Toronto 2017 BUDGET

Information & Technology

2017 OPERATING BUDGET OVERVIEW

Information & Technology provides city-wide leadership in modernizing City services through the strategic investment, development and management of the City's Information Technology (IT) systems including:

- Critical Business Systems delivery and support for City Programs and service delivery to residents, businesses and visitors.
- IT foundation infrastructure capacity that is adaptable to sustain and meet growing demand for City Program business needs.
- Employee Productivity Solutions that drive service excellence.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is $127.737million gross and $73.607 million net as shown below:

(in $000's)	2016 Budget	2017 Preliminary Budget	Change	
			$	%
Gross Expenditures	125,832.9	127,736.9	1,904.0	1.5%
Revenues	51,584.0	54,130.3	2,546.3	4.9%
Net Expenditures	**74,248.9**	**73,606.6**	**(642.3)**	**(0.9%)**

For 2017, Information & Technology identified an opening pressure of $4.556 million due to inflationary increases for salaries and benefits and sustainment of completed capital projects. The Program is able to fully offset the pressure with $5.199 million in operating efficiencies while maintaining the same service levels for 2017.

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Overview

CONTACTS

Program:
Rob Meikle
Chief Information Officer
Tel: (416) 392-8421
Email: Rob.Meikle@toronto.ca

Corporate:
Stephen Conforti
Manager, Financial Planning
Tel: (416) 397-0958
E-Mail: Stephen.Conforti@toronto.ca

Fast Facts

- Supported 200,000+ citizen recreation program registrations processed for 70,000+ courses with a 12% increase in online registration (2015).
- Provided IT support on 1.5 million general inquiries and service requests made to 311 Toronto.
- Processed 25,000 permits for use of City facilities per year for $20 million in revenue.
- Provided services to support 56,000 business licenses, 82,000+ building permits, and 3,100 file permits issued for over $130 million in revenue.
- Supported the processing of 105,000 parking permits renewals for 53,000 citizens for $9 million+ in revenue.
- Expanded Open Data for the City to 226 datasets and 1052 data files published.
- Responded to 186,000 IT service desk calls annually.
- Supported 29,000 users, 22,000+ desktop/notebook computers, 3,500+ multi-function devices/printers/ copiers, 10,000+ wireless devices, 25,000+ phones.
- Managed network for 700+ facilities, 3 data centres and 2,700 servers.

Trends

- Achieved an Overall Customer Satisfaction Rating of 90% in 2016. This is a 2% increase from 2015 and 8% increase from 2014. Improvements were achieved in 12 of 13 categories (92%) and the other category remained high at 94%.

Overall Customer Satisfaction with IT Services

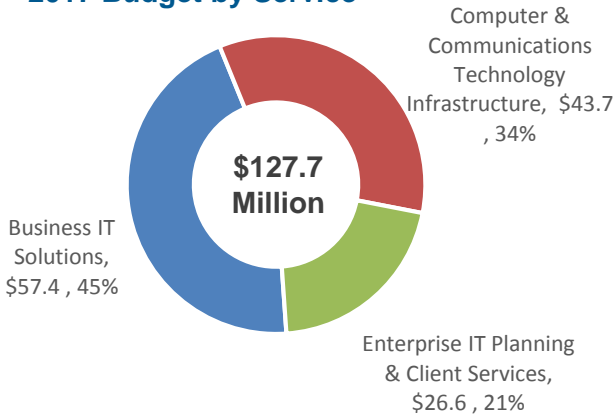|	2014	2015	2016	2017	2018	2019	2020
Targets	85%	85%	85%	85%	85%	85%	85%
Actuals	82%	88%	90%				
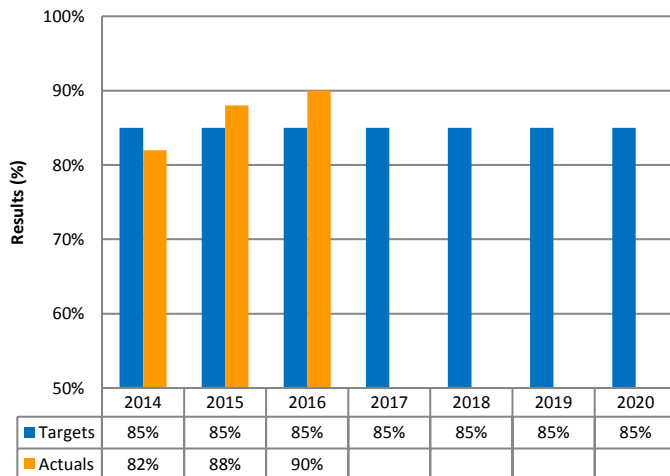
Key Service Deliverables for 2017

Information & Technology provides effective shared services that deliver innovative IT business solutions and a secure, reliable and dependable IT infrastructure in support of City Programs and Services and ultimately, the public.

The 2017 Preliminary Operating Budget will enable Information & Technology to:

- Support City Programs and Services in partnership with City Divisions and to the public through the delivery and support for over 850+ enterprise and division business systems including:

  - Responding to 37,000+ application service requests for business systems.

  - Responding to 1,300+ requests for enhancements and growth of business systems across the City to meet public demands and business needs.

- Maintain the City's technology network, applications systems and technology infrastructure in a secure, reliable and high performance manner and state of good repair to ensure 7/24/365 availability and ensure city business continuity.

- Deliver effective Client Support for over 29,000+ City employees through the City's IT service desk, desk side technical and business application support and IT education.

Where the money goes:
2017 Budget by Service

Computer & Communications Technology Infrastructure, $43.7 , 34%
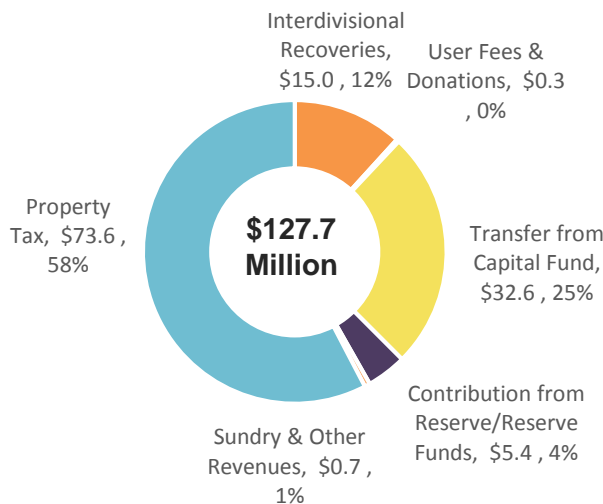
Business IT Solutions, $57.4 , 45%

$127.7 Million

Enterprise IT Planning & Client Services, $26.6 , 21%

2017 Budget by Expenditure Category

Services & Rents, $26.9 , 21%

Interdivisional Charges, $0.5 , 0%

Contribution to Reserve\Reserve Funds, $0.1 , 0%

Equipment, $0.9 , 1%

Materials & Supplies, $0.1 , 0%

Salaries & Benefits, $99.3 , 78%

$127.7 Million
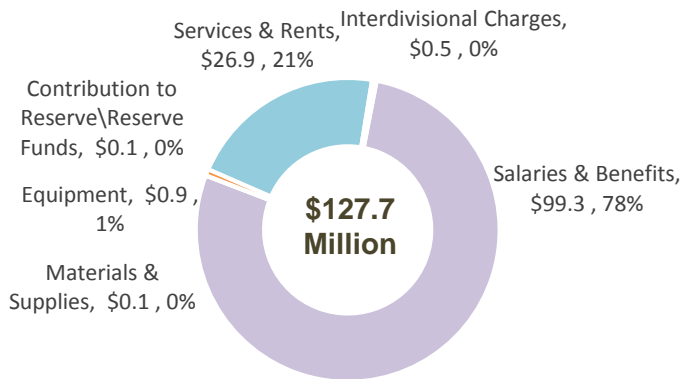
Where the money comes from:

Interdivisional Recoveries, $15.0 , 12%

User Fees & Donations, $0.3 , 0%

Property Tax, $73.6 , 58%

$127.7 Million

Transfer from Capital Fund, $32.6 , 25%

Sundry & Other Revenues, $0.7 , 1%

Contribution from Reserve/Reserve Funds, $5.4 , 4%

Our Key Issues & Priority Actions

To ensure continuous service excellence and effective delivery of public facing services, I&T will focus in 2017 on:

- **Integrated Service Delivery and Digital Enablement**
  - ✓ Ensure solutions fit in the short and long-term with a corporate view of priorities and move towards integrated digital transformation to meet business objectives, gain service efficiencies and improve the customer experience and services for City Programs and Services.
  - ✓ Adjust risk appetite/policies to drive innovation and work in dialogue with partners to find opportunities to be innovative, agile and strategic, in particular in IT procurement.

- **Ability to Sustain Business Solutions**
  - ✓ With growing demands from City Programs, there is an increased need for sustainment of systems. New or enhanced systems bring value in City Program services and efficiencies and there is a corresponding need to ensure operating impacts are funded to ensure in technology sustainment.

- **Organizational Readiness**
  - ✓ There is a requirement for City-wide transformation including organizational, business readiness and change management capacity to realize the value from strategic IT initiatives.

- **Secure, Agile and Accelerated IT Delivery Model**
  - ✓ Cyber-security complexity is continuing to increase with a need to ensure investments and processes are in place to prevent and respond to security demands.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget for Information & Technology of $127.737 million in gross expenditures provides funding for 3 services: Business IT Solutions, Computer & Communications Technology Infrastructure and Enterprise IT Planning & Client Services.
- This represents a decrease of 0.9% to the 2016 Approved Net Budget through measures taken based on the following:
  - ✓ Base expenditure reductions ($0.769 million)
  - ✓ Base Revenue Changes ($1.005 million)
  - ✓ Service Adjustments ($1.788 million)
  - ✓ Revenue Adjustments ($0.508 million).
  - ✓ Service Adjustments ($1.129 million).
- Staff complement will decrease by 2 from 848 to 846.

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Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for Information & Technology of $127.737 million gross, $73.607 million net for the following services:

	Gross	Net
Service:	($000s)	($000s)
Business IT Solutions:	57,480.9	23,902.6
Computer & Communications Technology Infrastructure:	43,652.7	29,514.8
Enterprise IT Planning & Client Services:	26,603.3	20,189.2
Total Program Budget	127,736.9	73,606.6

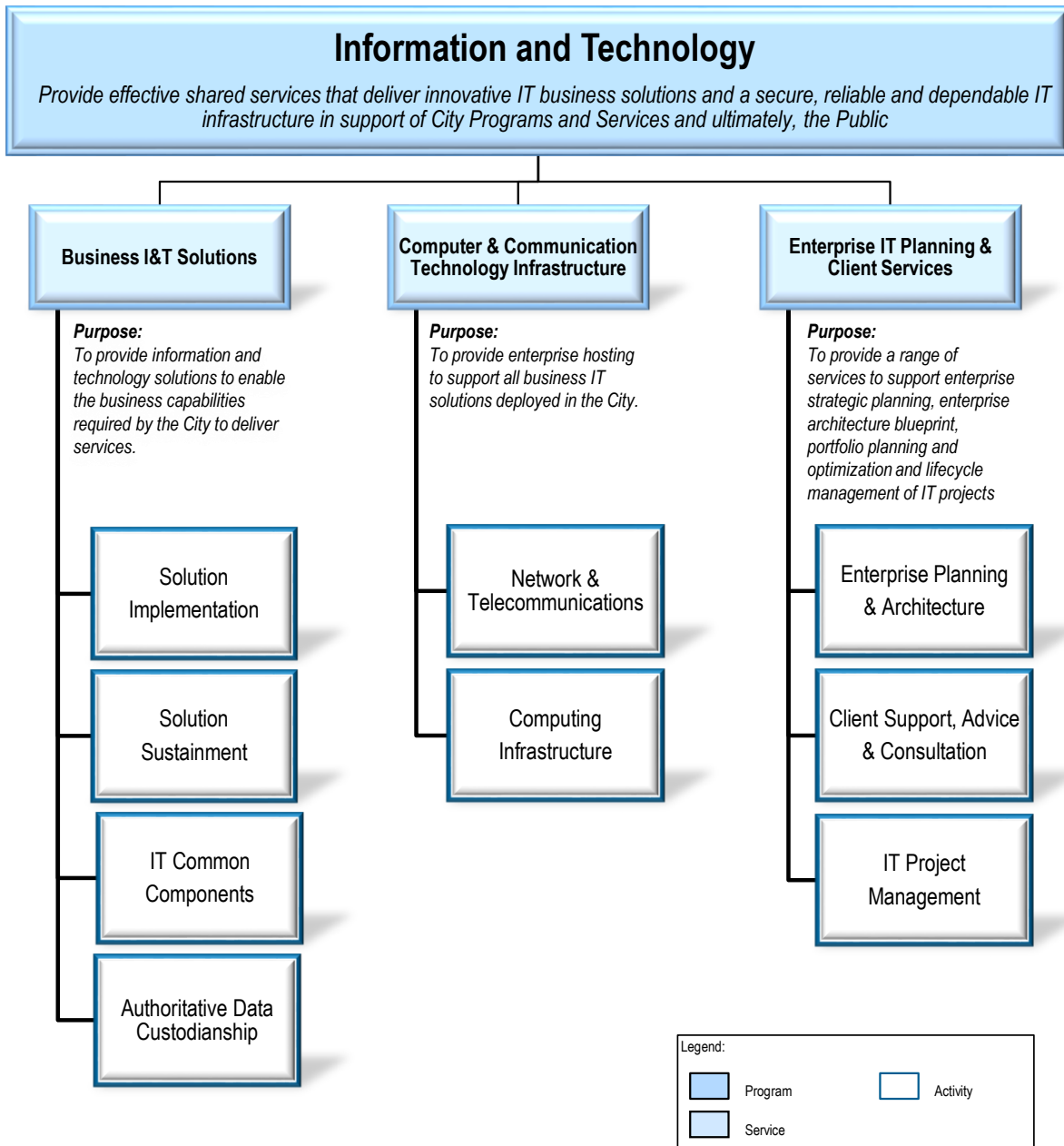2. City Council approve the 2017 service levels for Information & Technology as outlined on pages 15, 18-19, and 23-25 of this report, and associated staff complement of 846.0 positions.

3. City Council direct the information contained in Confidential Attachment 1, remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.

Part 1:

2017-2019 Service Overview and Plan

Program Map

Information and Technology

Provide effective shared services that deliver innovative IT business solutions and a secure, reliable and dependable IT infrastructure in support of City Programs and Services and ultimately, the Public

Business I&T Solutions

Purpose:
To provide information and technology solutions to enable the business capabilities required by the City to deliver services.

- Solution Implementation
- Solution Sustainment
- IT Common Components
- Authoritative Data Custodianship

Computer & Communication Technology Infrastructure

Purpose:
To provide enterprise hosting to support all business IT solutions deployed in the City.

- Network & Telecommunications
- Computing Infrastructure

Enterprise IT Planning & Client Services

Purpose:
To provide a range of services to support enterprise strategic planning, enterprise architecture blueprint, portfolio planning and optimization and lifecycle management of IT projects

- Enterprise Planning & Architecture
- Client Support, Advice & Consultation
- IT Project Management

Legend:
- Program
- Service
- Activity

Service Customer

Business I&T Solutions
- Staff - City Divisions
- Staff - Agencies and Boards

Indirect (Beneficial)
- Residents
- Businesses
- Visitors

Computer & Communication Technology Infrastructure
- Staff - City Divisions
- Staff - Agencies and Boards

Indirect (Beneficial)
- Residents
- Businesses
- Visitors

Enterprise IT Planning & Client Services
- Staff - City Divisions
- Staff - Agencies and Boards

Indirect (Beneficial)
- Residents
- Businesses
- Visitors

Table 1
**2017 Preliminary Operating Budget and Plan by Service**

(In $000s) **By Service**	**2016** **Budget** $	**2016** **Projected Actual** $	**2017 Preliminary Operating Budget** **Base** $	**New/ Enhanced** $	**Total Budget** $	**2017 Preliminary vs. 2016 Budget Change** $	**%**	**Incremental Change** **2018 Plan** $	**%**	**2019 Plan** $	**%**
Business IT Solutions											
Gross Expenditures	57,732.4	40,640.2	57,480.9		57,480.9	(251.5)	(0.4%)	4,876.4	8.5%	1,738.9	2.8%
Revenue	32,948.1	29,171.0	33,578.3		33,578.3	630.2	1.9%	251.6	0.7%	46.1	0.1%
Net Expenditures	24,784.3	11,469.2	23,902.6		23,902.6	(881.7)	(3.6%)	4,624.8	19.3%	1,692.8	5.9%
Computer & Communications Technology Infrastructure											
Gross Expenditures	42,776.9	44,325.0	43,652.7		43,652.7	875.8	2.0%	1,187.5	2.7%	(248.1)	(0.6%)
Revenue	12,645.9	2,314.0	14,137.9		14,137.9	1,492.0	11.8%	214.9	1.5%	(852.9)	(5.9%)
Net Expenditures	30,131.0	42,011.0	29,514.8		29,514.8	(616.2)	(2.0%)	972.6	3.3%	604.8	2.0%
Enterprise IT Planning & Client Services											
Gross Expenditures	25,323.6	26,003.0	26,603.3		26,603.3	1,279.7	5.1%	1,569.0	5.9%	997.5	3.5%
Revenue	5,990.0	6,347.0	6,414.1		6,414.1	424.1	7.1%	1,734.2	27.0%	(28.8)	(0.4%)
Net Expenditures	19,333.6	19,656.0	20,189.2		20,189.2	855.6	4.4%	(165.2)	(0.8%)	1,026.3	5.1%
Total											
Gross Expenditures	125,832.9	110,968.2	127,736.9		127,736.9	1,904.0	1.5%	7,632.9	6.0%	2,488.3	1.8%
Revenue	51,584.0	37,832.0	54,130.3		54,130.3	2,546.3	4.9%	2,200.7	4.1%	(835.6)	(1.5%)
Total Net Expenditures	74,248.9	73,136.2	73,606.6		73,606.6	(642.3)	(0.9%)	5,432.2	7.4%	3,323.9	4.2%
Approved Positions	848.0	728.0	846.0		846.0	(2.0)	(0.2%)	11.0	1.3%	1.0	0.1%

The Information & Technology's 2017 Preliminary Operating Budget is $127.737 million gross and $73.607 million net, representing a 0.9% decrease to the 2016 Approved Net Operating Budget. In order to meet City Council's budget reduction target of -2.6%, as set out in the 2017 Operating Budget Directions approved by Council, the Program submitted further service adjustments, which provide savings of $1.288 million gross and net not being included in the 2017 Preliminary Operating Budget but are provided for Committee and Council's consideration.
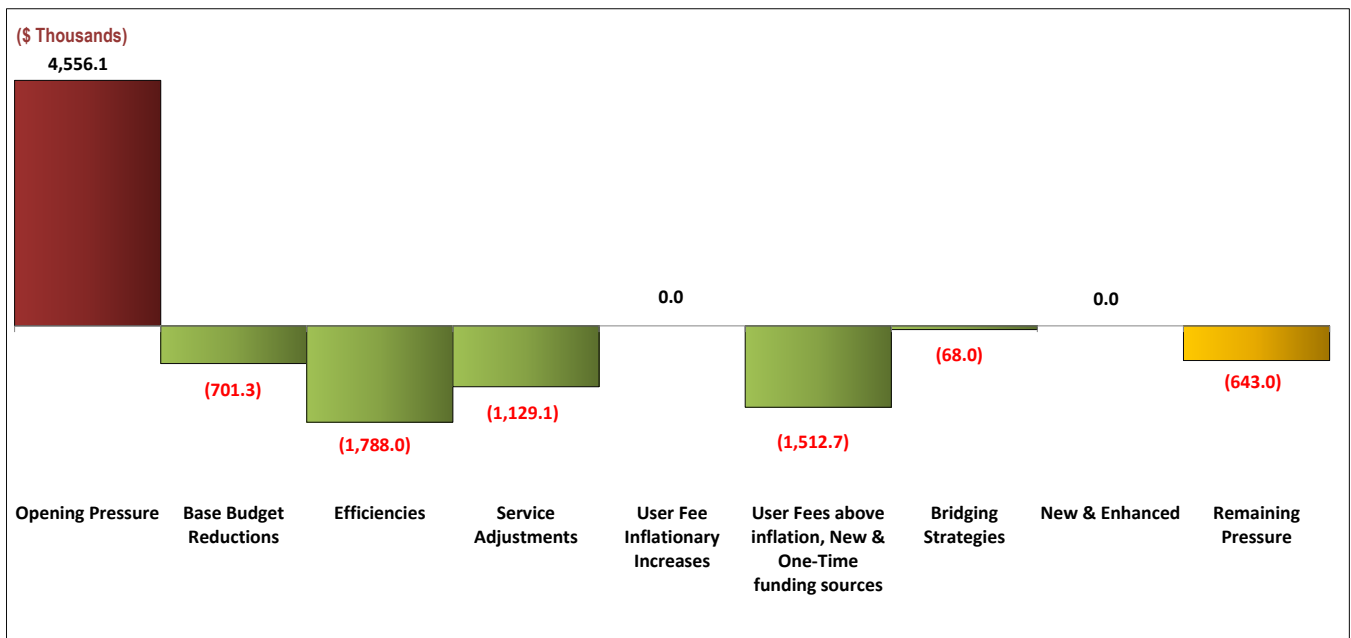
- Base pressures are mainly attributable to known inflationary salary and benefit increases, operating impacts from completed approved IT capital projects, increases for software and hardware maintenance costs, and conversion of temporary capital positions.

- The above increases were partially offset by recoveries from other City Programs for dedicated salary costs, project management fees, and sustainment reserve for growth in maintenance costs, totaling $1.586 million.

- To help further mitigate the above pressures, the Program was able to identify base expenditure savings through a line by line review of expenditures, gapping of a vacant position, deferral of some technology upgrades used as a one-time bridging strategy, and the reduction in standby and overtime pay. The Program was able to achieve service efficiency savings through greater diligence and management of contracts and optimization of telecommunication technologies, combined with the recovery of project management costs and service adjustments resulting from the deletion of 12.0 positions.

- Approval of the 2017 Preliminary Operating Budget for Information & Technology will result in reducing its total staff complement by 2.0 positions from 848.0 to 846.0 positions.

- The 2018 and 2019 Plan increases are attributable to known inflationary cost increases for COLA, progression pay, step increases and fringe benefits as well as maintenance costs.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures and meet the budget target.

Key Cost Drivers
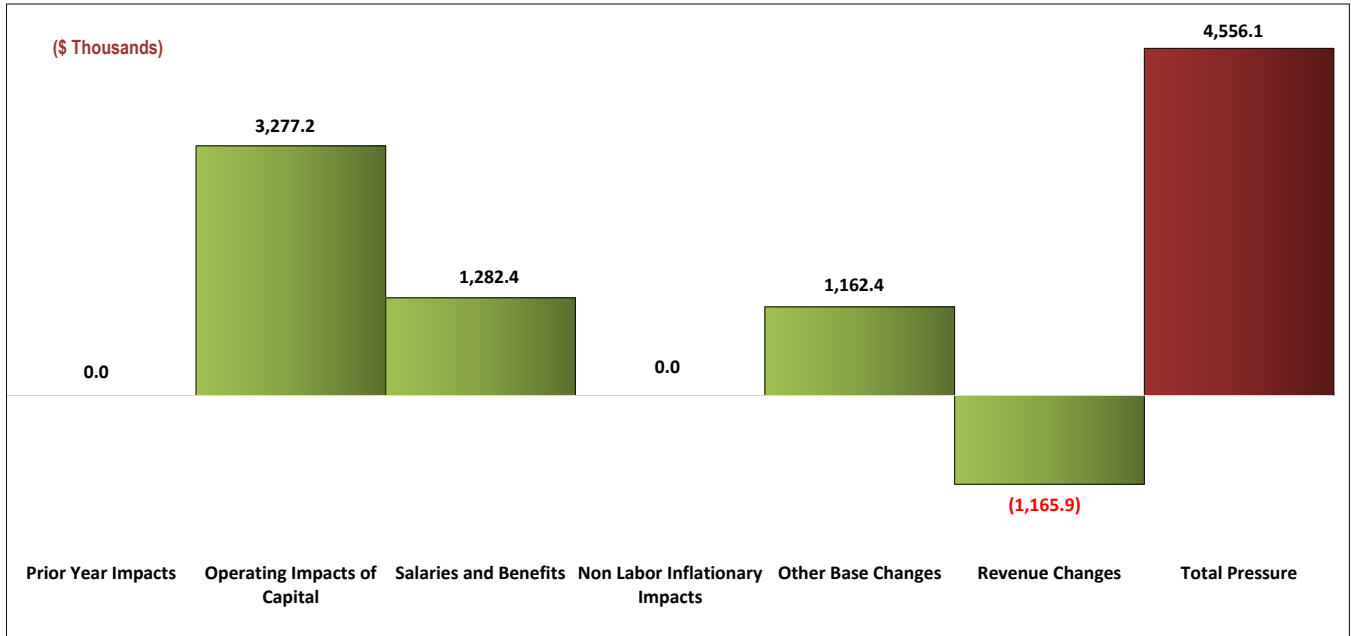
Actions to Achieve Budget Reduction Target

Table 2
Key Cost Drivers

(In $000s)	2017 Base Operating Budget							
	Business IT Solutions		Computer & Communications Technology Infrastructure		Enterprise IT Planning & Client Services		Total	
	$	Position	$	Position	$	Position	$	Position
Gross Expenditure Changes								
Prior Year Impacts								
Capital Project Delivery		(0.7)		(3.2)		(3.1)		(7.0)
Operating Impacts of Capital								
Maintenance & Salary Costs	1,851.7	7.4	1,122.7	6.7	302.8	2.9	3,277.2	17.0
Salaries and Benefits								
COLA, Progression Pay & Step Increases & Other Salary Adjustments	(678.4)		773.8		1,366.9		1,462.3	
Maintain 2016 Gapping	(105.0)		(54.9)		(20.0)		(179.9)	
Other Base Changes								
Realignment of Staff between Services	(122.1)	(1.0)			122.1	1.0		
Growth in Hardware & Software Maintenance	214.3		443.2		8.0		665.5	
Increase in IDC from Clients	3.7		(8.1)		5.8		1.4	
Convert 3 Temporary Capital Positions to Permanent Operating Positions	409.4						409.4	
Increase in Other Expenditures	(23.3)		101.8		7.6		86.1	
Total Gross Expenditure Changes	**1,550.3**	**5.7**	**2,378.5**	**3.5**	**1,793.2**	**0.8**	**5,722.0**	**10.0**
Revenue Changes								
Recovery of Operating Impacts from Capital	(528.6)		(80.4)		(102.0)		(711.0)	
Adjustments to Inter-divisional Recoveries	(138.3)		87.1		452.2		401.0	
User fees Decrease	54.3						54.3	
Recovery of Training Costs					(15.0)		(15.0)	
Recovery of Growth in Maintenance Costs from Sustainment Reserve			(736.5)				(736.5)	
Inflationary Increase for Management Costs Recovered from Capital					(158.7)		(158.7)	
Total Revenue Changes	**(612.6)**		**(729.8)**		**176.5**		**(1,165.9)**	
Net Expenditure Changes	**937.7**	**5.7**	**1,648.7**	**3.5**	**1,969.7**	**0.8**	**4,556.1**	**10.0**

Key cost drivers for Information & Technology are discussed below:

- Prior Year Impacts:

  ➢ Reduction of 8.0 temporary capital positions no longer required to support completed capital projects and 1.0 additional temporary capital position is being added for Business Enablement & Client Services in 2017.

- Operating Impacts of Capital:

  ➢ Operating impacts of capital projects result in a pressure of $3.277 million gross and net of $2.566 million and 17.0 positions to sustain the operation of new systems.

- Salaries and Benefits

  ➢ Staff salaries and benefits requires cost arising from a cost of living allowance, non-union progression pay and union step increases of $1.462 million. Gapping is increased by $0.180 million to maintain the 2016 gapping rate of 5.5%.

- Other Base Changes:

  ➢ As a result of vendor contract increases and business growth demand for software and hardware maintenance required for various client Programs, expenditures will increase by $0.666 million fully funded by the IT Sustainment Reserve.

➤ Expenditures will also increase by $0.409 million as a result of the conversion of 3.0 temporary capital positions to permanent operating positions for ongoing requirements.

▪ Revenue Changes:

➤ Revenues will be increased by $0.159 million to reflect the recovery of project management costs for 11.0 project managers in delivery of capital projects.

In order to achieve the budget reduction target, the 2017 service changes for Information & Technology consist of base expenditure savings of $0.769 million net, base revenue changes of $1.005 million net, service efficiency savings of $1.788 million net and revenue and service adjustments within the Program's current service levels of $1.637 million net, for a total of $5.199 million net as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary

Description ($000s)	Business IT Solutions Gross	Net	Computer & Communications Technology Infrastructure Gross	Net	Enterprise IT Planning & Client Services Gross	Net	Total Service Changes $ Gross	$ Net	# Pos.	Incremental Change 2018 Plan Net	Pos.	2019 Plan Net	Pos.
Base Changes:													
Base Expenditure Changes													
Line-By-Line Expenditure Reductions	(65.0)	(65.0)	(152.5)	(152.5)	(141.0)	(141.0)	(358.5)	(358.5)					
Gapping within Portfolio Management Office			(11.5)	(11.5)	(219.3)	(219.3)	(230.8)	(230.8)		(10.1)			
Reduce Standby Support and Overtime Pay			(100.0)	(100.0)			(100.0)	(100.0)					
Defer ISP Bandwidth Upgrade Strategy to 2018			(35.0)	(35.0)			(35.0)	(35.0)		35.0			
Optimize Software Usage	(12.0)	(12.0)					(12.0)	(12.0)					
Defer Activation Network-LAN			(33.0)	(33.0)			(33.0)	(33.0)		33.0			
Base Expenditure Change	(77.0)	(77.0)	(332.0)	(332.0)	(360.3)	(360.3)	(769.3)	(769.3)		57.9			
Base Revenue Changes													
Recover Time Limited Expenses from Tax Stablization Reserve		(42.3)		(920.1)		(42.3)		(1,004.7)					
Base Revenue Change		(42.3)		(920.1)		(42.3)		(1,004.7)					
Sub-Total	(77.0)	(119.3)	(332.0)	(1,252.1)	(360.3)	(402.6)	(769.3)	(1,774.0)		57.9			
Service Efficiencies													
Reduce Hardware & Software Maintenance Costs	(58.8)	(58.8)	(1,086.8)	(1,086.8)			(1,145.6)	(1,145.6)					
Reduce Training Staff					(91.4)	(91.4)	(91.4)	(91.4)	(1.0)				
Software Licence Rationalization	(451.0)	(451.0)	(100.0)	(100.0)			(551.0)	(551.0)					
Sub-Total	(509.8)	(509.8)	(1,186.8)	(1,186.8)	(91.4)	(91.4)	(1,788.0)	(1,788.0)	(1.0)				
Revenue Adjustments													
Project Management Costs Recovered from Capital					(508.0)	(508.0)	(508.0)	(508.0)					
Sub-Total					(508.0)	(508.0)	(508.0)	(508.0)					
Service Adjustments													
Business Unit Reorganization	(903.3)	(903.3)			(225.8)	(225.8)	(1,129.1)	(1,129.1)	(11.0)				
Sub-Total	(903.3)	(903.3)			(225.8)	(225.8)	(1,129.1)	(1,129.1)	(11.0)				
Total Changes	(1,490.1)	(1,532.4)	(1,518.8)	(2,438.9)	(1,185.5)	(1,227.8)	(4,194.4)	(5,199.1)	(12.0)	57.9			

Base Expenditure Changes (Savings of $0.769 million gross & net)

Line by Line Review

▪ Savings of $0.359 million net will be realized through a line by line review of all expenditure accounts, across all services, to reflect actual experience.

Gapping within Portfolio Management Office

▪ Savings of $0.231 million net will be realized in 2017 since a management position is kept unfilled until the office finalizes its restructuring process.

Reduce Standby Support and Overtime Pay

- Savings of $0.100 million will be realized through time management and the standby pay and overtime budget will be reduced for less critical IT Infrastructure platforms.

Defer Internet Service Provider Bandwidth Upgrade Strategy to 2018

- Base expenditures will be reduced by $0.035 million by deferring the upgrade of existing bandwidth (200Mb to 500Mb) from 2017 to 2018, with the cost added to the 2018 Operating Budget

Optimize Software Usage

- $0.012 million will be saved from leveraging open source development software to replace legacy IBM development software.

Defer activation Network –LAN

- Base expenditures will be reduced by $0.033 million by deferring activation of data centre network backup for high speed redundant link for 6 months or longer from 2017 to 2018, with the cost added to the 2018 Operating Budget.

Base Revenue Changes (Savings of $1.005 million net)

Recover Time Limited Expenses from Tax Stabilization Reserve

- Funding will be increased by $1.005 million on a one time basis from the Tax Stabilization Reserve while the City is completes its strategy to decommission obsolete systems and functionalities within the next two years. As the Data Centre is scheduled to be completed within that time, the costs for office rental space at its current location will be funded from the Tax Stabilization Reserve as will other maintenance and licenses costs for Dominio system, IBM Rational App Developer and Fluid Surveys eSurvey, pending the decommissioning.

Service Efficiencies (Savings of $1.788 million gross & net)

Reduce Hardware & Software Maintenance Costs

- Lower pricing from contract negotiations, replacement of older technologies, and efficiencies will result in savings of $1.145 million in hardware and software maintenance contract costs.

Reduce Training Staff

- A deletion of 1.0 vacant IT training instructor facilitator positon in the IT Training Unit generates savings of $0.091 million with no service level impact.

Software License Rationalization

- Returning various unused SAP software licenses generates savings of $0.551 million in software maintenance.

Revenue Adjustments (Savings of $0.508 million net)

Project Management Costs Recovered from Capital

- Additional recovery in the amount of $0.508 million is required to fund the salary and benefit costs for 3.0 Project Managers in delivery of capital projects.

Service Adjustments (Savings of $1.129 million gross & million net)

Business Unit Reorganization

- Savings of $1.129 million will be realized by a re-organization in the division in 2017.

- Please refer to the Confidential Attachment 1 under separate cover.

Table 5
2018 and 2019 Plan by Program

Description ($000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Bridging Approval Impacts										
Reverse ISP Bandwith Upgrade Strategy	35.0		35.0	0.0%						
Reverse Activation Network -LAN	33.0		33.0	0.0%						
Prior Year Impact										
Gapping within Portfolio Management	(10.1)		(10.1)	(0.0%)						
Operating Impact of Capital										
Maintenance & Salary Costs	4,332.5	616.6	3,715.9	5.0%	13.0	190.5		190.5	0.3%	1.0
Salaries and Benefits										
COLA	579.8		579.8	0.8%		703.6		703.6	0.9%	
Progression Pay	1,327.8		1,327.8	1.8%		710.2		710.2	1.0%	
Step Increases	497.2		497.2	0.7%		81.4		81.4	0.1%	
Benefits	821.2		821.2	1.1%		801.9		801.9	1.1%	
Other Base Changes										
Last Phase of Conversion from Capital to Permanent Operating Positions	16.5		16.5	0.0%		0.7		0.7	0.0%	
Revenue										
Increased Recovery from Clients		1,598.0	(1,598.0)	(2.2%)			(825.6)	825.6	1.1%	
Annualized User fees		(13.8)	13.8	0.0%			(10.0)	10.0	0.0%	
Sub-Total	7,632.9	2,200.8	5,432.1	0.1	13.0	2,488.3	(835.6)	3,323.9	0.0	1.0
Total Incremental Impact	7,632.9	2,200.8	5,432.1		13.0	2,488.3	(835.6)	3,323.9		1.0

Future year incremental costs are primarily attributable to the following:
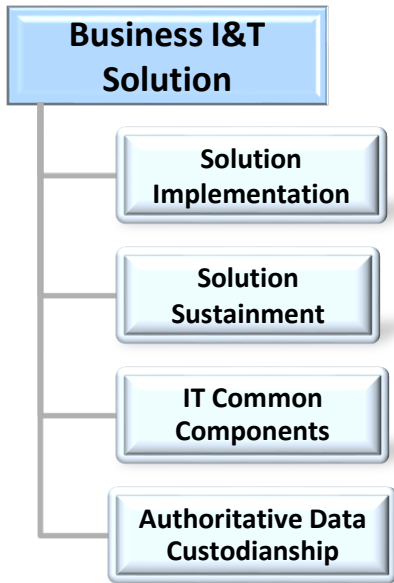
Known Impacts:

- The reversal of one-time bridging strategies in 2017 budget deferred for the deferral of the bandwidth upgrade and backup of some network centre will add a budget pressure of $0.068 million in 2018.

- The operating impact of capital will increase costs in 2018 by $3.716 million net for additional 13.0 positions and $0.191 million net in 2019 for additional 1.0 position.

- The 2018 and 2019 Plan increase also includes known salary and benefit increases as a result of the cost of living allowance, progression pay for non-union and union step increases of $3.226 million net in 2018 and $2.297 million net in 2019.

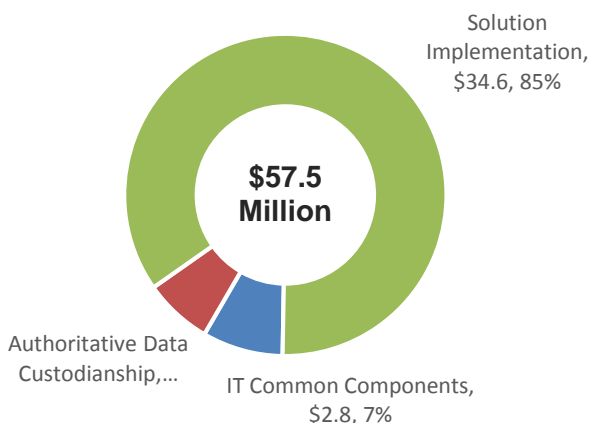# Part 2:

2017 Preliminary Operating Budget by Service

Business I&T Solutions

Business I&T Solution
- Solution Implementation
- Solution Sustainment
- IT Common Components
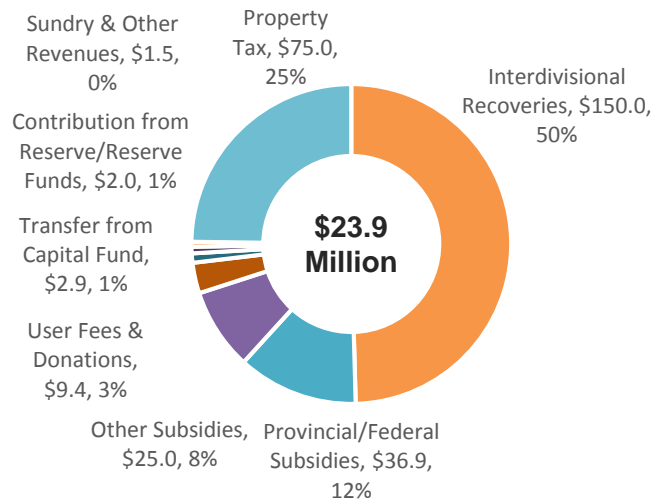- Authoritative Data Custodianship

What We Do

- Information Technology (IT) Solutions to enable the business capabilities required by the City to deliver services.

- Provides solution and component acquisition, configuration, development, sustainment and implementation of applications and solutions, as well as ongoing client support.
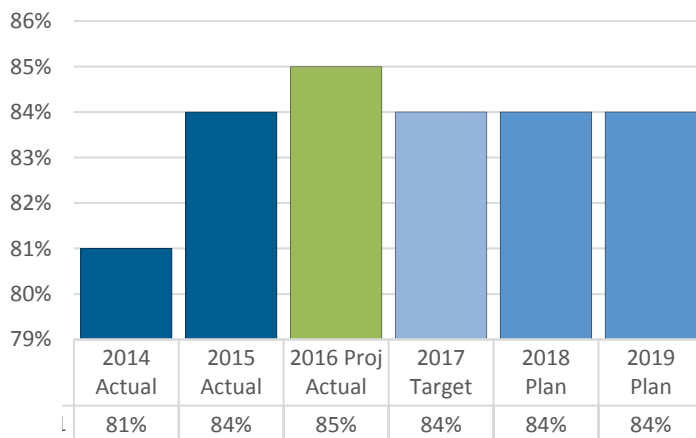
2017 Service Budget by Activity ($Ms)

Solution Implementation, $34.6, 85%

$57.5 Million

Authoritative Data Custodianship,…

IT Common Components, $2.8, 7%

Service by Funding Source ($Ms)

Sundry & Other Revenues, $1.5, 0%

Property Tax, $75.0, 25%

Interdivisional Recoveries, $150.0, 50%

Contribution from Reserve/Reserve Funds, $2.0, 1%

Transfer from Capital Fund, $2.9, 1%

User Fees & Donations, $9.4, 3%

$23.9 Million

Other Subsidies, $25.0, 8%

Provincial/Federal Subsidies, $36.9, 12%

Customer Satisfaction with Business IT Solutions Performance

	2014 Actual	2015 Actual	2016 Proj Actual	2017 Target	2018 Plan	2019 Plan
	81%	84%	85%	84%	84%	84%

- Overall customer satisfaction with Business IT Solutions services has increased by 1% in 2016 compared to 2015.

- Client satisfaction with IT Solutions is forecasted to remain at a minimum of 84% over the next 3 years due to a greater emphasis on customer service improvements, enhanced IT technology, greater automation of manual processes and more channel choices/user friendly applications for clients.

2017 Service Levels
Business I&T Solutions

Activity	Type	Status	Approved Service Levels				
			2013	2014	2015	2016	2017
Solutions Implementation	• Program and Service Management Solutions Development • Process Management Solutions Development • Enterprise Asset Management Solutions Development • Financial Management Solutions Development • Supply and Inventory Management Solutions Development • Rules Management Solutions Development • Property Stewardship Solutions Development • Risk Management Solutions Development • Customer Relationship Management Solutions Development • Service Delivery Solutions Development • Human Resource Management Solutions Development • Information Management Solutions Development	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
Solutions Sustainment	• Program and Service Management Solutions Sustainment • Process Management Solutions Sustainment • Enterprise Asset Management Solutions Sustainment • Financial Management Solutions Sustainment • Supply and Inventory Management Solutions Sustainment • Rules Management Solutions Sustainment • Property Stewardship Solutions Sustainment • Risk Management Solutions Sustainment • Customer Relationship Management Solutions Sustainment • Service Delivery Solutions Sustainment • Human Resource Management Solutions Sustainment • Information Management Solutions Sustainment	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
IT Common Components	Business solution/application development • Geospatial	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90 % of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90 % of the time
Authoritative Data Custodianship	•Geographic Information dataset/map • Geospatial/Location Data	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets or consultation per agreed work plan			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Email Response within 2 business days 90 % of the time Standard incident management targets or consultation per agreed work plan.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Email Response within 2 business days 90 % of the time Standard incident management targets or consultation per agreed work plan.

Overall, the 2017 Service Levels will be impacted by the deletion of vacant positions with slower responses to service requests or reduced services for Business IT Solutions.

Table 6
**2017 Preliminary Service Budget by Activity**

($000s)	2016 Budget $	Base Budget $	Service Changes $	Preliminary Base $	Prelim. Base Budget vs. 2016 Budget $	% Change	New/ Enhanced $	Prelim. Budget $	2017 Prelim. Budget vs. 2016 Budget $	%	2018 Plan $	%	2019 Plan $	%
GROSS EXP.														
Authoritative Data Custodianship	3,238.6	3,490.4	(237.9)	3,252.5	13.8	0.4%		3,252.5	13.8	0.4%	354.8	10.9%	147.2	4.1%
IT Common Components	2,982.9	3,055.2	(210.2)	2,845.0	(137.9)	(4.6%)		2,845.0	(137.9)	(4.6%)	260.0	9.1%	95.3	3.1%
Solution Implementation	35,281.2	34,809.4	(208.0)	34,601.4	(679.8)	(1.9%)		34,601.4	(679.8)	(1.9%)	1,407.7	4.1%	1,163.9	3.2%
Solution Sustainment	16,229.6	17,534.3	(752.2)	16,782.1	552.4	3.4%		16,782.1	552.4	3.4%	2,854.0	17.0%	332.5	1.7%
Total Gross Exp.	57,732.4	58,889.3	(1,408.4)	57,480.9	(251.4)	(0.4%)		57,480.9	(251.4)	(0.4%)	4,876.5	8.5%	1,738.9	2.7%
REVENUE														
Authoritative Data Custodianship	1,430.3	1,500.2		1,500.2	69.9	4.9%		1,500.2	69.9	4.9%	(156.6)	-10.4%	9.5	0.7%
IT Common Components	718.5	650.0		650.0	(68.6)	(9.5%)		650.0	(68.6)	(9.5%)	6.7	1.0%	6.9	1.1%
Solution Implementation	28,598.8	28,575.2		28,575.2							(305.6)	-	(14.5)	-
Solution Sustainment	2,200.5	2,852.9		2,852.9	652.5	29.7%		2,852.9	652.5	29.7%	707.1	24.8%	44.2	1.2%
Total Revenues	32,948.1	33,578.4		33,578.4	653.8	2.0%		33,578.4	653.8	2.0%	251.6	0.7%	46.1	0.1%
NET EXP.														
Authoritative Data Custodianship	1,808.3	1,990.2	(237.9)	1,752.2	(56.0)	(3.1%)		1,752.2	(56.0)	(3.1%)	511.4	29.2%	137.7	6.1%
IT Common Components	2,264.4	2,405.2	(210.2)	2,195.1	(69.3)	(3.1%)		2,195.1	(69.3)	(3.1%)	253.3	11.5%	88.4	3.6%
Solution Implementation	6,682.4	6,234.2	(208.0)	6,026.1	(656.3)	(9.8%)		6,026.1	(679.8)	(10.2%)	1,713.3	28.4%	1,178.4	15.2%
Solution Sustainment	14,029.3	14,681.4	(752.2)	13,929.1	(100.2)	(0.7%)		13,929.1	(100.1)	(0.7%)	2,146.9	15.4%	288.3	1.8%
Total Net Exp.	24,784.3	25,310.9	(1,408.4)	23,902.6	(881.7)	(3.6%)		23,902.6	(905.2)	(3.7%)	4,624.9	19.3%	1,692.8	5.6%
Approved Positions	435.8	428.3	(8.8)	419.5	(16.3)	(3.7%)		419.5	(16.3)	(3.7%)	7.0	1.7%	0.6	0.1%

The ***Business IT Solutions*** service provides information technology solutions to enable the business capabilities required by the City to deliver services.

The Business IT Solutions' 2017 Preliminary Operating Budget of $57.481 million gross and $23.903 million net is $0.882 million or 3.6% under the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all activities, the conversion of 3.0 temporary capital positions to permanent operating for ongoing requirements adds $0.409 million to the base budget.

- In order to offset these pressures, the 2017 Preliminary Operating Budget includes base expenditures changes through a line by line review of recent spending reduces the base budget by $0.065 million and leveraging the use of IT's development software provides savings of $0.012 million.

- Further efficiency savings of $0.509 million consist of $0.059 million as a result of prudent management of contracts due to lower pricing through negotiations, replacement of older technologies and reductions in hardware and software maintenance contract and $0.451 million from rationalizing and returning unused software licenses.

- Service Adjustment savings of $0.903 million will result from implementing organizational restructuring. Please refer to Confidential Attachment 1 for more details.
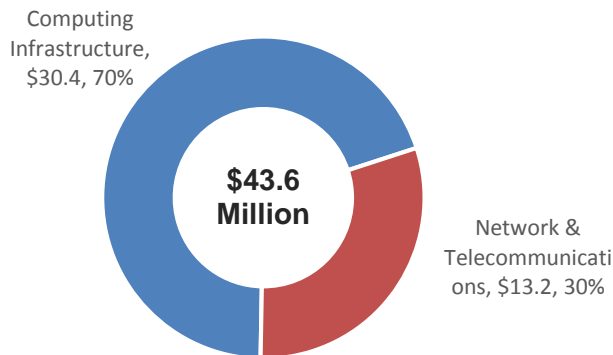
Computer & Communication Technology Infrastructure

```
Computer &
Communication
Technology Infrastructure
    │
    ├── Network &
    │   Telecommunications
    │
    └── Computing
        Infrastructure
```
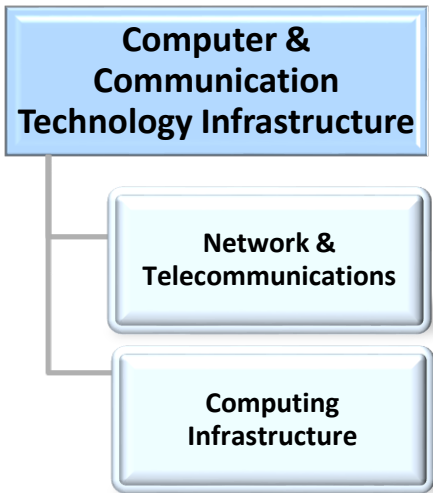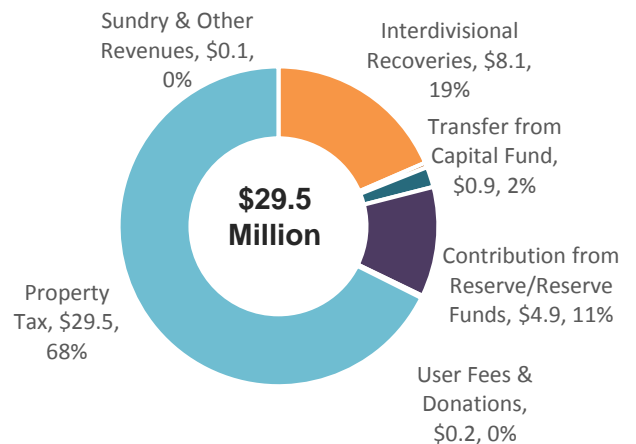
What We Do

- Manages the City's computing infrastructure, including: desktop and mobile devices such as laptops and tablets, printers and other peripheral devices; and data centre services hosting servers and storage equipment; databases, application development platforms; security products and services.

- Manages the City voice and data communications networks to approximately 29,000 staff at 700 locations. This includes both internal and external communications via the Internet to support business applications, email and fax, telephones (landlines and cell phones).
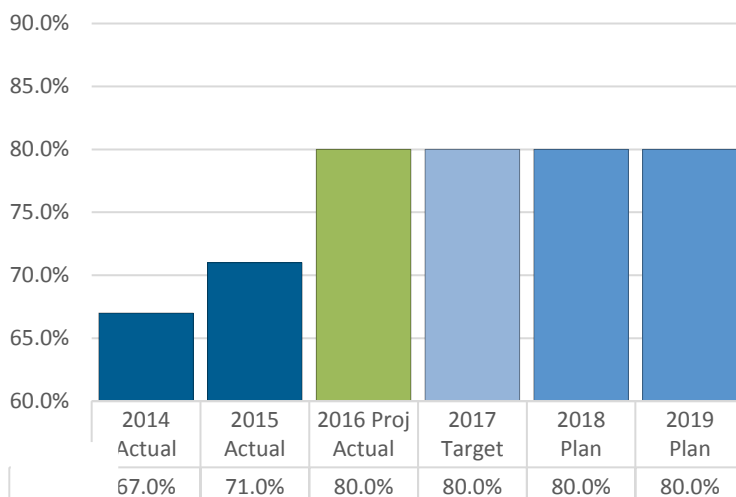
2017 Service Budget by Activity ($Ms)

Computing Infrastructure, $30.4, 70%

$43.6 Million

Network & Telecommunications, $13.2, 30%

Service by Funding Source ($Ms)

Sundry & Other Revenues, $0.1, 0%

Interdivisional Recoveries, $8.1, 19%

Transfer from Capital Fund, $0.9, 2%

$29.5 Million

Contribution from Reserve/Reserve Funds, $4.9, 11%

Property Tax, $29.5, 68%

User Fees & Donations, $0.2, 0%

% of Calls Answered in 60 Seconds

	2014 Actual	2015 Actual	2016 Proj Actual	2017 Target	2018 Plan	2019 Plan
	67.0%	71.0%	80.0%	80.0%	80.0%	80.0%

- The percentage of calls answered in 60 seconds by Service Desk increased 4% in 2015 from 2014.

- The 2015 target was not met due to an increase in the number of phone calls from the previous year while the capacity to service calls remained the same.

- Service call response rate is expected to remain constant over the next four years as a result of increases in the volume of calls to the Service Desk and a levelling of resource capacity.

2017 Service Levels
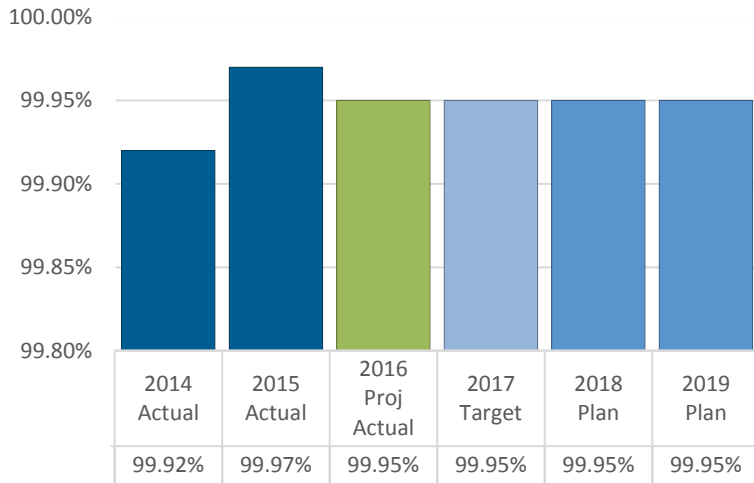## Computer & Communication Technology Infrastructure

Activity	Type	Status	Approved Service Levels			2016	2017
			2013	2014	2015		
Network & Telecommunications	Internet	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time.			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90 % of the time Standard incident management targets Service Availability 24/7/365 with 99.50% up time.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90 % of the time Standard incident management targets Service Availability 24/7/365 with 99.50% up time.
Network & Telecommunications	Telephone	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases
Network & Telecommunications	Wireless Telecommunication & Devices	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases
Network & Telecommunications	Wired Network	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.99% Availability between 8:30am – 4:30pm on business days. *Availability time excludes scheduled maintenance.			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.99% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases 99.99% Availability between 9:00am – 5:00pm on business days. *Availability time excludes scheduled maintenance.
Network & Telecommunications	Wireless Network	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service Availability 24/7/365 with 99% up time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service Availability 24/7/365 with 99% up time

Activity	Type	Status	Approved Service Levels				
			2013	2014	2015	2016	2017
Network & Telecommunications	E-mail	Approved	Standard incident management targets Service availability 24/7/365 with 98% up time (excluding scheduled maintenance)			Core Business Hours are Monday to Friday 8:30am -4.30pm (excluding statutory holidays) Standard incident management targets Service availability 24/7/365 with 98% up time (excluding scheduled maintenance) Email Response within 2 business days 90% of the time	Core Business Hours are Monday to Friday 8:30am -4.30pm (excluding statutory holidays) Standard incident management targets Service availability 24/7/365 with 98% up time (excluding scheduled maintenance) Email Response within 2 business days 90% of the time
Network & Telecommunications	Enterprise Fax	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 98% up time			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service Availability 24/7/365 with 98% up time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service Availability 24/7/365 with 98% up time
Computing Infrastructure	Application Platforms	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service availability is 7/24/365 excluding scheduled maintenance and releases
Computing Infrastructure	Server Computing Hardware	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service Availability 24/7/365 with 99% up time (excluding scheduled maintenance) On-site support 7:30am - 5:00pm on business days, with on-call support for off-hours.			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 1 business day 90% of the time Standard incident management targets Service Availability 24/7/365 with 99.50% up time (excluding scheduled maintenance) support 7:00am - 5:00pm on business days, with on-call support for off-hours.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 1 business day 90% of the time Standard incident management targets Service Availability 24/7/365 with 99.50% up time (excluding scheduled maintenance) support 7:00am - 5:00pm on business days, with on-call support for off-hours.
Computing Infrastructure	Data Storage Platform	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets Service availability 24/7/365 with 99% up time.			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service availability 24/7/365 with 99.50% up time.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets Service availability 24/7/365 with 99.50% up time.
Computing Infrastructure	Enterprise Printing & Peripherals	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets. Service Availability 24/7/365 with 99% up time			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets. Service Availability 24/7/365 with 99% up time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets. Service Availability 24/7/365 with 99% up time
Computing Infrastructure	Client Computing Hardware	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Standard incident management targets			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Standard incident management targets

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Computer & Communications Technology Infrastructure.

Service Performance Measures

% of Uptime of City Website Toronto.ca

	2014 Actual	2015 Actual	2016 Proj Actual	2017 Target	2018 Plan	2019 Plan
	99.92%	99.97%	99.95%	99.95%	99.95%	99.95%

- Service level performance remains steady and within acceptable variance.

- Will sustain availablity of Business Information and Application Resources infrastructure at 99.95% or better in 2016.

- Availability is expected to remain constant at the 99.95% levels due to ongoing planning, testing, and sustainment activities.

Table 6
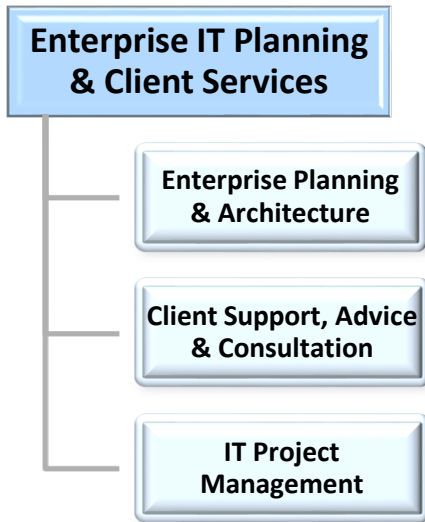### 2017 Preliminary Service Budget by Activity

($000s)	2016 Budget $	Base Budget $	Service Changes $	Preliminary Base $	Prelim. Base Budget vs. 2016 Budget $	% Change	New/ Enhanced $	Prelim. Budget $	2017 Prelim. Budget vs. 2016 Budget $	%	2018 Plan $	%	2019 Plan $	%
GROSS EXP.														
Computing Infrastructure	29,660.2	31,405.0	(962.8)	30,442.2	782.0	2.6%		30,442.2	782.0	2.6%	838.7	2.8%	(441.7)	(1.4%)
Network & Telecommunications	13,116.7	13,434.4	(224.0)	13,210.5	93.8	0.7%		13,210.5	93.8	0.7%	348.8	2.6%	193.6	1.4%
Total Gross Exp.	42,776.9	44,839.4	(1,186.8)	43,652.7	875.8	2.0%		43,652.7	875.8	2.0%	1,187.5	2.7%	(248.1)	(0.6%)
REVENUE														
Computing Infrastructure	7,364.1	8,974.7		8,974.7	1,610.6	21.9%		8,974.7	1,610.6	21.9%	140.6	1.6%	(901.5)	(9.9%)
Network & Telecommunications	5,281.7	5,163.2		5,163.2	(118.5)	(2.2%)		5,163.2	(118.5)	(2.2%)	74.3	1.4%	48.6	0.9%
Total Revenues	12,645.9	14,137.9		14,137.9	1,492.0	11.8%		14,137.9	1,492.0	11.8%	214.9	1.5%	(852.9)	(6.3%)
NET EXP.														
Computing Infrastructure	22,296.1	22,430.3	(962.8)	21,467.5	(828.6)	(3.7%)		21,467.5	(828.6)	(3.7%)	698.1	3.3%	459.8	2.1%
Network & Telecommunications	7,834.9	8,271.3	(224.0)	8,047.3	212.4	2.7%		8,047.3	212.4	2.7%	274.5	3.4%	145.0	1.7%
Total Net Exp.	30,131.0	30,701.6	(1,186.8)	29,514.8	(616.2)	(2.0%)		29,514.8	(616.2)	(2.0%)	972.6	3.3%	604.8	1.9%
Approved Positions	208.0	216.3		216.3	8.3	4.0%		216.3	8.3	4.0%		0.0%		

The *Computer & Communications Technology Infrastructure* Service provides enterprise data centre hosting support to all business IT solutions deployed in the City.

The Computer & Communications Technology Infrastructure's 2017 Preliminary Operating Budget of $43.653 million gross and $29.515 million net is $0.616 million or 2.0% under the 2016 Approved Net Budget.

- Base budget pressures in this Service are primarily due to the sustainment costs for completed capital projects in the amount of $1.123 million as well as standard known increases of $0.774 million in salary and benefit costs.

- In order to offset the above pressures, the 2017 Preliminary Operating Budget includes base expenditure savings of $0.153 million through a line-by-line expenditure review to compare against actual historical expenditures, savings of $0.100 million associated with reduced standby support and overtime activities, and a deferral savings of $0.068 related to existing bandwidth upgrade and network-LAN activation.

- In addition, base revenues are being adjusted to reflect the recovery of $0.737 million for vendor contract increase for software and hardware maintenance which is funded by the IT Sustainment Reserve, as well as $0.920 million from the Tax Stabilization Reserve for current expenses related to the office leasing costs at current location and retiring of obsolete systems within the next two years.

- The Program identified efficiency savings of $1.187 million due to lower contract pricing from negotiations and return of unused software licenses.
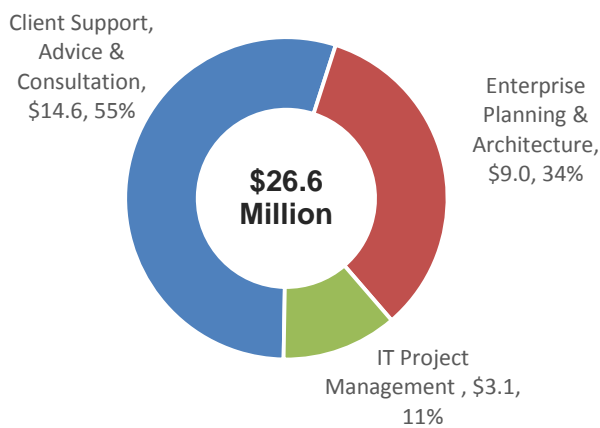
Enterprise IT Planning & Client Services

Enterprise IT Planning & Client Services

- **Enterprise Planning & Architecture**
- **Client Support, Advice & Consultation**
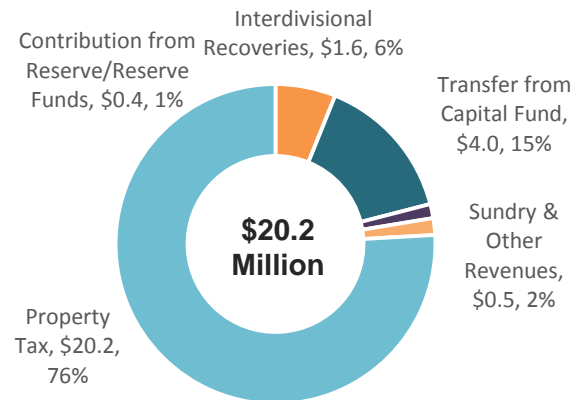- **IT Project Management**

What We Do

- Provides a range of services to support enterprise strategic planning, enterprise architecture blueprint, portfolio planning and optimization and lifecycle management of IT projects.

- Provides direct client support including client relationship management, client consultation and advice, service desk and IT training and education.
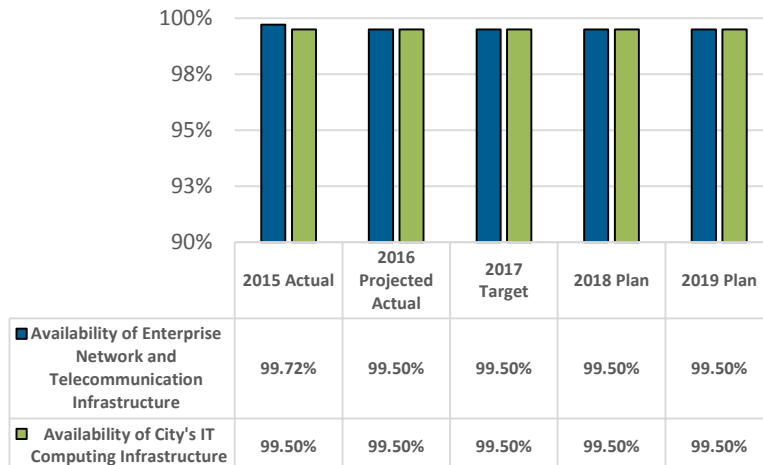
2017 Service Budget by Activity ($Ms)

Client Support, Advice & Consultation, $14.6, 55%

Enterprise Planning & Architecture, $9.0, 34%

IT Project Management , $3.1, 11%

$26.6 Million

Service by Funding Source ($Ms)

Contribution from Reserve/Reserve Funds, $0.4, 1%

Interdivisional Recoveries, $1.6, 6%

Transfer from Capital Fund, $4.0, 15%

Sundry & Other Revenues, $0.5, 2%

Property Tax, $20.2, 76%

$20.2 Million

Availability of Telecom Infrastructure

	2015 Actual	2016 Projected Actual	2017 Target	2018 Plan	2019 Plan
Availability of Enterprise Network and Telecommunication Infrastructure	99.72%	99.50%	99.50%	99.50%	99.50%
Availability of City's IT Computing Infrastructure	99.50%	99.50%	99.50%	99.50%	99.50%

- Service level performance remains steady and within acceptable variance.

- Will sustain availablity of Telecom infrastructure at 99.5% or better in 2016

- Availability is expected to remain constant at the 99.5% levels due to ongoing planning, testing, and sustainment activities.

2017 Service Levels
Enterprise IT Planning & Client Service

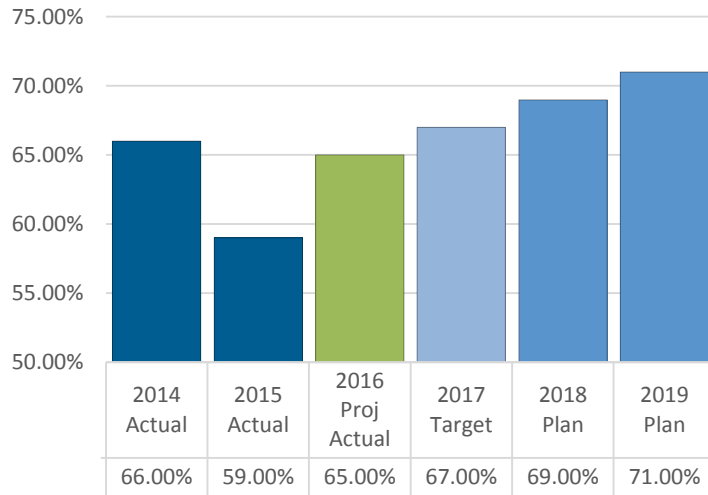| Activity	Type	Status	Approved Service Levels				
			2013	2014	2015	2016	2017
Enterprise Planning & Architecture	Enterprise Architecture – Blueprint	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan
Enterprise Planning & Architecture	Portfolio Investment Management	Approved	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours: Monday – Friday 9:00am – 5:00pm (excluding weekends and holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services	Core business hours: Monday – Friday 9:00am – 5:00pm (excluding weekends and holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services
Enterprise Planning & Architecture	Enterprise wide IT strategic plan - IT Strategic Planning	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services
Enterprise Planning & Architecture	I&T Division Business Strategy/Plan - IT Strategic Planning	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services
Enterprise Planning & Architecture	Business Continuity Planning	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time Consultation or per agreed work plan / In support of I&T services
Enterprise Planning & Architecture	Risk Assessments (Privacy Impact Assessment, Threat Risk Assessment) & Investiations Privacy Impact Assessment, Risk Management Plan, Vulnerability/TRA	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time. Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time. Consultation or per agreed work plan / In support of I&T services
Enterprise Planning & Architecture	IT Policies, Standards & Research	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time. Consultation or per agreed work plan / In support of I&T services	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time. Consultation or per agreed work plan / In support of I&T services
Client Support, Advice & Consultation	Business Process Analysis and Design	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan.			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time. Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays). Email Response within 2 business days 90% of the time. Consultation or per agreed work plan

Activity	Type	Status	Approved Service Levels				
			2013	2014	2015	2016	2017
Client Support, Advice & Consultation	Service Desk	Approved	Support is available from the Service Desk Mon-Fri 7:00a.m to 5:00 p.m and at all other hours (evenings/overnight) and weekend/holidays, calls are re-directed to Computer Operations. Response Targets: - Phone: 80% of Calls Answered within 1 minute - Voicemail: Response within 4 hours - E-Mail: Response within 48 hours Desktop Management (Workstations, Peripherals, Software) Support available Mon-Fri 8:30 a.m. to 4:30 p.m. (excluding statutory holidays). Both Service Desk and Desktop Management incidents are prioritized and resolved in accordance within standard Incident Management (IM) Targets. Standard Incident Management Resolution Targets: Priority 1: 2 business hours Priority 2: 8 business hours (1 day) Priority 3: 24 business hours (3 days) Priority 4: 48 business hours (6 days)			Support is available from the Service Desk Mon-Fri 7:00a.m to 5:00 p.m . All other hours (evenings/overnight) and weekend/holidays, limited support is available. Response Targets: - Phone: 80% of Calls Answered within 1 minute - Voicemail: Response within 4 hours - E-Mail: Response within 48 hours Desktop Management (Workstations, Peripherals, Software) Support available Mon-Fri 8:30 a.m. to 4:30 p.m. (excluding statutory holidays). Service Desk and Desktop Management incidents are prioritized and resolved in accordance within standard Incident Management Targets. Standard Incident Management Resolution Targets: Priority 1: 2 business hours Priority 2: 8 business hours (1 day) Priority 3: 24 business hours (3 days) Priority 4: 48 business hours (6 days)	Support is available from the Service Desk Mon-Fri 7:00a.m to 5:00 p.m . All other hours (evenings/overnight) and weekend/holidays, limited support is available. Response Targets: - Phone: 80% of Calls Answered within 1 minute - Voicemail: Response within 4 hours - E-Mail: Response within 48 hours Desktop Management (Workstations, Peripherals, Software) Support available Mon-Fri 8:30 a.m. to 4:30 p.m. (excluding statutory holidays). Service Desk and Desktop Management incidents are prioritized and resolved in accordance within standard Incident Management Targets. Standard Incident Management Resolution Targets: Priority 1: 2 business hours Priority 2: 8 business hours (1 day) Priority 3: 24 business hours (3 days) Priority 4: 48 business hours (6 days)
Client Support, Advice & Consultation	Business Requirement Analysis	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
Client Support, Advice & Consultation	Business Case Co-ordination	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
Client Support, Advice & Consultation	IT Procurement Consultation	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays)			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays)	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays)
Client Support, Advice & Consultation	IT Consultation & Facilitation	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation Only			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
Client Support, Advice & Consultation	Client Relationship Management	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Escalations within 1 business day 90% of the time Consultation or per agreed work plan	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time Escalations within 1 business day 90% of the time Consultation or per agreed work plan

Activity	Type	Status	Approved Service Levels				
			2013	2014	2015	2016	2017
Client Support, Advice & Consultation	Service Level Management	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Target response within 1 business day Consultation or per agreed work plan			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
Client Support, Advice & Consultation	IT Training & Education	Approved	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Per agreed work plan / schedule 99.00% Availability between 8:30am - 4:30pm			Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Email Response within 2 business days 90% of the time Per agreed work plan / schedule 99.00% Availability between 8:30am - 4:30pm	Core business hours: Monday – Friday 8:30am – 4:30pm (excluding weekends and holidays) Email Response within 2 business days 90% of the time Per agreed work plan / schedule 99.00% Availability between 8:30am - 4:30pm
Client Support, Advice & Consultation	IT Contract Management	Approved	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time.	Core business hours are Monday to Friday 8:30am – 4:30pm (excluding statutory holidays). Email Response within 2 business days 90% of the time.
IT Project Management	IT Project Management Services	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
IT Project Management	IT Project Management Expertise & Support	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time
IT Project Management	IT Project Management Methodologies and Tools	Approved	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Consultation or per agreed work plan / In support of I&T services			Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time	Core business hours are Monday to Friday 9:00am – 5:00pm (excluding statutory holidays) Email Response within 2 business days 90% of the time

Overall, the 2017 Service Levels will be impacted by the deletion of vacant positions with slower responses to service requests or reduced services for Enterprise IT Planning & Client Services.

Service Performance Measures

I&T Project Management Performance (Capital Spend)

	2014 Actual	2015 Actual	2016 Proj Actual	2017 Target	2018 Plan	2019 Plan
	66.00%	59.00%	65.00%	67.00%	69.00%	71.00%

- This measure indicates completed project deliverables in development by using IT capital spend rate as an indication of the progress of capacity to spend.

- Improving the Capacity to Spend (budget vs. actual) is expected to be realized due to improved project management controls, processes, addressing IT resourcing, and improved IT planning.

Client Satisfaction IT Service Desk

	2014 Actual	2015 Actual	2016 Proj Actual	2017 Target	2018 Plan	2019 Plan
	82.00%	89.00%	91.00%	85.00%	85.00%	85.00%
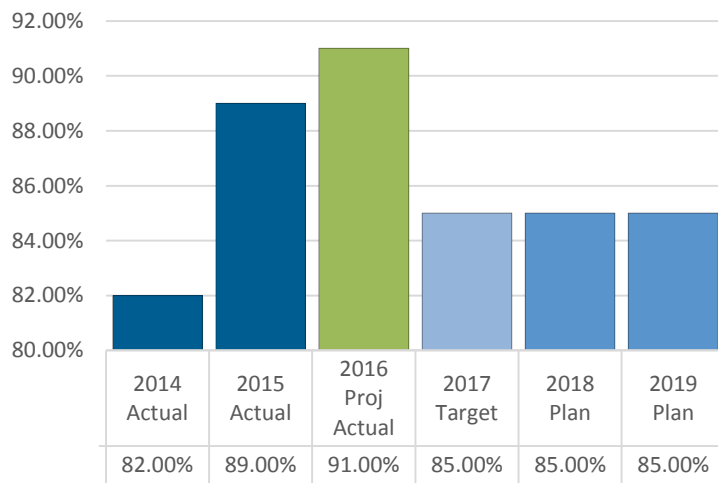
- Customer satisfaction with IT Services (IT Service Desk) has increased by 2% in 2016 compared to 2015 and over 9% as compared to 2014.

- Enterprise IT Service Desk Performance is forecasted to remain constant at 85% or increase over the next 4 years as a result of continuous client service improvement initiatives.

Table 6

2017 Preliminary Service Budget by Activity

($000s)	2016 Budget $	Base Budget $	Service Changes $	Preliminary Base $	Prelim. Base Budget vs. 2016 Budget $	% Change %	New/ Enhanced $	Prelim. Budget $	2017 Prelim. Budget vs. 2016 Budget $	%	2018 Plan $	%	2019 Plan $	%
GROSS EXP.														
Client Support, Advice & Consultation	13,856.9	14,752.4	(202.2)	14,550.2	693.3	5.0%		**14,550.2**	693.3	5.0%	756.6	5.2%	505.3	3.3%
Enterprise Planning & Architecture	7,873.6	9,099.8	(110.8)	8,989.0	1,115.3	14.2%		**8,989.0**	1,115.3	14.2%	686.3	7.6%	373.1	3.9%
IT Project Management	3,593.1	3,064.2		3,064.2	(528.9)	(14.7%)		**3,064.2**			126.1		119.1	3.7%
Total Gross Exp.	25,323.6	26,916.4	(313.0)	26,603.3	1,279.7	5.1%		**26,603.3**	1,808.6	7.1%	1,569.0	5.9%	997.5	3.4%
REVENUE														
Client Support, Advice & Consultation	2,123.7	1,679.1		1,679.1	(444.6)	(20.9%)		**1,679.1**	(444.6)	(20.9%)	1,719.6	102.4%	(8.8)	(0.3%)
Enterprise Planning & Architecture	2,502.0	2,703.0		2,703.0	201.0	8.0%		**2,703.0**	201.0	8.0%	14.4	0.5%	5.2	0.2%
IT Project Management	1,364.4	2,032.0		2,032.0	667.7	48.9%		**2,032.0**			0.1		(25.2)	(1.2%)
Total Revenues	5,990.0	6,414.1		6,414.1	424.1	7.1%		**6,414.1**	(243.6)	(4.1%)	1,734.2	27.0%	(28.8)	(0.4%)
NET EXP.														
Client Support, Advice & Consultation	11,733.2	13,073.3	(202.2)	12,871.1	1,137.9	9.7%		**12,871.1**	1,137.9	9.7%	(963.0)	(7.5%)	514.1	4.3%
Enterprise Planning & Architecture	5,371.6	6,396.8	(110.8)	6,286.0	914.3	17.0%		**6,286.0**	914.3	17.0%	671.9	10.7%	367.9	5.3%
IT Project Management	2,228.7	1,032.2		1,032.2	(1,196.6)	(53.7%)		**1,032.2**			125.9	12.2%	144.3	12.5%
Total Net Exp.	19,333.6	20,502.2	(313.0)	20,189.2	855.7	4.4%		**20,189.2**	2,052.2	10.6%	(165.2)	(0.8%)	1,026.3	4.9%
Approved Positions	206.2	213.8	(3.2)	210.6	4.4	2.1%		**210.6**	4.4	2.1%	3.6	1.7%	0.4	0.2%

The ***Enterprise IT Planning & Client Services*** provides a range of services to support enterprise strategic planning, enterprise architecture blueprint, portfolio planning and optimization and lifecycle management of IT projects.

The Enterprise IT Planning & Client Services' 2017 Preliminary Operating Budget of $26.603 million gross and $20.189 million net is $0.856 million or 4.4% over the 2016 Approved Net Budget.

- Base budget pressures are attributable to increases of $1.367 million for staff salaries and benefits common across all activities.

- In order to mitigate these base pressures, the 2017 Preliminary Operating Budget includes base expenditures savings of $0.141 million through a line by line expenditure review over the last three years to better align the budget with actual spending patterns, increased gapping of $0.219 million for a vacant management position until the restructure of the Portfolio Unit is complete, and base revenue adjustments of $0.042 million from decommissioning obsolete systems within the next two years funded from the Tax Stabilization Reserve.

- The Program also identified further budget reduction options through a combination of efficiency savings of $0.091 million from the deletion of 1.0 vacant IT Training Instructor position, revenue adjustments to reflect additional recovery of salary costs of $0.508 million from IT Capital Budget for 3 Project Managers in 2017, and service adjustments of $0.226 million resulting from the implementation of organizational restructuring. Please refer to confidential attachment 1 for more details.

Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "*2017 Budget Process: Budget Directions and Schedule*" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto. (http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf)

- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.

- The Information & Technology's 2017 Preliminary Operating Budget is $127.737 million gross and $73.607 million net, representing a 0.9% decrease from the 2016 Approved Net Operating Budget. This reduction is $1.288 million net or 1.7% away from the budget reduction target of 2.6%, as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices.

- In order to meet City Council's budget reduction target of -2.6%, the Program submitted further service adjustments, as noted in the table below, which will result in savings of $1.288 million gross and net, bringing the 2017 Preliminary Operating Budget to $126.449 gross, $72.319 million net or -2.6% below the 2016 Approved Net Operating Budget.

Service Adjustments Not Included

| Service Adjustment Description ($000s) | 2017 Impact | | | | Net Incremental Impact | | | |
| | | | | | 2018 Plan | | 2019 Plan | |
	Gross	Revenue	Net	Positions	Net	Positions	Net	Positions
Inability to Provide Standby off hours Coverage for Critical Services	(50.0)		(50.0)					
Inability to Sustain needs of Cloud Gateway Foundation Projects	(149.7)		(149.7)	(1.0)				
Inability to Provide Sustainment on Employee WiFi Project	(111.7)		(111.7)	(1.0)				
Inability to Provide Essential Services on Enterprise System Monitoring Implementation	(111.7)		(111.7)	(1.0)				
Increase Risk on Business Continuity & Disaster Recovery Project	(111.7)		(111.7)	(1.0)				
Inability to Support Completed Corporate Platforms	(753.0)		(753.0)					
Total Service Adjustments (Not Included)	**(1,287.8)**	**0.0**	**(1,287.8)**	**(4.0)**				

- *Inability to Provide Standby Off Hours Coverage for Critical Services* would increase risk by compromising ability to rapidly respond to and resolve incidents. This increases the possible downtime to key City systems, for example the City website, Online Building Permits, Electronic Pet Licensing, Recreation Program Registration, Online Tax, Utility Billing Lookup, or key City infrastructure and systems such E-Mail.

- *Inability to sustain needs for Cloud Gateway Foundation Projects* means that I&T Division cannot proceed with Cloud services planning and enabling for key initiatives including Web revitalization, Enterprise Financial system (SAP Hana) and Purchasing Modules (SAP Ariba). Cloud offers significant opportunity for these initiatives.

➢ *Inability to Provide Sustainment on Employee WiFi projects*. WiFi for City staff across divisions offers significant opportunity for employee productivity enhancements. I&T Division would not able to support the new wireless network management solution for deployment and management of the WiFi network in place or expand services to other locations.

➢ *Inability to Provide Essential Services to Enterprise Systems Monitoring Implementation (ESMI)* means *that* I&T would not be able to sustain the current environment and monitor key applications (700+), servers (2000+) and databases (1100+) that support City Programs and Services. I&T Division would also not able to sustain State of Good Repair (SOGR) activities associated with Enterprise Infrastructure Monitoring Tools/Software (ESMI) potentially impacting server and application outages and recovery where required from failed Data Centre services.

➢ *Increase Risk on Business Continuity & Disaster Recovery Project* would mean insufficient capacity to effectively support additional IT infrastructure built for various disaster recovery solutions for City Program applications (such as for Building Permits through the Integrated Business Management System, for example. This would mean ineffective system recovery capability and increased risk of catastrophic system issues, which could lead to delays in services or outages and stoppage of business. This will have service impact depending on the area the position is taken from as further implementation will be deferred.

➢ *Inability to Support Completed Corporate Platforms* - The reduction in support & maintenance for Time Attendance Scheduling eTime System will impact Parks, Forestry, & Recreation and Toronto Paramedic Services ability to deliver their 7x24 services through scheduling their Full Time / Part Time Recreation workers and Paramedics according to collective agreements and to manage time reporting. This will further impact ability to do budgeting effectively, integration with other systems and undertake data analysis and analytics. The reduction in support & maintenance for HANA that will also limit the ability for the City's 44 Divisions to review & report on their key performance indicators in an efficient & timely manner.

▪ The above listed service adjustments are not included in the 2017 Preliminary Budget for Information & Technology, however, they are included for Council's consideration as part of the list of Service Adjustments to be distributed for Budget Committee's consideration in the 2017 Budget process.

Issues Impacting Future Years

The IT Portfolio Integrated Plan of programs and projects is annually reviewed through the City's IT Governance process to ensure IT foundation technologies are in place to meet the growing business needs and demand for technology from City Programs. The 2017 IT Portfolio Integrated Plan was approved by the City's Business Executive Committee in November 2016.

To ensure continuous service excellence and effective delivery of public facing programs and services, the following key issues will impact IT Operating Budget in future years.

Integrated Service Delivery

▪ *Focus on Digital Enablement, Short and Long Term Priorities:* There is significant demand to deliver technology solutions to meet City Program and Service needs and meet the customer service expectations of the digital citizen, business and visitor.

- ➢ The City as a digital government is moving towards integrated technology solutions that will share functionality and meet multiple needs across business units and at the enterprise level to optimize investments and to be more agile at meeting evolving and changing needs.

- ➢ Ensuring solutions fit in both the short and long-term with a corporate view of priorities is critical to successful service and project delivery and balancing divisional and enterprise demands requires a strategic approach.

- *Adjust risk appetite/policies to drive innovation:* The City recognizes that certain practices such as City procurement policies have inhibited vendor engagement with the City impacting potential innovation and solutions the City can achieve.

- ➢ Healthy partnerships with the Information and Communications Technology (ICT) industry and vendors are vital to successful IT service delivery at the City as they play a significant role in City solutions and systems.

- ➢ Active engagement within the City and with the ICT industry has started in partnership between Information and Technology, Purchasing and Materials Management and Legal Services. This engagement needs to continue to modernize policies to drive innovation, manage risk in a balanced manner, and introduce more opportunities to engage in planning and piloting solutions with a focus to drive partnership opportunities and speed to delivery.

- ➢ The City will be looking at innovative procurement opportunities in 2017 to drive forward potential opportunities to realize value in initiatives and associated efficiencies.

Ability to Sustain Business Solutions (or Operating Impact of Capital)

- *Address Operating Impacts Pressures as Demand for Solutions Grows:* As new or enhanced technology solutions are put in place to meet growing demands from City Programs, there is an increased need to sustain these applications once completed through projects. New or enhanced business solutions are bringing value in service delivery and efficiencies are generally being realized in the divisions and not directly in Information and Technology. The efficiencies realized are not being applied to the technology sustainment costs adding pressure in Information & Technology to manage.

- Previously, I&T Division absorbed these pressures within its base budget and by re-assigning resources working on capital projects to provide sustainment support.

- Processes need to be reviewed to ensure operating impacts for new or enhanced technology solutions are funded by beneficiary client Programs or funded through efficiencies as the current approach introduces significant risk to sustain and manage IT solutions corporately in a sustainable manner.

- I&T is unable to continue to absorb these operational sustainment support and maintenance pressures in the current fiscal climate, especially since the vacancy rate is declining significantly and options for gapping are very limited.

- The Program will implement the following steps to provide sustainable funding for incremental operating impacts from capital projects:

- ➢ In conjunction with the Financial Planning Division, establish a full costing model for IT services provided to individual City Programs with the objective of reflecting the true service cost to Rate-Supported Programs and Programs providing services that are fully cost recovered.

- ➢ Identify benefits from IT capital investments through the IT governance structure and establish an approach to enable I&T to utilize financial benefits to fund the incremental costs.

Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, Information & Technology accomplished the following:

Enabling the Digital Citizen

✓ As part of the Online Service Delivery Program, enhanced the Online Citizen experience improving access to City services for residents and businesses with several new services on the City's website including:

  ➢ Implemented numerous City website www.toronto.ca enhancements for over 16,000,000+ visitors annually, improving public access to City services.

  ➢ Waste Wizard for Solid Waste Management Services to help residents and businesses determine how to sort and properly dispose of their unwanted items.

  ➢ Winter Road Maintenance Online Map allowing residents to see when Toronto roads have been cleared and de-iced and support effective commuting.

  ➢ MyWaterToronto which allows residents to view their household water usage online by day, week, month or year, helping to foster water conservation.

✓ Implemented enhancement for Toronto Building's permitting requirements for critical zoning as well as the upcoming Toronto Building Public Portal launch.

✓ Supported the Permit Parking Renewal process for Transportation Services for 53,000 citizens to renew over 105K permits annually, generating over $9 Million in revenue.

✓ Launched a new On-line Tax & Water Certificate service that is available 24/7 and allows clients to obtain a certificate within 30 minutes (as compared to previous time of 5 days).

✓ Launched new user-friendly, mobile responsive and accessible Festivals and Events Calendar on toronto.ca that is easy to view and filter events, and submit festival, special event and exhibit information

✓ For construction planning purposes implemented a business rules and visualization systems that addresses the challenge of coordinating a significant number of capital projects between asset owners who share the City's right-of-way leading to more successful project delivery (cost, time, disruptions).

Enabling Digital Government and Digital Worker

✓ Provided business application infrastructure (security, internet, database, servers and storage) for over 850 applications City-wide including many 7x24x365 requirements.

✓ Partnered with Chief Corporate Officer Organization and as a part of the City Office Modernization Program in pilots to modernize several I&T Division locations which offset pressure for leased space and growing demands for space.

✓ Refreshed IT equipment across the City as part of life cycle management including 4,400 desktops/notebooks/tablets, ~200 servers, 400 printers, 975 monitors, and 300 network devices.

✓ Achieved an Overall Customer Satisfaction Rating of 90% in 2016, a 2% increase from 2015 and an 8% increase from 2014. Improvements were achieved in 12 of 13 categories (92%) and the other category remained high at 94%. Responded to approximately 186,000 IT client support requests.

✓ Continued the Shared Services Review identifying collaboration opportunities for IT shared services.

✓ Implemented numerous City website enhancements to online channel for over 16,000,000 visitors annually, improving public access to City services.

✓ Delivered system enhancements for City's ground transportation licensing and enforcement regulations in Municipal Licensing and Standards to fully automate all 12,000 private transportation company licenses and renewals.

✓ Improved service in 10 City Long-Term Care homes by deploying wireless capabilities allowing staff to remotely connect to the Resident Care application from mobile devices such as laptops mounted on carts.

✓ Implemented the City's First Cloud Computing Framework improving the City's readiness state to adopt cloud services with a framework agreed to with key stakeholders. Cloud Services have significant opportunity to address growing demands for IT infrastructure and applications. Refreshed IT equipment across the City as part of life cycle management including 4,400 desktops/notebooks/tablets, ~200 servers, 400 printers, 975 monitors, and 300 network devices.

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense ($000's)	2014 Actual $	2015 Actual $	2016 Budget $	2016 Projected Actual * $	2017 Preliminary Budget $	2017 Change from 2016 Budget $	%	Plan 2018 $	Plan 2019 $
Salaries and Benefits	66,528.4	77,223.0	97,915.8	82,470.8	99,330.9	1,415.1	1.4%	104,497.0	107,953.4
Materials and Supplies	110.8	55.1	57.7	53.5	50.8	(6.9)	(11.9%)	50.8	50.8
Equipment	620.5	562.3	837.4	855.9	866.9	29.5	3.5%	894.1	896.1
Services & Rents	24,378.8	25,088.8	26,410.2	26,451.3	26,875.1	464.9	1.8%	29,314.6	28,344.5
Contributions to Reserve/Res Funds	104.8	126.6	126.6	126.6	126.6			126.6	126.6
Other Expenditures	1.1	1.0	0.4	0.4	0.4			0.4	0.4
Interdivisional Charges	923.5	1,226.7	484.8	1,009.7	486.2	1.4	0.3%	486.2	486.2
Total Gross Expenditures	92,667.9	104,283.5	125,832.9	110,968.2	127,736.9	1,904.0	1.5%	135,369.7	137,858.0
Interdivisional Recoveries	12,906.2	13,972.9	14,528.3	13,976.5	15,044.9	516.6	3.6%	17,959.6	18,148.2
User Fees & Donations	141.8	251.0	396.9	283.9	342.6	(54.3)	(13.7%)	328.8	318.8
Transfers from Capital Fund	11,385.6	15,833.1	32,226.6	20,357.4	32,554.5	327.9	1.0%	31,854.3	31,844.8
Contribution from Reserve/Reserve Funds	1,141.0	1,895.8	3,705.8	2,830.5	5,447.0	1,741.2	47.0%	5,447.0	4,442.3
Sundry Revenues	217.6	161.0	726.4	383.7	741.3	14.9	2.1%	741.3	741.3
Total Revenues	25,792.2	32,113.8	51,584.0	37,832.0	54,130.3	2,546.3	4.9%	56,331.0	55,495.4
Total Net Expenditures	66,875.7	72,169.7	74,248.9	73,136.2	73,606.6	(642.3)	(0.9%)	79,038.7	82,362.6
Approved Positions	612.0	679.0	848.0	728.0	846.0	(2.0)	(0.2%)	857.0	858.0

* Based on the 2016 9-month Operating Variance Report

The Information & Technology's year-end favourable variance is projected to be $1.113 million or 1.5% below the 2016 Approved Operating Budget of $74.249 million net. The favourable variance was mainly due to under-expenditures in salaries and benefits for vacant positions. Savings from operating vacancies were partially offset by overtime costs, renovation of office space at Dyas Road to accommodate the increasing staff complement and unfunded dedicated HR team for IT recruitment.

For additional information regarding the 2016 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, 2016*" considered by City Council at its meeting on December 13, 2016.

http://app.toronto.ca/tmmis/decisionBodyProfile.do?function=doPrepare&meetingId=11065

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

▪ As the projected savings in 2016 are non-recurring due to delays in filling vacant positions, the Program withdrew hiring for a number of vacancies as they are proposed for deletion and repurposing while considering anticipated future requirements. The 2016 Operating Variance has no impact on the 2017 Preliminary Operating Budget.

Appendix 3

2017 Organization Chart

```
                    ┌─────────────────────────────┐
                    │ Chief Information Officer (1) │
                    │           (845)              │
                    └─────────────────────────────┘
                                │
                                │        ┌──────────────────────────┐
                                │────────│ Administrative Assistant (1) │
                                │        │           (1)              │
                                │        └──────────────────────────┘
        ┌───────────┬───────────┼───────────┬───────────┐
```

| Deputy CIO Technology Infrastructure Services (1) (307) | Deputy CIO Enterprise Solutions Delivery (1) (334) | Director, Strategic Planning & Architecture (1) (61) | Director, Business Enablement & Client Services (1) (65) | Director, Portfolio Management (1) (71) |
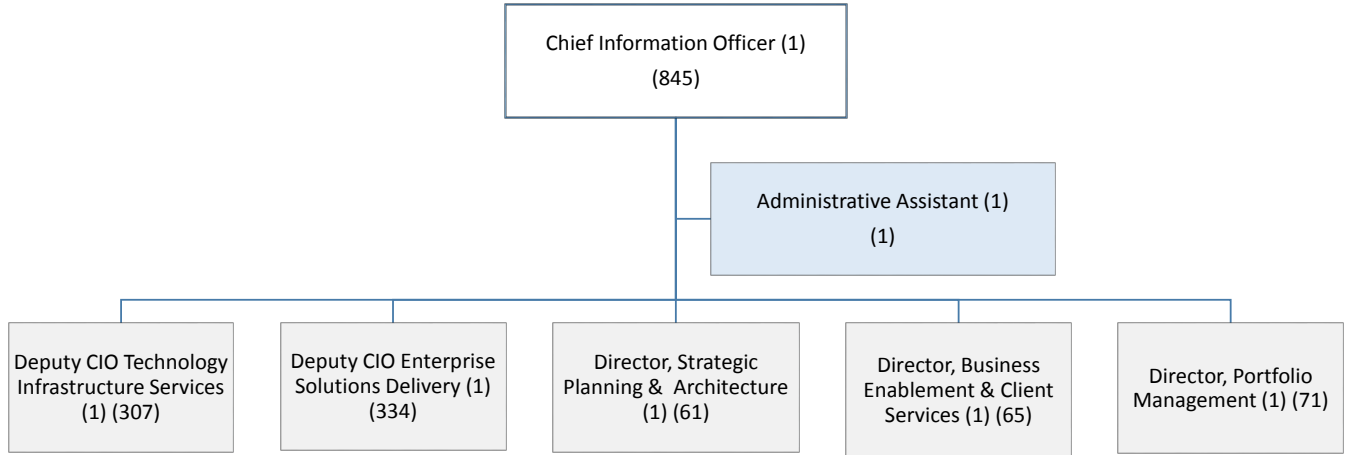
2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	6.0	123.0	104.0	408.0	641.0
Temporary		3.0	100.0	102.0	205.0
Total	6.0	126.0	204.0	510.0	846.0

Appendix 4

Summary of 2017 Service Changes

Form ID		Internal Focused Services	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority	Program - Information & Technology	Gross Expenditure	Revenue	Net	Approved Positions		
		2017 Preliminary Base Budget Before Service Changes:	**130,633.1**	**54,130.3**	**76,523.7**	**858.00**	**5,432.1**	**3,323.9**

10887 HW & SW Maintenance Reduction

51 **0** **Description:**

Savings of $1.146 million from lower pricing from contract negotiations, replacement of older technologies, and efficiencies resulted in reductions in hardware and software maintenance contract costs.

Service Level Impact:

Service: IT-Business IT Solutions

		Preliminary Service Changes	(58.8)	0.0	(58.8)	0.00	0.0	0.0

Service: IT-Computer & Communications Technology Infrastructure

		Preliminary Service Changes	(1,086.8)	0.0	(1,086.8)	0.00	0.0	0.0
		Total Preliminary Service Changes:	**(1,145.5)**	**0.0**	**(1,145.5)**	**0.00**	**0.0**	**0.0**

10962 Reduce 1 FTE Impacting Training Sessions

51 **0** **Description:**

Delete the vacant IT training instructor facilitator position in the IT Training Unit. This unit provides crucial business specific training services on a timely basis to City clients as well as training design & delivery for enterprise-wide initiatives.

Service Level Impact:

Service: IT-Enterprise IT Planning & Client Services

		Preliminary Service Changes	(91.4)	0.0	(91.4)	(1.00)	0.0	0.0
		Total Preliminary Service Changes:	**(91.4)**	**0.0**	**(91.4)**	**(1.00)**	**0.0**	**0.0**

Form ID		Internal Focused Services Program - Information & Technology	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
10981		Software Licence Rationalization						
51	0	**Description:**						

A reduction of $0.439 million for SAP Software Maintenance as a result of returning unused SAP PBF software licences, returning unused SAP Procurement for Public Sector Licences (PPS) software licences as a result of the SAP ARIBA implementation which is a foundational platform needed to achieve the SAP Roadmap and right-sizing the use of SAP according to the needs of the organization and transitioning the use of expensive SAP PRO licences to less expensive SAP Limited PRO licences. A reduction of $0.100 million for Oracle software maintenance as a result of the City implementing the new SAP HANA platform. with a further reduction of $0.012 million for returning unused ESRI software licences no longer required by the City for geospatial software support and maintenance.

Service Level Impact:

There will be minimal impact on City service levels.

Service:	IT-Business IT Solutions							
	Preliminary Service Changes		(451.0)	0.0	(451.0)	0.00	0.0	0.0
Service:	IT-Computer & Communications Technology Infrastructure							
	Preliminary Service Changes		(100.0)	0.0	(100.0)	0.00	0.0	0.0
	Total Preliminary Service Changes:		**(551.0)**	**0.0**	**(551.0)**	**0.00**	**0.0**	**0.0**

11022		Business Unit Reorganization						
59	0	**Description:**						

The reorganization involves the deletion of 10 vacant positions: 1 Supervisor position that supports Street & Parcel Map; 3 Systems Integrator positions that support of Right-of-Way / Work Management Systems and Enterprise Collaboration Focus; 3 System Development Specialists supporting CAPTOR, Enterprise Web Content Management and SharePoint application Development; 1 Corporate Application Technical Lead supporting Domino; and 2 Engineering Technology Technician positions supporting Geo Land Base Maintenance.

Service Level Impact: Business divisions will experience slower response to their service requests.

Service:	IT-Business IT Solutions							
	Preliminary Service Changes		(839.1)	0.0	(839.1)	(8.00)	(0.0)	0.0
Service:	IT-Enterprise IT Planning & Client Services							

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Form ID		Internal Focused Services	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority	Program - Information & Technology	Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes	(209.2)	0.0	(209.2)	(2.00)	0.0	(0.0)
		Total Preliminary Service Changes:	**(1,048.3)**	**0.0**	**(1,048.3)**	**(10.00)**	**0.0**	**0.0**

11023	Business Unit Reorganization
59 0	**Description:**

Reduce I&T's ability to provide timely support to the growing demand for critical to city business divisions and public as well as support of the City's Open Data initiative. Please refer to the Confidential Attachment 1 under separate cover.

Service Level Impact:
Business divisions will experience slower response to their service requests.

Service: IT-Business IT Solutions

	Gross Expenditure	Revenue	Net	Approved Positions	2018 Plan Net Change	2019 Plan Net Change
Preliminary Service Changes	(64.2)	0.0	(64.2)	(0.80)	0.0	0.0

Service: IT-Enterprise IT Planning & Client Services

	Gross Expenditure	Revenue	Net	Approved Positions	2018 Plan Net Change	2019 Plan Net Change
Preliminary Service Changes	(16.6)	0.0	(16.6)	(0.20)	(0.0)	(0.0)
Total Preliminary Service Changes:	**(80.3)**	**0.0**	**(80.3)**	**(1.00)**	**0.0**	**0.0**

Summary:

	Gross Expenditure	Revenue	Net	Approved Positions	2018 Plan Net Change	2019 Plan Net Change
Total Preliminary Service Changes	**(2,917.1)**	**0.0**	**(2,917.1)**	**(12.00)**	**0.0**	**(0.0)**
Total Preliminary Base Budget:	**127,736.9**	**54,130.3**	**73,606.6**	**846.00**	**5,432.1**	**3,323.9**

Category:

51 - Efficiency Change   52 - Revenue Change   59 - Service Change

Run Date: 12/05/2016 21:27:21

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In $000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 * $	Withdrawals (-) / Contributions (+)		
			2017 $	2018 $	2019 $
Projected Beginning Balance			**25,335.2**	**25,451.4**	**25,567.6**
Insurance Reserve Fund	XR1010	**25,335.2**			
Contributions (+)			116.2	116.2	116.2
Total Reserve / Reserve Fund Draws / Contributions		**25,335.2**	**25,451.4**	**25,567.6**	**25,683.8**
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		**25,335.2**	**25,451.4**	**25,567.6**	**25,683.8**

Reserve / Reserve Fund Name (In $000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 * $	Withdrawals (-) / Contributions (+)		
			2017 $	2018 $	2019 $
Projected Beginning Balance			**72.0**	**82.4**	**92.8**
Vehicle Reserve Fund	XQ1509	**72.0**			
Contributions (+)			10.4	10.4	10.4
Total Reserve / Reserve Fund Draws / Contributions		**72.0**	**82.4**	**92.8**	**103.2**
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		**72.0**	**82.4**	**92.8**	**103.2**

Reserve / Reserve Fund Name (In $000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 * $	Withdrawals (-) / Contributions (+)		
			2017 $	2018 $	2019 $
Projected Beginning Balance			**232,040.9**	**231,740.9**	**231,440.9**
Capital Financing Reserve	XQ0011	**232,040.9**			
Proposed Withdrawls (-)			(300.0)	(300.0)	(300.0)
Total Reserve / Reserve Fund Draws / Contributions		**232,040.9**	**231,740.9**	**231,440.9**	**231,140.9**
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		**232,040.9**	**231,740.9**	**231,440.9**	**231,140.9**

Reserve / Reserve Fund Name (In $000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 * $	Withdrawals (-) / Contributions (+)		
			2017 $	2018 $	2019 $
Projected Beginning Balance			**9,782.0**	**5,639.7**	**1,497.4**
IT Equipment Reserve	XQ1508	**9,782.0**			
Proposed Withdrawls (-)			(4,142.3)	(4,142.3)	(4,142.3)
Total Reserve / Reserve Fund Draws / Contributions		**9,782.0**	**5,639.7**	**1,497.4**	**(2,644.9)**
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		**9,782.0**	**5,639.7**	**1,497.4**	**(2,644.9)**

Reserve / Reserve Fund Name (In $000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 * $	Withdrawals (-) / Contributions (+)		
			2017 $	2018 $	2019 $
Projected Beginning Balance			**25,438.8**	**24,434.2**	**23,429.6**
Tax Stablization Reserve	XQ0703	25,438.8			
Proposed Withdrawls (-)			(1,004.6)	(1,004.6)	
Total Reserve / Reserve Fund Draws / Contributions		**25,438.8**	**24,434.2**	**23,429.6**	**23,429.6**
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		**25,438.8**	**24,434.2**	**23,429.6**	**23,429.6**

* Based on 9-month 2016 Reserve Fund Variance Report

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2016 Approved Rate	2017 Inflationary Adjusted Rate	2017 Other Adjustment	2017 Budget Rate	2018 Plan Rate	2019 Plan Rate
Property data map (1:4,000)	Information & Technology	Full Cost Recovery	Per map	$4.46	$0.09		$4.55	$4.64	$4.74
Paper index map illustrating the boundaries of the PDM maps	Information & Technology	Full Cost Recovery	Per map	$27.83	$0.56		$28.39	$28.95	$29.60
Property data map (1:2,000)	Information & Technology	Full Cost Recovery	Per map	$6.67	$0.13		$6.80	$6.93	$7.09
Municipal map book-1:4,000	Information & Technology	Full Cost Recovery	Per book	$44.55	$0.89		$45.44	$46.34	$47.39
Municipal map book set - 1:4,000	Information & Technology	Full Cost Recovery	Per set	$155.91	$3.12		$159.03	$162.16	$165.82
Set of four property data map district book -1:2,000	Information & Technology	Full Cost Recovery	Per set	$1,447.59	$28.95		$1,476.54	$1,505.63	$1,539.66
Electronic pdf municipal map book set	Information & Technology	Full Cost Recovery	Per set	$155.91	$3.12		$159.03	$162.16	$165.82
Community council boundaries & electoral wards map - 11"x17"	Information & Technology	Full Cost Recovery	Per map	$11.13	$0.22		$11.35	$11.57	$11.83
Community council boundaries & electoral wards maps - 24"x36	Information & Technology	Full Cost Recovery	Per map	$16.71	$0.33		$17.04	$17.38	$17.77
Community council boundaries & electoral wards map - 36"x70"	Information & Technology	Full Cost Recovery	Per map	$27.83	$0.56		$28.39	$28.95	$29.60
36"x60" Paper or PDF map at 1:30,000 scale or provide non-ge	Information & Technology	Full Cost Recovery	Per map	$27.83	$0.56		$28.39	$28.95	$29.60
Provide paper or electronic PDF Ward maps - 36"x26"	Information & Technology	Full Cost Recovery	Per map	$6.67	$0.13		$6.80	$6.93	$7.09
Provide paper or electronic PDF Ward maps - 11"x17".	Information & Technology	Full Cost Recovery	Per map	$5.56	$0.11		$5.67	$5.78	$5.91
Aerial photo enlargement (letter sized)	Information & Technology	Full Cost Recovery	Per paper print.	$5.56	$0.11		$5.67	$5.78	$5.91
Aerial photo enlargement - 11"x17"	Information & Technology	Full Cost Recovery	Per print.	$7.80	$0.16		$7.96	$8.12	$8.30
Electronic property data maps	Information & Technology	Full Cost Recovery	Per map	$111.36	$2.23		$113.59	$115.83	$118.45
ESM topographic mapping (electronic CAD).	Information & Technology	Full Cost Recovery	Per sq.km.	$334.05	$6.68		$340.73	$347.44	$355.29
Digital terrain model, full resolution electronic maps.	Information & Technology	Full Cost Recovery	Per sq. km.	$278.38	$5.57		$283.95	$289.54	$296.08
Parcel mapping (electronic)	Information & Technology	Full Cost Recovery	Per sq. km.	$133.63	$2.67		$136.30	$138.99	$142.13
Orthoimage 0.075m resolution quad tiles (electronic)	Information & Technology	Full Cost Recovery	Per image tile	$27.83	$0.56		$28.39	$28.95	$29.60
Orthoimages 0.30 resolution electronic maps.	Information & Technology	Full Cost Recovery	Per image tile	$55.68	$1.11		$56.79	$57.91	$59.22
Electronic images of 2003 aerial photos (black & white 1:6,0	Information & Technology	Full Cost Recovery	Per image tile	$16.71	$0.33		$17.04	$17.38	$17.77
Create enterpise stereoscopic electronic models DVP - 2003	Information & Technology	Full Cost Recovery	Per Model	$55.68	$1.11		$56.79	$57.91	$59.22
Ravine Ward Map 11"x17" PDF or Paper drawing	Information & Technology	Full Cost Recovery	Per Map	$11.13	$0.22		$11.35	$11.57	$11.83
Ravine By-Law Maps 11"x17" PDF or Paper drawing	Information & Technology	Full Cost Recovery	Per Map	$4.45	$0.09		$4.54	$4.63	$4.73
Provides Digital or Paper drawing	Information & Technology	Full Cost Recovery	Per request	$72.37	$1.45		$73.82	$75.27	$76.97
Archival former Toronto topographic map, 1985	Information & Technology	Full Cost Recovery	Per map	$6.67	$0.13		$6.80	$6.93	$7.09
Electoral Ward Boundaries (Paper or PDF)	Information & Technology	Full Cost Recovery	Per Map	$27.83	$0.56		$28.39	$28.95	$29.60
File formats - ESRI Shape File, DGN, DWG, DXF (per dataset)	Information & Technology	Full Cost Recovery	Per Dataset	$1,447.59	$28.95		$1,476.54	$1,505.63	$1,539.66
File formats - ESRI Shape File, DGN, DWG, DXF (per feature)	Information & Technology	Full Cost Recovery	Per Feature	$361.90	$7.24		$369.14	$376.41	$384.92
The District Maps cover one City of Toronto District Service	Information & Technology	Full Cost Recovery	Per District	$16.71	$0.33		$17.04	$17.38	$17.77
PDM set, Street Centreline TCL, Terrain Model & Orthoimagery	Information & Technology	Full Cost Recovery	Per Package	$2,227.05	$44.54		$2,271.59	$2,316.34	$2,368.69