



Toronto 2016 BUDGET

OPERATING BUDGET NOTES



Office of the Treasurer

2016 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.

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$77.710 million gross and \$28.965 million net as shown below.

	2015 Approved Budget (in \$000's)	2016 Budget	Change	
			\$	%
Gross Expenditures	76,837.6	77,709.7	872.1	1.1%
Gross Revenues	46,910.0	48,744.8	1,834.8	3.9%
Net Expenditures	29,927.6	28,964.9	(962.7)	(3.2%)

For 2016, the Office of the Treasurer identified \$0.999 million in opening budget pressures arising mainly from inflationary increases and operating impacts from completed capital projects. These pressures were mainly offset by savings identified through service efficiencies and annualization of user fees approved by Council in 2015.

As a result, the Office of the Treasurer was able to maintain the 2015 level of service while achieving a 3.2% reduction from the 2015 Approved Net Budget.

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Fast Facts

- Process over 500,000 invoices annually, paying out in excess of \$10 billion to vendors, governments & agencies
- Administer over 786,000 property tax accounts, processing 1.5 million tax bills annually, with revenues of \$5.9 billion (City & Education)
- Process 2.35 million parking tickets with revenues of over \$100 million
- Administer 50,000 MLTT transactions in excess of \$500 million in revenues in 2015.
- Administer 490,000 utility accounts, processing 1.5 million utility bills with revenues of \$870 million
- Process 816,000 pay cheques and 94,500 pension cheques
- Manage a \$214 million employee benefits plan
- Administer 5 Pre-OMERS Pension Plans with assets of approximately \$1.7 billion
- Procure on average \$1.5 billion of goods and services per year
- Manage corporate warehouse inventory flow valued at \$6.6 million

Trends

- Discounts of \$1.2 million were captured in 2014. Early payment discounts in 2015 have increased by \$0.1 million from 2014.
- City Programs continue to work with vendors to capitalize on early payment discount opportunities resulting in an increased capture rate for discounts.
- Discounts of \$0.099 million captured to September 30, 2015.

Our Service Deliverables for 2016

The Office of the Treasurer provides effective financial and employee services to City Programs, Agencies and Corporations within a complex and highly legislated environment.

Changing customer demographics have increased demand for automation and access through voice, internet and social media while maintaining traditional modes of access for an aging customer base.

The 2016 Preliminary Operating Budget will improve efficiency and effectiveness through:

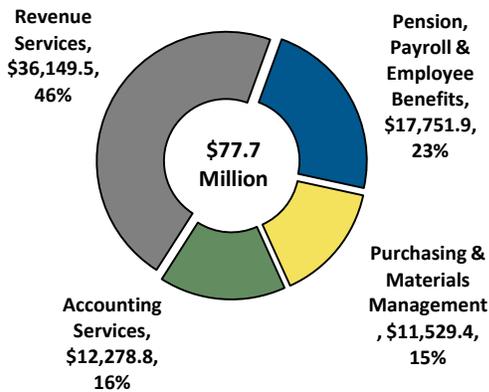
- Continuing upgrades to Payroll Systems & Technology Platforms such as *Employee Self Service Portal/Management Self Service Portal (ESS/MSS)* and the *SAP timekeeping application (CATS)*.
- Implementing a *Time, Attendance and Scheduling System (TASS)* for the City and its agencies.
- Continuing development of self-service electronic delivery options, such as On-line Look-up for Utility and Property Tax Accounts; on-line ordering of property tax and utility certificates, on-line look up service for parking ticket court dates and parking ticket status.
- Continue to automate Accounts Payable, banking and accounts receivable processes to improve process efficiencies, and provide better service to Programs, customers, and vendors.
- Modernize the supply chain management technology.



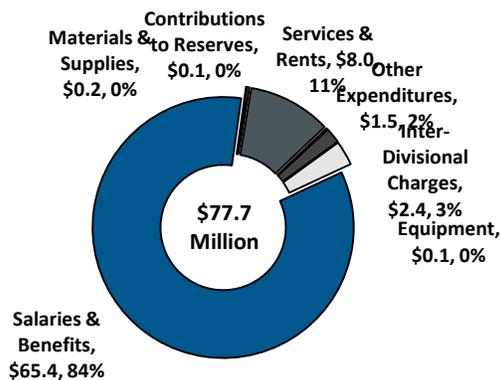
2016 Operating Budget Expenses & Funding

Where the money goes:

2016 Budget by Service

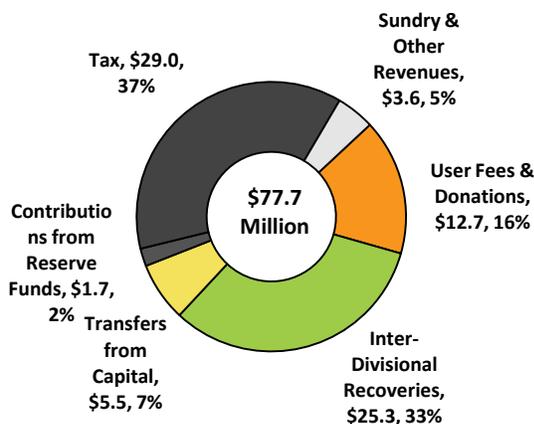


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



Our Key Issues & Priority Actions

- Continuing to transform business processes that impact across the organization in order to improve efficiency and customer service through:
 - ✓ Modernizing technology in all areas of the Treasurer's Office
 - ✓ Implementing the Purchasing and Materials Management Program Review
- Operating in a complex and highly legislated environment:
 - ✓ Emerging legislative changes including upcoming Comprehensive Economic Trade Agreement
 - ✓ Property tax legislation
 - ✓ Harmonized sales tax and commodity tax legislation
 - ✓ Payroll and pension legislation
 - ✓ Resource constraints, lack of capacity to address corporate or specific Division initiatives
 - ✓ Collective bargaining agreement limitations
- Dealing with changing customer demographics:
 - ✓ Increased demand for automation and access through voice, internet, social media
 - ✓ Continuing demand from an aging customer base, via traditional modes
- Integrating Property tax and utility calls with the 311 call centre.

2016 Operating Budget Highlights

- The 2016 Preliminary Operating Budget for the Office of the Treasurer of \$77.7 million in gross expenditures provides funding for four services, Pension, Payroll & Employee Benefits, Purchasing & Materials Management, Accounting Services and Revenue Services.
- The Program has overachieved the -1% budget target from the 2015 Approved Budget based on the following criteria:
 - The identification of sustainable on-going savings including line by line reductions (\$0.135 million) and efficiency savings/productivity gains (\$0.589 million);
 - Annualized user fees revenues approved in 2015 (\$0.627 million); and
 - Target achievement without impacting on Council approved Service Levels.

Actions for Consideration

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

1. City Council approve the 2016 Preliminary Operating Budget for the Office of the Treasurer of \$77.710 million gross, \$28.965 million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Pension, Payroll & Employee Benefits:	17,751.9	11,754.5
Purchasing & Materials Management:	11,529.4	7,546.4
Accounting Services:	12,278.8	9,855.9
Revenue Services:	36,149.5	(191.8)
Total Program Budget	<u>77,709.7</u>	<u>28,964.9</u>

2. City Council approve the 2016 service levels for Office of the Treasurer as outlined on pages 14, 18, 22-25 and 29-31 of this report, and associated staff complement of 723.2 positions.
3. City Council approve the 2016 user fees for Office of the Treasurer identified in Appendix 7a.



Part I:

2016 – 2018

Service Overview and
Plan

Program Map

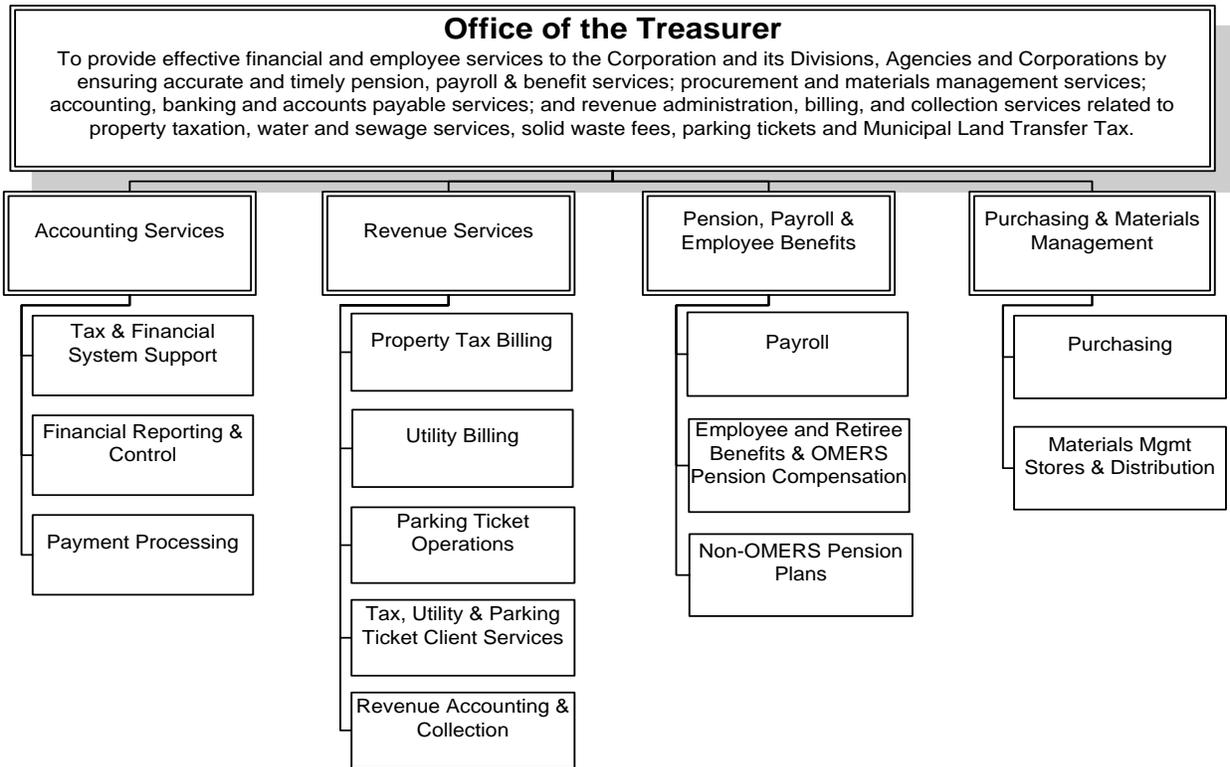


Table 1
2016 Preliminary Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget Approved Changes		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual	2016 Base	2016 New/Enhanced	2016 Budget			2017		2018	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Pension, Payroll and Employee Benefits											
Gross Expenditures	16,673.1	14,028.0	17,751.9		17,751.9	1,078.8	6.5%	(956.8)	(5.4%)	136.1	0.8%
Revenue	5,269.4	2,191.3	5,997.4		5,997.4	728.0	13.8%	(726.9)	(12.1%)		
Net Expenditures	11,403.7	11,836.7	11,754.5		11,754.5	350.8	3.1%	(229.9)	(2.0%)	136.1	1.2%
Purchasing & Materials Management											
Gross Expenditures	11,325.3	10,209.2	11,529.4		11,529.4	204.1	1.8%	514.2	4.5%	101.8	0.8%
Revenue	3,847.0	2,823.4	3,983.1		3,983.1	136.1	3.5%				
Net Expenditures	7,478.3	7,385.8	7,546.2		7,546.2	68.0	0.9%	514.2	6.8%	101.8	1.3%
Accounting Services											
Gross Expenditures	12,590.2	11,882.8	12,278.8		12,278.8	(311.4)	(2.5%)	(16.6)	(0.1%)	91.5	0.7%
Revenue	2,331.3	2,405.0	2,423.0		2,423.0	91.7	3.9%				
Net Expenditures	10,258.9	9,477.8	9,855.8		9,855.8	(403.1)	(3.9%)	(16.6)	(0.2%)	91.5	0.9%
Revenue Service											
Gross Expenditures	36,248.9	34,077.2	36,149.5		36,149.5	(99.4)	(0.3%)	201.4	0.6%	245.8	0.7%
Revenue	35,462.2	33,722.6	36,341.3		36,341.3	879.1	2.5%	90.9		53.5	0.1%
Net Expenditures	786.7	354.6	(191.8)		(191.8)	(978.5)	(124.4%)	110.5	(57.6%)	192.3	(236.5%)
Total											
Gross Expenditures	76,837.5	70,197.2	77,709.6		77,709.6	872.1	1.1%	(257.8)	(0.3%)	575.2	0.7%
Revenue	46,909.9	41,142.3	48,744.8		48,744.8	1,834.9	3.9%	(636.0)	(1.3%)	53.5	0.1%
Total Net Expenditures	29,927.6	29,054.9	28,964.8		28,964.8	(962.8)	(3.2%)	378.2	1.3%	521.7	1.8%
Approved Positions	735.0	711.0	723.2		723.2	(11.8)	(1.6%)	(6.0)	(0.8%)		

The Office of the Treasurer's 2016 Preliminary Operating Budget is \$77.710 million gross and \$28.965 million net, representing a 3.2% decrease to the 2015 Approved Net Operating Budget, exceeds the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Base pressures are mainly attributable to known salary adjustments, annualization of positions approved in 2015 and operating impacts from completed capital projects.
- The above increases were offset by user fee inflationary rate increases, increased budgeted revenues and recovery of dedicated salary costs from other City Programs.
- To help further offset the initial pressures, the Program was able to achieve savings through line by line review of expenditures and service efficiency savings from the deletion of 14.8 positions.
- Approval of the 2016 Preliminary Operating Budget will result in the Office of the Treasurer reducing its total staff complement by 11.8 positions from 735 to 723.2.
- The 2017 and 2018 Plan increases are mainly attributable to inflationary cost increases for progression pay, step and fringe benefits totaling \$0.378million and \$0.521 million respectively.

**Table 2
Key Cost Drivers**

(In \$000s)	2016 Operating Budget								2016 Base Budget	
	Pension, Payroll and Employee Benefits		Purchasing & Materials Management		Accounting Services		Revenue Services		Total	
	\$	Position	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes										
Prior Year Impacts										
Annualization of 2015 User Fees							(627.0)		(627.0)	
Annualization of Positions Approved in 2015			265.0						265.0	
Operating Impacts of Capital										
Operating Impacts of Capital	310.5	4.0							310.5	4.0
Salary & Benefit Changes										
Salary Adjustments	186.6		(10.2)		(56.3)		273.7		393.8	
Other Base Changes										
Conversion of Research Analyst to Financial Analyst							29.3		29.3	
Repurpose Positions in PMMD			(37.6)	(1.0)					(37.6)	(1.0)
Total Gross Expenditure Changes	497.1	4.0	217.2	(1.0)	(56.3)		(324.0)		334.0	3.0
Revenue Changes (Increase) / Decrease										
Interdivisional Changes			(127.8)				(128.8)		(256.6)	
2% Inflation on User Fees							(216.7)		(216.7)	
Increase to Budgeted Revenue(Late Payment on A/R and Vendor					(100.0)				(100.0)	
Total Revenue Changes			(127.8)		(100.0)		(345.5)		(573.3)	
Net Expenditure Changes	497.1	4.0	89.4	(1.0)	(156.3)		(669.5)		(239.3)	3.0

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

- **Prior Year Impacts:**
 - The full year revenue from user fees approved by Council in 2015; and
 - Annualized costs of 2015 approved positions increased in Purchasing & Materials Management to support increased capital project spending for infrastructure projects approved in 2015 within Transportation Services and Toronto Water.
- **Operating Impacts of Capital:**
 - Increase of \$0.310 million and 4.0 new positions to sustain the Time, Attendance and Scheduling System in the Pension, Payroll & Employees Benefits service.
- **Salary & Benefit Changes:**
 - Progression pay and step increases of \$0.394 million are included in staff salaries and benefits across all services. Cost of living allowance has not been included as 2016 is a collective bargaining year, as subject to negotiations.
- **Other Base Changes:**
 - Position repurposing in PMMD has resulted in the deletion of 1.0 position and associated net savings of \$0.038 million.
- **Revenue Changes:**
 - Increase to Inter-divisional recoveries of \$0.257 million as a result of salary increases in PMMD and Revenue Services.

- 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, a 2% inflationary factor was applied to the 2016 Preliminary Operating Budget increasing user fee revenues by \$0.217 million in Revenue Services.
- Increasing budgeted revenues for late payment fees applied to accounts receivable debtors and vendor discounts earned (\$0.100 million) to better align budget with actual experience in Accounting Services.

The 2016 service costs changes for the Office of the Treasurer consists of base expenditure savings of \$0.135 million net and service efficiency savings of \$0.589 million net, for a total of \$0.724 million net reductions as detailed below.

**Table 3
2016 Total Preliminary Service Change Summary**

Description (\$000s)	2016 Service Changes								Total Service Changes			Incremental Change				
	Pension, Payroll and Employee Benefits		Purchasing & Materials Management		Accounting Services		Revenue Services		\$	\$	#	2017 Plan		2018 Plan		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	# Pos.	% Net	Pos.	% Net	Pos.	
Base Changes:																
Base Expenditure Changes																
<i>Line by Line Review Expenditure Reductions</i>	(10.0)	(10.0)	(24.8)	(24.8)			(100.0)	(100.0)	(134.8)	(134.8)						
Base Expenditure Change	(10.0)	(10.0)	(24.8)	(24.8)			(100.0)	(100.0)	(134.8)	(134.8)						
Service Efficiencies																
<i>Delete 2 Vacant Positions</i>	(136.3)	(136.3)							(136.3)	(136.3)	(2.0)					
<i>Delete 4 Positions</i>					(246.9)	(246.9)			(246.9)	(246.9)	(4.0)					
<i>Delete Casual Staff</i>							(204.2)	(132.7)	(204.2)	(132.7)	(3.8)					
<i>Delete 5 Positions</i>							(344.4)	(72.8)	(344.4)	(72.8)	(5.0)					
Sub-Total	(136.3)	(136.3)			(246.9)	(246.9)	(548.6)	(205.5)	(931.8)	(588.7)	(14.8)					
Total Changes	(146.3)	(146.3)	(24.8)	(24.8)	(246.9)	(246.9)	(648.6)	(305.5)	(1,066.6)	(723.5)	(14.8)					

Base Expenditure Changes (Savings of \$0.135 million gross & net)

Line by Line Review of Expenditure Reductions

A line by line review of expenditures, across all services, of non-salary expenditures resulted in the reduction of \$0.135 million.

Service Efficiencies (Savings of \$0.932 million gross & \$0.589 million net)

Deletion of Vacant Positions

- Deletion of 2 vacant permanent positions in PPEB will reduce salaries and benefits by \$0.136 million with no impact to service levels.
- Deletion of 4 permanent positions in Accounting Services due to efficiencies enabled by automation will reduce salaries and benefits expenses by \$0.247 million.
- Eliminating 3.8 vacant casual, seasonal positions in the Revenue Services Payment Processing Unit will further reduce salaries and benefits expenses by \$0.133 million.
- The deletion of 5 vacant permanent positions in Revenue Services due to efficiencies arising from the Water Meter Program will reduce salaries and benefits by \$0.073 million net.

Approval of the 2016 Preliminary Budget for the Office of the Treasurer will result in a 2017 incremental net cost of \$0.378 million and a 2018 incremental net cost of \$0.522 million to maintain the 2016 service levels, as discussed in the following section:

Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Operating Impact -Supply Chain Management Transformation	437.6		437.6	1.5%	1.0	0.5		0.5	0.0%	
Operating Impact of Capital	247.8		247.8	0.8%	1.0	7.2		7.2	0.0%	
Salary and Benefit Changes										
Salary Adjustments	403.7		403.7	1.3%		571.0		571.0	1.9%	
Annualization of Conversion of Position	3.2		3.2	0.0%		2.8		2.8	0.0%	
Annualization of Repurposing 2 Vacant Positions	(26.2)		(26.2)	(0.1%)		1.3		1.3	0.0%	
Annualization of 2016 Positions Deleted	(84.9)		(84.9)	(0.3%)		(7.5)		(7.5)	(0.0%)	
Capital Project Delivery	(1,241.9)	(684.3)	(557.6)	(1.9%)		(4.7)	3.7	(8.4)	(0.0%)	
Revenue										
Changes to IDC/R	2.7	48.3	(45.6)	(0.2%)		4.7	49.8	(45.1)	(0.2%)	
Total Incremental Impact	(258.0)	(636.0)	378.0	1.3%	2.0	575.3	53.5	521.8	1.7%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

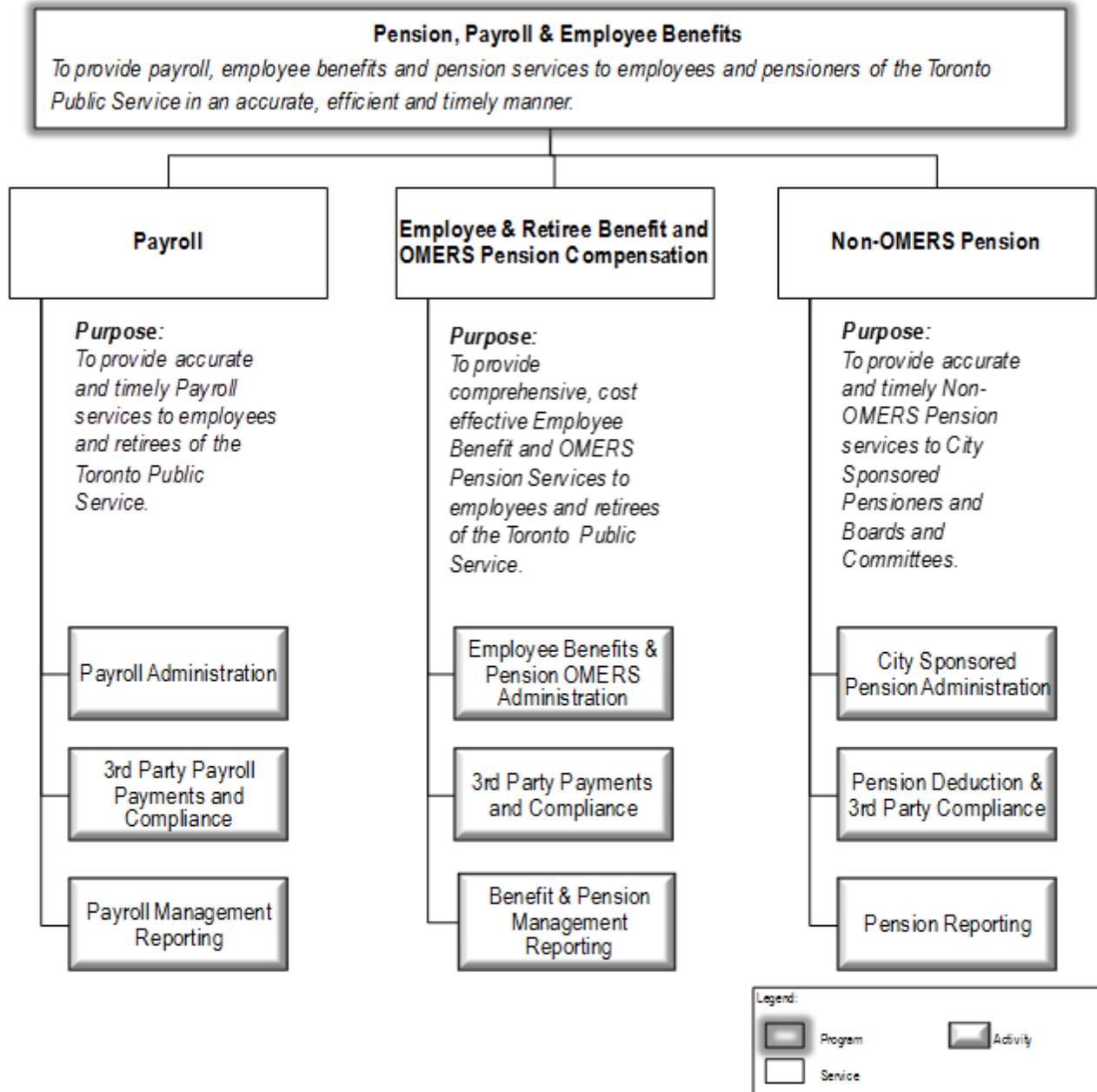
- The 2017 and 2018 Plans reflects future year net incremental costs for salaries, progression pay, and step increases of \$0.404 million in 2017 and \$0.571 million in 2018.
- Operating impact of completed capital projects will result in 2017 pressures of \$0.685 million for:
 - 1 position for *PPEB Time, Attendance and Scheduling System (TASS)*; and
 - 1 position in Purchasing & Materials Management to support *Supply Chain Management Transformation* project.
- Adjustments to salaries and benefits for temporary positions supporting the delivery of completed capital projects resulting in a 2017 net decrease of \$0.558 million.
- The full year impact of position reductions in the 2016 Budget will result in further savings of \$0.108 million in 2017 and a further \$0.004 million in 2018.



Part II:

2016 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

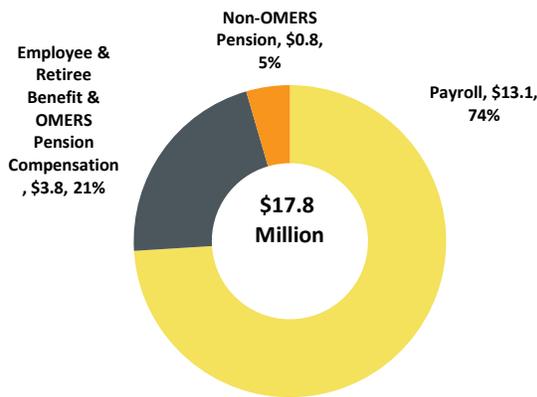
Non – OMERS Pension

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

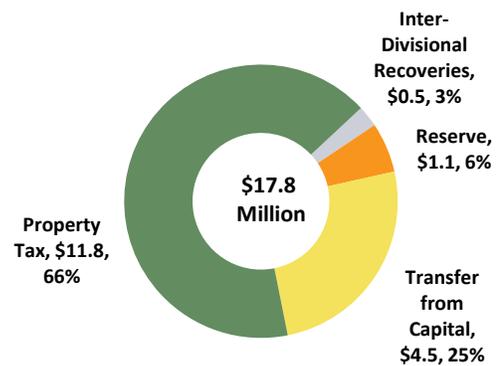
What we do

Pension, Payroll & Employee Benefits provides accurate and timely pension, payroll and benefits services to employees and pensioners by processing the City’s payroll and maintaining accurate employee information; administering the various City pension and benefit plans; processing the City’s pension payroll and maintaining accurate pensioner information; and providing information and responding to inquiries from city employees regarding pension, payroll and benefits.

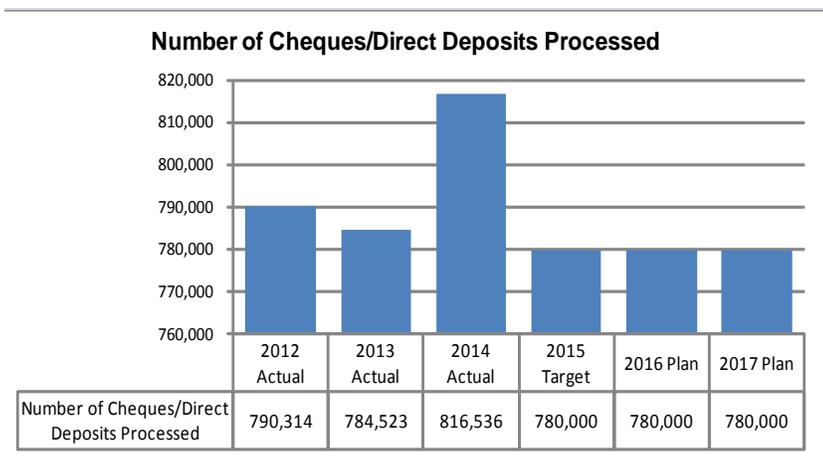
2016 Service Budget by Activity (\$Million)



Service by Funding Source (\$Million)



Number of Cheques/Direct Deposits Processed



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

2016 Service Levels Pension, Payroll & Employees Benefits

Activity	Type	Status	Service Levels				Preliminary
			2012	2013	2014	2015	2016
Payroll Administration		Approved	Payroll cheque/ direct deposit / statements are made available to all employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual				
		Actual		100%	100%	100%	
3rd Party Payroll Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy				
		Actual		100%	100%	100%	
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.				
		Actual		100%	100%	100%	
Employee Benefits & OMERS Pension Administration		Approved	Provide accurate benefit plans to full time active employees and retirees				
		Actual		100%	100%	100%	
Benefit & Pension 3rd Party Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy				
		Actual		100%	100%	100%	
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.				
		Actual		100%	100%	100%	100%
City Sponsored Pension Administration	The Toronto Civic Employees'	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month				
		Actual		100%	100%	100%	
	Toronto Fire Department Superannuation and Benefit	Approved	Produce an accurate bi-monthly pension or spousal pension on the first and fifteenth day of each and every month				
		Actual		100%	100%	100%	
	Metropolitan Toronto Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month				
		Actual		100%	100%	100%	
	Metropolitan Toronto Police Benefit Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month				
		Actual		100%	100%	100%	100%
	The Corporation of the City of York Employee	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month				
		Actual		100%	100%	100%	
Pension Deduction & 3rd Party Compliance		Approved	Meet all regulatory filing requirements by prescribed dates				
		Actual		100%	100%	100%	
Pension Reporting		Approved	Financial statements filed by prescribed date (June 30)				
		Actual		100%	100%	100%	

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels.

Table 6
2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget							2016 Budget vs. 2015 Budget		Incremental Change				
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget			2017 Plan	2018 Plan			
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Payroll	12,053.0	13,148.2	(47.1)	13,101.1	1,048.1	8.7%		13,101.1	1,048.1	8.7%	(965.8)	(7.4%)	100.8	0.8%	
Employee & Retiree Benefit & OMERS															
Pension Compensation	3,779.1	3,885.1	(73.4)	3,811.7	32.6	0.9%		3,811.7	32.6	0.9%	8.8	0.2%	29.2	0.8%	
Non-Omers Pension	841.0	854.9	(15.8)	839.1	(1.9)	(0.2%)		839.1	(1.9)	(0.2%)	6.1	0.7%			
Total Gross Exp.	16,673.1	17,888.2	(136.3)	17,751.9	1,078.8	6.5%		17,751.9	1,078.8	6.5%	(957.0)	(5.4%)	136.1	0.8%	
REVENUE															
Payroll	5,158.7	5,886.7		5,886.7	728.0	14.1%		5,886.7	728.0	14.1%	(727.9)	(12.4%)			
Employee & Retiree Benefit & OMERS															
Pension Compensation	110.7	110.7		110.7				110.7							
Non-Omers Pension															
Total Revenues	5,269.4	5,997.4		5,997.4	728.0	13.8%		5,997.4	728.0	13.8%	(727.9)	(12.1%)			
NET EXP.															
Payroll	6,894.3	7,261.5	(47.1)	7,214.4	320.1	4.6%		7,214.4	320.1	4.6%	(237.9)	(3.3%)	100.8	1.4%	
Employee & Retiree Benefit & OMERS	3,668.4	3,774.4	(73.4)	3,701.0	32.6	0.9%		3,701.0	32.6	0.9%	8.8	0.2%	29.2	0.8%	
Pension Compensation															
Non-Omers Pension	841.0	854.9	(15.8)	839.1	(1.9)	(0.2%)		839.1	(1.9)	(0.2%)	8.8	1.0%	29.2	3.4%	
Total Net Exp.	11,403.7	11,890.8	(136.3)	11,754.5	350.8	3.1%		11,754.5	350.8	3.1%	(229.1)	(1.9%)	136.1	1.2%	
Approved Positions	167.0	169.0	(2.0)	167.0				167.0			(7.0)	(4.2%)			

Pension, Payroll & Employee Benefits' 2016 Preliminary Operating Budget of \$17.752 million gross and \$11.754 million net is \$0.351 million or 3.1% over the 2015 Approved Net Budget.

Base budget pressures in Pension, Payroll & Employee Benefits are primarily due to 4 new positions for the sustainment of the Cross Application Time Sheets (CATS)/Time, Attendance & Scheduling System (TASS) capital projects in the amount of \$0.311 million and progression pay and step increases.

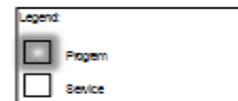
- Expenditures have been further reduced by \$0.010 million in line by line savings following a review of spending and consideration of future requirements and deletion of two vacant positions with savings of \$0.136 million and minimal service impacts for a total of \$0.146 million in reduced expenditures.

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

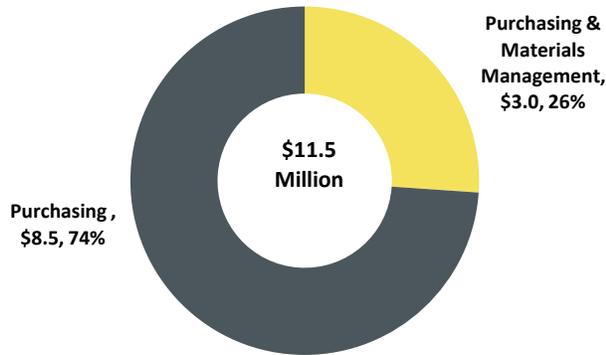
Materials Management Stores & Distribution

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

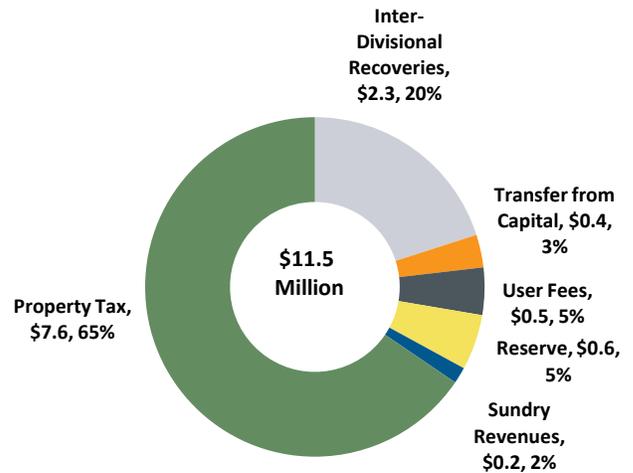
What we do

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.

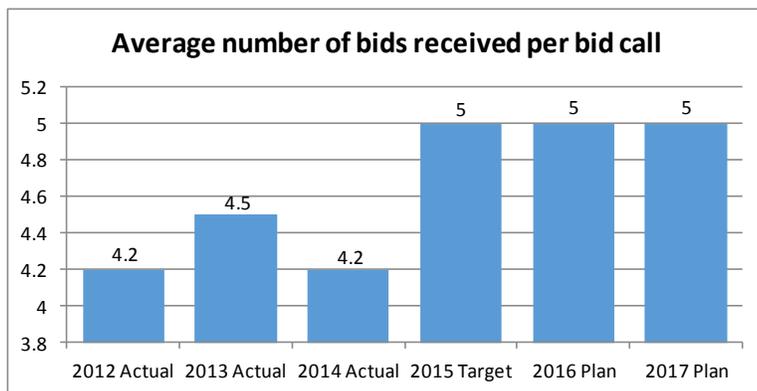
2016 Service Budget by Activity (\$Million)



Service by Funding Source (\$Million)



Efficiency Measure-Average Number of Bids Received per Bid Call

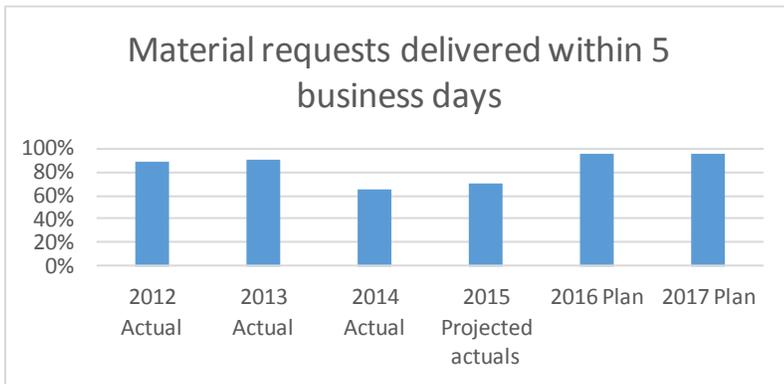


- PMMD has set a target of receiving an average of 5 responses per call.
- Actuals for the average number of bids received per call is at 4.3 as at August 30, 2015.
- PMMD is exploring ways to reach the target of an average of 5 responses per call, including potentially a new call document distribution system to allow for electronic submissions for city procurements and other enhancements.

2016 Service Levels
Purchasing & Materials Management

Activity	Type	Status	Service Levels				
			2012	2013	2014	2015	2016
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%	
	Online Call Document Distribution	Approved	To provide vendors with 24/7 online access 100% of the time				
		Actual	Not Available	Not Available	Not Available	100%	
	Non-Competitive Procurement	Approved	100% compliance with Council Policy on Sole Source				
		Actual	99.8%	99.9%	99.9%	100%	
	Call Documents	Approved	Issuing within 2-5 days from time of receipt of final approved document 100% of time				
		Actual	81%	82%	90%	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%	95%	
	MSDS (Materials Safety Data Sheet)	Approved	Providing city staff with 24/7 online access 100% of the time				
		Actual	100%	100%	100%	100%	
	Stores Catalogue	Approved	Providing 24/7 online access to Catalogue details current to one business day 100% of the time				
		Actual	100%	100%	100%	100%	
	Inventory	Approved	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	Turn inventory value at rate of 4.25 times per year
		Actual	5.8	3.82	4	4.25	

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels



- In 2012 & 2013, approximately 90% of materials were delivered within 5 business days. This was in line with previous years performance.
- A decrease in 2014 to 65% was as a result of a number of causes including taking on a considerable amount of new business which increased the demand on the 2 couriers and 2 delivery trucks; instances of truck breakdowns and regularly scheduled maintenance putting trucks out of service; and transition to the new warehouse.
- The target for 2015 is 95% and the actuals as of November are 66%. This was due to the transition into the warehouse taking longer and the process to fill a courier position took longer than anticipated. Third courier will be hired January 2016.

**Table 6
2016 Preliminary Service Budget by Activity**

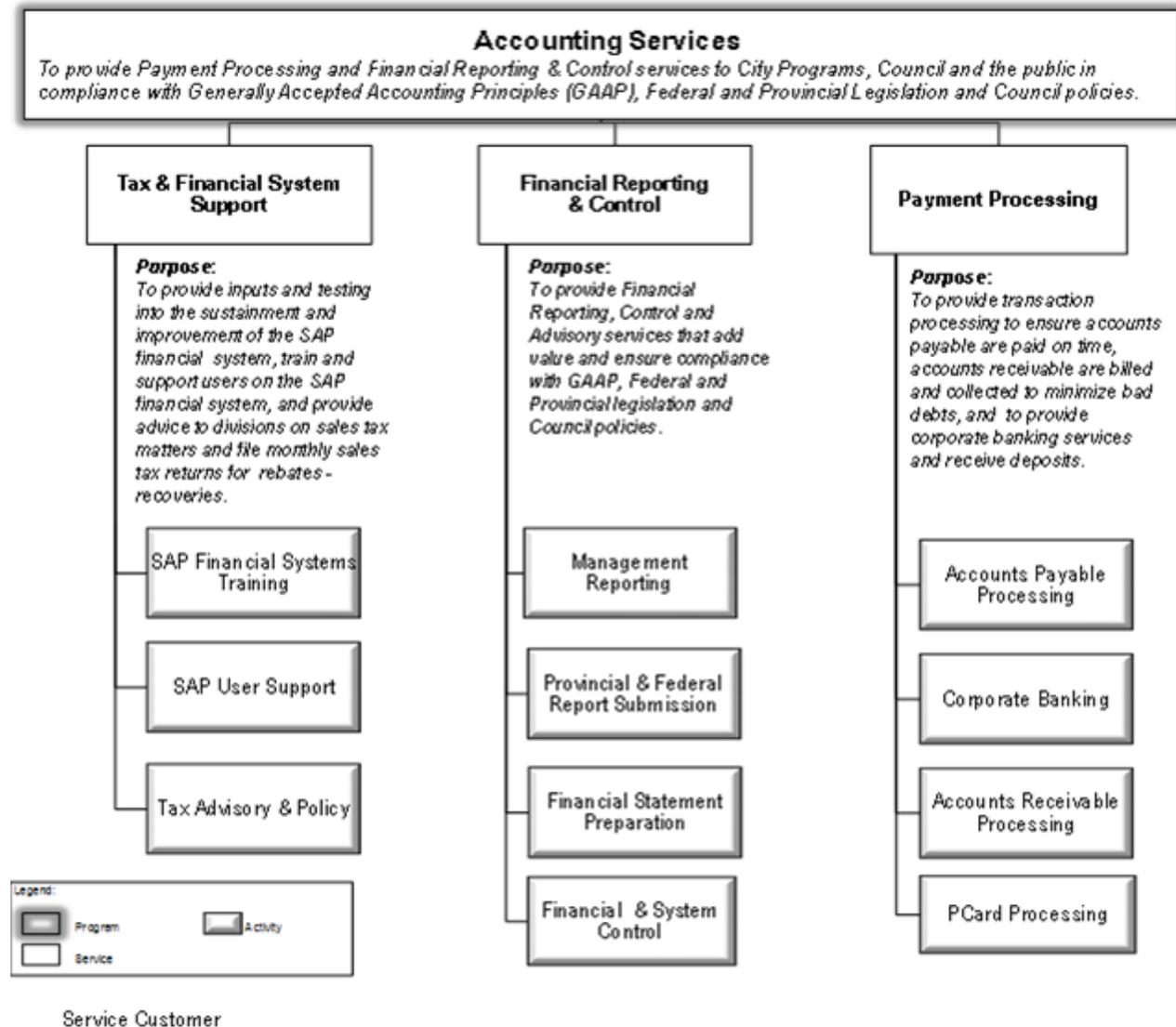
(\$000s)	2015		2016 Operating Budget						Incremental Change					
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget		New/Enhanced	2016 Budget	2016 Budget vs. 2015 Budget		2017 Plan		2018 Plan	
					\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
Materials Management Stores & Purchasing	3,052.9	3,023.0		3,023.0	(29.9)	(1.0%)		3,023.0	(29.9)	(1.0%)	6.7	0.2%	23.6	0.8%
	8,272.4	8,506.5		8,506.5	234.1	2.8%		8,506.5	234.1	2.8%	69.9	0.8%	77.7	0.9%
Total Gross Exp.	11,325.3	11,529.5		11,529.5	204.2	1.8%		11,529.5	204.2	1.8%	76.6	0.7%	101.3	0.9%
REVENUE														
Materials Management Stores & Purchasing	769.0	750.9		750.9	(18.1)	(2.4%)		750.9	(18.1)	(2.4%)				
	3,078.0	3,232.2		3,232.2	154.2	5.0%		3,232.2	154.2	5.0%				
Total Revenues	3,847.0	3,983.1		3,983.1	136.1	3.5%		3,983.1	136.1	3.5%				
NET EXP.														
Materials Management Stores & Purchasing	2,283.9	2,272.1		2,272.1	(11.8)	(0.5%)		2,272.1	(11.8)	(0.5%)	6.7	0.3%	23.6	1.0%
	5,194.4	5,274.3		5,274.3	79.9	1.5%		5,274.3	79.9	1.5%	69.9	1.3%	77.7	1.5%
Total Net Exp.	7,478.3	7,546.4		7,546.4	68.1	0.9%		7,546.4	68.1	0.9%	76.6	1.0%	101.3	1.3%
Approved Positions	122.0	121.0		121.0	(1.0)	(0.8%)		121.0	(1.0)	(0.8%)				

The Purchasing & Materials Management Services' 2016 Preliminary Operating Budget of \$11.529 million gross and \$7.546 million net is \$0.061 million or 0.8% over the 2015 Approved Net Budget.

Base budget pressures in Purchasing & Materials Management are primarily due to annualization of \$0.143 million for positions approved in 2015. A net deletion of 1 position resulted in savings of \$0.038 million.

Expenditures have been further reduced by \$0.024 million in line by line savings following a review of spending and consideration of future requirements.

Accounting Services



Tax & Financial System Support

- City Divisions

Financial Reporting & Control

- City Divisions
- Agencies

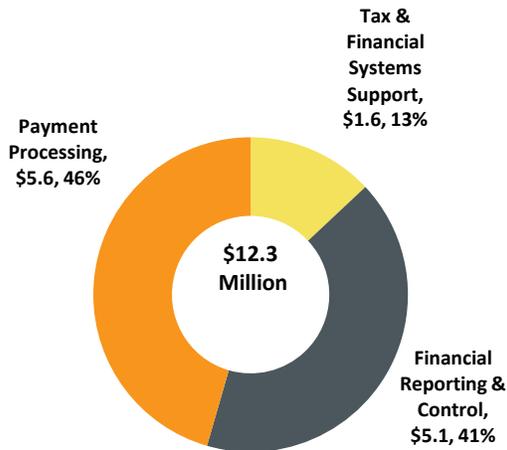
Payment Processing

- City Divisions
- Vendors

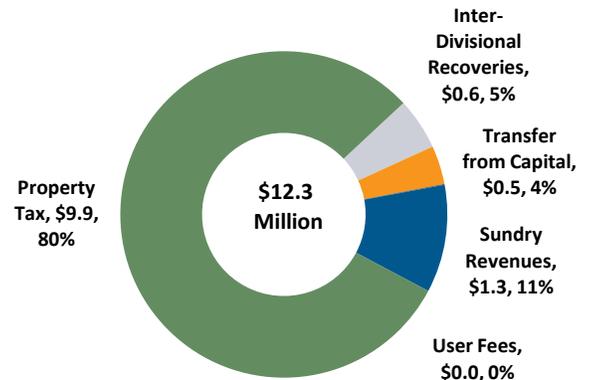
What we do

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.

2016 Service Budget by Activity (\$Million)



Service by Funding Source (\$Million)



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



- Discounts of \$1.2 million were captured in 2014.
- Early payment discounts in 2015 are expected to increase by \$0.1 million from 2014. It is anticipated that total discounts earned after the completion of the year end process will be \$1.4 million.
- Accounting Services, Purchasing & Materials Management, and other City Divisions continue to work with vendors to capitalize on early payment discount opportunities resulting in an increased capture rate for discounts. Discounts captured to September 30, 2015: \$999.816 million.

2016 Service Levels

Accounting Services

Activity	Type	Status	Service Levels				2016
			2012	2013	2014	2015	
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				Perform banking services and reporting throughout the year
	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 11
	Trust Fund Audited Financial Statements	Approved	Complete financial statements with draft audit report prior to June 30th			complete by June 10	Complete by June 12
Management Reporting	Reserves and Reserve Funds Reports	Approved	Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.				Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.
	Council Remuneration Report	Approved	Complete Council Remuneration Report for submission to EC by March 31			complete by Mar 31	Complete by March 31
	Consulting Report	Approved	Complete Consulting report for submission to GMC by June 30th				Complete Consulting report for submission to GMC by June 30th
	Special reports, e.g. Deposits, G20	Approved	Complete special reports as required				Complete special reports as required.
	Development Charges Report	Approved	Complete Development Charges report for submission to BC by August 31				Complete Development Charges report for submission to BC by August 31
	Semi-annual Treasurer's report	Approved	Complete semi-annual Treasurer's Report for submission to GMC within 90 days				Complete semi-annual Treasurer's Report for submission to GMC within 90 days

Activity	Type	Status	Service Levels				2016
			2012	2013	2014	2015	
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
		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 oversight	Approved	Provide advice on all material new areas of concern, prior to implementation, and oversight as requested				Provide advice on all material new areas of concern, prior to implementation, and oversight 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				Produce and publish timely, relevant and comprehensive accounting policies on issues, prior to adoption of new standards or practices, as required
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 monthly within 30 days
	Inter-bank transfers	Approved	As required				As required
	Cheque verification or certification	Approved	Daily, as requested				Daily, as requested

Activity	Type	Status	Service Levels				2016
			2012	2013	2014	2015	
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				Completed throughout the year, prepare report to GMC for April
Accounts Payable Processing	A/P Transactions Processed	Approved	90% of payments made within 60 days				
		Actual	90%	87%	88%	90%	
	Discounts desk	Approved	80% of discounts captured				
		Actual	80%	82%	82%	85%	
	Mailroom / Scanned Images	Approved	Daily				Daily
	Cheques issued	Approved	Cheques printed on a minimum of every Tuesday & Thursday				Cheques printed on a minimum of every Tuesday & Thursday
	Direct deposit payments issued	Approved	Direct Deposits processed a minimum of once per day				Direct Deposits processed a minimum of once per day
	Interface files processing	Approved	Interface files processed within 1 business day of receipt				Interface files processed within 1 business day of receipt
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 of request of card from NBC
	Pcard Compliance Review Forms	Approved	Reviewed within 90 days				Reviewed within 90 days
SAP Financial Systems Training	Classroom Training Sessions	Approved	Classes scheduled based on minimum attendance based on business request				Classes scheduled based on minimum attendance based on business request
	Develop course materials & quick reference guides	Approved	Prior to any Legislative changes.				Prior to any Legislative changes.
SAP User Support	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested				Daily, as requested
	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested				Daily, as requested
	SAP System Support - ERP updates tested and applied	Approved	Twice per year, 6 to 8 weeks duration each time				Twice per year, 6 to 8 weeks duration each time
	SAP System Support	Approved	Daily, as requested				Daily, as requested
	SAP System Support	Approved	Daily, as requested				Daily, as requested
	SAP System Support	Approved	Daily, as issues arise				Daily, as issues arise

Activity	Type	Status	Service Levels				
			2012	2013	2014	2015	2016
Tax Advisory & Policy	HST Remittance	Approved	File by mid-month, coincident with Payroll				File by mid-month, coincident with Payroll
	Non-resident withholding tax remittance	Approved	File by mid-month				File 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 the year
	Issuance of donation income tax receipts - City Wide	Approved	Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation				Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation
	Provision of sales tax advice	Approved	As requested or required				As requested or required
	Implication of tax changes	Approved	Implement changes to meet the legislated timelines				Implement changes to meet the legislated timelines

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels.

Table 6
2016 Preliminary Service Budget by Activity

(\$000s)	2015		2016 Operating Budget						2016 Budget vs. 2015 Budget		Incremental Change				
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget	\$	%	2017 Plan		2018 Plan		
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.															
Tax & Financial Systems Support	1,695.8	1,644.9	(80.7)	1,564.2	(131.6)	(7.8%)		1,564.2	(131.6)	(7.8%)	10.9	0.7%	44.2	2.8%	
Financial Reporting & Control	5,052.8	5,172.6	(44.0)	5,128.6	75.8	1.5%		5,128.6	75.8	1.5%	2.8	0.1%	15.7	0.3%	
Payment Processing	5,841.6	5,708.2	(122.2)	5,586.0	(255.6)	(4.4%)		5,586.0	(255.6)	(4.4%)	(30.3)	(0.5%)	31.6	0.6%	
Total Gross Exp.	12,590.2	12,525.7	(246.9)	12,278.8	(311.4)	(2.5%)		12,278.8	(311.4)	(2.5%)	(16.6)	(0.1%)	91.5	0.7%	
REVENUE															
Tax & Financial Systems Support	445.0	436.2	1.5	437.7	(7.3)	(1.6%)		437.7	(7.3)	(1.6%)					
Financial Reporting & Control	393.7	343.7	51.5	395.2	1.5	0.4%		395.2	1.5	0.4%					
Payment Processing	1,492.6	1,543.1	47.0	1,590.1	97.5	6.5%		1,590.1	97.5	6.5%					
Total Revenues	2,331.3	2,323.0	100.0	2,423.0	91.7	3.9%		2,423.0	91.7	3.9%					
NET EXP.															
Tax & Financial Systems Support	1,250.8	1,208.7	(82.2)	1,126.5	(124.3)	(9.9%)		1,126.5	(124.3)	(9.9%)	10.9	1.0%	44.2	3.9%	
Financial Reporting & Control	4,659.1	4,828.9	(95.5)	4,733.4	74.3	1.6%		4,733.4	74.3	1.6%	2.8	0.1%	15.7	0.3%	
Payment Processing	4,349.0	4,165.1	(169.2)	3,995.9	(353.1)	(8.1%)		3,995.9	(353.1)	(8.1%)	(30.3)	(0.8%)	31.6	0.8%	
Total Net Exp.	10,258.9	10,202.7	(346.9)	9,855.8	(403.1)	(3.9%)		9,855.8	(403.1)	(3.9%)	(16.6)	(0.2%)	91.5	0.9%	
Approved Positions	120.0	120.0	(4.0)	116.0	(4.0)	(3.3%)		(403.1)	(4.0)	(3.3%)					

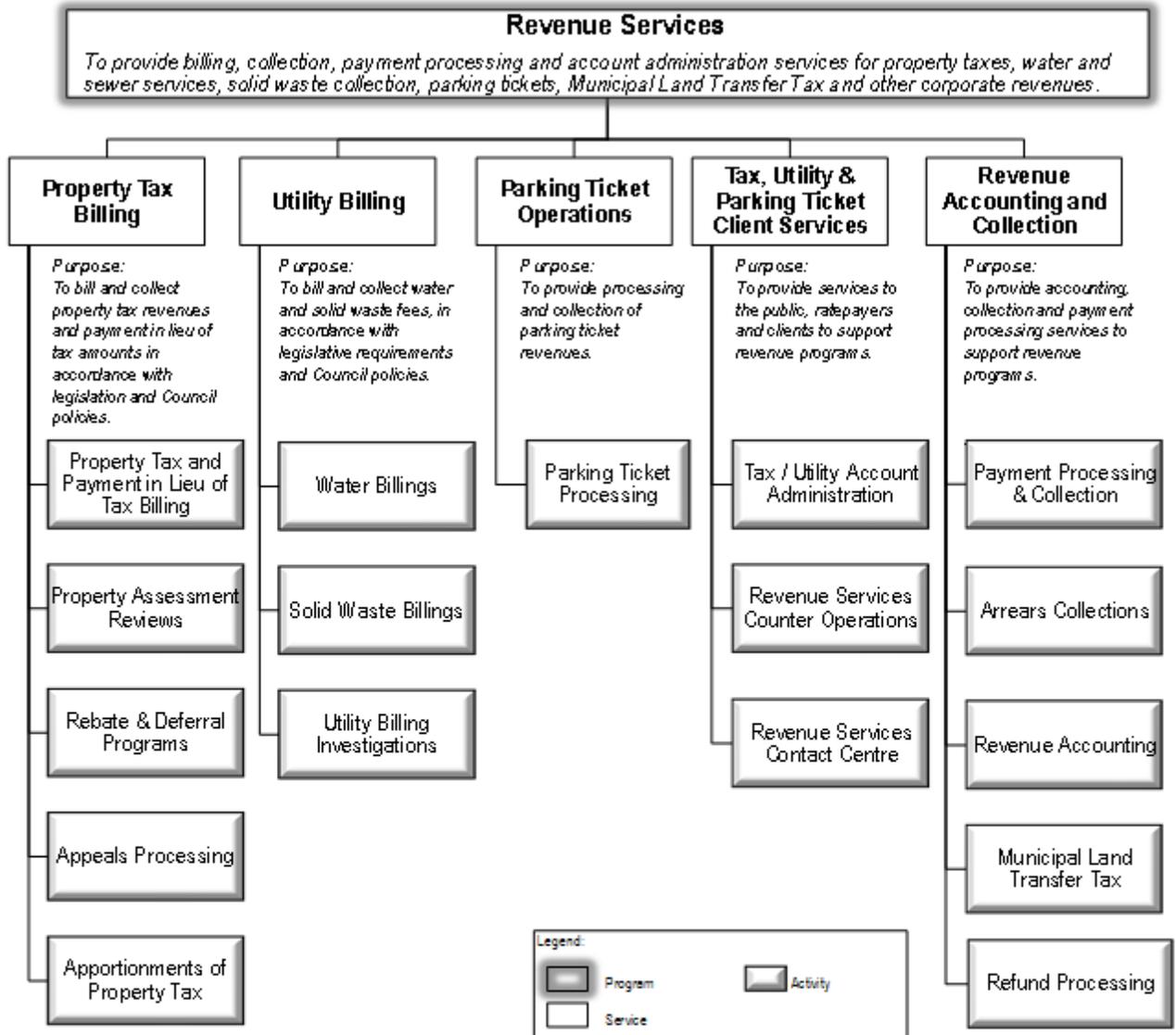
The Accounting Services' 2016 Preliminary Operating Budget of \$12.279 million gross and \$9.856 million net is \$0.403 million or 3.9% under the 2015 Approved Net Budget.

There are no budget pressures for Accounting Services in the 2016 Budget.

Base budget reductions result from a decrease of \$0.056 million in salary expenditures and an increase to budgeted revenues of \$0.100 million for late payment fees applied to Accounts Receivable debtors and increase to budgeted vendor discounts.

- Expenditures have been further reduced by \$0.247 million net through the deletion of 4 permanent positions arising from efficiencies enabled by automation.

Revenue Services



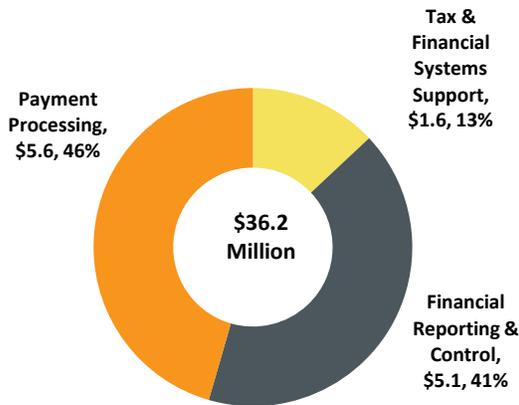
Service Customer

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

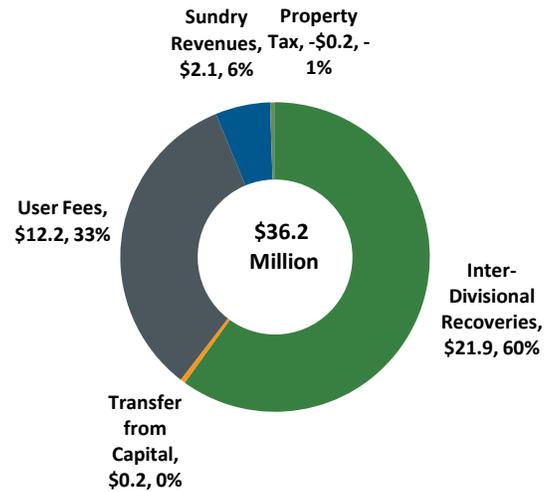
What we do

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

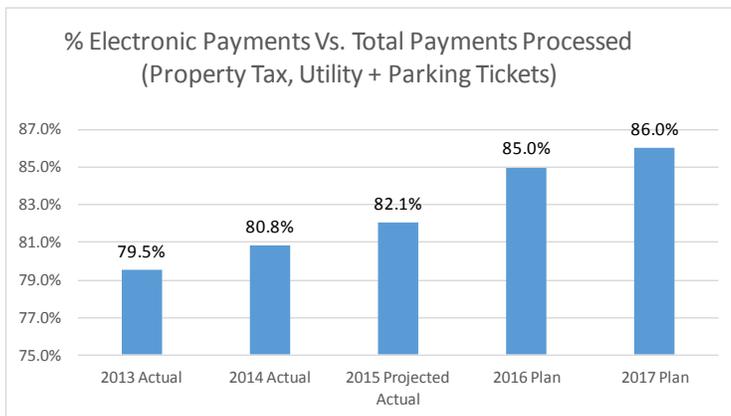
2016 Service Budget by Activity (\$Million)



Service by Funding Source (\$Million)



Electronic Payment measure



- Percentage of electronic payments received compared to total payments processed for property tax, utility and parking tickets is increasing over time due to consumer behaviour, with more customers electing to make payments electronically, rather than through in-person payments made by cash or cheque, or mailed in cheque payments (including post-dated cheques).
- Electronic payments improve accuracy, are more cost-effective, and can be posted to the City's accounts sooner than cheque payments.
- Development of additional online services for electronic billings and payments will see an increasing trend in the overall percentage of electronic payments over 2016 and 2017.

2016 Service Levels Revenue Services

Activity	Type	Status	Service Levels				2016
			2012	2013	2014	2015	
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	Aproximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year				Aproximately 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				2015: 95% of applications processed within first billing cycle. 2016: same as 2015
Solid Waste Billings		Approved	Mailing of all bills within cycle on schedule				Mailing of all bills within cycle on schedule
Utility Billing Investigations	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

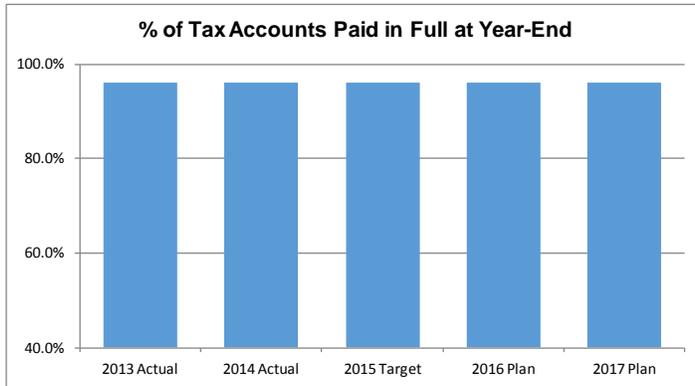
Activity	Type	Status	Service Levels				2016
			2012	2013	2014	2015	
Parking Ticket Processing	Parking Ticket	Approved	99.5% of parking tickets processed within legislated timeframes				99.5% of parking tickets processed within legislated timeframes
		Actual	99.85%	99.89%	99.90%	99.90%	
	Notice of impending Conviction	Approved	99.5% of notices sent within legislated timeframe				99.5% of notices sent within legislated timeframe
	Notice of Fine and Due Date	Approved	99.5% of notices sent within legislated timeframe				99.5% of notices sent within legislated timeframe
	Refunds and adjustments	Approved	100% of refunds and adjustments processed within 14 days				100% of refunds and adjustments processed within 14 days
	Investigations	Approved	Complete all investigations within 15 days				Complete all investigations within 15 days
Pre-Court Filing	Approved	99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence				99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence	
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	Approved	All mortgage updates are processed within 30 days				All mortgage updates are processed within 30 days
	Mortgage and PILT payment	Approved	All payments are processed within a 3 - 5 day window				All payments are processed within a 3 - 5 day window
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 7 minutes for tax/utility transactions, and parking ticket transactions.
		Actual	5.6 minutes	7.0 minutes	5.0 minutes	2.5 min.	
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 95% 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	91.5%	94.2%	95.1%	95.0%	

Activity	Type	Status	Service Levels				2016
			2012	2013	2014	2015	
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.		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.	
	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, RFR's and rebate are processed within 120 days.	

Overall, the 2016 Service Levels are consistent with the approved 2015 Service Levels for Revenue Services except for improved wait times at the Revenue Services Counter operations for tax, utility, and parking ticket transactions.

Service Performance

Effectiveness Measure – % of Tax Accounts paid in full at Year-end



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

Table 6

2016 Preliminary Service Budget by Activity

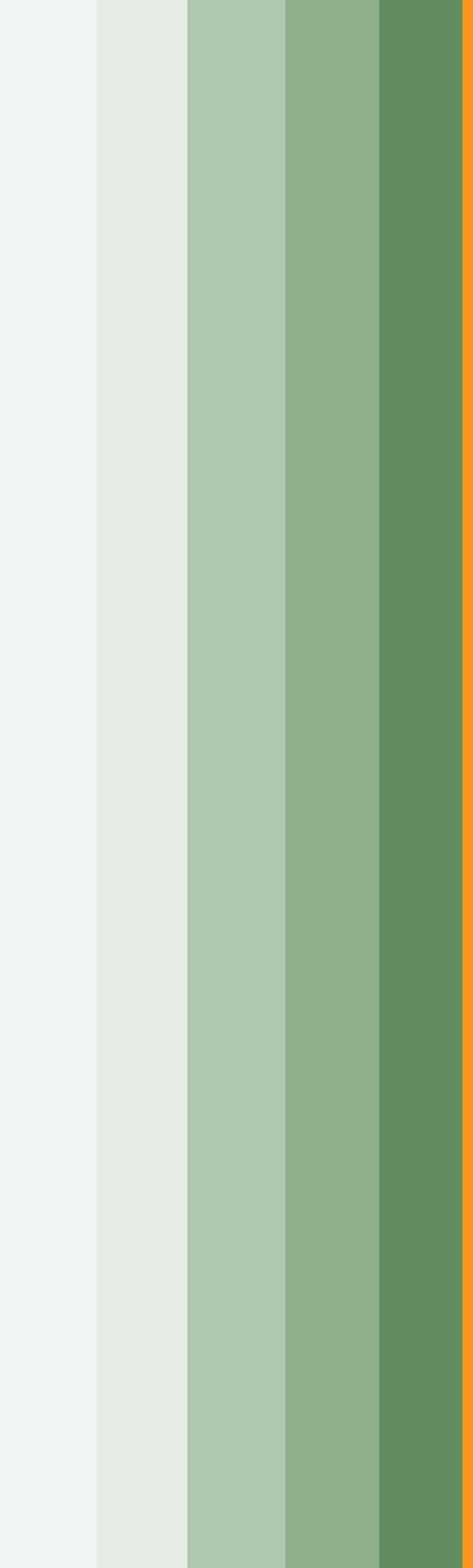
(\$000s)	2016 Operating Budget									Incremental Change					
	2015	2016 Base			Base Budget vs. 2015		New/Enhanced	2016 Budget	2016 Budget vs. 2015 Budget		2017 Plan		2018 Plan		
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget	% Change			\$	\$	\$	%	\$	%	\$
GROSS EXP.															
Property Tax Billing	7,546.0	7,497.4		7,497.4	(48.6)	(0.6%)		7,497.4	96.7	1.3%	20.9	0.3%	10.4	0.1%	
Utility Billing	4,929.6	4,578.9		4,578.9	(350.7)	(7.1%)		4,578.9	0.8	0.0%	7.7	0.2%	10.4	0.2%	
Parking Ticket Operations	3,661.4	3,944.5		3,944.5	283.1	7.7%		3,944.5	3.3	0.1%	12.3	0.3%	22.7	0.6%	
Tax, Utility & Parking Ticket Client Services	10,779.6	11,059.7		11,059.7	280.1	2.6%		11,059.7	0.2	0.0%	1.6	0.0%	10.5	0.1%	
Revenue Accounting and Collection	9,332.3	9,273.2	(204.2)	9,069.0	(263.3)	(2.8%)		9,069.0	(263.3)	(2.8%)	90.5	1.0%	86.3	0.9%	
Total Gross Exp.	36,248.9	36,353.7	(204.2)	36,149.5	(99.4)	(0.3%)		36,149.5	(162.3)	(0.4%)	133.0	0.4%	140.3	0.4%	
REVENUE															
Property Tax Billing	1,778.6	1,795.4		1,795.4	16.8			1,795.4	16.8						
Utility Billing	4,533.3	4,376.7		4,376.7	(156.6)	(3.5%)		4,376.7	(156.6)	(3.5%)					
Parking Ticket Operations	3,503.6	3,594.2		3,594.2	90.6	2.6%		3,594.2	90.6	2.6%					
Tax, Utility & Parking Ticket Client Services	11,511.5	12,295.8		12,295.8	784.3	6.8%		12,295.8	0.2	0.0%	20.8	0.2%	21.4	0.2%	
Revenue Accounting and Collection	14,135.2	14,350.7	(71.5)	14,279.2	144.0	1.0%		14,279.2	144.0	1.0%	27.5	0.2%	28.4	0.2%	
Total Revenues	35,462.2	36,412.8	(71.5)	36,341.3	879.1	2.5%		36,341.3	95.0	0.3%	48.3		49.8	0.1%	
NET EXP.															
Property Tax Billing	5,767.4	5,702.0		5,702.0	(65.4)	(1.1%)		5,702.0	79.9	1.4%	20.9	0.4%	10.4	0.2%	
Utility Billing	396.3	202.2		202.2	(194.1)	(49.0%)		202.2	157.4	39.7%	7.7	3.8%	10.4	5.0%	
Parking Ticket Operations	157.8	350.3		350.3	192.5	122.0%		350.3	(87.3)	(55.3%)	12.3	3.5%	22.7	6.3%	
Tax, Utility & Parking Ticket Client Services	(731.9)	(1,236.1)		(1,236.1)	(504.2)	68.9%		(1,236.1)			(19.2)	1.6%	(10.9)	0.9%	
Revenue Accounting and Collection	(4,802.9)	(5,077.5)	(132.7)	(5,210.2)	(407.3)	8.5%		(5,210.2)	(407.3)	8.5%	63.0	(1.2%)	57.9	(1.1%)	
Total Net Exp.	786.7	(59.1)	(132.7)	(191.8)	(978.5)	(124.4%)		(191.8)	(257.3)	(31.7%)	84.7	(44.2%)	90.5	(84.5%)	
Approved Positions	326.0	328.1		328.1	2.1	0.6%		328.1	2.1	0.6%					

Revenue Services' 2016 Preliminary Operating Budget of \$36.150 million gross and (\$0.192 million) net is \$0.979 million or 124.4% under the 2015 Approved Net Budget.

Base budget pressures in Revenue Services are primarily due to progression pay and step increases of \$0.273 million. Conversion of a research analyst position will increase salaries and benefits by \$0.029 million.

These pressures have been reduced by \$0.627 million for the annualization of 2015 user fees and the 2% inflation rate applied to 2016 user fees of \$0.217 million.

Expenditures have also been further reduced by \$0.100 million in line by line savings following a review of recent spending and consideration of future requirements; and the deletion of 5 permanent positions due to efficiencies arising from the Water Meter Program reducing salaries and benefits by \$0.549 million and \$0.205 million net after considering internal clients contributions.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting Future Years Budgets

Purchasing and Materials Management Division (PMMD)

- The Program Review that is ongoing into the first quarter 2016 will be identifying leading practices and recommendations on how PMMD should be structured to provide best-in-class services to City Divisions and Agencies by leveraging category management. The budget impact of the report is unknown at this time, but could include redefining existing positions and enhanced training programs. Potential savings on the order of \$9 to 10 million per year or more have been previously identified should category management be implemented for the City.
- In addition, Purchasing and Materials Management is recommending an end-to-end eprocurement solution, (the Supply Chain Management Transformation Project), that will automate the sourcing process, warehouse management process, contract management process, vendor performance process and spend analytics, revitalizing the City's procurement and materials management functions.
 - The Financial Services 2016-2025 Capital Plan includes funding of \$4.587 million over 2016, 2017 and 2018 for Supply Chain Management Transformation Project. This project is a source-to-pay solution that will provide process improvements from the beginning of the procurement process right through to payment of the supplier.
 - A significant portion of procurement, accounts payable and materials management activities are currently highly manual and labour intensive. In addition to reducing bottlenecks in the current process, the preliminary cost benefit analysis provided by SAP added to various benefits gathered by PMMD.
 - It is estimated that the City will save approximately \$1.0 million annually upon completion as well as the provision of multiple efficiencies in the procurement processes.
 - The Office of the Treasurer's 2017 Outlook includes \$0.438 million for 1 staff, hardware and maintenance costs.

Pension, Payroll and Employee Benefits (PPEB)

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.
- The purpose of this project is to modernize payroll service delivery and incorporate best practices and efficiencies. The primary impact to the organization will be a modernization and improvement of how employees receive services related to payroll, pension and employee benefits and the ability of managers to be able to submit electronic forms and access necessary information regarding their employees.

- This initiative includes a future state where employees can access payroll services via a secure web portal, either from within the City of Toronto network, or from the public internet.
- This project with a total project cost of \$9.78 million is scheduled to be completed in 2015. Total spending is projected to be \$8.480 million after a projected spending of \$3.717 million in 2015.
- PPEB to report back on savings as part of the 2017 Budget process.

Manager Self-Service (MSS)

- MSS will automate many of the payroll transactions that 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.
- On October 19th and November 9, 2015, the City successfully rolled-out the four MSS forms that involve simple workflow (Wave 1): Planned Working Time; Return from Leave of Absence; Rehire Form; and Recall Form.
 - Wave 2 of the MSS, will involve the development of approximately twenty-one (21) more forms that will involve complex workflow and allow managers to approve payroll transactions electronically. Wave 2 forms will be rolled-out in the second quarter of 2016.

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. CATS will be implemented in third quarter of 2016.

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 of the Toronto Paramedic Services (TPS) and Parks, Forestry and Recreation (PF&R) to manage their complex time, attendance and scheduling requirements.
- TASS will be implemented for TPS and PF&R in the third quarter of 2016. The TASS solution can then be rolled out to other divisions who have similar requirements in 2017 and beyond.
- The 2016 Operating Budget includes funding for 4 positions to support the CATS and TASS project upon completion.
- The 2017 Outlook provides for 1 additional position to support TASS.

Revenue Services*On-line Look-up for Utility and Property Tax Accounts*

- In 2015, Revenue Services successfully launched online lookup websites for Property Tax, Utility Bills and Parking Tickets, that provide residents a fast, easy and secure way of getting information about their utility and property tax accounts as well as the status of parking tickets.
- The lookups can be accessed anywhere, anytime, from a PC or mobile device, and will significantly reduce calls to Revenue's Call Centre by making account information and information on parking ticket status available to property owners and drivers on a 24/7 basis.
 - On-line services are made possible through a partnership involving Revenue Services, Corporate Information & Technology, Toronto Water and Solid Waste Management Services.
 - 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.

Accounting Services*Accounts Payable Transformation Project*

- During 2015, the Accounts Payable Transformation Project continues to offer increased functionality such as imaging capital transmittals, and increased plastic card usage, which will lead to efficiencies while maintaining controls. The project will also be fully integrated with the Supply Chain Management Transformation Project during 2015 and 2016.
 - In 2015, Accounts Payable instituted fully electronic receipt and processing of invoices. Together with I&T, a program was developed to transform pdf copies of discount invoices into an electronic copy complete with electronic bar code. When processed for payment by Accounts Payable the electronic copy is attached to the SAP document using a hand held bar code reader, creating a complete electronic process.
 - In 2016 a fully digitized environment will be in place for all alpha invoices received electronically via apinvoice@toronto.ca. This process was also instituted for capital transmittals and in 2016 the electronic solutions will be introduced for Payment Requisitions and Schedule A invoices. This will provide operational efficiencies and improve customer service.
 - An initiative to gather contact information on remaining vendors submitting invoices through the mail has been implemented. A campaign has been initiated to encourage vendors to submit invoices electronically. This initiative will continue in 2016.

Record Retention By-Law

- In 2015 the Record Retention By-law No. 1048-2015 was passed and adopted by Council making the imaged copy of a vendor invoice attached to an SAP payment document the document of record. Hard copy documents that have been scanned through the process are stored for a period of 90 days then destroyed. This has created efficiencies, reducing storage requirements as the Program move to fully electronic environment.

Issues Referred to the Budget Process

Poverty Reduction Strategy

- At its meeting of November 3rd, 2015, City Council adopted EX 9.5 *TO Prosperity: Toronto Poverty Reduction Strategy*, which included the recommendation to implement the 2016 Annual Work plan and forward recommended initiatives with financial impacts to the City Manager for consideration as part of the 2016 Budget Process.
 - Included in the 2016 Strategy is the *Social Procurement* initiative that requires funding for 1 position, cost shared between SDFA and Purchasing and Materials Management Division (PMMD). This initiative requires PMMD to consider supplier diversity and workforce development in City procurement practices.
 - Funding of \$0.065 million gross and \$0.033 million net would provide for a Purchasing Coordinator to ensure that meaningful, measureable social impact requirements are embedded in City procurement without compromising operational effectiveness or efficiency.

New / Enhanced Service Description (\$000s)	2016 Impact				Net Incremental	
	Gross	Revenue	Net	Positions	2017 Plan	
					Net	Positions
Not Included						
Referred to the Budget Process						
Support to Social Procurement Initiative- poverty Reduction	65.5	32.8	32.7	1.0	12.4	
Total New/Enhanced Services (Not Included)	65.5	32.8	32.7	1.0	12.4	0.0

- The above listed initiatives are not included in the 2016 Preliminary Budget for the Office of the Treasurer, however they are included for Council's consideration as part of the list of New/Enhanced requests referred to the budget process to be distributed for Budget Committee's consideration in the 2016 Budget process.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, the Office of the Treasurer accomplished the following:

- ✓ Implementation of enhanced employee self-service functionality and, implementation of Manager Self Service functionality to automate payroll business processes through electronic work flow to reduce the reliance on paper and manual processes.
- ✓ Completed the RFP process and commenced the project to implement an updated SAP cross application time keeping system (CATs) and to design and implement a Time Attendance and Scheduling System.
- ✓ Participated in the provincial consultation process for the drafting of the new Regulations to facilitate public sector mergers between Single Employer Sponsored Pension Plans (SEPP) and Joint Sponsored Pension Plans (JSPP). Once the regulations are finalized and released, will finalize the review of a potential implementation of a merger of the City's 5 pre-OMERS Pension Plans with OMERS.
- ✓ Working with the Deputy City Manager and Chief Financial Officer's Office and the Shared Services Project Team on developing a multi-year implementation plan for Shared Services of Procurement to consolidate purchasing with Agencies and Corporations to obtain greater purchasing power as well as increasing service efficiency and effectiveness, and improving customer service.
- ✓ Implemented on-line payments to various City's Accounts Receivable customers.
- ✓ Implemented Corporate Accounts Payable Key Performance Indicators (KPI's) metrics and other relevant reports for client divisions on the accounting intranet web site.
- ✓ Continued to receive the prestigious GFOA Canadian Award for Financial Reporting which recognizes high program standard for Canadian Government Accounting and Financial Reporting for eight (8) consecutive years.
- ✓ Successfully launched online lookup websites for Property Tax, Utility Bills and Parking Tickets, that provide residents a fast, easy and secure way of getting information about their utility and property tax accounts as well as the status of parking tickets. The lookups can be accessed anywhere, anytime, from a PC or mobile device, and will significantly reduce calls to Revenue's Call Centre by making account information and information on parking ticket status available to property owners and drivers on a 24/7 basis.
- ✓ Consolidated Revenue Services' Call Centre with 311 operations in November 2015, such that all calls concerning tax, utility and parking tickets will be answered initially by 311 customer service representatives, to better respond to enquiries and improve customer service.

Appendix 2

2016 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2015 Approved		2017	2018
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	56,745.0	56,787.1	64,410.4	58,157.2	65,375.3	964.9	1.5%	64,677.0	65,247.1
Materials and Supplies	881.1	823.6	297.0	193.9	221.0	(76.0)	(25.6%)	220.9	220.9
Equipment	60.1	63.9	114.1	70.6	114.4	0.3	0.3%	114.4	114.4
Services & Rents	6,107.1	6,509.4	8,103.5	7,604.2	8,016.0	(87.5)	(1.1%)	8,016.0	8,016.0
Contributions to Reserve/Res Funds	187.1	109.4	129.0	129.0	129.0			129.0	129.0
Other Expenditures	1,743.5	1,787.6	1,482.9	1,591.2	1,482.9			1,482.9	1,482.9
Interdivisional Charges	2,197.6	2,035.7	2,300.7	2,451.1	2,371.0	70.3	3.1%	2,373.8	2,378.8
Total Gross Expenditures	67,921.5	68,116.7	76,837.6	70,197.2	77,709.6	872.0	1.1%	77,014.0	77,589.1
Interdivisional Recoveries	22,816.9	23,489.3	25,310.6	23,948.3	25,275.0	(35.6)	(0.1%)	25,323.3	25,373.0
User Fees & Donations	10,688.2	10,813.8	11,935.9	11,532.0	12,706.2	770.3	6.5%	12,706.2	12,706.2
Transfers from Capital Fund	2,578.7	1,868.2	4,584.9	1,942.4	5,524.1	939.2	20.5%	4,839.8	4,843.5
Contribution from Reserve/Reserve Funds	1,742.8	1,182.7	1,677.7	215.5	1,661.6	(16.1)	(1.0%)	1,661.6	1,661.6
Sundry Revenues	3,544.8	3,504.5	3,400.9	3,504.1	3,577.9	177.0	5.2%	3,577.9	3,577.9
Total Revenues	41,371.4	40,858.5	46,910.0	41,142.3	48,744.8	1,834.8	3.9%	48,108.8	48,162.2
Total Net Expenditures	26,550.1	27,258.2	29,927.6	29,054.9	28,964.8	(962.8)	(3.2%)	28,905.2	29,426.9
Approved Positions	667.3	669.2	735.0	711.0	723.2	(11.8)	(1.6%)	725.2	725.2

For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "*Operating Variance Report for the Nine-Month Period Ended September 30, 2015*" approved by City Council at its meeting on December 9, 2015.

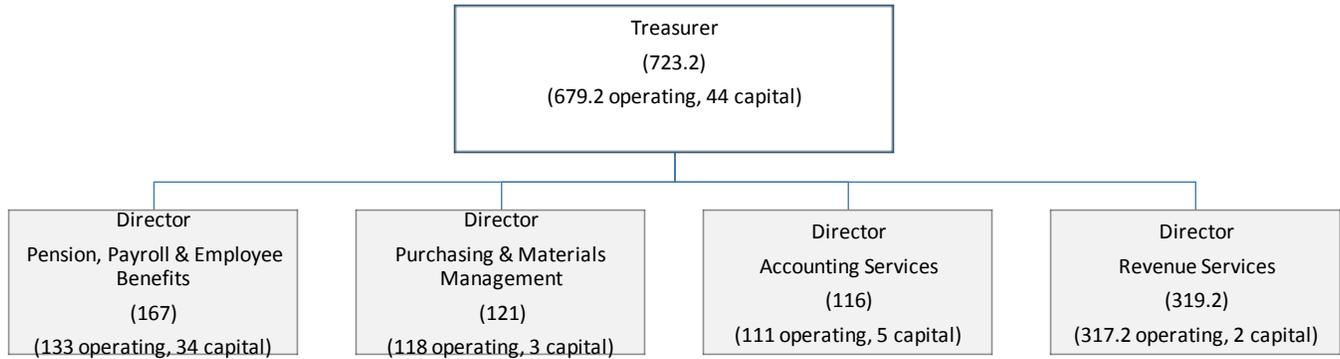
<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-85887.pdf>

Impact of 2015 Operating Variance on the 2016 Preliminary Budget

The Program has reduced expenditures in 2016 by \$0.135 million following a line by line review of past expenditures while considering anticipated future requirements.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	5.00	70.00	47.00	533.00	655.00
Temporary		2.00	30.00	36.20	68.20
Total	5.00	72.00	77.00	569.20	723.20

Appendix 4

Summary of 2016 Service Changes

2016 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2016 Preliminary Base Budget Before Service Changes:			78,981.4	49,087.9	29,893.4	738.00	323.2	535.0
6867		PPEB position reductions to achieve 2016 savings target						
51	0	Description:						
Deletion of 3 vacant positions (2) PBPSR 2 and (1) Receptionist. Positions have been vacant in order to cover gapping targets. Minimal service impacts anticipated by deleting these 3 permanent positions.								
Service Level Impact:								
 Service: PPEB-Employee & Retiree Benefit & OMERS Pension Compensation								
Preliminary Service Changes			(85.2)	0.0	(85.2)	(1.10)	(0.1)	(0.7)
Service: PPEB-Non – OMERS Pension Plans								
Preliminary Service Changes			(4.0)	0.0	(4.0)	(0.05)	(0.0)	(0.0)
Service: PPEB-Payroll								
Preliminary Service Changes			(47.1)	0.0	(47.1)	(0.85)	(0.1)	(0.4)
Total Preliminary Service Changes:			(136.3)	0.0	(136.3)	(2.00)	(0.2)	(1.2)
7442		Eliminate casual positions in Payment Processing Unit RSD						
51	0	Description:						
Proposing to delete 6 Mail Clerk (casual, seasonal) positions in the Payment Processing Unit to meet 2016 budget target								
Service Level Impact:								
The service level/standards will be consistent.								
Service: RS-Revenue Accounting & Collection								
Preliminary Service Changes			(204.2)	(71.5)	(132.7)	(3.80)	0.7	(0.7)
Total Preliminary Service Changes:			(204.2)	(71.5)	(132.7)	(3.80)	0.7	(0.7)

2016 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
7444	Reduction of RSD positions to achieve savings target							
51	0	Description:						
Proposing to delete 5 positions from the RSD complement: (3) Revenue Clerk 4 positions from the Utility Billing Unit, and (2) SAB positions from the Call Centre Unit.								
Service Level Impact:								
Enhanced service level/standard - real time water consumption and daily actual meter reads.								
Service: RS-Tax, Utility & Parking Ticket Client Services								
		Preliminary Service Changes	(145.4)	(72.7)	(72.7)	(2.00)	(0.2)	(1.2)
Service: RS-Utility Billing								
		Preliminary Service Changes	(198.9)	(198.9)	0.0	(3.00)	(0.3)	(1.7)
		Total Preliminary Service Changes:	(344.4)	(271.7)	(72.7)	(5.00)	(0.5)	(2.9)

7456	Reduction of ASD positions to achieve savings							
51	0	Description:						
Deletion of 2 Corporate Accounts Payable Service reps (pending retirement) due to efficiencies enabled by automation. Deletion of 1 CAA2 that prepares bank reconciliations as a result of automation. Reduction of 1 Business Application Support position resulting from a review of support desk activity (lower calls) and flexibility of using Trainers as backup, testing, etc.								
Service Level Impact:								
Service: ASD-Financial Reporting & Control								
		Preliminary Service Changes	(8.4)	0.0	(8.4)	(0.10)	(0.0)	(0.1)
Service: ASD-Payment Processing								
		Preliminary Service Changes	(156.4)	0.0	(156.4)	(2.90)	(82.4)	(2.0)
Service: ASD-Tax & Financial System Support								

**2016 Operating Budget - Preliminary Service Changes
Summary by Service (\$000's)**

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes	(82.1)	0.0	(82.1)	(1.00)	(2.4)	(0.7)
		Total Preliminary Service Changes:	(246.9)	0.0	(246.9)	(4.00)	(84.9)	(2.7)
Summary:								
		Total Preliminary Service Changes	(931.7)	(343.1)	(588.6)	(14.80)	(84.9)	(7.5)
		Total Preliminary Base Budget:	78,049.7	48,744.8	29,304.9	723.20	238.3	527.5

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			163,230.4	161,879.3	160,528.2
Employee Benefits Reserve Fund	XR1002	159,491.1	(1,051.1)	(1,051.1)	(1,051.1)
Innovation Reserve Fund	XR1713	3,739.3	(300.0)	(300.0)	(300.0)
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		163,230.4	161,879.3	160,528.2	159,177.1
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		163,230.4	161,879.3	160,528.2	159,177.1

* Based on 9-month 2015 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 *	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
		\$	\$	\$	\$
Projected Beginning Balance			38,376.1	38,194.6	38,013.1
Insurance Reserve Fund	XR1010	25,535.2	77.1	77.1	77.1
Vehicle Reserve Fund -PMMD	XQ1204	397.0	51.9	51.9	51.9
Emergency Reserve Fund	XQ1406	12,443.9	(310.5)	(310.5)	(310.5)
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		38,376.1	38,194.6	38,013.1	37,831.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		38,376.1	38,194.6	38,013.1	37,831.6

* Based on 9-month 2015 Reserve Fund Variance Report

Appendix 7a User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2015	2016			2017	2018
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Administration charge for dishonoured cheques	ASD-Payment Processing	City Policy	Cheque	\$40.00	\$40.00		\$40.00	\$40.00	\$40.00
Fee for the purchase of Call Documents less than 25 pages	PMM- Purchasing	Market based	Document	\$25.00	\$25.00		\$25.00	\$25.00	\$25.00
Fee for the purchase of Call Documents less than 25-49 pages	PMM- Purchasing	Market based	Document	\$50.00	\$50.00		\$50.00	\$50.00	\$50.00
Documents less than 50 pages or more	PMM- Purchasing	Market based	Document	\$100.00	\$100.00		\$100.00	\$100.00	\$100.00
Fee for the purchase of Call Documents Drawings/Plans I	PMM- Purchasing	Market based	Document	\$25.00	\$25.00		\$25.00	\$25.00	\$25.00
Tax clearance certificate	RS-Tax, Utility & Parking Ticket Client Services	City Policy	Certificate	\$65.00	\$65.00		\$65.00	\$65.00	\$65.00
Prior year tax receipt	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Annual	\$16.70	\$17.03	\$0.02	\$17.05	\$17.05	\$17.05
Tax history statement for years 1998 to present	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Annual	\$36.40	\$37.13	\$0.02	\$37.15	\$37.15	\$37.15
Tax history statement for years prior to 1998	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Annual	\$52.05	\$53.09	\$0.01	\$53.10	\$53.10	\$53.10
Tax calculation statement	Ticket Client Services	Full Cost Recovery	Annual	\$52.05	\$53.09	\$0.01	\$53.10	\$53.10	\$53.10
Dishonoured cheque processing	RS-Revenue Accounting & Collection	City Policy	Cheque	\$40.00	\$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 Recovery	Document	\$16.70	\$17.03	\$0.02	\$17.05	\$17.05	\$17.05
Tax apportionment application	RS-Property Tax Billing	Full Cost Recovery	Application	\$52.05	\$53.09	\$0.01	\$53.10	\$53.10	\$53.10
Municipal charges added to the tax roll	RS-Property Tax Billing	Full Cost Recovery	Transaction	\$52.05	\$53.09	\$0.01	\$53.10	\$53.10	\$53.10
Tax status verification	RS-Tax, Utility & Parking Ticket Client Services	Market Based	Case	\$26.00	\$26.52	\$0.03	\$26.55	\$26.55	\$26.55
Overdue water charges added to the tax roll	RS-Revenue Accounting & Collection	Full Cost Recovery	Late Charge	\$36.40	\$37.13	\$0.02	\$37.15	\$37.15	\$37.15
Use of Interactive Voice Response System (IVR) make payment	RS-Revenue Accounting & Collection	Full Cost Recovery	Transaction	\$2.00	\$2.00		\$2.00	\$2.00	\$2.00
Internet-based parking ticket payment	RS-Revenue Accounting & Collection	Market based	Transaction	\$1.50	\$1.50		\$1.50	\$1.50	\$1.50
Screen printout/photocopy of documents/materials	RS-Revenue Accounting & Collection	Full Cost Recovery	Page	\$1.00	\$1.00		\$1.00	\$1.00	\$1.00
Final notice for overdue property tax accounts	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice	\$21.90	\$22.34	\$0.01	\$22.35	\$22.35	\$22.35
Notice of Issuance to Bailiff	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice	\$58.30	\$59.47	\$0.03	\$59.50	\$59.50	\$59.50
New account set-up fee for water/utility accounts	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Transaction	\$64.00	\$65.28	\$0.02	\$65.30	\$65.30	\$65.30
Duplicate utility bill	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Additional Bill	\$17.10	\$17.44	\$0.01	\$17.45	\$17.45	\$17.45
New property tax account set up fee	RS-Property Tax Billing	Full Cost Recovery	Account	\$52.05	\$53.09	\$0.01	\$53.10	\$53.10	\$53.10
Processing MLTT refund applications on electronic register conveyances	RS-Revenue Accounting & Collection	Full Cost Recovery	Application	\$156.05	\$159.17	\$0.03	\$159.20	\$159.20	\$159.20
overpayment has remained on property tax account for more	RS-Revenue Accounting & Collection	Full Cost Recovery	Transaction	\$36.40	\$37.13	\$0.02	\$37.15	\$37.15	\$37.15
Ownership updates on property tax accounts	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Account/Change	\$36.40	\$37.13	\$0.02	\$37.15	\$37.15	\$37.15

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2015	2016			2017	2018
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Ownership updates on tax & utility account	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Account/Change	\$52.05	\$53.09	\$0.01	\$53.10	\$53.10	\$53.10
status request from professional rep.act behalf of taxpayer	RS-Revenue Accounting & Collection	Full Cost Recovery	Case	\$36.40	\$37.13	\$0.02	\$37.15	\$37.15	\$37.15
Utility clearance certificate	RS-Utility Billing	City Policy	Certificate	\$50.00	\$50.00		\$50.00	\$50.00	\$50.00
Re-Print Fee for duplicate Tax and Utility Bills	RS-Property Tax Billing	Full Cost Recovery	Actual Cost	\$17.35	\$17.70		\$17.70	\$17.70	\$17.70
Payment Re-Distribution Fee	RS-Revenue Accounting & Collection	Full Cost Recovery	Actual Cost	\$40.80	\$41.62	\$0.03	\$41.65	\$41.65	\$41.65
Tax Sale Proceeding - Site Visit Fee	RS-Revenue Accounting & Collection	Full Cost Recovery	Actual Cost	\$198.90	\$202.88	\$0.02	\$202.90	\$202.90	\$202.90
Registration of Tax Arrears Certificate	RS-Revenue Accounting & Collection	Full Cost Recovery	Fee+Actual Costs, Incl Ti	\$ 1,000.62	\$1,020.63	\$0.02	\$1,020.65	\$1,020.65	\$1,020.65
Preparation & Notice of Registration	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice + Actual Costs	\$ 33.66	\$34.33	\$0.02	\$34.35	\$34.35	\$34.35
Preparation of Statutory Declaration	RS-Revenue Accounting & Collection	Full Cost Recovery	Case	\$ 198.90	\$202.88	\$0.02	\$202.90	\$202.90	\$202.90
Prep/Registration: Tax Arrears Cancellation Certificate	RS-Revenue Accounting & Collection	Full Cost Recovery	Fee + Actual Costs	\$ 227.46	\$232.01	-\$0.01	\$232.00	\$232.00	\$232.00
Execution of Extension Agreement	RS-Revenue Accounting & Collection	Full Cost Recovery	Document	\$ 1,077.12	\$1,098.66	-\$0.01	\$1,098.65	\$1,098.65	\$1,098.65
Preparation of Final Notice	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice + Actual Costs	\$ 33.66	\$34.33	\$0.02	\$34.35	\$34.35	\$34.35
Preliminary Observation Report	RS-Revenue Accounting & Collection	Full Cost Recovery	Report	\$ 331.50	\$338.13	\$0.02	\$338.15	\$338.15	\$338.15
Preparation of Tender Forms For Public Sale	RS-Revenue Accounting & Collection	Full Cost Recovery	Notice	\$ 33.66	\$34.33	\$0.02	\$34.35	\$34.35	\$34.35
Public Tender Application	RS-Revenue Accounting & Collection	Full Cost Recovery	Application	\$ 33.66	\$34.33	\$0.02	\$34.35	\$34.35	\$34.35
Sale by Public Tender	RS-Revenue Accounting & Collection	Full Cost Recovery	Fee + Actual Costs	\$ 943.50	\$962.37	\$0.03	\$962.40	\$962.40	\$962.40
Preparation of Land Transfer	RS-Revenue Accounting & Collection	Full Cost Recovery	Fee + Actual Costs	\$ 1,369.86	\$1,397.26	-\$0.01	\$1,397.25	\$1,397.25	\$1,397.25
Payment into Court and Statement of Facts	RS-Revenue Accounting & Collection	Full Cost Recovery	Fee + Actual Costs	\$ 421.26	\$429.69	\$0.01	\$429.70	\$429.70	\$429.70
Farm Debt Review Board	RS-Revenue Accounting & Collection	Full Cost Recovery	Review + Actual Cost	\$ 33.66	\$34.33	\$0.02	\$34.35	\$34.35	\$34.35
Fee for Mortgage Company Administration	RS-Tax, Utility & Parking Ticket Client Services	Full Cost Recovery	Actual Cost	\$ 5.50	\$ 5.50		\$5.50	\$5.50	\$5.50