



Office of the Treasurer

2014 OPERATING BUDGET OVERVIEW

What We Do

The Treasurer's Office provides a broad range of internal financial and employee services to the City, including Agencies and Corporations and supports the strategic priorities of Council by delivering four main services: Revenue Services, Accounting Services, Pension, Payroll & Employee Benefits and Purchasing and Materials Management.

2014 Budget Highlights

The total cost to deliver this Program to Toronto residents in 2014 is \$73.456 million as shown below.

(In \$000s)	Approved 2013 Budget	Recommended 2014 Budget	Change	
			\$	%
Gross Expenditures	73,760.1	73,455.6	(304.5)	-0.4%
Gross Revenue	43,862.4	43,557.7	(304.7)	(0.0)
Net Expenditures	29,897.7	29,897.9	0.2	0.0

For 2014, the Office of the Treasurer identified a net pressure of \$1.486 million due mainly to inflationary increases and cost of living increases for staff. These pressures were mainly offset by savings identified through service efficiencies and cost recoveries from user fees.

As a result, the Office of the Treasurer was able to maintain the 2013 level of service while achieving the 0% budget target.

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Fast Facts

- Process and pay over 500,000 invoices annually with 90% paid within 60 days
- Process on schedule 770,000 payroll and 103,000 pension payments annually and manage a \$200 million employee benefits plan
- Procure on average \$1.5 billion of goods and services and manage warehouse inventory valued at \$6.6 million annually
- Process 2.8 million parking tickets, 490,000 utility accounts and 1.5 million utility bills, and 50,000 MLTT transactions annually.

Trends

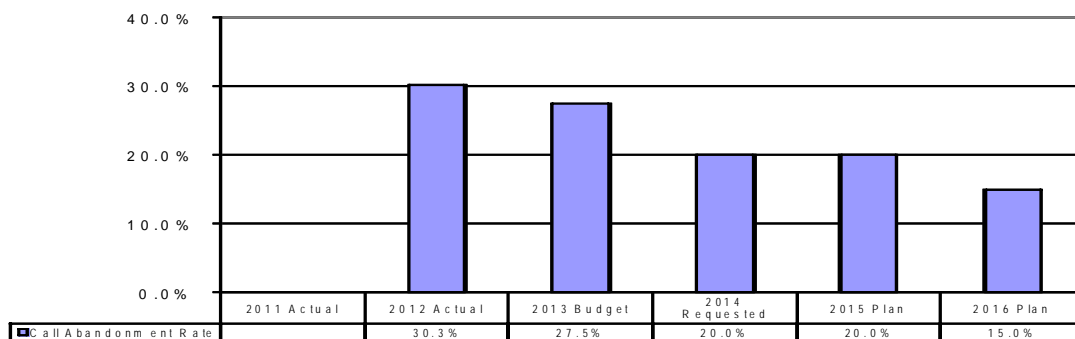
- Revenue Services' Call Centre handles 27,000 calls per month, 1,,200 calls per day with 40 staff or approximately 35 call per CSR
- Call Abandonment Rate to be reduced from 30.3% in 2012 to 20% in 2014.
- By 2016, target is to achieve industry standard of Industry Standard is 15% or 16%

Our Service Deliverables for 2014

The Office of the Treasurer provides effective financial and employee services to the Corporation and its Divisions, Agencies, and Corporations with the following deliverables in 2014:

- Upgrade SAP financial system to support service-based planning, budgeting, monitoring and reporting.
- Expand Employee Self Service & introduce Management Self Service functionality.
- Upgrade current SAP Payroll system to current SAP standard and best practices with Cross Application Time Sheet.
- Implement Time, Attendance & Scheduling system for City & its agencies, by 2016.
- Expand the use of e-procurement technologies to further automate the City's procurement processes and web-services for vendors (2014 to 2016).
- Continue Accounts Payable Transformation project, automating Purchase to Pay processes.
- Work with City Manager's Office on development of a multi-year Shared Service implementation plan for procurement of common goods & services, including strategic sourcing and payroll and benefits administration.
- Continue to implement Customer Service Enhancement Strategies within Revenue Services to achieve customer service targets for call centre and counter interactions.
- Implement changes arising from Pension, Payroll & Employee Benefit Program Review.

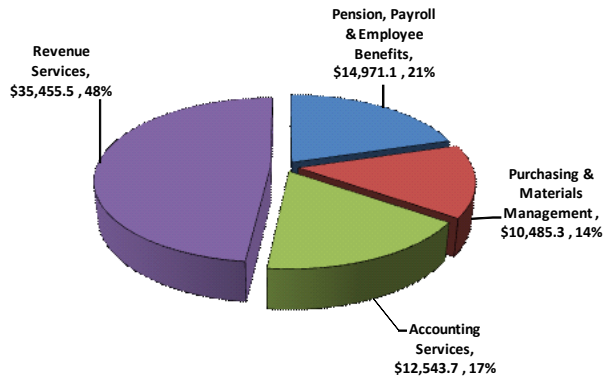
Revenue Services Call Centre–Call Abandonment Rate



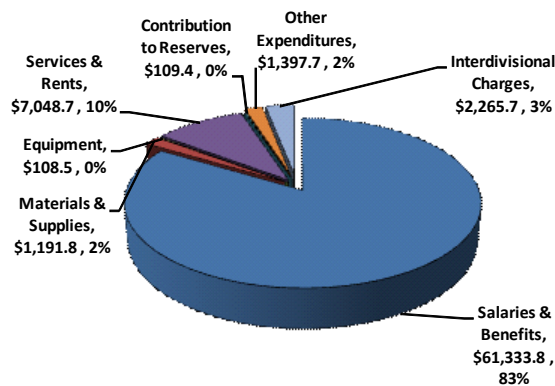
2014 Budget Expenditures & Funding

Where the money goes:

2014 Operating Budget by Service
\$73.456 Million

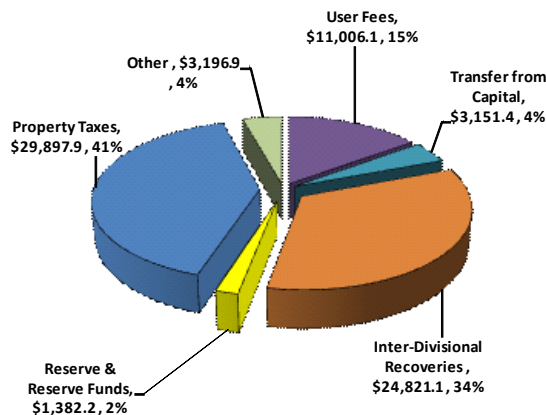


2014 Operating Budget by Expenditure Category



Where the money comes from:

2014 Operating Budget Funding Source
\$73.456 Million



Our Key Challenges & Priority Actions

- Upgrading & modernizing older systems to enable customer self-service functionality and automate end-to-end business processes.
- Reduce call abandonment rate to 20% in 2014 and 15% by 2016
- Enhance oversight of benefit plan usage
- Continue and begin upgrades to Systems & Technology Platforms such as Employee Self Service Portal and Time and Attendance
- Implement changes from the PPEB employee benefit program review
- Participate in development of multi-year Shared Service implementation plan for procurement and payroll
- Implement customer service enhancement strategies to achieve customer service targets for call centre and counter interactions

II: RECOMMENDATIONS

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2014 Recommended Operating Budget for Office of the Treasurer of \$73.456 million gross and \$29.898 million net, comprised of the following services:

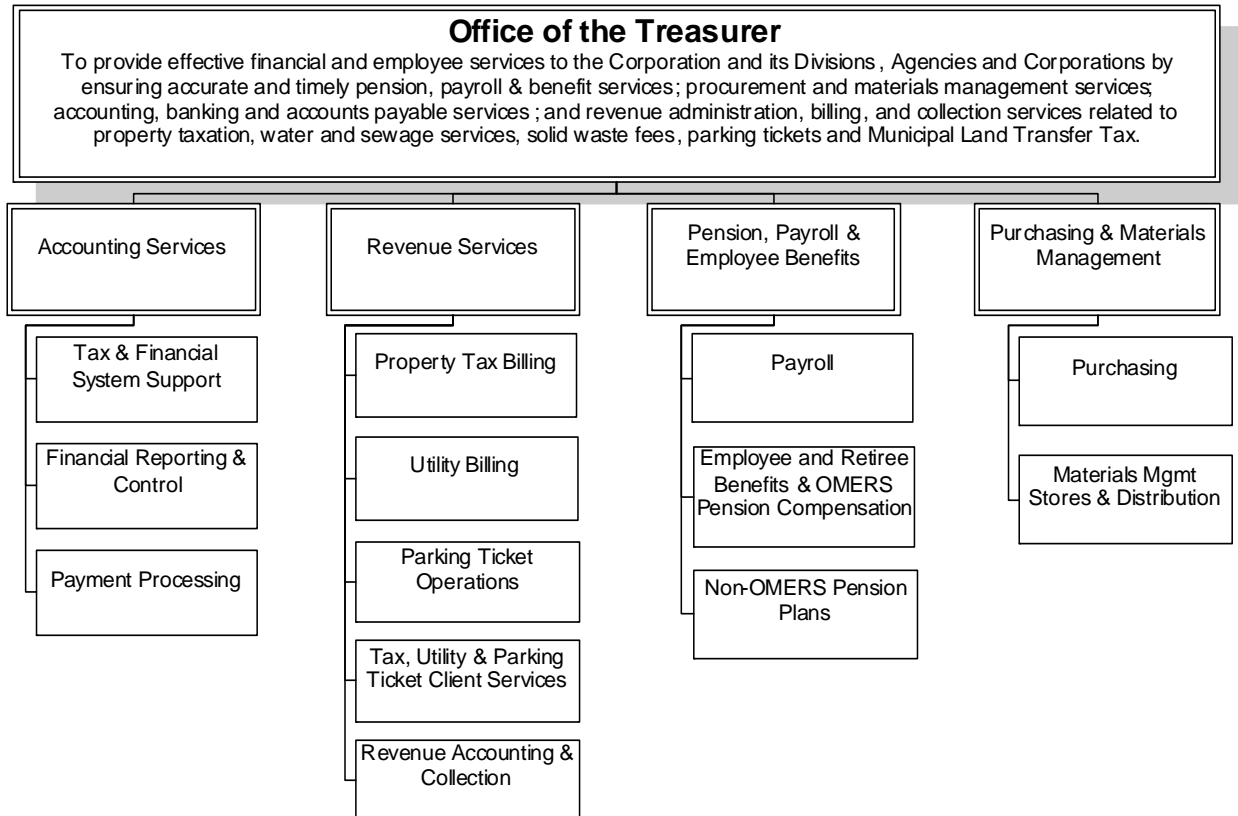
<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Pension, Payroll & Employee Benefits	14,971.1	11,239.5
Purchasing & Materials Management	10,485.3	7,417.5
Accounting Services	12,543.7	10,171.4
Revenue Services	35,455.5	1,069.5
Total Program Budget	<u>73,455.6</u>	<u>29,897.9</u>

2. City Council approve the Office of the Treasurer's 2014 recommended service levels, as outlined on pages 7, 10, 13 and 16, and associated staff complement of 740 positions.
3. City Council approve the 2014 recommended user fee changes for the Office of the Treasurer—Revenue Services identified in Appendix 6 and the Recommended New Fees.

III: 2014 SERVICE OVERVIEW AND PLAN

Program Map

The Office of the Treasurer provides a broad range of effective financial and employee services to the corporation of the City of Toronto, including agencies and corporations and supports the strategic priorities of Council by delivering four main services: Revenue Services, Accounting Services, Pensions, Payroll & Employee Benefits and Purchasing & Materials Management, as detailed in the following Program Maps:



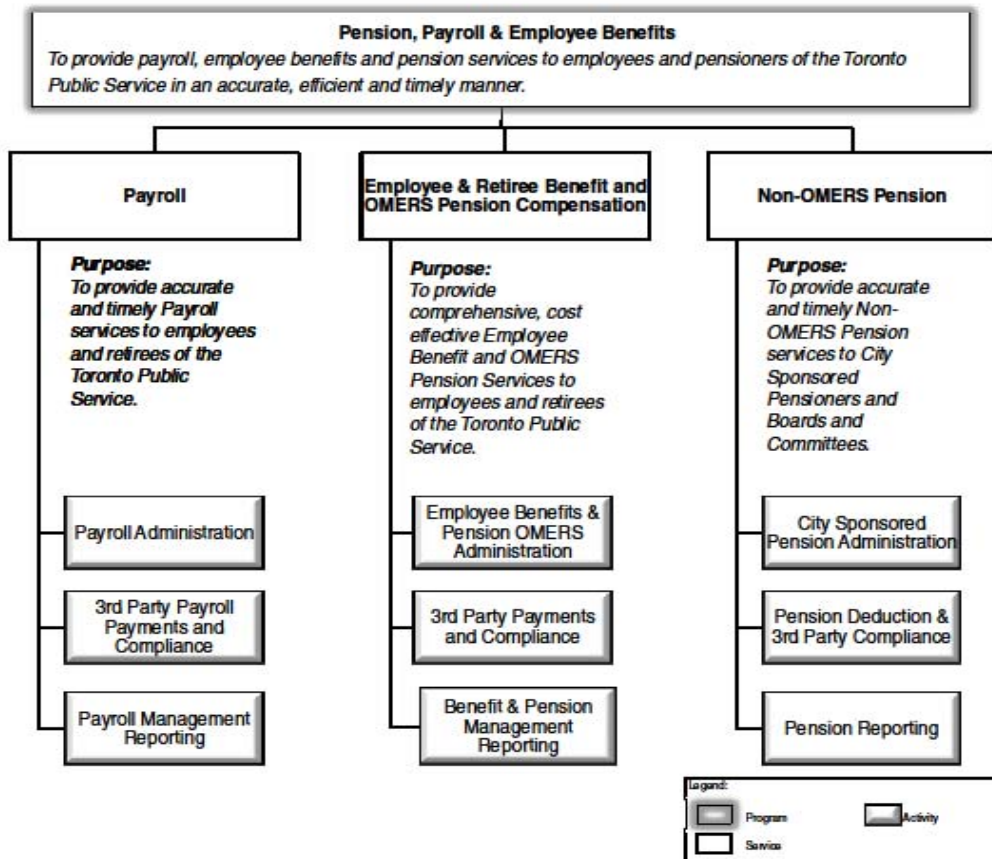
2014 Service Deliverables

The 2014 Recommended Operating Budget of \$75.456 million gross and \$29.898 million net for the Office of the Treasurer will fund:

- Upgrade the SAP financial system to support service-based planning, budgeting, monitoring, and reporting.
- Expand Employee Self Service & introduce Management Self Service functionality in the Employee Portal.
- Upgrade Payroll system to the current SAP standard.
- Implement Time, Attendance & Scheduling system for the City and its agencies.

- Expand the use of e-procurement technologies to further automate the City's procurement processes and web-services for vendors (2014 to 2016).
- Implement changes arising from Pension, Payroll & Employee Benefits Program Review.
- Continue Accounts Payable Transformation project, automating Purchase to Pay processes.
- Work with City Manager's Office on the development of a multi-year Shared Service implementation plan for procurement of common goods & services including strategic sourcing, and payroll and benefits administration.
- Continue to implement Customer Service Enhancement Strategies within Revenue Services to achieve customer service targets for call centre and counter interactions.

Service Profile: Pension, Payroll & Employee Benefits



Service Customer

Payroll

- City Divisions
- Elected Officials
- City of Toronto Employees

Employee Retiree Benefits and OMERS Pension Compensation

- City Divisions
- Elected Officials
- City of Toronto Employees
- City of Toronto Retired Employees

Non – OMERS Pension

- City of Toronto retired employees
- Elected Officials
- Non-OMERS Pension Boards & Committees

What we do

- Provide payroll, employee benefits and pension services to employees and pensioners of the Toronto Public Service in an accurate, efficient and timely manner.

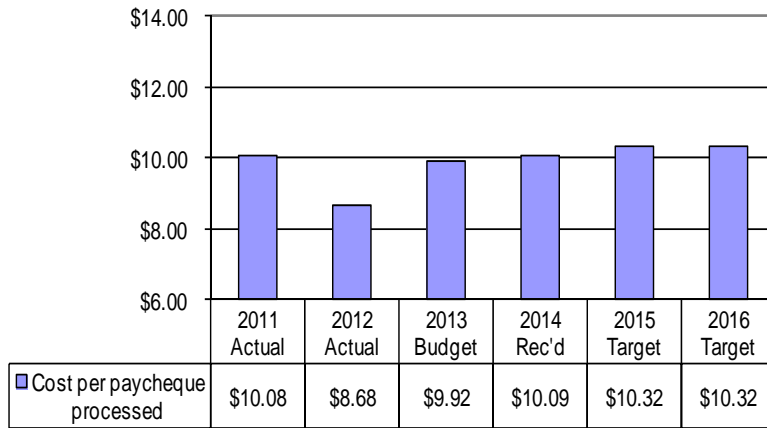
2014 Recommended Service Levels

Activity	Type	Status	Service Levels		
			2011	2012	2013
Payroll Administration	Fulltime	Approved	Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments. Provided accurate pays to 25,120 employees biweekly, ie 26 pays per		Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments. Provided accurate pays to 25,120 employees biweekly, ie 26 pays per
	Parttime	Approved	Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments. Provided accurate pays to 3680 employees biweekly, ie 26 pays per		Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments. Provided accurate pays to 3,680 employees biweekly, ie 26 pays per
	Recreation Worker	Approved	Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments. Provided accurate pays to 9080 employees biweekly, ie 26 pays per		Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments. Provided accurate pays to 9,080 employees biweekly, ie 26 pays per
3rd Party Payroll Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy		Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy
Payroll Management Reporting		Approved	Payroll reports will be made available to management within 2 days of the pay date with 100% accuracy. Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.		Payroll reports will be made available to management within 2 days of the pay date with 100% accuracy. Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.
Employee Benefits & OMERS Pension Administration	Fulltime	Approved	Provide accurate benefit plans to 33,000 full time active employees and retirees		Provide accurate benefit plans to 35,000 full time active employees and retirees
	Parttime	Approved	Provide accurate benefit plans to 3,946 part time employees. Provide accurate reporting and offer of OMERS enrollment as per requirements under the P&B act		Provide accurate benefit plans to 3,246 part time employees. Provide accurate reporting and offer of OMERS enrollment as per requirements under the P&B act
	Recreation Worker	Approved	Provide accurate benefit plans to 51 recreation employees. Provide accurate reporting and offer of OMERS enrollment as per requirements under the P&B act		Provide accurate benefit plans to 48 recreation employees. Provide accurate reporting and offer of OMERS enrollment as per requirements under the P&B act
3rd Party Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy		Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy
Benefit & Pension Management Reporting		Approved	Bi-weekly reports will be made available to management within 2 days of the pay date, with 100% accuracy. Monthly reports will be made available to management by the end of the following month, with 100% accuracy.		Bi-weekly reports will be made available to management within 2 days of the pay date, with 100% accuracy. Monthly reports will be made available to management by the end of the following month, with 100% accuracy.
City Sponsored Pension Administration	The Toronto Civic Employees' Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month		Produce an accurate monthly pension or spousal pension on the first business day of each and every month
	Toronto Fire Department Superannuation and Benefit Plan	Approved	Produce an accurate bi-monthly pension or spousal pension on the first and fifteenth day of each and every month		Produce an accurate bi-monthly pension or spousal pension on the first and fifteenth day of each and every month
	Metropolitan Toronto Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month		Produce an accurate monthly pension or spousal pension on the first business day of each and every month
	Metropolitan Toronto Police Benefit Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month		Produce an accurate monthly pension or spousal pension on the first business day of each and every month
	The Corporation of the City of York Employee Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month		Produce an accurate monthly pension or spousal pension on the first business day of each and every month
Pension Deduction & 3rd Party Compliance		Approved	Meet all regulatory filing requirements by prescribed dates		Meet all regulatory filing requirements by prescribed dates
Pension Reporting		Approved	Financial statements filed by prescribed date (June 30)		Financial statements filed by prescribed date (June 30)

- The 2014 Recommended Service Levels are consistent with the 2013 Approved Service Levels.

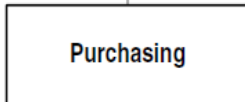
Service Performance Measures

Efficiency Measure – Cost per Pay Cheque Processed

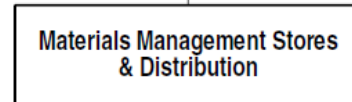


- The cost per pay cheque processed is increasing slightly year-over-year due to mandated salary increases.
- Costs decreased in 2012 due to a reduction in staff, vacancies, and delays in backfilling staff who transferred to the FPARS project. Costs are projected to increase slightly during 2013-2015 due to mandated salary increases.

Service Profile: Purchasing & Materials Management



Purpose:
To provide purchasing services at best value in support of public programs and service delivery through the application of open, fair, equitable and accessible procurement processes and practices.



Purpose:
To provide materials management and warehousing services in support of public programs and service delivery.



Service Customer

Purchasing

- City Divisions
- Designated ABC's
 - Toronto Atmospheric Fund (TAF)
 - Exhibition Place
 - Toronto Police
 - TTC
- Suppliers

Materials Management Stores & Distribution

- City Divisions
- Designated ABC's
 - Toronto Police
 - Toronto Library
 - Association of Community Centres (AOCCs)
 - Arenas Board
 - Exhibition Place

What we do

- Supports the City's programs and services in achieving best value for money through the application of open, fair, and equitable procurement and materials management practices/services.

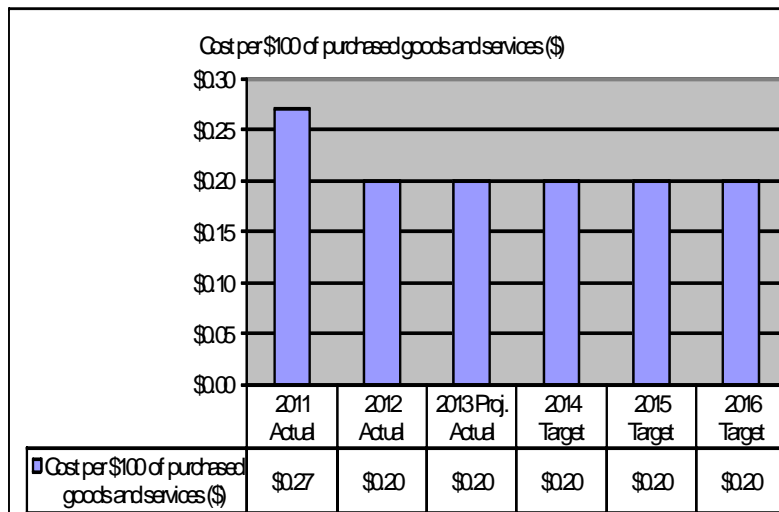
2014 Recommended Service Levels

Activity	Type	Status	Service Levels			2014 Recommended
			2011	2012	2013	
Purchasing & Materials Management	General Inquiries & Interpretation of Policies & Procedures	Approved	100% of inquiries responded to within 48 hours			100%
	Online Call Document Distribution	Approved	To provide vendors with 24/7 online access 100% of the time			100%
	Sole Source Procurement	Approved	100% compliance with Council Policy on Sole Source			100%
		Actual	99.8%	99.9%	99% Projected	
	Call Documents	Approved	Issuing within 2-5 days of time of receipt of final approved document 100% of time			100%
Actual		81%	82%	90% Projected		
Materials Management Stores & Distribution	Operational Supplies	Approved	Material requests issued and delivered within 5 calendar days			90%
		Actual	89.30%	88.50%	90% Projected	
	MSDS (Materials Safety Data Sheet)	Approved	Providing city staff with 24/7 online access 100% of the time			100%
		Actual	100%	100%	100% Projected	
	Stores Catalogue	Approved	Providing 24/7 online access to Catalogue details current to one business day 100% of the time			100%
		Actual	100%	100%	100% Projected	
	Inventory	Approved	Turn inventory value at rate of 5.7 times per year			4.0
		Actual	5.9	5.8	4.0 projected	

- The 2014 Recommended Service Levels are consistent with the 2013 Approved Service Levels.

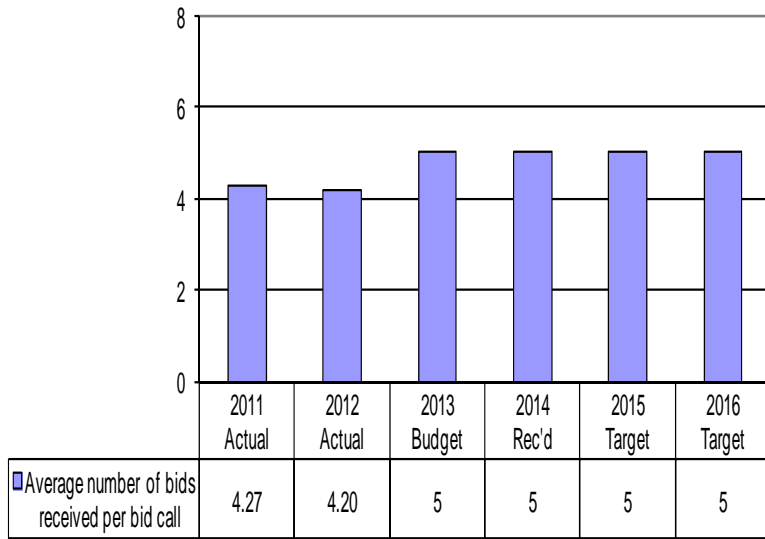
Service Performance Measures

Efficiency Measure – Cost per \$100 of purchased goods and services (\$)



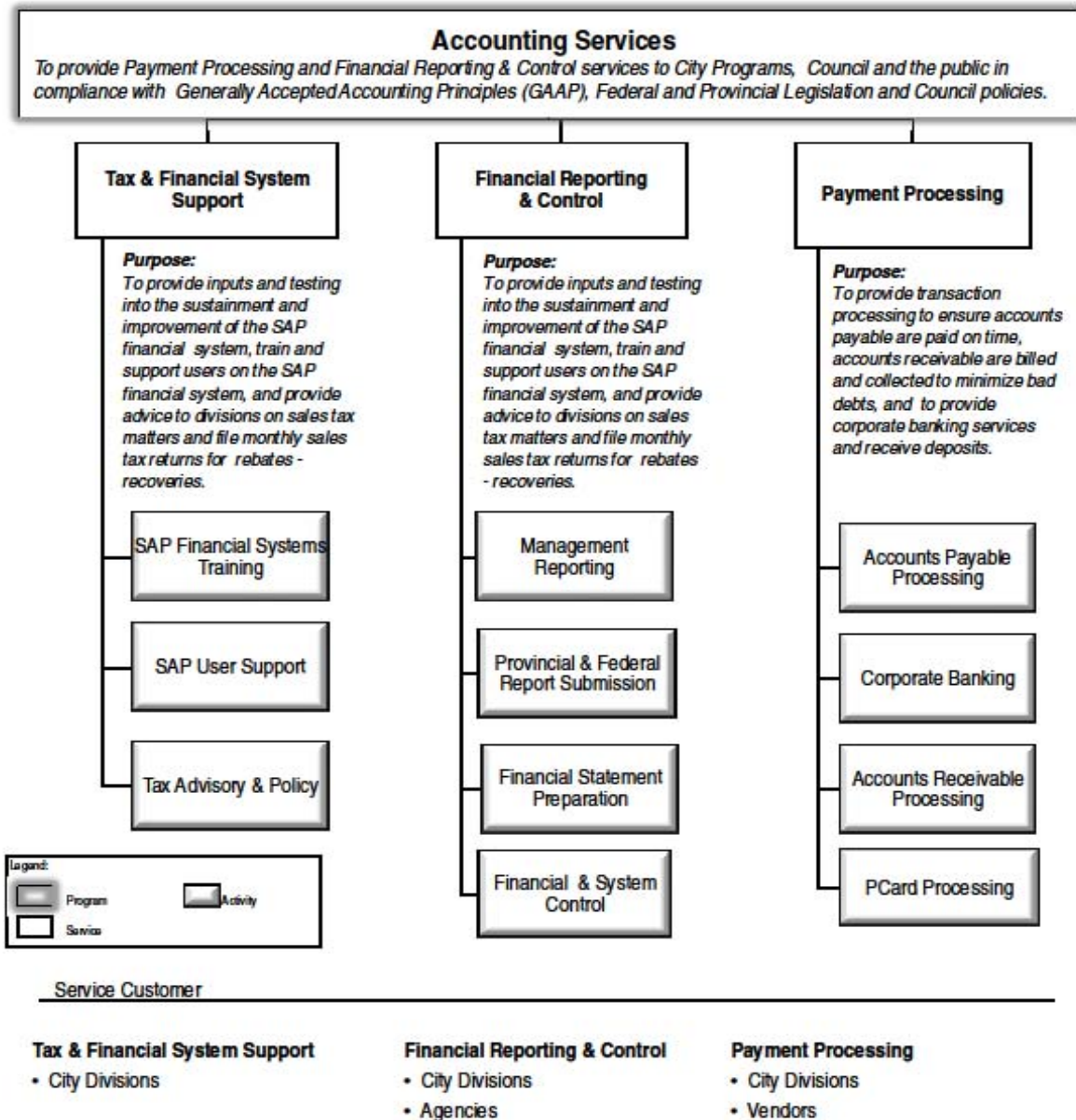
- For the year 2011 the increase in the cost to purchase \$100 of goods and services to \$.027 was largely influenced by the high dollar value of orders processed within this period largely due to the Infrastructure Stimulus Fund (ISF) projects.
- In 2012, the cost to purchase \$100 of goods and services was \$0.20, largely influenced by the dollar value of orders processed within this period.
- It is anticipated that the average cost to purchase \$100 of goods and services will be maintained at \$0.20 in 2012 through 2016.

Outcome Measures - Average Number of Bids Received per Call



- Target of receiving an average of 5 responses per call.
- In 2012, PMMD received 4.20 responses per call.
- The number of bids received per call is expected to increase by the end of 2013 as PMMD continues to conduct outreach with vendors and through the promotion of city calls on the City's website and Online Call Document System.
- It is anticipated that the number of bids received per call will stay consistent with ongoing outreach activities in 2013 and going forward.

Service Profile: Accounting Services



What we do

- Provide payment Processing and Financial Reporting & Control services to City Programs, Council and the public in compliance with Generally Accepted Accounting Principles (GAAP), Federal and Provincial Legislation and Council policies.

2014 Recommended Service Levels

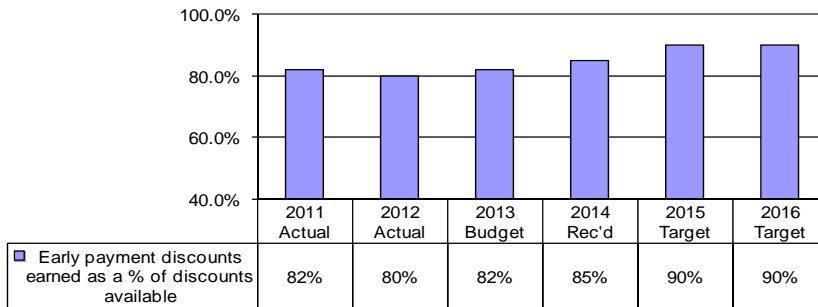
Activity	Type	Status	Service Levels			
			2011	2012	2013	2014 Recommended
Provincial and Federal Reports Submission	OMBI	Approved	Completed by Sept 30			Complete by Sept 30
	Annual Provincial Financial Information Return (FIR)	Approved	Completed by August 31st			Complete by July 31
	Infrastructure Funding Reports	Approved	As required			As required
	Toronto York Spadina Subway Extension	Approved	Perform banking services and reporting throughout the year			Throughout
	Stats Canada	Approved	Semi-annually			Semi-annually
Financial Statement Preparation	Annual Audited Consolidated Financial Statements	Approved	Complete financial statements with draft audit report prior to June 30th			complete by June 10
	Sinking Fund Audited Financial Statements	Approved	Complete financial statements with draft audit report prior to June 30th			complete by June 10
	Trust Fund Audited Financial Statements	Approved	Complete financial statements with draft audit report prior to June 30th			complete by June 10
Management Reporting	Reserves and Reserve Funds Reports	Approved	Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.			Complete concurrent with quarterly budget reports
	Council Remuneration Report	Approved	Complete Council Remuneration Report for submission to EC			Complete by Apr 30
	Consulting Report	Approved	Complete Consulting report for submission to GMC by June 30th			complete by June 30
	Special reports, e.g. Deposits, G20	Approved	Complete special reports as required			
	Development Charges Report	Approved	Complete Development Charges report for submission to BC by August 31			Complete by Aug 31
	Semi-annual Treasurer's report	Approved	Complete semi-annual Treasurer's Report for submission to GMC within 90 days			Complete within 90 days
Financial and System Control	Capital projects review	Approved	Monthly			Monthly
	Capital projects review	Approved	Quarterly			Quarterly
	Operating review	Approved	Monthly			Monthly
	Journal entries	Approved	99% within 2 business days			99% within 2 business days
		Actual	99%	99%	98% (Projected)	
	Policies and procedures request for guidance	Approved	As requested			As requested
	SAP Financial System Security	Approved	As required			As required
	SAP User Administration	Approved	As requested			As requested
	SAP Vendor Master Data maintenance	Approved	As required			As required
	Month end and year end SAP processing	Approved	As scheduled			As scheduled
Ad hoc reporting	Approved	As required			As required	
Advisory role re accounting controls, reporting and oversight	Approved	Provide advice on all material new areas of concern, prior to implementation, and oversight as requested			As requested	
Accounting policy development	Approved	Produce and publish timely, relevant and comprehensive accounting policies on issues, prior to adoption of new standards or practices			As required	

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014 Recommended
		Actual				
Corporate Banking	upload/download of cashed chqs	Approved	Daily			Daily
	confirmation of direct deposits	Approved	Daily			Daily
	Wire / Draft payments	Approved	As required			As required
	eCommerce Processing, POS administration	Approved	Daily			Daily
	Electronic file of chqs	Approved	Daily			Daily
	Exception resolution - Payee Match and others	Approved	Daily			Daily
	Cheque voiding, stale-dating, stop payments & corrections	Approved	Daily			Daily
	RBC Express Administration	Approved	As required			As required
	Bank Reconciliations	Approved	Completed monthly within 30 days			Completed within 30 days
	Inter-bank transfers	Approved	As required			As required
Accounts Receivable Processing	Cheque verification or certification	Approved	Daily			Daily
	Payments processed	Approved	100% within 24 hours			100% within 24 hours
	Collection	Approved	70% within 60 days			70% within 60 days
	Write-offs	Approved	Completed throughout the year, prepare report to GMC for April			Report prepared for April GMC
Accounts Payable Processing	A/P Transactions Processed	Approved	90% of payments made within 60 days			90% of payments made within 60 days
		Actual	89%	90%		
	Discounts desk	Approved	80% of discounts captured			85% of discounts captured
		Actual	81%	80%		
Mailroom / Scanned Images		Approved	Daily			Daily
	Cheques issued	Approved	Cheques printed on a minimum of every Tuesday & Thursday			Twice per week
	Direct deposit payments issued	Approved	Direct Deposits processed a minimum of once per day			Daily
	Interface files processing	Approved	Interface files processed within 1 business day of receipt			Within 1 business day
	Pcard Processing	Approved	Reviewed within 90 days			reviewed within 90 days
Pcard Issuance	Pcard Issuance	Approved	Within 10 days of request of card from NBC			within 10 days
	Pcard Compliance Review Forms	Approved	Reviewed within 90 days			reviewed within 90 days
		Approved	Classes scheduled based on minimum attendance based on business request			as required
SAP Financial Systems Training	Develop course materials & quick reference guides	Approved	Prior to any Legislative changes.			as required
SAP User Support	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested			as requested
	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested			as requested
	SAP System Support - ERP updates tested and applied	Approved	Twice per year, 6 to 8 weeks duration each time			as scheduled
	SAP System Support	Approved	Daily, as requested			daily
	SAP System Support	Approved	Daily, as requested			daily
SAP System Support	SAP System Support	Approved	Daily, as issues arise			daily
	HST Remittance	Approved	File by mid-month, coincident with Payroll			by mid-month
	Non-resident withholding tax remittance	Approved	File by mid-month			by mid-month
	Sales Tax training and updating information on the Accounting Services Website	Approved	As required			as required
	Sales Tax recoveries	Approved	Throughout the year			throughout
	Issuance of donation income tax receipts - City Wide	Approved	Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation			
	Provision of sales tax advice	Approved	As requested or required			
Tax Advisory & Policy	Implication of tax changes	Approved	Implement changes to meet the legislated timelines			

- The 2014 Recommended Service Levels are consistent with the 2013 Approved Service Levels.

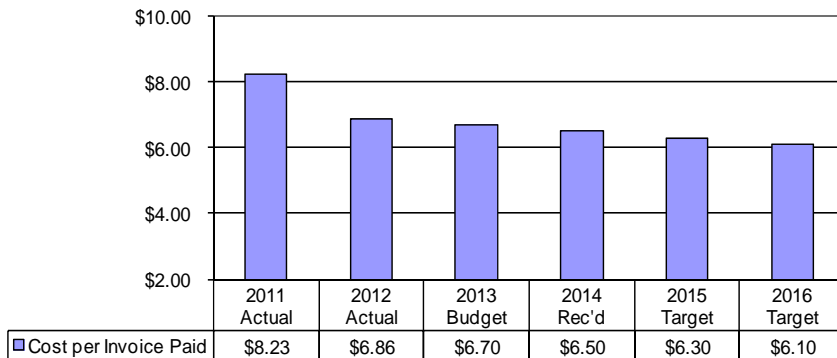
Service Performance Measures

Effectiveness Measures – Early payment discounts earned as a % of discounts available



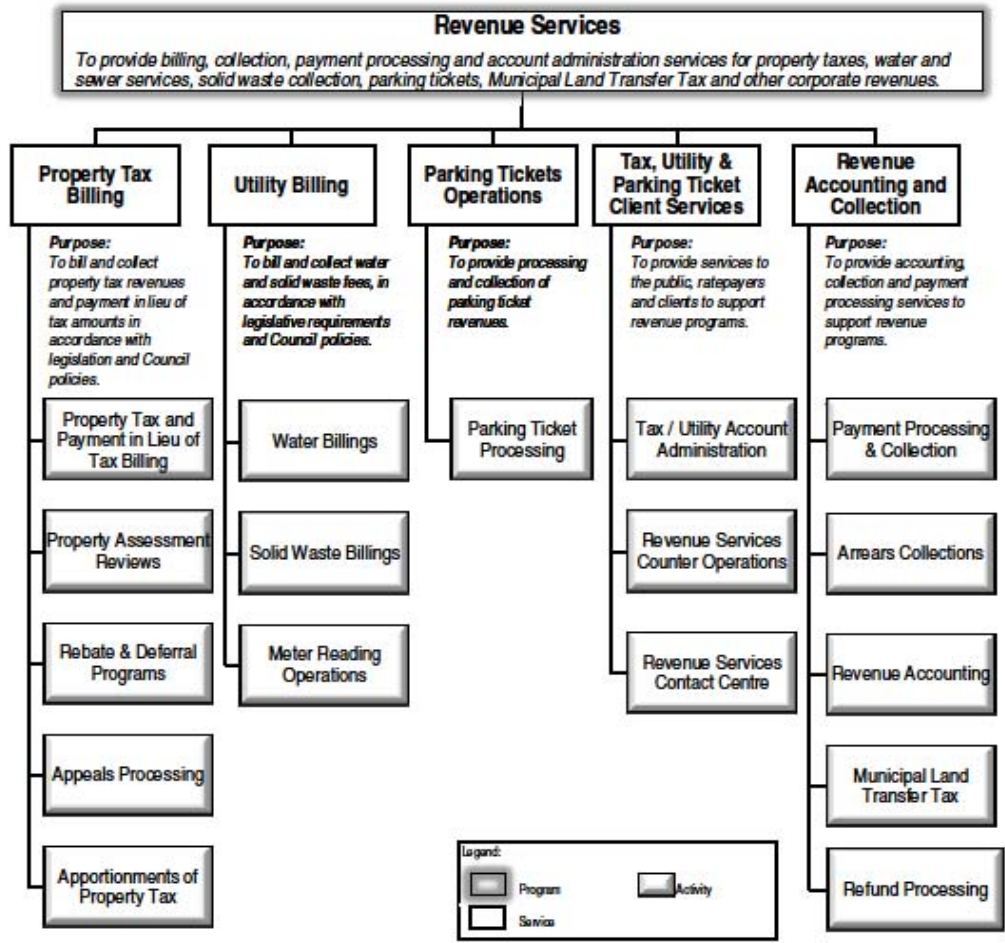
- Earned discounts plateau of 2012 and 2013 while Divisions were focussing on changing their processes.
- Discounts will increase in 2014 and future years as all Divisions are on the 3 Way Match process effective July 1, 2013.

Efficiency Measure – Cost per Invoice Paid (\$) (Net)



- Costs will decrease in future years due to increasing volumes, full rollout of 3 Way Match, and implementation of the Accounts Payable Transformation initiatives, which will provide efficiencies and increased discounts.

Service Profile: Revenue Services



Service Customer

Property Tax Billing	Utility Billing	Parking Tickets	Tax, Utility & Parking Ticket Client Services	Revenue Accounting & Collection
<ul style="list-style-type: none"> Property owners City of Toronto Corporation 	<ul style="list-style-type: none"> Property owners Registered Utility Account holder City of Toronto Corporation 	<ul style="list-style-type: none"> Parking ticket recipient City of Toronto Corporation 	<ul style="list-style-type: none"> Members of the public property tax/utility account holders legal community property owners parking ticket recipients Business Improvement Area members City of Toronto Corporation 	<ul style="list-style-type: none"> Property owners Registered utility account holder Province of Ontario, School Boards City of Toronto Corporation

What we do

- Provide billing, collection, payment processing and account administration services for property taxes, water and sewer services, solid waste collection, parking tickets, Municipal Land Transfer Tax, and other corporate revenues.

2014 Recommended Service Levels

Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
Property Tax and Payment in Lieu of Tax Billing	Property Tax Billing (Interim & Final)	All Property Tax Bills and are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes			All Property Tax Bills and are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
	Supplementary/Omit Tax Billings	All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes			All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
	Payment in Lieu of Taxes	All Payment in Lieu of Taxes are prepared and issued consistent with relevant legislation and by-laws, and within legislated time frames			All Payment in Lieu of Taxes are prepared and issued consistent with relevant legislation and by-laws, and within legislated time frames
	Business Improvement Area (BIA) levies	All BIA levies are prepared and issued prior to final property tax billing, to ensure that tax bills include BIA levy.			All BIA levies are prepared and issued prior to final property tax billing, to ensure that tax bills include BIA levy.
Property Assessment Reviews		On average, 120 properties are appealed per year in accordance with council approved criteria and rules and practice of the Assessment Review Board (ARB), and in accordance with timelines set out by Assessment			On average, 120 properties are appealed per year in accordance with council approved criteria and rules and practice of the Assessment Review Board (ARB), and in accordance with timelines set out by Assessment
Rebate & Deferral Programs	Vacancy Rebates	Vacancy rebates are processed within legislated timeframe.			Vacancy rebates are processed within legislated timeframe.
	Charitable Rebates	Fully completed charity rebate applications processed within 120 days of application deadline date.			Fully completed charity rebate applications processed within 120 days of application deadline date.
	Tax/Water Relief for Low-Income Seniors and Disabled	Fully completed applications processed within 60 days of application deadline date.			Fully completed applications processed within 60 days of application deadline date.
	Veterans Clubhouse, Ethno-cultural, Heritage Rebates	Fully completed applications processed within 60 days of application deadline date.			Fully completed applications processed within 60 days of application deadline date.
	Golf Course deferrals	Golf course deferrals processed within 60 days of receipt of information.			Golf course deferrals processed within 60 days of receipt of information.
Appeals Processing	Assessment Appeals	Residential appeals processed within 30 days following receipt of ARB decision. Non-residential appeals processed within 120 days following receipt of ARB decision.			Residential appeals processed within 30 days following receipt of ARB decision. Non-residential appeals processed within 120 days following receipt of ARB decision.
	Property Tax Appeals	Approximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year			Approximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year
Apportionments of Property Tax		All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes			All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
Water Billings	Flat Rate Accounts	To issue 100% of utility flat rate billings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)			To issue 100% of utility flat rate billings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)
	Metered Accounts	25% of all meter readings for metered accounts are estimated readings.			Not applicable - this function transferred to Toronto Water
	Water Relief Applications	92% of applications processed within first billing cycle			92% of applications processed within first billing cycle
Solid Waste Billings		Mailing of all bills within cycle on schedule			Mailing of all bills within cycle on schedule
Meter Reading Operations	Meter Reading	Read 75% of meters (25% are outcalls ie: no answer at door)			Not applicable - this function transferred to Toronto Water
	Meter investigations	Complete all service orders			Complete all service orders that are in Revenue Services' distribution
Parking Ticket Processing	Parking Ticket	99.5% of parking tickets processed within legislated timeframes			99.5% of parking tickets processed within legislated timeframes
		99.74%	99.85%	99.89%	
	Notice of impending Conviction	99.5% of notices sent within legislated timeframe			99.5% of notices sent within legislated timeframe
	Notice of Fine and Due Date	99.5% of notices sent within legislated timeframe			99.5% of notices sent within legislated timeframe
	Refunds and adjustments	100% of refunds and adjustments processed within 14 days			100% of refunds and adjustments processed within 14 days
	Investigations	Complete all investigations within 15 days			Complete all investigations within 15 days
	Pre-Court Filing	99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence			99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence

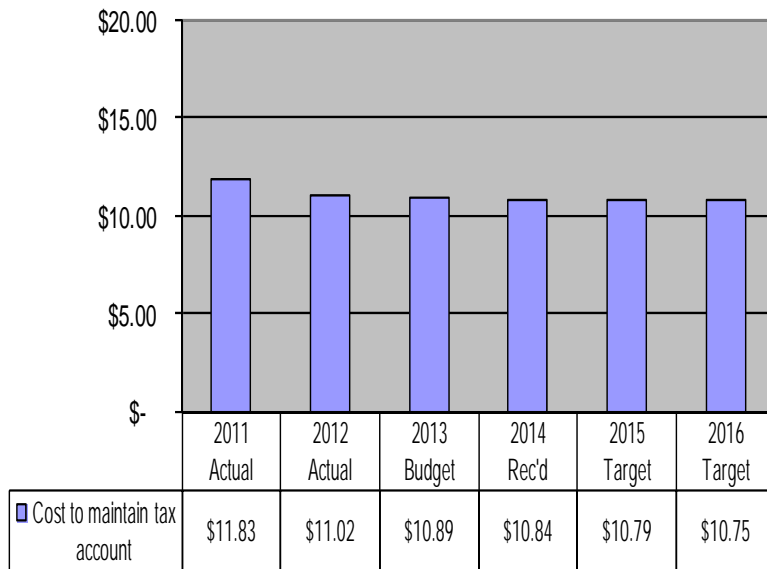
Activity	Type	Service Levels			
		2011	2012	2013	2014 Recommended
Tax / Utility Account Administration	Tax certificate	Service standard is 20 days, providing that all required information is received.			Service standard is 20 days, providing that all required information is received.
	Utility Certificate	Service standard is 20 days, providing that all required information is received.			Service standard is 20 days, providing that all required information is received.
	Ownership Update	Service standard is 20 days, providing that all required documentation is received.			Service standard is 20 days, providing that all required documentation is received.
	Designate/Agent Mailing Request	Service standard is 20 days, providing that all required documentation is received.			Service standard is 20 days, providing that all required documentation is received.
	Pre-authorized Tax Payment	In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at			In order to change financial institution information or cancel participation in the program, customer is
	Pre-authorized Utility Payment	All PUP applications are processed within a 5 day window			All PUP applications are processed within a 5 day window
	Payment Programs- Mortgages Company Mortgage and PILT payment	All mortgage updates are processed within 30 days			All mortgage updates are processed within 30 days
Revenue Services Counter Operations		All customers are served, with 100% completion of customer transactions, with average wait times of less than 10 minutes for tax/utility transactions, and 15 minute wait times for parking ticket transactions.			All customers are served, with 100% completion of customer transactions, with average wait times of less than 10 minutes for tax/utility transactions, and 15
		5.6 minutes	5.6 minutes	7.0 minutes	
Revenue Services Contact Centre	Customer Enquiry - Telephone	It is estimated that 40% of calls are answered with average wait time of 5 minutes;			It is estimated that 40% of calls are answered with average wait time of 5 minutes;
	Customer Enquiry - Correspondence	All letters, faxes and e-mails are prepared and issued consistent with relevant legislation and by-laws.			All letters, faxes and e-mails are prepared and issued consistent with relevant legislation and by-laws.
Payment Processing and Collection		As a minimum 90% of all cheque payments received are processed within 3 days from date payment is received or on the date of the cheque for future dated payments (post dated cheques).			As a minimum 90% of all cheque payments received are processed within 3 days from date payment is received or on the date of the cheque for future dated payments
		93.6%	91.5%	93.8%	
Arrears Collections	Registration - Sale of Land	In excess of 4,000 accounts in arrear are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.			In excess of 7,000 accounts (pre-reg and reg) in arrears are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.
	Bailiff Warrants	5,125 accounts are issued to the bailiffs annually	In excess of 6,000 accounts are issued to the bailiffs annually.		In excess of 6,000 accounts are issued to the bailiffs annually.
	Internal Collections	100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines (723,036 stmts/notices mailed in 2010).	100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines (approximately 780,000 stmts/notices were mailed in 2012).	100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines	100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines
Revenue Accounting	Returned Cheques Processing	In 2010, 95% of Returned Payments received by Revenue Services were processed within 10 business days.	95% of Returned Payments received by Revenue Services were processed within 10 business days.		95% of Returned Payments received by Revenue Services were processed within 10 business days.
	Account Analysis / Reconciliation	In 2010, 95% of the monthly reconciliation and Statements were produced in the following month.	95% of the monthly reconciliation and Statements were produced in the following month.		95% of the monthly reconciliation and Statements were produced in the following month.
Municipal Land Transfer Tax	MLTT Manual Notices of Assessment	100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accord to the legislated requirements			100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accord to the legislated requirements
	Automated MLTT land registration transactions	100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accordance with legislated requirements			100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accordance with legislated requirements
Refund Processing	Refunds due to Over-Payments	To issue credit letters to property owner requesting required information and issue refunds within one year, over 90% of the time. Tax credit balances of \$500 or less without an ownership change are transferred to the next billing.			To issue credit letters to property owner requesting required information and issue refunds within one year, over 90% of the time. Tax credit balances of \$500 or less without an ownership change are transferred to the next billing.
	Refunds due to Appeals and Rebates	Over 90% of all refunds as a result of the processing of assessment appeals and rebate are processed within 120 days.			Over 90% of all refunds as a result of the processing of assessment appeals/MPAC RFRs and rebates are processed within 120 days.

- The 2014 Recommended Service Levels are consistent with the 2013 Approved Service Levels with the exception of:

- Water meter readings for metered accounts, as these meter reading functions have been transferred to Toronto Water in 2013.
- Pre-registration and registration of sale of land (in arrears) increased from 4,000 accounts in 2013 to in excess of 7,000 accounts in arrears in 2014 are included in "Sale of Land by Public Tender" are conducted annually.

Service Performance Measures

Efficiency Measure – Cost to maintain Tax Account (\$)



- Cost to maintain tax account decreased in 2012 due to operational efficiencies (4 FTE's supporting tax account maintenance deleted with no reduction in service levels).
- It is anticipated that the number of tax accounts will grow from 751,000 in 2012 to 786,000 projected in 2013.
- It is anticipated that in 2014-2016 the number of tax accounts added each year will increase by approximately 2.5% per year, and will be serviced and maintained within existing resources as a result of operational efficiencies.
- This will produce a declining cost to maintain a tax account, as the annual percentage increase in the number of tax accounts is slightly greater than the annual percentage increase in costs to service these accounts at current staffing levels.

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		
	\$	\$	\$	\$	\$			\$	%	\$	%	
By Service												
Pension, Payroll & Employee Benefits												
Gross Expenditures	14,721.7	13,711.6	14,441.1	530.0	14,971.1	249.4	1.7%	443.1	3.0%	158.8	1.0%	
Revenue	3,816.3	3,015.3	3,201.6	530.0	3,731.6	(84.7)	(2.2%)					
Net Expenditures	10,905.4	10,696.3	11,239.5	-	11,239.5	334.1	3.1%	443.1	3.9%	158.8	1.4%	
Purchasing & Materials Management												
Gross Expenditures	10,329.1	9,743.9	10,262.4	222.9	10,485.3	156.2	1.5%	388.8	3.7%	95.6	0.9%	
Revenue	3,108.3	2,814.5	3,067.8		3,067.8	(40.5)	(1.3%)					
Net Expenditures	7,220.8	6,929.4	7,194.6	222.9	7,417.5	196.7	2.7%	388.8	5.2%	95.6	1.2%	
Accounting Services												
Gross Expenditures	13,354.0	12,388.0	12,543.7		12,543.7	(810.3)	(6.1%)	461.4	3.7%	77.4	0.6%	
Revenue	3,264.5	2,710.8	2,372.3		2,372.3	(892.2)	(27.3%)	30.0	1.3%	(90.0)	(3.7%)	
Net Expenditures	10,089.5	9,677.2	10,171.4	-	10,171.4	81.9	0.8%	431.4	4.2%	167.4	1.6%	
Revenue Services												
Gross Expenditures	35,355.3	33,489.4	35,332.5	123.0	35,455.5	100.2	0.3%	986.1	2.8%	366.8	1.0%	
Revenue	33,673.3	32,441.2	34,088.5	297.5	34,386.0	712.7	2.1%	14.8	0.0%	-	0.0%	
Net Expenditures	1,682.0	1,048.2	1,244.0	(174.5)	1,069.5	(612.5)	(36.4%)	971.3	90.8%	366.8	18.0%	
Total												
Gross Expenditures	73,760.1	69,332.9	72,579.7	875.9	73,455.6	(304.5)	(0.4%)	2,279.4	3.1%	698.6	0.9%	
Revenue	43,862.4	40,981.8	42,730.2	827.5	43,557.7	(304.7)	(0.7%)	44.8	0.1%	(90.0)	-0.2%	
Total Net Expenditures	29,897.7	28,351.1	29,849.5	48.4	29,897.9	0.2	0.0%	2,234.6	7.5%	788.6	2.5%	

The 2014 Recommended Operating Budget for the Office of the Treasurer of \$73.456 million gross and \$28.898 million net, reflecting 0% increase over the 2013 Approved Operating Budget is comprised of the following services:

- **Pension, Payroll & Employee Benefits** service's 2014 Recommended Operating Budget of \$14.971 million gross reflects a year over year increase of \$0.249 million or 1.7% over the 2013 Approved Budget gross expenditures.
 - Base pressures are mostly attributable to inflationary increases in salaries and benefits (\$0.105 million); inflationary increases for services and rents (\$0.018 million and increase in operating costs resulting from completed capital projects (\$0.120 million).
 - In addition, a net of 2 new temporary capital positions are recommended, including 11 newly assigned to the *Time, Attendance and Scheduling System* capital project for \$0.530 million, a reduction of \$1.191 million and 10 temporary positions for completed capital projects no longer required was offset by an increase of \$1.495 million in capital funding and 19 temporary positions to support the *Cross Application Timesheet* and *Employee Self-Serve* capital projects.

- Future year incremental costs of \$0.443 million in 2015 and \$0.159 million in 2016 are attributable to increases in salaries and benefits.
- **Purchasing & Materials Management** service's 2014 Recommended Operating Budget of \$10.485 million gross reflects a year over year increase of \$0.156 million or 1.5% over the 2013 Approved Budget gross expenditures.
 - Base pressures are mostly attributable to inflationary increases in salaries and benefits (\$0.042 million) and a non-salary reduction (\$0.100 million).
 - The above reductions in salaries and benefits were offset by an increase of \$0.223 million for 3 new permanent positions to provide much needed support for procurement, and improve procurement processes and policies, implement shared services and improve upon consolidation of purchasing.
 - Future year incremental costs of \$0.339 million in 2015 and \$0.095 million in 2016 are attributable to increases in salaries and benefits.
- **Accounting Services'** 2014 Recommended Operating Budget of \$12.543 million gross reflects a year over year decrease of \$0.810 million or 6.1% below the 2013 Approved Budget gross expenditures.
 - Base pressures are mainly attributable to inflationary increases in salaries and benefits (\$0.193 million).
 - The above increases in salaries and benefits are offset by the reduction of 7 temporary staff positions no longer required for capital projects (\$0.977 million).
 - Future year incremental costs of \$0.461 million in 2015 and \$0.077 million in 2016 are attributable to increases in salaries and benefits.
- **Revenue Services'** 2014 Recommended Operating Budget of \$35.456 million gross reflects a year over year increase of \$0.100 million or 0.3% over the 2013 Approved Budget gross expenditures.
 - A new position is recommended for IT support for Parking Ticket / Court Service Systems at a cost of \$0.123 million, fully recovered from Parking Tags Enforcement and Operations' 2014 Budget.
 - Offsetting the new position are decreases in salaries and benefits (\$0.029 million) as a result of an increase in gapping rates.
 - A decrease of \$0.174 million for new user fees.
 - Future year incremental costs of \$0.986 million in 2015 and \$0.367 million in 2016 are attributable to increases in salaries and benefits.

Approval of the 2014 Recommended Budget will result in a net increase of 15 positions to the Program's approved staff complement of 725 to 740 as highlighted in the table below:

2014 Recommended Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
Opening Complement	723.0	740.0	740.0
In-year Adjustments	2.0		
Adjusted Staff Complement	725.0	740.0	740.0
Recommended Change in Staff Complement			
- Temporary Complement - capital project delivery	2.0		
- Operating impacts of completed capital projects	1.0		
- Service Change Adjustments	(2.0)		
- New / Enhanced	14.0		
Total	740.0	740.0	740.0
% Change over prior year	2.1%		

- 19 new temporary capital positions are required to support the *Cross Application and Time Sheet* and the *Employee Self-Serve* capital projects.
- 17 temporary capital positions are no longer required for the *FPARS* capital project.
- 2 vacant Revenue Clerk positions will be deleted and replaced with 1 Revenue Analyst position for a net decrease of 1 position.
- 1 permanent position is required for sustainment of the *FPARS* operation.
- 2 vacant Payroll Benefits Service Representative positions will be deleted and replaced with 1 Supervisor for Benefits and LTD Claims Administration position for a net decrease of 1.
- 11 temporary capital positions will be added to implement the Time, Attendance and Scheduling System capital project.
- 3 new permanent positions for procurement and policy development are recommended for 2014.

**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	\$	\$	\$	%	\$	%	\$	%
Pension, Payroll & Employee Benefits								
Gross Expenditures	14,721.7	14,441.1	(280.6)	(1.9%)	443.1	3.1%	158.8	1.1%
Revenue	3,816.3	3,201.6	(614.7)	(16.1%)				
Net Expenditures	10,905.4	11,239.5	334.1	3.1%	443.1	3.9%	158.8	1.4%
Purchasing & Materials Mangement								
Gross Expenditures	10,329.1	10,262.4	(66.7)	(0.6%)	388.8	3.8%	95.6	0.9%
Revenue	3,108.3	3,067.8	(40.5)	(1.3%)				
Net Expenditures	7,220.8	7,194.6	(26.2)	(0.4%)	388.8	5.4%	95.6	1.3%
Accounting Services								
Gross Expenditures	13,354.0	12,543.7	(810.3)	(6.1%)	461.4	3.7%	77.4	0.6%
Revenue	3,264.5	2,372.3	(892.2)	(27.3%)	30.0	1.3%	(90.0)	(3.7%)
Net Expenditures	10,089.5	10,171.4	81.9	0.8%	431.4	4.2%	167.4	1.6%
Revenue Services								
Gross Expenditures	35,355.3	35,332.5	(22.8)	(0.1%)	986.1	2.8%	366.8	1.0%
Revenue	33,673.3	34,088.5	415.2	1.2%		0.0%		0.0%
Net Expenditures	1,682.0	1,244.0	(438.0)	(26.0%)	986.1	79.3%	366.8	16.4%
Total								
Gross Expenditures	73,760.1	72,579.7	(1,180.4)	(1.6%)	2,279.4	3.1%	698.6	0.9%
Revenue	43,862.4	42,730.2	(1,132.2)	(2.6%)	30.0	0.1%	(90.0)	-0.2%
Net Expenditures	29,897.7	29,849.5	(48.2)	(0.2%)	2,249.4	7.5%	788.6	2.5%
Approved Positions	725.0	726.0	1.0	0.1%				

The 2014 Recommended Base Budget of \$72.580 million gross and \$29.850 million net is \$0.048 million or 0.2% under the 2013 Approved Budget of \$29.898 million net. It provides \$1.486 million in funding for base budget increases which have been offset by \$1.532 million in recommended base budget reductions and service efficiencies.

In addition, new user fees are recommended (see page 27) that will generate increased revenues of \$0.175 million with the addition of 2 new positions with a cost of \$0.223 million. That, if approved, will add \$0.048 million net, to bring the Program's 2014 Recommended Operating Budget to \$29.898 million on target with the 2013 Approved Budget of \$29.898 million net.

Key cost drivers in base budget pressures of \$1.486 million are detailed in the table below:

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

(In \$000s)	2014 Rec'd Base Budget
Gross Expenditure Changes	
Operating Impacts of Capital	
Incremental cost for 1 new position in Pension, Payroll and Employee Benefits for the FPARS project	120.0
Economic Factors	
Non-Labour economic factors	134.9
COLA and Progression Pay	
Labour economic factors including 1.75% COLA union/non-union, progression pay including related fringe benefit adjustments	1,231.4
Total Changes	1,486.3
Total Changes	
Net Expenditures	1,486.3

- In order to offset the above pressures, base expenditure reductions of \$1.532 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.
#	\$	\$	%	\$	#	\$	#	
Base Changes:								
Base Expenditure Changes								
<i>Salary Adjustments</i>	(2.0)	(460.3)	(460.3)	(1.5%)				
Base Expenditure Change	(2.0)	(460.3)	(460.3)	(1.5%)				
Base Revenue Changes								
<i>Inflationary Factor -User Fees</i>			(236.1)	(0.8%)				
<i>Inter-Divisional Recoveries</i>			(236.3)	(0.8%)				
<i>Increase Revenues from Volume Rebate</i>			(45.8)	(0.2%)				
<i>Late Payment Charges</i>			(40.0)	(5.5%)				
<i>Material Handling & Delivery Charges</i>			(35.0)	(0.1%)				
Base Revenue Change			(593.2)	(2.0%)				
Sub-Total	(2.0)	(460.3)	(1,053.5)	(3.5%)				
Service Efficiencies								
<i>Reduce Expenditures in Municipal Land Transfer Tax (MLTT)</i>		(179.3)	(179.3)	(0.6%)				
<i>Increase Gapping Rate</i>		(299.6)	(299.6)	(1.0%)				
Sub-Total		(478.9)	(478.9)	(1.6%)				
Total Changes	(2.0)	(939.2)	(1,532.4)	(5.1%)				

The 2014 recommended service changes consist of base expenditures and revenue changes of \$1.054 million net and service efficiency savings of \$0.479 million net. In total the Program has achieved reductions of \$1.532 million net bringing the 2014 Recommended Base Budget to \$0.048 million or 0.2% under the 2013 Approved Budget of \$29.898 million.

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

Base Expenditure Changes: (Savings of \$0.460 million gross and \$1.054 million net)

Salary Adjustments (\$0.460 million gross, \$0.460 million net)

- Maintain the current gapping rate of 3% with a decrease of \$0.068 million net.
- Year over year salary adjustments will decrease salaries and benefits by \$0.300 million net.
- The deletion of 2 vacant permanent Payroll Benefits Service Representative positions within Pension, Payroll and Employee Benefits and the creation of one Supervisor position to manage the increase case load of active LTD claims and the growing number of benefit and

fraud allegations in the Benefits and LTD Claims administration will result in savings of \$0.043 million net.

- The deletion of 2 vacant Revenue Clerk 3 positions and addition of 1 Revenue Analyst position within the Appeals Unit to address and better manage the ARB hearing processes related to applications under S 323 City of Toronto Act, 2006 will result in savings of \$0.049 million net.

Base Revenue Changes: (Savings of \$0.460 million gross and \$1.054 million net)

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 \$0.236 million.

User fees identified are detailed in Appendix 6.

Increase to Inter-Divisional Recoveries

- An increase in interdivisional recoveries of \$0.236 million from Toronto Water and Solid Waste is recommended to cover increased COLA costs in 2014 to provide the same level of service as in 2013.

Increase Revenues from Volume Rebate

- Updating the budgeted revenue for volume rebates collected in PMMD to better reflect actual experience will increase revenues by \$0.050 million to \$0.125 million in 2014 from \$0.075 million in 2013.

Late payment Charges

- Increasing budgeted revenues for late payment charges applied to accounts receivable debtors to better reflect actual experience over the last 2 years will increase revenues by \$0.040 million.

Material Handling & Delivery Charges

- Establishing a budget for material handling fees charged to agencies and corporations will increase revenues in 2014 by \$0.035 million (these charges have been collected for the past year but no budget was established).

Service Efficiencies: (Savings of \$0.479 million gross and net)

Reduce Expenditures in Municipal Land Transfer Tax (MLTT)

- The Municipal Land Transfer Tax program is now in its sixth year of operation, with the new tax for which the purchaser is responsible applying to sale properties closing on or after February 1, 2008. A "grandfather rule" was also introduced where properties with Purchase & Sale Agreements executed on or before December 31, 2007, are eligible for a full rebate. At the time, the Office of the Treasurer included its operating budget provisions for these rebates. Over time, the number of outstanding transactions that qualify for the rebate is gradually reduced as they are paid out. As a result, Revenue Services has decreased its

operating budget by \$1.1 million in the last 5 years. A review was conducted for the 2014 Recommended Operating Budget and identified further reductions of \$0.179 million in rebates for 2014.

Increase Gapping Rate

- A review of the gapping rate for Accounting Services (2.7%) and Revenues Services (2%) indicated that they are budgeted at a lower rate than the rest of the Program. Aligning these services with the Program's overall gapping rate of 3% resulted in an additional decrease of \$0.300 million.

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							
Additional Support to the Procurement Process	80.0	80.0	1.0	29.9			
IT Support for the Parking Ticket Management System	123.0						
Sub-Total	203.0	80.0	1.0	29.9			
New Service Priorities							
(a) New Services							
Policy Development and Analysts Positions	142.9	142.9	2.0	53.7			
Implementation of TAMS Capital Project	530.0		11.0				
(b) New Fees							
New User Fee to Reprint Tax and Utility Bills		(140.3)		(12.8)			
New User Fee to Redistribute Payments		(14.7)		(2.0)			
New User Fee for Tax Sale Costs		(19.5)					
Sub-Total	672.9	(31.6)	13.0	38.9			
Total	875.9	48.4	14.0	68.8			

In addition to the new recommended priorities and services, \$0.048 million net will be added to Program's 2014 Recommended Base Operating Budget of \$29.850 million net to bring the total 2014 Recommended Operating Budget to \$29.898 million at the 2013 Approved Budget of \$29.898 million net.

Recommended Enhanced Service Priorities*Additional Support to the Procurement Process*

- A Standards and Specification Engineer position is recommended in PMMD effective April 1, 2014, resulting in an increase of \$0.080 million gross and net to reduce delays in procuring goods and services (pertaining to the preparation of specifications) for Client Divisions which impacts their business operations, including legislated services provided to the public.

IT Support for the Parking Ticket Management System

- An additional permanent position is recommended in Information Technology support for the *Parking Ticket Management System* at a cost of \$0.105 million plus \$0.018 million for equipment and software licenses. 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 resulting in a net \$0 impact to the Office of the Treasurer's 2014 Recommended Operating Budget.

New Services*Policy Development and Analysts*

- Recent directions from City Council to implement shared services of the purchasing function across the City and its Agencies and Corporations, and to pilot and develop a Social Procurement Policy that will help leverage limited resources to result in community benefits, as well as the need to ensure Purchasing & Materials Management is

implementing industry best practices, brought about the need for additional resources.

- One new Policy and Issues Management Analyst and one additional Corporate Market Analyst are recommended in PMMD effective April 1, 2014, requiring additional funding of \$0.143 million gross, \$0.143 million net. These resources are required to help build research, policy, and market/data analysis capacity within the Program area in order to appropriately support the corporation while ensuring that the City's purchasing and materials management programs reflect industry best practices and innovative approaches in the purchasing industry.
- PMMD requires a dedicated staff to extract and analyze purchase spend data from the City's Financial Information System (SAP) and other sources to support transition to shared services, further improve upon consolidation of purchasing across City Divisions and Agencies, help identify opportunities for strategic sourcing, and assist in determining whether contracts should be renewed and when it is most beneficial to issue a competitive call.

Implementation of Time, Attendance and Scheduling System (TASS) Capital Project

- Eleven new temporary resources are recommended in 2014 to review processes and address issues pertaining to time, attendance, and scheduling across the organization and develop a solution for automating processes within City Divisions and PPEB, and consolidate existing silo systems. The end result will be more streamlined, automated processes which will alleviate workload at both divisional and PPEB levels.
- The *Time, Attendance and Scheduling System (TASS) Capital Project* when fully implemented will allow the organization to realize quantifiable benefits and enable further expansion of the City's electronic service delivery vision beyond the scope of this project. In 2014, funding for the increase in salaries and benefits of \$0.530 million will be recovered from the Capital Budget for a net \$0 impact.

New Fees

New User Fee to Re-Print Tax and Utility Bills

- Effective February 1, 2014, it is recommended that a new user fee be charged when a tax/utility rate-payer requires a duplicate or re-print of a current or prior Tax and Utility bill. The fee is \$17.00 per duplicate/bill re-print and the number of projected transactions is 10,000 annually, for total anticipated annual revenues of \$0.170 million gross.
 - In 2014, projected revenues annualized for 11 months and \$0.156 million gross will be generated with another \$0.013 million in 2015.
- The practice of charging user fees for these activities is consistent with other municipalities (e.g. the City of Ottawa charges \$33.00, Mississauga charge \$20.00).

New User Fee to Redistribute Payments

- Effective February 1, 2014, it is recommended that a new user fee be charged when a Tax, Utility (Water and Solid Waste), and/or Municipal Land Transfer Tax payment has to be redistributed/transferred from one account to another.
 - These situations usually occur when an individual or entity has moved, or has more than one of the above identified accounts but has not individually set-up or updated the electronic/telephone banking information with their respective financial institution or the City.
 - The fee is \$40 per transaction and the number of projected transactions is estimated at approximately 1,000 annually, for total anticipated annual revenues of \$0.040 million gross, of which tax transactions will generate \$0.016 million annually. In 2014, prorated revenues of \$0.038 million gross will be generated with another \$0.002 million in 2015.
- Other municipalities apply a fee to redistribute payments. The City of Ajax applies fees of \$40.00, Windsor charges \$50.00, Ottawa charges \$33.00 and the Town of Richmond Hill applies fees of \$30.00.

New User Fee for Tax Sale Costs

- Effective February 1, 2014, a new user fee is recommended to be charged when Revenue Services Collection staff conduct a site visit prior to the registration of a Tax Arrears Certificate against the title of a property (in accordance to C. 11 Schedule A S.344 *City of Toronto Act, 2006*) and prior to the official newspaper advertisement of a Sale of Land by Public Tender.
- The purpose of the site visit is to attempt to recover the outstanding taxes/charges, personally informs the property owner of the pending Tax Sale, identify and address any related issues such as garbage debris, unsafe structural concerns, hoarders, and potential fire safety matters (which is conveyed to the applicable City Departments). The fee is \$195.00 per site visit with approximately 100 visits projected annually, generating revenues of \$0.020 million gross in 2014.

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
Known Impacts:										
Progression Pay	303.7		303.7			307.2		307.2		
Step Increases	28.9		28.9			9.2		9.2		
COLA and Fringe Benefits	1,661.0	30.0	1,631.0			192.9	(90.0)	282.9		
Annualization	83.6		83.6							
Revenue		4.6	(4.6)				18.0	(18.0)		
User fees		14.8	(14.8)							
Non-Labour Economic Factor	206.8		206.8			207.4		207.4		
Sub-Total	2,284.0	49.4	2,234.6			716.6	(72.0)	788.6		
Total Incremental Impact	2,284.0	49.4	2,234.6			716.6	(72.0)	788.6		

Note COLA is excluded in 2016

Approval of the 2014 Recommended Base Budget for the Office of the Treasurer will result in a 2015 and 2016 incremental increase of \$2.235 million and \$0.789 million respectively to maintain 2014 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts for 2015

- *Progression pay* increases for non-union staff of \$0.304 million gross and net will be required.
- *Step increases* for unionized staff of \$0.029 million gross and net based on the negotiated settlement will be required in 2015 will be required.
- *Cost of living increases* for unionized staff of \$1.631 million gross and net based on the negotiated settlement.
- *The annualization of Management Reporting Initiative capital projects* in Accounting Services will increase salary and benefit cost by \$0.030 million recovered from capital for a net \$0.0 impact.
- *Annualization* of 3 new positions in 2014 in PMMD will increase salaries and benefits by \$0.084 million.
- *Inter-divisional recoveries* for cost of living increases of \$0.005 million.
- Non-labour corporate inflationary factors will increase costs by \$0.207 million.

Known Impacts for 2016

- *Progression pay* increases for non-union staff of \$0.307 million gross and net has been identified.
- *Step increases* for unionized staff of \$0.009 million gross and net.
- *Benefits* increases for staff of \$0.283 million gross and \$0.283 net.
- *The annualization of Management Reporting Initiative capital projects* in Accounting Services will increase salary and benefit cost by \$0.090 million recovered from capital for a net \$0.0 impact.
- *Inter-divisional recoveries* for cost of living increases of \$0.018 million.
- *Non-labour corporate economic factors* will increase costs by \$0.207 million.

V: ISSUES FOR DISCUSSION

2014 Issues

Service Efficiency Study Implementation – Status Update

2011 Core Service Review and Efficiency Study Implementation Progress – Status Update

On September 26 and 27, 2011, City Council adopted a report that addressed the results of the detailed Core Service review conducted by KPMG. Council approved specific recommendations regarding the Office of the Treasurer and service levels, namely:

- 1) *Continue to pursue outsourcing options for non-OMERS pension plans.*

Status: Report to be provided once Regulations have been established which address the provision of pension plan mergers between single employer pension plans into jointly sponsored pension plans.

- 2) *Consider reducing number of pay runs per month from 22.*

Status: A report prepared for the Service Review Program Steering Committee noted that the pay runs can be reduced from 22 pays per month to 18. Pension, Payroll and Employee Benefits (PPEB) Staff has been successful in reducing the number of pays by 1 to 21 for members who are on a weekly payroll. PPEB will continue to review options to further reduce the number of pay runs to try to achieve the target of 18. The volume and set of rules for the different bargaining groups will determine whether the target is feasible, without additional costs.

- 3) *Consider recovering non-OMERS pension administration costs from pension plans.*

Status: Pending the posting of regulations from the Province to allow the City to assess the feasibility of merging the 5 Pre-OMERS Pension Plans into OMERS.

Once the regulations from the Province are posted, staff will work with OMERS to negotiate a plan asset transfer for each of the 5 Pre-OMERS Pension Plans and will report to Council on the cost/savings for each Plan and make recommendations on whether it is feasible to pursue this course of action.

- 4) *Consider strategic sourcing of payment processing.*

Status: Analysis has identified that out-sourcing Revenue Services' payment processing operations would not result in significant overall cost savings, based on the Division's current cost of operations and staffing levels as compared to the potential costs of having this service provided by an external supplier, and there would be no appreciable benefit or efficiencies gained. Since it is more cost-effective at this time to maintain the current in-house provision of cheque payment processing operations within Revenue Services, this initiative will not be pursued further.

- 5) *Evaluate strategic sourcing of billing with Toronto Hydro.*

Status: Toronto Hydro staff were not prepared to commit to considering a combined utility bill earlier in 2011 given the uncertainty of the potential costs or savings / efficiencies to be

gained. This was due to the fact that Hydro had recently implemented a major redesign of its billing systems and customer service strategies.

Revenue services will re-initiate discussions with Toronto Hydro Staff in 2014 to further develop options and assess the feasibility of pursuing combined bills.

Issues Referred to the 2014 Operating Budget Process

2014 Service Level Review Process

Actions to Reduce Call Abandonment Rate to 20% in 2014

- On September 9, 2013 the Government Management Committee referred the following motion to the budget process:
 "That City Council reduce the target for the call abandonment rate to 20 per cent and direct the Deputy City Manager and Chief financial Officer to include the necessary resources in the 2014 recommended budget.
- The Office of the Treasurer has reviewed the motion (9 (2)) and determined that through a combination of efficiency measures and customer service enhancement strategies already underway within the Division, a call abandonment rate of 20 per cent or less in Revenues Services can be achieved in 2014 without additional funding in the 2014 Recommended Operating Budget. Strategies that will be deployed to meet the target include filling current vacancies and maintaining full staff complements, utilizing other available staff resources during peak call volume periods, improving call centre messaging and telephone self-serve options and implementing enhanced call-handling procedures.

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
Service Level Changes							
<i>Recommended actions to Reduce Call Abandonment Rate to 20% in 2014</i>	nil	nil	nil				
Total							

Appendix 1

2013 Service Performance

2013 Key Accomplishments

In 2013, the Office of the Treasurer achieved the following results:

- ✓ Dedicated Accounting and Payroll teams developed and implemented all system, technical and business process changes to capture the service view.
- ✓ Completed a review and reported to Council on recommended changes to the Management Benefit Plan for non-union staff to provide comprehensive coverage to employees, with an objective of reducing benefit costs to be financially sustainable to the City of Toronto.
- ✓ Successfully implemented compliance to Bill C-13 [CPP contributions on Long Term Disability (LTD) Administrative Services Only (ASO) plans], including Employment Insurance (EI) to ensure employees on LTD contribute towards Canada Pension Plan (CPP)/EI.
- ✓ Rolled out electronic T4 statements through the Employee Self Service Portal to Non-union employees, Elected Officials and Accountability Officers.
- ✓ Participated and reported to Committee and Council on a Social Procurement Framework to guide staff from across Clusters to develop a Social Procurement Policy by 2015 that will utilize procurement as a means to improve supplier diversity and workforce development.
- ✓ Implemented the Posting of Sole Source Contractors which allows the public to view information on approved sole source contracts, such as the name of the contractor, the reason for the sole source and the amount of the sole source contract.
- ✓ Developed and implemented a Construction Contractor Evaluation Tool and related processes, in consultation with various City Divisions to assist Project Managers in applying a common evaluation of the performance of a construction contractor.
- ✓ Participated and reported to Committee and Council on a series of recommended actions to ensure the quality of jobs created through the City's procurement and contracting processes.
- ✓ Consolidated Toronto Water District Operations from six (6) down to three (3) warehouses with a continued effort to reduce this to two (2) by year end.
- ✓ Received the prestigious GFOA Award for Financial Reporting for the sixth year in a row for the City's Annual Financial Report for year ended December 31, 2011. Submitted the Annual Financial Report for the year ended December 31, 2012 to GFOA for the Canadian Award for Financial Reporting Program.
- ✓ Continued implementation of Toronto's Water Meter Program in partnership with Toronto Water, approximately 280,000 automated meters installed, representing 59% of all water accounts.

- ✓ Successfully launched new cashiering software at all eight of Revenue Services' customer service counter locations, with appropriate interfaces with tax, utility and parking ticket and SAP accounting systems.
- ✓ Implemented *E-Post* electronic billings for property tax bills for the 2013 Interim bills mailed in January 2013.
- ✓ Implemented recommendations contained in the November 2012 Ombudsman's report: *An Investigation into the Parking Ticket Dispute System*, including providing expanded information on the City's website concerning parking tickets and the dispute process, expanding categories of tickets that can be disputed by e-mail/on-line submission, and improving the screening process at Revenue Services' parking ticket counters.
- ✓ Launched on-line look-up facility for property tax and utility accounts through *My Toronto* web portal, allowing customers to retrieve basic account balance information and future instalment amounts and due dates.

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	66,885.4	66,747.3	73,759.9	69,332.9	(4,427.0)	(6.0)
Revenues	40,484.6	40,328.7	43,862.2	40,981.8	(2,880.4)	(6.6)
Net Expenditures	26,400.8	26,418.6	29,897.7	28,351.1	(1,546.6)	(5.2)
Approved Positions	687.0	685.0	725.0	692.0	(33.0)	(4.6)

* Based on the 3rd Operating Budget Variance Report

2013 Experience

The Office of the Treasurer's year-end favourable variance is projected to be \$1.547 million or 5.2% below the 2013 Approved Operating Budget of \$29.898 million net.

- The projected favourable variance of \$4.427 million gross includes \$3.7 million in under-spending in salaries and benefits related to delays in filling positions for Utility Billing and MLTT initiatives, capital positions (Employee Self-Serve, eProcurement) and operational positions. Non-salary expenses are projected to be under-spent by \$0.700 million. This is mainly due to reduced operational requirements for the MLTT initiative.
- Revenues are projected to be unfavourable by \$2.880 million, mainly due to under-achieved inter-divisional recoveries for Utility Billing and MLTT initiatives and lower transfers from capital and reserves.

Impact of 2013 Operating Variance on the 2014 Recommended Budget

- At September 30, 2013 there were 68 vacant positions in the Office of the Treasurer, of which 13 are capital funded positions and 55 are operating positions. Although the favourable variance is not expected to carry over to 2014 some position may not be required depending on the progression of the capital projects 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	55,758.1	55,799.6	61,656.0	58,003.9	61,333.8	(322.2)	(0.5%)	63,411.0	63,920.2
Materials and Supplies	1,126.1	1,048.4	1,333.3	1,028.7	1,191.7	(141.6)	(10.6%)	1,191.7	1,191.7
Equipment	34.0	62.5	106.2	78.5	108.5	2.3	2.2%	108.5	108.5
Services & Rents	5,876.4	6,074.8	7,071.9	6,339.0	7,048.8	(23.1)	(0.3%)	7,255.6	7,463.0
Contributions to Capital									
Contributions to Reserve/Res Funds	287.3	288.4	113.6	113.5	109.4	(4.2)	(3.7%)	109.4	109.4
Other Expenditures	1,897.2	1,477.6	1,340.6	1,678.1	1,397.7	57.1	4.3%	1,397.7	1,397.7
Interdivisional Charges	1,906.3	1,996.0	2,138.5	2,091.2	2,265.7	127.2	5.9%	2,265.7	2,265.7
Total Gross Expenditures	66,885.4	66,747.3	73,760.1	69,332.9	73,455.6	(304.5)	(0.4%)	75,739.6	76,456.2
Interdivisional Recoveries	27,391.6	24,875.1	24,370.8	23,015.7	24,821.0	450.2	1.8%	24,825.6	24,843.6
User Fees & Donations	9,276.3	9,601.0	10,549.5	10,576.5	11,006.1	456.6	4.3%	11,020.9	11,020.9
Transfers from Capital Fund	245.0	1,588.4	3,963.2	2,488.9	3,151.4	(811.8)	(20.5%)	3,181.4	3,091.4
Contribution from Reserve Funds	439.1	1,234.9	1,902.6	1,852.9	1,382.2	(520.4)	(27.4%)	1,382.2	1,382.2
Contribution from Reserve									
Sundry Revenues	3,132.6	3,029.3	3,076.3	3,047.8	3,197.0	120.7	3.9%	3,197.0	3,197.0
Required Adjustments									
Total Revenues	40,484.6	40,328.7	43,862.4	40,981.8	43,557.7	(304.7)	(0.7%)	43,607.1	43,535.1
Total Net Expenditures	26,400.8	26,418.6	29,897.7	28,351.1	29,897.9	0.2	0.0%	32,132.5	32,921.1
Approved Positions	687.0	685.0	725.0	692.0	740.0	15.0	2.1%	740.0	740.0

2014 Key Cost Drivers

- Salaries and Benefits is the largest expenditure category and accounts for 83.5% of the Program's gross expenditures, followed by Services & Rents at 9.6%.
- Revenues consist of inter-divisional recoveries from other Programs for salaries and other non-salary expenses which constitute 57% of the total revenues, 25.3% are user fees and the remaining are recoveries from capital projects and reserve funds.

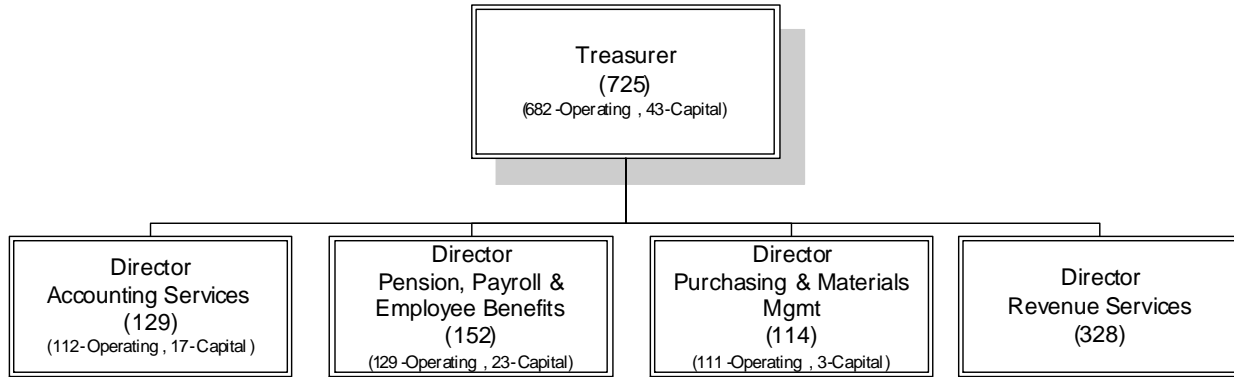
Salaries and Benefits

- Salaries and benefit* costs for 2013, 2014, and 2015 includes provision for labour related inflationary pressures in accordance with approved settlements.
- The 2014 budget for *Salaries and Benefits* is \$61.334 million, reflecting a decrease of \$0.322 million or 0.5% lower compared to the 2013 Approved Operating Budget.
 - The addition of 19 temporary capital positions in the *Cross Application Time Sheet (CATS)* and the *Employee Self-Serve (ESS)* capital projects will increase *Salaries and Benefits* by \$1.495 million;

- An increase of \$0.120 million is recommended for the addition of 1 new position to sustain the FPARS project in Pension, Payroll and Employee Benefits and a total of \$0.940 million for fringe benefit, cost of living, progression pay and step increases for eligible non-union and union positions.
- Offsetting the above increases is a decrease of \$2.968 million due to the deletion of 17 temporary capital positions that are no longer required in the FPARS project.

Appendix 2 - Continued

2014 Organization Chart



2013 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	5.0	80.0	51.0	569.0	705.0
Part-Time				20.0	20.0
Total	5.0	80.0	51.0	589.0	725.0

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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2014 Staff Recommended Base Budget Before Service Change:			73,058.5	42,730.2	30,328.3	726.0	1,945.1	591.7

1348	MLTT Expenditure reduction
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51	1	Description:
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The Municipal Land Transfer Tax program is now in its sixth year of operations, with the new tax for which the purchaser is responsible applying to sale properties closing on or after February 1, 2008. A "grandfather rule" was also introduced where properties with Purchase & Sale Agreements executed on or before December 31, 2007, are eligible for a full rebate. Over time, the number of outstanding transactions that qualify for the rebate is gradually reduced as they are paid out. As a result, Revenue Services has decreased its operating budget by \$1.1 million in the last 5 years. A review was conducted for the 2014 Recommended Operating Budget and identified further reductions of \$0.179 million in rebates for 2014.

Service Level Impact: The Recommended MLTT program expenditure reduction will not impact current service level.

Service: RS-Revenue Accounting & Collection

Total Staff Recommended:	(179.3)	0.0	(179.3)	0.0	0.0	0.0
Staff Recommended Service Changes:	(179.3)	0.0	(179.3)	0.0	0.0	0.0

2166	Increase Gapping Rate Accounting & Revenue Services
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51	1	Description:
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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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Increase gapping rate for Accounting Services and Revenue Services to 3% resulting in additional salary and benefit savings of \$0.300 million.

Service Level Impact:

The recommended efficiency savings will not impact current service level.

Service: ASD-Payment Processing

Total Staff Recommended:	(34.6)	0.0	(34.6)	0.0	0.0	0.0
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Service: RS-Revenue Accounting & Collection

Total Staff Recommended:	(265.0)	0.0	(265.0)	0.0	0.0	0.0
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Staff Recommended Service Changes:	(299.6)	0.0	(299.6)	0.0	0.0	0.0
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Summary:

Staff Recommended Service Changes:	(478.9)	0.0	(478.9)	0.0	0.0	0.0
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Total Staff Recommended Base Budget:	72,579.6	42,730.2	29,849.4	726.0	1,945.1	591.7
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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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

1345 **Add'l support to procurement process for client divisions**

72 | 1 **Description:**

The Specifications program has been backlogged for several years thereby affecting the timely issuance of calls for the procurement of goods and services on behalf of the client divisions. The addition of a Standards and Specifications Engineer is being recommended to address workload demands in the area of preparing specifications that are needed by the client divisions for the timely and efficient issuance of competitive calls.

Service Level Impact:

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 Service: PMM-Purchasing

Total Staff Recommended:	80.0	0.0	80.0	1.0	29.9	0.0
Staff Recommended New/Enhanced Services:	80.0	0.0	80.0	1.0	29.9	0.0

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

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

1346	Positions required for policy development and analysis	
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74	1	Description:
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Recent directions from City Council to implement shared services of the purchasing function across the City and its Agencies and Corporations, and to pilot and develop a Social Procurement Policy that will help leverage limited resources to result in community benefits, as well as the need to ensure PMMD is implementing industry best practices, brought about the need for additional resources. One new Policy and Issues Management Analyst and one additional Corporate Market Analyst are recommended in PMMD, effective April 1, 2014. These resources are required to help build research, policy development, and market/data analysis capacity within the division in order to appropriately support the corporation.

Service Level Impact:

Service level will be improved.

Service: PMM-Purchasing

Total Staff Recommended:	142.9	0.0	142.9	2.0	53.8	0.0
Staff Recommended New/Enhanced Services:	142.9	0.0	142.9	2.0	53.8	0.0

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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

1347	Time, Attendance and Scheduling Solution (TASS capital project)	
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74	1	Description:
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This initiative is required to address the time, attendance and scheduling issues across the organization and provide for an automation of processes within the Divisions and PPEB in addition to the removal of the many existing silo systems. Although not immediately quantifiable, the end result will be more streamlined, automated process which will alleviate workload at both divisional and PPEB levels. The City of Toronto has many complex business rules regarding attendance and scheduling, based on the various collective agreements and business needs of each Division. In order to manage these rules, the City is currently using multiple, non-integrated systems and processes. Many processes, including scheduling and approval of timesheets are manual, duplicative, labour intensive and ineffective. By moving to a standard, automated, integrated time, attendance and scheduling solution, there will be overall efficiencies throughout the organization.

Service Level Impact:

There will be no service level impact.

Service: PPEB-Payroll

Total Staff Recommended:	530.0	530.0	0.0	11.0	0.0	0.0
Staff Recommended New/Enhanced Services:	530.0	530.0	0.0	11.0	0.0	0.0

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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

2359	New User Fees Revenue Services
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75	1	Description:
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Effective January 1, 2014, a new user fee is proposed to be charged when Revenue Services Collection staff conduct a site visit prior to the registration of a Tax Arrears Certificate against the title of a property (in accordance to C. 11 Schedule A S.344 City of Toronto Act, 2006) and prior to the official newspaper advertisement of a Sale of Land by Public Tender. The purpose of the site visit is to attempt to recover the outstanding taxes/charges, personally inform the property owner of the pending Tax Sale, and also identify and address any related issues like garbage debris, unsafe structural concerns, hoarders and potential fire safety matters (which is conveyed to the applicable City Departments). The proposed fee is \$195.00 per site visit and the number of projected visits is estimated at approximately 100 annually, for a total anticipated annual revenues of \$19,500.00. Effective February 1, 2014, a new user fee is proposed to be charged when a tax/utility rate-payer requires a duplicate or re-print of a current or prior Tax and Utility bill. The proposed fee is \$17.00 per duplicate/bill re-print and the number of projected transactions is 10,000 annually, for total anticipated annual revenues of \$170,000. (\$155,833 for 11 months in 2014). Effective February 1, 2014, a new user fee is proposed to be charged when a Tax, Utility (Water and Solid Waste), and/or Municipal Land Transfer Tax payment has to be redistributed/transferred from one account to another if an individual or entity has moved or has more than one of the above identified accounts and the individual/entity has not individually set-up or updated the electronic/telephone banking information with their respective financial institution or the City. The proposed fee is \$40.00 per transaction and the number of projected transactions is estimated at approximately 1,000 annually, for a total anticipated annual revenue of \$40,000. (\$36,667 for 11 months in 2014).

Service Level Impact:

The recommended user fee increase will not impact existing service level.

Service: RS-Property Tax Billing

Total Staff Recommended:	0.0	140.3	(140.3)	0.0	0.0	0.0
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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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Service: RS-Revenue Accounting & Collection								
Total Staff Recommended:			0.0	34.2	(34.2)	0.0	0.0	0.0
Staff Recommended New/Enhanced Services:			0.0	174.4	(174.4)	0.0	0.0	0.0

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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

2963 **Dedicated Parking Tag support**

74 | 1 **Description:**

Funding of \$0.123 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). Historically this support has been provided using Corporate Information and Technology staff resources, but funding for the dedicated support position was eliminated in 2010. This recommended funding restores a dedicated full-time Information and Technology resource. The position will reside within Corporate Information and Technology's complement, with Information and Technology recovering funding for the position through an increase to an existing inter-divisional charge to Revenue Services. In turn, Revenue Services will recover its costs through an Inter-divisional recovery from the Non-Program Parking Tags Enforcement and Operations, for a zero net impact on Revenue Services 2014 operating budget. Total anticipated IDC for 1 FTE = \$123.0, including \$105 (Salary + benefits) + \$18.0 (equipment. software licences, etc.).

Service Level Impact:

There will be no service level impact.

Service: RS-Parking Ticket

Total Staff Recommended:	123.0	123.0	0.0	0.0	0.0	0.0
Staff Recommended New/Enhanced Services:	123.0	123.0	0.0	0.0	0.0	0.0

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: Office of the Treasurer	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Summary:

Staff Recommended New/Enhanced Services:	875.9	827.4	48.5	14.0	83.6	0.0
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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

Program Specific Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			142,102.9	141,047.3	139,991.7
Employee Benefits Reserve Fund	XR1002	142,102.9	(1,055.6)	(1,055.6)	(1,055.6)
Total Reserve / Reserve Fund Draws / Contributions		142,102.9	141,047.3	139,991.7	138,936.1
Other program / Agency Net Withdrawals & Contributions					
Balance at Year-End		142,102.9	141,047.3	139,991.7	138,936.1

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 \$
Projected Beginning Balance			30,854.2	30,637.0	30,419.8
Insurance Reserve Fund	XR1010	18,307.0	57.5	57.5	57.5
Vehicle Reserve -PMMD	XQ1204	221.9	51.9	51.9	51.9
Emergency Reserve Fund	XQ1406	12,325.3	(326.6)	(326.6)	(326.6)
Total Reserve / Reserve Fund Draws / Contributions		30,854.2	30,637.0	30,419.8	30,202.6
Other program / Agency Net Withdrawals & Contributions					
Balance at Year-End		30,854.2	30,637.0	30,419.8	30,202.6

Appendix 6

2014 User Fee Rate Changes

Inflation and Other Adjustment

Rate Description	Service	Fee Category	Fee Basis	2013	2014			Incremental Revenue	2015	2016	
				Approved Rate	Adjusted Rate	Other Adjustment	Budget Rate		Budget Volume	Plan Rate	Plan Rate
Prior year tax receipt	RS-Revenue Services Counter Operations	Full Cost Recovery	Flat rate per year	\$16.00	\$16.35	\$0.00	\$16.35	10,940.00	\$229,800.00	\$16.35	\$16.35
Tax history statement for years 1998 to present	RS-Revenue Services Contact Centre	Full Cost Recovery	Flat rate per tax account/per tax year	\$35.00	\$35.70	\$0.00	\$35.70	420.00		\$35.70	\$35.70
Tax history statement for years prior to 1998	RS-Revenue Services Contact Centre	Full Cost Recovery	Flat rate per tax account/per tax year	\$50.00	\$51.00	\$0.00	\$51.00	20.00		\$51.00	\$51.00
Tax calculation statement	RS-Revenue Services Contact Centre	Full Cost Recovery	Flat rate per tax account/per tax year	\$50.00	\$51.00	\$0.00	\$51.00	500.00		\$51.00	\$51.00
Dishonoured cheque processing	RS-Revenue Accounting	City Policy	Flat rate per cheque	\$35.00	\$35.70	\$0.00	\$35.70	5,322.00		\$35.70	\$35.70
Statement of overdue taxes where tax arrears more than \$100.00 remain on a Tax apportionment application	RS-Arrears Collections	Full Cost Recovery	Per statement	\$16.00	\$16.35	\$0.00	\$16.35	299,579.00		\$16.35	\$16.35
Municipal charges added to the tax roll	RS-Property Tax & Payment in Lieu of Tax Billing	Full Cost Recovery	Per charge	\$50.00	\$51.00	\$0.00	\$51.00			\$0.00	\$0.00
Tax status verification	RS-Tax / Utility Account Administration	Market Based	Per tax account	\$25.00	\$25.50	\$0.00	\$25.50	420.00		\$25.50	\$25.50
Overdue water charges added to the tax roll	RS-Arrears Collections	Full Cost Recovery	Per tax account for each overdue water bill	\$35.00	\$35.70	\$0.00	\$35.70	40,429.00		\$35.70	\$35.70
Final notice for overdue property tax	RS-Arrears Collections	Full Cost	Per notice	\$21.00	\$21.45	\$0.00	\$21.45	19,500.00		\$21.45	\$21.45
Notice of Issuance to Bailiff	RS-Arrears Collections	Full Cost Recovery	Per notice	\$56.00	\$57.15	\$0.00	\$57.15	4,600.00		\$57.15	\$57.15
Processing manual MLTT refund applications on electronically registered	RS-Refund Processing	Full Cost Recovery	Per transaction	\$150.00	\$153.00	\$0.00	\$153.00	300.00		\$153.00	\$153.00
Process a tax refund when an overpayment has remained on the property tax account	RS-Refund Processing	Full Cost Recovery	Per transaction	\$35.00	\$35.70	\$0.00	\$35.70	6,700.00		\$35.70	\$35.70
Ownership updates on property tax accounts	RS-Tax / Utility Account Administration	Full Cost Recovery	Per account/per change	\$35.00	\$35.70	\$0.00	\$35.70	17,275.00		\$35.70	\$35.70
Ownership updates on tax & utility	RS-Tax / Utility Account	Full Cost	Per account/per change	\$50.00	\$51.00	\$0.00	\$51.00	15,413.00		\$51.00	\$51.00
Refund transfer credit balance status request from professional rep. acting on	RS-Refund Processing	Full Cost Recovery	Per request	\$35.00	\$35.70	\$0.00	\$35.70	1,000.00		\$35.70	\$35.70
Registration of Tax Arrears Certificate	RS-Arrears Collections	Full Cost Recovery	Fee + Actual costs (i.e. including title search, registration costs, & disbursements)	\$750.00 + actual cost	\$981.00 + Actual Cost	\$0.00	\$981.00 + Actual Cost			\$981.00	\$981.00
Preparation & Notice of Registration	RS-Arrears Collections	Full Cost Recovery	Per notice + Actual cost (*actual costs refers to actual disbursements)	\$25.00 + actual cost	\$33.00 + Actual Cost	\$0.00	\$33.00 + Actual Cost			\$33.00	\$33.00
Preparation of Statutory Declaration	RS-Arrears Collections	Full Cost Recovery	Per declaration	\$150.00	\$195.00	\$0.00	\$195.00			\$195.00	\$195.00
Preparation and Registration of Tax Arrears Cancellation Certificate	RS-Arrears Collections	Full Cost Recovery	Fee + Actual costs	\$150.00 + actual cost	\$223.00 + Actual Cost	\$0.00	\$223.00 + Actual Cost			\$223.00	\$223.00
Execution of Extension Agreement	RS-Arrears Collections	Full Cost Recovery	Per agreement	\$500.00	\$1,056.00	\$0.00	\$1,056.00			\$1,056.00	\$1,056.00

Recommended New User Fees

Rate Description	Service	Fee Category	Fee Basis	2014			2015	2016
				Budget Rate	Budget Volume	Incremental Revenue	Plan Rate	Plan Rate
New User fee to Reprint Tax and Utility Bills	Revenue Services	Full Cost Recovery	Per request	\$17.00	8250.00	\$140,250.00	\$17.00	\$17.00
New User fee to to Redistribute Payments	Revenue Services	Full Cost Recovery	Per request	\$17.00	870.00	\$14,790.00	\$17.00	\$17.00
New User fee for Tax Sale Costs	Revenue Services	Full Cost Recovery	Per request	\$195.00	100.00	\$19,500.00	\$17.00	\$17.00