



Toronto 2015 BUDGET

OPERATING ANALYST NOTES



Office of the Treasurer

2015 OPERATING BUDGET OVERVIEW

The Treasurer's Office provides a broad range of internal financial and employee services to City Programs, 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.

2015 Budget Highlights

The total cost to deliver this service to Toronto residents in 2015 is \$77.283 million as shown below.

	Approved 2014 Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	74,386.7	77,283.2	2,896.5	3.9%
Gross Revenue	44,013.8	46,909.9	2,896.1	0.1
Net Expenditures	30,372.9	30,373.3	0.4	0.0

For 2015, the Office of the Treasurer identified a net pressure of \$2.091 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 2014 level of service while achieving the 0% budget target.

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Fast Facts

- Captured more than \$1.1 million in discounts offered by City vendors.
- Procure on average \$1.5 billion of goods and services and manage warehouse inventory valued at \$6.6 million annually
- In partnership with Toronto Water, continued conversion of old water meters, with approximately 438,000 automated meters installed as at December 2014, representing 92% of all water accounts
- Provides timely and accurate payroll service to more than 38,000 staff and board and committee members of the City.

Trends

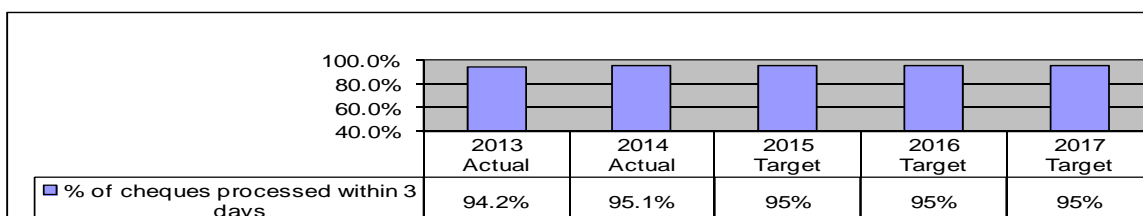
- Investing in technology to improve processing of, and access to, payroll and benefit information.
- Cost to procure goods and services is constant.
- The percentage of discounts captured is increasing.
- Provision of on-line look-up for tax and utility accounts will improve customer service.

Our Service Deliverables for 2015

The Office of the Treasurer provides effective financial and employee services to the City Programs, Agencies, and Corporations with the following deliverables in 2015:

- Implement enhancements to Payroll technology to allow employees to make changes to personal information (address, banking details etc.) online (Employee Self-service) and for Managers to approve payroll transactions (leave requests, new hires etc.) through electronic workflow processes (Manager Self-service).
- Upgrade the City's current SAP payroll system to the current SAP standard/best practices – Cross Application Time Sheet (CATS). To be complete by 2016.
- Acquire and implement a time, attendance and scheduling system (TASS) for the City and its agencies, by 2016. System to be rolled out to Parks, Forestry & Recreation (PFR) and Toronto Paramedics Services. Implementation of this system is contingent on CATS SAP upgrade project.
- Initiate a program review of Purchasing and Materials Management in order to determine the most appropriate and cost effective ways for PMMD to provide their services as part of the multi-year implementation plan for Shared Services of procurement with Agencies.
- Implement on line payments to all of the City's Accounts Receivable customers.
- Administer and process parking ticket revenues, Municipal Land Transfer Tax and other revenues in compliance with legislative requirements and Council policies.
- Improve and enhance customer service delivery in all Revenue Service areas, including call centre and counter operations, and other customer-facing operations to better meet call demand and the development of additional self-serve options via electronic service delivery.

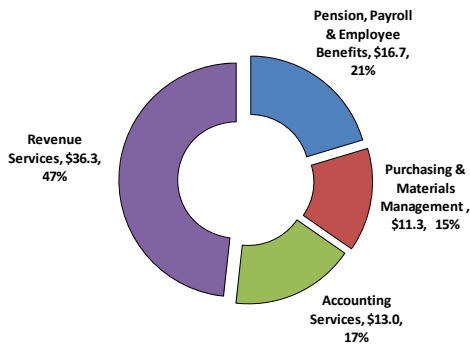
Key Performance Measure-% of cheques (property tax, utility, parking tickets) processed within 3 days



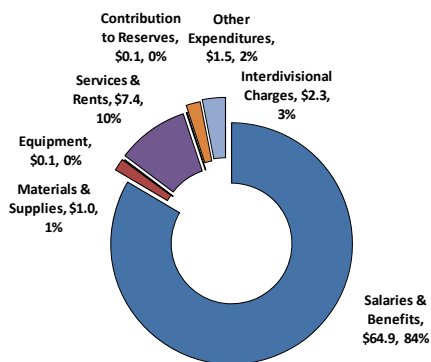
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service
\$77.283 Million

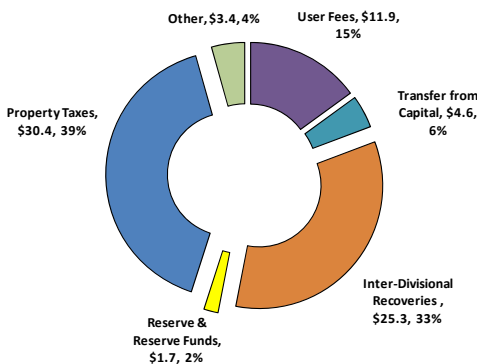


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- Ensure PMMD is providing effective services with proper resources.
 - ✓ The 2015 Recommended Operating Budget includes \$0.300 million to conduct a program review to ensure PMMD is providing effective services with proper resources.
- Continue to Transform Business Processes.
 - ✓ Continue and begin upgrades to Systems & Technology Platforms such as Employee Self Service Portal and Time and Attendance
 - ✓ Implement changes from the PPEB program review
 - ✓ Participate in development of multi-year Shared Service implementation plan for procurement and payroll, continuing working with the Agencies and Corporations in identifying cooperative purchasing opportunities
 - ✓ Modernize and introduce on-line self service options (i.e. Utility Account Look-up within RSD, ESS/MSS within PPEB) and implement customer service enhancement strategies to achieve customer service targets for call centre and public facing interactions including:
 - Early 2015 launch of on-line Utility and Property Tax Account Look-up, and an IVR Self Service system for the Call Centre.
 - Developing a self service on-line Tax & Utility Certificate for lawyers and property owners in 2015.
- Continue with the CRA Compliance Audit for employees who have declared Commuter and Business use for parking in the City owned parking locations.

2015 Operating Budget Highlights

- A new user fee to recover administration costs to administer property tax accounts where financial institutions/mortgage companies make payment on behalf of their client/property owner will generate an additional \$0.550 million for the City.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for the Office of the Treasurer of \$77.283 million gross, \$30.373 million net, for the following services:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Pension, Payroll & Employee Benefits:	16,687.2	11,417.8
Purchasing & Materials Management:	11,330.5	7,483.5
Accounting Services:	13,001.4	10,670.1
Revenue Services:	36,264.1	801.9
Total Program Budget	<u>77,283.2</u>	<u>30,373.3</u>

2. City Council approve the 2015 recommended service levels for the Office of the Treasurer as outlined on pages 18, 23, 28-30 and 34-36 of this report and associated staff complement of 737 positions.
3. City Council approve the 2015 recommended user fee changes above the inflationary adjusted rate for the Office of the Treasurer in Appendix 7a.
4. The recommended new user fee identified in Appendix 7b and recommended user fee rationalization identified in Appendix 7f, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".



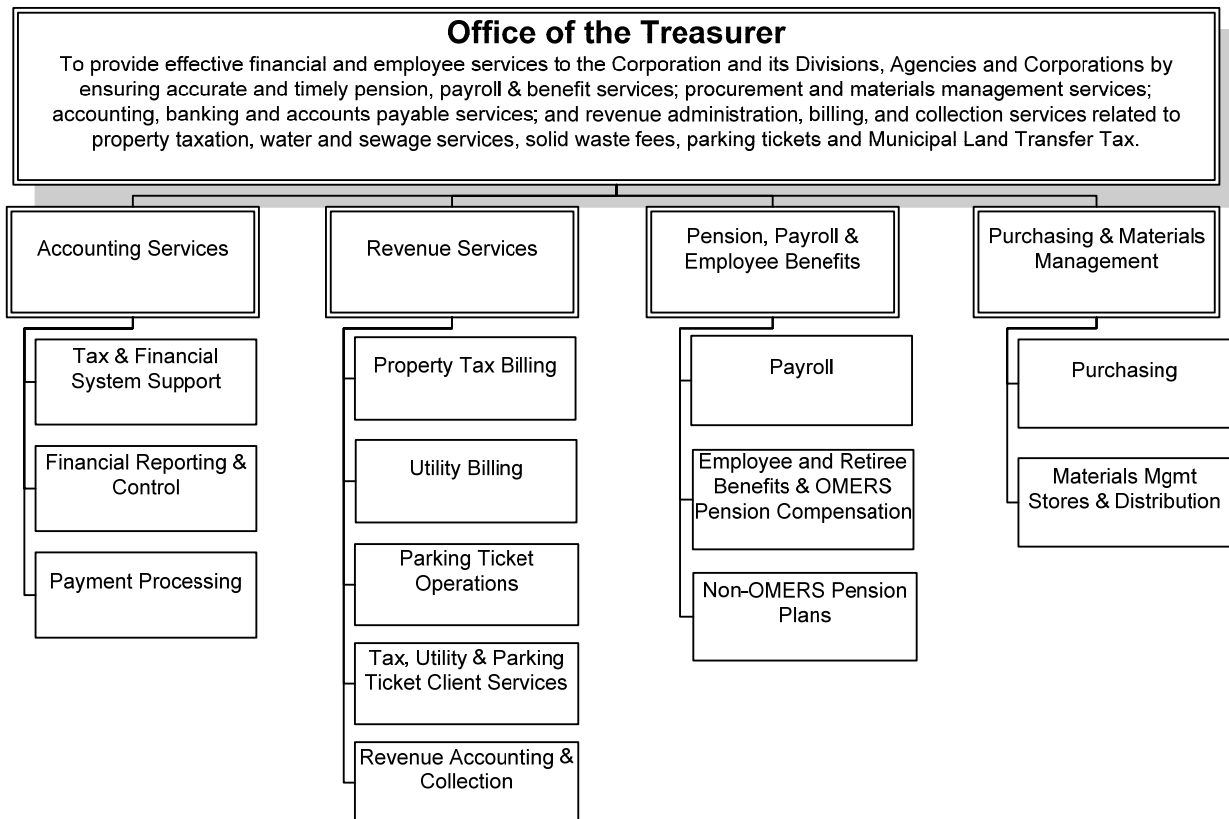
Part I:

2015 – 2017

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:



2015 Service Deliverables

The 2015 Recommended Operating Budget of \$77.283 million gross and \$30.373 million net for the Office of the Treasurer will fund:

- Implementation of employee self-service platform and roll-out to unionized employees, implement Manager Self-Service functionality and automate Employee Self Service life cycle functionality. .
- Participation on the City's bargaining team in negotiations with Toronto Professional Firefighters' Association and the Toronto Police Association. Participate in strategic bargaining discussions and prepare benefit proposals and costing to support the bargaining team.
- Participation on strategic bargaining discussions and prepare proposals and costing for collective bargaining with CUPE Local 79 and TCEU, Local 416.
- Monitoring Employee benefits and trends in order to recommend changes to the plan design to ensure on-going financial sustainability.

- Implementation of a Preferred Provider Network of pharmacists who have agreed to terms and conditions satisfactory to the City, which will assist in reducing the administrative costs associated with dispensing drugs. Further work will be undertaken to consider expanding the Preferred Provider Network to include other services, where applicable.
- Continue to work with the Social Procurement Framework working group to pilot social procurement concepts and provide a final report to Council on a social procurement policy.
- Continue to enhance the City's purchasing process by the continued investigation of e-procurement opportunities and implement recommended solutions resulting from the planning and scoping initiative.
- Continue to work with Divisions on the Significant Inventory Study to ensure proper controls are in place where Divisions maintain an inventory of supplies unique to their operation. Toronto Water, Solid Waste and Long Term Health Care Services are three significant studies underway and should be completed in 2015.
- Building on the City's Construction Contractor Evaluation tool and process, continue to develop contractor evaluation tools for other types of goods and services to help Divisions monitor the performance of contractors.
- Support the sustainment, improvement and protection of the integrity of the City's financial and payroll system (SAP), including testing, training, user support, and system upgrades.
- Support and participate in the development of the reporting and analysis capabilities of the Business Intelligence tools.
- In partnership with Toronto Water, continue the implementation of the City's Water Meter Replacement and Automated Meter Reading Program.
- Continue to undertake analysis of business needs and investigate solutions for replacement or upgrade of existing tax billing and utility billings software, to modernize billing systems and facilitate web-based services and products, either through in-house development or through competitive bid process.

Table 1
2015 Recommended Operating Budget and Plan by Service

(In \$000s)	2014		2015 Recommended Operating Budget				2015 Rec.d vs. 2014		Incremental Change 2016 and 2017 Plan			
	Approved Budget	Projected Actual	2015 Rec'd Base	2015 Rec'd New/Enhanced	2015 Rec'd Budget	Budget Approved Changes		2016	2017	2016	2017	
						\$	%					\$
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%	
Pension, Payroll & Employee Benefits												
Gross Expenditures	15,280.5	12,915.1	16,687.2		16,687.2	1,406.7	9.2%	837.2	5.0%	(12.4)	(0.1%)	
Revenue	4,041.0	2,758.4	5,269.4		5,269.4	1,228.4	30.4%					
Net Expenditures	11,239.5	10,156.7	11,417.8		11,417.8	178.3	1.6%	837.2	7.3%	(12.4)	(0.1%)	
Purchasing & Materials Management												
Gross Expenditures	10,485.3	9,782.8	10,713.5	617.0	11,330.5	845.2	8.1%	(14.6)	(0.1%)			
Revenue	3,067.9	2,558.5	3,230.0	617.0	3,847.0	779.1	25.4%	(94.0)	(2.4%)			
Net Expenditures	7,417.4	7,224.3	7,483.5		7,483.5	66.1	0.9%	79.4	1.1%			
Accounting Services												
Gross Expenditures	13,165.4	12,345.6	13,001.4		13,001.4	(164.0)	(1.2%)	152.8	1.2%			
Revenue	2,698.3	2,670.5	2,331.3		2,331.3	(367.0)	(13.6%)			0.1		
Net Expenditures	10,467.1	9,675.1	10,670.1		10,670.1	203.0	1.9%	152.8	1.4%	(0.1)	0.0%	
Revenue Services												
Gross Expenditures	35,455.5	33,540.3	36,264.1		36,264.1	808.6	2.3%	233.9	0.6%	18.5	0.1%	
Revenue	34,206.6	32,580.6	34,912.2	550.0	35,462.2	1,255.6	3.7%	627.0	1.8%	(0.1)		
Net Expenditures	1,248.9	959.7	1,351.9	(550.0)	801.9	(447.0)	(35.8%)	(393.1)	(49.0%)	18.6	2.3%	
Total												
Gross Expenditures	74,386.7	68,583.8	76,666.2	617.0	77,283.2	2,896.5	3.9%	1,209.3	1.6%	6.1		
Revenue	44,013.8	40,568.0	45,742.9	1,167.0	46,909.9	2,896.1	6.6%	533.0	1.1%			
Total Net Expenditures	30,372.9	28,015.8	30,923.3	(550.0)	30,373.3	0.4	0.0%	676.3	2.2%	6.1		

The Office of the Treasurer's 2015 Recommended Operating Budget is \$77.283 million gross and \$30.373 million net, reflecting 0% increase over the 2014 Approved Operating Budget. The 2015 Recommended Base Budget increased by \$0.550 million or 1.8% over the 2014 Approved Budget due to the following.

- Base pressures of \$0.853 million net were offset by base expenditures savings of \$0.071 million net and base revenue adjustments of \$0.230 million bringing the 2015 Recommended Base budget to \$30.923 million net or 1.8% over the 2014 Approved Budget of \$30.373 million net.
- All four services in the Office of the Treasurer are experiencing inflationary cost increases in salary and benefits arising from the negotiated collective agreement totaling \$1.207 million net.
- General inflationary increases account for \$0.120 million net in other non-salary accounts based on corporate economic rates as well as \$0.066 million net in the annualized impact of new and enhanced service priorities approved in the prior year.
- In addition, a net of 2 new permanent positions are recommended assigned to the sustainment of the Enterprise Self Serve Portal (ESS/MSS) capital project for \$0.200 million, offset by a reduction of \$2.483 million gross, \$0 million net and 17 temporary positions no longer required for completed FPARS capital projects.
- The above increases were reduced by user fees inflationary rate changes of \$0.240 million, increased budgeted revenues of \$0.096 million and recovery of dedicated salary cost from other City Programs of \$0.517 million.

- To help mitigate these base pressures, the program was able to achieve efficiencies in Accounting Services of \$0.071 million net with the reduction of 1 vacant position. Other savings include user fee rate change revenues of \$0.230 million.
- New and Enhanced Services in the 2015 Recommended Operating Budget include a new user fee to recover costs to administer property tax accounts where financial institutions / mortgage companies make payments on behalf of their clients/property owners generating an additional \$0.550 million net, and funding for 5 new temporary positions for procurement support of capital project delivery by Purchasing and Materials Management (PMMD), funded by Toronto Water and Transportation Services for a net \$0 cost to the Program. Enhanced funding of \$0.300 million gross for PMMD to undertake a program review funded from reserve for \$0 million net.
- The 2016 and 2017 plans reflect the inflationary cost increases for progression pay, step and operating impact of capital, as well as annualized user fees. No cost of living allowance is included in 2016 due to 2016 being the year in which the next cycle of collective bargaining begins.

Approval of the 2015 Recommended Operating Budget will result in the Office of the Treasurer reducing its total staff complement by 6 positions from 743 to 737 as highlighted in the table below:

Table 2
2015 Recommended Total Staff Complement

Changes	2015 Budget				Plan		
	Pension, Payroll & Employee Benefits	Purchasing & Materials Management	Accounting Services	Revenue Services	Total	2016	2017
2014 Approved Opening Complement	172.0	117.0	125.0	326.0	740.0		
In-year Adjustments			3.0		3.0		
Adjusted 2014 Staff Complement	172.0	117.0	128.0	326.0	743.0		
Recommended Change in Staff Complement							
Prior Year Impact	(11.00)		(5.00)		(16.00)		
Operating impacts of completed capital projects	2.0				2.0	5.0	
Capital Project Delivery	4.0				4.0		
Service Changes			(1.0)		(1.0)		
New / Enhanced Service Requests		5.0			5.0		
Total	167.0	122.0	122.0	326.0	737.0	5.0	5.0
Pos Change over prior year	(5.0)	5.0	(6.0)		(6.0)	5.0	5.0
% Change over prior year	(2.9%)	4.3%	(4.7%)	0.0%	(0.8%)	0.7%	

The Program’s total staff complement will decrease by 0.8% or 6 positions primarily as a result of the following changes:

- In-year adjustments reflect the transfer in of 3 positions for the new SAP Solution Delivery Unit.
- Reduction of 17 temporary capital positions no longer required for the FPARS capital project. (11 positions in Pension, Payroll & Employee Benefits (PPEB) and 6 in Accounting Services).
- 1 new temporary capital position required to support Facilities Management Reporting Initiative.
- 4 new temporary capital positions required in the PPEB Payroll Timesheets (CATS) capital project.
- Addition of 2 permanent operating positions to sustain completed PPEB ESS/MSS capital projects.

- Deletion of 1 vacant permanent operating position in Accounting Services.
- The recommended enhanced service priority for PMMD will require 5 new temporary positions required to support client funded capital projects.

The 2015 Recommended Operating Budget includes base expenditure pressures of \$1.705 million net, primarily attributable to salary and non-salary inflationary increases which have been partially offset by \$0.854 net in recommended base revenue adjustments as detailed below:

**Table 3
Key Cost Drivers**

(In \$000s)	2015 Recommended Operating Budget					Total Rec'd 2015 Base Budget
	Pension, Payroll & Employee Benefits	Purchasing & Materials Management	Accounting Services	Revenue Services		
Gross Expenditure Changes						
Prior Year Impacts						
Annualizations		83.6		(17.50)		66.10
Operating Impacts of Capital						
ESS/MSS Sustainment Requirements	200.0					200.00
Economic Factors						
Increase in Postage				120.30		120.30
COLA and Progression Pay						
Starting Salary Adjustments	(423.6)	(220.3)	(27.5)	(39.80)		(711.2)
COLA	262.0	217.5	251.2	596.60		1,327.3
Progression Pay	88.2	50.2	118.7	104.60		361.7
Step Increase	38.1	71.7	24.6	113.10		247.5
Gapping	13.6	(7.7)	(6.2)	(18.60)		(18.9)
Other Base Changes						
Increase in Inter-Divisional Charges		3.6	10.3	98.10		112.00
Total NET Gross Expenditure Changes	178.3	198.6	371.1	956.80		1704.80
Revenue Changes						
User Fees Inflationary Increase			1.0	239.40		240.40
Increase to Budgeted Revenues			96.0			96.00
Adjustments to IDR		10.7		506.40		517.10
Total NET Revenue Changes		10.7	97.0	745.80		853.50
Net Expenditure Changes	178.3	187.9	274.1	211.00		851.30

Key cost drivers for the Office of the Treasurer are discussed below:

- Prior Year Impacts create a \$0.066 million net pressure on the budget based on the following:
 - The annualized impact of \$0.084 million for 3 new positions approved in the prior year for PMMD.
 - Annualization of revenue for the 2014 Council approved user fees in Revenue Services resulted in revenues of \$0.018 million.
- 2 positions at a cost of \$0.200 million for the sustainment of the Employee Self Serve (ESS) and Management Self Serve (MSS) capital projects.
- Non-labour inflationary costs applied to postage expenses add a pressure of \$0.120 million net in Revenue Services.

- Adjustments to salaries and benefits adjusted for the full year, but recoveries budgeted on a staggered basis resulted in reductions of \$0.711 million.
- Cost of living adjustments of 2.25% applied to all staff, progression pay, step increases and associated fringe benefit adjustments, common amongst all services, result in an increase of \$1.918 million.
- Increase in the interdivisional mainly for communications support and internal audit support result in an increase of \$0.112 million net across all services.
- An increase in interdivisional recoveries of \$0.517 million is recommended to recover increased COLA costs in 2015 to provide the same level of service as in 2014.
- 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 2015 Operating Budget includes additional revenues in Revenue and Accounting Services of \$0.240 million.
- Increasing budgeted revenues for late payment charges (\$0.050 million) applied to accounts receivable debtors and HST recovery (\$0.046 million) to align to actual experience.

In order to offset the above pressures, the 2015 recommended service changes for the Office of the Treasurer consists of service efficiency savings of \$0.071 million and revenue adjustments of \$0.230 million as detailed below:

Table 4
2015 Total Recommended Service Change Summary

Description (\$000s)	2015 Recommended Service Changes						Total Rec'd Service Changes			Incremental Change					
	Pension, Payroll and Employee Benefits		Purchasing & Materials Management		Accounting Services		Revenue Services		\$	\$	#	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Service Efficiencies															
<i>Efficiencies in Accounts Payable</i>					(71.1)	(71.1)			(71.1)	(71.1)	(1.0)				
Sub-Total					(71.1)	(71.1)			(71.1)	(71.1)	(1.0)				
Revenue Adjustments															
<i>User Fees Rate Change</i>				(122.0)				(108.0)		(230.0)		(77.0)		(77.0)	
Sub-Total				(122.0)				(108.0)		(230.0)		(77.0)		(77.0)	
Total Changes				(122.0)	(71.1)	(71.1)		(108.0)	(71.1)	(301.1)	(1.0)	(77.0)		(77.0)	

Service Efficiencies Changes (Savings of \$0.071 million gross & net)

Efficiencies in Accounts Payable

- Accounts Payable encourages the increased use of electronic invoices, leading to anticipated reductions in hard copy invoices and reduced work load in the mail and scanning room. As a result, a vacant permanent position will be deleted reducing salaries and benefits.

Revenue Adjustments (Savings of \$0.230 million net)

- User fee rate change in 2015 will increase revenues by \$0.230 million gross and an incremental \$0.077 million in 2016.

- The Rationalization of Purchasing Services user fee structure for all call documents resulted in additional user fee revenues of \$0.122 million. PMMD conducted a survey in May 2014 with 10 major municipalities within Ontario, to obtain information about their fee structures for call documents for comparison purposes. Based on the findings of the survey, a 3 tier fee structure applicable to call documents is commonly used and is being recommended for 2015. The change in fees structure while maintaining the \$25 fee for drawing and plans, will be based on a revised schedule of pages.
- Revenue Services will increase its user fee to recover the costs for the administration and preparation of Utility Certificates. Effective June 1, 2015, the fee will be increased from \$25 to \$50 increasing revenues by \$0.108 million in 2015 and in 2016 by an incremental \$0.077 million.
 - The fee will be charged to the real estate lawyer(s) acting on behalf of the purchaser of the property, or a mortgage holder for refinancing matters.
 - Consistent with other municipalities in Ontario, the fee increase will recover the additional costs for the administration and preparation of the Utility Certificate, incorporating Water and Sewer charges and Solid Waste fees.

Table 5

2015 Total Recommended New & Enhanced Service Priorities Summary

Description (\$000s)	New and Enhanced				Total Rec'd Service Changes			Incremental Change				
	Purchasing & Materials Management		Revenue Services		\$	\$	#	2016 Plan		2017 Plan		
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.	
Enhanced Services Priorities												
2015 Program Review	300.0				300.0							
Sustainment Resources to Support Capital Delivery Programs	317.0				317.0		5.0					
Mortgage Lender Fee				(550.0)		(550.0)		(550.0)				
Sub-Total	617.0			(550.0)	617.0	(550.0)	5.0	(550.0)				
Total	617.0			(550.0)	617.0	(550.0)	5.0	(550.0)				

The new recommended priorities and services, \$0.550 million net will reduce the Program's 2015 Recommended Base Operating Budget of \$30.923 million net to bring the total 2015 Recommended Operating Budget to \$30.373 million net, representing no increase from the 2014 Approved Budget.

Recommended Enhanced Service Priorities (\$0.617 million gross & \$0.550 million net savings)

2015 Program for PMMD Review (\$0.300 million gross and \$0 million net)

- Purchasing & Materials Management (PMMD) plans to undertake a program review at a cost of \$0.300 million that will be funded from the Innovation Reserve Fund resulting in a \$0 net impact.
- In order to implement Shared Services and for PMMD to elevate delivery of purchasing services and achieve organizational excellence, an extensive program review is required. The review by an external consultant which will provide an evaluation of PMMD's organizational structure and the

end-to-end procurement process to determine the most appropriate and cost-effective ways to provide their services.

Procurement Resources to Support Capital Delivery Programs (\$0.317 million gross and \$ 0 million net)

- PMMD requires 5 new positions to meet the demand for procurement support for capital projects. Transportation Services and Toronto Water will provide funding for the dedicated staff resources at a cost of \$0.317 million in 2015 for a \$0 net to PMMD, effective April 1, 2015.
- With the capital delivery program projected to double from its current value over the next 10 years, additional resources are required. Toronto Water and Transportation Services require additional support from Purchasing and Materials Management Division to deliver their capital programs effectively.

Mortgage Lender Fee (\$0.550 million gross and net)

- For the Final Property Tax Billing in May 2015, a new user fee is recommended to be charged when a property tax bill is issued to a mortgage company for payment on behalf of a property owner. The fee is levied directly to the mortgage company/financial institution and a separate fee will apply for each of the interim and final property tax billings (e.g. twice per year).
- The fee will recover costs for the administration of the issuance of client notification lists to the mortgage company (identifying principal and any outstanding tax or amounts transferred to tax). This service is currently performed at no charge. Costs of providing this service are currently absorbed within existing divisional overhead costs.
- The recommended fee is \$5.50 per property tax account for each interim and final property tax bill issued, and is anticipated to generate revenues of \$0.550 million in 2015 and an incremental increase of \$0.550 million in 2016. Fee rate is comparable with other municipalities.

Table 6
2016 and 2017 Plan by Program

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Progression Pay	560.9	106.0	454.9	1.5%						
Step Increases	253.7		253.7	0.8%						
Economic Factors						0.8		0.8		
Annualized User Fees		627.0	(627.0)	(2.1%)						
Operating Impact of Capital	377.5	(200.0)	577.5	1.9%	5.0	(12.4)		(12.4)		(5.0)
IDC	17.2		17.2	0.1%		17.7		17.7	0.1%	
Sub-Total	1,209.3	533.0	676.3	2.2%	5.0	6.1		6.1		(5.0)
Total Incremental Impact	1,209.3	533.0	676.3	2.2%	5.0	6.1		6.1		(5.0)

Approval of the 2015 Recommended Budget for the Office of the Treasurer will result in a 2016 and 2017 net incremental increase of \$0.676 million and \$0.006 million respectively to maintain 2015 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

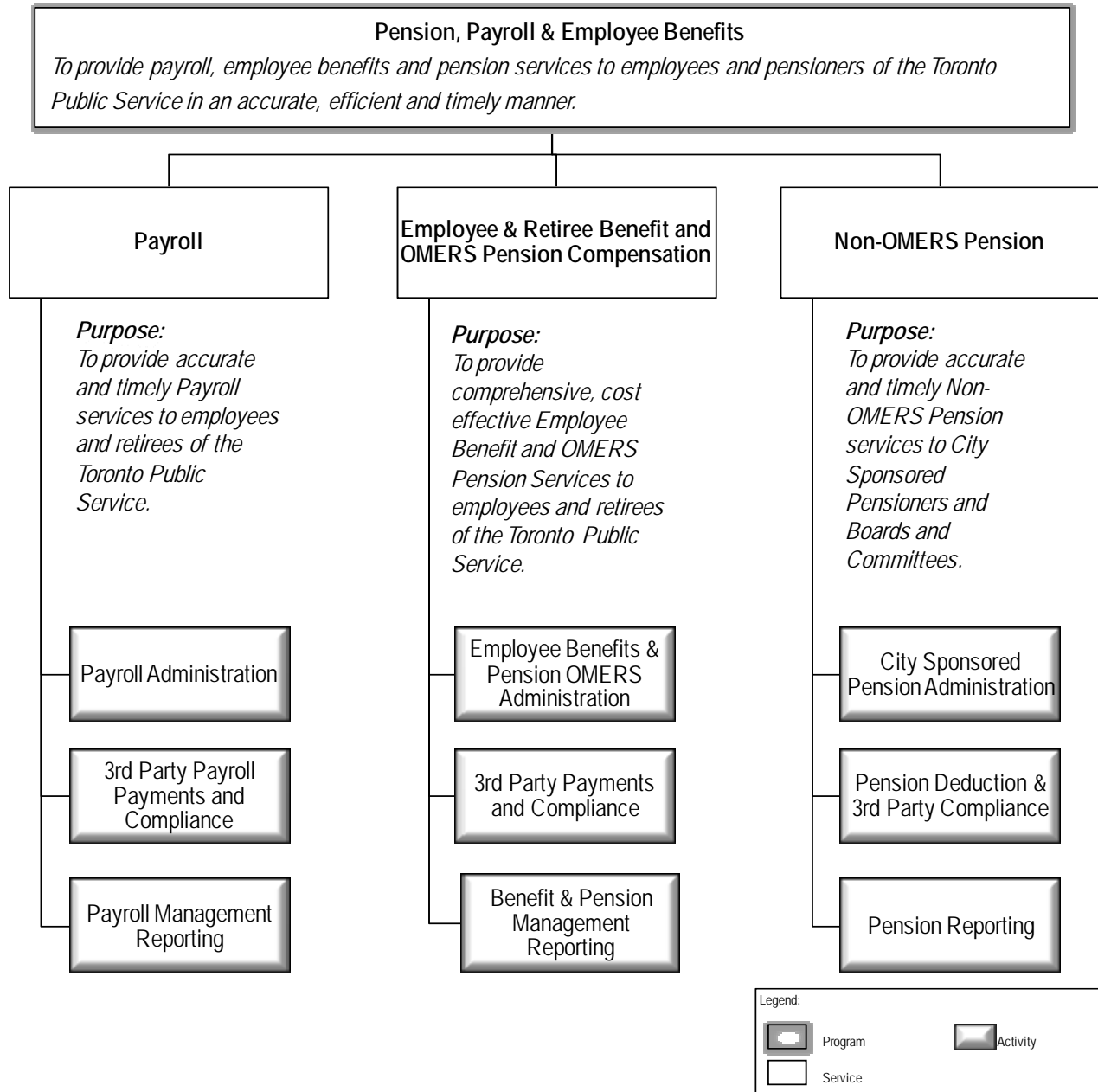
- Progression pay, step and benefits increases in 2016 of \$0.709 million is anticipated.
- Annualization of user fees will increase revenues by \$0.627 million (\$0.077 million for Rate changes and \$0.550 million for mortgage lender fee in Revenue Services).
- Operating impact of capital will increase costs by \$0.578 million for 5 positions for PPEB Time, Attendance and Scheduling System (TASS) in 2016 and reduced in 2017 by \$0.012 million.
- Inter-divisional charges will increase by \$0.017 million in 2016 and 2017 respectively.
- Non-labour corporate inflationary factors will increase costs by \$0.008 million in 2017.



Part II:

2015 Recommended
Budget by Service

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

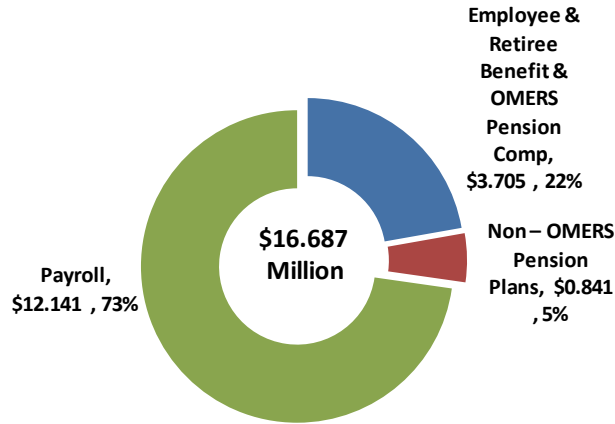
Non – OMERS Pension

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

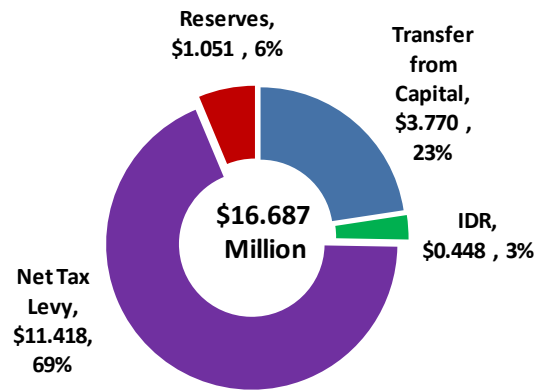
What we do

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

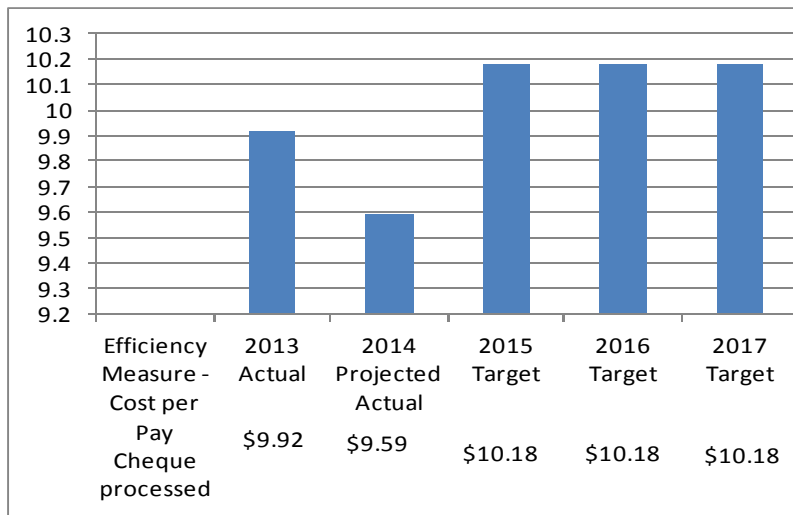
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Cost per Pay Cheque Processed



- Cost decreased in 2014 by having 27 pay periods.
- Costs are projected to increase slightly during 2015-2017 as a result of returning to a 26 pay period cycle and mandated salary increases.

2015 Service Levels

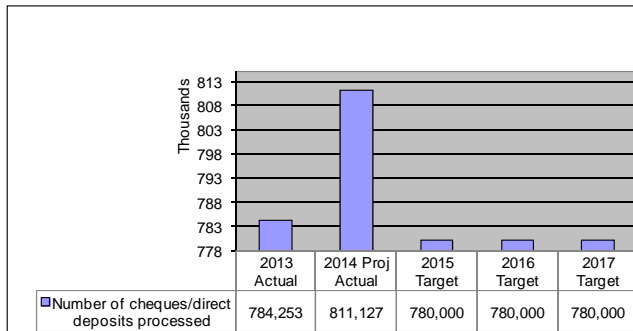
Pension, Payroll & Employee Benefits

Activity	Type	Status	Service Levels			
			2011	2012	2013	2014
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 year			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 24,900 employees biweekly, ie 26 pays per year
	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 year			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 3600 employees biweekly, ie 26 pays per year
	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 year			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 8900 employees biweekly, ie 26 pays per year
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		Provide accurate benefit plans to 37,185 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		Provide accurate benefit plans to 2,043 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		Provide accurate benefit plans to 53 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 2015 Recommended Service Levels are consistent with the approved 2014 Service Levels with the exception for changes in the number of employees.

Service Performance

Effectiveness Measure -Number of Cheques/Direct Deposits Processed



- The level of cheques issued is expected to stabilize from 2015 as divisions meet budget requirements.
- The increase in 2014 is due to 27 pay periods.

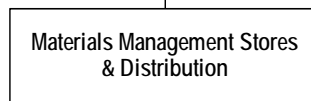
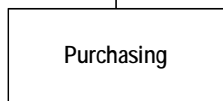
Table 7
2015 Recommended Service Budget by Activity

(in \$000s)	2014	2015 Recommended Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
PPEB-Employee & Retiree Benefit & OMERS Pension Compensation	3,671.2	3,704.4		3,704.4	33.2	0.9%		3,704.4	33.2	0.9%					
PPEB-Non-OMERS Pension Plans	888.4	841.5		841.5	(46.9)	(5.3%)		841.5	(46.9)	(5.3%)					
PPEB-Payroll	10,720.9	12,141.3		12,141.3	1,420.4	13.2%		12,141.3	1,420.4	13.2%	837.2	6.9%	(12.4)	(0.1%)	
Total Gross Exp.	15,280.5	16,687.2		16,687.2	1,406.7	9.2%		16,687.2	1,406.7	9.2%	837.2	5.0%	(12.4)	(0.1%)	
REVENUE															
PPEB-Employee & Retiree Benefit & OMERS Pension Compensation	160.4	110.8		110.8	(49.6)	(30.9%)		110.8	(49.6)	(30.9%)					
PPEB-Non-OMERS Pension Plans	102.2				(102.2)	(100.0%)			(102.2)	(100.0%)					
PPEB-Payroll	3,778.4	5,158.6		5,158.6	1,380.2	36.5%		5,158.6	1,380.2	36.5%					
Total Revenues	4,041.0	5,269.4		5,269.4	1,228.4	30.4%		5,269.4	1,228.4	30.4%					
NET EXP.															
PPEB-Employee & Retiree Benefit & OMERS Pension Compensation	3,510.8	3,593.6		3,593.6	82.8	2.4%		3,593.6	82.8	2.4%					
PPEB-Non-OMERS Pension Plans	786.2	841.5		841.5	55.3	7.0%		841.5	55.3	7.0%					
PPEB-Payroll	6,942.5	6,982.7		6,982.7	40.2	0.6%		6,982.7	40.2	0.6%	837.2	12.0%	(12.4)	(0.2%)	
Total Net Exp.	11,239.5	11,417.8		11,417.8	178.3	1.6%		11,417.8	178.3	1.6%	837.2	7.3%	(12.4)	(0.1%)	
Approved Positions	172.0	167.0		167.0	(5.0)	(2.9%)		167.0	(5.0)	(2.9%)	5.0	3.0%			

The 2015 Recommended Operating Budget for Pension, Payroll & Employee Benefits of \$16.687 million gross and \$11.418 million net is \$0.178 million or 1.6% over the 2014 Approved Net Budget.

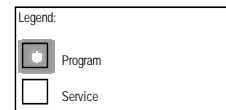
- Base Budget pressures in Payroll are primarily due to Operating Impact of Capital to sustain completed technologies capital projects - the Employee Self Serve (ESS) and Management Self Serve (MSS). Funding of \$0.200 million is provided for 2 new positions and associated costs in PPEB.
- The contractually obligated increases of 2.25% cost of living allowance, progression pay for union and management staff, step adjustments common among all activities, and maintaining gapping rate result in a decrease of \$0.022 million in salaries and benefits.
 - In addition, a net of 4 new temporary capital positions are recommended, assigned to the *Payroll Timesheets* capital project for \$0.520 million gross and \$0 net as the funds are recovered from capital. Offsetting the increase in salaries and benefits is a reduction of \$0.517 million gross and \$0 net and 11 temporary positions for completed capital projects no longer required in the *Financial Planning Analysis & Reporting System* capital project.
- Future year incremental costs of \$0.837 million in 2016 and a decrease of \$0.012 million in 2017 are attributable to increases in salaries and benefits.

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

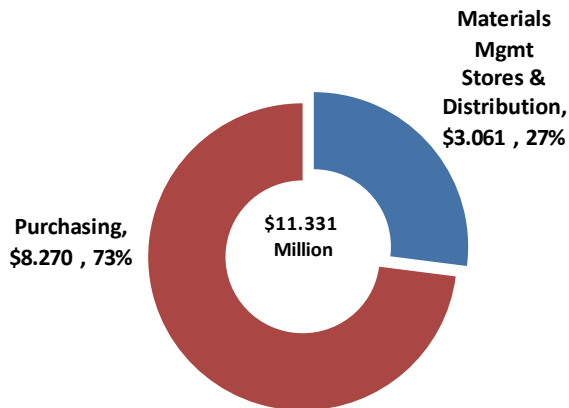
Materials Management Stores & Distribution

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

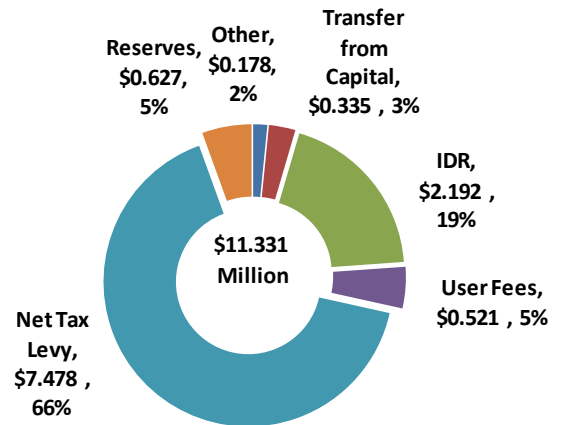
What we do

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.

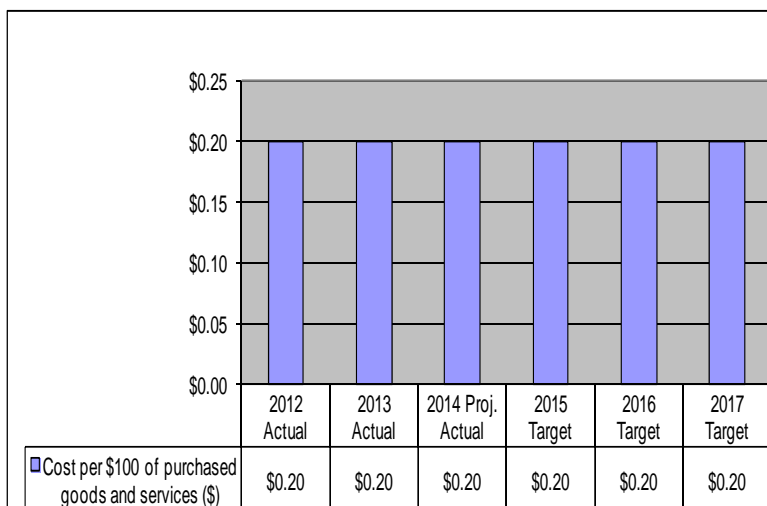
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



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



- In 2013, the cost to purchase \$100 of goods and services was \$0.20 and is largely influenced by the dollar value of orders processed within this period. The average cost fluctuates based on either the increase or decrease of the amount of money the City spends through its procurement.
- In 2014, the cost to purchase \$100 of goods and services is projected to be \$0.20 which is 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 2015 through 2017.

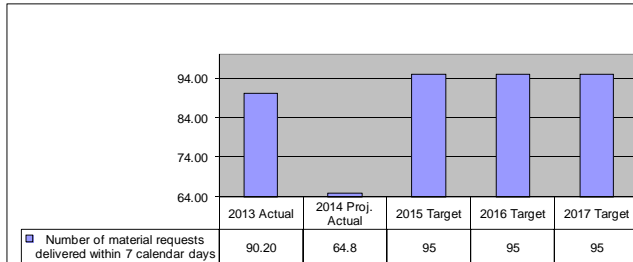
2015 Service Levels Purchasing & Materials Management

Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
Purchasing & Materials Management	General Inquiries & Interpretation of Policies & Procedures	Approved	100% of inquiries responded to within 48 hours	100% of inquiries responded to within 48 hours	100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day	100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day	100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day
		Actual	Not Available	Not Available	100%	100%	100%
		Approved	To provide vendors with 24/7 online access 100% of the time				To provide vendors with 24/7 online access 100% of the time
	Online Call Document Distribution	Actual	Not Available	Not Available	Not Available	100%	100%
	Sole Source Procurement	Approved	100% compliance with Council Policy on Sole Source				100% compliance with Council Policy on Sole Source
		Actual	99.8%	99.9%	99.9%	100%	100%
		Approved	Issuing within 2-5 days of time of receipt of final approved document 100% of time				Issuing within 2-5 days from time of receipt of final approved document 100% of time
	Call Documents	Actual	81%	82%	90%	100%	100%
Materials Management Stores & Distribution	Operational Supplies	Approved	Material requests issued and delivered within 5 calendar days	Material requests issued and delivered within 7 calendar days	Material requests issued and delivered within 7 calendar days	Material requests issued and delivered within 5 business days	Material requests issued and delivered within 5 business days
		Actual	89.3%	88.5%	90%	90%	95%
		Approved	Providing city staff with 24/7 online access 100% of the time				Providing city staff with 24/7 online access 100% of the time
	MSDS (Materials Safety Data Sheet)	Actual	100%	100%	100%	100%	100%
	Stores Catalogue	Approved	Providing 24/7 online access to Catalogue details current to one business day 100% of the time				Providing 24/7 online access to Catalogue details current to one business day 100% of the time
		Actual	100%	100%	100%	100%	100%
		Approved	Turn inventory value at rate of 5.7 times per year	Turn inventory value at rate of 5 times per year	Turn inventory value at rate of 5 times per year	Turn inventory value at rate of 4.5 times per year	Turn inventory value at rate of 4.25 times per year
	Inventory	Actual	5.9	5.8	3.82	4.0	4.25

The 2015 Recommended Service Levels are consistent with the 2014 Approved Service Levels.

Service Performance

Outcome Measures- % Material Requests Delivered Within 7 Calendar Days



- For the year 2013, 90.20% of materials were delivered within 7 days. This was in line with previous years.
- A level decrease projected for 2014 to 65% is as a result of a number of causes including; taking on a considerable amount of new business increasing the demand on the couriers (2) and the delivery trucks (2); instances of truck breakdowns and regular maintenance putting trucks are out of service; and transition to the new warehouse.
- It is anticipated that MM&S deliveries will return to the projected 95% in 2015 with operational improvements.

Table 7
2015 Recommended Service Budget by Activity

(In \$000s)	2014	2015 Recommended Operating Budget							2015 Rec'd Budget vs. 2014 Budget		Incremental Change				
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget			2016 Plan	2017 Plan			
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
PMM-Materials Management Stores & Distribution	3,003.0	3,061.3		3,061.3	58.3	1.9%		3,061.3	58.3	1.9%					
PMM-Purchasing	7,482.3	7,651.9		7,651.9	169.6	2.3%	617.0	8,268.9	786.6	10.5%	(14.6)	(0.2%)			
Total Gross Exp.	10,485.3	10,713.2		10,713.2	227.9	2.2%	617.0	11,330.2	844.9	8.1%	(14.6)	(0.1%)			
REVENUE															
PMM-Materials Management Stores & Distribution	783.0	768.9		768.9	(14.1)	(1.8%)		768.9	(14.1)	(1.8%)					
PMM-Purchasing	2,285.0	2,339.1	122.0	2,461.1	176.1	7.7%	617.0	3,078.1	793.1	34.7%	(94.0)	(3.1%)			
Total Revenues	3,068.0	3,108.0	122.0	3,230.0	162.0	5.3%	617.0	3,847.0	779.0	25.4%	(94.0)	(2.4%)			
NET EXP.															
PMM-Materials Management Stores & Distribution	2,220.0	2,292.4	-	2,292.4	72.4	3.3%		2,292.4	72.4	3.3%					
PMM-Purchasing	5,197.3	5,312.8	(122.0)	5,190.8	(6.5)	(0.1%)		5,190.8	(6.5)	(0.1%)	79.4	1.5%			
Total Net Exp.	7,417.3	7,605.2	(122.0)	7,483.2	65.9	0.9%		7,483.2	65.9	0.9%	79.4	1.1%			
Approved Positions	117.0	122.0		122.0	5.0	4.3%		122.0	5.0	4.3%					

The 2015 Recommended Operating Budget for Purchasing & Materials Management (PMM) of \$10.714 million gross and \$7.483 million net is \$0.066 million or 0.9% over the 2014 Approved Net Budget.

- Base budget pressures are mostly attributable to the contractually obligated increases of 2.25% cost of living allowance, progression pay for union and management staff and step adjustments, common among all activities, result in an increase of \$0.111 million in salaries and benefits.
- Base pressures are increased by the annualized cost of 3 positions added in 2014 to PMM result in an increase of \$0.084 million in salaries and benefits.
- To mitigate the base pressures, Purchasing initiated a rationalization of types of fees charged to vendors for call documents to reduce the current 6 tier fee structure to 3 tier with higher margins and a separate charge for drawings or plans, resulting in an increase in revenues of \$0.122 million.
- The 2015 Recommended Operating Budget for PMMD includes funding to undertake a program review at a cost of \$0.300 million funded from the Innovation Reserve Fund for a net \$0;
- The Service requires 5 new positions to meet the demand for procurement support for program funded capital projects at a cost of \$0.317 million in 2015, funded by Toronto Water and Transportation Services for a \$0 net, effective April 1, 2015.
- Future year incremental costs of \$0.079 million in 2016 are attributable to increases in salaries and benefits.

Accounting Services

Accounting Services
To 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.

Tax & Financial System Support

***Purpose:**
 To provide inputs and testing into the sustainment and improvement of the SAP financial system, train and support users on the SAP financial system, and provide advice to divisions on sales tax matters and file monthly sales tax returns for rebates - recoveries.*

SAP Financial Systems Training

SAP User Support

Tax Advisory & Policy

Financial Reporting & Control

***Purpose:**
 To provide Financial Reporting, Control and Advisory services that add value and ensure compliance with GAAP, Federal and Provincial legislation and Council policies.*

Management Reporting

Provincial & Federal Report Submission

Financial Statement Preparation

Financial & System Control

Payment Processing

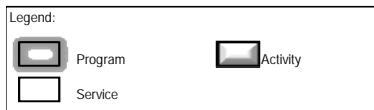
***Purpose:**
 To provide transaction processing to ensure accounts payable are paid on time, accounts receivable are billed and collected to minimize bad debts, and to provide corporate banking services and receive deposits.*

Accounts Payable Processing

Corporate Banking

Accounts Receivable Processing

PCard Processing



Service Customer

- Tax & Financial System Support**
- City Divisions

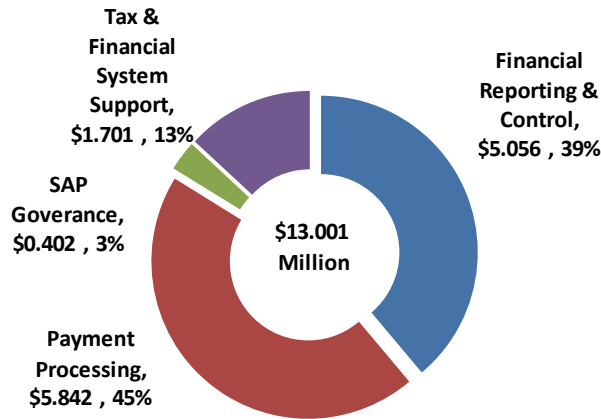
- Financial Reporting & Control**
- City Divisions
 - Agencies

- Payment Processing**
- City Divisions
 - Vendors

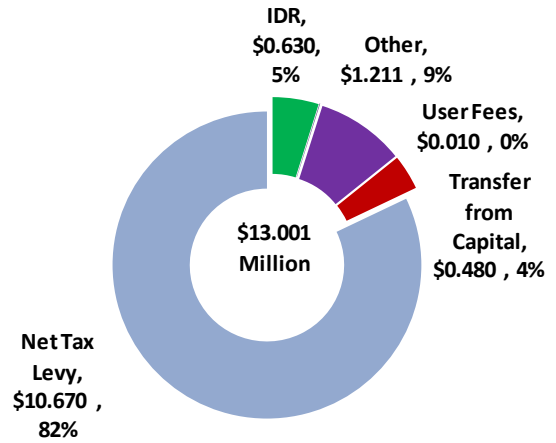
What we do

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.

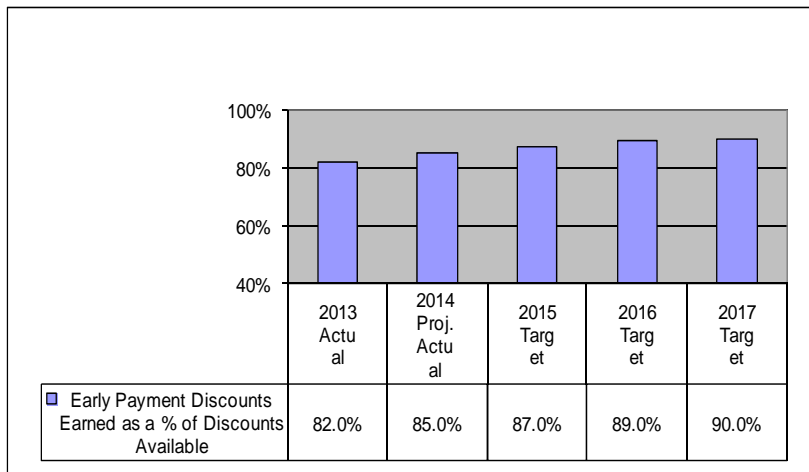
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Effectiveness Measures – Early Payment Discounts Earned as a % of Discounts Available



- Discounts captured in 2014 are consistent with initial projections of \$1.1 million.
- Early payment discounts in 2014 increased by \$0.220 million from 2012 (2012 Actual: \$900,597 vs 2014 \$1,120,573).
- Accounting Services, Purchasing Materials Management with City Divisions continue to work with city vendors to capitalize on early payment discount opportunities resulting in an increased rate for discounts.

2015 Service Levels Accounting Services

Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
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	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	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	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	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 by March 31			Complete by Apr 30	complete by Mar 31
	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				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%	99%	99%	99%
	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	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				As required

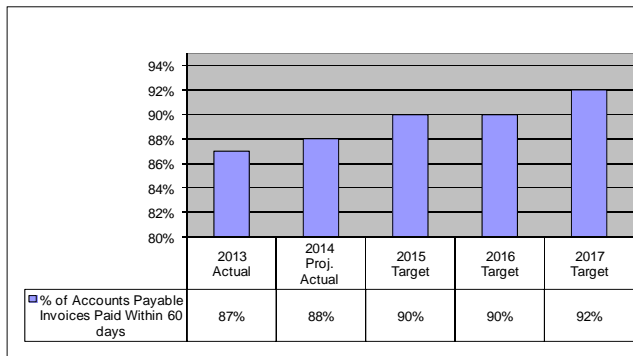
Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
Corporate Banking	Upload/download of cashed cheques	Approved	Daily				Daily
	confirmation of direct deposits	Approved	Daily				Daily
	Wire / Draft payments	Approved	As required				As required
	eCommerce Processing, POS administration	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
	Cheque verification or certification	Approved	Daily				Daily
Accounts Receivable Processing	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				
		Actual	89%	90%	87%	88%	90%
	Discounts desk	Approved	80% of discounts captured				
		Actual	81%	80%	82%	82%	85%
	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	Pcard transaction log forms	Approved	Reviewed within 90 days				reviewed within 90 days
	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

Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
SAP Financial Systems Training	Classroom Training Sessions	Approved	Classes scheduled based on minimum attendance based on business request				as required
	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	Approved	Daily, as issues arise				daily
Tax Advisory & Policy	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				Issued within 4 calendar weeks
	Provision of sales tax advice	Approved	As requested or required				As requested/ required
	Implication of tax changes	Approved	Implement changes to meet the legislated timelines				As requested/ required

The 2015 Recommended Service Levels are consistent with the 2014 Approved Service Levels.

Service Performance

Efficiency Measure – % of Invoices Paid Within 60 days



- With the continuous implementation of "in house" Accounts Payable Transformation initiatives, numerous operational benefits will be realized through streamlining processes towards an electronic environment and focusing on performance results while improving service levels internally and for City vendors.

Table 7

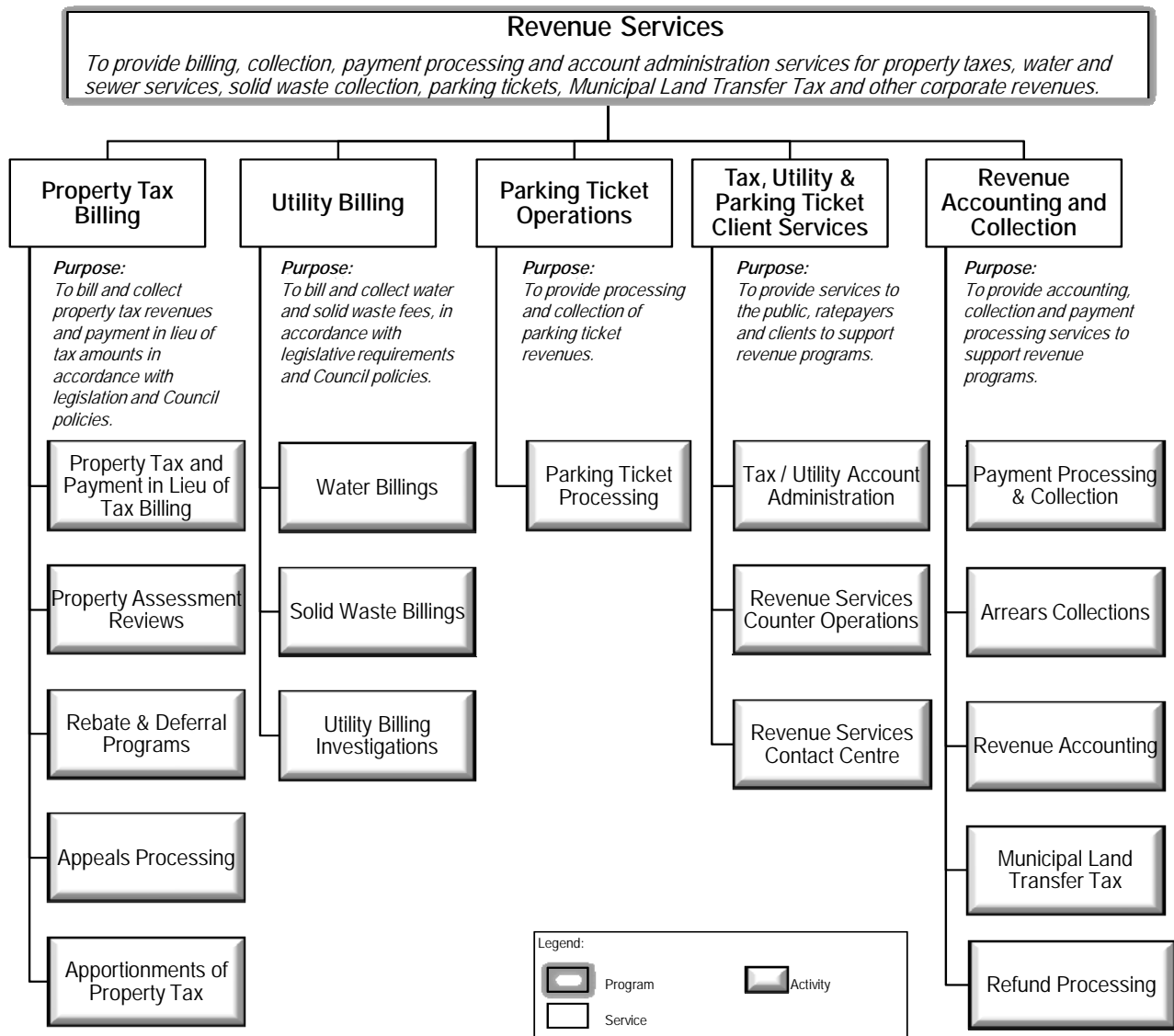
2015 Recommended Service Budget by Activity

(In \$000s)	2014	2015 Recommended Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
ASD-Financial Reporting & Control	5,914.5	5,458.5		5,458.5	(456.0)	(7.7%)		5,458.5	(456.0)	(7.7%)					
ASD-Payment Processing	5,269.1	5,913.0	(71.1)	5,841.9	572.8	10.9%		5,841.9	572.8	10.9%	153.0	2.6%			
ASD-Tax & Financial System Support	1,981.8	1,701.0		1,701.0	(280.8)	(14.2%)		1,701.0	(280.8)	(14.2%)	(0.2)				
Total Gross Exp.	13,165.4	13,072.5	(71.1)	13,001.4	12,930.3	98.2%		13,001.4	(164.0)	(1.2%)	152.8	1.2%			
REVENUE															
ASD-Financial Reporting & Control	391.9	393.7		393.7	1.8	0.5%		393.7	1.8	0.5%					
ASD-Payment Processing	1,433.6	1,492.6		1,492.6	59.0	4.1%		1,492.6	59.0	4.1%					
ASD-Tax & Financial System Support	872.8	445.0		445.0	(427.8)	(49.0%)		445.0	(427.8)	(49.0%)					
Total Revenues	2,698.3	2,331.3		2,331.3	2,331.3	86.4%		2,331.3	(367.0)	(13.6%)					
NET EXP.															
ASD-Financial Reporting & Control	5,522.6	5,064.8		5,064.8	(457.8)	(8.3%)		5,064.8	(457.8)	(8.3%)					
ASD-Payment Processing	3,835.5	4,420.4	(71.1)	4,349.3	513.8	13.4%		4,349.3	513.8	13.4%	153.0	3.5%			
ASD-Tax & Financial System Support	1,109.0	1,256.0		1,256.0	147.0	13.3%		1,256.0	147.0	13.3%	(0.2)				
Total Net Exp.	10,467.1	10,741.2	(71.1)	10,670.1	203.0	1.9%		10,670.1	203.0	1.9%	152.8	1.4%			
Approved Positions	128.0	123.0	(1.0)	122.0	(6.0)	(4.7%)		122.0	(6.0)	(4.7%)					

The 2015 Recommended Operating Budget for Accounting Services of \$13.001 million gross and \$10.670 million net is \$0.203 million or 1.9% over the 2014 Approved Net Budget.

- Base budget pressures are mostly attributable to the contractually obligated increases of 2.25% cost of living allowance, progression pay for union and management staff, step adjustments, common among all activities; result in an increase of \$0.361 million in salaries and benefits.
- The above increases in salaries and benefits are offset by the reduction of 6 temporary staff positions in Financial Reporting and Control no longer required for capital projects (\$0.508 million).
- Base pressure is increased by minor changes to interdivisional charges of \$0.010 million.
- Financial Reporting & Control and Payment Processing increased budgeted revenues for late payment charges applied to accounts receivable debtors which will generate a total of \$0.050 million in revenues.
- Late payment charges applied to accounts receivable debtors and HST Recoveries have been adjusted to actual experience, increasing budgeted revenues by \$0.046 million in Tax and
- Efficiency savings of \$0.071 million will be realized in the Payment Processing actual due to the increased use of electronic receipt of invoices, resulting in reductions in hard copy invoices and the deletion of a vacant permanent position.
- Future year incremental costs of \$0.153 million in 2016 are attributable to increases in salaries and benefits for programs.

Revenue Services



Service Customer

Property Tax Billing

- Property owners
- City of Toronto Corporation

Utility Billing

- Property owners
- Registered Utility Account holder
- City of Toronto Corporation

Parking Tickets

- Parking ticket recipient
- City of Toronto Corporation

Tax, Utility & Parking Ticket Client Services

- Members of the public
- property tax/utility account holders
- legal community
- property owners
- parking ticket recipients
- Business Improvement Area members
- City of Toronto Corporation

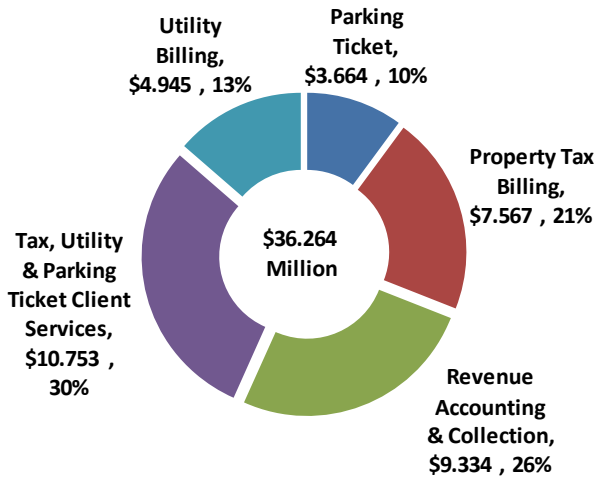
Revenue Accounting & Collection

- Property owners
- Registered utility account holder
- Province of Ontario, School Boards
- City of Toronto Corporation

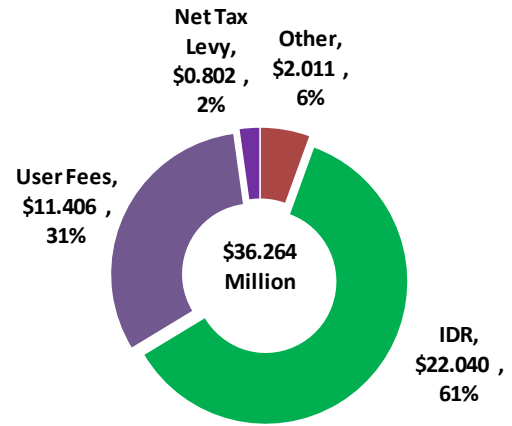
What we do

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.

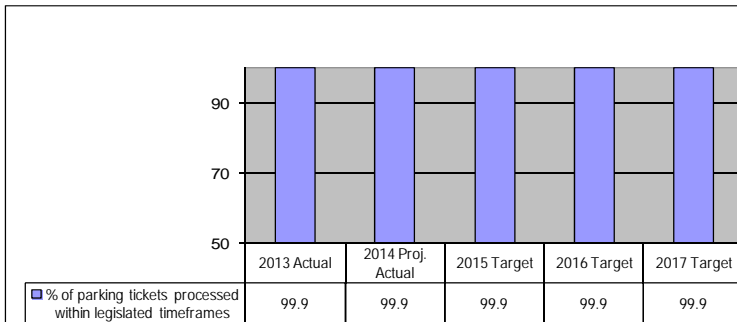
2015 Service Budget by Activity (\$000s)



Service by Funding Source (\$000s)



Effectiveness Measure – % Parking tickets Processed within Legislated Time Frames



- The % of tickets that are processed within legislated timeframes has remained constant at 99.9% over the past 3 years. The 2014 forecast for the number of tickets issued is 2.363M.
- It is anticipated that this trend will continue in 2015 to 2017.

2015 Service Levels Revenue Services

Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
Property Tax and Payment in Lieu of Tax Billing	Property Tax Billing (Interim & Final)	Approved	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/Omitted Tax Billings	Approved	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	Approved	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	Approved	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		Approved	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 Review Board				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 Review Board
Rebate & Deferral Programs	Vacancy Rebates	Approved	Vacancy rebates are processed within legislated timeframe.				Vacancy rebates are processed within legislated timeframe.
	Charitable Rebates	Approved	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 Veterans	Approved	Fully completed applications processed within 60 days of application deadline date.				Fully completed applications processed within 60 days of application deadline date.
	Clubhouse, Ethno-cultural, Heritage	Approved	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	Approved	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	Approved	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	Approved	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		Approved	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	Approved	To issue 100% of utility flat ratebillings 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 ratebillings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)
	Metered Accounts	Approved	25% of all meter readings for metered accounts are estimated readings.		Not applicable - this function transferred to Toronto Water		
	Water Relief Applications	Approved	92% of applications processed within first billing cycle			95% of applications processed within first billing cycle	
Solid Waste Billings		Approved	Mailing of all bills within cycle on schedule			Mailing of all bills within cycle on schedule	
Meter Reading Operations	Meter Reading	Approved	Read 75% of meters (25% are outcalls ie: no answer at door)		Not applicable - this function transferred to Toronto Water		
	Meter investigations	Approved	Complete all service orders that are in Revenue Services' distribution			Complete all service orders that are in Revenue Services' distribution	
Parking Ticket Processing	Parking Ticket	Approved	99.5% of parking tickets processed within legislated timeframes				99.5% of parking tickets processed within legislated timeframes
		Actual	99.74%	99.85%	99.89%	2014 Projected Actual 99%	2015 Projected Actual 99%
	Notice of impending Conviction	Approved	99.5% of notices sent within legislated timeframe				99.5% of notices sent within legislated timeframe

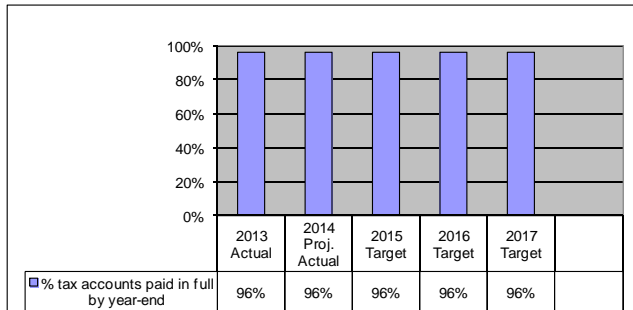
Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
Tax / Utility Account Administration	Tax certificate	Approved	Service standard is 20 days, providing that all required information is received.				Service standard is 20 days, providing that all required information is received.
	Utility Certificate	Approved	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	Approved	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	Approved	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	Approved	In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at least 15 days before the next payment date				In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at least 15 days before the next payment date
	Pre-authorized Utility Payment	Approved	All PUP applications are processed within a 5 day window				All PUP applications are processed within a 5 day window
	Payment Programs - Mortgage and PILT payment	Approved	All mortgage updates are processed within 30 days				All mortgage updates are processed within 30 days
Revenue Services Counter Operations		Approved	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 minute wait times for parking ticket transactions.
	Actual		5.6 minutes	5.6 minutes	7.0 minutes	2014 Projected actual 5.06 minutes	
Revenue Services Contact Centre	Customer Enquiry - Telephone	Approved	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	Approved	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		Approved	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 (post dated cheques).
	Actual		93.6%	91.5%	93.8%	2014 Projected actual 95%	
Arrears Collections	Registration - Sale of Land	Approved	In excess of 4,000 accounts in arrears 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.		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	Approved	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.

Activity	Type	Status	Service Levels				2015 Recommended
			2011	2012	2013	2014	
	Internal Collections	Approved	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	Approved	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	Approved	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	Approved	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	Approved	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	Approved	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	Approved	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 2015 Recommended Service Levels are consistent with the 2014 Approved Service Levels with the exception of:
 - Water meter readings for metered accounts functions have been transferred to Toronto Water in 2013.
 - Sale of Land by Public Tender (conducted annually) - 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.

Service Performance

Effectiveness Measure - % of Tax Accounts paid in Full at year-end



- The % of tax accounts paid in full each year from 2012 through 2014 has remained at 96%.
- This trend will continue in 2015 through 2017 as economic conditions are not expected to change over the next 3 years.

Table 7
2015 Recommended Service Budget by Activity

(In \$000s)	2014	2015 Recommended Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
RS-Parking Ticket	3,951.8	3,664.5		3,664.5	(287.3)	(7.3%)		3,664.5	(287.3)	(7.3%)					0.3
RS-Property Tax Billing	7,304.6	7,566.9		7,566.9	262.3	3.6%		7,566.9	262.3	3.6%	233.9	3.1%	17.8	0.2%	
RS-Revenue Accounting & Collection	9,256.8	9,334.5		9,334.5	77.7	0.8%		9,334.5	77.7	0.8%					0.2
RS_Tax, Utility & Parking Ticket Client Services	10,316.4	10,753.1		10,753.1	436.7	4.2%		10,753.1	436.7	4.2%					
RS-Utility Billing	4,625.9	4,945.1		4,945.1	319.2	6.9%		4,945.1	319.2	6.9%					0.2
Total Gross Exp.	35,455.5	36,264.1		36,264.1	808.6	2.3%		36,264.1	808.6	2.3%	233.9	0.6%	18.5	0.1%	
REVENUE															
RS-Parking Ticket	3,724.1	3,626.1		3,626.1	(98.0)	(2.6%)		3,626.1	(98.0)	(2.6%)					
RS-Property Tax Billing	2,186.8	2,271.0		2,271.0	84.2	3.9%		2,271.0	84.2	3.9%					
RS-Revenue Accounting & Collection	13,559.8	13,921.5		13,921.5	361.7	2.7%		13,921.5	361.7	2.7%					
RS_Tax, Utility & Parking Ticket Client Services	10,191.8	10,470.6		10,470.6	278.8	2.7%	550.0	11,020.6	828.8	8.1%	550.0	5.0%	(0.1)		
RS-Utility Billing	4,544.1	4,515.0	108.0	4,623.0	78.9	1.7%		4,623.0	78.9	1.7%	77.0	1.7%			
Total Revenues	34,206.6	34,804.2	108.0	34,912.2	705.6	2.1%	550.0	35,462.2	1,255.6	3.7%	627.0	1.8%	(0.1)		
NET EXP.															
RS-Parking Ticket	227.7	38.4		38.4	(189.3)	(83.1%)		38.4	(189.3)	(83.1%)					0.3 0.8%
RS-Property Tax Billing	5,117.8	5,295.9		5,295.9	178.1	3.5%		5,295.9	178.1	3.5%	233.9	4.4%	17.8	0.3%	
RS-Revenue Accounting & Collection	(4,303.0)	(4,587.0)		(4,587.0)	(284.0)	6.6%		(4,587.0)	(284.0)	6.6%					0.2
RS_Tax, Utility & Parking Ticket Client Services	124.6	282.5		282.5	157.9	126.7%	(550.0)	(267.5)	(392.1)	(314.7%)	(550.0)	205.6%	0.1		
RS-Utility Billing	81.8	430.1	(108.0)	322.1	240.3	293.8%		322.1	240.3	293.8%	(77.0)	(23.9%)	0.2	0.1%	
Total Net Exp.	1,248.9	1,459.9	(108.0)	1,351.9	103.0	8.2%	(550.0)	801.9	(447.0)	-35.8%	(393.1)	(49.0%)	18.6	4.4%	
Approved Positions	326.0	326.0		326.0				326.0							

The 2015 Recommended Operating Budget for Revenue Services of \$36.264 million gross and \$1.352 million net is \$0.103 million or 8.2% over the 2014 Approved Net Budget.

- Base budget pressures are mostly attributable to the contractually obligated increases of 2.25% cost of living allowance, progression pay for union and management staff, step adjustments, common among all activities; result in an increase of \$0.756 million in salaries and benefits.
- Additional base budget pressures are primarily due to a 3.2% inflationary increase applied to postage required for Property Tax and Utility Billing actual resulting in an increase by \$0.120 million.
- Additional base budget pressures in Tax Utility & Parking Ticket Client Services include increased interdivisional service charges of \$0.098 million for increased audit costs and legal support.
- Base pressures are reduced by annualized revenue of \$0.018 million emanating from the 2014 Council approved user fees and, in accordance with Council's approved User Fee Policy, inflationary increases that reflect service specific cost increases to recover the full costs, resulting in additional revenues of \$0.239 million.
- The Utility Billing area is proposing to increase user fees for the issuance of Utility Certificate from \$25 to \$50 increasing revenues in 2015 by \$0.108 million gross and in 2016 by an incremental \$0.077 million which will mitigate 2015 Budget pressures for the Office of the Treasurer's Program.

- The 2015 Recommended Operating Budget for Tax, Utility & Parking Ticket Client Services includes \$0.550 million in revenues for new user fees to recover costs for the administration of the issuance of client notification billing lists to the mortgage company (identifying principal and any outstanding tax or amounts transferred to tax). This service is currently performed at no charge. Costs of providing this service are currently absorbed within existing divisional overhead costs.
- Future year incremental reduction of \$0.393 million in 2016 is attributable to increases in salaries and benefits of \$0.234 million reduced by annualized user fees of \$0.627 million. Incremental costs in 2017 are attributable to increases in salaries and benefits of \$0.019 million.
- There is no COLA estimated in 2016 for it is a collective bargaining year.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting the 2015 Budget

Business Re-engineering and Modernization

As the City of Toronto and the Toronto Public Service transforms into a modern organization, the Office of the Treasurer has been and continues to be a leader in reviewing processes, searching for better and more efficient ways of carrying out business and delivering services, and driving and implementing change. Some of the initiatives the Office has implemented previously have already resulted in benefits: improved customer service, increased productivity, and efficiencies that yielded direct financial savings.

The following sections describe some of the changes that are occurring and upcoming initiatives in each service area that are transforming business processes and modernizing the City.

Purchasing and Materials Management Division (PMMD)

The 2015 Staff Recommended Budget for the Office of the Treasurer includes \$0.300 million for the Program Review of PMMD, fully funded by the Innovation Reserve Fund. This will identify leading practices, and recommend how PMMD should be structured in the order to provide best-in-class services to City Divisions and agencies.

Included in the 2015-2024 IT Portfolio Integrated Plan is funding of \$2.150 million in 2015 and 2016 as a preliminary estimate for Supply Chain Management Transformation Project. This project will provide for process improvements from the beginning of the procurement process right through to payment of the supplier.

Pension, Payroll and Employee Benefits (PPEB)

Program Review

In 2015, PPEB will be re-assigning a position to analyze business operations and application systems and provide necessary changes to business processes as part of the employee Service Centre.

Employee Self-Service (ESS)

In April 2012, the City implemented an ESS portal for non-union employees, which enabled employees to access their pay statements, T4 slips and time balances electronically. This next phase of ESS will broaden the scope to enhance the functionality to allow employees to update their personal information such as addresses and other basic personal information online via a secure portal, and allow unionized employees to access their payroll information (e.g. pay statements, T4s, time balances).

Manager Self-Service (MSS)

MSS will automate many of the payroll transactions managers process and will allow them to automatically approve these transactions without having to sign and forward paperwork to payroll.

MSS will provide managers with tools, better and up-to-date data and improved reporting to support decision making and management of staff.

Cross-Application Time Sheets (CATS)

CATS is a state of good repair project to replace the City's current time entry application (ZPTENT) which is heavily customized, outdated and no longer supported by SAP. CATS is a current SAP best practice and will provide a secure, sustainable and fully supported application that will be a single point of integration with a time, attendance and scheduling solution. CATS will also provide Divisional management staff with real time access to time and attendance information for their staff.

Time, Attendance & Scheduling System (TASS)

TASS is an enterprise-wide time, attendance and scheduling system that addresses the City's complex business rules and collective agreement requirements, and replaces the current outdated and silo divisional systems that are restrictive, labour intensive and ineffective. TASS will provide a solution that has a single point of integration with CATS, and will be first rolled out to meet the urgent needs for Toronto Paramedic Services and Parks, Forestry and Recreation to manage their complex time, attendance and scheduling requirements. The TASS solution can then be rolled out to other divisions who have similar requirements.

Revenue Services

On-line Look-up for Utility and Property Tax Accounts

Phase II of the Revenue System project, which enhanced the current WMACS & TMACS systems that enable billing, payment processing, accounting and collection of revenues for both tax and water, to make them fully efficient continued in 2014. Components of the project include the development and implementation of general ledger interface for TMACS and WMACS, Integrated Voice Recognition (IVR) / internet application for customer enquiries and meter readings. Approximately 3 million bills are produced annually for which payments are received. A complete and integrated revenue system improves customer service and operational efficiencies.

In 2015, Revenue Services will be introducing new on-line services that will allow utility customers and property owners to access information on their utility or property tax accounts on a 24/7 basis. The on-line look-up service for utility accounts was launched in December 2014, and the on-line look up for property tax accounts is scheduled for launch in March 2015. The on line account aligns with the City of Toronto's eService Strategic Plan and supports the City's Strategic Action of Improving Customer Service, by improving the range of services and service delivery channels available to Toronto's residents.

It allows property owners and utility customers 24-7 access to key information about their utility or property tax account, including account balance, due date, amount of next billing, and amount/date of last payment. The on-line look-up was designed to be secure, accessible, and fully compatible with all technology platforms, including PCs, tablets and mobile devices, making access possible from anywhere, anytime.

Revenue Services' on-line look-up services will also help improve our customer service response, by allowing customers to use self-serve options for basic billing information, and allowing customer service representatives to better focus on addressing more complex billing issues, and reducing wait times for service.

The on-line look-up services for property tax and utility accounts are the first in a series of on-line services to be introduced to make self-serve options available to Toronto's property owners and residents. Planned initiatives for 2015 also include on-line ordering of property tax and utility certificates, and a new on-line look-up service for parking ticket court dates and parking ticket status. On-line services are made possible through a partnership involving Revenue Services, Corporate Information & Technology, Toronto Water and Solid Waste Management Services.

Tax and Utility System Replacement

As Revenue Services' business evolves, its systems and applications must be able to continue to meet the needs. Included in the 2015-2024 IT Portfolio Integrated Plan is a review of the Tax and Water Systems to ensure that current and future business needs are met. New technological advances are setting the stage for faster, more efficient processes, enabling businesses and clients to interact with each other electronically. In order to take advantage of these advances and efficiencies to realize costs savings, the right systems must be in place. The study will make recommendations on enhancement or replacement of current systems.

Accounting Services

Accounts Payable Transformation Project

The implementation of the Accounts Payable Transformation initiatives has provided efficiencies and an increase in discounts.

During 2015 the Accounts Payable Transformation Project will continue to offer increased functionality such as imaging capital transmittals, and increased pcard usage, which will lead to efficiencies while maintaining controls. The project will also be fully integrated with the Supply Chain Transformation Project during 2015



Appendices:

Appendix 1

2014 Service Performance

2014 Key Service Accomplishments

In 2014, the Office of the Treasurer accomplishments included the following:

- ✓ Commenced the project to implement Manager Self Service functionality and automate Employee Self Service/Manager Self Service life cycle functionality. To be completed by 2015.
- ✓ Established a dedicated payroll team to implement the new ESS/MSS electronic forms and Work Flows.
- ✓ Established a dedicated team and issued the RFP and selected a vendor to upgrade the City's current SAP payroll system to the current SAP standard/best practices – Cross Application Time Sheet (CATS). To be complete by 2016.
- ✓ Issued the RFP to select a vendor to acquire and implement a time, attendance and scheduling system (TASS) for the City and its agencies, by 2016. System to be rolled out to Parks, Forestry & Recreation (PFR) and Toronto Paramedic Services as part of this capital project. Implementation of this system is contingent on CATS SAP upgrade project.
- ✓ Undertook discussions with Manulife Financial (City's benefits carrier) to identify and evaluate initiatives to further manage drug costs within the context of the City's existing traditional benefit plan and reported the results to Employee and Labour Relations Committee in April 2014.
- ✓ Implemented changes to allow employees to make OMERS Additional Voluntary Contributions (AVCs) through payroll deduction.
- ✓ Established a PPEB Divisional Access, Equity and Customer Service Improvement Team, created Charter, Work Plan and various initiatives focussing on improving customer service in observable and measurable ways.
- ✓ Implemented new Mortality Tables to calculate pension plan liabilities as approved by the Canadian Institutes of Actuaries
- ✓ Completed a review of business practices related to the Pre-OMERS pension plans and commenced the implementation of recommendations set out by the Internal Auditor, In conjunction with Internal Audit staff.
- ✓ 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.
- ✓ Began development of a Contractor Evaluation Tool and related processes, in consultation with various City Divisions to assist Divisions in applying a common evaluation of the performance of a contractor for goods and services.
- ✓ Consolidated two Corporate Stores, 320 Bering and 60 Brant, and one Pandemic Warehouse into a new corporate warehouse located at 799 Islington Avenue.
- ✓ Continued to provide financial reporting and accounting support services to key corporate projects including the Toronto York Spadina Subway Extension project (a Canada-Ontario-Municipal funded expansion project managed by the TTC), and the Federal Gas Tax program.

- ✓ Provided regular reporting on the July and December storm costs to City Council and worked with City and Provincial staff regarding the process for recovery of costs.
- ✓ Captured approximately \$1,100,000 (city-wide) in discounts offered by City vendors.
- ✓ Maintained an 87% payment cycle time through June 2014 for vendor invoices within 60 days; 70% within 30 days (2013: 60 days - 89%, 30 days – 70%).
- ✓ Received the prestigious GFOA Award for Financial Reporting for the seventh year in a row for the City's Annual Financial Report for year ended December 31, 2012. Submitted the Annual Financial Report for the year ended December 31, 2013 to GFOA for the Canadian Award for Financial Reporting Program.
- ✓ Implemented two new Public Sector Accounting Standards effective January 1, 2013 namely Tax Revenue (PS 3510) and Government Transfers (PS 3410) for 2013 consolidated Financial Statements.
- ✓ Continued to support Casa Loma Corporation, Lakeshore Arena Corporation, and began supporting Toronto Pan Am Sports Centre Inc., as representation on their boards of directors, and through staff support, as required.
- ✓ Completed a consultation process working with Legal Services and all other City Divisions, Accounting Services and Purchasing & Materials Management, leading to a Council-approved revision to the Financial Control bylaw, Schedule A, streamlining the procurement of goods and/or services which can be paid without a purchasing document.
- ✓ Continued implementation of Toronto's Water Meter Program in partnership with Toronto Water, with the continued installation or replacement of new automated water meters across the City, with approximately 371,000 automated meters installed by June 2014, representing 78.1% of all water accounts. Since September 2010, Revenue Services has been issuing utility billings based on meter readings transmitted from the newly installed meters.
- ✓ Successfully launched the HELP (Home Energy Loan Program) in March 2014, a pilot program offering low-interest loans and financing for residential energy efficiency improvements and retrofits, using local improvement charge provisions to add an annual financing charge to property tax accounts in conjunction with Environment and Energy Office.
- ✓ Participated in a pilot project to allow reciprocal collection of *Provincial Offences Act* fines (by taching unpaid POA fines to property tax account) amongst participating municipalities, to increase fine collection rates, beginning in April 2014.
- ✓ Developed programming and protocols to introduce an on-line look-up facility for property tax and utility accounts allowing customers to retrieve basic account balance information and future instalment amounts and due dates, with implementation scheduled for Q1, 2015.
- ✓ Implemented the Council approved Transit Expansion Property Tax Levy and calculated property tax rates required to raise funds for the City's share of the construction costs of the Scarborough Corridor Subway, undertaking necessary programming changes to allow this levy to appear on the City's 2014 final property tax bills.
- ✓ Developed and launched a new format for Toronto's Utility Bill and brochure, to provide improved and enhanced billing information, clearer messaging, and customer-specific information, and to meet AODA standards for accessibility.

2014 Financial Performance

2014 Budget Variance Analysis

(\$000s)	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Projected Actuals*	2014 Approved Budget vs. Projected Actual Variance	
	\$	\$	\$	\$	\$	%
Gross Expenditures	66,747.3	67,921.5	74,386.7	68,583.8	(5,802.9)	(7.8)
Revenues	40,328.7	41,371.4	44,013.8	40,568.0	(3,445.8)	(7.8)
Net Expenditures	26,418.6	26,550.1	30,372.9	28,015.8	(2,357.1)	(7.8)
Approved Positions	685.0	667.3	743.0	686.2	(56.8)	(7.6)

* Based on the 3rd quarter Operating Budget Variance Report

2014 Experience

The Office of the Treasurer's year-end favourable variance is projected to be \$2.357 million or 7.6% below the 2014 Approved Operating Budget of \$30.373 million net.

- The projected favourable variance of \$5.803 million gross includes \$5.1 million in under-spending in salaries and benefits related to delays in filling capital positions (mainly Cross Application Timesheet Initiative due to delayed RFP release) and impact positions for operations.
- 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 \$3.446 million, mainly due to corresponding under-achieved inter-divisional recoveries and lower transfers from capital and reserves.

Impact of 2014 Operating Variance on the 2015 Recommended Budget

At September 30, 2014 there were 75.8 vacant positions in the Office of the Treasurer, of which 26 are capital funded positions and 49.8 are operating positions. The favourable variance from vacant positions is not expected to recur in 2015, as vacant positions will be reduced to 56.8 at year end.

Appendix 2

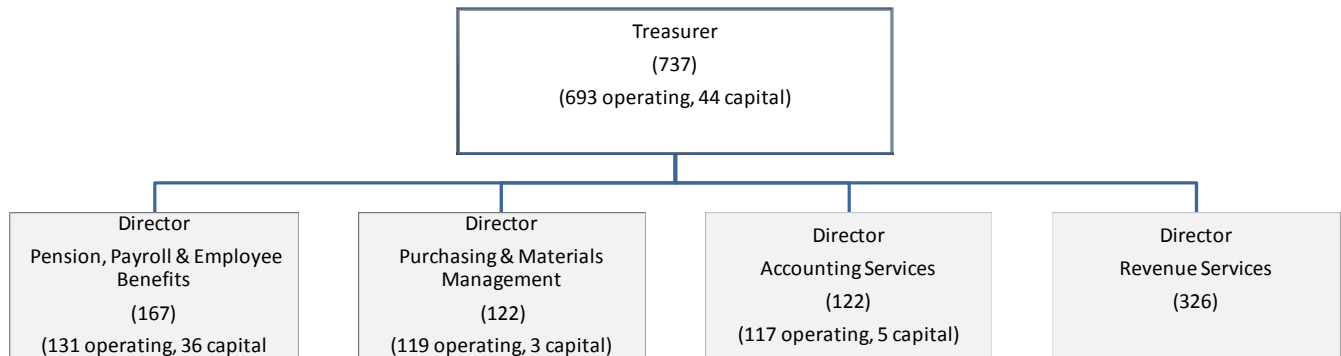
2015 Recommended Operating Budget by Expenditure Category
Program Summary by Expenditure Category

Category of Expense	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	55,799.6	56,745.0	62,265.0	57,121.2	64,864.2	2,599.2	4.2%	66,248.9	66,248.8
Materials and Supplies	1,048.4	881.1	1,191.7	747.7	1,001.7	(190.0)	(15.9%)	1,001.7	1,001.8
Equipment	62.5	60.1	108.5	105.4	113.5	5.0	4.6%	121.0	108.5
Services & Rents	6,074.8	6,107.1	7,048.7	6,290.4	7,413.2	364.5	5.2%	7,213.2	7,213.9
Contributions to Reserve/Res Funds	288.4	187.1	109.4	109.4	109.4			109.4	109.4
Other Expenditures	1,477.6	1,743.5	1,397.7	1,990.6	1,477.7	80.0	5.7%	1,477.7	1,477.9
Interdivisional Charges	1,996.0	2,197.6	2,265.7	2,219.1	2,303.5	37.8	1.7%	2,320.6	2,338.3
Total Gross Expenditures	66,747.3	67,921.5	74,386.7	68,583.8	77,283.2	2,896.5	3.9%	78,492.5	78,498.6
Interdivisional Recoveries	24,875.1	22,816.9	24,641.9	22,991.0	25,310.5	668.6	2.7%	25,416.5	25,416.5
User Fees & Donations	9,601.0	10,688.2	11,005.9	10,756.5	11,935.9	930.0	8.5%	12,485.9	12,485.9
Transfers from Capital Fund	1,588.4	2,578.7	3,786.9	2,024.3	4,584.8	797.9	21.1%	4,584.8	4,584.8
Contribution from Reserve/Reserve Funds	1,234.9	1,742.8	1,382.2	1,323.9	1,677.7	295.5	21.4%	1,477.7	1,477.7
Sundry Revenues	3,029.3	3,544.8	3,196.9	3,472.3	3,401.0	204.1	6.4%	3,477.9	3,478.1
Total Revenues	40,328.7	41,371.4	44,013.8	40,568.0	46,909.9	2,896.1	6.6%	47,442.8	47,443.0
Total Net Expenditures	26,418.6	26,550.1	30,372.9	28,015.8	30,373.3	0.4		31,049.7	31,055.6
Approved Positions	685.00	667.30	743.00	686.20	737.00	(6.0)	(0.8%)	742.00	742.00

* Note: Based on the 9 month Operating Budget Variance Report

Appendix 3

2015 Organization Chart



2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	5.00	72.00	27.00	566.00	670.00
Temporary		3.00	33.00	31.00	67.00
Total	5.00	75.00	60.00	597.00	737.00

Appendix 4

Summary of 2015 Recommended Service Changes



**2015 Operating Budget - Staff Recommended Service Change
Summary by Service
(\$000s)**

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2015 Staff Recommended Base Budget Before Service Change:			76,737.3	45,512.9	31,224.4	733.0	1,303.4	5.9

4096 User Fee Rate Change

52 Description:

Effective June 1, 2015, the fee for the preparation of a Utility Certificate is recommended to be increased to \$50.00 from \$25.00. The fee will be charged to the real estate lawyer(s) acting on behalf of the purchaser of the property, or a mortgage holder for refinancing matters. Revenues of \$108,000 will be generated for 7 months in 2015 with annualized revenues of \$77,000 in 2016.

Service Level Impact:

There will be no change to service levels as this service is generally requested by a real estate lawyer acting on behalf of the purchaser of the property, or a mortgage holder for refinancing matters. The fee for this service is currently \$25.00. The costs of providing the Solid Waste Management portion of this service are currently absorbed within existing operating costs.

Service: RS-Utility Billing

Total Staff Recommended:	0.0	108.0	(108.0)	0.0	(77.0)	0.0
Staff Recommended Service Changes:	0.0	108.0	(108.0)	0.0	(77.0)	0.0

4685 Efficiency in Accounts Payable

51 0 Description:

The City is encouraging the increased use in electronic invoices leading to anticipated reductions of hard copy invoices and therefore lower work effort in the mail and scanning room for Accounts Payable.

Service Level Impact:

Service levels will remain the same.

Service: ASD-Payment Processing

Total Staff Recommended:	(71.1)	0.0	(71.1)	(1.0)	0.0	0.0
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**2015 Operating Budget - Staff Recommended Service Change
Summary by Service
(\$000s)**

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Staff Recommended Service Changes:	(71.1)	0.0	(71.1)	(1.0)	0.0	0.0

4805 PMMD User Fee Rationalization

52 0 **Description:**

It is recommended that PMMD change from the current 6 tier fees structure to the recommended 3 tier fees structure with a separate charge for drawings or plans. This is comparable to other municipalities in Ontario.

Service Level Impact:

The current User Fee schedule consists of a 6 tier fees structure and the recommended User Fee schedule would consist of a 3 tier fees structure with a minimal charge for additional documentation. Current PMMD Document Fee Structure Call Documents (without drawings) Call Documents (with drawings) Less than 50 pages \$25 (\$50), 50-75 pages \$50 (\$75), more than 75 pages \$75/(\$100).

Service: PMM-Purchasing

Total Staff Recommended:	0.0	122.0	(122.0)	0.0	0.0	0.0
Staff Recommended Service Changes:	0.0	122.0	(122.0)	0.0	0.0	0.0

Summary:

Staff Recommended Service Changes:	(71.1)	230.0	(301.1)	(1.0)	(77.0)	0.0
Total Staff Recommended Base Budget:	76,666.2	45,742.9	30,923.3	732.0	1,226.4	5.9

Appendix 5

Summary of 2015 Recommended New / Enhanced Service Priorities

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

4681	PMMD Program Review
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72	0	Description:
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Purchasing and Materials Management (PMMD) plans to undertake a program review at a cost of \$0.300 million funded from the Innovation Reserve Fund for a net \$0. A program review by an external consultant will provide an evaluation process in which PMMD and the end to end procurement process will systematically reviewed to determine the most appropriate and cost-effective ways to provide services, determine preparedness to move towards a shared services model, address expected staffing changes (i.e., retirements), and introduce strategic sourcing into the procurement process, and the organizational restructuring to support it. Through the program review, the leading/best practice models will be examined, a Fit/Gap Analysis undertaken, whose outcome will be a final report offering recommendations on how PMMD and the end to end procurement process will transform itself into a leading/best practice organization and positioning itself to offer shared services to the City's agencies and corporations.

Service Level Impact:

The review is intended to recommend a roadmap to improving PMMD's future service levels and standards in preparation for Shared Services.

Service: PMM-Purchasing

Total Staff Recommended:	300.0	300.0	0.0	0.0	0.0	0.0
Staff Recommended New/Enhanced Services:	300.0	300.0	0.0	0.0	0.0	0.0

Category:

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

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

4693 **Mortgage Lender Fee**

75 | 0 **Description:**

Beginning with the Final Property Tax Billing process, in May 2015, a new user fee is recommended to be charged when the property tax amounts payable and identified to and paid by a specific financial institution (as part of an established mortgage financing agreement occurs). Annually, the fee will be levied to the financial institution (responsible to remit payment on behalf of the property owner) for the annual interim and final property tax bills. The recommended fee is \$5.50 per property tax account per interim and final property tax bills. Fee rate is comparable with other municipalities.

Service Level Impact:

There will be no changes to the service level. Service is currently performed at no charge.

Service: RS-Tax, Utility & Parking Ticket Client Services

Total Staff Recommended:	0.0	550.0	(550.0)	0.0	(550.0)	0.0
Staff Recommended New/Enhanced Services:	0.0	550.0	(550.0)	0.0	(550.0)	0.0

Category:

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

2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

4697 **Procurement Resources to Support Capital Project Delivery**

72 | 0 **Description:**

PMMD requires 5 new positions to meet the demand for procurement services to support capital projects deliveries for Transportation and Toronto' capital projects. Transportation Services, Toronto Water and ECS will provide funding for the dedicated staff resources ((1 Senior Corporate Buyer for each of Transportation and ECS, and 2 Senior Corporate Buyers for Toronto Water and 1 Support Assistant C) at a cost of \$0.321 million in 2015 for a \$0 net to PMMD, effective April 1, 2015.

Service Level Impact:

Based on the workload in 2013, this increase in Buyers would improve the average time to complete cycle.

Service: PMM-Purchasing

Total Staff Recommended:	317.0	317.0	0.0	5.0	0.0	0.0
Staff Recommended New/Enhanced Services:	317.0	317.0	0.0	5.0	0.0	0.0

Category:

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



2015 Operating Budget - Staff Recommended New and Enhanced Services
Summary by Service
 (\$000s)

Form ID		Internal Focused Services Program: Office of the Treasurer	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Summary:

Staff Recommended New/Enhanced Services:	617.0	1,167.0	(550.0)	5.0	(550.0)	0.0
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Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Table 1

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Proposed Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance			163,425.6	162,074.5	160,923.4
Employee Benefits Reserve Fund	XR1002	159,745.8	(1,051.1)	(1,051.1)	(1,051.1)
Innovation Reserve Fund	XR1713	3,679.8	(300.0)	(100.0)	(100.0)
Total Reserve / Reserve Fund Draws / Contributions		163,425.6	162,074.5	160,923.4	159,772.3
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		163,425.6	162,074.5	160,923.4	159,772.3

Table 2

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Proposed Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
Projected Beginning Balance			33,165.3	32,948.1	32,730.9
Insurance Reserve Fund	XR1010	21,364.0	57.5	57.5	57.5
Vehicle Reserve Fund -PMMD	XQ1204	260.1	51.9	51.9	51.9
Emergency Reserve Fund	XQ1406	11,541.2	(326.6)	(326.6)	(326.6)
Total Reserve / Reserve Fund Draws / Contributions		33,165.3	32,948.1	32,730.9	32,513.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		33,165.3	32,948.1	32,730.9	32,513.7

Appendix 7a

Recommended User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Administration charge for dishonoured cheques	ASD-Payment Processing	City Policy	Cheque	\$35.00	\$37.00	\$3.00	\$40.00	\$40.00	\$40.00
Prior year tax receipt	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Annual	\$16.35	\$16.70		\$16.70	\$16.70	\$16.70
Tax history statement for years 1998 to present	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Annual	\$35.70	\$36.40		\$36.40	\$36.40	\$36.40
Tax history statement for years prior to 1998	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Annual	\$51.00	\$52.05		\$52.05	\$52.05	\$52.05
Tax calculation statement	Ticket Client Services	Recovery	Annual	\$51.00	\$52.05		\$52.05	\$52.05	\$52.05
Dishonoured cheque processing	RS-Revenue Accounting & Collection	City Policy	Cheque	\$35.70	\$37.00	\$3.00	\$40.00	\$40.00	\$40.00
Statement of overdue taxes where tax arrears of more than \$100.00 remain on property tax acct	RS-Revenue Accounting & Collection	Full Cost Reco	Document	\$16.35	\$16.70		\$16.70	\$16.70	\$16.70
Tax apportionment application	RS-Property Tax Billing	Full Cost Reco	Application	\$51.00	\$52.05		\$52.05	\$52.05	\$52.05
Municipal charges added to the tax roll	RS-Property Tax Billing	Full Cost Reco	Transaction	\$51.00	\$52.05		\$52.05	\$52.05	\$52.05
Tax status verification	RS-Tax, Utility & Parking Ticket Client Services	Market Based	Case	\$25.50	\$26.00		\$26.00	\$26.00	\$26.00
Overdue water charges added to the tax roll	RS-Revenue Accounting & Collection	Full Cost Recovery	Late Charge	\$35.70	\$36.40		\$36.40	\$36.40	\$36.40
Final notice for overdue property tax accounts	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice	\$21.45	\$21.90		\$21.90	\$21.90	\$21.90
Notice of Issuance to Bailiff	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice	\$57.15	\$58.30		\$58.30	\$58.30	\$58.30
New account set-up fee for water/utility accounts	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Transaction	\$62.75	\$64.00		\$64.00	\$64.00	\$64.00
Duplicate utility bill	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Additional Bill	\$16.75	\$17.10		\$17.10	\$17.10	\$17.10
New property tax account set up fee	RS-Property Tax Billing	Full Cost Recovery	Account	\$51.00	\$52.05		\$52.05	\$52.05	\$52.05
Processing MLTT refund applications on electronic register conveyances	RS-Revenue Accounting & Collection	Full Cost Recovery	Application	\$153.00	\$156.05		\$156.05	\$156.05	\$156.05
Process a tax refund when an overpayment has remained on property tax account for more than 2yrs	RS-Revenue Accounting & Collection	Full Cost Recovery	Transaction	\$35.70	\$36.40		\$36.40	\$36.40	\$36.40
Ownership updates on property tax accounts	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Account/Change	\$35.70	\$36.40		\$36.40	\$36.40	\$36.40
Ownership updates on tax & utility account	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Account/Change	\$51.00	\$52.05		\$52.05	\$52.05	\$52.05
Refund transfer credit balance status request from professional rep.act behalf of taxpayer	RS-Revenue Accounting & Collection	Full Cost Reco	Case	\$35.70	\$36.40		\$36.40	\$36.40	\$36.40
Utility clearance certificate	RS-Utility Billing	City Policy	Certificate	\$25.00	\$25.00	\$25.00	\$50.00	\$50.00	\$50.00
Re-Print Fee for duplicate Tax and Utility Bills	RS-Property Tax Billing	Full Cost Reco	Actual Cost	\$17.00	\$17.35		\$17.35	\$17.35	\$17.35
Payment Re-Distribution Fee	Collection	Full Cost Reco	Actual Cost	\$40.00	\$40.80		\$40.80	\$40.80	\$40.80
Tax Sale Proceeding - Site Visit Fee	RS-Revenue Accounting & Collection	Full Cost Reco	Actual Cost	\$195.00	\$198.90		\$198.90	\$198.90	\$198.90

Appendix 7b

Recommended New User Fees

Rate Description	Service	Fee Category	Fee Basis	2015	2016	2017
				Budget Rate	Plan Rate	Plan Rate
Fee for Mortgage Company Administration	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Actual Cost	\$5.50	\$5.50	\$5.50

Appendix 7f

Recommended User Fee Rationalization

Service	2014			2015		
	Rate ID	Rate Description	Approved Rate	Rate ID	Rate Description	Budget Rate
PMM-Purchasing	PM001	Fee for the purchase of Call Documents less than 25 pages without drawings	\$25.00	PM007	Fee for the purchase of Call Documents less than 25 pages	\$25.00
PMM-Purchasing	PM002	Fee for the purchase of Call Documents less than 25 pages with drawings	\$50.00			
PMM-Purchasing	PM003	Fee for the purchase of Call Documents 50-75 pages without drawings	\$50.00	PM008	Fee for the purchase of Call Documents 25-49 pages	\$50.00
PMM-Purchasing	PM004	Fee for the purchase of Call Documents 50-75 pages with drawings	\$75.00			
PMM-Purchasing	PM005	Fee for the purchase of call documents more than 75 pages without drawings	\$75.00			
PMM-Purchasing	PM006	Fee for the purchase of call documents more than 75 pages with drawings	\$100.00	PM009	Fee for the purchase of call documents more than 50 pages	\$100.00
PMM-Purchasing				PM010	Fees for the purchase of Call Document Drawings/Plans	\$25.00