value due to funding levels

- Replenishment of Corporate Vehicle & Equipment Reserve to fund Fuel Sites rehabilitation

# Key Issues for 2014 and Beyond

- Increasing business demand for service efficiencies and public expectation for online services impacting infrastructure capacity and sustainment

- Constrained business and IT resources to match the large project demand and complex transformational change plan

  - Large number of City business transformational projects (40) require significant resources from business and I&T
  - Large number of competing complex IT projects require better program and project management capacity

# Thank You