

# Toronto 2018 BUDGET



## OPERATING BUDGET NOTES



### CONTENTS

#### Overview

1. 2018-2020 Service Overview and Plan [5](#)
2. 2018 Preliminary Operating Budget by Service [13](#)
3. Issues for Discussion [36](#)

#### Appendices

1. 2017 Service Performance [40](#)
2. 2018 Preliminary Operating Budget by Expenditure Category [41](#)
3. 2018 Organization Chart [42](#)
4. Summary of 2018 Service Changes [43](#)
5. Summary of 2018 New / Enhanced Service Priorities [44](#)
6. Inflows/Outflows to/from Reserves & Reserve Funds [45](#)
7. 2018 User Fee Rate Changes [47](#)

## Office of the Treasurer

### 2018 OPERATING BUDGET OVERVIEW

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

### 2018 Budget Summary

The total cost to deliver these services to Toronto residents is \$75.577 million gross and \$28.067 million net as shown below:

(in \$000's)	2017 Budget	2018 Preliminary Budget	Change	
			\$	%
Gross Expenditures	72,214.3	75,576.9	3,362.6	4.7%
Revenues	44,147.3	47,510.0	3,362.7	7.6%
<b>Net Expenditures</b>	<b>28,067.0</b>	<b>28,066.8</b>	<b>(0.1)</b>	<b>(0.0%)</b>

Through a combination of base budget changes, operational efficiencies and revenue adjustments resulting in total savings of \$0.461 million net, the Program is able to more than offset \$0.459 million net in Operating Budget pressures and maintain the 2017 service levels for 2018.

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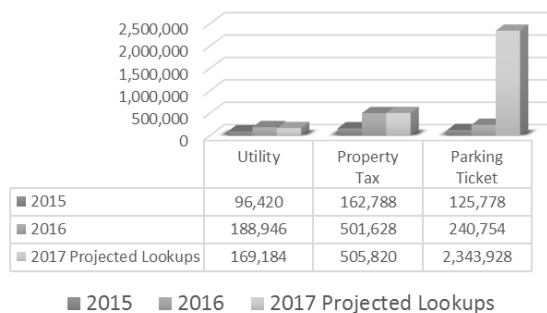
**FAST FACTS**

- Process over 500,000 invoices annually, paying out in excess of \$10 billion per year to vendors, governments & agencies
- Administer over 798,000 property tax accounts, processing 1.6 million tax bills annually, with revenues of \$6.3 billion (City & Education)
- Process 2.3 million parking tickets with revenues of \$97 million
- Administer 525,000 utility accounts, processing 1.6 million utility bills with revenues of \$1.3 billion
- Administer 75,000 MLTT transactions (\$639.7 million in revenue for 2016 with a budget of \$708 million for 2017)
- Process 809,000 pay cheques and 79,000 pension cheques
- Manage a \$229 million employee benefits plan for approximately 80,000 employees, dependents and retirees.
- Procure an average of \$1.8 billion in goods and services per year
- Process approximately 1,800 purchase orders/blanket contracts annually
- Manage corporate warehouse inventory flow valued at \$14 million
- Process 90,000 issues of corporate warehouse goods from City stores

**TRENDS**

- Online lookups for property tax and utility billings support the City of Toronto's eService Strategic Plan and Strategic Actions 2013-2018. Each of the lookups improves customer service by making information on billings and self-serve options convenient and accessible to Toronto residents.
- The online lookups can be accessed anywhere, anytime, from a pc or web-enabled device.

**Property Tax, Utility & Parking Ticket Look-up Usage**



**KEY SERVICE DELIVERABLES FOR 2018**

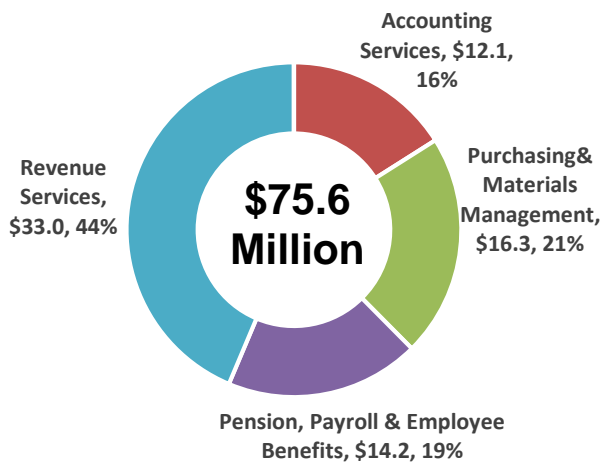
The Office of the Treasurer provides effective financial and employee services to City Programs, Agencies and Corporations within a complex and highly legislated environment. Changing customer demographics have increased demand for automation and access through voice, internet and social media while maintaining traditional modes of access for an aging customer base.

The 2018 Preliminary Operating Budget will enable the Office of the Treasurer to continue to:

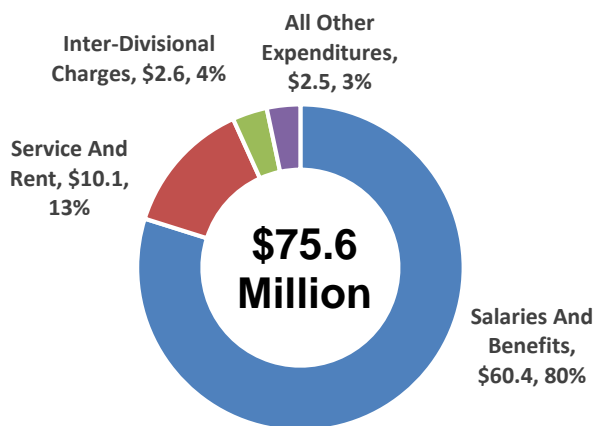
- Upgrade Payroll Systems & Technology Platforms increasing access to Employee Self-Service Portal/Management Self-Service Portal (ESS/MSS).
- Assess the requirements and readiness to roll-out the time, attendance and scheduling system (eTime) scheduling to other Divisions and develop a roll-out plan for enhanced self-service functionality for Time Entry/Recording.
- Support the sustainment, improvement and protection of the integrity of the City's financial system (SAP), including testing, training, user support and system upgrades.
- Implement SAP Ariba, a source-to-pay cloud based software as a service solution, as part of the supply chain management transformation project, that will bring automation to the purchasing and accounts payable functions.
- Improve P-Card processes while maintaining controls and increasing use of p-card.
- Review business processes and data elements used to account for expenditures, cash management, and accounts receivable, transforming accounting and maximizing investment in the SAP financial system.
- Support and develop online self-service options for Tax and Utility billings.
- Modernization of the City's property tax and utility billing systems to a new sustainable platform and to further enable web-based services.
- Implement the Category Management/Strategic Sourcing and Operational Transformation Project as part of the Supply Chain Management Transformation project to move PMMD from a transactional service to a value added service that will drive savings through contracts.

**Where the money goes:**

**2018 Budget by Service**

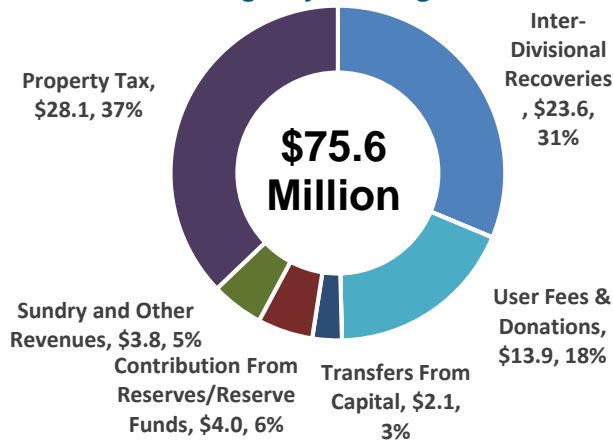


**2018 Budget by Expenditure Category**



**Where the money comes from:**

**2018 Budget by Funding Source**



**OUR KEY ISSUES & PRIORITY ACTIONS**

- **Continue to Transform Business Processes** through continued work on:
  - ✓ Modernizing the procurement operating model to achieve best value for money for all procurements.
  - ✓ *Supply Chain Management Transformation (SCMT)* to modernize the procurement operating model and achieve best value for money for all procurements, for which an additional \$2.252 million is included in the 2018 Preliminary Operating Budget
- **Operate in a complex and highly legislated environment** that includes
  - ✓ International Trade Agreement that will impact the Purchasing By-law and related Procurement policies
  - ✓ Providing revenue accounting, collection and audit services for potential new taxes on hotels and short term rental accommodations
  - ✓ New public sector reporting standards
- **Deal with changing customer demographics**
  - ✓ Increased demand for automation and access through voice, internet and social media
  - ✓ Continued demand for traditional modes from an aging customer base
  - ✓ Enhancing reporting to allow deeper and more timely Divisional analytics

**2018 OPERATING BUDGET HIGHLIGHTS**

- The 2018 Preliminary Operating Budget for the Office of the Treasurer is \$75.577 million gross and \$28.067 million net representing an increase of 0% to the 2017 Approved net Operating Budget. The Program was able to meet the budget target through the following measures:
  - ✓ Efficiency savings (\$0.380 million).
  - ✓ New User Fees (\$0.079 million).
- Staff complement will increase by 12.0 from 2017 to 2018.
- New and enhanced funding is included (\$0.309 million gross and \$0.0 million net) for:
  - ✓ Administrative support for the merger of the City's five pension plans with OMERS.
  - ✓ Ongoing support to the Investment Board
  - ✓ Category Management Implementation continues to transform Supply Chain Management with funding from the Tax Stabilization Reserve

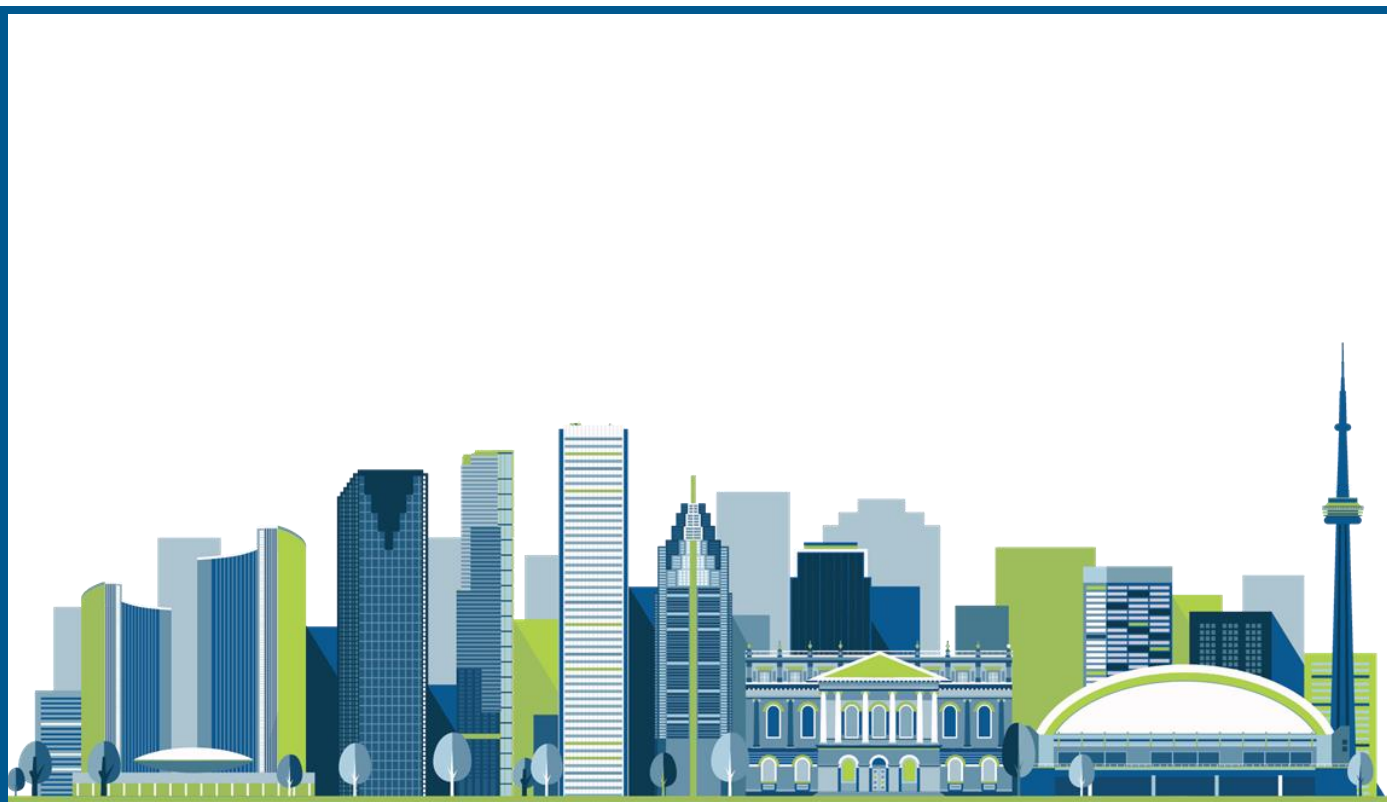
## Actions for Consideration

Approval of the 2018 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2018 Preliminary Operating Budget for Office of the Treasurer of \$75.577 million gross, \$28.067 million net for the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Pension, Payroll & Employee Benefits:	14,205.2	11,846.3
Purchasing & Materials Management:	16,281.0	9,592.5
Accounting Services:	12,105.5	9,183.1
Revenue Services:	32,985.2	(2,555.0)
Total Program Budget	<u>75,576.9</u>	<u>28,066.8</u>

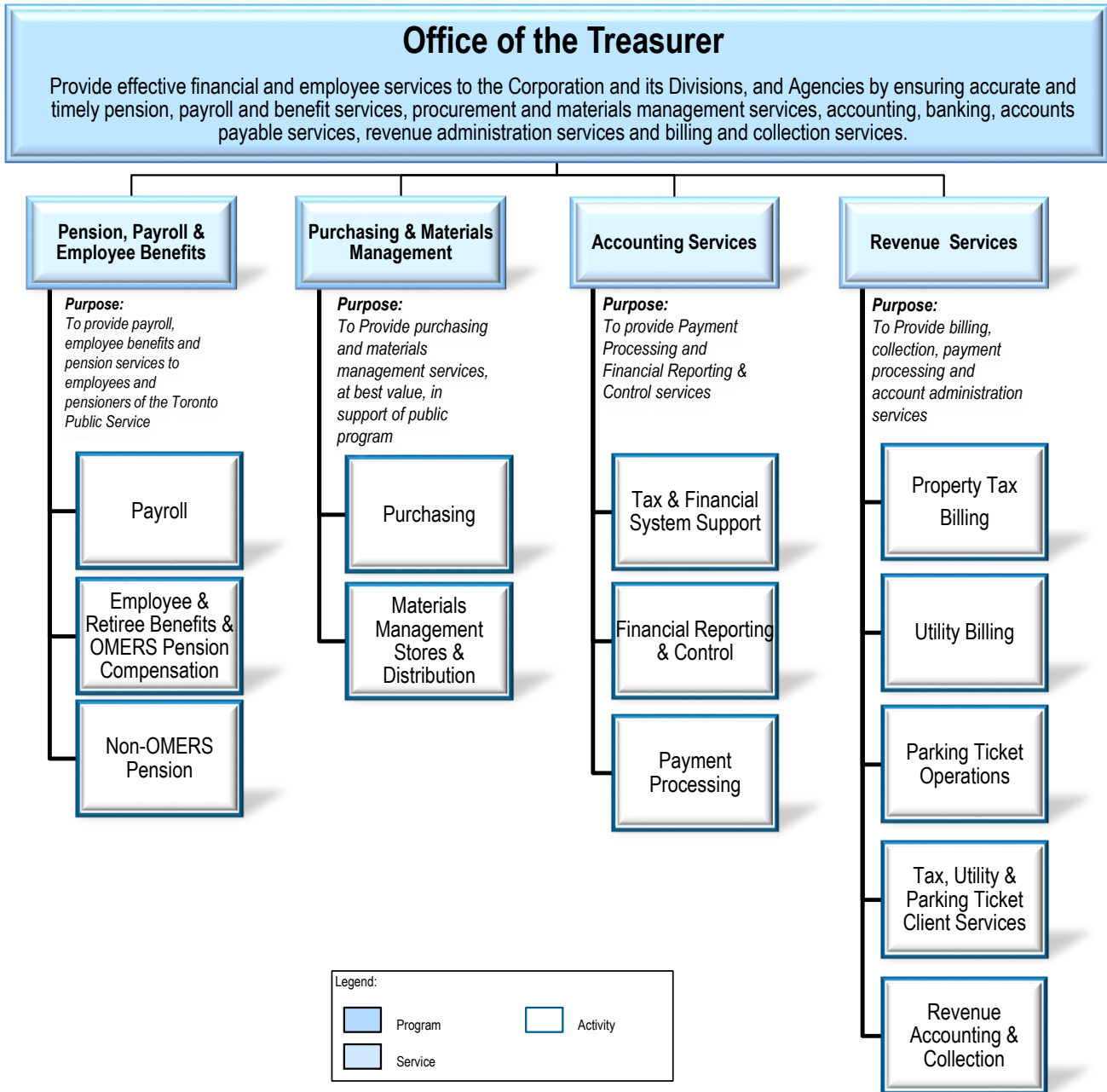
2. City Council approve the 2018 service levels for the Office of the Treasurer as outlined on pages 15, 19, 23-26 and 30-33 of this report, and associated staff complement of 657.2 positions, comprising 20.0 capital project delivery positions and 637.2 operating service delivery positions.
3. City Council approve the 2018 new user fees for the Office of the Treasurer identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council direct the information contained in Confidential Attachment, remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.



# Part 1

## 2018-2020 Service Overview and Plan

Program Map



Service Customer

**Pension, Payroll & Employee Benefits**

- Elected Officials
- Staff - City of Toronto
- Retired Staff – City of Toronto
- OMERS Pension Boards & Committees

Indirect (Beneficial)

- Residents
- Businesses

**Purchasing & Materials Management**

- Staff - City Divisions
- Staff - Agencies and Corporations
- Suppliers

Indirect (Beneficial)

- Residents
- Businesses

**Accounting Services**

- Staff - City Divisions
- Staff - Agencies and Corporations

Indirect (Beneficial)

- Residents
- Businesses
- Provincial & Federal Governments

**Revenue Services**

- Property Owners
- Registered Utility Account Holder
- Parking Ticket Recipient
- Staff - City Divisions
- Business Improvement Area members

Indirect (Beneficial)

- Residents
- Businesses
- Legal Community

**Table 1**  
**2018 Preliminary Operating Budget and Plan by Service**

(In \$000s)	2017		2018 Preliminary Operating Budget			2018 Preliminary vs. 2017 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	\$	%	2019 Plan		2020 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
<b>Pension, Payroll &amp; Employee Benefits</b>											
Gross Expenditures	13,220.4	14,386.1	13,995.9	209.3	14,205.2	984.8	7.4%	277.9	2.0%	(465.7)	(3.2%)
Revenue	1,499.1	1,630.4	2,149.7	209.3	2,358.9	859.8	57.4%	(117.1)	(5.0%)	(530.8)	(23.7%)
<b>Net Expenditures</b>	<b>11,721.3</b>	<b>12,755.7</b>	<b>11,846.3</b>	<b>0.0</b>	<b>11,846.3</b>	<b>125.0</b>	<b>1.1%</b>	<b>395.0</b>	<b>3.3%</b>	<b>65.0</b>	<b>0.5%</b>
<b>Purchasing &amp; Materials Management</b>											
Gross Expenditures	13,907.6	10,802.6	16,281.0	0.0	16,281.0	2,373.3	17.1%	1,374.4	8.4%	227.4	1.3%
Revenue	5,251.3	3,911.3	6,688.5	0.0	6,688.5	1,437.2	27.4%	15.8	0.2%	11.5	0.2%
<b>Net Expenditures</b>	<b>8,656.4</b>	<b>6,891.3</b>	<b>9,592.5</b>	<b>0.0</b>	<b>9,592.5</b>	<b>936.1</b>	<b>10.8%</b>	<b>1,358.6</b>	<b>14.2%</b>	<b>215.9</b>	<b>2.0%</b>
<b>Accounting Services</b>											
Gross Expenditures	11,656.4	11,780.4	12,005.5	100.0	12,105.5	449.1	3.9%	772.1	6.4%	215.1	1.7%
Revenue	2,314.2	2,533.8	2,822.4	100.0	2,922.4	608.2	26.3%	5.8	0.2%	6.3	0.2%
<b>Net Expenditures</b>	<b>9,342.2</b>	<b>9,246.6</b>	<b>9,183.1</b>	<b>0.0</b>	<b>9,183.1</b>	<b>(159.1)</b>	<b>(1.7%)</b>	<b>766.3</b>	<b>8.3%</b>	<b>208.8</b>	<b>2.1%</b>
<b>Revenue Services</b>											
Gross Expenditures	33,429.8	33,173.5	32,985.2	0.0	32,985.2	(444.6)	(1.3%)	434.5	1.3%	285.5	0.9%
Revenue	35,082.7	35,256.2	35,461.0	79.2	35,540.2	457.5	1.3%	159.7	0.4%	0.0	
<b>Net Expenditures</b>	<b>(1,652.9)</b>	<b>(2,082.7)</b>	<b>(2,475.8)</b>	<b>(79.2)</b>	<b>(2,555.0)</b>	<b>(902.1)</b>	<b>54.6%</b>	<b>274.8</b>	<b>(10.8%)</b>	<b>285.5</b>	<b>(12.5%)</b>
<b>Total</b>											
Gross Expenditures	72,214.3	70,142.6	75,267.6	309.3	75,576.9	3,362.6	4.7%	2,858.8	3.8%	262.3	0.3%
Revenue	44,147.3	43,331.7	47,121.6	388.4	47,510.0	3,362.7	7.6%	64.2	0.1%	(513.0)	(1.1%)
<b>Total Net Expenditures</b>	<b>28,067.0</b>	<b>26,810.9</b>	<b>28,146.0</b>	<b>(79.2)</b>	<b>28,066.8</b>	<b>(0.1)</b>	<b>(0.0%)</b>	<b>2,794.6</b>	<b>10.0%</b>	<b>775.2</b>	<b>2.5%</b>
<b>Approved Positions</b>	<b>645.2</b>	<b>608.2</b>	<b>653.2</b>	<b>4.0</b>	<b>657.2</b>	<b>12.0</b>	<b>1.9%</b>	<b>(2.0)</b>	<b>(0.3%)</b>	<b>(7.0)</b>	<b>(1.1%)</b>

The Office of the Treasurer's 2018 Preliminary Operating Budget is \$75.577 million gross and \$28.067 million net, representing a 0% increase to the 2017 Approved Net Operating Budget, and is in line with the reduction target of 0% as set out in the 2018 Operating Budget Directions approved by Council.

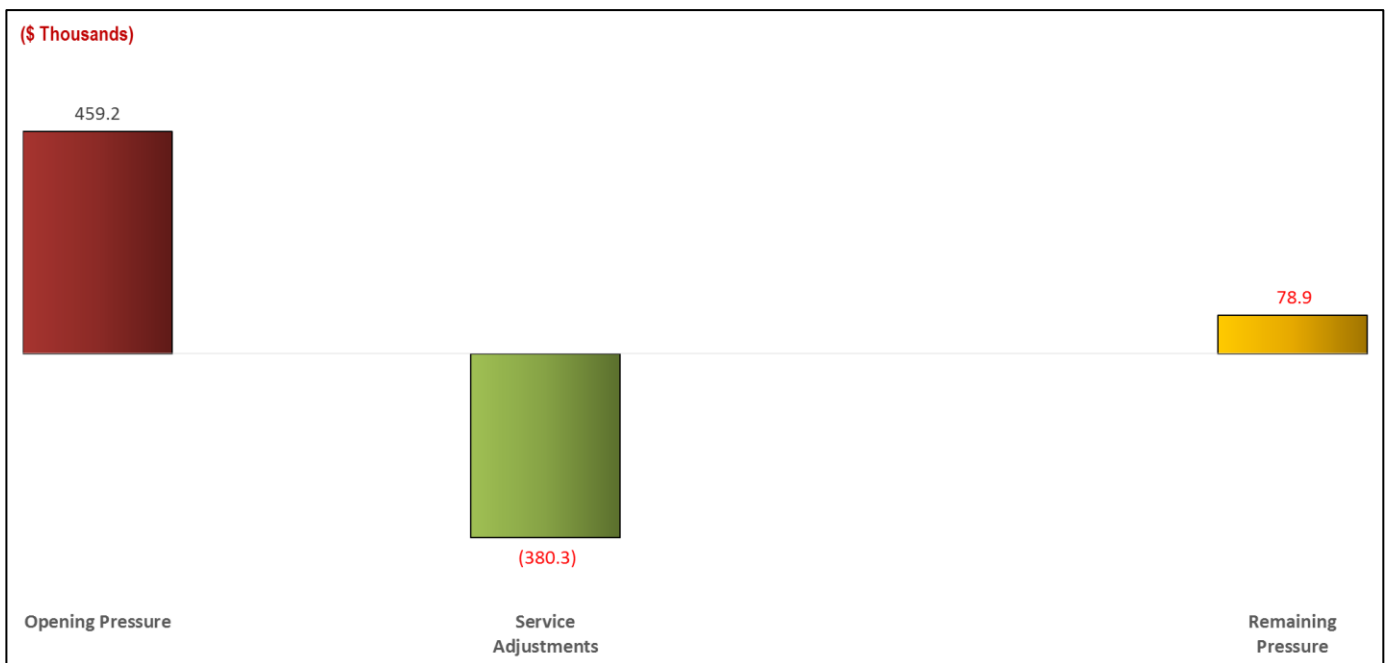
- Base pressures of \$0.459 million are mainly attributable to impact of prior year decisions, inflationary salary increases common across all services and supporting the delivery of capital projects.
- To help mitigate the above pressures, the Program was able to achieve service efficiency savings through position reductions and an inflationary increase to existing user fees.
- New and enhanced services provide additional revenue of \$0.079 million in new user fees.
- Approval of the 2018 Preliminary Operating Budget will result in Office of the Treasurer increasing its total staff complement by 12.0 positions from 645.2 to 657.2 primarily to support transformational initiatives such as the Category Management/Strategic Sourcing and Operations Transformation of PMMD and to support new services such as the Investment Board and the merger of the City's five non-OMERS pension plans.
- The 2019 and 2020 Plan increases are attributable to projected salary and benefit increases across all services as well as future year costs for implementing the transformation of Category Management within the Program.

The following graphs summarize the operating budget pressures for Office of the Treasurer and the actions taken to offset/reduce these pressures to meet the budget reduction target.

### Key Cost Drivers



### Actions to Achieve Budget Reduction Target





**Table 2  
Key Cost Drivers**

(In \$000s)	2018 Base Operating Budget				Total	
	Pension, Payroll & Employee Benefits	Purchasing & Materials Management	Accounting Services	Revenue Services		
	\$	\$	\$	\$	\$	
<b>Gross Expenditure Changes</b>						
<b>Prior Year Impacts</b>						
Annualization - Revenue Services Payment Processing Function				(56.7)	(56.7)	
Annualization - Revenue Services - Transfer of positions for APS				(305.0)	(305.0)	
1 SCMT Sustainment (PMMD)		111.8			111.8	2.0
Annualization - Category Management - 2017 Positions		690.1			690.1	
2 Annualization - Category Management - 2018		1,449.9			1,449.9	7.0
<b>Delivery of Capital Projects</b>						
3 Support to FAST Capital Project			324.8		324.8	2.0
Organizational Management and SAP Security	197.9				197.9	2.0
4 eTime Enterprise Rollout	312.8				312.8	4.0
5 SCMT Capital Position			122.3		122.3	1.0
<b>Salary &amp; Benefit Changes</b>						
COLA	67.6	71.2	51.9	71.5	262.3	
Progression Pay	93.1	83.6	108.3	42.2	327.2	
Step	44.1	74.3	27.6	44.4	190.4	
Gapping (maintain the 2017 Approved level)	(0.8)	(26.1)	(1.7)	13.0	(15.6)	
Salary Adjustments	100.4	(58.6)	(53.1)	44.8	33.5	
Benefit Adjustments	(39.5)	21.2	(75.4)	(168.9)	(262.6)	
<b>Other Base Expenditures Changes</b>						
6 Adjustments to IDC		1.3	(24.9)	155.8	132.2	
<b>Total Gross Expenditure Changes</b>	<b>775.6</b>	<b>2,418.8</b>	<b>479.8</b>	<b>(158.9)</b>	<b>3,515.3</b>	<b>18.0</b>
<b>Base Revenue Changes</b>						
2 Contribution from Reserves: Category Management Implementation		1,482.6			1,482.6	
1 SCMT Sustainment (PMMD)		111.8			111.8	
3 Support to FAST Capital Project			324.8		324.8	
Annualization of Council Approved User Fee (2017)				450.0	450.0	
Organizational Management and SAP Security	197.9				197.9	
4 eTime Enterprise Rollout	312.8				312.8	
5 SCMT Capital Position			122.3		122.3	
6 Adjustments to IDR	139.9	103.1		(291.0)	(48.0)	
Establishment of an Investment Board - IDR			(25.0)		(25.0)	
HST Recovery (reflecting actuals)			83.1		83.1	
Base Rate Revenue Changes		(260.0)		303.8	43.8	
<b>Total Revenue Changes</b>	<b>650.6</b>	<b>1,437.5</b>	<b>505.2</b>	<b>462.8</b>	<b>3,056.1</b>	
<b>Net Expenditure Changes</b>	<b>125.1</b>	<b>981.2</b>	<b>(25.4)</b>	<b>(621.7)</b>	<b>459.2</b>	<b>18.0</b>

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

## Gross Expenditure Changes

- Prior Year Impacts:
  - Investment in transformation of Category Management/Strategic Sourcing and Operational Transformation Project results in base pressure of \$2.252 million comprised of the following:
    - Annualized costs in Purchasing & Materials Management to support the Category Management/Strategic Sourcing and Operations Transformation of PMMD (\$0.690 million);
    - A one-time cost for a Category Management/Strategic Sourcing and Operations Transformation of PMMD (\$1.450 million) that includes 7.0 additional positions and is being funded from Reserve in 2018; and
    - Sustaining the Supply Chain Management Transformation (\$0.112 million).
  - These cost are offset with lower costs in Revenue Services related to outsourcing Payment Processing (\$0.057 million) and a transfer of five staff positions for the Administrative Penalty System (APS) to Legal Services (\$0.305 million).

- Delivery of Capital Projects:
  - Costs supporting the delivery of capital projects include:
    - \$0.447 million in Accounting Services for the Financial Accounting System Transformation (\$0.325 million) and Supply Chain Management Transformation program (\$0.122 million) that are aimed to streamlining business processes, leveraging the capabilities of SAP and generate greater benefits and savings throughout the City;
    - \$0.511 million in Pension, Payroll & Employee Benefits for the Organizational Management and SAP Security project (\$0.198 million) and the rollout of the Electronic Timekeeping system (\$0.313 million)
- Salaries and Benefits
  - Increases in salaries and benefits associated with a cost of living allowance, non-union progression pay and union step increases of \$0.535 million across all services

### Other Base Changes

- Adjustments made to inter-Divisional charges result in a cost of \$0.132 million mainly related to IT support for the implementation of the Administrative Penalty System (APS).

### Revenue Changes

- Base revenue changes of \$3.056 million are primarily comprised of:
  - Contributions from Reserves for the Category Management/Strategic Sourcing and Operational Transformation Project (\$1.483 million);
  - Recoveries of implementation costs for the capital projects mentioned above (\$0.958 million); and
  - Annualization of 2017 user fees (\$0.450 million).

In order to achieve the budget reduction target, the 2018 service changes for Office of the Treasurer consists of service efficiency savings of \$0.380 million net as detailed below.

**Table 3**  
**Actions to Achieve Budget Reduction Target**  
**2018 Preliminary Service Change Summary**

Description (\$000s)	Service Changes								Total Service Changes			Incremental Change				
	Pension, Payroll & Employee Benefits		Purchasing & Materials Management		Accounting Services		Revenue Services		\$	\$	#	2019 Plan		2020 Plan		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.	
<b>Service Efficiencies</b>																
Revenue Services Position Reductions							(470.4)	(201.4)	(470.4)	(201.4)	(7.0)	(76.5)			(6.1)	
Purchasing & Materials Management position Reductions			(45.3)	(45.3)					(45.3)	(45.3)	(1.0)	(22.4)			(3.5)	
Accounting Services position Reductions					(133.6)	(133.6)			(133.6)	(133.6)	(2.0)	(3.4)			(0.4)	
<b>Sub-Total</b>			(45.3)	(45.3)	(133.6)	(133.6)	(470.4)	(201.4)	(649.3)	(380.3)	(10.0)	(102.4)			(10.1)	
<b>Total Changes</b>			(45.3)	(45.3)	(133.6)	(133.6)	(470.4)	(201.4)	(649.3)	(380.3)	(10.0)	(102.4)			(10.1)	

Office of the Treasurer was able to meet the 2018 budget target with the following measures:

### Service Efficiencies (Savings of \$0.649 million gross & \$0.380 million net)

#### Position Changes

- Service efficiencies are a result of reductions in positions in the following service areas:

- Purchasing & Materials Management (\$0.045 million net);
- Accounting Services (\$0.134 million net); and
- Revenue Services (\$0.201 million net).

**Table 4**  
**2018 Preliminary New & Enhanced Service Priorities**

Description (\$000s)	New/Enhanced								Total			Incremental Change			
	Pensions, Payroll & Employee Services		Purchasing & Materials Management		Accounting Services		Revenue Services		\$	\$	Position #	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net				Net	Pos.	Net	Pos.
<b>Enhanced Services Priorities</b>															
<i>Council Approved:</i>															
Merger of the City's five pension plans with OMERS	209.3							209.3		3.0					
<b>Total Enhanced Services</b>	<b>209.3</b>							<b>209.3</b>		<b>3.0</b>					
<b>New Services Priorities</b>															
<i>Council Approved:</i>															
Support to the Investment Board					100.0			100.0		1.0	(5.2)			2.6	
<b>Total New Services</b>					<b>100.0</b>			<b>100.0</b>		<b>1.0</b>	<b>(5.2)</b>			<b>2.6</b>	
<b>New Revenue</b>															
<i>New Fees:</i>															
2 New User Fees								(79.2)		(79.2)		24.2			
<b>Total New Revenue</b>								<b>(79.2)</b>		<b>(79.2)</b>		<b>24.2</b>			
<b>Total New / Enhanced Services</b>	<b>209.3</b>				<b>100.0</b>			<b>(79.2)</b>	<b>309.3</b>	<b>(79.2)</b>	<b>4.0</b>	<b>19.0</b>		<b>2.6</b>	

The 2018 Preliminary Operating Budget includes the following service priorities:

### Enhanced Service Priorities (\$0.209 million gross & \$0.0 million net)

Merger of the City's five pension plans with OMERS

- Three temporary positions are required and will be funded from the Employee Benefit Reserve Fund to support the merger of the city's 5 pension plans.

### New Service Priorities (\$0.100 million gross & \$0.0 million net)

Support to the Investment Board

- New services include one permanent position for support of the newly approved City Investment Board that will be funded from non-Program investment income.

### New User Fees (\$0.079 million net)

Two New User Fees

- Two new user fees are included in the 2018 Operating Budget:
  - Fee to re-enroll in the Pre-Authorized Property Tax Program (\$0.042 million); and
  - Fee for notification of outstanding utility fees/charges (\$0.037 million)

Approval of the 2018 Preliminary Operating Budget for Office of the Treasurer will result in a 2019 incremental net cost of \$2.795 million and a 2020 incremental net cost of \$0.775 million to maintain the 2018 service levels, as discussed in the following section.

**Table 5**  
**2019 and 2020 Plan by Program**

Description (\$000s)	2019 - Incremental Increase					2020 - Incremental Increase				
	Gross	Revenue	Net	% Change	Position	Gross	Revenue	Net	% Change	Position
<b>Known Impacts:</b>										
<b>Prior Year Impact</b>										
PMMD-PFR Dedicated Support 2018	7.9	7.9		0.0%		5.7	5.7		0.0%	
SCMT Sustainment PMMD	121.5		121.5	0.4%		6.0		6.0	0.0%	
PMMD Category Management	968.9		968.9	3.5%		25.4		25.4	0.1%	
In-Year Impact of PEP Projection	(22.5)		(22.5)	-0.1%		(18.0)		(18.0)	-0.1%	
<b>Operating Impact of Capital</b>										
Financial Accounting System Transformation (FAST)	8.5		8.5	0.0%		8.6		8.6	0.0%	
SCMT Capital	3.2	3.2		0.0%		3.2	3.2		0.0%	
eTime	120.1		120.1			(432.9)	(312.8)	(120.1)		(4.0)
Org. Management and SAP Security					(2.0)					
PCI Sustainment	500.0		500.0							
<b>Salaries and Benefits</b>										
Salaries and Steps	151.4		151.4	0.5%		277.7		277.7	0.9%	
COLA	535.2		535.2	1.9%		6.5		6.5	0.0%	
Progressive Pay	401.7		401.7	1.4%		407.7		407.7	1.3%	
Benefits	257.3		257.3	0.9%		186.4		186.4	0.6%	
<b>Revenue (specify)</b>										
IDC/IDR	22.5	143.4	(120.9)	-0.4%		11.1	5.7	5.3	0.0%	
Efficiency Savings	(102.4)		(102.4)	-0.4%		(10.1)		(10.1)	0.0%	
Support to the Investment Board	2.6	2.6		0.0%		3.1	3.1		0.0%	
Merger of the City's five pension plans with OMERS	80.8	80.8		0.0%		(218.0)	(218.0)		0.0%	(3.0)
New User Fees		24.2	(24.2)	-0.1%					0.0%	
<b>Sub-Total</b>	<b>3,056.7</b>	<b>262.1</b>	<b>2,794.6</b>	<b>10.0%</b>	<b>(2.0)</b>	<b>262.3</b>	<b>(513.0)</b>	<b>775.2</b>	<b>2.6%</b>	<b>(7.0)</b>
<b>Total Incremental Impact</b>	<b>3,056.7</b>	<b>262.1</b>	<b>2,794.6</b>	<b>10.0%</b>	<b>(2.0)</b>	<b>262.3</b>	<b>(513.0)</b>	<b>775.2</b>	<b>2.6%</b>	<b>(7.0)</b>

Future year incremental costs are primarily attributable to the following:

### Known Impacts:

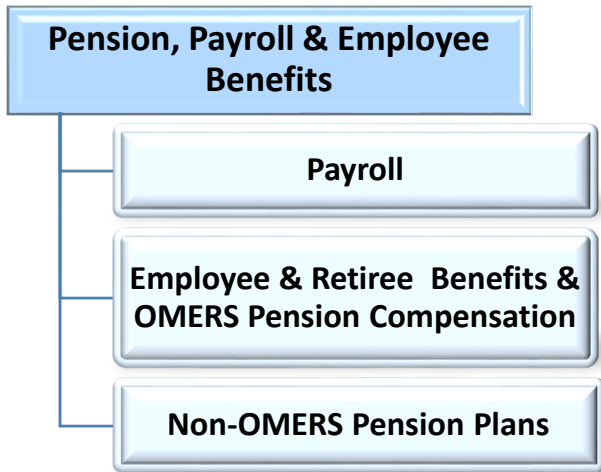
- Additional costs of \$0.969 million in 2019 and \$0.025 million in 2020 are required for annualized salary impacts for the PMMD Category Management/Strategic Sourcing and Operational Transformation program.
- Support of capital projects which add \$0.629 million net in 2019.
- Sustainment costs for the infrastructure that supports the Payment Card Industry (PCI) add \$0.500 million in 2019
- Salary and benefit pressures resulting from adjustments for cost of living allowance, step increase for union staff and progression pay for non-union staff.
- Efficiency savings offset gross costs in 2019 by \$0.102 million and by an additional \$0.010 million in 2020.



## Part 2

### 2018 Preliminary Operating Budget by Service

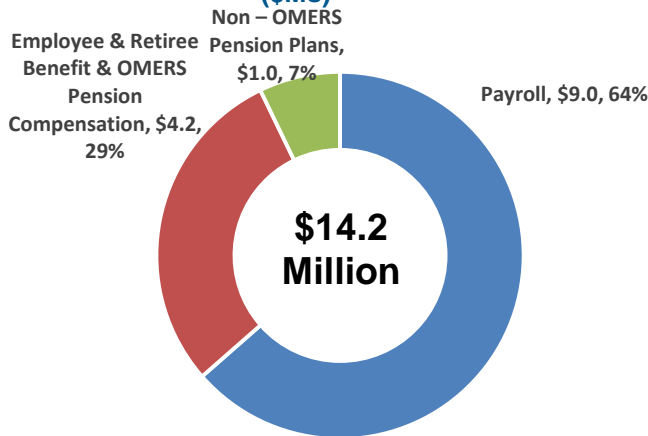
### Pension, Payroll & Employee Benefits



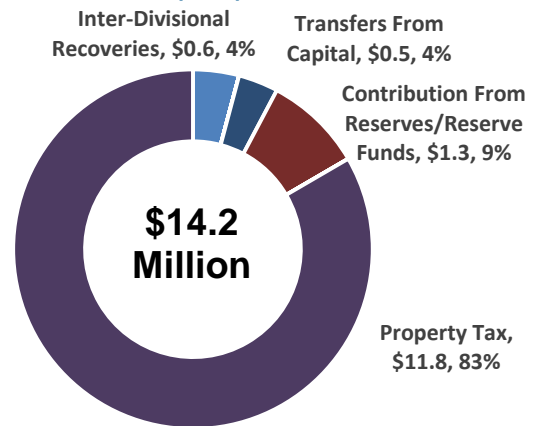
### What We Do

- Provide accurate and timely pension, payroll and benefits services to employees and pensioners through:
  - Processing the City's payroll and maintaining accurate employee information;
  - Administering the various City sponsored pension and benefit plans;
  - Processing the City's pension payroll and maintaining accurate pensioner information; and
  - Providing information and responding to inquiries from city employees and retirees regarding pension, payroll and benefits.

**2018 Service Budget by Activity (\$Ms)**



**2018 Service by Funding Source (\$Ms)**



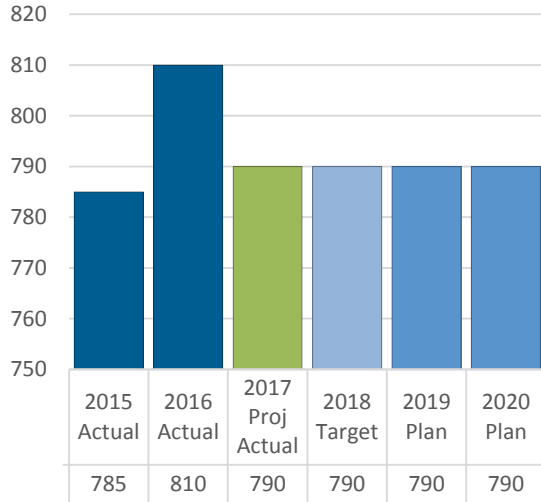
## 2018 Service Levels Pension, Payroll & Employee Benefits

Activity	Type	Status	2015	2016	2017	2018
Payroll Administration		Approved	Payroll cheque/ direct deposit / statements are made available to all employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.			Payroll cheque/ direct deposit / statements are made available to all employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.
		Actual	100%	100%	100%	
3rd Party Payroll Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy			Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy
		Actual	100%	100%	100%	
Payroll Management Reporting		Approved	Payroll reports will be made available to management within 2 days of the pay date with 100% accuracy. Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.			Payroll reports will be made available to management within 2 days of the pay date with 100% accuracy. Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.
		Actual	100%	100%	100%	
Employee Benefits & OMERS Pension Administration		Approved	Provide accurate benefit plans to full time active employees and retirees			Provide accurate benefit plans to full time active employees and retirees
		Actual	100%	100%	100%	
Benefit & Pension 3rd Party Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy			Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy
		Actual	100%	100%	100%	
Benefit & Pension Management Reporting		Approved	Bi-weekly reports will be made available to management within 2 days of the pay date, with 100% accuracy. Monthly reports will be made available to management by the end of the following month, with 100% accuracy.			Bi-weekly reports will be made available to management within 2 days of the pay date, with 100% accuracy. Monthly reports will be made available to management by the end of the following month, with 100% accuracy.
		Actual	100%	100%	100%	
City Sponsored Pension Administration	The Toronto Civic Employees' Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month			Produce an accurate monthly pension or spousal pension on the first business day of each and every month
		Actual	100%	100%	100%	
	Toronto Fire Department Superannuation and Benefit Plan	Approved	Produce an accurate bi-monthly pension or spousal pension on the first and fifteenth day of each and every month			Produce an accurate bi-monthly pension or spousal pension on the first and fifteenth day of each and every month
		Actual	100%	100%	100%	
	Metropolitan Toronto Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month			Produce an accurate monthly pension or spousal pension on the first business day of each and every month
		Actual	100%	100%	100%	
	Metropolitan Toronto Police Benefit Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month			Produce an accurate monthly pension or spousal pension on the first business day of each and every month
		Actual	100%	100%	100%	
	The Corporation of the City of York Employee Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month			Produce an accurate monthly pension or spousal pension on the first business day of each and every month
		Actual	100%	100%	100%	
Pension Deduction & 3rd Party Compliance		Approved	Meet all regulatory filing requirements by prescribed dates			Meet all regulatory filing requirements by prescribed dates
		Actual	100%	100%	100%	
Pension Reporting		Approved	Financial statements filed by prescribed date (June 30)			Financial statements filed by prescribed date (June 30)
		Actual	100%	100%	100%	

In order to improve reporting, service levels will be revised to include approved and actual quantitative measures. Office of the Treasurer, with support from FPD, will review the service level measures each year as part of the annual Operating Budget process. Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for **Pension, Payroll & Employee Benefits**

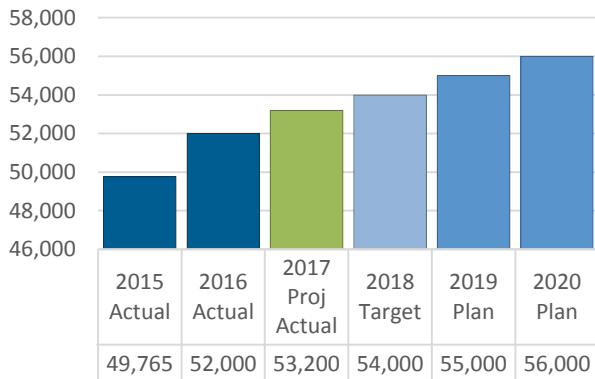
### Service Performance Measures

**Number of Cheques/Direct Deposits Processed (000s)**



- The level of cheques issued is expected to stabilize onward from 2017 as divisions meet budget requirements.

**# of Active and Inactive Employees & Retirees with Benefits (000s)**



- The number of employees is expected to increase due to an increase in retirees with benefits.
- This trend is expected to continue into 2020.



**Table 6**  
**2018 Preliminary Service Budget by Activity**

	2017	2018 Preliminary Operating Budget							2018 Prelim Budget vs. 2017 Budget		Incremental Change			
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget	% Change	New/Enhanced	Prelim Budget			2019 Plan	2020 Plan		
(\$000s)	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
<b>GROSS EXP.</b>														
Employee & Retiree Benefit & OMERS Pension Compensation	3,928.9	4,121.2		4,121.2	192.3	4.9%	41.9	4,163.0	234.2	6.0%	76.6	1.8%	(125.3)	(3.0%)
Non – OMERS Pension Plans	832.7	848.5		848.5	15.7	1.9%	167.4	1,015.9	183.1	22.0%	79.5	7.8%	(164.9)	(15.1%)
Payroll	8,458.8	9,026.3		9,026.3	567.5	6.7%		9,026.3	567.5	6.7%	121.8	1.3%	(175.5)	(1.9%)
<b>Total Gross Exp.</b>	<b>13,220.4</b>	<b>13,995.9</b>		<b>13,995.9</b>	<b>775.5</b>	<b>5.9%</b>	<b>209.3</b>	<b>14,205.2</b>	<b>984.8</b>	<b>7.4%</b>	<b>277.9</b>	<b>2.0%</b>	<b>(465.7)</b>	<b>(3.3%)</b>
<b>REVENUE</b>														
Employee & Retiree Benefit & OMERS Pension Compensation	110.8	289.5		289.5	178.7	161.4%	41.9	331.3	220.6	199.2%	(53.1)	(16.0%)	(153.1)	(55.0%)
Non – OMERS Pension Plans						-	167.4	167.4	167.4	-	64.7	38.6%	(174.4)	(75.1%)
Payroll	1,388.4	1,860.2		1,860.2	471.8	34.0%		1,860.2	471.8	34.0%	(128.6)	(6.9%)	(203.3)	(11.7%)
<b>Total Revenues</b>	<b>1,499.1</b>	<b>2,149.7</b>		<b>2,149.7</b>	<b>650.5</b>	<b>43.4%</b>	<b>209.3</b>	<b>2,358.9</b>	<b>859.8</b>	<b>57.4%</b>	<b>(117.1)</b>	<b>(5.0%)</b>	<b>(530.8)</b>	<b>(31.0%)</b>
<b>NET EXP.</b>														
Employee & Retiree Benefit & OMERS Pension Compensation	3,818.1	3,831.7		3,831.7	13.6	0.4%		3,831.7	13.6	0.4%	129.7	3.4%	27.7	0.7%
Non – OMERS Pension Plans	832.7	848.5		848.5	15.7	1.9%		848.5	15.7	1.9%	14.9	1.8%	9.5	1.1%
Payroll	7,070.5	7,166.1		7,166.1	95.7	1.4%		7,166.1	95.7	1.4%	250.4	3.5%	27.8	0.4%
<b>Total Net Exp.</b>	<b>11,721.3</b>	<b>11,846.3</b>		<b>11,846.3</b>	<b>125.0</b>	<b>1.1%</b>		<b>11,846.3</b>	<b>125.0</b>	<b>1.1%</b>	<b>395.0</b>	<b>3.3%</b>	<b>65.0</b>	<b>0.5%</b>
Approved Positions	131.1	137.0		137.0	5.9	4.5%	3.0	140.0	8.9	6.8%	(2.0)	(1.4%)	(7.0)	(5.1%)

The **Pension, Payroll & Employee Benefits** Service provides services to employees and pensioners of the Toronto Public Service in an accurate, efficient and timely manner.

Pension, Payroll & Employee Benefits' 2018 Preliminary Operating Budget of \$14.205 million gross and \$11.846 million net is \$0.125 million or 1.1% over the 2017 Approved Net Budget.

- Base budget pressures mainly from increases in salary and benefit expenses (\$0.265 million), offset by \$0.140 million in increased recoveries.
- The 2018 Preliminary Operating Budget includes funding of \$0.209 million gross and \$0.0 million net for three temporary resources to provide support to the merger of the City's five pension plans with OMERS.

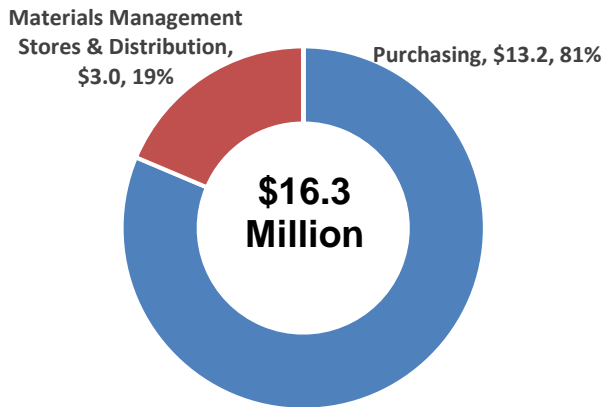
### Purchasing & Materials Management



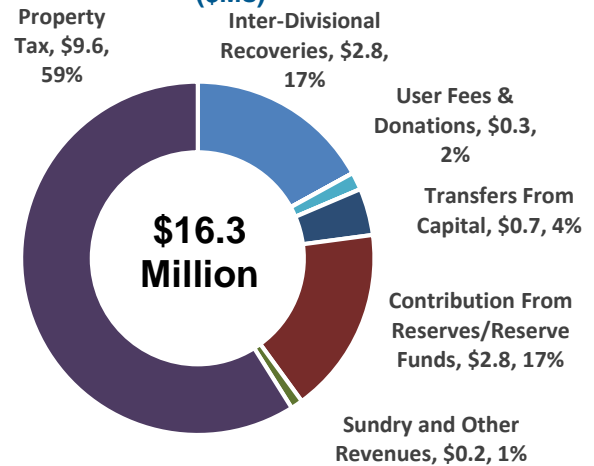
### What We Do

- Ensure the best value to the taxpayers of the City of Toronto in the acquisition of goods and services by providing leadership, quality customer service and the application of open, fair, equitable and accessible business processes and practices to all City Divisions and designated Agencies and Corporations;
- Administer appropriate delegation of commitment authority;
- Develop innovative business practices; and provide warehouse inventory controls over common items available to City Divisions through Materials Management operated stores.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



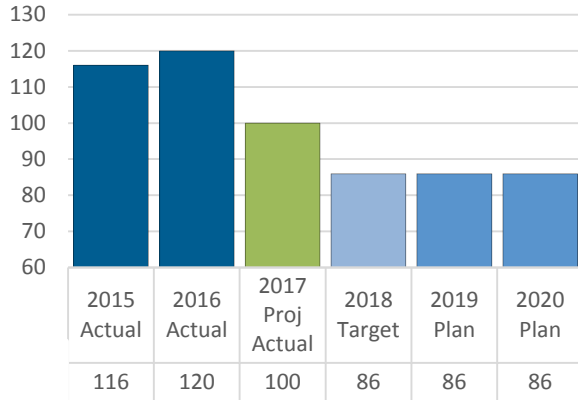
### 2018 Service Levels Purchasing & Materials Management

Activity	Type	Status	2015	2016	2017	2018
Purchasing & Materials Management	General Inquiries & Interpretation of Policies & Procedures	Approved	100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day			100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day
		Actual	100%	100%	100%	
	Online Call Document Distribution	Approved	To provide vendors with 24/7 online access 100% of the time			To provide vendors with 24/7 online access 100% of the time
		Actual	100%	100%	100%	
	Non-Competitive Procurement	Approved	100% compliance with Council Policy on Sole Source			100% compliance with Council Policy on Sole Source
		Actual	100%	100%	100%	
	Call Documents	Approved	Issuing within 2-5 days from time of receipt of final approved document 100% of time			Issuing within 2-5 days from time of receipt of final approved document 100% of time
		Actual	100%	100%	100%	
Materials Management Stores & Distribution	Operational Supplies	Approved	Material requests issued and delivered within 5 business days			Material requests issued and delivered within 5 business days
		Actual	95%	75%	80%	
	MSDS (Materials Safety Data Sheet)	Approved	Providing city staff with 24/7 online access 100% of the time			Providing city staff with 24/7 online access 100% of the time
		Actual	100%	100%	100%	
	Stores Catalogue	Approved	Providing 24/7 online access to Catalogue details current to one business day 100% of the time			Providing 24/7 online access to Catalogue details current to one business day 100% of the time
		Actual	100%	100%	100%	
	Inventory	Approved	Turn inventory value at rate of 4.25 times per year			Turn inventory value at rate of 4.25 times per year
		Actual	3.32	3.16	2.67	

In order to improve reporting, service levels will be revised to include approved and actual quantitative measures. Office of the Treasurer, with support from FPD, will review the service level measures each year as part of the annual Operating Budget process. Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for **Purchasing & Materials Management**.

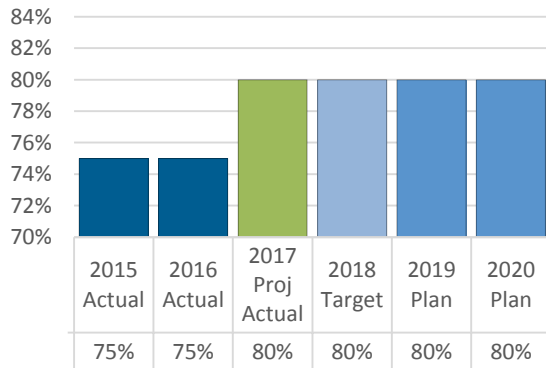
### Service Performance Measures

#### Procurement Cycle Time (in working days)



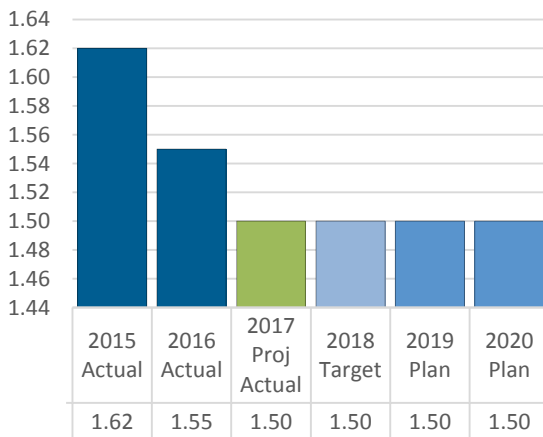
- Trends indicate a steady decrease in the number of working days it takes to complete competitive procurements.
- It is expected that this trend will continue to decrease with the implementation of the Supply Chain Management Transformation Project and Category Management Implementation.

#### % time Material Requests Fulfilled within 7 Days



- This performance metric references the number of completed orders through City stores.
- This metric is relatively stable; and is expected to be maintained at 80% in future years. City stores has recently centralized their warehouses, which will drive increased efficiencies.

#### Average Number of Addenda per Competitive Call



- There is a downward trend, which is expected to be sustained, resulting in a reduced amount of issued addenda.
- This performance metric references the average number of addenda completed by the Purchasing and Materials Management Division per competitive Call.

**Table 6**  
**2018 Preliminary Service Budget by Activity**

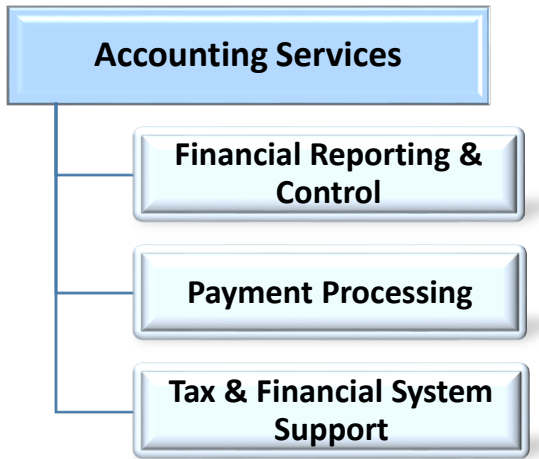
(\$000s)	2017	2018 Preliminary Operating Budget							Incremental Change						
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017	% Change	New/Enhanced	Prelim Budget	2018 Prelim Budget vs. 2017 Budget		2019 Plan		2020 Plan		
					\$				\$	\$	\$	%	\$	%	\$
<b>GROSS EXP.</b>															
Materials Management Stores & Distribution	3,108.3	3,079.4	(45.3)	3,034.0	(74.2)	(2.4%)		3,034.0	(74.2)	(2.4%)	40.2	1.3%	36.3	1.2%	
Purchasing	10,799.4	13,246.9		13,246.9	2,447.6	22.7%		13,246.9	2,447.6	22.7%	1,334.1	10.1%	191.1	1.3%	
<b>Total Gross Exp.</b>	13,907.6	16,326.3	(45.3)	16,281.0	2,373.3	17.1%		16,281.0	2,373.3	17.1%	1,374.4	8.4%	227.4	1.3%	
<b>REVENUE</b>															
Materials Management Stores & Distribution	1,090.6	760.9		760.9	(329.8)	(30.2%)		760.9	(329.8)	(30.2%)					
Purchasing	4,160.6	5,927.6		5,927.6	1,767.0	42.5%		5,927.6	1,767.0	42.5%	15.8	0.3%	11.5	0.2%	
<b>Total Revenues</b>	5,251.3	6,688.5		6,688.5	1,437.2	27.4%		6,688.5	1,437.2	27.4%	15.8	0.2%	11.5	0.2%	
<b>NET EXP.</b>															
Materials Management Stores & Distribution	2,017.6	2,318.5	(45.3)	2,273.2	255.5	12.7%		2,273.2	255.5	12.7%	40.2	1.8%	36.3	1.6%	
Purchasing	6,638.7	7,319.3		7,319.3	680.5	10.3%		7,319.3	680.5	10.3%	1,318.3	18.0%	179.6	2.1%	
<b>Total Net Exp.</b>	8,656.4	9,637.8	(45.3)	9,592.5	936.1	10.8%		9,592.5	936.1	10.8%	1,358.6	14.2%	215.9	1.9%	
Approved Positions	135.0	144.0	(1.0)	143.0	8.0	5.9%		143.0	8.0	5.9%					

The **Purchasing & Materials Management Division** is responsible for ensuring all purchases assist in delivering City services at the best value possible for residents of the City of Toronto.

The Purchasing & Material Management Division's 2018 Preliminary Operating Budget of \$16.281 million gross and \$9.593 million net is \$0.936 million or 10.8% over the 2017 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing additional pressures arising from the modernization and transformation initiatives relating to Supply Chain Management and Category Management (\$2.252 million gross and \$0.657 million net).
- In order to offset these pressures, the 2018 Preliminary Operating Budget includes efficiency savings from one position reduction in Purchasing & Materials Management Division (\$0.045 million).

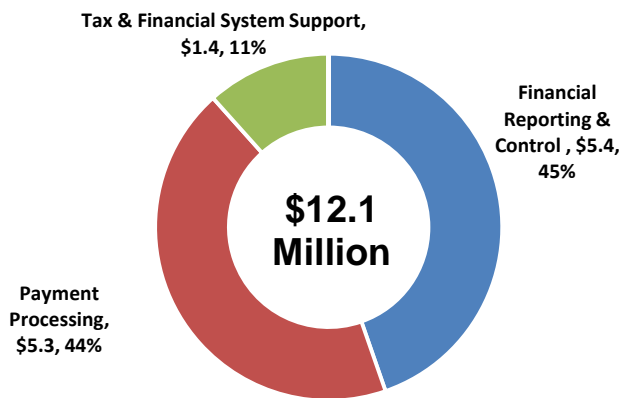
### Accounting Services



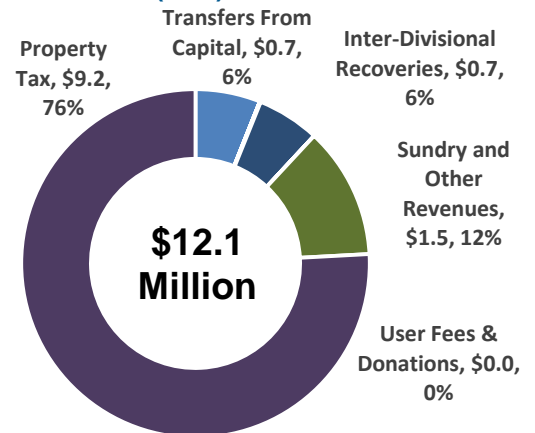
### What We Do

- Provides quality accounting and financial advisory services to all City divisions and Agencies and Corporations in compliance with professional accounting standards, legislation, and City policies.
- Services provided include:
  - Financial reporting including preparation of the City’s consolidated financial statements and Provincial Financial Information Return (FIR); coordination and filing of the Municipal Benchmarking Network (MBN, previously OMBI indicators)
  - Development, maintenance and protection of the integrity of the City’s financial information systems;
  - Prompt payment of the City’s disbursement obligations;
  - Provision of advice on accounting, commodity tax and financial management and reporting matters to all city divisions, Agencies and Corporations.

**2018 Service Budget by Activity (\$Ms)**



**2018 Service by Funding Source (\$Ms)**



### 2018 Service Levels Accounting Services

Activity	Activity	Status	2015	2016	2017	2018
Provincial and Federal Reports Submission	MBN Canada (OMBI)	Approved	Completed by Sept 30			Complete by Sept. 30
	Annual Provincial Financial Information Return (FIR)	Approved	Completed by August 31st	Complete by July 31		Complete by July 31
	Infrastructure Funding Reports	Approved	As required			As required
	Toronto York Spadina Subway Extension	Approved	Perform banking services and reporting throughout the year			Perform banking services and reporting throughout the year
	Stats Canada	Approved	Semi-annually			Semi-annually
Financial Statement Preparation	Annual Audited Consolidated Financial Statements	Approved	completed by June 10			Complete by June 10
	Sinking Fund Audited Financial Statements	Approved				
	Trust Fund Audited Financial Statements	Approved				
Management Reporting	Reserves and Reserve Funds Reports	Approved	Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.			Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.
	Council Remuneration Report	Approved	Complete Council Remuneration Report for submission to EC by March 31			Complete Council Remuneration Report for submission to EC by March 31
	Consulting Report	Approved	Complete Consulting report for submission to GMC by June 30th			Complete Consulting report for submission to GMC by June 30th
	Special reports	Approved	Complete special reports as required			Complete special reports as required
	Development Charges Report	Approved	Complete Development Charges report for submission to BC by August 31			Complete Development Charges report for submission to BC by August 31
	Semi-annual Treasurer's report	Approved	Complete semi-annual Treasurer's Report for submission to GMC within 90 days			Complete semi-annual Treasurer's Report for submission to GMC within 90 days

Activity	Activity	Status	2015	2016	2017	2018
Financial and System Control	Capital projects review	Approved	Monthly			Monthly
	Operating review	Approved	Monthly			Monthly
	Journal entries	Approved	99% within 2 business days			99% within 2 business days
		Actual	99%	99%	99%	
	Policies and procedures request for guidance	Approved	As requested			As requested
	SAP Financial System Security	Approved	As required			Function moved to I&T
	SAP User Administration	Approved	As requested			As requested
	SAP Vendor Master Data maintenance	Approved	As required - daily			As required - daily
	Month end and year end SAP processing	Approved	As scheduled			As scheduled
	Ad hoc reporting	Approved	As required			As required
	Advisory role re accounting controls, reporting and oversight	Approved	Provide advice on all material new areas of concern, prior to implementation, and oversight as requested			Provide advice on all material new areas of concern, prior to implementation, and oversight as requested
	Accounting policy development	Approved	Produce and publish timely, relevant and comprehensive accounting policies on issues, prior to adoption of new standards or practices, as required			Produce and publish timely, relevant and comprehensive accounting policies on issues, prior to adoption of new standards or practices, as required
Corporate Banking	Upload/download of cashed cheques	Approved	Daily			Daily
	Confirmation of direct deposits	Approved	Daily			Daily
	Wire / Draft payments	Approved	As required			As required
	eCommerce Processing, POS administration	Approved	Daily			Daily
	Electronic file of chqs	Approved	Daily			Daily
	Exception resolution - Payee Match and others	Approved	Daily			Daily
	Cheque voiding, stale-dating, stop payments & corrections	Approved	Daily			Daily
	RBC Express Administration	Approved	As required			As required
	Bank Reconciliations	Approved	Completed monthly within 30 days			Completed monthly within 30 days
	Inter-bank transfers	Approved	As required			As required
	Cheque verification or certification	Approved	Daily, as requested			Daily, as requested



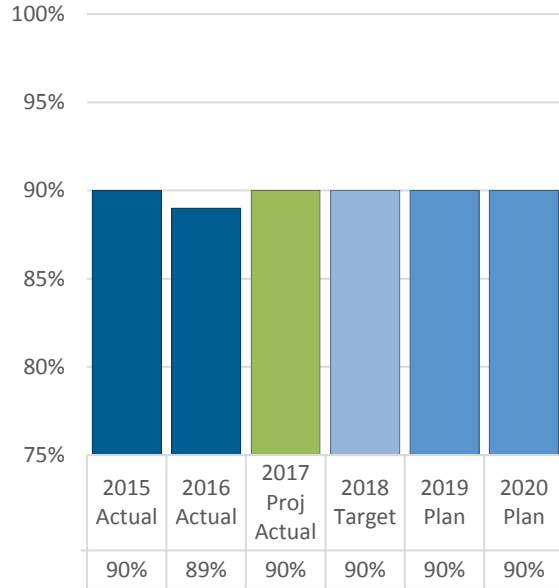
Activity	Activity	Status	2015	2016	2017	2018
Accounts Receivable Processing	Payments processed	Approved	100% within 24 hours			100% within 24 hours
	Collection	Approved	70% within 60 days	75% within 60 days	75% within 60 days	75% within 60 days
	Write-offs	Approved	Completed throughout the year, prepare report to GMC for April	Complete through the year; prepare report to GMC by March 15	Complete through the year; prepare report to GMC by March 15	Complete through the year; prepare report to GMC by March 15
Accounts Payable Processing	A/P Transactions Processed	Approved	90% of payments made within 60 days			90% of payments made within 60 days
		Actual	90%	87%	90%	
	Discounts desk	Approved	80% of discounts captured			80% of discounts captured
		Actual	85%	89%	90%	
	Mailroom / Scanned Images	Approved	Daily			Daily
	Cheques issued (FASP)	Approved	Cheques printed on a minimum of every Tuesday & Thursday			Cheques printed on a minimum of every Tuesday & Thursday
	Direct deposit payments issued (FASP)	Approved	Direct Deposits processed a minimum of once per day			Direct Deposits processed a minimum of once per day
	Interface files processing (FASP)	Approved	Interface files processed within 1 business day of receipt			Interface files processed within 1 business day of receipt
Pcard Processing	Pcard transaction log forms	Approved	Reviewed within 90 days	Review within 80 days	Review within 80 days	Review within 80 days
	Pcard Issuance	Approved	Within 10 days of request of card from NBC			Within 10 days of request of card from NBC
	Pcard Compliance Review Forms	Approved	Reviewed within 90 days			Reviewed within 90 days
SAP Financial Systems Training	Classroom Training Sessions	Approved	Classes scheduled based on minimum attendance based on business request			Classes scheduled based on minimum attendance based on business request
	Develop course materials & quick reference guides	Approved	Prior to any Legislative changes. Based on changes to the system or business processes.			Prior to any Legislative changes. Based on changes to the system or business processes.
SAP User Support	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested			Function moved to I&T
	SAP System Support - ERP updates tested and applied	Approved	Twice per year, 6 to 8 weeks duration each time			Twice per year, 6 to 8 weeks duration each time
	SAP System Support	Approved	Daily, as issues arise			Daily, as issues arise

Activity	Activity	Status	2015	2016	2017	2018
Tax Advisory & Policy	HST Remittance	Approved	File by mid-month, coincide with Payroll		File by mid-month, coincide with Payroll	
	Non-resident withholding tax remittance	Approved	File by mid-month		File by mid-month	
	Sales Tax training and updating information on the Accounting Services Website	Approved	As required		As required	
	Sales Tax recoveries	Approved	Throughout the year		Throughout the year	
	Issuance of donation income tax receipts - City Wide	Approved	Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation		Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation	
	Provision of sales tax advice	Approved	As requested or required		As requested or required	
	Implication of tax changes	Approved	Implement changes to meet the legislated timelines		Implement changes to meet the legislated timelines	

In order to improve reporting, service level reporting will be revised to include approved and actual quantitative measures. The Office of the Treasurer, with support from FPD, will review the service level measures each year as part of the annual Operating Budget process. Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for **Accounting Services**.

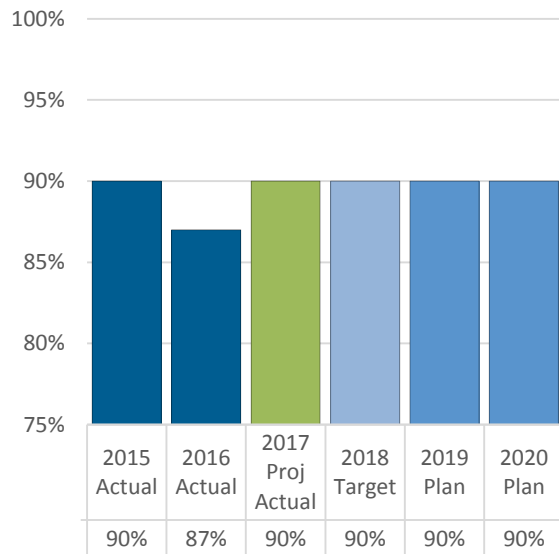
### Service Performance Measures

**% Early Payment Discounts Earned as a % of Discounts Available**



- Accounting Services, Purchasing & Materials Management, and other City Divisions continue to work with vendors to capitalize on early payment discount opportunities resulting in an increased capture rate for discounts.
- Discounts of \$1.4 million were captured in 2016. Early payment discounts in 2017 are expected to increase by 1% from 2016. It is anticipated that total discounts earned at the completion of the year end process will be \$1.463 million

**Payment Cycle time - % invoices paid within 60 days**



- With the implementation of SAP Ariba, continuous focus on performance measures, and City-wide commitment management strategies, the service level for payment cycle time for City vendors is expected to increase once the full business process is mapped out.

**Table 6**  
**2018 Preliminary Service Budget by Activity**

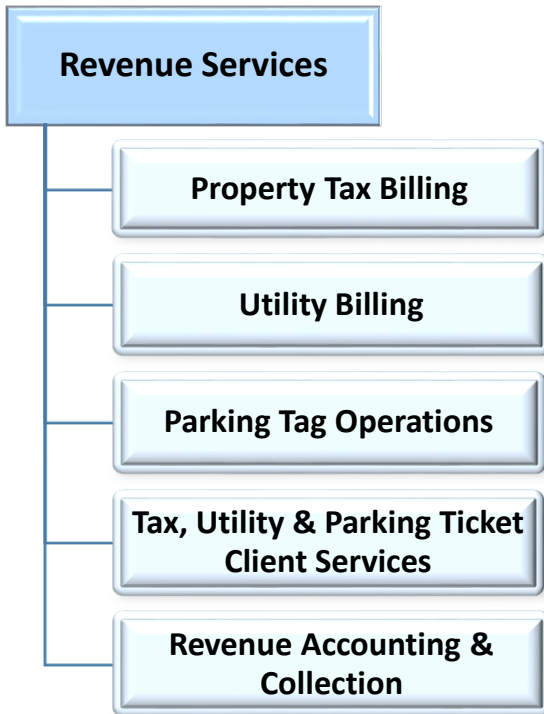
(\$000s)	2017		2018 Preliminary Operating Budget						2018 Prelim Budget vs. 2017 Budget		Incremental Change			
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget	% Change	New/Enhanced	Prelim Budget	\$	%	2019 Plan	2020 Plan	2019 Plan	2020 Plan
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
<b>GROSS EXP.</b>														
Financial Reporting & Control	5,006.4	5,309.0		5,309.0	302.6	6.0%	100.0	5,409.0	402.6	8.0%	128.2	2.4%	123.3	2.2%
Payment Processing	5,275.4	5,423.2	(133.5)	5,289.7	14.3	0.3%		5,289.7	14.3	0.3%	609.3	11.5%	67.6	1.1%
Tax & Financial System Support	1,374.6	1,406.8		1,406.8	32.2	2.3%		1,406.8	32.2	2.3%	34.5	2.5%	24.3	1.7%
<b>Total Gross Exp.</b>	<b>11,656.4</b>	<b>12,139.0</b>	<b>(133.5)</b>	<b>12,005.5</b>	<b>349.1</b>	<b>3.0%</b>	<b>100.0</b>	<b>12,105.5</b>	<b>449.1</b>	<b>3.9%</b>	<b>772.1</b>	<b>6.4%</b>	<b>215.1</b>	<b>1.6%</b>
<b>REVENUE</b>														
Financial Reporting & Control	429.3	732.1		732.1	302.8	70.5%	100.0	832.1	402.8	93.8%	2.6	0.3%	3.1	0.4%
Payment Processing	1,469.5	1,591.7		1,591.7	122.3	8.3%		1,591.7	122.3	8.3%	3.2	0.2%	3.2	0.2%
Tax & Financial System Support	415.4	498.5		498.5	83.1	20.0%		498.5	83.1	20.0%				
<b>Total Revenues</b>	<b>2,314.2</b>	<b>2,822.4</b>		<b>2,822.4</b>	<b>508.2</b>	<b>22.0%</b>	<b>100.0</b>	<b>2,922.4</b>	<b>608.2</b>	<b>26.3%</b>	<b>5.8</b>	<b>0.2%</b>	<b>6.3</b>	<b>0.2%</b>
<b>NET EXP.</b>														
Financial Reporting & Control	4,577.0	4,576.8		4,576.8	(0.2)	(0.0%)	0.0	4,576.8	(0.2)	(0.0%)	125.6	2.7%	120.2	2.6%
Payment Processing	3,805.9	3,831.5	(133.5)	3,698.0	(108.0)	(2.8%)		3,698.0	(108.0)	(2.8%)	606.1	16.4%	64.4	1.5%
Tax & Financial System Support	959.2	908.3		908.3	(50.9)	(5.3%)		908.3	(50.9)	(5.3%)	34.5	3.8%	24.3	2.6%
<b>Total Net Exp.</b>	<b>9,342.2</b>	<b>9,316.6</b>	<b>(133.5)</b>	<b>9,183.1</b>	<b>(159.1)</b>	<b>(1.7%)</b>	<b>0.0</b>	<b>9,183.1</b>	<b>(159.1)</b>	<b>(1.7%)</b>	<b>766.3</b>	<b>8.3%</b>	<b>208.8</b>	<b>2.1%</b>
Approved Positions	109.0	112.0	(2.0)	110.0	1.0	0.9%	1.0	111.0	2.0	1.8%				

**Accounting Services'** 2018 Preliminary Operating Budget of \$12.106 million gross and \$9.183 million net is \$0.159 million or 1.7% under the 2017 Approved Net Budget.

- Base budget pressures (\$0.058 million) for this service arise from COLA, progression pay and step increases in salary and benefit costs. These pressures have been fully offset by increasing the budget for HST recoveries to align with the actual experience.
- The 2018 Preliminary Operating Budget includes funding of \$0.100 million gross and \$0.0 million net for 1 permanent position to provide support to the new Investment Board.

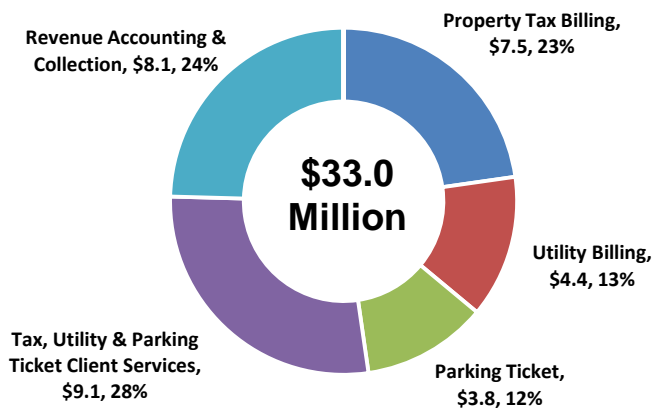
### Revenue Services

### What We Do

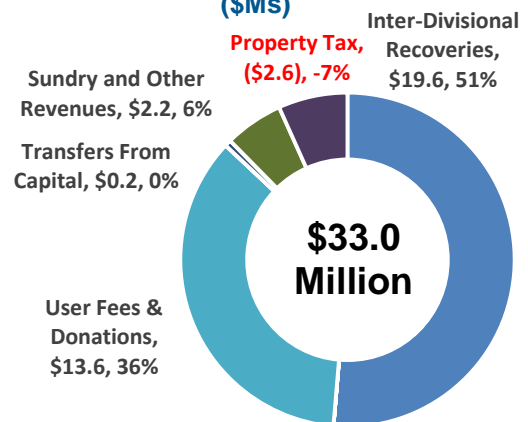


- Billing, collection and administration of revenues related to property taxation; water and wastewater services; solid waste fees, parking tickets and Municipal Land Transfer Tax.
- Support the various revenue programs, including appeal and refund processing, tax relief and rebate programs, alternate payment programs, customer account maintenance and support, and payment processing.
- Revenue Services maintains a strong commitment to customer service through the operation of customer service counters in all civic centres and City Hall, and a customer care unit and correspondence unit.
- The Division’s customer base includes residents, property owners, businesses and visitors within the City of Toronto. Revenue Services also provides revenue support functions to other City divisions...

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



## 2018 Service Levels Revenue Services

Type	Status	2015	2016	2017	2018
Property Tax Billing (Interim & Final)	Approved	All Property Tax Bills and are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes			All Property Tax Bills and are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
Supplementary/Omitted Tax Billings	Approved	All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes			All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
Payment in Lieu of Taxes	Approved	All Payment in Lieu of Taxes are prepared and issued consistent with relevant legislation and by-laws, and within legislated time frames			All Payment in Lieu of Taxes are prepared and issued consistent with relevant legislation and by-laws, and within legislated time frames
Business Improvement Area (BIA) levies	Approved	All BIA levies are prepared and issued prior to final property tax billing, to ensure that tax bills include BIA levy.			All BIA levies are prepared and issued prior to final property tax billing, to ensure that tax bills include BIA levy.
	Approved	On average, 120 properties are appealed per year in accordance with council approved criteria and rules and practice of the Assessment Review Board (ARB), and in accordance with timelines set out by Assessment Review Board			On average, 120 properties are appealed per year in accordance with council approved criteria and rules and practice of the Assessment Review Board (ARB), and in accordance with timelines set out by Assessment Review Board
Vacancy Rebates	Approved	Vacancy rebates are processed within legislated timeframe.			Vacancy rebates are processed within legislated timeframe.
Charitable Rebates	Approved	Fully completed charity rebate applications processed within 120 days of application deadline date.			Fully completed charity rebate applications processed within 120 days of application deadline date.
Tax/Water Relief for Low-Income Seniors and Disabled	Approved	Fully completed applications processed within 60 days of application deadline date.			Fully completed applications processed within 60 days of application deadline date.
Veterans Clubhouse, Ethno-cultural, Heritage Rebates	Approved	Fully completed applications processed within 60 days of application deadline date.			Fully completed applications processed within 60 days of application deadline date.
Golf Course deferrals	Approved	Golf course deferrals processed within 60 days of receipt of information.			Golf course deferrals processed within 60 days of receipt of information.

Type	Status	2015	2016	2017	2018
Assessment Appeals	Approved	Residential appeals processed within 30 days following receipt of ARB decision. Non-residential appeals processed within 120 days following receipt of ARB decision.	Residential appeals processed (during non-billing periods) within 30 days of receipt of ARB decision.	Residential appeals processed (during non-billing periods) within 30 days of	Residential appeals processed (during non-billing periods) within 30 days of receipt of ARB decision. Non-residential appeals processed within 120 days following receipt of ARB decision
Property Tax Appeals	Approved	Approximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year			Approximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year
	Approved	All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes			All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
Flat Rate Accounts	Approved	To issue 100% of utility flat rate billings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)			To issue 100% of utility flat rate billings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)
Metered Accounts	Approved	Not applicable - this function transferred to Toronto Water		Not applicable - this function transferred to Toronto Water	Not applicable - this function transferred to Toronto Water
Water Relief Applications	Approved	95% of applications processed within first billing cycle.			95% of applications processed within first billing cycle.
	Approved	Mailing of all bills within cycle on schedule			Mailing of all bills within cycle on schedule
Meter Reading	Approved	Not applicable - this function transferred to Toronto Water		Not applicable - this function transferred to	Not applicable - this function transferred to Toronto Water
Meter investigations	Approved	Complete all service orders that are in Revenue Services' distribution			Complete all service orders that are in Revenue Services' distribution
Parking Ticket	Approved	99.5% of parking tickets processed within legislated timeframes			99.5% of parking tickets processed within legislated timeframes
	Actual	99.9%	99.9%	99.90%	
Notice of impending Conviction	Approved	99.5% of notices sent within legislated timeframe			99.5% of notices sent within legislated timeframe
Notice of Fine and Due Date	Approved	99.5% of notices sent within legislated timeframe			99.5% of notices sent within legislated timeframe
Refunds and adjustments	Approved	100% of refunds and adjustments processed within 14 days			100% of refunds and adjustments processed within 14 days
Investigations	Approved	Complete all investigations within 15 days			Complete all investigations within 15 days
Pre-Court Filing	Approved	99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence			99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence

Type	Status	2015	2016	2017	2018
Tax certificate	Approved	Service standard is 20 days, providing that all required information is received.			Service standard is 5 days.
Utility Certificate	Approved	Service standard is 20 days, providing that all required information is received.			Service standard is 5 days.
Ownership Update	Approved	Service standard is 20 days, providing that all required documentation is received.			Service standard is 20 days, providing that all required documentation is received.
Designate/Agent Mailing Request	Approved	Service standard is 20 days, providing that all required documentation is received.			Service standard is 20 days, providing that all required documentation is received.
Pre-authorized Tax Payment	Approved	In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at least 15 days before the next payment date			In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at least 15 days before the next payment date
Pre-authorized Utility Payment	Approved	All PUP applications are processed within a 5 day window			All PUP applications are processed within a 5 day window
Payment Programs- Mortgages	Approved	All mortgage updates are processed within 30 days			All mortgage updates are processed within 30 days
Mortgage and PILT payment	Approved	All payments are processed within a 3 - 5 day window			All payments are processed within a 3 - 5 day window
	Approved	All customers are served, with 100% completion of customer transactions, with average wait times of	All customers are served, with 100% completion of customer transactions, with average wait times of less than 7 minutes for tax/ utility transactions, and parking ticket transactions.		All customers are served, with 100% completion of customer transactions, with average wait times of less than 7 minutes for tax/ utility transactions, and parking ticket transactions.
	Actual	2.5 min.	5.08 min.	5.08 min.	
Customer Enquiry Telephone	Approved	It is estimated that 40% of calls are answered with average wait time of 5 minutes.			It is estimated that 40% of calls are answered with average wait time of 5 minutes.
Customer Enquiry Correspondence	Approved	All letters, faxes and e-mails are prepared and issued consistent with relevant legislation and by-laws.			All letters, faxes and e-mails are prepared and issued consistent with relevant legislation and by-laws.
	Approved	As a minimum 90% of all cheque payments received are processed within 3 days from date	As a minimum 95% of all cheque payments received are processed within 3 days from date payment is received or on the date of the cheque for future dated payments (post dated cheques).		As a minimum 95-97% of all cheque payments received by the external service provider are processed within 2 days from date payment is received or on the date of the cheque for future dated payments (post dated cheques).
	Actual	95.0%	95.0%	95.0% - 97.0%	

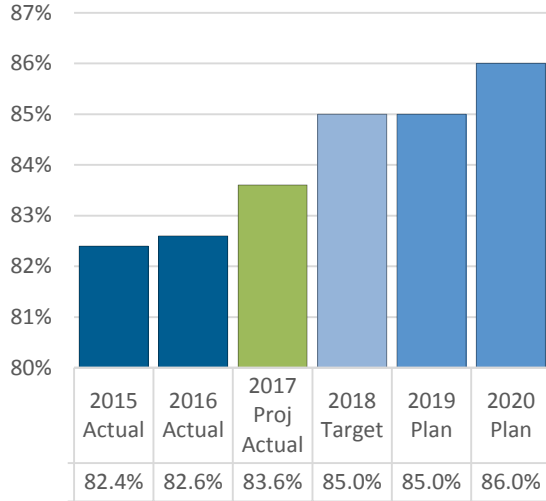


Type	Status	2015	2016	2017	2018
Registration - Sale of Land	Approved	In excess of 7,000 accounts (pre-reg and reg) in arrears are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.			In excess of 7,000 accounts (pre-reg and reg) in arrears are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.
Bailiff Warrants	Approved	In excess of 6,000 accounts are issued to the bailiffs annually.			In excess of 6,000 accounts are issued to the bailiffs annually.
Internal Collections	Approved	100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines .			100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines .
Returned Cheques Processing	Approved	95% of Returned Payments received by Revenue Services were processed within 10 business days.			95% of Returned Payments received by Revenue Services were processed within 10 business days.
Account Analysis / Reconciliation	Approved	95% of the monthly reconciliation and Statements were produced in the following month.			95% of the monthly reconciliation and Statements were produced in the following month.
MLTT Manual Notices of Assessment	Approved	100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accord to the legislated requirements			100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accord to the legislated requirements
Automated MLTT land registration transactions	Approved	100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accordance with legislated requirements			100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accordance with legislated requirements
Refunds due to Over-Payments	Approved	To issue credit letters to property owner requesting required information and issue refunds within one year, over 90% of the time. Tax credit balances of \$500 or less without an ownership change are transferred to the next billing.			To issue credit letters to property owner requesting required information and issue refunds within one year, over 90% of the time. Tax credit balances of \$500 or less without an ownership change are transferred to the next billing.
Refunds due to Appeals and Rebates	Approved	Over 90% of all refunds as a result of the processing of assessment appeals/MPAC, RFR's and rebate are processed within 120 days.			Over 90% of all refunds as a result of the processing of assessment appeals/MPAC, RFR's and rebate are processed within 120 days.

In order to improve reporting, service levels will be revised to include approved and actual quantitative measures. Office of the Treasurer, with support from FPD, will review the service level measures each year as part of the annual Operating Budget process. Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for **Revenue Services**.

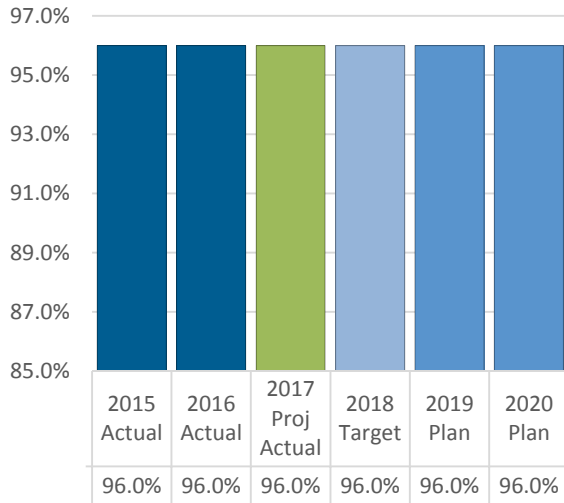
### Service Performance Measures

#### % Electronic Payments



- Percentage of electronic payments received compared to total payments processed for property tax, utility and parking tickets is increasing over time due to consumer adoption of electronic payments.
- Electronic payments improve accuracy, are more cost-effective, and can be posted to the City's accounts sooner than cheque payments.
- Development of additional online services for electronic billings and payments will see an increasing trend in the overall percentage of electronic payments over 2018 and 2019

#### % of Tax Accounts Paid in Full at Year-End



- The percentage of tax accounts paid in full each year from 2015 through 2017 has remained at 96%.
- The trend is expected to continue in 2018 through 2020 as economic conditions are not expected to change over the next 3 years.

**Table 6  
2018 Preliminary Service Budget by Activity**

(\$000s)	2017		2018 Preliminary Operating Budget						Incremental Change					
	Approved Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2017 Budget		New/Enhanced	Prelim Budget	2018 Prelim Budget vs. 2017 Budget		2019 Plan		2020 Plan	
					\$	%			\$	%	\$	%	\$	%
<b>GROSS EXP.</b>														
Parking Ticket	3,691.4	3,846.7		3,846.7	155.3	4.2%		3,846.7	155.3	4.2%	27.5	0.7%	17.5	0.5%
Property Tax Billing	7,537.3	7,529.7	(27.6)	7,502.1	(35.2)	(0.5%)		7,502.1	(35.2)	(0.5%)	123.8	1.6%	87.6	1.1%
Revenue Accounting & Collection	8,533.8	8,296.5	(194.4)	8,102.1	(431.8)	(5.1%)		8,102.1	(431.8)	(5.1%)	95.8	1.2%	55.1	0.7%
Tax, Utility & Parking Ticket Client Services	9,229.1	9,329.1	(180.6)	9,148.4	(80.7)	(0.9%)		9,148.4	(80.7)	(0.9%)	128.5	1.4%	94.6	1.0%
Utility Billing	4,438.2	4,453.6	(67.7)	4,385.9	(52.3)	(1.2%)		4,385.9	(52.3)	(1.2%)	58.8	1.3%	30.8	0.7%
<b>Total Gross Exp.</b>	<b>33,429.8</b>	<b>33,455.5</b>	<b>(470.3)</b>	<b>32,985.2</b>	<b>(444.6)</b>	<b>(1.3%)</b>		<b>32,985.2</b>	<b>(444.6)</b>	<b>(1.3%)</b>	<b>434.5</b>	<b>1.3%</b>	<b>285.5</b>	<b>0.8%</b>
<b>REVENUE</b>														
Parking Ticket	3,343.0	3,519.9		3,519.9	176.8	5.3%		3,519.9	176.8	5.3%				
Property Tax Billing	1,869.4	1,894.3		1,894.3	24.9	1.3%		1,894.3	24.9	1.3%				
Revenue Accounting & Collection	13,842.0	13,775.9		13,775.9	(66.1)	(0.5%)	37.5	13,813.4	(28.6)	(0.2%)	7.5	0.1%		
Tax, Utility & Parking Ticket Client Services	11,826.3	12,354.2	(201.3)	12,152.9	326.5	2.8%	41.7	12,194.5	368.2	3.1%	16.7	0.1%		
Utility Billing	4,201.9	4,185.7	(67.7)	4,118.0	(83.9)	(2.0%)		4,118.0	(83.9)	(2.0%)	135.5	3.3%		
<b>Total Revenues</b>	<b>35,082.7</b>	<b>35,730.0</b>	<b>(269.0)</b>	<b>35,461.0</b>	<b>378.3</b>	<b>1.1%</b>	<b>79.2</b>	<b>35,540.2</b>	<b>457.5</b>	<b>1.3%</b>	<b>159.7</b>	<b>0.4%</b>		
<b>NET EXP.</b>														
Parking Ticket	348.3	326.8		326.8	(21.6)	(6.2%)		326.8	(21.6)	(6.2%)	27.5	8.4%	17.5	4.9%
Property Tax Billing	5,667.8	5,635.4	(27.6)	5,607.7	(60.1)	(1.1%)		5,607.7	(60.1)	(1.1%)	123.8	2.2%	87.6	1.5%
Revenue Accounting & Collection	(5,308.2)	(5,479.4)	(194.4)	(5,673.8)	(365.6)	6.9%	(37.5)	(5,711.3)	(403.1)	7.6%	88.3	(1.5%)	55.1	(1.0%)
Tax, Utility & Parking Ticket Client Services	(2,597.2)	(3,025.1)	20.7	(3,004.4)	(407.2)	15.7%	(41.7)	(3,046.1)	(448.9)	17.3%	111.8	(3.7%)	94.6	(3.2%)
Utility Billing	236.3	267.9	0.0	267.9	31.7	13.4%		267.9	31.7	13.4%	(76.7)	(28.6%)	30.8	16.1%
<b>Total Net Exp.</b>	<b>(1,652.9)</b>	<b>(2,274.5)</b>	<b>(201.3)</b>	<b>(2,475.8)</b>	<b>(822.9)</b>	<b>49.8%</b>	<b>(79.2)</b>	<b>(2,555.0)</b>	<b>(902.1)</b>	<b>54.6%</b>	<b>274.8</b>	<b>(10.8%)</b>	<b>285.5</b>	<b>(14.3%)</b>
Approved Positions	270.2	270.2	(7.0)	263.2	(7.0)	(2.6%)		263.2	(7.0)	(2.6%)				

**Revenue Services** provides quality, timely, and accurate billing, collection and payment processing of municipal property taxes, parking tags and income from utility consumption, as well as other revenue-generating services to support City programs and services.

Revenue Service's 2018 Preliminary Operating Budget of \$32.985 million gross and (\$2.555) million net is \$0.902 million or 54.6% under 2017 Approved Net Budget.

- Base budget pressures in Revenue Services primarily result from inflationary increases in salary and benefit expenditures (\$0.047 million).
- Annualization amount of \$0.450 million of 2017 approved user fee.
- The 2018 Preliminary Operating Budget also includes new revenue of \$0.079 million in user fees:
  - \$0.042 million in fees to re-enroll in the Pre-Authorized Property Tax Program; and
  - \$0.037 million in fees for notification of outstanding utility fees/charges for condo and management boards.



# Part 3

## Issues for Discussion

## Issues Impacting Future Years

### ***Purchasing and Materials Management Division (PMMD)***

- The implementation of Category Management, funded in the 2018 Budget will introduce a new strategic approach to procurement in the City. This will involve the creation of a project team to oversee the implementation and development of a category management unit, and a reorganization of the existing Corporate Purchasing Policy & Quality Assurance unit and the existing Purchasing units.
- The transformational initiative will be challenging as the Office of the Treasurer operates in a highly legislated environment. To support the transformation, consulting services will be procured to assist with the business process review, implementation, and change management support with Category Management.
- Implementation of Category Management will result in savings on the purchase of goods and services throughout the entire organization. By 2021, the anticipated annual net benefit is anticipated to be approximately \$34.1 million. In order to sustain the services and technology used for Category Management, a subscription-based Cloud service, it will be essential for City-wide to identify the appropriate metrics to track the anticipated savings and to then apply the savings to cover these costs on an ongoing basis

### ***The Supply Chain Management Transformation (SCMT) Project: Implementation***

- The SCMT project is a complex, large-scale, enterprise business transformation and technology project, implementing SAP's Software-as-a-Service Cloud Solution known as SAP Ariba. This project will enable a number of modules within SAP Ariba and enhance the City's use of the existing SAP-ECC system enabling the Purchasing and Materials Management Division (PMMD) and Accounting Services to capitalize on business process efficiencies.
- It represents a core component to improve the efficiency and effectiveness of the City's Purchasing and Materials Management purchases across the City.
- The implementation of new technology to automate the procurement process is a core component to enable PMMD's Category Management/Strategic Sourcing and Operational Transformation which will move PMMD from a transaction focused service to one that provides strategic valued added service to City Divisions. This project is also a foundation for the City's Shared Services Project.
- The project will:
  - Improve customer service to City Programs and their associated vendors, generate savings from pooled demand;
  - Improve the overall quality and timeliness of the City's procurement process, which is expected to generate greater quality and value within future procurement agreements. The procurement and accounts payable streamlining with the new vendor will automate source-to-pay activities that are currently highly manual and labour intensive, and will reduce/remove bottlenecks from current business practices;
  - Enhance the quality and the number of bids and proposals received;
  - Result in a decrease in total cycle time to conduct competitive calls and drive an improvement in service delivery by PMMD where client Programs will be able to obtain their contracts in a more timely fashion;
  - Enhance materials management functionality within the current SAP platform and is projected to improve City Stores capability and expand current service, which will involve enabling City Stores processes with web ordering for internal customers and more consistent and reliable practices to supply materials from central stores to internal customers throughout the City;

- Enable Accounts Payable to offer dynamic discounting to Vendors where the City can see savings on paying invoices if the City pays faster;
  - Improve overall transparency and accountability in the procurement process through the use of a centralized database and enhanced reporting;
  - Improve oversight of contract and vendor performance management through automation;
  - Enable the City to move to Category Management and Strategic Sourcing.
- The City and SAP Canada have recently concluded the Master Cloud Services Agreement and Order Form for SAP Ariba to begin implementation of the Project in 2017.
  - Based on cost benefit analyses, cost/service efficiency savings for PMMD is estimated at approximately 127 hours per FTE (or equivalent to 2.6 buyers). Additional savings are expected across the organization as the expected as the project is implemented.
    - Increasing the ability to capture discounts for early invoice payments may produce an additional savings of approximately \$0.200 million to \$0.300 million.
    - Cost recovery from SAP Maintenance costs (unused software) - \$2.497 million or \$0.500 million per year over 5 years.
    - Could reduce the procurement cycle time by up to 65% as evidenced by the Province when they implemented their procurement solution.

## Issues Referred to the 2018 Operating Budget Process

### *New & Enhanced Not Included in the 2018 Preliminary Operating Budget*

#### User Fees

- The following new user fee has not been included in the 2018 Operating Budget. However, this request is detailed here for Budget Committee's consideration in the 2018 Budget process
- On the recommendation of the Auditor General, City Council requested that the Director, Revenue Services, evaluate whether an administrative fee can be charged for processing water bill refunds resulting from customer payment errors. The Tax/Utility Account Refund fee is the response to that recommendation.

New / Enhanced Not included in the 2018 Preliminary Operating Budget (000s)	2018 Impact			Incremental Change			
	\$		Position	2019 Plan		2020 Plan	
	Gross	Net	#	Net	Pos.	Net	Pos.
<b>New Revenue</b>							
<i>New Fees:</i>							
Tax/Utility Account Refund fee		54.0		10.8			
<b>Total New Revenue</b>		<b>54.0</b>		<b>10.8</b>			
<b>Total New / Enhanced Services</b>		<b>54.0</b>		<b>5.6</b>			



# Appendices

## Appendix 1

### 2017 Service Performance

#### Key Service Accomplishments

In 2017, the Office of the Treasurer accomplished the following:

- ✓ Implementation of enhanced Employee Self-Service functionality and implementation of Manager Self-Service functionality to automate payroll business processes through electronic work flow to reduce the reliance on paper and manual processes.
- ✓ Implementation of an updated SAP cross application time keeping system (CATs) across the City and implemented a Time Attendance and Scheduling System for Parks, Forestry & Recreation (PFR) and Toronto Paramedic Services.
- ✓ Initiated the implementation of eTime Self reporting functionality to approximately 11 Divisions involving 1,700 employees.
- ✓ Monitored Employee benefits and trends in order to recommend changes to the plan design to ensure on-going financial sustainability.
- ✓ Successfully transitioned approximately 80,000 employees, retirees and dependents to the new benefits carrier, Green Shield Canada, for health and dental plan administration. Continued to manage the transition issues with employees, Unions and work with the carrier to address any benefit plan issues.
- ✓ Continued to provide purchasing services at best value in support of public programs and service delivery through the application of open, fair, equitable and accessible procurement processes and practices.
- ✓ Provided materials management and warehousing services in support of public programs and service delivery.
- ✓ Completed the consolidation of the City's corporate warehouses, reducing it from 3 warehouses into 1 warehouse at 799 Islington Avenue.
- ✓ As part of the Category Management/Strategic Sourcing and Operations Transformation of PMMD, completed the Current State Assessment, Blue printing of all modules, launched a pilot project for the Sourcing and Contract management module. .
- ✓ As part of the Category Management/Strategic Sourcing and Operational Transformation, launched the Project Management Office and issued the RFP for external consultant services.
- ✓ Recognized by the Canadian Gay and Lesbian Chamber of Commerce with the 2017 Program Supplier Diversity Policy as part of the City's Social Procurement Program.
- ✓ Provided financial reporting, control and advisory services that add value and ensure compliance with accounting standards, relevant legislation and Council policies.
- ✓ Supported the sustainment, improvement and protection of the integrity of the City's financial and payroll system (SAP), including testing, training, user support, and system upgrades.
- ✓ Developed a strategy and action plan to standardized invoicing and accounts receivable management.
- ✓ Managed sales tax compliance and reporting, provided training, advice and support to Divisions on sales tax matters, and filed monthly sales tax returns for rebates and recoveries.
- ✓ Implemented Full Service portfolios and Corporate Accounts Payable Key Performance Indicators (KPI's) metrics and other relevant reports for client divisions on the accounting intranet web site.
- ✓ Received the CAnFR Award for financial reporting on the 2016 Annual Financial Report from the Government Financial Officer's Association (GFOA) for the 11<sup>th</sup> year in a row.
- ✓ Launched a new online self-service website to order tax and utility certificates, reducing the turnaround time for requests from 14 days to 2 days through automation and credit card pre-payment.
- ✓ Successfully launched new Administrative Penalty System (APS) for parking violations, in partnership with Court Services, Legal Services and Toronto Police Service, to move parking ticket disputes out of the provincial court system to a City-administered process. The new APS system provides a more cost-effective and responsive method to dispute parking violations that allows disputes to be resolved either online or in-person.
- ✓ Implemented a Municipal Land Transfer Tax (MLTT) rate structure harmonization with the Provincial Land Transfer Tax (LTT).
- ✓ Implemented the new City Building Fund levy on the final 2017 property tax bills, as adopted by Council



## Appendix 2

### 2018 Preliminary Operating Budget by Expenditure Category

#### Program Summary by Expenditure Category

Category of Expense (\$000's)	2015	2016	2017	2017	2018	2018 Change from		Plan	
	Actual	Actual	Budget	Projected	Preliminary	2017 Approved		2019	2020
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries And Benefits	57,974.3	56,881.4	58,627.1	57,384.0	60,350.8	1,723.8	2.9%	62,680.8	62,931.6
Materials & Supplies	157.3	166.1	213.8	206.7	222.8	9.0	4.2%	229.2	229.6
Equipment	61.2	59.1	129.3	142.1	89.3	(40.0)	(30.9%)	589.3	589.3
Service And Rent	7,063.7	7,702.3	8,647.9	7,306.3	10,112.2	1,464.4	16.9%	10,112.2	10,112.2
Contribution To Reserves/Reserve Funds	129.0	129.0	138.9	138.9	138.9			138.9	138.9
Other Expenditures	1,567.2	1,888.5	2,009.5	2,339.6	2,057.8	48.3	2.4%	2,057.8	2,057.8
Inter-Divisional Charges	2,417.6	2,898.1	2,447.9	2,625.0	2,605.0	157.2	6.4%	2,627.5	2,638.6
<b>Total Gross Expenditures</b>	<b>69,370.4</b>	<b>69,724.5</b>	<b>72,214.3</b>	<b>70,142.6</b>	<b>75,576.9</b>	<b>3,362.6</b>	<b>4.7%</b>	<b>78,435.6</b>	<b>78,697.9</b>
Inter-Divisional Recoveries	22,955.2	22,445.9	23,695.1	23,682.5	23,645.6	(49.5)	(0.2%)	23,799.5	23,814.1
User Fees & Donations	11,814.6	13,499.3	13,320.8	13,820.5	13,851.4	530.6	4.0%	13,875.6	13,875.6
Transfers From Capital	1,828.3	3,149.6	1,078.6	1,976.0	2,149.6	1,071.0	99.3%	1,954.9	1,645.3
Contribution From Reserves/Reserve Funds	278.8	341.7	2,359.4	160.0	4,044.5	1,685.1	71.4%	4,125.3	3,907.3
Sundry and Other Revenues	4,207.6	3,997.5	3,693.4	3,692.7	3,818.9	125.5	3.4%	3,818.9	3,818.9
<b>Total Revenues</b>	<b>41,084.4</b>	<b>43,433.9</b>	<b>44,147.3</b>	<b>43,331.7</b>	<b>47,510.0</b>	<b>3,362.7</b>	<b>7.6%</b>	<b>47,574.2</b>	<b>47,061.2</b>
<b>Total Net Expenditures</b>	<b>28,286.0</b>	<b>26,290.6</b>	<b>28,067.0</b>	<b>26,810.9</b>	<b>28,066.8</b>	<b>(0.1)</b>	<b>(0.0%)</b>	<b>30,861.4</b>	<b>31,636.7</b>
<b>Approved Positions</b>		<b>632.2</b>	<b>645.2</b>	<b>608.2</b>	<b>657.2</b>	<b>12.0</b>	<b>1.9%</b>	<b>655.2</b>	<b>648.2</b>

\* Based on the 9-month Operating Variance Report

For additional information regarding the 2017 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, 2017" considered by City Council at its meeting on November 28, 2017.

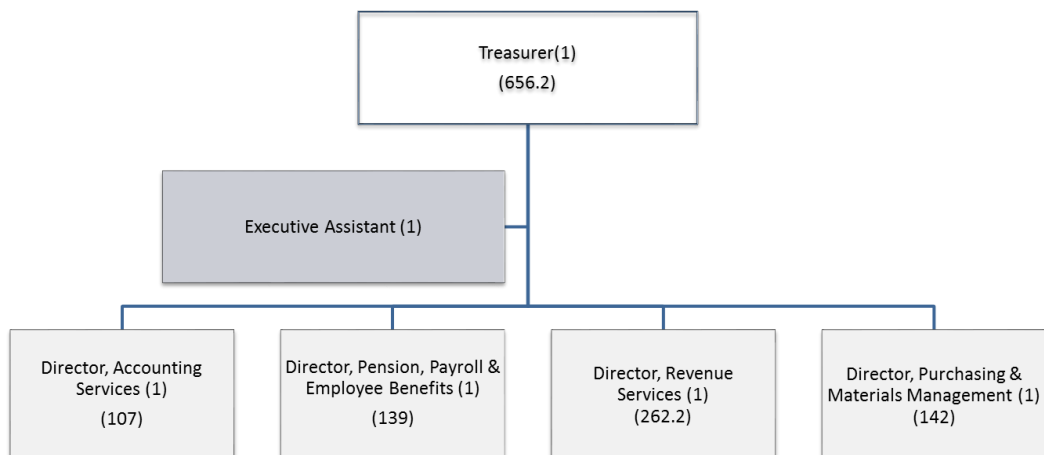
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

#### Impact of 2017 Operating Variance on the 2018 Preliminary Operating Budget

- As the projected savings in 2017 are primarily non-recurring due to delays in filling vacant positions, the 2017 Operating Variance has no impact on the 2018 Preliminary Operating Budget

## Appendix 3

### 2018 Organization Chart



### 2018 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	5.0	70.0	52.0	485.0	612.0
	Temporary		1.0	4.0	20.2	25.2
	<b>Total Operating</b>	5.0	71.0	56.0	505.2	637.2
Capital	Permanent			2.0		2.0
	Temporary		1.0	13.0	4.0	18.0
	<b>Total Capital</b>			15.0	4.0	20.0
<b>Grand Total</b>		<b>5.0</b>	<b>71.0</b>	<b>71.0</b>	<b>509.2</b>	<b>657.2</b>

**Appendix 4**  
**Summary of 2018 Service Changes**

## 2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Chief Financial Officer  Program - Office of the Treasurer	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
<b>2018 Preliminary Base Budget Before Service Changes:</b>			75,916.8	47,390.6	28,526.2	663.20	2,921.2	785.3

14400	Accounting Services Division Position Deletion
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51	No Impact
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**Description:**

The deletion of 1.0 permanent position results in savings of \$0.091 million in 2018. Please refer to Confidential Attachment 1 under separate cover.

**Service Level Impact:**

No service level impact

**Equity Statement:**

There are no equity impacts.

**Service:** ASD-Payment Processing

Preliminary Service Changes:	(91.2)	0.0	(91.2)	(1.00)	(1.4)	(0.4)
------------------------------	--------	-----	--------	--------	-------	-------

<b>Total Preliminary Service Changes:</b>	<b>(91.2)</b>	<b>0.0</b>	<b>(91.2)</b>	<b>(1.00)</b>	<b>(1.4)</b>	<b>(0.4)</b>
---	---------------	------------	---------------	---------------	--------------	--------------

14446	Deletion of positions in Revenue Services Division
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51	No Impact
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**Description:**

The deletion of 4.0 permanent position results in savings of \$0.242 million gross and \$0.121 million net in 2018. Please refer to Confidential Attachment 1 under separate cover.

**Service Level Impact:**

No service level impact.

**Equity Statement:**

There are no equity impacts.

**Service:** RS-Property Tax Billing

Preliminary Service Changes:	(27.6)	0.0	(27.6)	(0.45)	(6.0)	(0.2)
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**Service:** RS-Revenue Accounting & Collection

## 2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Chief Financial Officer  Program - Office of the Treasurer	Adjustments				2019 Plan Net Change	2020 Plan Net Change	
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions			
		Preliminary Service Changes:	(126.2)	0.0	(126.2)	(2.00)	(13.7)	(0.7)	
		<b>Service:</b> RS-Tax, Utility & Parking Ticket Client Services							
		Preliminary Service Changes:	(87.7)	(120.8)	33.1	(1.55)	(20.7)	(0.6)	
		<b>Total Preliminary Service Changes:</b>	<b>(241.5)</b>	<b>(120.8)</b>	<b>(120.8)</b>	<b>(4.00)</b>	<b>(40.5)</b>	<b>(1.5)</b>	

14449	Reduction of positions in Revenue Services							
51	No Impact	<b>Description:</b>						
		The deletion of 2.0 permanent position results in savings of \$0.161 million gross and \$0.081 million net. Please refer to Confidential Attachment 1 under separate cover.						
		<b>Service Level Impact:</b>						
		No service level impact.						
		<b>Equity Statement:</b>						
		There are no equity impacts.						
		<b>Service:</b> RS-Revenue Accounting & Collection						
		Preliminary Service Changes:	(68.2)	0.0	(68.2)	(1.00)	(1.0)	(0.4)
		<b>Service:</b> RS-Tax, Utility & Parking Ticket Client Services						
		Preliminary Service Changes:	(93.0)	(80.6)	(12.4)	(1.00)	(34.0)	(3.9)
		<b>Total Preliminary Service Changes:</b>	<b>(161.2)</b>	<b>(80.6)</b>	<b>(80.6)</b>	<b>(2.00)</b>	<b>(35.0)</b>	<b>(4.2)</b>

14451	Repurposing positions to support PCI compliance						
51	No Impact	<b>Description:</b>					
		Deleting 2.0 vacant positions in Accounts Payable (1.0 Supervisor and 1.0 Corporate Accounts Payable Service Representative) and creating 1.0 position to support the PCI compliance initiative will result in savings of \$0.042 million net.					

**2018 Operating Budget - Preliminary Service Changes  
Summary by Service (\$000's)**

Form ID		Chief Financial Officer  Program - Office of the Treasurer	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

**Service Level Impact:**

Since the 2.0 A/P positions are currently vacant, there is no anticipated service level impact. Once the PCI Compliance project is complete and the ROC (audit on compliance) has been received, sustainment is required. The volume of work cannot be absorbed in the current staffing level. However, more importantly, the sustainment requires skills and experience that currently does not exist within the City at the level required to maintain compliance and to avoid the non-compliance fee increase expected

**Equity Statement:**

There are no equity impacts.

**Service:** ASD-Payment Processing

Preliminary Service Changes:	(42.4)	0.0	(42.4)	(1.00)	(2.0)	0.0
<b>Total Preliminary Service Changes:</b>	<b>(42.4)</b>	<b>0.0</b>	<b>(42.4)</b>	<b>(1.00)</b>	<b>(2.0)</b>	<b>0.0</b>

14453	Reduction of 1.0 position in Utility Billing Unit	
51	No Impact	<b>Description:</b>

As a result of the efficiencies from the Automated Meter Reading project, the deletion of 1.0 vacant position in the Utility Billing Unit will result in savings of \$0.068 million gross and \$0 net, funded from interdivisional recoveries from Toronto Water and Solid Waste Management Services.

**Service Level Impact:**

No service level impact.

**Equity Statement:**

There are no equity impacts.

**Service:** RS-Utility Billing

Preliminary Service Changes:	(67.7)	(67.7)	0.0	(1.00)	(1.0)	(0.3)
<b>Total Preliminary Service Changes:</b>	<b>(67.7)</b>	<b>(67.7)</b>	<b>0.0</b>	<b>(1.00)</b>	<b>(1.0)</b>	<b>(0.3)</b>

14637	Reduction of Position in Purchasing & Materials Management	
51	No Impact	<b>Description:</b>

## 2018 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Chief Financial Officer  Program - Office of the Treasurer	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		<p>The reduction of 1.0 permanent position effective June 2018 results in savings of \$0.045 million. Please refer to Confidential Attachment 1 under separate cover.</p> <p><b>Service Level Impact:</b> No service level impact.</p> <p><b>Equity Statement:</b> There are no equity impacts.</p> <p><b>Service:</b> PMM-Materials Management Stores &amp; Distribution</p>						
		Preliminary Service Changes:	(45.3)	0.0	(45.3)	(1.00)	(22.4)	(3.5)
		<b>Total Preliminary Service Changes:</b>	<b>(45.3)</b>	<b>0.0</b>	<b>(45.3)</b>	<b>(1.00)</b>	<b>(22.4)</b>	<b>(3.5)</b>
<hr/>								
<b>Summary:</b>								
		<b>Total Preliminary Service Changes:</b>	<b>(649.2)</b>	<b>(269.0)</b>	<b>(380.2)</b>	<b>(10.00)</b>	<b>(102.4)</b>	<b>(10.1)</b>
		<b>Total Preliminary Base Budget:</b>	<b>75,267.6</b>	<b>47,121.6</b>	<b>28,146.0</b>	<b>653.20</b>	<b>2,818.8</b>	<b>775.2</b>

## **Appendix 5**

### **Summary of 2018 New / Enhanced Service Priorities**



## 2018 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

Form ID		Chief Financial Officer  Program - Office of the Treasurer	Adjustments				2019 Plan Net Change	2020 Plan Net Change																				
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions																						
15032		Merger of the City's five pension plans with OMERS																										
72	No Impact	<b>Description:</b>																										
<p>The City of Toronto sponsors five pension plans that existed prior to the establishment of the OMERS pension plan. Recent amendments to provincial legislation allows for the potential merger of the City's pension plans, described as 'Single Employer Pension Plan (SEPP)' with the OMERS pension plans, known as a 'Jointly Sponsored Pension Plan (JEPP)';</p> <p><b>Service Level Impact:</b></p> <p>No impact to current and future service level/standard. The hiring of these additional staff members are required to take on the significant work related solely to the merger of these pension plans.</p> <p><b>Equity Statement:</b></p> <p>There are no equity impacts.</p> <p><b>Service:</b> PPEB-Employee &amp; Retiree Benefit &amp; OMERS Pension Compensation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">41.9</td> <td style="text-align: right;">41.9</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.60</td> <td style="text-align: right;">(0.0)</td> <td style="text-align: right;">0.0</td> </tr> </table> <p><b>Service:</b> PPEB-Non – OMERS Pension Plans</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Preliminary New / Enhanced Services:</td> <td style="text-align: right;">167.4</td> <td style="text-align: right;">167.4</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">2.40</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">(0.0)</td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 40%;"><b>Total Preliminary New / Enhanced Services:</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>209.3</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>209.3</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.0</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>3.00</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.0</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>0.0</b></td> </tr> </table>								Preliminary New / Enhanced Services:	41.9	41.9	0.0	0.60	(0.0)	0.0	Preliminary New / Enhanced Services:	167.4	167.4	0.0	2.40	0.0	(0.0)	<b>Total Preliminary New / Enhanced Services:</b>	<b>209.3</b>	<b>209.3</b>	<b>0.0</b>	<b>3.00</b>	<b>0.0</b>	<b>0.0</b>
Preliminary New / Enhanced Services:	41.9	41.9	0.0	0.60	(0.0)	0.0																						
Preliminary New / Enhanced Services:	167.4	167.4	0.0	2.40	0.0	(0.0)																						
<b>Total Preliminary New / Enhanced Services:</b>	<b>209.3</b>	<b>209.3</b>	<b>0.0</b>	<b>3.00</b>	<b>0.0</b>	<b>0.0</b>																						

14335		Support to the Investment Board					
74	No Impact	<b>Description:</b>					
<p>Establishment of an Investment Board to manage and oversee the City's investments of funds not immediately required by the City, effective January 1, 2018 (EX 23.2). A Corporate Accounting Assistant 2 position is required to provide accounting and administrative support to Investment Board activities, such as reconciliation and data entry into SAP. Accounting Services does not currently have the resources to support the Investment Board.</p> <p><b>Service Level Impact:</b></p> <p>This is a new service supporting the Investment Board.</p>							

**Category:**

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

74 - New Services  
75 - New Revenues

**2018 Operating Budget - Preliminary New and Enhanced Services  
Summary by Service (\$000's)**

Form ID		Chief Financial Officer  Program - Office of the Treasurer	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

**Equity Statement:**

There are no equity impacts.

**Service:** ASD-Financial Reporting & Control

Preliminary New / Enhanced Services:	100.0	100.0	0.0	1.00	0.0	(0.0)
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<b>Total Preliminary New / Enhanced Services:</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>(0.0)</b>
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14593	Property Tax Reinstate Fee & o/s Utility Notification Fee
75	No Impact

**Description:**

RS057: Pre-Authorized Property Tax Program Reinstatement Fee: A \$25 fee charged when a tax account enrolled in the pre-authorized payment program, cancels and then re-enrolls. Guelph \$25. Effective March 1st. RS059: Notification Fee: A \$30 notification fee for identifying outstanding utility fees and charges (prior to transferring to tax), for Condo/Management Boards and individual property owners. Effective March 1st.

**Service Level Impact:**

**Equity Statement:**

There are no equity impacts.

**Service:** RS-Revenue Accounting & Collection

Preliminary New / Enhanced Services:	0.0	37.5	(37.5)	0.00	(7.5)	0.0
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**Service:** RS-Tax, Utility & Parking Ticket Client Services

Preliminary New / Enhanced Services:	0.0	41.7	(41.7)	0.00	(16.7)	0.0
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<b>Total Preliminary New / Enhanced Services:</b>	<b>0.0</b>	<b>79.2</b>	<b>(79.2)</b>	<b>0.00</b>	<b>(24.2)</b>	<b>0.0</b>
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**Summary:**

<b>Total Preliminary New / Enhanced Services:</b>	<b>309.3</b>	<b>388.4</b>	<b>(79.2)</b>	<b>4.00</b>	<b>(24.2)</b>	<b>(0.0)</b>
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**Category:**

## Appendix 6

## Inflows/Outflows to/from Reserves &amp; Reserve Funds

## Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>			11,822.8	11,521.1	11,219.4
Emergency Planning Reserve	XQ1406				
<i>Proposed Withdrawals (-)</i>			(301.7)	(301.7)	(301.7)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	11,521.1	11,219.4	10,917.6
<b>Balance at Year-End</b>		11,822.8	11,521.1	11,219.4	10,917.6

\* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>			196,058.3	194,517.0	192,884.8
Employee Retiree Ben RF City	XR1002				
<i>Proposed Withdrawals (-)</i>			(1,541.2)	(1,632.2)	(1,196.2)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	194,517.0	192,884.8	191,688.6
<b>Balance at Year-End</b>		196,058.3	194,517.0	192,884.8	191,688.6

\* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>			6,757.6	5,757.6	4,757.6
Innovation Reserve Fund	XR1713				
<i>Proposed Withdrawals (-)</i>			(1,000.0)	(1,000.0)	(1,000.0)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	5,757.6	4,757.6	3,757.6
<b>Balance at Year-End</b>		6,757.6	5,757.6	4,757.6	3,757.6

\* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>			25,981.1	26,069.4	26,157.7
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			88.3	88.3	88.3
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	26,069.4	26,157.7	26,246.0
<b>Balance at Year-End</b>		25,981.1	26,069.4	26,157.7	26,246.0

\* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
<b>Projected Beginning Balance</b>			<b>40,414.2</b>	<b>38,931.6</b>	<b>37,449.0</b>
Tax Rate Stabilization Reserve	XQ0703				
<i>Proposed Withdrawals (-)</i>			<i>(1,482.6)</i>	<i>(1,482.6)</i>	<i>(1,482.6)</i>
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>-</b>	<b>38,931.6</b>	<b>37,449.0</b>	<b>35,966.4</b>
<b>Balance at Year-End</b>		<b>40,414.2</b>	<b>38,931.6</b>	<b>37,449.0</b>	<b>35,966.4</b>

\* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2018 \$	2019 \$	2020 \$
<b>Projected Beginning Balance</b>			<b>427.0</b>	<b>477.6</b>	<b>528.2</b>
Vehicle Reserve- Purchas & Materials Mgmt	XQ1204				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			50.6	50.6	50.6
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>-</b>	<b>477.6</b>	<b>528.2</b>	<b>578.8</b>
<b>Balance at Year-End</b>		<b>427.0</b>	<b>477.6</b>	<b>528.2</b>	<b>578.8</b>

\* Based on 9-month 2017 Reserve Fund Variance Report

## Appendix 7a

### User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2017	2018			2019	2020
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Administration charge for dishonoured cheques	Accounting Services	City Policy	Cheque	\$40.00			\$40.00	\$40.00	\$40.00
Fee for the purchase of Call Documents less than 25 pages	Purchasing & Materials Management	Market Based	Document	\$25.00	\$0.00		\$25.00	\$25.00	\$25.00
Fee for the purchase of Call Documents 25-49 pages	Purchasing & Materials Management	Market Based	Document	\$50.00	\$0.00		\$50.00	\$50.00	\$50.00
Fee for the purchase of call documents 50 pages or more	Purchasing & Materials Management	Market Based	Document	\$100.00	\$0.00		\$100.00	\$100.00	\$100.00
Fees for the purchase of Call Document Drawings/Plans	Purchasing & Materials Management	Market Based	Document	\$25.00	\$0.00		\$25.00	\$25.00	\$25.00
Tax clearance certificate	Revenue Services	City Policy	Certificate	\$65.98	\$1.32		\$67.30	\$67.30	\$67.30
Prior year tax receipt	Revenue Services	Full Cost Recovery	Annual	\$17.31	\$0.35		\$17.66	\$17.66	\$17.66
Tax history statement for years 1998 to present	Revenue Services	Full Cost Recovery	Annual	\$37.71	\$0.75		\$38.46	\$38.46	\$38.46
Tax history statement for years prior to 1998	Revenue Services	Full Cost Recovery	Annual	\$53.90	\$1.08		\$54.98	\$54.98	\$54.98
Tax calculation statement	Revenue Services	Full Cost Recovery	Annual	\$53.90	\$1.08		\$54.98	\$54.98	\$54.98
Dishonoured cheque processing	Revenue Services	City Policy	Cheque	\$40.00	\$0.00		\$40.00	\$40.00	\$40.00
Stmt:>due txes-tx arrear >\$100.00 remain on property tx acct	Revenue Services	Full Cost Recovery	Document	\$17.31	\$0.35		\$17.66	\$17.66	\$17.66
Tax apportionment application	Revenue Services	Full Cost Recovery	Application	\$53.90	\$1.08		\$54.98	\$54.98	\$54.98
Municipal charges added to the tax roll	Revenue Services	Full Cost Recovery	Transaction	\$53.90	\$1.08		\$54.98	\$54.98	\$54.98
Tax status verification	Revenue Services	Market Based	Case	\$26.95	\$0.54		\$27.49	\$27.49	\$27.49
Overdue water charges added to the tax roll	Revenue Services	Full Cost Recovery	Late Charge	\$37.71	\$0.75		\$38.46	\$38.46	\$38.46
Use Interactive Voice Response System (IVR): make payment	Revenue Services	Full Cost Recovery	Transaction	\$2.00	\$0.00		\$2.00	\$2.00	\$2.00
Internet-based parking ticket payment	Revenue Services	Market Based	Transaction	\$1.50	\$0.00		\$1.50	\$1.50	\$1.50
Screen printout/photocopy of documents/materials	Revenue Services	Full Cost Recovery	Page	\$1.00	\$0.00		\$1.00	\$1.00	\$1.00
Final notice for overdue property tax accounts	Revenue Services	Full Cost Recovery	Notice	\$22.69	\$0.45		\$23.14	\$23.14	\$23.14
Notice of Issuance to Bailiff	Revenue Services	Full Cost Recovery	Notice	\$60.39	\$1.21		\$61.60	\$61.60	\$61.60
New account set-up fee for water/utility accounts	Revenue Services	Full Cost Recovery	Transaction	\$66.28	\$1.33		\$67.61	\$67.61	\$67.61
Duplicate utility bill	Revenue Services	Full Cost Recovery	Additional Bill	\$17.71	\$0.35		\$18.06	\$18.06	\$18.06

Rate Description	Service	Fee Category	Fee Basis	2017	2018			2019	2020
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
New property tax account set up fee	Revenue Services	Full Cost Recovery	Account	\$53.90	\$1.08		\$54.98	\$54.98	\$54.98
Procing MLTT rfd appli:electronic register conveyances	Revenue Services	Full Cost Recovery	Application	\$161.59	\$3.23		\$164.82	\$164.82	\$164.82
Proc tx rfd:>pmt remaine property tx acct 2+yrs & result/ac	Revenue Services	Full Cost Recovery	Transaction	\$37.71	\$0.75		\$38.46	\$38.46	\$38.46
Ownership updates on property tax accounts	Revenue Services	Full Cost Recovery	Account/Change	\$37.71	\$0.75		\$38.46	\$38.46	\$38.46
Ownership updates on tax & utility account	Revenue Services	Full Cost Recovery	Account/Change	\$53.90	\$1.08		\$54.98	\$54.98	\$54.98
Rfdn transfer:cr bal' stat, prof rep.act behalf of taxpayer	Revenue Services	Full Cost Recovery	Case	\$37.71	\$0.75		\$38.46	\$38.46	\$38.46
Registration of Tax Arrears Certificate	Revenue Services	Full Cost Recovery	Fee+Actual Costs, Incl Title/Execution Searches+Registration	\$1,035.96	\$20.72		\$1,056.68	\$1,056.68	\$1,056.68
Preparation & Notice of Registration	Revenue Services	Full Cost Recovery	Notice + Actual Costs	\$34.87	\$0.70		\$35.57	\$35.57	\$35.57
Preparation of Statutory Declaration	Revenue Services	Full Cost Recovery	Case	\$205.94	\$4.12		\$210.06	\$210.06	\$210.06
Prep/Registration: Tax Arrears Cancellation Certificate	Revenue Services	Full Cost Recovery	Fee + Actual Costs	\$235.48	\$4.71		\$240.19	\$240.19	\$240.19
Execution of Extension Agreement	Revenue Services	Full Cost Recovery	Document	\$1,115.13	\$22.30		\$1,137.43	\$1,137.43	\$1,137.43
Preparation of Final Notice	Revenue Services	Full Cost Recovery	Notice + Actual Costs	\$34.87	\$0.70		\$35.57	\$35.57	\$35.57
Preliminary Observation Report	Revenue Services	Full Cost Recovery	Report	\$343.22	\$6.86		\$350.08	\$350.08	\$350.08
Preparation of Tender Forms For Public Sale	Revenue Services	Full Cost Recovery	Notice	\$34.87	\$0.70		\$35.57	\$35.57	\$35.57
Public Tender Application	Revenue Services	Full Cost Recovery	Application	\$34.87	\$0.70		\$35.57	\$35.57	\$35.57
Sale by Public Tender	Revenue Services	Full Cost Recovery	Fee + Actual Costs	\$976.84	\$19.54		\$996.38	\$996.38	\$996.38
Preparation of Land Transfer Payment into Court and Statement of Facts	Revenue Services	Full Cost Recovery	Fee + Actual Costs	\$1,418.21	\$28.36		\$1,446.57	\$1,446.57	\$1,446.57
Farm Debt Review Board	Revenue Services	Full Cost Recovery	Review + Actual Cost	\$34.87	\$0.70		\$35.57	\$35.57	\$35.57
Utility clearance certificate	Revenue Services	City Policy	Certificate	\$50.75	\$1.02		\$51.77	\$51.77	\$51.77
Re-Print Fee for duplicate Tax and Utility Bills	Revenue Services	Full Cost Recovery	Actual Cost	\$17.97	\$0.36		\$18.33	\$18.33	\$18.33
Payment Re-Distribution Fee	Revenue Services	Full Cost Recovery	Actual Cost	\$42.27	\$0.85		\$43.12	\$43.12	\$43.12
Tax Sale Proceeding - Site Visit Fee	Revenue Services	Full Cost Recovery	Actual Cost	\$205.94	\$4.12		\$210.06	\$210.06	\$210.06
Fee for Mortgage Company Administration	Revenue Services	Full Cost Recovery	Actual Cost	\$10.00	\$0.20		\$10.20	\$10.20	\$10.20
User fee applied to MLTT transactions	Revenue Services	Full Cost Recovery	Transaction	\$75.00	\$0.00		\$75.00	\$75.00	\$75.00
User fee for paper transcript of hearing before a Hearing Of	Revenue Services	Full Cost Recovery	Page	\$6.00	\$0.00		\$6.00	\$6.00	\$6.00
CD of hearing APS - Per single days' recording	Revenue Services	Full Cost Recovery	Day	\$20.00	\$0.00		\$20.00	\$20.00	\$20.00
CD of hearing APS - Each additional day, after the first day	Revenue Services	Full Cost Recovery	Day	\$10.00	\$0.00		\$10.00	\$10.00	\$10.00
Hearing Non-Appearance User Fee	Revenue Services	Full Cost Recovery	Each	\$75.00	\$0.00		\$75.00	\$75.00	\$75.00
Screening Non-Appearance User Fee	Revenue Services	Full Cost Recovery	Each	\$50.00	\$0.00		\$50.00	\$50.00	\$50.00
User fee for Plate Denial Enforcement	Revenue Services	Full Cost Recovery	Each	\$25.00	\$0.00		\$25.00	\$25.00	\$25.00
User fee for search for vehicle owner or address information	Revenue Services	Full Cost Recovery	Each	\$10.00	\$0.00		\$10.00	\$10.00	\$10.00
Late payment fee applied to APS transactions	Revenue Services	Full Cost Recovery	Transaction	\$25.00	\$0.00		\$25.00	\$25.00	\$25.00

## Appendix 7b

### New User Fees

Rate Description	Service	Fee Category	Fee Basis	2018 Budget Rate	2019 Plan Rate	2020 Plan Rate
PTP Reinstatement Fee - to re-enroll	Revenue Services	Full Cost Recovery	Transaction	\$25.00	\$25.00	\$25.00
O/S utility fees/charges for condo/management boards	Revenue Services	Full Cost Recovery	Transaction	\$30.00	\$30.00	\$30.00