



# Toronto 2016 BUDGET

## CAPITAL BUDGET NOTES



### Highlights

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## 311 Toronto

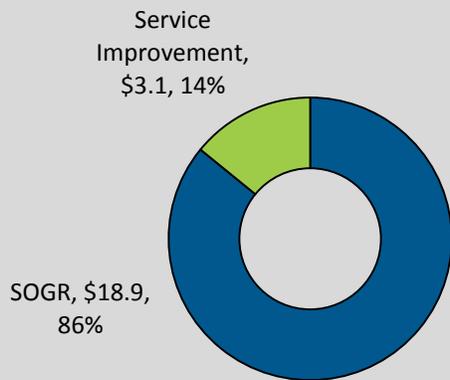
### 2016 – 2025 CAPITAL BUDGET AND PLAN OVERVIEW

311 Toronto is a preferred first point of contact and gateway for residents, businesses and visitors, providing them with easy access to non-emergency information about City services and programs, 24 hours a day, seven days a week in over 180 languages. To deliver these services, the infrastructure and technology that support the highly complex contact centre and integrated system must operate without interruption. It is essential that the various assets to support these services are maintained and replaced regularly based on their lifecycles.

The 2016 – 2025 Capital Budget and Plan provides \$21.987 million to fund State of Good Repair projects for server, hardware / software upgrades and Service Improvement projects that enable both online and assisted channels for booking facilities and scheduling appointments through the City Booking and Scheduling Solution, enhance online and 311 mobile capabilities, build sustainable platforms for public to register and pay for selected City services, and prepare service integrations with Municipal Licensing and Standards (ML&S).

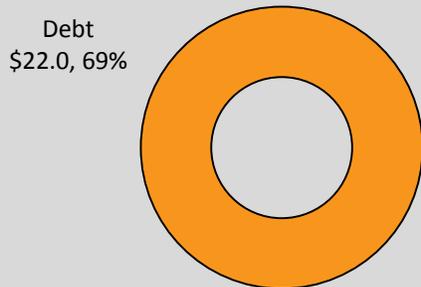
**Capital Spending and Financing**

**2016 - 2025 Capital Budget and Plan by Expenditures Category**



\$22.0 Million

**2016 - 2025 Capital Budget and Plan by Funding Source**



\$22.0 Million

**Where does the money go?**

The 2016 - 2025 Capital Budget and Plan totalling \$21.987 million provides funding for:

- State of Good Repair (SOGR) projects that ensure hardware is upgraded every 5 years while the lifecycle replacement of the software to newer generation technology solutions occurs every 4 years allowing for continuity of operations.
- Service Improvement projects that expands 311's service offerings and integrations include:
  - A City Booking and Scheduling Solution to provide both online and assisted channels for booking facilities and scheduling appointments.
  - An account management tool to look up client information, register for City services and build the capacity to accept payments from public.
  - Expansion of 311's ability to provide additional services through future integrations with City Programs such as Municipal Licensing & Standards (ML&S) and Toronto Building which handle significant call volumes and could benefit from integrations with 311 Toronto.

**Where does the money come from?**

- The 10-Year Capital Plan is 100% debt funded.

**State of Good Repair Backlog**

311 Toronto does not have a backlog of State of Good Repair for its inventory of capital assets. Funding included in the 10-Year Preliminary Capital Plan addresses all state of good repair projects based on planned lifecycle without backlogs and ensures continuity of the 311 Solution.

**Key Issues & Priority Actions**

**Integrated Technology Solutions** – There are recognized inherent challenges of integrating disparate IT systems with new solutions in Call Centre Operations. City divisions use legacy systems that are not fully compatible with current 311 IT infrastructure.

- ✓ The Program will continue to work with Corporate I&T to determine the best method of developing integration solutions such as RFP, in-house development or expansion of the current tool.

**Integration with City Programs** – Integration can provide a number of benefits, including improvements to customer service, operational efficiencies and potential long-term savings. Leveraging 311 Toronto's expertise in customer service, technology and infrastructure will allow efficiencies from economies of scale to be realized.

- ✓ The success of integration with Municipal Licensing and Standards (ML&S) and Toronto Building in the 2016 Capital Plan will determine future integrations with other divisions and their services.

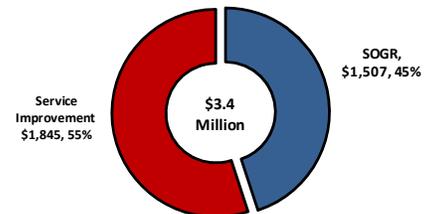


**2016 Capital Budget Highlights**

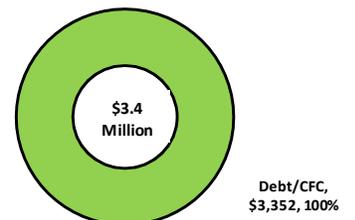
The 2016 Preliminary Capital Budget for 311 Toronto of \$3.352 million, excluding carry forward funding, will:

- Maintain the technology solution in a State of Good Repair to ensure continuity of the 311 Contact Centre operations (\$1.507 million).
- Continue the implementation of City Booking and Scheduling Solution and the development of account management tool with payment module that will enable the public to register and pay for City services (\$1.345 million).
- Continue project scoping and assessment of business requirements for service integration with Municipal Licensing and Standards (\$0.500 million).

2016 Capital Budget by Project Category



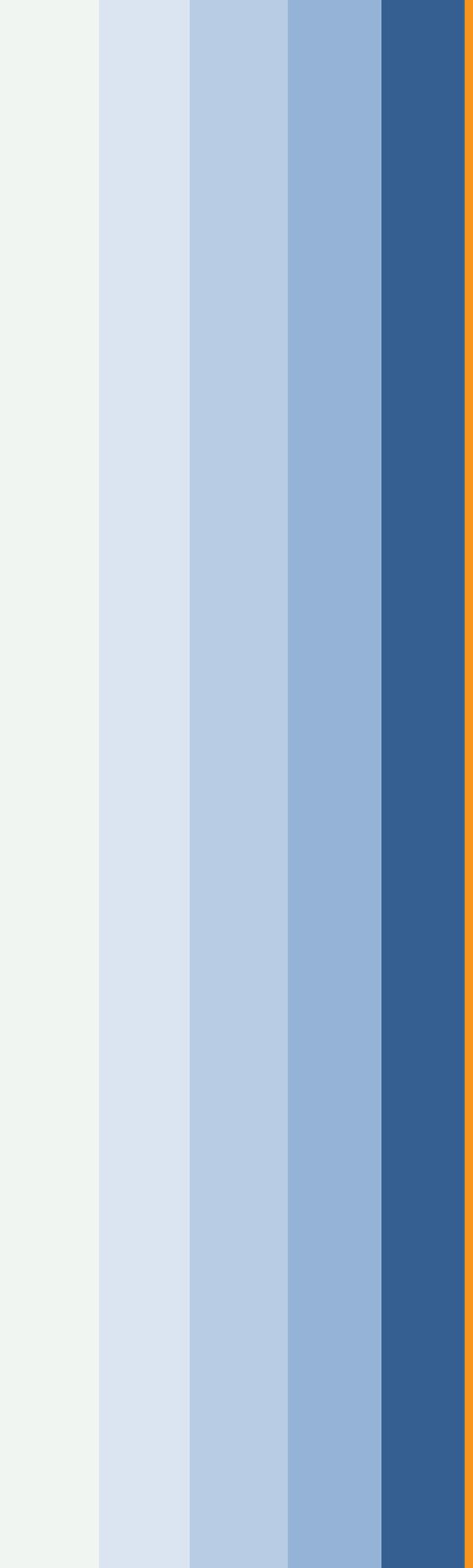
2016 Capital Budget by Funding Source



## Actions for Consideration

Approval of the 2016 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2016 Preliminary Capital Budget for 311 Toronto with a total project cost of \$2.020 million, and 2016 cash flow of \$5.255 million and future year commitments of \$0.760 million comprised of the following:
  - a) New Cash Flow Funds for:
    - i. 5 new / change in scope sub-projects with a 2016 total project cost of \$2.020 million that requires cash flow of \$1.760 million in 2016 and future year cash flow commitments of \$0.260 million for 2017; and
    - ii. 3 previously approved sub-projects with a 2016 cash flow of \$1.592 million and future year cash flow commitments of \$0.500 million in 2017;
  - b) 2015 approved cash flow for 2 previously approved sub-projects with carry forward funding from 2015 into 2016 totalling \$1.903 million.
2. City Council approve the 2017 - 2025 Preliminary Capital Plan for 311 Toronto totalling \$17.875 million in project estimates, comprised of \$3.165 million for 2017; \$1.807 million for 2018; \$2.727 million for 2019; \$1.696 million for 2020; \$1.696 million for 2021; \$1.696 million for 2022; \$1.696 million for 2023; \$1.696 million for 2024; and \$1.696 million in 2025.
3. City Council request the Director, 311 Toronto to report the results after further assessment and study regarding the future service integrations with Municipal Licensing & Standards and Toronto Building as part of the 2017 Budget Process.

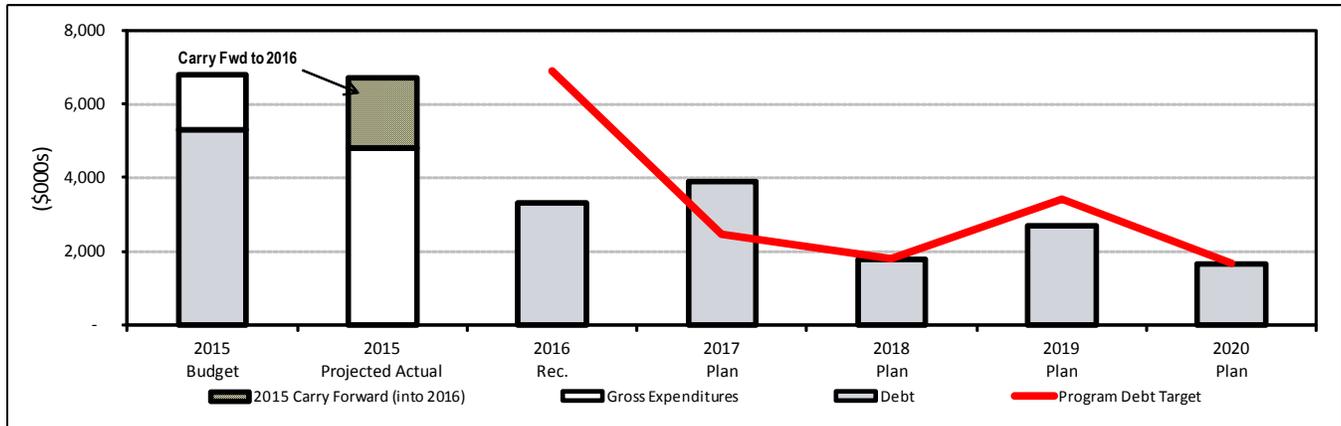


## **Part I:**

### 10-Year Capital Plan

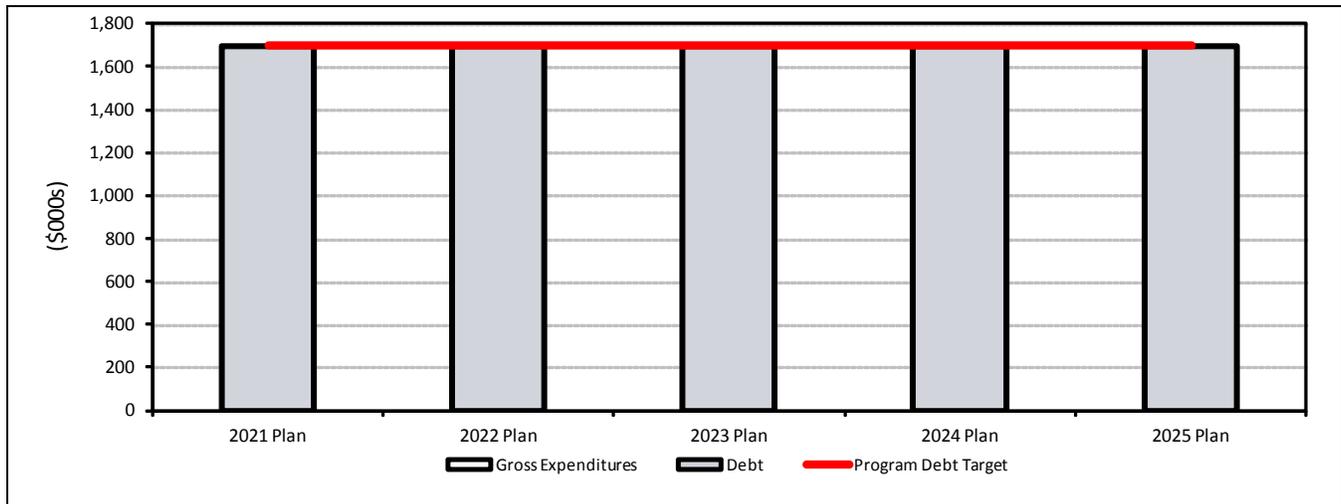
10 Year Capital Plan

**Table 1a**  
**2016 Preliminary Budget, 2017-2020 Preliminary Capital Plan**



	2016 Capital Budget and 2017 - 2020 Capital Plan								5-Year Total Percent
	2015		2016	2017	2018	2019	2020	2016 - 2020	
	Budget	Projected Actual							
<b>Gross Expenditures:</b>									
2015 Capital Budget & Approved FY Commitments	6,807	4,840	5,592					5,592	41.4%
Changes to Approved FY Commitments			(4,000)	500				(3,500)	-25.9%
2016 New/Change in Scope and Future Year Commitments			1,760	260				2,020	15.0%
2017 - 2020 Capital Plan Estimates				3,165	1,807	2,727	1,696	9,395	69.6%
1-Year Carry Forward to 2016		1,903							
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>6,807</b>	<b>6,743</b>	<b>3,352</b>	<b>3,925</b>	<b>1,807</b>	<b>2,727</b>	<b>1,696</b>	<b>13,507</b>	<b>100.0%</b>
<b>Program Debt Target</b>			<b>6,917</b>	<b>2,465</b>	<b>1,807</b>	<b>3,427</b>	<b>1,696</b>	<b>16,312</b>	
<b>Financing:</b>									
<b>Debt</b>	<b>5,307</b>	<b>3,340</b>	<b>3,352</b>	<b>3,925</b>	<b>1,807</b>	<b>2,727</b>	<b>1,696</b>	<b>13,507</b>	<b>100.0%</b>
Reserves/Reserve Funds	1,500	1,500						-	
Development Charges								-	
Provincial/Federal								-	
Debt Recoverable								-	
Other Revenue								-	
<b>Total Financing</b>	<b>6,807</b>	<b>4,840</b>	<b>3,352</b>	<b>3,925</b>	<b>1,807</b>	<b>2,727</b>	<b>1,696</b>	<b>13,507</b>	<b>100.0%</b>
<b>By Project Category:</b>									
Health & Safety								-	
Legislated								-	
SOGR	2,846	2,646	1,507	2,665	1,807	2,727	1,696	10,402	77.0%
Service Improvement	3,962	2,194	1,845	1,260				3,105	23.0%
Growth Related								-	
<b>Total by Project Category</b>	<b>6,807</b>	<b>4,840</b>	<b>3,352</b>	<b>3,925</b>	<b>1,807</b>	<b>2,727</b>	<b>1,696</b>	<b>13,507</b>	<b>100.0%</b>
<b>Asset Value (\$) at year-end</b>								-	
Yearly SOGR Backlog Estimate (not addressed by current plan)								-	
Accumulated Backlog Estimate (end of year)								-	
<b>Backlog: Percentage of Asset Value (%)</b>									
Debt Service Costs			44	417	462	258	337	1,519	
Operating Impact on Program Costs				695				695	
New Positions				6				6	

**Table 1b  
2021 - 2025 Preliminary Capital Plan**



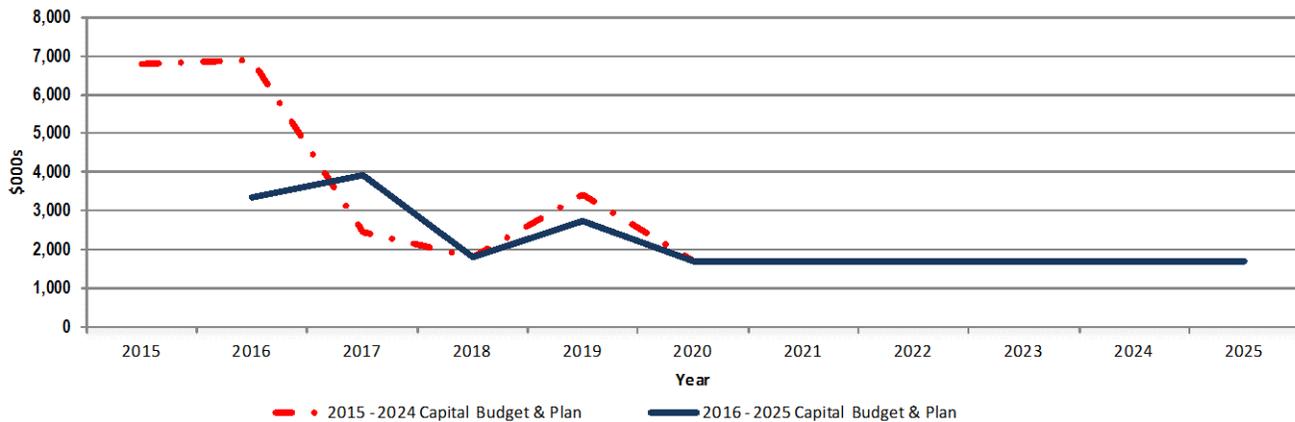
	2021 - 2025 Capital Plan							10-Year Total Percent
	2021	2022	2023	2024	2025	2016 - 2025		
<b>Gross Expenditures:</b>								
2015 Capital Budget & Approved FY Commitments						5,592	25.4%	
Changes to Approved FY Commitments						(3,500)	-15.9%	
2016 New/Change in Scope and Future Year Commitments						2,020	9.2%	
2021 - 2025 Capital Plan Estimates	1,696	1,696	1,696	1,696	1,696	17,875	81.3%	
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>21,987</b>	<b>100.0%</b>	
<b>Program Debt Target</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>24,792</b>		
<b>Financing:</b>								
<b>Debt</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>21,987</b>	<b>100.0%</b>	
Reserves/Reserve Funds						-		
Development Charges						-		
Provincial/Federal						-		
Debt Recoverable						-		
Other Revenue						-		
<b>Total Financing</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>21,987</b>	<b>100.0%</b>	
<b>By Project Category:</b>								
Health & Safety						-		
Legislated						-		
SOGR	1,696	1,696	1,696	1,696	1,696	18,882	85.9%	
Service Improvement						3,105	14.1%	
Growth Related						-		
<b>Total by Project Category</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>21,987</b>	<b>100.0%</b>	
<b>Asset Value(\$)</b> at year-end								
Yearly SOGR Backlog Estimate (not addressed by current plan)						-		
Accumulated Backlog Estimate (end of year)						-		
<b>Backlog: Percentage of Asset Value (%)</b>								
Debt Service Costs	223	223	223	223	223	2,636		
Operating Impact on Program Costs						695		
New Positions						6		

### Key Changes to the 2015 - 2024 Approved Capital Plan

The 2016 Capital Budget and the 2017 - 2025 Capital Plan reflects a decrease of \$7.676 million in capital expenditures from the 2015 - 2024 Approved Capital Plan.

The table and chart below provide a breakdown of the \$7.916 million or 26.5% decrease in the Capital Program on an annual basis from 2015 to 2025.

**Chart 1**  
**Changes to the 2015 -2024 Approved Capital Plan (In \$000s)**



(\$000s)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10-Year Total
2015 - 2024 Capital Budget & Plan	6,807	6,917	2,465	1,807	3,427	1,696	1,696	1,696	1,696	1,696	1,696	29,903
2016 - 2025 Capital Budget & Plan		3,352	3,925	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696	21,987
Change %		(51.5%)	59.2%	0.0%	(20.4%)	0.0%	0.0%	0.0%	0.0%	0.0%		(26.5%)
Change \$		(3,565)	1,460	-	(700)	-	-	-	-	-	-	(7,916)

The \$7.916 million decrease in the Capital Program reflects strategic changes and revised assumptions on capital investments and spending included in the 2016 – 2025 Capital Plan for 311 Toronto.

As reflected in Table 2 on the following page, changes to the 2015 – 2024 Approved Capital Plan, specifically the \$2.805 million decrease in capital funding over the nine common years of the Capital Plans (2016 – 2024) arise from the reprioritization and reallocation of 311 Toronto's capital projects based on the following factors:

- The transfer of \$2.565 million for the *Channel and Counter Strategy* project from 311 Toronto to Facilities, Real Estate, Environment & Energy (FREEE) in 2016 based on project management accountabilities.
- Realignment of cash flow funding based on reassessments of planned activities and service needs.

A summary of project changes for the years 2016 to 2024 totalling \$2.805 million are provided in Table 2 below:

**Table 2**  
**Summary of Project Changes (In \$000s)**

\$000s	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016 - 2024 Total
2015 - 2024 Capital Budget & Plan	6,807	6,917	2,465	1,807	3,427	1,696	1,696	1,696	1,696	1,696		23,096
2016 - 2025 Capital Budget & Plan		3,352	3,925	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696	20,291
<b>Capital Budget &amp; Plan Changes (2016 - 2024)</b>		<b>(3,565)</b>	<b>1,460</b>	<b>-</b>	<b>(700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,805)</b>

	Total Project Cost	2016	2017	2018	2019	2020	2021	2022	2023	2024	2016 - 2024	2025	Revised Total Project Cost
<i>Previously Approved</i>													
Channel and Counter Strategy	2,565	(2,565)									(2,565)		-
311 Contact Centre Enhancement Initiative	11,058	(636)									(636)		10,422
311 Technology Solution SOGR		136	1,200		(700)						636		
Integrations with ML&S	1,000	(500)	260								(240)		760
<b>Total Changes</b>		<b>(3,565)</b>	<b>1,460</b>	<b>-</b>	<b>(700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,805)</b>	<b>-</b>	<b>-</b>

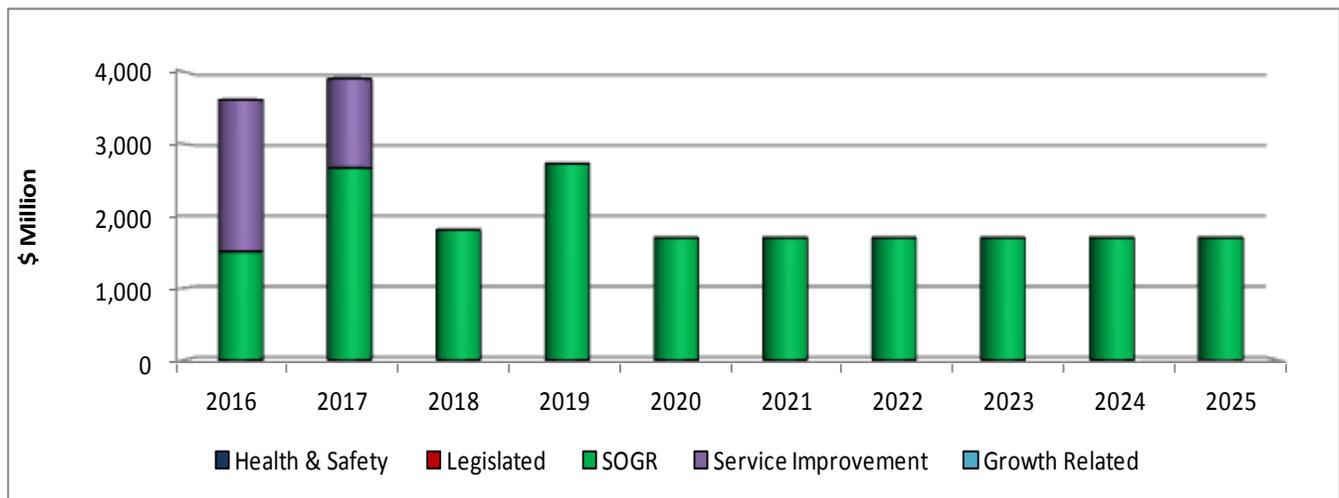
**Significant Capital Project Changes for 311 Toronto:**

Cash flow funding for the following previously approved capital projects have been adjusted based on historical spending rates, capacity and expected progress and completion of the projects, as outlined below:

- *Channel and Counter Strategy* – This project was transferred from 311 Toronto to Facilities, Real Estate, Environment & Energy (FREEE) in 2015, thus resulting in a decrease of \$2.565 million in 2016.
  - The project was moved to FREEE as it is an integral part of the Customer Service Centre of Excellence Initiative, in support of advancing Strategic Action #19: Improve Customer Service which was affirmed by City Council in October 2013. FREEE now has accountability to manage this project.
- Reallocation of funding from *311 Contact Centre Enhancement Initiative* to *311 Technology Solution SOGR* –Funding of \$0.636 million for the *311 Contact Centre Enhancement Initiative* has been reallocated to *311 Technology Solution SOGR* following a reassessment of planned activities.
  - An initial \$1.3 million was reallocated to the 311 Contact Centre Enhancement project in 2015 for unplanned integrations that have since been revised to reflect a lower cost.
  - \$0.636 million in funding reflects the unspent portion of the 2015 reallocation that will be used to fund SOGR activities planned in 2016.
- Realignment of cash flow funding for *311 Technology Solution SOGR* – An adjustment was made to realign cash flows for *311 Technology Solution SOGR* costs relating to the timing of the Customer Relationship Management (CRM) and Speech Analytics upgrades.
  - The acceleration and deferrals were required to ensure continuity of 311 Contact Centre operations based on a reassessment of service needs.
- *Integrations with ML&S project* – An adjustment was made to defer cash flow funds of \$0.260 million from 2016 to 2017 as part of the project implementation phase which will continue in 2017, and reduce the 2016 funding by an additional \$0.240 million based on a re-evaluation of cash flow funding required to complete the initial assessment of needs.

2016 – 2025 Preliminary Capital Plan

Chart 2  
2016 – 2025 Capital Plan by Project Category (In \$000s)



As illustrated in the chart above, the 10-Year Capital Plan for 311 Toronto of \$21.987 million provides 85.9% funding for State of Good Repair (SOGR) projects as priorities and 14.1% for Service Improvement projects.

- Most of the cash flow funding has been dedicated to State of Good Repair projects for hardware and software upgrades to ensure continuity of the 311 Contact Centre operations and technology is maintained and up-to-date.
- Cash flow funding for Service Improvement projects will enable 311 Toronto to complete the City Booking and Scheduling Solution and Payment Module for city services and integrate other service areas such as Municipal Licensing & Standards (ML&S) and Toronto Building which have substantial call volumes and requests from customers for information about their services.

The following table sets out the detailed list of projects, by category, included in the 2016 – 2025 Preliminary Capital Budget and Plan for 311 Toronto:

Table 3  
Summary of Capital Plan by Project Category (In \$000s)

	Total App'd Cash Flows to Date*	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2016 - 2025 Total	Total Project Cost
<b>Total Expenditures by Category</b>													
<b>State of Good Repair</b>													
311 Technology Solution SOGR		1,507	2,665	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696	18,882	
<b>Sub-Total</b>	-	1,507	2,665	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696	18,882	-
<b>Service Improvements</b>													
311 Contact Centre Enhancement Initiative	9,077	1,345										1,345	10,422
Integrations with ML&S		500	260									760	760
Integrations with Toronto Building			1,000									1,000	1,000
<b>Sub-Total</b>	9,077	1,845	1,260	-	-	-						3,105	12,182
<b>Total Expenditures by Category (excluding carry forward)</b>	9,077	3,352	3,925	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696	21,987	12,182

\*Life to Date approved cash flows are provided for multi-year capital projects with cash flow approvals prior to 2016, excluding ongoing capital projects (i.e. Civic Improvement projects)

## 2016 – 2025 Capital Projects

The 10-Year Capital Plan supports 311 Toronto's objectives of implementing existing and new service improvement projects while maintaining and updating the current systems to ensure continuity of its operations.

### *State of Good Repair (SOGR)*

- SOGR projects account for \$18.882 million or 85.9% of the total 10-Year Capital Plan. The 2016 cash flow funding of \$1.507 million will deliver the following upgrades:
  - *Knowledge Base Upgrade* (\$0.718 million) – the software upgrade will improve the administration and workflow of Knowledge Base content enabling both 311 and Divisional content owners to better update and manage their information.
  - *Lagan Upgrade* (\$0.418 million) – the Lagan software refresh for the Contact Relationship Management module will be upgraded to a newer generation technology to support 311's unique business model and allow for flexibility and integration of processes and information.
  - *Customer Relationship Management (CRM) system* (\$0.191 million) – 311 continues to market research the available CRM tools to ensure it optimizes management of customer data to enhance overall customer satisfaction.
  - *SharePoint Upgrade* (\$0.180 million) – the upgrade of this web application platform is required to ensure ongoing sustainability and will improve business intelligence reporting with enhanced features and functionalities.

### *Service Improvements*

- Service Improvement projects account for \$3.105 million or 14.1% of the total 10-Year Capital Plan.
  - *Account Look Up /Payment Module* (\$0.653 million) – The Capital Plan provides funding of \$0.653 million to leverage the efficiencies of the 311 technology and business by adding additional system integrations to build platform and capability allowing 311 to look up clients' accounts and receive payments from the public for selected City services.
  - *City Booking and Scheduling Solution* (\$0.692 million) – The Capital Plan also includes funding of \$0.692 million to provide both online and assisted channels for booking City facilities and scheduling appointments in 2016.
  - *Integrations with Municipal Licensing & Standards (ML&S)* (\$0.760 million) – The 10-Year Capital Plan provides funding of \$0.500 million in 2016 for project scoping, business process and design followed by implementation; and \$0.260 million in 2017 for customer service integrations with ML&S in response to substantial call volumes and customer information services which are not currently integrated with 311.
  - *Integrations with Toronto Building* (\$1.000 million) – The 10-Year Capital Plan also provides future funding of \$1.0 million in 2017 for 311 staff to study and assess possible service integration opportunities with Toronto Building which also have considerable call volumes and customer information services.

**2016 Capital Budget and Future Year Commitments**

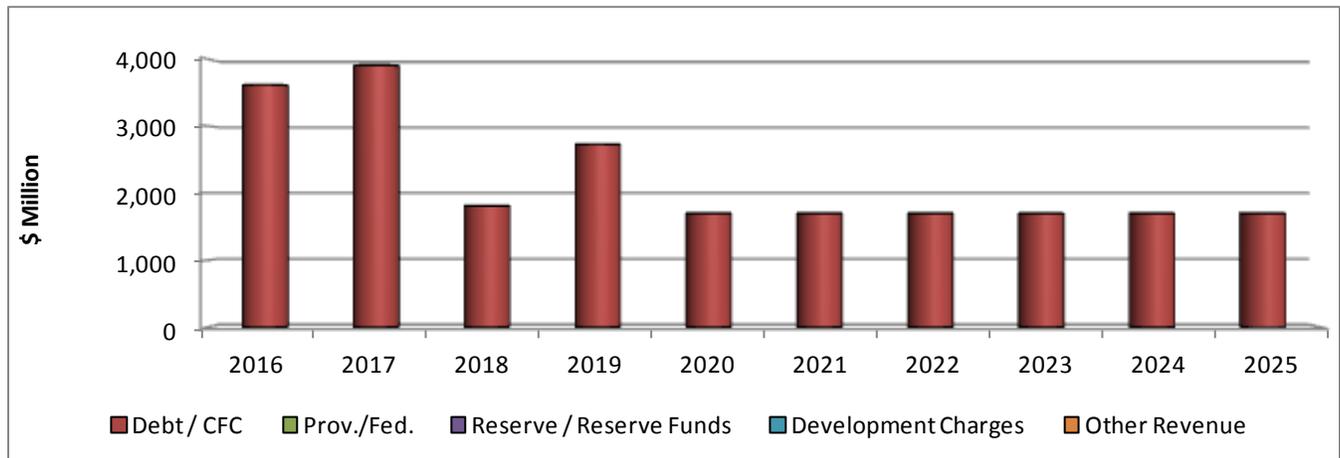
Included as a sub-set of the 10-Year Capital Plan is the 2016 Budget and Future Year Commitments, that consists of 2016 and future year cash flows for projects previously approved by Council; adjustments (Scope Change) to those previously approved projects; as well as new projects that collectively require Council approval to begin, continue or complete capital work.

- Approval of the 2016 Capital Budget of \$3.352 million will result in the future year cash flows commitments of \$0.760 million in 2017 for a total of \$4.112 million.
- Table 3a below lists the 2016 Cash Flow and Future Year Commitments for 311 Toronto:

**Table 3a**  
**2016 Cash Flow & Future Year Commitments (In \$000s)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total 2016 Cash Flow & FY Commits
<b>Expenditures:</b>											
Previously Approved											-
311 Contact Centre Enhancement Initiative	1,046	-									1,046
311 Technology Solution SOGR	546	500									1,046
Subtotal	1,592	500	-	-	-	-	-	-	-	-	2,092
Change in Scope											
311 Contact Centre Enhancement Initiative	(636)										(636)
311 Technology Solution SOGR	(431)										(431)
Subtotal	(1,067)	-	-	-	-	-	-	-	-	-	(1,067)
New w/Future Year											
Integrations with ML&S	500	260									760
311 Contact Centre Enhancement Initiative	935	-									935
311 Technology Solution SOGR	1,392	-									1,392
Subtotal	2,827	260	-	-	-	-	-	-	-	-	3,087
<b>Total Expenditure</b>	<b>3,352</b>	<b>760</b>	<b>-</b>	<b>4,112</b>							
<b>Financing:</b>											
Debt/CFC	3,352	760									4,112
<b>Total Financing</b>	<b>3,352</b>	<b>760</b>	<b>-</b>	<b>4,112</b>							

**Chart 3**  
**2016 – 2025 Capital Plan by Funding Source (In \$000s)**



The 10-Year Capital Plan of \$21.987 million cash flow funding will be financed solely by debt.

- Debt funding is below the 10-year debt affordability guidelines of \$24.792 million allocated to this Program by \$2.805 million
  - The decreased level of debt funding predominately arises from the transfer of the Channel and Counter Strategy project which was initially part of the Council Approved 2015 - 2024 Capital Budget and Plan for 311 Toronto.

## State of Good Repair (SOGR) Backlog

311 Toronto does not have a backlog of state of good repair for its inventory of capital assets. Funding included in the 10-Year Capital Plan addresses all state of good repair projects based on planned lifecycle without backlogs and ensures continuity of the 311 Solution.

## 10-Year Capital Plan: Net Operating Budget Impact

**Table 4**  
**Net Operating Impact Summary (In \$000s)**

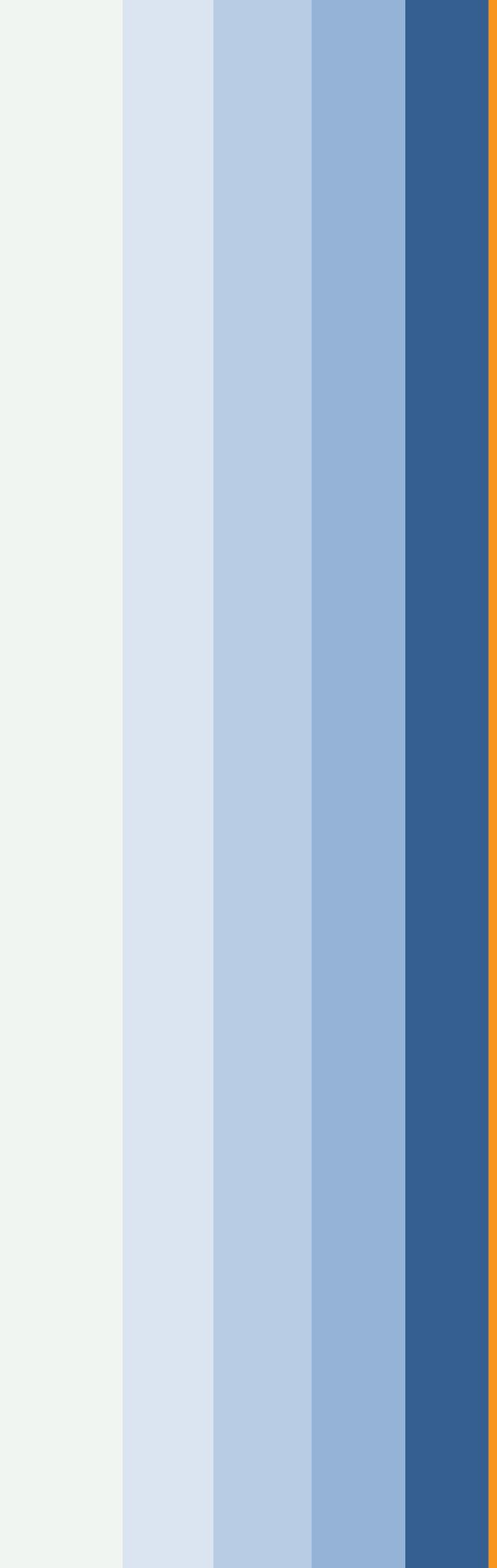
Projects	2016 Budget		2017 Plan		2018 Plan		2019 Plan		2020 Plan		2016 - 2020		2016 - 2025	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
311 Contact Centre Enhancement Initiative			695.0	6.0							695.0	6.0	695.0	6.0
<b>Total Recommended (Net)</b>	-	-	695.0	6.0	-	-	-	-	-	-	695.0	6.0	695.0	6.0

The 10-Year Capital Plan will increase future year Operating Budgets by a total of \$0.695 million net over the 2016 – 2025 period, as shown in the table above.

This is comprised of funding to sustain the following capital projects:

- *311 Contact Centre Enhancement Initiative* – \$0.695 million will be requested for consideration in 2017 for the following:
  - \$0.100 million for ongoing licenses for the payment management system; and
  - \$0.595 million is for an additional 6.0 permanent positions as detailed below:
    - 2 System Development Specialists to sustain the new systems (Payment Module and City Booking and Scheduling Solution);
    - 1 Financial Analyst to support revenue, accounting and compliance; and
    - 3 Customer Service Representatives to support payment processing with the introduction of payments being received through 311 once it becomes operational.

The future operating impacts and the potential efficiency savings in other City Programs resulting from the delivery of the above capital projects will be reviewed in detail as part of the 2017 Operating Budget process.



## **Part II:** Issues for Discussion

## Issues for Discussion

### Issues Impacting the 2016 Capital Budget

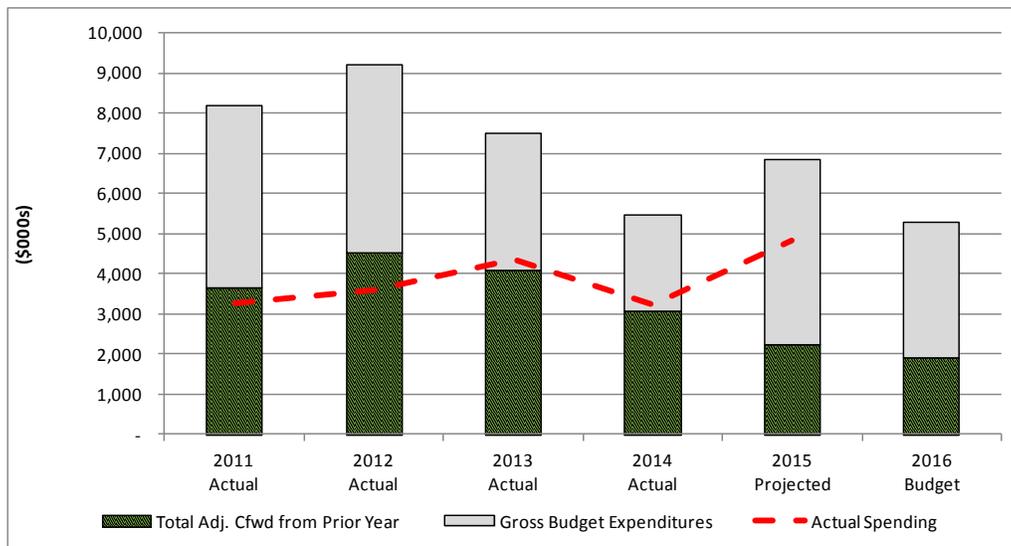
#### Review of Projects and Spending

- During the 2015 Budget process, Council directed the Deputy City Manager & Chief Financial Officer to commence a detailed review of the City's 2016 – 2025 capital requirements as part of the City's 2016 Capital Budget process to ensure that debt affordability targets continue to be maintained, and report the results to Budget Committee early in the 2016 Budget process.
- The 2016 – 2025 Capital Budget and Plan for 311 Toronto has been developed following a review of capital requirements based on the reprioritization of capital needs; a review of the Program's spending capacity and the readiness to proceed of planned projects; as well as the ability to reduce overall debt funding and/or leverage non-debt funding sources.
- Following a review of the Integrations with ML&S project \$0.240 million in funding was reduced in 2016 based on a re-evaluation of cash flow funding, aligning delivery and funding requirements with Corporate I&T.
- 311 Toronto has experienced an average annual spending rate over the past five years 2011 – 2015 of 52%, with 2015 projected to be 71%.
  - The 2015 projected spend rate is mainly driven by the year-end projected SOGR expenditures of 93.0% based on the purchase of hardware and professional services for the Unified Contact Centre Enterprise (UCCE) and Verint upgrades, and the Contact Centre telephony design and installation in Q4 2015.
  - These two purchases account for 79% of 2015 cash flows for SOGR projects.
- The following table illustrates 311 Toronto's rate of spending from 2011 to 2015:

#### Capacity to Spend – Budget vs. Actual (In \$000s)

Category	2011			2012			2013			2014			2015			Spending Rate 5 Year Avg. %
	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	Approved Budget	Proj. Actual *	Spending Rate %	
SOGR				1,039	274	26.4%	2,547	1,142	44.9%	2,789	1,495	53.6%	2,846	2,646	93.0%	60.3%
Service Improvement	8,178	3,270	40.0%	8,160	3,325	40.7%	4,927	3,222	65.4%	2,651	1,716	64.7%	3,962	2,194	55.4%	49.2%
Total	8,178	3,270	40.0%	9,199	3,599	39.1%	7,474	4,364	58.4%	5,439	3,211	59.0%	6,807	4,840	71.1%	52.0%

\* Based on 2015 Q3 Capital Variance Report



- In establishing the 2016 - 2025 IT Integrated Portfolio Plan, all I&T related projects were reviewed for readiness, dependencies, capacity to deliver and historical spending.

  - As a result, cash flow funding of \$0.260 for Integration with ML&S was deferred from 2016 to 2017 as part of the project implementation phase to continue in 2017.
- The 311 Technology Solution SOGR project was also reviewed to align cash flows relating to the timing of the Customer Relationship Management (CRM) and Speech Analytics upgrades.

  - The acceleration and deferrals were required to ensure continuity of 311 Contact Centre operations based on a reassessment of service needs.
- As a result of the above actions \$0.240 million in debt funding was reduced in the 2016 – 2025 Capital Budget and Plan.
- The 10-Year Capital Plan also includes an additional \$2.565 million reduction in debt funding, however this reduction reflects the transfer of the *Channel and Counter Strategy* project from the 311 Toronto Capital Program to the Facilities, Real Estate, Environment & Energy (FREEE) Capital Plan.

*Integration with Municipal Licensing & Standards (ML&S) and Toronto Building*

- The 2016 – 2025 Capital Budget and Plan includes funding of \$0.760 million to ML&S and \$1.0 million for Toronto Buildings to explore additional service integrations with 311 technology and gather necessary business requirements. As service integrations are prioritized based on their ability to improve efficiency and customer service, these two Programs have been selected to review integration opportunities as they currently receive substantial call volumes and requests from customers for information about their services.
- Municipal Licensing & Standard – The licensing service represents a significant part of ML&S's call centre activities. Currently, ML&S does not have adequate resources to manage call volumes, preventing the City from providing quality customer service to residents and business.

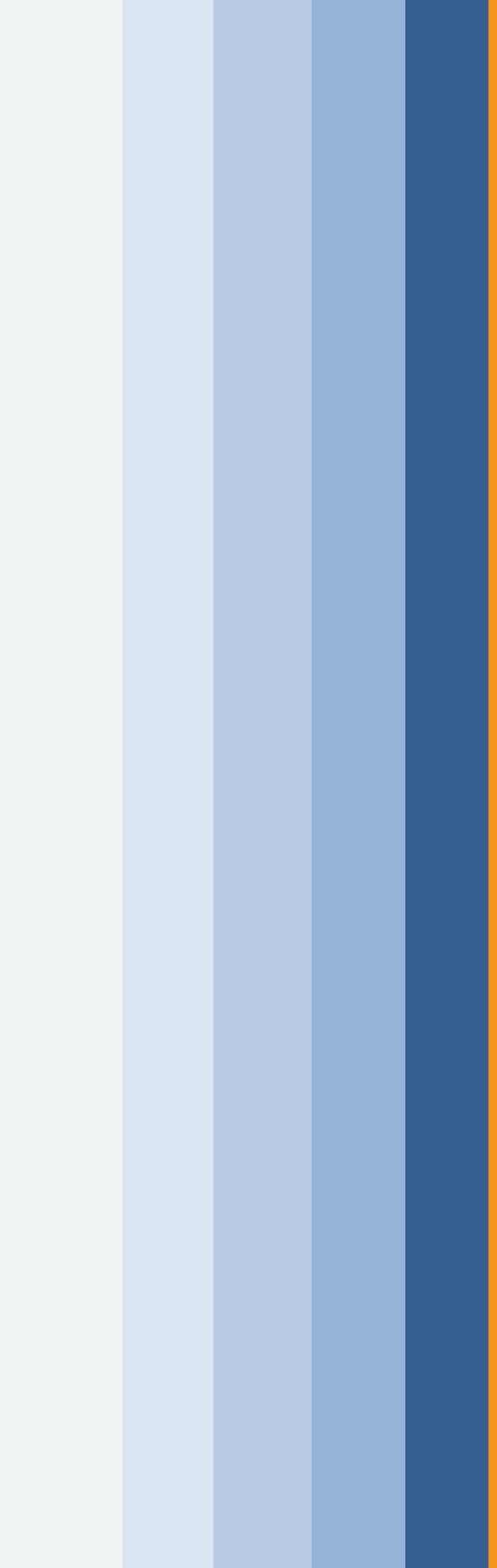
- Successful integration of ML&S call centre activities into 311 would significantly improve customer services provided for residents and businesses and efficiently resolve ML&S's capacity issue.
- Toronto Building – Speech Analytics is used by 311 Toronto to gauge what customers are saying about City services. The studies indicate that a significant number of calls to 311 are related to Toronto Building and the services it provides.
- When customers are unable to connect with Toronto Building, calls are placed to 311 Toronto. Since 311 is not integrated with Toronto Building to look up accounts, statuses and information, 311 Customer Service Representatives (CSRs) are unable to assist these customers, thus requiring call transfers back to Toronto Building.
  - These calls have also had negative impact on 311's service level since CSRs are unable to assist the customer, thus causing longer wait times for those services integrated with 311.
    - Successful integration of Toronto Building call centre activities into 311 will reduce the issues experienced by businesses and residents when contacting 311 on a Toronto Building matter.

## Issues Impacting the 10-Year Capital Plan

### *Future Integration Opportunities*

- The success of 311 Integration with ML&S and Toronto Building will determine future integration opportunities with other Program and service areas. The following is a list of other City programs, which have call centre operations or customer information functions with potential opportunities to integrate service with 311:
  - Housing Connections;
  - Toronto Public Health;
  - Toronto Employment and Social Services;
  - Parks and Recreation;
  - Toronto Hydro
  - Toronto Community Housing Corporation
  - Court Services;
  - Revenue Services;
  - Children's Services;
  - City Clerk's Office;
  - Economic Development and Culture;
  - Shelter, Housing and Support; and
  - Facilities Management (Custodial Requests).
- Integration with 311 will provide a number of benefits, including improvements to customer service, operational efficiencies and potential savings.

- By having a one-stop approach where customers can access information about and/or the City's services, the customer experience is enhanced.
- Standardization of similar processes, responses and protocols also add to the experience and exemplifies the City as one organization.
- Efficiencies from economies of scale can be realized by centralizing the call centre functions, where staff is trained to handle multiple requests and services and are interchangeable.
- 311 Toronto will continue working with customer service areas citywide, including the Channel and Counter Strategy to review, analyze, and maximize efficiencies.



# **Appendices**

## Appendix 1

### 2015 Performance

#### 2015 Key Accomplishments

In 2015, 311 Toronto made significant progress and/or accomplished the following:

City Booking and Scheduling Solution (formerly Enterprise Scheduler):

- ✓ Concept gating approved by Project Review Team.
- ✓ Project Charter approved by project sponsors.
- ✓ Business requirements collected and signed off from partnering division, Facilities Management
- ✓ Request for Proposal (RFP) draft completed and issued in Q4.
- ✓ Framework for comparing and evaluating 'on-premise' and 'on-cloud' proposals developed for the RFQ, first in the City of Toronto.

Account Management Tool:

- ✓ Project Charter ready to be approved.
- ✓ Partnering division identified.
- ✓ Technical design and proof of concept underway.

Revenue Services Consolidation:

- ✓ Business process reviews completed to support a business model for the consolidation.
- ✓ Consolidation of property tax and utility line of business completed. 311 Toronto tax and utilities line was launched successfully on November 23, 2015.

State of Good Repair:

- ✓ Verint Impact 360 and Unified Contact Centre Enterprise (UCCE) Project Charters approved by project sponsors, business requirements collected and signed off.
- ✓ CISCO System audits completed on the telephony solution to assess gaps, recommend best practices and provide design support.
- ✓ New call scripting functionalities tested and implemented to improve call routing efficiencies on existing solution.
- ✓ Contracts approved and awarded for the procurement of hardware, software and professional services for the upgrade of the contact centre telephony.
- ✓ Contract negotiation for the workforce management and call recording solution underway.

## 2015 Financial Performance

**Table 9**  
**2015 Budget Variance Analysis (In \$000's)**

2015 Approved	As of Sept. 30, 2015		Projected Actuals at Year End		Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
6,807	2,814	41.3%	4,840	71.1%	1,967	28.9%

## 2015 Experience

At its meeting on December 9, 2015, Council approved the 2015 Capital Variance Report for the nine months ended September 30, 2015. Please refer to the attached link for the staff report regarding the details of variance explanations and year-end projections for 311 Toronto:

<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-85867.pdf>

## Impact of the 2015 Capital Variance on the 2016 Preliminary Budget

- As a result of the delays in the capital projects, as described in the 2015 Q3 Capital Variance Report, funding of \$1.903 million is being carried forward to the 2016 Capital Budget to continue the capital work.
- A detailed review of the 2016 – 2025 Capital Budget and Plan has been conducted and the necessary adjustments have been made to the timing of cash flow funding for the City Booking and Scheduling Solution and Account Look Up /Payment Module which are the major contributors to annual under expenditures.
  - By deferring the cash flow funding to future years, the 2016 Capital Budget reflects readiness to proceed and will lead to a higher rate of spending.

## Appendix 2

**Table 10**  
**2016 Capital Budget; 2017 to 2025 Capital Plan (\$000s)**

Project	Total Project Cost	Prior Year Carry Forward	2016	2017	2018	2019	2020	2016 - 2020	2021	2022	2023	2024	2025	2016 - 2025 Total
<b>State of Good Repair:</b>														
<i>311 Technology Solution SOGR</i>		200	1,507	2,665	1,807	2,727	1,696	10,602	1,696	1,696	1,696	1,696	1,696	19,082
<b>Sub-Total</b>	-	200	1,507	2,665	1,807	2,727	1,696	10,602	1,696	1,696	1,696	1,696	1,696	19,082
<b>Service Improvements:</b>														
<i>311 Contact Centre Enhancement Initiative</i>	10,422	1,703	1,345					3,048						3,048
<i>Integrations with ML&amp;S</i>	760		500	260				760						760
<i>Integrations with Toronto Building</i>	1,000			1,000				1,000						1,000
<b>Sub-Total</b>	12,182	1,703	1,845	1,260	-	-	-	4,808	-	-	-	-	-	4,808
<b>Total</b>	<b>12,182</b>	<b>1,903</b>	<b>3,352</b>	<b>3,925</b>	<b>1,807</b>	<b>2,727</b>	<b>1,696</b>	<b>15,410</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>1,696</b>	<b>23,890</b>

## Appendix 3

### 2016 Capital Budget; 2017 to 2025 Capital Plan



**CITY OF TORONTO**

**Gross Expenditures (\$000's)**

**Appendix 3**

**311 Toronto**

		Current and Future Year Cash Flow Commitments and Estimates									Current and Future Year Cash Flow Commitments and Estimates Financed By												
		2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing				
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.																		
Financed By:																							
Debt						5,255	3,925	1,807	2,727	1,696	15,410	8,480	23,890	0	0	0	0	0	0	0	23,890	0	23,890
<b>Total Program Financing</b>						5,255	3,925	1,807	2,727	1,696	15,410	8,480	23,890	0	0	0	0	0	0	0	23,890	0	23,890

Status Code	Description
S2	S2 Prior Year (With 2016 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2016 and/or Future Year Cost\Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2017 & Beyond)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

## Appendix 4

### 2016 Cash Flow and Future Year Commitments

## CITY OF TORONTO

Gross Expenditures (\$000's)  
Appendix 4

## 311 Toronto

Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By												
						2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
<u>THR907676 INTEGRATION AND STRATEGY INITIATIVE</u>																								
0	1	311 Contact Centre Enhancement Initiative	CW	S2	04	3,684	0	0	0	0	3,684	0	3,684	0	0	0	0	0	0	0	0	3,684	0	3,684
0	5	Integrations with MLS	CW	S4	04	500	260	0	0	0	760	0	760	0	0	0	0	0	0	0	0	760	0	760
0	6	311 Contact Centre Enhancement Initiative	CW	S3	04	-636	0	0	0	0	-636	0	-636	0	0	0	0	0	0	0	0	-636	0	-636
Sub-total						3,548	260	0	0	0	3,808	0	3,808	0	0	0	0	0	0	0	0	3,808	0	3,808
<u>THR907677 311 TECHNOLOGY SOLUTION STATE OF GOO</u>																								
0	1	STATE OF GOOD REPAIR	CW	S2	03	746	500	0	0	0	1,246	0	1,246	0	0	0	0	0	0	0	0	1,246	0	1,246
0	3	STATE OF GOOD REPAIR - 3	CW	S3	03	-431	0	0	0	0	-431	0	-431	0	0	0	0	0	0	0	0	-431	0	-431
0	4	STATE OF GOOD REPAIR	CW	S4	03	1,392	0	0	0	0	1,392	0	1,392	0	0	0	0	0	0	0	0	1,392	0	1,392
Sub-total						1,707	500	0	0	0	2,207	0	2,207	0	0	0	0	0	0	0	0	2,207	0	2,207
<b>Total Program Expenditure</b>						5,255	760	0	0	0	6,015	0	6,015	0	0	0	0	0	0	0	0	6,015	0	6,015

**CITY OF TORONTO**

**Gross Expenditures (\$000's)**

**Appendix 4**

**311 Toronto**

		Current and Future Year Cash Flow Commitments and Estimates									Current and Future Year Cash Flow Commitments and Estimates Financed By											
		2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing			
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.																	
Financed By:																						
Debt						5,255	760	0	0	0	6,015	0	6,015	0	0	0	0	0	0	6,015	0	6,015
<b>Total Program Financing</b>						5,255	760	0	0	0	6,015	0	6,015	0	0	0	0	0	0	6,015	0	6,015

Status Code	Description
S2	S2 Prior Year (With 2016 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2016 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07

## Appendix 5

### 2016 Capital Budget with Financing Detail

(Phase 2) 49-311 Toronto Sub-Project Category: 01,02,03,04,05,06,07 Type: B Sub-Project Status: S2 Type: C Sub-Project Status: S2,S3,S4,S5



## CITY OF TORONTO

## Appendix 5

## 311 Toronto

## Sub-Project Summary

## Project/Financing

Priority Project Project Name

Priority	Project	Project Name	Start Date	Completion Date	2016	Financing										
					Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable	
<b>0</b>	<b>THR907676</b>	<b>INTEGRATION AND STRATEGY INITIATIVE</b>														
0	1	311 Contact Centre Enhancement Initiative	01/01/2012	12/31/2017	3,684	0	0	0	0	0	0	0	0	0	3,684	0
0	5	Integrations with MLS	01/01/2016	12/31/2018	500	0	0	0	0	0	0	0	0	0	500	0
0	6	311 Contact Centre Enhancement Initiative	01/01/2016	12/31/2016	-636	0	0	0	0	0	0	0	0	0	-636	0
		<b>Project Sub-total:</b>			<b>3,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,548</b>	<b>0</b>
<b>0</b>	<b>THR907677</b>	<b>311 TECHNOLOGY SOLUTION STATE OF GOOD REPAIR</b>														
0	1	STATE OF GOOD REPAIR	01/01/2012	12/31/2016	746	0	0	0	0	0	0	0	0	0	746	0
0	3	STATE OF GOOD REPAIR - 3	01/01/2015	12/31/2015	-431	0	0	0	0	0	0	0	0	0	-431	0
0	4	STATE OF GOOD REPAIR	01/01/2016	12/31/2016	1,392	0	0	0	0	0	0	0	0	0	1,392	0
		<b>Project Sub-total:</b>			<b>1,707</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,707</b>	<b>0</b>
		<b>Program Total:</b>			<b>5,255</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,255</b>	<b>0</b>

Status Code	Description
S2	S2 Prior Year (With 2016 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2016 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05
06	Reserved Category 1 C06
07	Reserved Category 2 C07