

# Toronto 2018 BUDGET



## CAPITAL BUDGET NOTES



## Toronto Employment & Social Services

### 2018 2027 CAPITAL BUDGET AND PLAN OVERVIEW

Toronto Employment & Social Services (TESS) manages the third largest social assistance delivery system in Canada. Under the authority of Ontario Works (OW) Act and Regulations, TESS provides employment services, financial assistance and social supports to Torontonians to strengthen their social and economic well-being in their communities through its 19 Employment and Social Services offices.

The 10-Year Preliminary Capital Plan provides funding of \$9.823 million, financed from reserves for the multi-year service improvement, *Human Services Integration* project, which will deliver an integrated Access and Intake function for the delivery of the core City income support programs: Ontario Works, child care fee subsidies, and housing subsidies currently delivered by TESS, Children's Services, and Shelter, Support and Housing Administration. The project will simplify the service experience for residents accessing these services.

The 10-Year Preliminary Capital Plan will decrease future year Operating Budgets for the three partnering divisions by a total of \$2.391 million starting in 2022, primarily driven by operational efficiencies that will be realized with the completion of the project.

### CONTENTS

#### Overview

1. 10-Year Preliminary Capital Plan [5](#)
2. Issues for Discussion [13](#)

#### Appendices

1. 2017 Performance [19](#)
2. 2018 Preliminary Capital Budget [20](#)
3. 2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan [21](#)
4. 2018 Cash Flow and Future Year Commitments [22](#)
5. 2018 Preliminary Capital Budget with Financing Detail [23](#)
6. Reserve / Reserve Fund Review [24](#)

### CONTACTS

#### Program:

**Patricia Walcott**

General Manager

Tel: (416) 392-8952

Email: [Patricia.Walcott@toronto.ca](mailto:Patricia.Walcott@toronto.ca)

#### Corporate:

**Ritu Sadana**

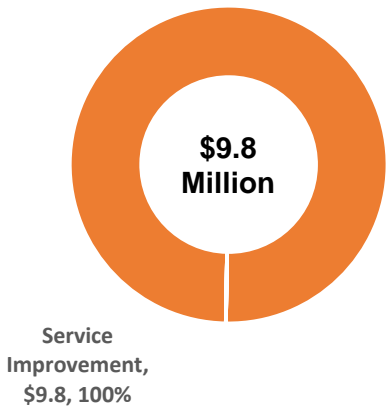
Manager, Financial Planning

Tel: (416) 395-6449

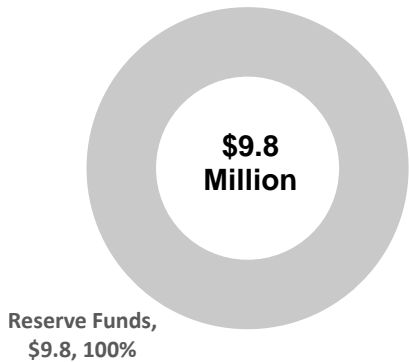
E-Mail: [Ritu.Sadana@toronto.ca](mailto:Ritu.Sadana@toronto.ca)

**CAPITAL SPENDING AND FINANCING**

**2018 - 2027 Preliminary Capital Budget and Plan By Project Category**



**By Funding Source**



**Where the money goes:**

The 2018 - 2027 Preliminary Capital Budget and Plan provides funding for one capital project:

- \$9.823 million to begin the multi-year *Human Services Integration Implementation* project that will deliver an integrated Access and Intake function for the delivery of the core City income support programs.

**Where the money comes from:**

The 10-Year Preliminary Capital Plan requires:

- Capital financing of \$3.274 million provided from each of the following three reserve funds (total of \$9.823 million) :
  - ✓ Social Assistance Stabilization Reserve
  - ✓ Social Housing Federal Reserve
  - ✓ Child Care Expansion Reserve Fund

**State of Good Repair Backlog**

TESS' 10-Year Preliminary Capital Plan does not include any SOGR projects. TESS's facilities SOGR capital funding requirements were previously transferred and consolidated within the Facilities, Real Estate, Environment & Energy (FREEE) Capital Budget and Plan.

**OUR KEY ISSUES & PRIORITY ACTIONS**

- **Currently, Child Care Fee Subsidy, Ontario Works, and Housing Subsidy programs are delivered in silos.** Technology to support business processes has not kept pace with best practice, with common functions for access and intake delivered separately by each program. Consequently, clients are forced to navigate multiple service pathways to access services.
- ✓ The 10-Year Preliminary Capital Plan includes funding of \$9.823 million for service improvement project, namely *Human Services Integration Implementation*, which will provide an integrated technology solution to create easy-to-navigate pathways to services, improve operational efficiency, and enhance accessibility to the City's income support programs.

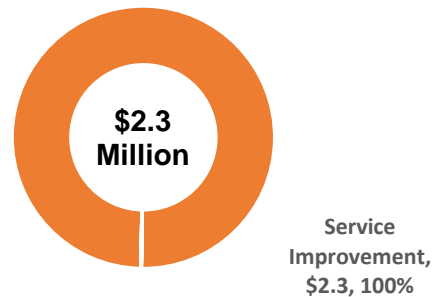


**2018 CAPITAL BUDGET HIGHLIGHTS**

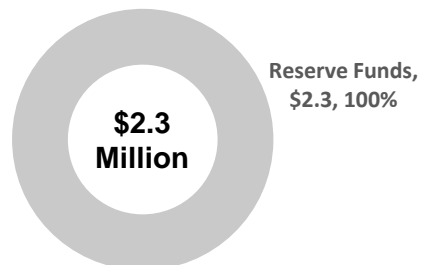
The 2018 Preliminary Capital Budget for TESS of \$2.313 million, excluding carry forward funding, will:

- Begin the *Human Services Integration Implementation* project by delivering an integrated contact centre and client profile in a Client Relationship Management (CRM) system across the three divisions to create a single Human Services Account.

**2018 Preliminary Capital Budget By Project Category**



**By Funding Source**



## Actions for Consideration

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

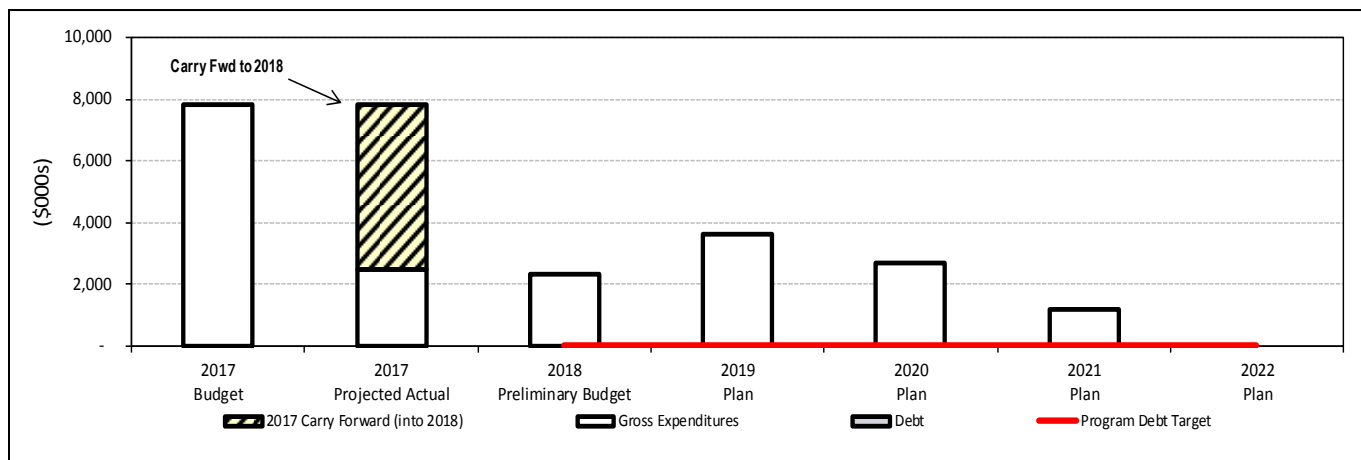
1. City Council approve the 2018 Capital Budget for Toronto Employment & Social Services with a total project cost of \$9.823 million, and 2018 cash flow of \$7.651 million and future year commitments of \$7.510 million comprised of the following:
  - a) New Cash Flow Funds for the *Human Services Integration Implementation* project with a 2018 total project cost of \$9.823 million that requires cash flow of \$2.313 million in 2018 and future year cash flow commitments of \$3.623 million for 2019, \$2.675 million for 2020, and \$1.212 million for 2021.
  - b) 2017 approved cash flow for the previously approved *Wellesley Place Renovation and Human Services Integration Phase 1* project with carry forward funding from 2017 into 2018 totalling \$5.338 million.
2. City Council approve 11 new temporary capital positions for the delivery of 2018 capital project and that the duration for each temporary position not exceed the life and funding of its respective projects/sub-projects.
3. City Council consider the operating savings of \$2.391 million net in 2022 resulting from the approval of the 2018 Preliminary Capital Budget for inclusion in the 2018 and future year operating budgets.



# Part 1:

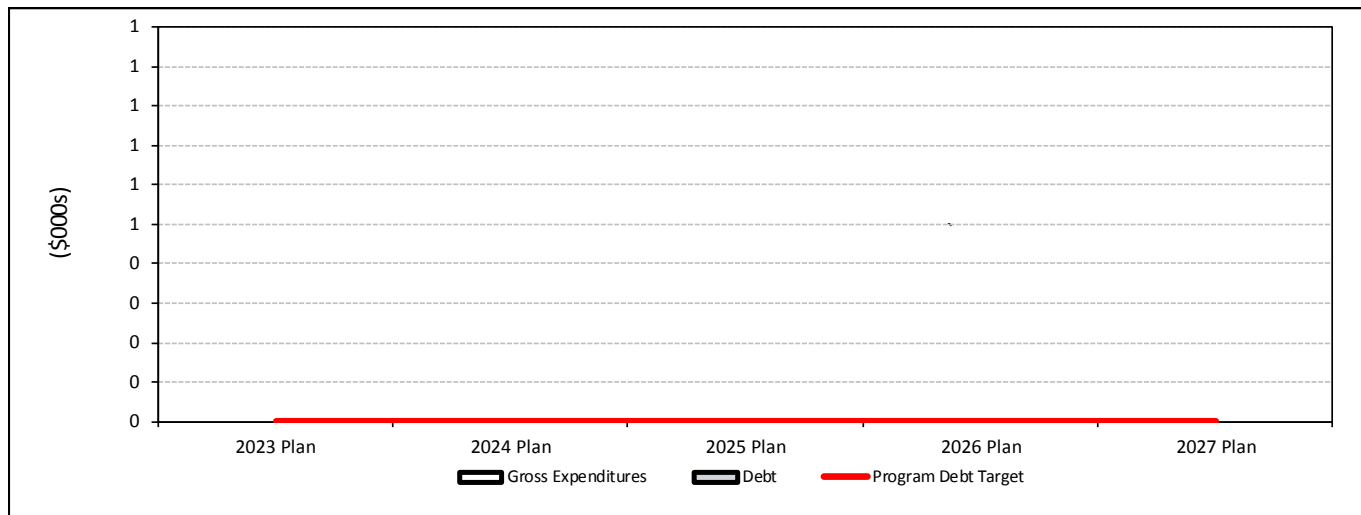
## 10-Year Preliminary Capital Plan

**Table 1a**  
**10-Year Capital Plan**  
**2018 Preliminary Capital Budget and 2019 - 2022 Capital Plan**



	2018 Preliminary Capital Budget and 2019 - 2022 Capital Plan								
	2017		2018	2019	2020	2021	2022	2018 - 2022	5-Year Total Percent
	Budget	Projected Actual							
<b>Gross Expenditures:</b>									
2017 Capital Budget & Approved Future Year (FY) Commitments	7,838	2,500							
Changes to Approved FY Commitments									
2018 New/Change in Scope & FY Commitments			2,313	3,623	2,675	1,212		9,823	100.0%
2019 - 2022 Capital Plan Estimates									
2-Year Carry Forward for Reapproval									
1-Year Carry Forward to 2018		5,338							
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>7,838</b>	<b>7,838</b>	<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>		<b>9,823</b>	<b>100.0%</b>
<b>Program Debt Target</b>									
<b>Financing:</b>									
<b>Debt</b>									
Reserves/Reserve Funds	5,238		2,313	3,623	2,675	1,212		9,823	100.0%
Development Charges									
Provincial/Federal	2,500								
Debt Recoverable									
Other Revenue	100								
<b>Total Financing</b>	<b>7,838</b>		<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>		<b>9,823</b>	<b>100.0%</b>
<b>By Project Category:</b>									
Health & Safety									
Legislated									
SOGR									
Service Improvement	7,838		2,313	3,623	2,675	1,212		9,823	100.0%
Growth Related									
<b>Total by Project Category</b>	<b>7,838</b>		<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>		<b>9,823</b>	<b>100.0%</b>
<b>Asset Value (\$) at year-end</b>									
Yearly SOGR Backlog Estimate (not addressed by current plan)									
Accumulated Backlog Estimate (end of year)									
<b>Backlog: Percentage of Asset Value (%)</b>									
Debt Service Costs									
Operating Impact on Program Costs							(2,391)	(2,391)	
New Positions			11						11

**Table 1b**  
**10-Year Capital Plan**  
**2023 - 2027 Preliminary Capital Plan**



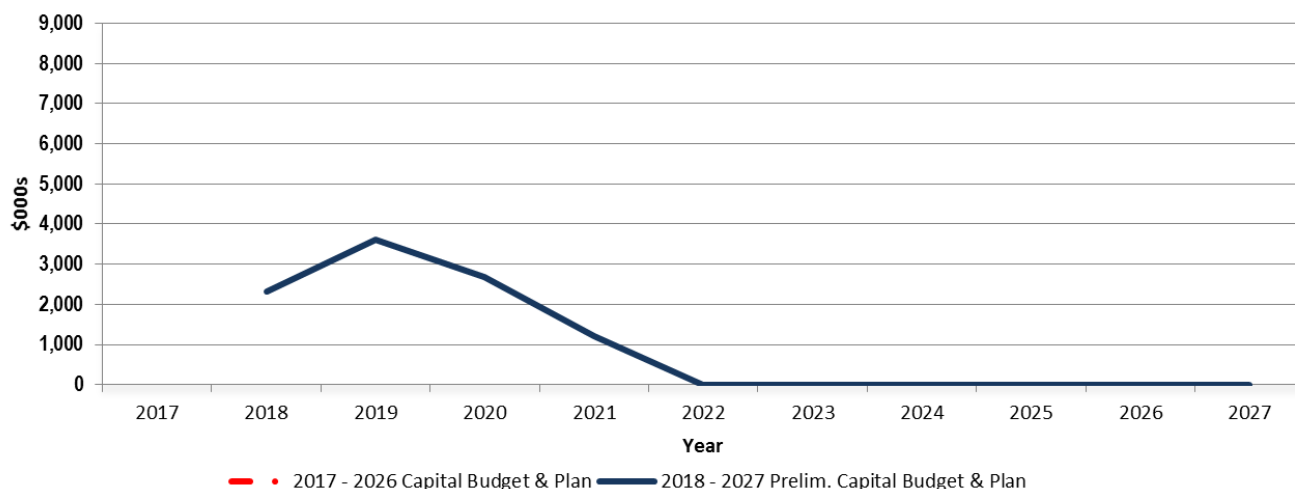
	2023 - 2027 Preliminary Capital Plan						10-Year Total Percent	
	2023	2024	2025	2026	2027	2018 - 2027		
<b>Gross Expenditures:</b>								
2017 Capital Budget & Approved Future Year (FY) Commitments								
Changes to Approved FY Commitments								
2018 New/Change in Scope & FY Commitments								
2023 - 2027 Capital Plan Estimates							9,823	
2-Year Carry Forward for Reapproval								
<b>Total Gross Annual Expenditures &amp; Plan</b>							<b>9,823</b>	<b>100.0%</b>
<b>Program Debt Target</b>								
<b>Financing:</b>								
<b>Debt</b>								
Reserves/Reserve Funds							9,823	100.0%
Development Charges								
Provincial/Federal								
Debt Recoverable								
Other Revenue								
<b>Total Financing</b>							<b>9,823</b>	<b>100.0%</b>
<b>By Project Category:</b>								
Health & Safety								
Legislated								
SOGR								
Service Improvement							9,823	100.0%
Growth Related								
<b>Total by Project Category</b>							<b>9,823</b>	<b>100.0%</b>
<b>Asset Value(\$)</b> at year-end								
Yearly SOGR Backlog Estimate (not addressed by current plan)								
Accumulated Backlog Estimate (end of year)								
<b>Backlog: Percentage of Asset Value (%)</b>								
<b>Debt Service Costs</b>								
Operating Impact on Program Costs							(2,391)	
New Positions							11	

## Key Changes to the 2017 - 2026 Approved Capital Plan

The 2018 Preliminary Capital Budget and the 2019 - 2027 Preliminary Capital Plan reflects an increase of \$1.985 million in capital funding from the 2017 - 2026 Approved Capital Plan.

The chart and table below provide a breakdown of the \$1.985 million or 25.3% increase in the Capital Program on an annual basis from 2017 - 2027.

**Chart 1**  
**Changes to the 2017 - 2026 Approved Capital Plan (In \$000s)**



(\$000s)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	10-Year Total
2017 - 2026	7,838											7,838
2018 - 2027		2,313	3,623	2,675	1,212	0	0	0	0	0	0	9,823
Change %												25.3%
Change \$		2,313	3,623	2,675	1,212	0	0	0	0	0		1,985

As made evident in Chart 1 above, the \$1.985 million increase in the Capital Plan is attributed to the addition of a new project, namely *Human Services Integration Implementation* project, to be delivered during the 2018-2021 planning period as compared to the capital spending approved in 2017 for the previously approved *Wellesley Place Renovation* and *Human Services Integration Scoping* projects.

As reflected in Table 2 in the next page, changes to the 2017 - 2026 Approved Capital Plan, specifically the \$9.823 million increase in capital funding over the nine common years of the Capital Plans (2018 – 2026) can be entirely attributed to the additional funding allocated to begin implementation of the *Human Services Integration* project.



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

\$000s	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018 - 2026 Total
2017 - 2026 Capital Budget & Plan	7,838											
2018 - 2027 Preliminary Capital Budget & Plan		2,313	3,623	2,675	1,212							9,823
<b>Capital Budget &amp; Plan Changes (2018 - 2026)</b>		2,313	3,623	2,675	1,212							9,823

	Total Project Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2018 - 2026	2027	Revised Total Project Cost
<b>New to the 10-Year Capital Plan</b>													
Human Services Integration Implementation	9,823	2,313	3,623	2,675	1,212						9,823		
<b>Total New</b>		2,313	3,623	2,675	1,212						9,823		
<b>Total Changes</b>		2,313	3,623	2,675	1,212						9,823		

**Significant Capital Project Changes in Toronto Employment and Social Services:**

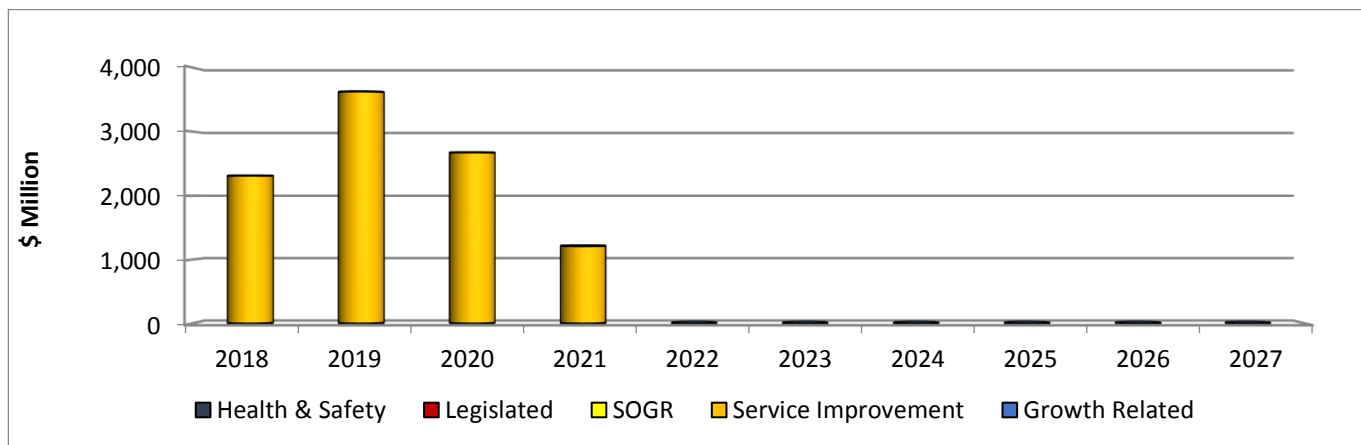
Cash flow funding in the amount of \$9.823 million has been added for the *Human Services Integration Implementation* project, which was not included in the previously approved capital plan.

**New to the 10-Year Preliminary Capital Plan**

The 10-Year Capital Plan includes one new project representing the next phase of the multi-year *Human Services Integration Implementation* project at a cost of \$9.823 million, which will be funded from reserves from the three partnering divisions (TESS, Shelter Support & Housing Administration, and Children's Services) with no impact on the debt levels.

**2018 – 2027 Preliminary Capital Plan**

**Chart 2**  
**2018 – 2027 Preliminary Capital Plan by Project Category (In \$000s)**



As illustrated in Chart 2 above, the 10-Year Preliminary Capital Plan for TESS of \$9.823 million provides 100% funding for the Service Improvement project, the *Human Services Integration Implementation*.

Table 3 below shows the capital project details included in the 2018-2027 Preliminary Capital Plan:

**Table 3**  
**2018 - 2027 Capital Plan by Project Category (In \$000s)**

	Total App'd Cash Flows to Date*	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2018 - 2027 Total	Total Project Cost
<b>Total Expenditures by Category</b>													
<b>Service Improvements</b>													
<i>Human Services Integration Implementation</i>		2,313	3,623	2,675	1,212							9,823	9,823
<b>Sub-Total</b>		<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>							<b>9,823</b>	<b>9,823</b>
<b>Total Expenditures by Category (excluding carry forward)</b>		<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>							<b>9,823</b>	<b>9,823</b>

## 2018 - 2027 Capital Projects

The 10-Year Preliminary Capital Plan supports TESS's objective to transform and modernize service delivery and to provide integrated services to improve client experience.

### Service Improvements

- \$9.823 million or 100% of the total 10-Year Preliminary Capital Plan's expenditures are allocated to one Service Improvement project.
  - *Human Services Integration Implementation* (\$9.823 million) – The project will improve client experience with access and intake to the City's core income support programs through partnership with Children's Services, Shelter Support and Housing Administration divisions.
  - By integrating front-end processes, clients will be able to receive the same service experience across all channels, while reducing duplication. Upon completion, the project will deliver the following solutions:
    - An integrated contact centre for access and intake to income support programs, robust call centre telephony integrated with AODA compliant CRM (including case management software) and Knowledge Base;
    - A data exchange tool to allow for the exchange of information across Divisional systems and CRM;
    - A single human services account with a single client identifier;
    - Electronic verification of income and personal information; and
    - Analytics and Business Intelligence capabilities.

## 2018 Preliminary Capital Budget and Future Year Commitments

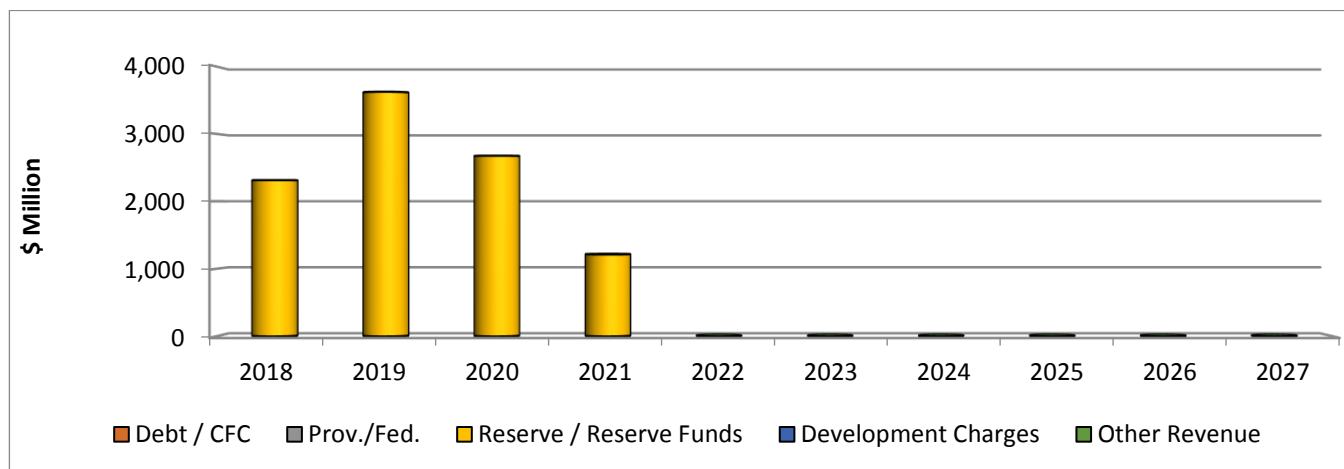
Included as a sub-set of the 10-Year Capital Plan is the 2018 Preliminary Capital Budget and Future Year Commitments, which consists of 2018 and future year cash flow funding estimates for projects previously approved by Council; adjustments (Scope Change) to those previously approved projects; as well as new projects which collectively, require Council approval to begin, continue or complete capital work.

Table 3a on the following page lists the capital project to be funded by the 2018 Preliminary Capital Budget and associated Future Year Commitments for TESS.

**Table 3a**  
**2018 Cash Flow & Future Year Commitments (In \$000s)**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total 2018 Cash Flow & FY Commits
<b>Expenditures:</b>											
New w/Future Year											
<i>Human Services Integration Implementation</i>	2,313	3,623	2,675	1,212							9,823
Subtotal	2,313	3,623	2,675	1,212							9,823
<b>Total Expenditure</b>	2,313	3,623	2,675	1,212							9,823
<b>Financing:</b>											
Debt/CFC											
Debt Recoverable											
Other											
Reserves/Res Funds	2,313	3,623	2,675	1,212							9,823
Development Charges											
Provincial/Federal											
<b>Total Financing</b>	2,313	3,623	2,675	1,212							9,823

**Chart 3**  
**2018 – 2027 Preliminary Capital Plan by Funding Source (In \$000s)**



The 10-Year Preliminary Capital Plan of \$9.823 million cash flow funding will be entirely financed by reserve/reserve funds from the three partnering divisions for the *Human Services Integration Implementation* project:

- \$3.274 million from TESS' Social Assistance Stabilization Reserve
- \$3.274 million from Shelter Support & Housing Administration's Social Housing Federal Reserve
- \$3.274 million from Children's Services' Child Care Expansion Reserve Fund

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

**Table 5**  
**Net Operating Impact Summary (In \$000s)**

Projects	2018 Budget		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2018 - 2022		2018 - 2027	
	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position
New Projects - 2018														
Human Service Integration Implementation									(2,390.6)		(2,390.6)		(2,390.6)	
<b>Total (Net)</b>									<b>(2,390.6)</b>		<b>(2,390.6)</b>		<b>(2,390.6)</b>	

The 10-Year Preliminary Capital Plan will result in future efficiency savings in the Operating Budgets for the three partnering divisions totalling \$2.391 million net, as shown in the table 5 above.

- *Human Services Integration Implementation:* Upon completion of the project in 2021, the project is expected to generate savings of \$2.391 million net annually for the collective three partnering divisions starting in 2022. The savings are primarily driven by operational efficiencies from a reduction in the number of telephone lines, increased efficiency in information searches, data collection, and reduction in call volume and in-person meetings.

These future operating impacts will be reviewed each year as part of the annual Operating Budget process.

**Table 6**  
**Capital Project Delivery: New Temporary Positions**

Project Name	CAPTOR Project Number	Position Title	# of Positions	Project Delivery		Salary and Benefits \$ Amount (\$000)					
				Start Date	End Date	2018	2019	2020	2021	2022	2023 - 2027
Human Services Integration Implementation	SOC908494	Business Analyst	3.0	2018	2021	278.3	343.2	351.9	77.1		
		Supervisor Direct Program	5.0	2018	2021	480.7	592.4	607.3	133.0		
		Policy Development Officer	1.0	2018	2021	125.9	129.2	132.5	29.0		
		Management Consultant	1.0	2018	2021	146.3	150.1	154.0	33.7		
		Project Director Human Services Integration	1.0	2018	2021	173.9	178.5	183.1	40.1		
<b>Total</b>			<b>11.0</b>			<b>1,205.1</b>	<b>1,393.4</b>	<b>1,428.8</b>	<b>312.9</b>	<b>-</b>	<b>-</b>

Approval of the 2018 - 2027 Capital Budget will require the extension of 11.0 temporary capital position for the *Human Services Integration* project until 2021.

It is recommended that Council approve 11.0 new temporary capital positions for the delivery of the above capital projects and that the duration for each temporary position not exceed the life and funding of its respective capital projects.



## Part 2:

### Issues for Discussion

## Issues Impacting the 2018 Capital Budget

### Review of Capital Projects and Spending

- City Council, at its meeting of May 25, 2017 considered the report entitled "2018 Budget Process – Budget Directions and Schedule EX25.18" and directed that City Programs and Agencies submit their 2018 – 2027 Capital Budget and Plans requiring that:
  - Annual cash flow funding estimates be examined to more realistically match cash flow spending to project activities and timing, especially in the first 5 years of the Capital Plan's timeframe.  
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>
- The 2018 – 2027 Preliminary Capital Budget and Plan for TESS has been established following a review of the Program's spending capacity and the readiness to proceed of the planned project as well as the ability to leverage non-debt funding sources.
  - TESS implemented two Service Improvement capital projects in the past five years, the *Wellesley Place Renovation* and *Human Services Integration Scoping*, which looked at technology solution options for implementation of the overall *Human Services Integration* Project. Both projects are funded through non-debt funding sources. The spending rate averaged at 0.4% of the total planned costs in 2016 and is projected to increase to 31.9% in 2017.
- The following table illustrates TESS' rate of spending from 2016 to 2017.

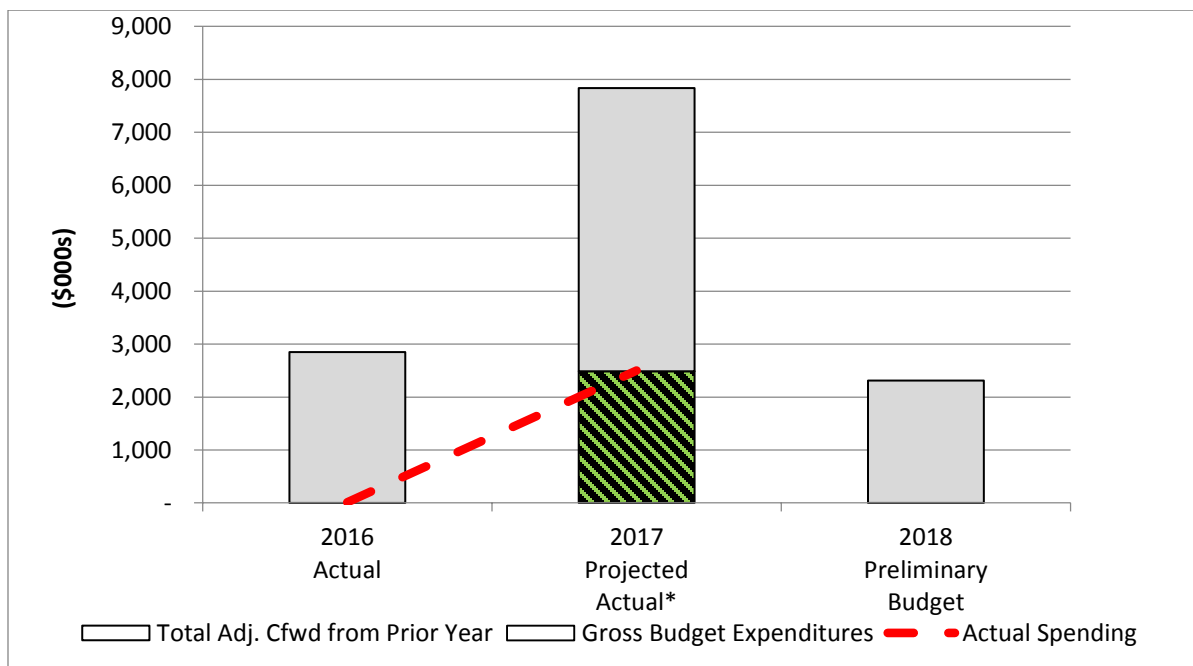
**Table 7  
Capital Spending Rates  
(In \$000s)**

Category	2016			2017		
	Budget	Actual	Spending Rate %	Budget	Projected Actual *	Spending Rate %
Service Improvement	2,850	12	0.4%	7,838	2,500	31.9%
<b>Total</b>	<b>2,850</b>	<b>12</b>	<b>0.4%</b>	<b>7,838</b>	<b>2,500</b>	<b>31.9%</b>

\* 2017 Projection based on the 2017 Q3 Capital Variance Report

- Factors contributing to the low spending rate include:
  - Delay in construction of the *Wellesley Place Renovation* due to longer than anticipated lease arrangement negotiation for co-location of ODSP programming with the Province. The design phase and tender process is now complete and construction has commenced. Phase 1 is expected to be completed before the end of Q1 2018 and Phase 2 is expected to be completed before the end of Q2 2018.

**Chart 5**  
**Capacity to Spend – Budget vs. Actual**  
**(In \$000s)**



- The 2018-2027 Capital Plan which includes cash flow funding for one capital project, *Human Services Integration Implementation*, phased in over a period of four years, has been established after taking into consideration the project's readiness to proceed, project activities and timelines and capacity to spend by the partnering divisions.

## Reporting on New Major Capital Projects

Project Scope:

- The *Human Services Integration* project is a partnership across Children's Services, Shelter Support and Housing Administration, and TESS to integrate access and intake to income support programs by implementing an integrated contact centre, an integrated client profile and CRM system across the three divisions, a single Human Services Account with a single client identifier, electronic verification of income and personal information, and analytics and Business Intelligence software.
- Activities to be completed within the project's scope include:
  - Conduct a privacy impact assessment across channels;
  - Develop detailed implementation plans for implementation and integration of technologies;
  - Finalize and implement a human resources plan and governance structure;
  - Purchase hardware and software;
  - Develop knowledge content;
  - Develop and implement architecture for CRM and knowledge base;
  - Develop and implement a queue management plan and call flows for integrated phone channel;

- Develop and implement detailed business processes;
- Develop and revise policies to support implementation of technology;
- Develop and implement training;
- Quality assurance and testing of technology;
- Phased implementation of technology across channels.

#### Project Deliverables and Status:

- The project is being delivered in two phases:
  - Scoping phase (\$0.350 million) is substantially completed in 2017 with a completed project charter and technology requirement funding analysis.
  - Implementation phase being presented in this capital budget (\$9.823 million) is included as part of 2018-2027 Preliminary Capital Plan with anticipated start in 2018 and completion in 2021.

#### Project Challenges:

- The project has several critical dependencies:
  - Timeliness of negotiating and procuring the City's chosen enterprise CRM solution
  - Alignment of business processes with the new software and hardware
  - Compliance with regulations pertaining to sharing of information. Technology solutions and associated business processes will need to be in compliance with the Ontario Works Act 1997, Child Care and Early Years Act 2014, Housing Services Act 2011, and MFIPPA
- To mitigate these challenges, new business processes will be developed, tested, and communicated prior to implementation. In addition, new roles will be developed to ensure that the right people are providing the right services. To ensure smooth implementation of software and hardware, new technologies will be deployed in a gradual and phased manner, with functionality and capabilities increased over time.

#### Financial Update:

- The total cost of implementing the *Human Services Integration* project is estimated at \$9.823 million and included in the 2018-2027 Preliminary Capital Budget. The table below shows the project expenditure details:

**Table 8**  
**Human Services Integration Implementation Project - Cost Estimate by Expenditure**

(in \$000's)	2018	2019	2020	2021	Total
Software Expense	208.60	636.36	650.26	200.00	<b>1,695.22</b>
Telephony Purchase	49.96	72.90			<b>122.86</b>
Contractors Expense	596.54	1,400.32	474.91	638.86	<b>3,110.63</b>
Staff Salaries & Benefits	1,205.07	1,393.39	1,428.81	313.00	<b>4,340.27</b>
Privacy Expenses	80.00				<b>80.00</b>
Real Estate (Security, retrofitting, computers)	172.88	120.50	120.50	60.25	<b>474.13</b>
<b>Totals</b>	<b>2,313.04</b>	<b>3,623.47</b>	<b>2,674.48</b>	<b>1,212.11</b>	<b>9,823.10</b>

#### Anticipated Future Financial Impact:

- Upon completion of the project in 2021, the project is expected to generate net annual savings of \$2.391 million and value added benefits of \$0.037 million starting in 2022 for the combined three partnering divisions as show in table below:



<b>Anticipated Future Financial Impact (Combined for Three Partnering Divisions)</b>			
<b>Ongoing Costs</b>	<b>Benefits</b>		
<b>Sustainment Costs</b>	<b>Financial Savings</b>	<b>Operational Efficiencies</b>	<b>Value Added</b>
\$0.389 million/year	\$0.032 million/year	\$2.748 million/year	0.037 million/year
	\$2.391 million/year		

- Sustainment Costs: \$0.389 million will be required annually driven by increased software licencing fees and maintenance expenses.
- Financial Savings: \$0.032 million annually will be realized as a result of fewer telephone lines required.
- Operational Efficiency: \$2.748 million annually will be realized as a result of increased efficiency in information and referral searches, data collection, and reduction in call volume and in-person meetings.
- Value Added: \$0.037 million value added benefits will be achieved through a reduction in length of time in service system and downstream cost savings in the service system.



# Appendices

## Appendix 1

### 2017 Performance

#### 2017 Key Accomplishments

In 2017, Toronto Employment & Social Services made significant progress and/or accomplished the following:

- ✓ The construction phase of the *Wellesley Place Renovation* is underway,
- ✓ The scoping phase of the *Human Services Integration* project is substantially completed.

#### 2017 Financial Performance

##### 2017 Budget Variance Analysis (in \$000's)

2017 Budget	As of Sept. 30, 2017		Projected Actuals at Year-End		Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
7,838	38	0.5%	2,500	31.9%	5,338	68.1%

\* Based on 2017 Q3 Capital Variance Report

The approved *Wellesley Place Renovation* project experienced delays due to challenges in finalizing a lease with the Province. TESS began the renovation process of Wellesley Place in 2016 with the project expected to continue as planned. The design phase and tender process is now complete and construction has commenced. Phase 1 is expected to be completed before end of Q1 2018 and Phase 2 is expected to be completed before end of Q2 2018.

For additional information regarding the 2017 Q3 capital variances and year-end projections for Toronto Employment & Social Services, please refer to the attached link for the report entitled "*Capital Variance Report for the Nine-Month Period Ended September 30, 2017*" to be considered by City Council at its meeting on December 5, 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.1>

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

- As a result of the delays described in the 2017 Q3 Capital Variance Report experienced by the *Wellesley Place Renovation* project, funding of \$5.338 million is being carried forward to the 2018 Preliminary Capital Budget to complete the project.
- The 2018-2027 Preliminary Capital Budget and Plan has been established after due consideration to project activities and timelines; ensuring that the cash flows are aligned to spending requirements in each year of the plan

## Appendix 2

### 2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan Including Carry Forward Funding (\$000s)

Project	Total Project Cost	Prior Year Carry Forward	2018	2019	2020	2021	2022	2018 - 2022	2023	2024	2025	2026	2027	2018 - 2027 Total
<b>Service Improvements:</b>														
<i>Wellesley Place Renovation</i>	7,500	5,238						5,238						5,238
<i>Human Services Integration Scoping</i>	350	100						100						100
<i>Human Services Integration Implementation</i>	9,823		2,313	3,623	2,675	1,212		9,823						9,823
<b>Sub-Total</b>		5,338	2,313	3,623	2,675	1,212		15,161						15,161
<b>Total</b>		5,338	2,313	3,623	2,675	1,212		15,161						15,161

## **Appendix 3**

### **2018 Preliminary Capital Budget; 2019 - 2027 Capital Plan**

**CITY OF TORONTO**

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

**Toronto Employment & Social Services**

Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By												
						2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
<u>SOC908494 HSI Phase 2</u>																								
0	2	Knowledge Base (Sub Project 1)	CW	S4	04	111	0	0	0	0	111	0	111	0	0	0	37	74	0	0	0	0	0	111
0	3	Client Profile (Sub Project 4)	CW	S4	04	0	298	596	298	0	1,192	0	1,192	0	0	0	397	795	0	0	0	0	0	1,192
0	4	CRM & Business Intelligence (Sub Project 2)	CW	S4	04	1,979	3,132	1,958	854	0	7,923	0	7,923	0	0	0	2,642	5,281	0	0	0	0	0	7,923
0	5	Telephony (Sub-Project 3)	CW	S4	04	223	193	121	60	0	597	0	597	0	0	0	199	398	0	0	0	0	0	597
Sub-total						2,313	3,623	2,675	1,212	0	9,823	0	9,823	0	0	0	3,275	6,548	0	0	0	0	0	9,823
<b>Total Program Expenditure</b>						2,313	3,623	2,675	1,212	0	9,823	0	9,823	0	0	0	3,275	6,548	0	0	0	0	0	9,823

**CITY OF TORONTO**

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

<b>Toronto Employment &amp; Social Services</b>						Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By											
<u>Sub-Project No.</u>	<u>Project Name</u>	Ward	Stat.	Cat.	2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Financed By:																							
	Reserves (Ind. "XQ" Ref.)				771	1,208	892	404	0	3,275	0	3,275	0	0	0	3,275	0	0	0	0	0	0	3,275
	Reserve Funds (Ind."XR" Ref.)				1,542	2,415	1,783	808	0	6,548	0	6,548	0	0	0	0	6,548	0	0	0	0	0	6,548
<b>Total Program Financing</b>					<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>	<b>0</b>	<b>9,823</b>	<b>0</b>	<b>9,823</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,275</b>	<b>6,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,823</b>

Status Code	Description
S2	S2 Prior Year (With 2018 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2018 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2019 & Beyond)

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

## **Appendix 4**

### **2018 Cash Flow and Future Year Commitments**



## CITY OF TORONTO

## Gross Expenditures (\$000's)

## Toronto Employment &amp; Social Services

Sub- Project No. Project Name PrioritySubProj No. Sub-project Name Ward Stat. Cat.						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By												
						2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
S0C908494 HSI Phase 2																								
0	2	Knowledge Base (Sub Project 1)	CW	S4	04	111	0	0	0	0	111	0	111	0	0	0	37	74	0	0	0	0	0	111
0	3	Client Profile (Sub Project 4)	CW	S4	04	0	298	596	298	0	1,192	0	1,192	0	0	0	397	795	0	0	0	0	0	1,192
0	4	CRM & Business Intelligence (Sub Project 2)	CW	S4	04	1,979	3,132	1,958	854	0	7,923	0	7,923	0	0	0	2,642	5,281	0	0	0	0	0	7,923
0	5	Telephony (Sub-Project 3)	CW	S4	04	223	193	121	60	0	597	0	597	0	0	0	199	398	0	0	0	0	0	597
Sub-total						2,313	3,623	2,675	1,212	0	9,823	0	9,823	0	0	0	3,275	6,548	0	0	0	0	0	9,823
<b>Total Program Expenditure</b>						2,313	3,623	2,675	1,212	0	9,823	0	9,823	0	0	0	3,275	6,548	0	0	0	0	0	9,823

**CITY OF TORONTO**

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

<b>Toronto Employment &amp; Social Services</b>					Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By											
<u>Sub-Project No.</u>	<u>Project Name</u>	Ward	Stat.	Cat.	2018	2019	2020	2021	2022	Total 2018-2022	Total 2023-2027	Total 2018-2027	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing
Financed By:																						
	Reserves (Ind. "XQ" Ref.)				771	1,208	892	404	0	3,275	0	3,275	0	0	0	3,275	0	0	0	0	0	3,275
	Reserve Funds (Ind."XR" Ref.)				1,542	2,415	1,783	808	0	6,548	0	6,548	0	0	0	0	6,548	0	0	0	0	6,548
<b>Total Program Financing</b>					<b>2,313</b>	<b>3,623</b>	<b>2,675</b>	<b>1,212</b>	<b>0</b>	<b>9,823</b>	<b>0</b>	<b>9,823</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,275</b>	<b>6,548</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,823</b>

- Status Code Description**  
 S2 S2 Prior Year (With 2018 and/or Future Year Cashflow)  
 S3 S3 Prior Year - Change of Scope 2018 and/or Future Year Cost(Cashflow)  
 S4 S4 New - Stand-Alone Project (Current Year Only)  
 S5 S5 New (On-going or Phased Projects)

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

## **Appendix 5**

### **2018 Preliminary Capital Budget with Financing Detail**

(Phase 2) 16-Toronto Employment & Social Services

Sub-Project Category: 01,02,03,04,05,06,07

Type: B Sub-Project Status: S2

Type: C Sub-Project Status: S2,S3,S4,S5



**CITY OF TORONTO**

**Toronto Employment & Social Services  
Sub-Project Summary**

**Project/Financing**

**Priority Project Project Name**

Priority Project	Project Name	Start Date	Completion Date	2018	Financing									
				Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable
<b>1</b>	<b><u>SOC908494 HSI Phase 2</u></b>													
0	2 Knowledge Base (Sub Project 1)	11/09/2017	11/09/2017	111	0	0	0	37	74	0	0	0	0	0
0	4 CRM & Business Intelligence (Sub Project 2)	11/09/2017	11/09/2017	1,979	0	0	0	660	1,319	0	0	0	0	0
0	5 Telephony (Sub-Project 3)	11/09/2017	11/09/2017	223	0	0	0	74	149	0	0	0	0	0
<b>Project Sub-total:</b>				<b>2,313</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>771</b>	<b>1,542</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Program Total:</b>				<b>2,313</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>771</b>	<b>1,542</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Status Code Description**  
 S2 S2 Prior Year (With 2018 and/or Future Year Cashflow)  
 S3 S3 Prior Year - Change of Scope 2018 and/or Future Year Cost(Cashflow)  
 S4 S4 New - Stand-Alone Project (Current Year Only)  
 S5 S5 New (On-going or Phased Projects)

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

## Appendix 6

## Reserve / Reserve Fund Review

Reserve / Reserve Fund – Program Specific  
(\$000s)

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec 31, 2017 *	Contributions / (Withdrawals)										2018 - 2027 Total Contributions / (Withdrawals)		
			2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan			
Social Assistance Stabilization Reserve Fund (XQ1054)	Beginning Balance	18,664	18,664	11,803	7,320	3,880	3,476	3,476	3,476	3,476	3,476	3,476	3,476		
	Withdrawals (-)														
	<i>Human Services Integration Implementation</i>		(771)	(1,208)	(892)	(404)								(3,274)	
	<i>Wellesley Place Renovation</i>		(2,738)												(2,738)
	<i>Operating Budget Withdrawals</i>		(3,352)	(3,275)	(2,549)										(9,175)
	<b>Total Withdrawals</b>		<b>(6,861)</b>	<b>(4,483)</b>	<b>(3,440)</b>	<b>(404)</b>									<b>(15,188)</b>
<b>Total Reserve Fund Balance at Year-End</b>		<b>18,664</b>	<b>11,803</b>	<b>7,320</b>	<b>3,880</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>	<b>3,476</b>	<b>(15,188)</b>	

\* Based on the 2017 Q3 Variance Report