



## 311 Toronto 2014 OPERATING BUDGET OVERVIEW

### What We Do

311 Toronto is an easy-to-remember telephone number which provides residents, businesses, and visitors with access to non-emergency City services, programs and information 24 hours a day, seven days a week. 311 Toronto can be contacted by phone, e-mail, fax or mail. The 311 website also provides access to a wide range of online services, including service requests and tracking.

### 2014 Budget Highlights

(In \$000s)	Approved 2013 Budget	Recommended 2014 Budget	Change	
			\$	%
Gross Expenditures	18,871.5	17,800.6	(1,070.9)	(5.7%)
Gross Revenue	8,511.6	7,515.6	(996.0)	(11.7%)
Net Expenditures	10,360.0	10,285.0	(75.0)	(0.7%)

The 2014 Recommended Operating Budget for 311 Toronto is \$17.801 million gross and \$10.285 million net. This represents a 0.7% or \$0.075 million net decrease from 2013.

311 Toronto is managing pressures arising from the cost of inflation, cost of living increases for staff salaries as well as new operating costs from completed capital projects. Through operational efficiencies, the Program was able to offset these pressures while maintaining the 2013 service levels for 2014.

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Fast Facts

- 110 full-time equivalent Customer Service Representatives support the 311 service.
- 311 answers more than 940,000 general enquires and initiate close to 383,000 service requests.
- 80% of all calls answered within 75 seconds with average talk time of 232 seconds per call.

Trends

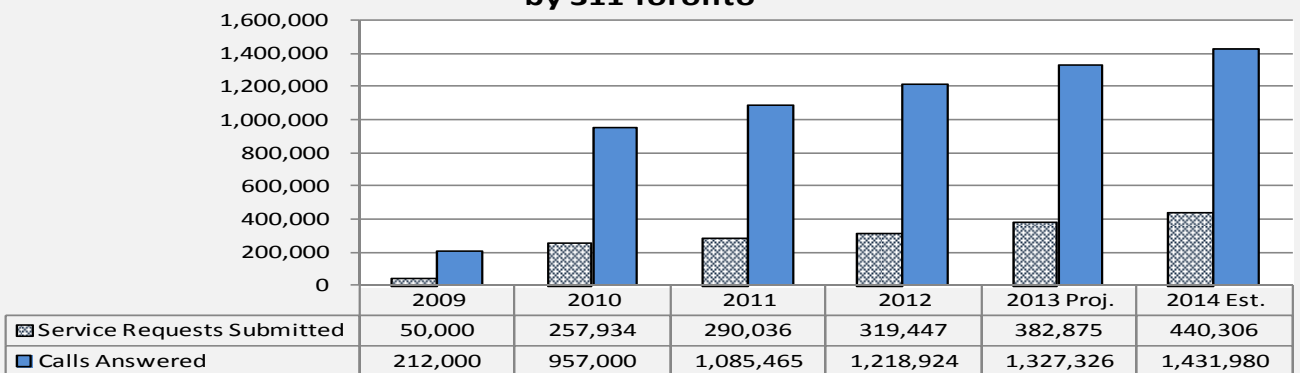
- In 2013, calls answered and service requests processed are projected to be 5.0% and 19.9% higher than in 2012 respectively.
- Estimated growth for calls in 2014 is 10% higher as more residents become familiar with services provided by 311.

Our Service Deliverables for 2014

311 Toronto is responsible for providing non-emergency municipal information and services on a 24/7 basis. The 2014 Recommended Operating Budget will:

- Continue operating on a 24 hour a day, seven day a week basis to provide reliable access to non-emergency City services for all residents in 180 languages.
- Complete 70% of contacts at first point of contact and transferring less than 30% of all contacts to other Divisions and Agencies.
- Log and track 100% of all 311 initiated complaints.
- Ensure 100% of the information by Divisions is posted to the 311 Knowledge base in a timely accurate manner.
- Enhance the use of speech analytics to drive efficiencies and increase customer satisfaction.
- Continue to develop strategies to address 311 Toronto's staff availability for unpredictable call volume and peak demand events.
- Improve access to online services moving customers to lower cost channels and continue to support the open data initiative by moving 311 reports on-line.
- Track 100% of all service requests initiated by 311.
- Plan for the end of lifecycle replacement of servers, hardware and software upgrades to ensure the continuity of the 311 Contact Centre Operations through the Capital Budget and Plan.

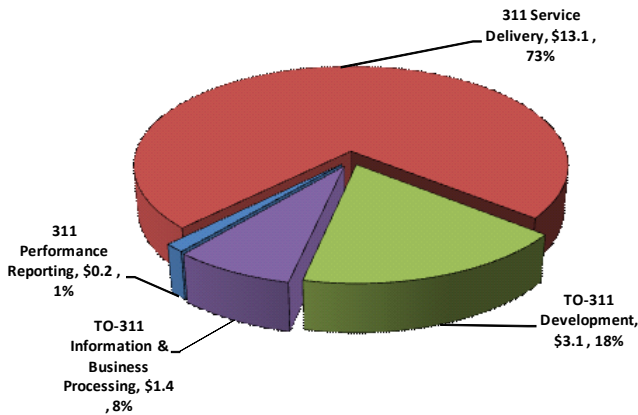
Service Requests Submitted & Calls Answered by 311 Toronto



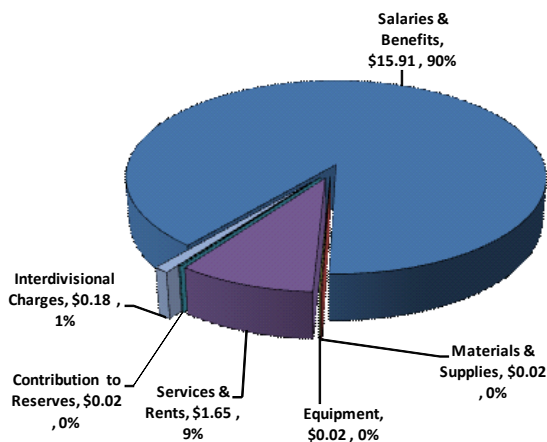
2014 Budget Expenditures & Funding

Where the money goes:

2014 Operating Budget by Service  
\$17.801 Million

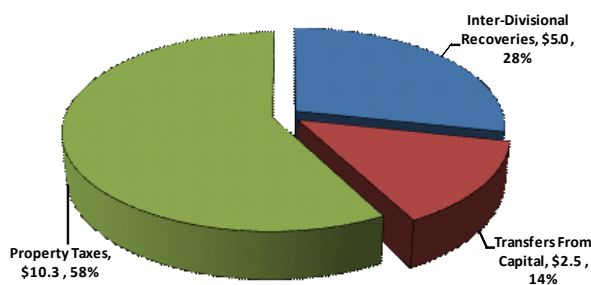


2014 Operating Budget by Expenditure Category



Where the money comes from:

2014 Operating Budget Funding Source  
\$17.801 Million



Our Key Challenges and Priority Actions

- Continuing to reduce high absenteeism to meet increased demand for prompt and reliable services and develop strategies to address 311 Toronto's staff availability for unpredictable call volume and peak demand events.
- The full potential to improve customer service will not be realized without adequate resources as a result of City Council approving the elimination of new 311 development and integration initiatives.
- Focus to maintain service levels with no additional Customer Service Representatives budgeted and continue to move users to online services and other channels.

## II: RECOMMENDATIONS

### Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2014 Recommended Operating Budget for 311 Toronto of \$17.801 million gross and \$10.285 million net, comprised of the following services:

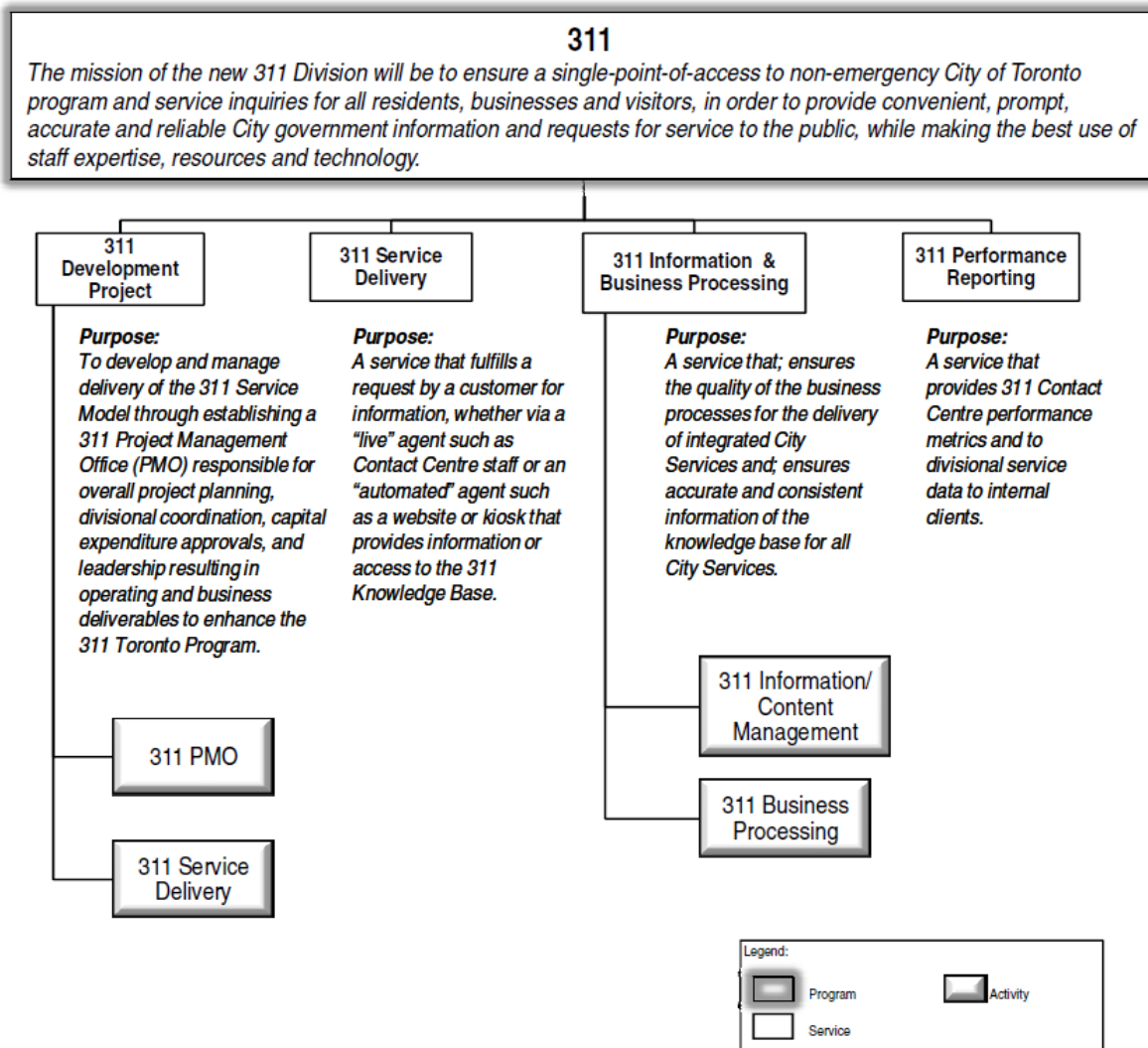
<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
311 Development Project	3,131.5	662.2
311 Service Delivery	13,060.2	8,013.9
311 Information and Business Processing	1,372.8	1,372.8
311 Performance Reporting	236.1	236.1
Total Program Budget	<u>17,800.6</u>	<u>10,285.0</u>

2. City Council approve 311 Toronto's 2014 recommended service levels, as outlined on pages 7 - 11, and associated staff complement of 179.5 positions.
3. City Council request the Director, 311 Toronto, to finalize the service recovery model after further analysis and consultations with client Divisions and that model be considered in the 2015 Budget process.

### III: 2014 SERVICE OVERVIEW AND PLAN

#### Program Map

The 2014 service levels for 311 Toronto are summarized as follows:



Service Customer

**311 Development Project**

- City Divisions

**311 Service Delivery**

- Contact Customer

**311 Information & Business Processing**

- City Divisions
- Federal
- Provincial
- Special Purpose Bodies
- Not-for-Profit / NGOs

**311 Performance Reporting**

- Council
- City Manager
- City Divisions
- Toronto Water
- Solid Waste Management
- Transportation Services
- Municipal Licensing and Standards
- Urban Forestry

## 2014 Service Deliverables

The 2014 Recommended Operating Budget of \$17.801 million gross and \$10.285 million net for 311 Toronto will fund:

### ***311 Development Project***

- Plan for the end of lifecycle replacement of servers, hardware and software upgrades to ensure the continuity of the 311 Contact Centre Operations through the Capital Budget.
- Improve access to online services moving customers to lower cost channels.
- Continue to support the open data initiative by moving 311 reports on-line.

### ***311 Service Delivery***

- Continue operating on a 24 hour a day, seven day a week basis to provide reliable access to non-emergency City services for all residents in 180 languages.
- Complete 70% of all contacts at first point of contact and transfer less than 30% of all contacts.
- Continue to develop strategies to address 311 Toronto's staff availability for unpredictable call volume and peak demand events.

### ***311 Information and Business Processing***

- Provide enhanced Knowledge Base update for both corporate and public use.
- Ensure 100% of the information by Divisions is posted to the 311 Knowledge base in a timely accurate manner.
- Enhance the use of speech analytics to drive efficiencies and increase customer satisfaction.

### ***311 Performance Reporting***

- Track 100% of all service requests initiated by 311 Toronto.
- Log and track 100% of all 311 initiated complaints.

**Service Profile: 311 Development Project**



**What we do**

- Develop and manage delivery of the 311 Service Model through the 311 Project Management Office (PMO) on time, on budget and within scope. Responsible for overall leadership in project planning, divisional coordination, and capital expenditure approvals in order to ensure business deliverables are met and enhance the 311 Toronto Program.

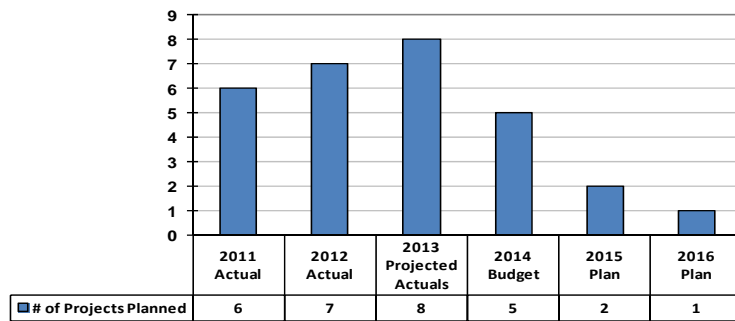
**2014 Recommended Service Levels**

**311 Development**

Activity Type		Service Levels			2014 Recommended
		2011	2012	2013	
% of Projects Completed on Time (Schedule)	Approved	100%	100%	100%	100%
	Actual	40%	39%	61%	
% of Projects Completed within Budget	Approved	100%	100%	100%	100%
	Actual	100%	100%	100%	
% of Projects Completed within Scope	Approved	100%	100%	100%	100%
	Actual	100%	100%	100%	

**Service Performance Measures**

**Number of Projects Planned**



- Provides stakeholders insight on the number of new initiatives that are being planned for implementation.
- Council decided in 2011 to stop any new future integration past 2013.
- 2014/15 includes the last integration of payments and registrations for Recreation programs.
- From 2016 and onwards, the only projects planned are lifecycle replacement and software upgrades.

**Service Profile: Service Delivery**



**What we do**

- Provide customer service to residents, businesses and visitors requesting for information and services. There are different channels the public can use to access this service including "live" agent at the Contact Centre, email, fax, mail, website and smartphone that provides information or access to the 311 Knowledge Base.

**2014 Recommended Service Levels**

**311 Service Delivery**

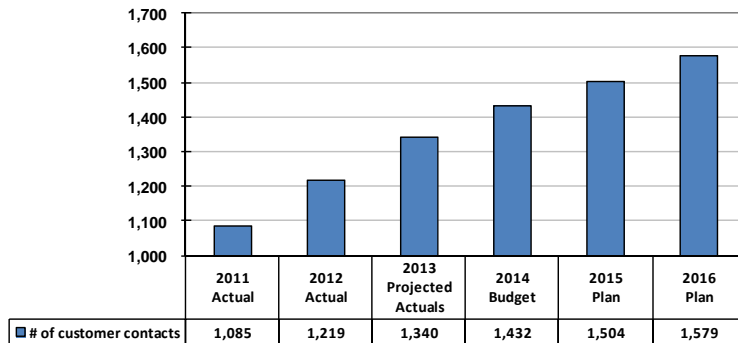
Activity Type		Service Levels			
		2011	2012	2013	2014 Recommended
% of Calls received by 311 Toronto that have been answered within 75 seconds	Approved	80%	80%	80%	80%
	Actual	63%	80%	80%	
% of Customer Contacts resolved at first point of contact (First Contact Resolution Rate)	Approved	70%	70%	70%	70%
	Actual	72%	73%	72%	
Average time spent (in seconds) by a 311 Customer Service Representative on a call including both talk time and wrap up time (Average Handling Time for Customer Contacts)	Approved	151*	151*	270	270
	Actual	228*	211*	246*	

\*Wrap up time was not tracked prior to 2014



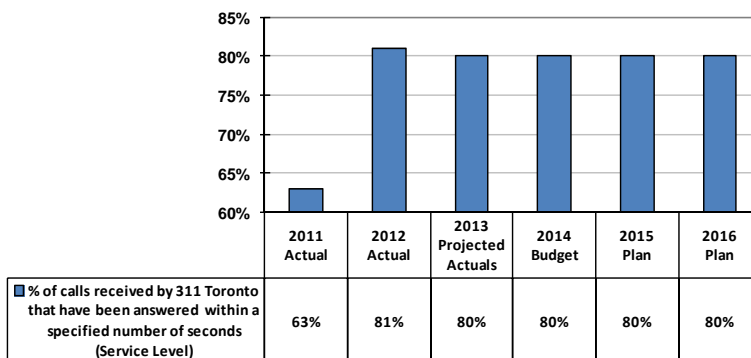
Service Performance Measures

Number of Customer Contacts



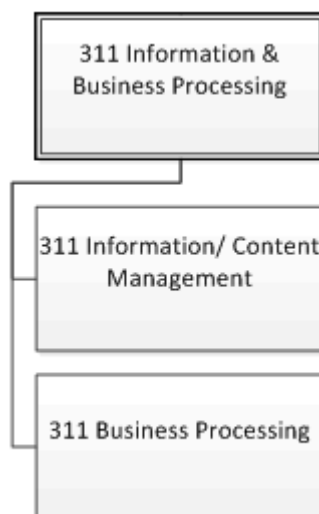
- Calls received in 2013 are anticipated to be 10% higher than 2012.
- New services and integrations increase calls answered without any new additional frontline staff until 2016. This may impact response time service levels unless further efficiencies are found.

% of calls received by 311 Toronto that have been answered within a specified number of seconds (Service Level)



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

Service Profile: 311 Information and Business Processing



**What we do**

- Ensure the quality of the business processes for the delivery of integrated City Services and accurate and consistent information contained in the knowledge base for all City Services.

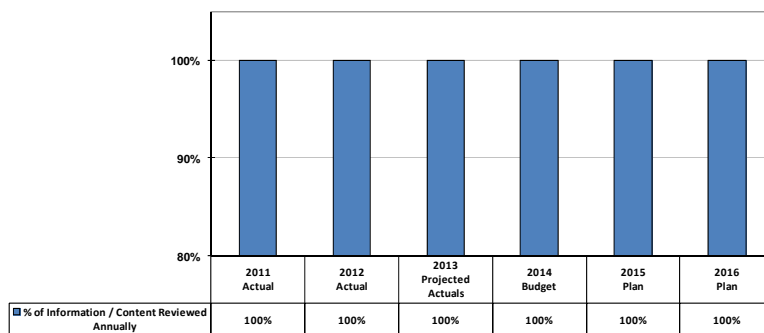
**2014 Recommended Service Levels**

**311 Information and Business Processing**

Activity Type		Service Levels			
		2011	2012	2013	2014 Recommended
No. of days to fulfill knowledge base solution content update request	Approved	5	5	5	5
	Actual	5	5	5	
% of Divisional Information/Content Creation Requests Completed within Service Standard	Approved	100%	100%	100%	100%
	Actual	100%	100%	100%	
% of Information / Content Reviewed Annually	Approved	100%	100%	100%	100%
	Actual	100%	100%	100%	

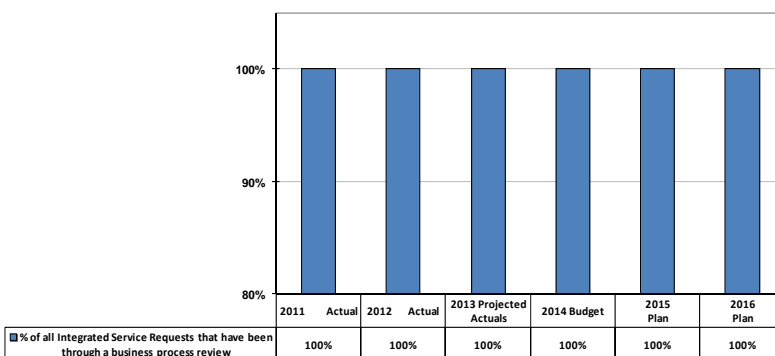
**Service Performance Measures**

**% of Information / Content Reviewed Annually**



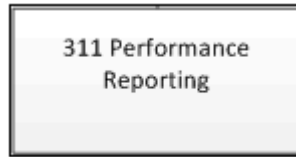
- The 311 Knowledge Base is a centralized repository for content about the City of Toronto’s services and programs. This is the location for the over 15,000 questions and answers that the 311 staff documented on behalf of City divisions.
- This needs to be reviewed at least once annually to ensure that information is accurate and reliable.
- Up to 400 changes a day can be made to Content in the Knowledge Base.

**% of all Integrated Service Requests that have been through a business process review**



- Business process reviews ensure that all service requests available through 311 have been through a formal business process review exercise to ensure service quality.

**Service Profile: 311 Performance Reporting**



**What we do**

- Provide 311 performance metrics and divisional service data to internal clients.

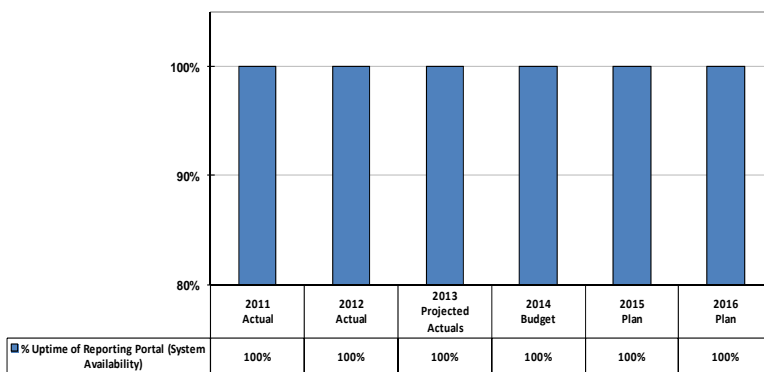
**2014 Recommended Service Levels**

**311 Performance Reporting**

Activity Type		Service Levels			
		2011	2012	2013	2014 Recommended
No. of Data Attributes Available	Approved	N/A	N/A	1,600	2,400
	Actual	164	874	1,600	
No. of Users Trained on BI Reporting Tool	Approved	N/A	130	174	250
	Actual	N/A	109	180	
No. of times logged into BI Portal	Approved	N/A	N/A	1,250	1,375
	Actual	N/A	N/A	1,300	

**Service Performance Measures**

**% Uptime of Reporting Portal (System Availability)**



- Enable service planners to measure availability of the Business Intelligence (BI) system by measuring system uptime and downtime and assess whether or not the BI system is able to fully meet the demand of end users.
- 311 has not experienced any downtime since Phase 1 launch in late 2012.

## 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		Incremental Change 2015 and 2016 Plan			
	Approved Budget	Projected Actual	2014 Rec'd Base	2014 Rec'd New/Enhanced	2014 Rec'd Budget	Approved Changes		2015		2016	
						\$	%	\$	%	\$	%
<b>By Service</b>	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
<b>311 Service Delivery</b>											
Gross Expenditures	13,487.8	12,772.9	13,060.2		13,060.2	(427.6)	(3.2%)	239.7	1.8%	685.0	5.2%
Revenue	5,185.4	5,180.1	5,046.3		5,046.3	(139.1)	(2.7%)				
Net Expenditures	8,302.4	7,592.8	8,013.9	-	8,013.9	(288.6)	(3.5%)	239.7	3.0%	685.0	8.3%
<b>311 Information &amp; Business Processing</b>											
Gross Expenditures	1,064.3	957.4	1,372.8		1,372.8	308.5	29.0%	268.5	19.6%	(8.5)	(0.5%)
Revenue											
Net Expenditures	1,064.3	957.4	1,372.8	-	1,372.8	308.5	29.0%	268.5	19.6%	(8.5)	(0.5%)
<b>311 Development</b>											
Gross Expenditures	4,090.6	2,292.2	3,131.5		3,131.5	(959.1)	(23.4%)	138.5	4.4%	70.0	2.1%
Revenue	3,326.2	1,667.3	2,469.3		2,469.3	(856.9)	(25.8%)	21.7	0.9%	33.3	1.3%
Net Expenditures	764.4	624.9	662.2	-	662.2	(102.2)	(13.4%)	116.8	17.6%	36.7	4.7%
<b>311 Performance Reporting</b>											
Gross Expenditures	228.9	173.7	236.1		236.1	7.2	3.2%	6.5	2.8%	3.5	1.5%
Revenue											
Net Expenditures	228.9	173.7	236.1	-	236.1	7.2	3.2%	6.5	2.8%	3.5	1.5%
<b>Total</b>											
Gross Expenditures	18,871.6	16,196.2	17,800.6		17,800.6	(1,071.0)	(5.7%)	653.2	3.7%	750.0	4.1%
Revenue	8,511.6	6,847.4	7,515.6		7,515.6	(996.0)	(11.7%)	21.7	0.3%	33.3	0.4%
Total Net Expenditures	10,360.0	9,348.8	10,285.0	-	10,285.0	(75.0)	(0.7%)	631.5	6.1%	716.7	6.6%
Approved Positions	182.0	161.0	179.5		179.5	(2.5)	(1.4%)			4.0	2.2%

The 2014 Recommended Operating Budget for 311 Toronto of \$17.801 million gross and \$10.285 million net is \$0.075 million lower than the 2013 Approved Operating Budget and comprised of the following services:

- **311 Service Delivery Service's** 2014 Recommended Operating Budget of \$13.062 million gross and \$8.014 million net is \$0.428 million gross and \$0.289 million net below the 2013 Approved Budget of \$13.488 million gross and \$8.302 million net.
  - The change arises from a reduction in base expenditures through a line by line review and elimination of interdivisional charges for security costs as these will be charged directly to Facilities Management and Real Estate Services. In addition, there are savings as a result of adjusting the salaries and benefits for vacant positions budgeted at lower salary range and reduced fringe benefit rates based on the analysis of historical actual. These savings are partially offset by inflationary pressures in non-salary costs.
  - Future year incremental costs are attributable to inflationary increases for salaries and benefits (\$0.203 million in 2015 and \$0.170 million in 2016) and for non-salary costs (\$0.037 million in 2015 and \$0.036 million in 2016) are anticipated. In addition, an

increase of \$0.471 million in salaries and benefits is anticipated in 2016 for additional 4.0 permanent positions when the introduction of payments and Recreation program registrations through 311 becomes operational.

- **311 Information & Business Processing Service** is \$0.309 million gross and net or 29.0% over the 2013 Approved Budget of \$1.064 million gross and net.
  - Key cost drivers for this service include salaries and benefits arising from the Operating Impact Capital for an additional 4.0 permanent positions, including 2 Business Analysts, 1 Research Analyst and 1 Web Coordinator, will be needed to support the sustainability and configuration of integrated services including the launch of the cross divisional scheduler in 2013. In addition, staff are required for the expansion of 311's existing online services and inflationary increases.
  - In 2015, the incremental costs of \$0.269 million net are attributable to the annualized costs of \$0.200 million net for the above 4.0 permanent positions expected to be filled in mid 2014 and inflationary increases of \$0.068 million net in salaries and benefits.
- **311 Development Service** with a 2014 Recommended Base Budget of \$3.132 million gross and \$0.662 million net reflects a year over year decrease of \$0.959 million gross and \$0.102 million net from the 2013 Approved Budget of \$4.091 million gross and \$0.764 million net.
  - The base changes are mainly due to the deletion of 6.5 temporary capital project delivery positions which are no longer required for 2014. This deletion results in a corresponding decrease of in revenue as these positions were funded through Capital Budget.
  - Future year incremental costs are mainly attributable to inflationary increases in salaries and benefits (\$0.117 million net in 2015 and \$0.037 million net in 2016).
- **311 Performance Reporting Service's** 2014 Recommended Operating Budget of \$0.236 million gross and net reflects a year over year increase of \$0.007 million gross and net or 3.2% over the 2013 Approved Budget of \$0.229 million gross and net.
  - Base pressures are due to inflationary increases in salaries and benefits.
  - Future year incremental costs are also attributable to inflationary increases in salaries and benefits (\$0.007 million net in 2015 and \$0.004 million net in 2016).

Approval of the 2014 Recommended Budget will result in a change from 182.0 to 179.5 to the Program's approved staff complement as highlighted in the table below:

## 2014 Recommended Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
<b>Opening Complement</b>	186.0	179.5	179.5
In-year Adjustments	(4.0)		
<b>Adjusted Staff Complement</b>	<b>182.0</b>	<b>179.5</b>	<b>179.5</b>
<b>Recommended Change in Staff Complement</b>			
- Temporary Complement - capital project delivery	(6.5)		
- Operating impacts of completed capital projects	4.0		4.0
<b>Total</b>	<b>179.5</b>	<b>179.5</b>	<b>183.5</b>
<b>% Change over prior year</b>	<b>(1.4)</b>		<b>2.2</b>

- The changes reflect a deletion of 6.5 temporary capital project delivery positions which are no longer needed for 2014 and an addition of 4.0 permanent positions.
- In 2016, 311 Toronto will request additional 4.0 permanent positions, including 1 Financial Analyst, 1 Accounting Assistant and 2 Customer Service Representatives, in order to support payment processing, revenue, accounting and compliance with the introduction of payments being received and Recreation programs registered through 311.

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>311 Service Delivery</b>								
Gross Expenditures	13,684.8	13,060.2	(624.6)	(4.6%)	239.7	1.8%	685.0	5.2%
Revenue	5,185.4	5,046.3	(139.1)	(2.7%)				
<b>Net Expenditures</b>	<b>8,499.4</b>	<b>8,013.9</b>	<b>(485.6)</b>	<b>(5.7%)</b>	<b>239.7</b>	<b>3.0%</b>	<b>685.0</b>	<b>8.3%</b>
<b>311 Information &amp; Business Processing</b>								
Gross Expenditures	897.3	1,372.8	475.5	53.0%	268.5	19.6%	(8.5)	(0.5%)
Revenue								
<b>Net Expenditures</b>	<b>897.3</b>	<b>1,372.8</b>	<b>475.5</b>	<b>53.0%</b>	<b>268.5</b>	<b>19.6%</b>	<b>(8.5)</b>	<b>(0.5%)</b>
<b>311 Development</b>								
Gross Expenditures	4,125.6	3,131.5	(994.1)	(24.1%)	138.5	4.4%	70.0	2.1%
Revenue	3,326.2	2,469.3	(856.9)	(25.8%)	21.7	0.9%	33.3	1.3%
<b>Net Expenditures</b>	<b>799.4</b>	<b>662.2</b>	<b>(137.2)</b>	<b>(17.2%)</b>	<b>116.8</b>	<b>17.6%</b>	<b>36.7</b>	<b>4.7%</b>
<b>311 Performance Reporting</b>								
Gross Expenditures	163.9	236.1	72.2	44.1%	6.5	2.8%	3.5	1.5%
Revenue								
<b>Net Expenditures</b>	<b>163.9</b>	<b>236.1</b>	<b>72.2</b>	<b>44.1%</b>	<b>6.5</b>	<b>2.8%</b>	<b>3.5</b>	<b>1.5%</b>
<b>Total</b>								
Gross Expenditures	18,871.6	17,800.6	(1,071.0)	(5.7%)	653.2	3.7%	750.0	4.1%
Revenue	8,511.6	7,515.6	(996.0)	(11.7%)	21.7	0.3%	33.3	0.4%
<b>Net Expenditures</b>	<b>10,360.0</b>	<b>10,285.0</b>	<b>(75.0)</b>	<b>(0.7%)</b>	<b>631.5</b>	<b>6.1%</b>	<b>716.7</b>	<b>6.6%</b>
<b>Approved Positions</b>	<b>182.0</b>	<b>179.5</b>	<b>(2.5)</b>	<b>(1.4%)</b>			<b>4.0</b>	<b>2.2%</b>

The 2014 Recommended Base Budget of \$17.801 million gross and \$10.285 million net is \$0.075 million or 0.7% under the 2013 Approved Budget of \$10.360 million net and provides \$0.535 million in funding for base budget increases which have been offset by \$0.610 million in

recommended service budget reductions bringing the Program's base budget to \$0.075 million or 0.7% below the budget target.

Key cost drivers resulting in base budget pressures of \$0.535 million are detailed in the table below:

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

(In \$000s)	2014 Rec'd Base Budget
<b>Operating Impacts of Capital</b>	
Completion of Cross Divisional Scheduler	206.2
<b>Economic Factors</b>	
COLA, Progression Pay and Step Increases	285.8
Non Salary	43.0
<b>Net Expenditures</b>	<b>535.0</b>

In order to offset the above pressures, base expenditure savings of \$0.610 million are recommended as summarized 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>Salary and Benefit Adjustments</i>		(508.7)	(421.3)	(4.1%)				
<i>Line by Line Review</i>		(119.0)	(113.7)	(1.1%)				
<i>Interdivisional Charges with FM&amp;RE</i>		(75.0)	(75.0)	(0.7%)				
<b>Base Expenditure Change</b>	-	(702.7)	(610.0)	(5.9%)	-	-	-	-
<b>Total Changes</b>	-	(702.7)	(610.0)	(5.9%)	-	-	-	-

The 2014 recommended service changes consist of base expenditure changes of \$0.703 million gross and \$0.610 million net bringing the 2014 Recommended Base Budget to \$10.285 million net or 0.7% below the 2013 Approved Budget of \$10.360 million net. The 2014 recommended service changes and 2015 and 2016 incremental impacts are discussed below:

**Base Expenditure Changes: (Savings of \$0.703 million gross, \$0.610 million net)**

*Salary and Benefit Adjustments*

- Reductions of \$0.509 million gross and \$0.421 million net in salaries and benefits are recommended to reflect savings resulting from vacant positions budgeted at lower salaries

and reduced fringe benefit rates based on the new budgetary guidelines executed through the Personnel Expenditure Projection (PEP) functionality in PBF.

#### Line by Line Review

- A line by line review of 311 Toronto's Operating Budget results in non payroll savings of \$0.119 million gross and \$0.114 million net based on actual experience.

#### Inter-divisional Charges

- The elimination of inter-divisional charges of \$0.075 million gross and net for security costs will be absorbed by Facilities Management and Real Estate commencing in 2014.

### 2014 Recommended New / Enhanced Service Priority Actions (In \$000s)

There are no new/enhanced service priority actions recommended for 311 Toronto.

### 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>										
COLA, Progression Pay and Step Increases	296.1	21.7	274.4	2.7%		162.1	33.3	128.8	1.2%	
Fringe Benefits	119.8		119.8	1.2%		72.8		72.8	0.7%	
Economic Factors	37.2		37.2	0.4%		36.1		36.1	0.3%	
Operating Impact of Capital	200.1		200.1	1.9%		479.0		479.0	4.4%	4.0
<b>Total Incremental Impact</b>	<b>653.2</b>	<b>21.7</b>	<b>631.5</b>	<b>6.1%</b>	<b>-</b>	<b>750.0</b>	<b>33.3</b>	<b>716.7</b>	<b>6.6%</b>	<b>4.0</b>

Approval of the 2014 Recommended Budget for 311 Toronto will result in a 2015 and 2016 incremental increase of \$0.632 million net and \$0.717 million net, respectively, to maintain the 2014 level of service.

Future year incremental costs are primarily attributable to the following:

#### Known Impacts

- Increases of \$0.274 million net in 2015 and \$0.129 million net in 2016 for known COLA, progression pay and step increases. It is noted that no COLA is included in 2016 which is a collective bargain year.
- Fringe benefit increases of \$0.120 million net in 2015 and \$0.073 million net in 2016.
- Inflationary increases of \$0.037 million net in 2015 and \$0.036 million net in 2016 for non payroll costs.
- Increase of \$0.200 million net for the annualized operating cost of the completed capital project in 2014.



- Increase of \$0.479 million net in 2016 due to additional 4.0 new positions required in order to support payment processing, revenue, accounting and compliance with the introduction of payments being received and Recreation programs being registered through 311 in 2016.

## V: ISSUES FOR DISCUSSION

### 2014 and Future Year Issues

#### *311 Response of Critical Events*

The City Council-approved service level for 311 is to respond to 80% of calls within 75 seconds. In 2012, 311's overall performance achieved the service level target 81% of the time. During unplanned events such as snowstorms, heavy rainfalls or high winds, the calls to 311 Toronto spike dramatically in a very short period of time. The sharp spike in calls can lead to longer than normal wait times, as experienced during the snowstorm on February 9, 2013 and flooding due to heavy rainfall on July 8, 2013. During these periods, callers can become frustrated, leading to dissatisfaction with the 311 service. In some incidents, constituents have contacted their Councillor's office to voice their concerns. For residents that do not contact 311 regularly, these rare periods of long wait times may create the basis in which 311 Toronto is perceived negatively, potentially resulting in their reluctance to use the service in the future.

311 Toronto's approach to any critical event is to manage staffing and manage the information. The 311 management team aims to get both the correct staffing level to manage the event and the necessary information to communicate to customers in order to manage customers' needs and expectations.

For unanticipated events, such as the rainfall in the summer of 2013, 311 Toronto can only take a reactive response because of the lack of notice of the impending event. In many cases it is only when customers call that 311 becomes aware that the event has occurred, given that it is often only in one part of the City. The most effective approach to manage an unplanned event with a reactive response is to manage the staff. The reactive response to unexpected high volumes of calls includes holding staff back at the end of their shift to work for longer periods of time, adjusting shifts and activities to maximize staff time on the phones and where possible calling in additional staff.

When events can be anticipated, e.g. snow storms, 311 can deploy an appropriate number of staff to be in place prior to the event. Unlike the reactive response, 311 can prepare in advance for managing information messages. These steps include meeting with the divisions ahead of time to develop scenarios leading to advance event related messaging (e.g. Media releases or up-front messages that callers can hear when they call 311) and possible procedural changes such as the suspension of certain types of service requests. Ensuring the public has accurate information, whether through the media or using upfront messages in the 311 Contact Centre, is an effective method of helping to manage caller's expectations and therefore call volumes.

Today, 311 is working much closer with the service divisions like Transportation, Toronto Water and Parks, Forestry and Recreation prior to and during these unplanned events to send accurate information out and manage customer expectations. Strategic Communications is heavily involved with developing appropriate information scripts for 311 staff and to provide

media relations services. When this is accomplished, call volumes have been manageable and customer service has been satisfactory.

As part of 311's resource requirement assessment, 311 became aggressive in hiring. In 2013, 311 completed a full and part time Customer Service Representative job call. This resulted in 20 part time staff promoted to full time as well as hiring two new full time staff. In addition, 30 part time Customer Service Representatives were hired as part of this call. This significantly supports 311 efforts to respond to unplanned events over the summer and well into next winter. Currently, 311 Toronto has 110 Customer Service Representatives, 90 full-time and 20 part-time full time equivalents, and is expecting to hire another 30 part time employees in January 2014.

311 is continuing to introduce improvements to help manage unplanned events, especially with respect to the expansion of self service applications. Whether self-service comes in the form of on-line service requests, mobile applications or the implementation of an Interactive Voice Response (IVR), all are important in reducing the service requests that the Program manually processes. 311 Toronto is also exploring more proactive approaches with social media and broadcasting information on-line about service outages and other disruptions to potentially decrease calls to the Contact Centre about these issues.

311 Toronto is also currently investigating the possibility of having a subset of customer service representatives work from home to have more staff available for critical incidents, reduce the downtime between when the CSRs are contacted to start work and the time they begin to take calls. This capability will also allow staff to work at home handling calls when public transit such as TTC and GO Transit have their service negatively impacted as a result of storms and other unplanned events.

If Council were to expect a service level of 80% at all times – even during unplanned severe weather instances – this would necessitate a review of 311's overall service level and the associated capacity to deliver it, including what can be realistically provided with its current resources.

#### *Service Recovery Model*

In 2011, the Auditor General's Work Plan included a review of 311 Toronto. The Auditor General recommended that City Council request the Director, 311 Toronto, in consultation with the Chief Financial Officer, to ensure that the inter-departmental charges to divisions are based on updated and accurate information supporting the basis for funding and cost recoveries.

Under the current service recovery model, 311 Toronto recovers its costs from five Divisions, including Toronto Water, Solid Waste Management Services, Toronto Building, Toronto Public Health, and Shelter, Support, Housing and Administration. These five Divisions have revenues from user fees or receive subsidies or other recoveries for expenses that are cost shared with

other orders of government. The cost recoveries have remained unchanged since 2011 with the exception of increases to account for Cost of Living Allowances.

Staff are currently reviewing options to establish an appropriate funding model based on accurate information. 311 Toronto staff are committed to providing accurate tracking of the number of service requests initiated and general enquiries received by 311 and will work with the Financial Planning Division to further analyze the nature of general enquiries to ensure the integrity and fairness of the chargebacks.

It is recommended that the results of the analysis and consultation with the Divisions be used to finalize the service recovery model for 311 Toronto and that model be considered in the 2015 Budget process.

# Appendix 1

## 2013 Service Performance

### 2013 Key Accomplishments

In 2013, 311 Toronto achieved the following results:

- ✓ Expanded public access to Court Services by integrating a call back request process into the 311 system.
- ✓ Increased access to self services using smart phone technology through instant messaging and mobile applications.
- ✓ Received and processed up to 70,000 emails and faxes to the end of October, representing 15% increase from 2012.

### 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	
	\$	\$	\$	\$	\$	%
<b>Gross Expenditures</b>	15,661.5	14,971.7	18,871.5	16,196.2	(2,675.3)	(14.2)
<b>Revenues</b>	7,382.4	6,787.0	8,511.6	6,847.4	(1,664.2)	(19.6)
<b>Net Expenditures</b>	8,279.2	8,184.7	10,360.0	9,348.8	(1,011.2)	(9.8)
<b>Approved Positions</b>	178.0	168.0	182.0	161.0	(21.0)	(11.5)

\* Based on the 3rd Quarter Operating Budget Variance Report

### 2013 Experience

- The third quarter variance report for 311 Toronto indicates that the Program will be \$1.011 million or 9.8% under the 2013 Approved Net Operating Budget due to delays in filling vacancies.

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

- There are no impacts of the variance on the 2014 Operating Budget as it is projected that the vacant positions (excluding those held to achieve gapping target) will be filled 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		Plan	Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	13,971.3	13,117.2	16,933.1	14,440.8	15,914.8	(1,018.3)	(6.0%)	16,528.6	17,241.4
Materials and Supplies	10.4	11.0	21.0	22.5	17.6	(3.4)	(16.0%)	18.0	18.3
Equipment	17.8	7.2	19.2	15.4	21.4	2.1	11.1%	21.7	22.0
Services & Rents	1,176.7	1,387.5	1,618.8	1,414.3	1,645.8	26.9	1.7%	1,682.2	1,716.7
Contributions to Capital						-			
Contributions to Reserve/Res Funds	21.8	22.5	22.5	22.5	22.5	-	0.0%	22.5	22.5
Other Expenditures	0.4					-			
Interdivisional Charges	463.2	426.3	256.9	280.7	178.5	(78.3)	(30.5%)	180.7	182.9
<b>Total Gross Expenditures</b>	<b>15,661.5</b>	<b>14,971.7</b>	<b>18,871.5</b>	<b>16,196.2</b>	<b>17,800.6</b>	<b>(1,070.9)</b>	<b>(5.7%)</b>	<b>18,453.8</b>	<b>19,203.8</b>
Interdivisional Recoveries	5,107.9	4,894.1	5,046.3	5,046.3	5,046.3	-	0.0%	5,046.3	5,046.3
Provincial Subsidies						-			
Federal Subsidies						-			
Other Subsidies						-			
User Fees & Donations						-			
Transfers from Capital Fund	2,274.4	1,892.9	3,326.2	1,667.3	2,469.3	(856.9)	(25.8%)	2,491.0	2,524.3
Contribution from Reserve Funds			133.8	133.8		(133.8)	(100.0%)		
Contribution from Reserve						-			
Sundry Revenues			5.3			(5.3)	(100.0%)		
Required Adjustments						-			
<b>Total Revenues</b>	<b>7,382.4</b>	<b>6,787.0</b>	<b>8,511.6</b>	<b>6,847.4</b>	<b>7,515.6</b>	<b>(996.0)</b>	<b>(11.7%)</b>	<b>7,537.3</b>	<b>7,570.6</b>
<b>Total Net Expenditures</b>	<b>8,279.2</b>	<b>8,184.7</b>	<b>10,360.0</b>	<b>9,348.8</b>	<b>10,285.0</b>	<b>(75.0)</b>	<b>(0.7%)</b>	<b>10,916.5</b>	<b>11,633.2</b>
<b>Approved Positions</b>	<b>178.0</b>	<b>168.0</b>	<b>182.0</b>	<b>161.0</b>	<b>179.5</b>	<b>(2.5)</b>	<b>(1.4%)</b>	<b>179.5</b>	<b>183.5</b>

### 2014 Key Cost Drivers

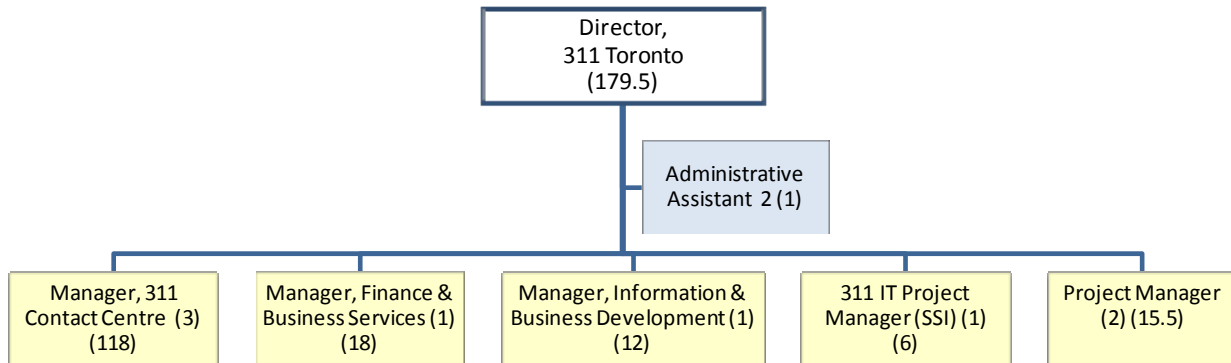
#### Salaries and Benefits

- Salaries and Benefits are the largest expenditure category and account for 89.4% of the total expenditures, followed by Services and Rents at 9.2%. The remainder of expenditure categories total 1.3%.
- The 2014 budget for Salaries and Benefits has decreased by \$1.018 million or 6.0%. The decreases are attributed to deletion of 6.5 temporary capital project delivery positions, reversal of one-time lump sum payment for union staff, savings through budgeting vacant positions at minimum salary range, and reduced fringe benefit rates based on the analysis of historical actuals. These savings are partially offset by increases due to progression pay, step and negotiated salary increases and the 4.0 permanent positions resulting from the operating impact of capital.

**Interdivisional Charges**

- Interdivisional charges are \$0.078 million lower than 2013 mainly due to the elimination of interdivisional charges for security and utility costs as these will be absorbed by Facilities Management and Real Estate.

**2014 Organization Chart**



**2014 Recommended Full and Part Time Staff**

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	1.0	43.5	1.0	114.0	159.5
Part-Time				20.0	20.0
Total	1.0	43.5	1.0	134.0	179.5

## Appendix 3

### Summary of 2014 Recommended Service Changes

N/A



## Appendix 4

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

N/A

## Appendix 5

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

#### Corporate Specific 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>18,307.1</b>	<b>18,307.1</b>	<b>36,762.2</b>	<b>51,417.2</b>
Insurance Reserve Fund	XR1010		22.5	22.5	22.5
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>18,307.1</b>	<b>18,329.6</b>	<b>36,784.7</b>	<b>51,439.7</b>
<b>Other program / Agency Net Withdrawals &amp; Contributions</b>			<b>18,432.6</b>	<b>14,632.5</b>	<b>15,067.9</b>
<b>Balance at Year-End</b>		<b>18,307.1</b>	<b>36,762.2</b>	<b>51,417.2</b>	<b>66,507.7</b>

## Appendix 6

### 2014 User Fee Rate Changes

N/A