

# Corporate Services

## Staff Recommended 2019 Operating Budget and 2019 – 2028 Capital Budget & Plan

Budget Briefing to Budget Committee

**budget**  
—2019—



February 6, 2019



Overview and Highlights

2019 – 2021 Staff Recommended Operating Budget and Plan

2019 – 2028 Staff Recommended Capital Budget and Plan



# Corporate Services Overview



# Corporate Services



Customer Service



City-Wide Modernization Solutions



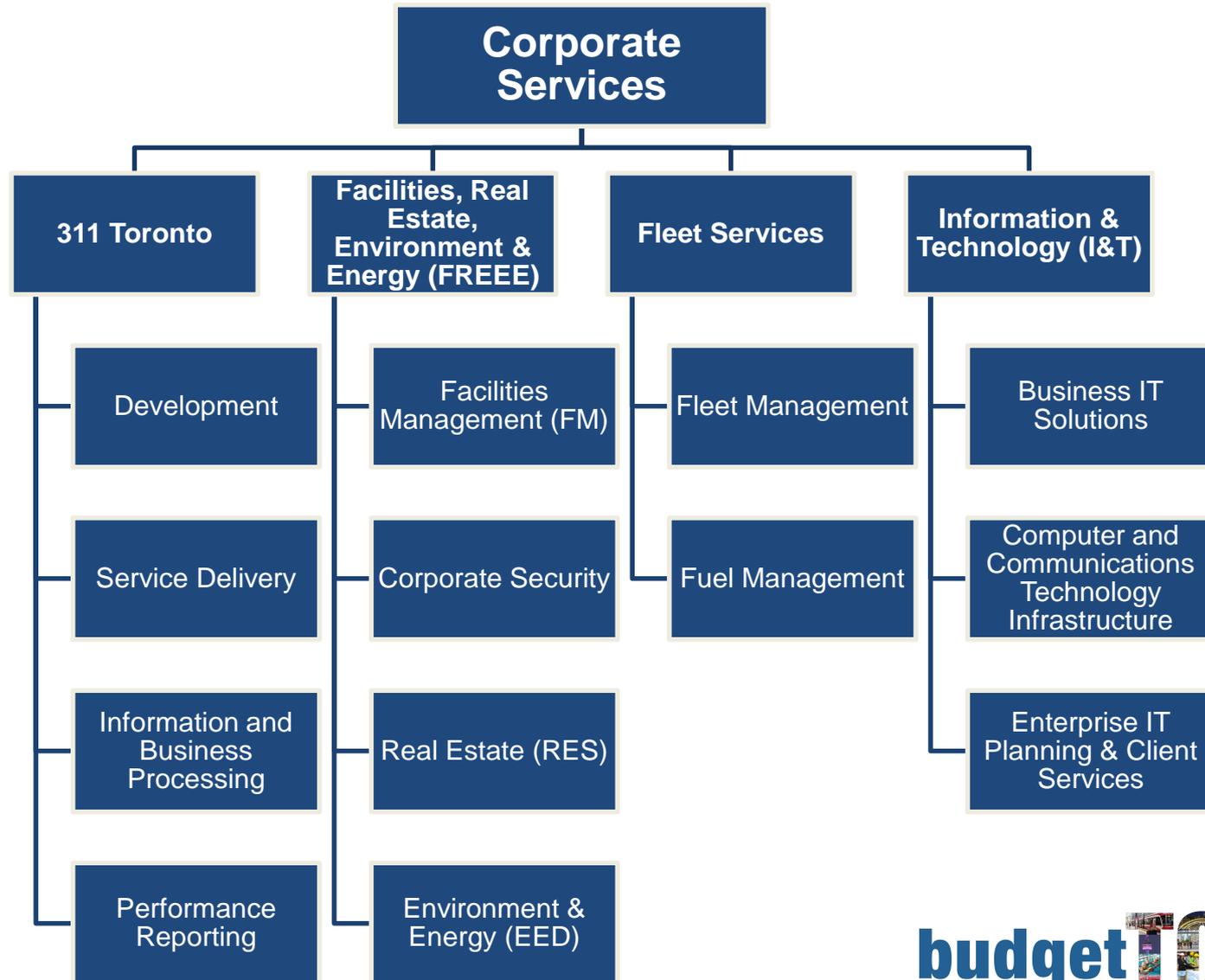
Life Cycle Asset Management



Environmental Stewardship

# Our Services

“Corporate Services is a driven organization providing sustainable asset management, expert knowledge and innovative business solutions that support a quality customer experience.”



# Council-Adopted Strategies and Plans



## ***TransformTO: Climate Action for a healthy, equitable, prosperous Toronto***

- City-wide initiative lead by the EED which aims to move Toronto towards achieving Council's 2050 goal to reduce Green House Gas (GHG) emissions by 80%.



## ***City-wide Real Estate Service Delivery Model***

- A centralized model that provides stewardship and oversight for assets, partnering with programs to support their real estate needs and enabling city building while more effectively leveraging our assets



## ***Consolidated Green Fleet Plan***

- Lead the analysis and implementation of green fleet technologies that will drive actions necessary to achieve the TransformTO goal of 45% green fleet by 2030



## ***Fleet Services Strategy***

- A strategic results-based approach that will drive efficiencies in operational processes and business practices while improving customer service and sustainability



## ***Open Data Master Plan***

- Provides a strategic framework and a roadmap to advance the City's vision for open data until 2022 with a focus on Open Data to foster citizen engagement and address civic issues



# Budget Highlights



# Our Experience & Success



## MODERNIZATION & TRANSFORMATION



### Transforming Our City

Improved oversight and accountability for real estate decisions based on centralizing authorities.

Started to consolidate real estate activities / contracts to improve effectiveness

Innovative financing solutions allocated \$34M in 2018 towards reducing greenhouse gas emissions by 80% in 2050

Customer Relationship Management (CRM) solution pilot completed with 311 and Toronto Water to inform the City-Wide CRM platform



### Modernizing Our Business

Fleet Services 2019 expected savings through manufacturer direct cooperative procurement on average is 36% per vehicle, plus a 50 - 70% improvement in procurement to delivery time

First Canadian city with Level 1 Merchant status for Payment Card Industry compliance and transformed the digital employee work experience by providing Access Anywhere and Wi Fi in City buildings realizing \$3.3m in productivity benefit in 2018



### Leveraging Our Assets

Completed Office Modernization projects on 3 floors at Metro Hall resulting in efficiency of building operations and office space by collapsing 1.5 floors of Employment & Social Services into 1 floor, consolidating 70% of Shelter, Support & Housing Administration onto 1 floor, and freeing up 3,000 sq ft of office space previously occupied by Toronto Water

Improving our employee capacity through talent development programs such as mentorship, job shadowing, and PMP certification

# Our Experience & Success



## ASSET MANAGEMENT



### City Building

In collaboration with CreateTO, working toward business case completion of the new Etobicoke Civic Centre, Housing Now, Old City Hall and the Danforth Garage projects

In 2018 many heritage elements of Union Station have been restored and commercial retail offerings have been opened, including a new 30,000 square foot food court



### Stewardship

Facilities Management has improved their delivery of capital projects by over 40% from 2016 spending levels to over 80% on core state of good repair

Obtaining value from the real estate portfolio with estimated 2018 leasing revenue of \$52.1 million and \$13.0 million in property sales



### Service Delivery

Exceeded Fleet's service standard of ensuring vehicle availability rate of 90% for 3 consecutive years

Manage 24,000+ computers, 2400+ servers and 850+ applications across the City, with 99.97% availability of Business Applications and 95.4% of change requests completed to address business needs

# Our Experience & Success

## CUSTOMER SERVICE



### Digital Experience

Increased the amount of online services available to the public while reducing costs and improving the user experience

Enhanced the City's website Toronto.ca to be service focused with dynamic interactive web technologies. Doubled the number of mobile visits since 2015 and reduced number of webpages by 75% to improve user experience



### Open Government

Published 292 datasets in Open Data and launched a new portal for the public to access records

Supported the delivery of the 2018 Municipal Election by using modern technologies to allow for greater openness and transparency



### Safety & Response

Implemented enhanced security measures to maintain an accessible, safe and secure City Hall for the public, Councillors, and staff

Successful collaboration between Toronto Police, Municipal Licensing & Standards, and 311 to drive noise complaints and non-emergency calls to 311 instead of 911



## CAPACITY FOR MODERNIZATION & TRANSFORMATION

- **Organizational readiness for transformational initiatives**
  - Developing change management skills and programs to ensure successful delivery
- **Delivering modernized services with budget constraints**
  - Improvements in operational & process efficiency
- **Attracting and retaining talent**
  - Require talent for specialized skills to implement modernization and transformation initiatives while still providing excellent support for ongoing business



## AGING ASSET INFRASTRUCTURE

- **Growing State of Good Repair backlog**
  - Aging facilities inventory requiring an innovative and strategic approach to managing the City's real estate and facilities portfolio
- **IT life cycle asset management**
  - Replacing and upgrading existing technologies to meet demand for IT
- **Fleet maintenance facilities**
  - Need upgrading to ensure service levels to client divisions are met
- **Resilient buildings**
  - Ensure facilities are resilient to changing climate and extreme weather events



## MEETING CHANGING AND EVOLVING CLIENT NEEDS

- **Accessibility for Ontarians with Disabilities (AODA) compliance**
  - Working to ensure City facilities meet AODA requirements by 2025
- **Cyber Security**
  - Need to ensure the City has effective cyber security while delivering an agile and accelerated I&T delivery model
- **Tools & Technology**
  - Sustain existing technology while meeting growing demand for enhanced technology solutions

# Priority Actions



## MODERNIZATION & TRANSFORMATION

- **City-Wide Real Estate Model**
  - Developing a city-wide integrated real estate portfolio strategy
- **TransformTO**
  - Continued development and Implementation of TransformTO strategies to reduce greenhouse gas emissions by 80% from 1990 level by 2050
- **Attract & Retain Talent**
  - Strategic recruitment practices and focus on internal development programs and opportunities to ensure staff are able to meet growing and changing business requirements



## LIFE CYCLE ASSET MANAGEMENT

- **State of Good Repair**
  - Achieving over 80% completion of capital facilities projects while addressing critical backlog, also align to city wide real estate integrated plan
  - Shift from demand or reactive maintenance to preventative for City facilities and fleet
- **Major Capital Project Delivery**
  - Substantial completion of Union Station, commence construction St Lawrence Market North, report back on the new Etobicoke Civic Centre, Old City Hall, and George Street Revitalization initiatives
- **Operational Effectiveness**
  - Focus on maintenance and best use of City assets and effective delivery of servicing these assets with a focus on the lowest cost of ownership





## CUSTOMER SERVICE



- **Operational Efficiency**
  - Ensure staff are trained on industry wide best practices in order to deliver excellent customer service with greater efficiency
- **Integrated Service Delivery & Digital Enablement**
  - Drive outcomes associated with City Programs and Service modernization, enhance Cyber Security, ensure effective project delivery, effectively maintain the City's technology infrastructure and optimize the IT service/operating model
- **Enhance Options & Information for Residents**
  - Self-serve options by focusing on how services are delivered to the public and enhance tools that make information more readily available to the residents

# Business Modernization & Transformation

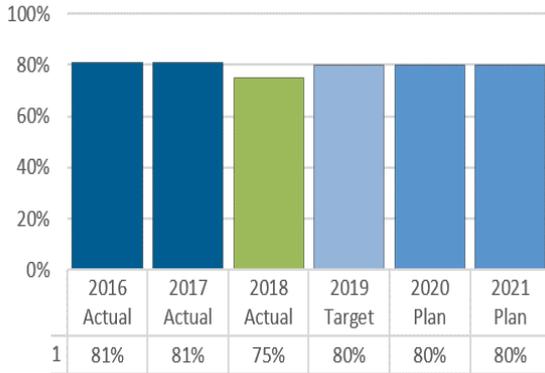


<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• <b>Enterprise-wide Customer Relationship Management (CRM)</b> - The development of a new CRM to enable the City to build a channel of choice and to be more efficient in how we deliver customer service to residents</li> <li>• <b>Channel Strategy</b> - New service delivery model to provide customers with channel choices and increase the usability of less costly online channels</li> </ul>
<b>New City Wide Real Estate Delivery Model</b>	Implementation of the new City-Wide Service delivery model over the next 3 years to generate greater value and benefit from the City's real estate portfolio (City building)
<b>Office Modernization Program</b>	Begin implementation of a city-wide strategy which will be brought to Council as part of the overall City office portfolio strategy in 2019
<b>TransformTO</b>	City-wide initiative with a goal to move Toronto towards achieving Council's goal to reduce Green House Gas (GHG) emissions by 80% by 2050
<b>City-Wide Fleet Transformation</b>	Continued development of the opportunity for improved efficiency and effectiveness in fleet services delivery through unified management and oversight of fleet for all Divisions and City Agencies
<b>City-wide Enterprise Work Management System</b>	Implementation of a enterprise work management system to improve the maintenance and service delivery operations for Transportation Services, Toronto Water, Parks, Forestry & Recreation and Solid Waste Management Services
<b>Information Management &amp; Business Intelligence</b>	Implementing solutions that provide data and analytics capacity to support evidence-based decision making and predictive forecasting available to all City Divisions
<b>Technical and Program support</b>	Provide technical, project and program management support to various City divisions implement modernization and transformation initiatives

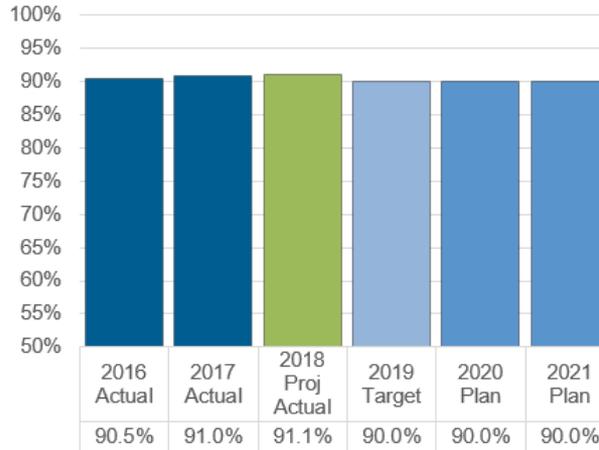
# Key Service Performance Measures



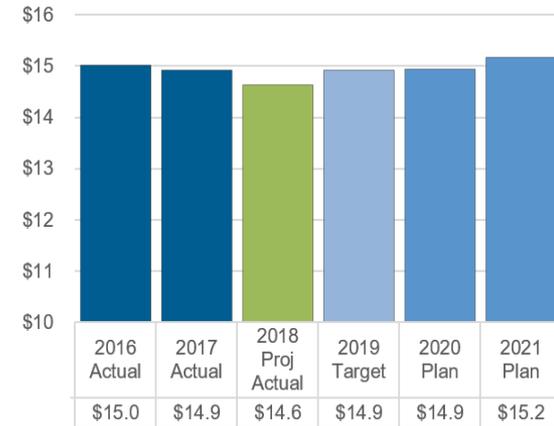
**% of calls received by 311 Toronto that have been answered within a specified number of seconds**



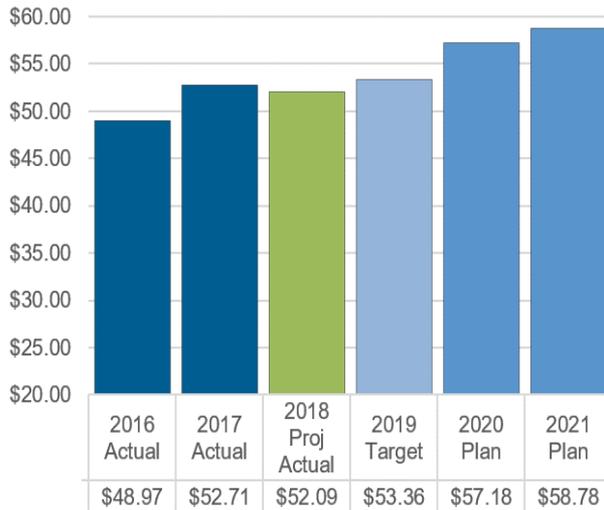
**Fleet Availability**



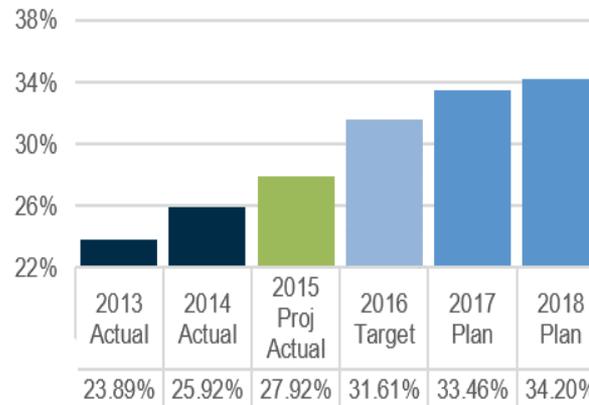
**Building Operations & Maintenance Cost per rentable sq.ft.**



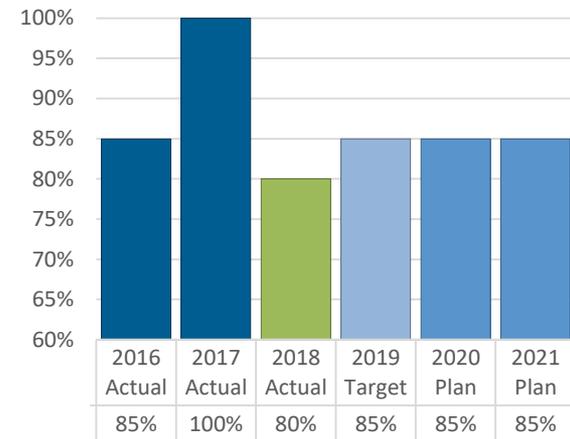
**Lease revenue maximization (\$ in Million)**



**Outcome Measure - % of Reduction in eCO2 emissions to environment relative to 1990 level**



**IT Portfolio Projects: Planned to Complete vs Actual Completed**



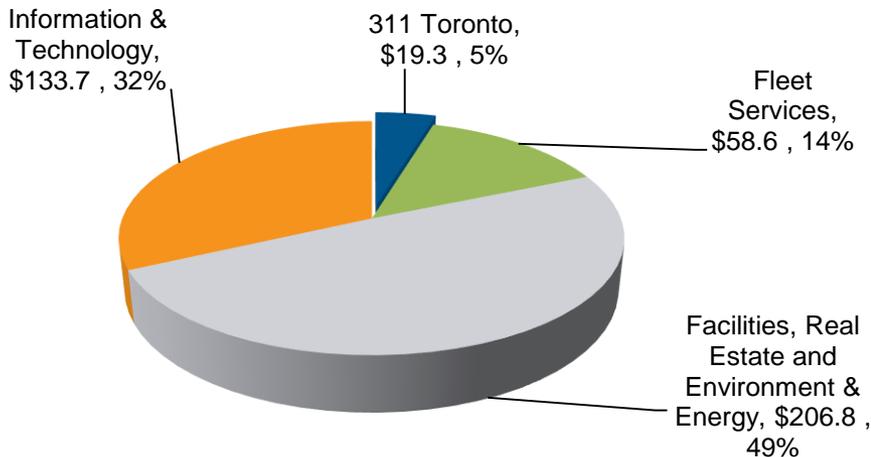


# Operating Budget Overview

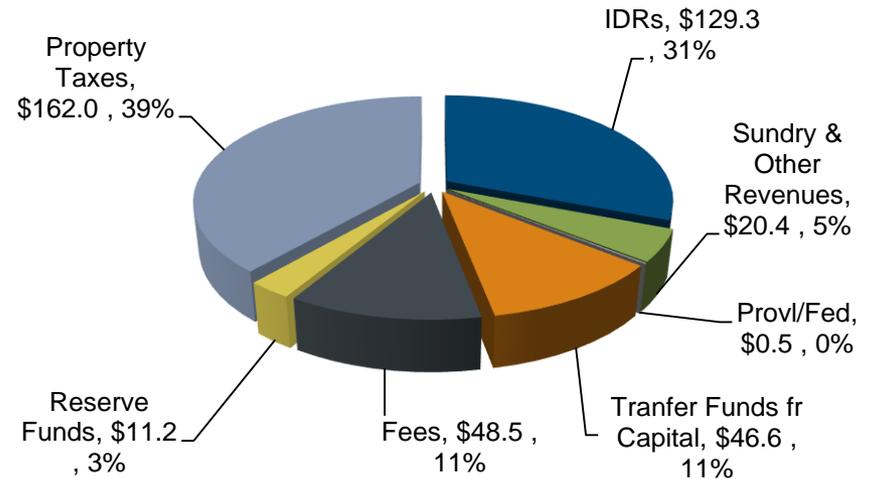
# 2019 Staff Recommended Operating Budget By Program and Funding Source



Where the  
Money Goes  
\$418.415 Million



Where the Money  
Comes From  
\$418.415  
Million

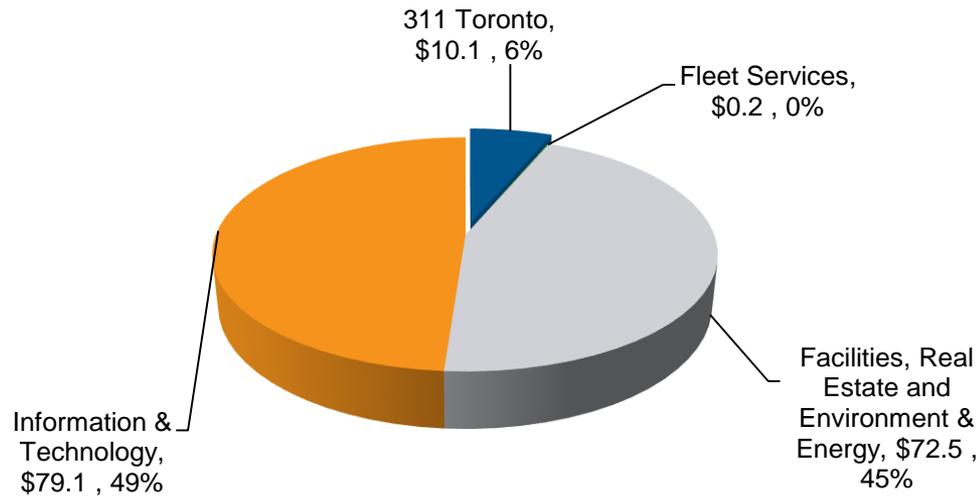


- **Salaries & Benefits costs are \$246.206 million or 59% of 2019 Staff Recommended Operating Budget for Corporate Services**
- **70% of funding comes from Property Taxes (39%) and Interdepartmental revenues from other Divisions (31%)**

# 2019 Staff Recommended Operating Budget Tax Levy by Program



Where the Tax Levy  
Money Goes  
\$162.005 Million



# 2019 Staff Recommended Net Operating Budget vs 2018



(In \$000s)	2018		2019			Changes	
	Budget	Projected Actual*	Base	New / Enhanced	Total Staff Recommended Budget		
By Program	\$	\$	\$	\$	\$	\$	%
311 Toronto	9,959.6	9,870.6	10,147.5	(0.0)	10,147.5	187.9	1.9%
Fleet Services	164.6	164.7	134.3	34.3	168.5	4.0	2.4%
Facilities, Real Estate and Environment & Energy	72,109.5	68,139.2	71,194.4	1,354.4	72,548.8	439.4	0.6%
Information & Technology	76,825.4	75,911.3	78,600.4	539.5	79,140.0	2,314.5	3.0%
<b>Total Net Expenditures</b>	<b>159,059.1</b>	<b>154,085.8</b>	<b>160,076.7</b>	<b>1,928.2</b>	<b>162,004.9</b>	<b>2,945.8</b>	<b>1.9%</b>
<b>Approved Positions</b>	<b>2,258.6</b>	<b>1,974.2</b>	<b>2,266.4</b>	<b>33.1</b>	<b>2,299.5</b>	<b>40.9</b>	<b>1.8%</b>

\* Year-End Projection Based on Q3 2018 Variance Report

## Budget:

**Base budget is a net increase of \$1.0M or 0.6% over 2018 mainly due to:**

- Phase 3 Funding for IT capital positions approved by Council in 2013 of \$1.8M partially offset by \$0.9M reduction in FREEE base budget

**Total budget is a net increase of \$2.9M or 1.9% increase over 2018 mainly driven by:**

- Environment & Energy's next phase of TransformTO short-term strategies - \$1M
- Enhanced security at City Hall - \$0.4M
- Cyber security awareness, compliance & training - \$0.5M

## Positions:

**Increase in approved positions of 40.9 or 1.8% over 2018 is mainly driven by:**

- 18.6 positions for additional security, including 14 requested and funded by other City programs and 4.6 for enhanced security at City Hall
- 5 positions for TransformTO implementation
- 3 positions to address cyber security
- 11 positions for maintaining and sustaining of completed IT capital projects

# Key Cost Drivers

Corporate Services (In \$000s)	Total Changes	
	Net - \$	Positions
Prior Year Impacts	2,190.3	(5.0)
Operating Impacts of Capital	309.5	7.0
Delivery of Capital Projects	(9.6)	1.0
Economic Factors	3,325.5	
Salaries & Benefits	7,361.9	(1.0)
Other Base Expenditures	(2,355.5)	0.8
Base Revenue Changes	(2,452.6)	
Service Changes/Efficiencies	(7,351.9)	5.0
New & Enhanced Services	1,928.2	33.1
<b>Total</b>	<b>2,945.8</b>	<b>40.9</b>

## Key Points:

- Inflationary and performance pay increases on salaries and benefits on existing 2,258.6 positions
- Economic Factors primarily related to utilities (rate changes) and contracted services (agreed contract inflationary increases)
- Service Changes/Efficiencies are from streamlining business operations and aligning budget with historical spending
- Total position request of 40.9 primarily for security enhancements funded by other programs, TransformTO strategies, to address cyber security, and license and maintain completed capital IT projects

# New / Enhanced Services



Corporate Services (\$000s)	2019			Incremental Impact			
	Gross	Net	Position	2020 Plan		2021 Plan	
				Net	Position	Net	Position
311 Toronto	200.1		2.5	6.7		6.3	
Fleet Services	34.3	34.3	1.0	71.0		-34.6	-1.0
Facilities, Real Estate and Environment & Energy	4,965.4	1,354.4	26.6	1,152.8	5.0	-1,517.2	-6.0
Information & Technology	539.5	539.5	3.0	120.7		21.7	
<b>Total</b>	<b>5,739.3</b>	<b>1,928.2</b>	<b>33.1</b>	<b>1,351.2</b>	<b>5.0</b>	<b>-1,523.8</b>	<b>-7.0</b>

## Key New / Enhanced Service requests:

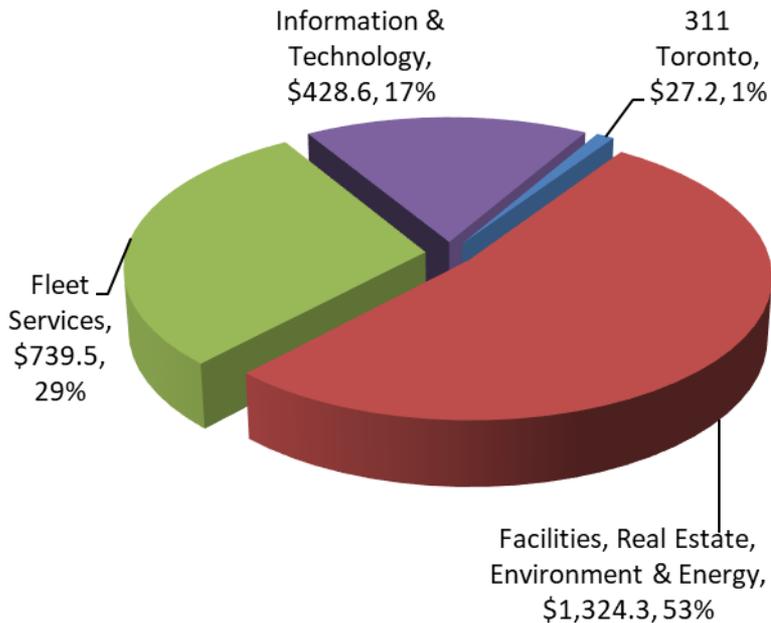
- **TransformTO Initiatives (\$1.133M gross, \$0.989M net, 5 FTEs)** - continue to support implementation of the 23 Short-Term Strategies to reduce community wide greenhouse gas emissions by 80% against 1990 levels by the year 2050. An additional \$0.325M has been re-prioritized within the FREEE program to apply towards the implementation of these strategies, for a total of \$1.458M in net new funding for TransformTO
- **Enhanced Security at City Hall (\$0.365M gross and net, 4.6 FTEs)** - fund patron baggage security screening and additional security guards.
- **Additional Security Requirements for City Divisions (\$1.246M gross and \$0 net, 14 FTE)** – providing additional or new security staff to other City Programs at their request
- **Cyber Security Awareness - AG Recommended (\$0.309M gross and net, 1 FTE)** - funding will be used for on-line subscription services and a Senior Cyber Security Specialist to advance cyber security awareness training for City Staff
- **Risk Management Cyber Security & Compliance (\$0.230M gross and net, 2 FTE)** - addition of 2 Senior Privacy Specialists to address increased volume of projects where legislated collection of Personal Identifiable Information (PII) is required.

# Capital Budget Overview

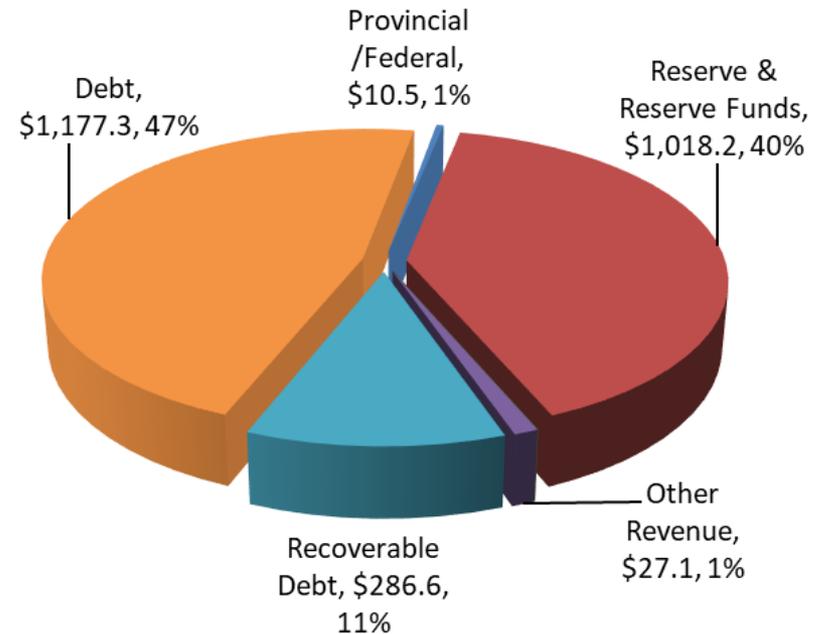
# 2019 - 2028 Staff Recommended Capital Budget & Plan



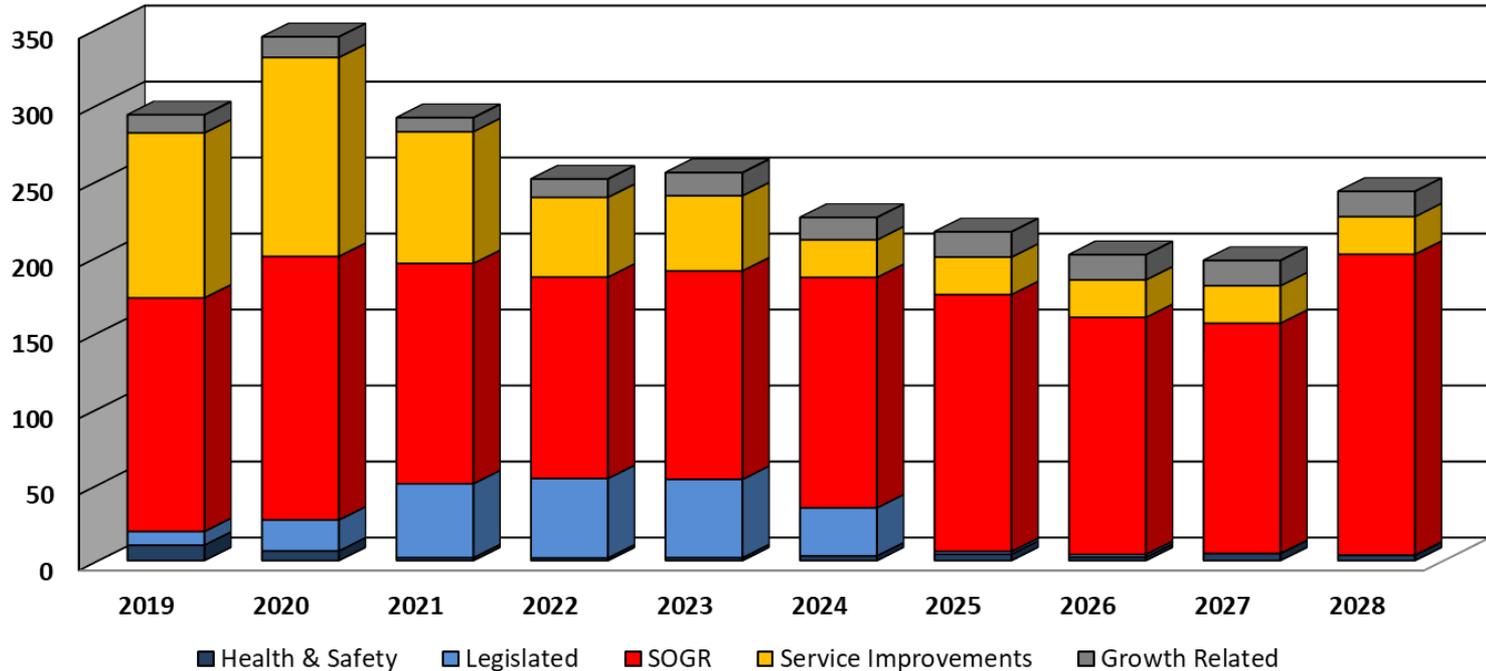
Where the Money Goes  
\$2,519.648 Million



Where the Money Comes From  
\$ 2,519.648 Million



# 2019 - 2028 Staff Recommended Capital Budget & Plan by Project Category



\$ Million	2019 - 2028 Staff Recommended Capital Budget and Plan by Category										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
<b>Health &amp; Safety</b>	10.1	6.3	1.9	1.7	1.9	3.1	4.2	2.2	4.6	3.4	
<b>Legislated</b>	9.0	20.4	48.7	52.3	51.5	31.6	1.8	1.8	0.2	0.2	
<b>SOGR</b>	153.7	173.4	144.9	132.6	137.2	151.7	168.9	156.0	151.4	198.0	
<b>Service Improvements</b>	108.6	130.9	86.7	52.5	49.4	24.7	24.7	24.7	24.7	24.7	
<b>Growth Related</b>	11.9	13.6	9.2	12.0	15.3	14.8	16.6	16.6	16.6	16.6	
<b>Total</b>	<b>293.3</b>	<b>344.7</b>	<b>291.5</b>	<b>251.1</b>	<b>255.3</b>	<b>225.8</b>	<b>216.3</b>	<b>201.3</b>	<b>197.5</b>	<b>242.9</b>	

## Included in the 10-Year Plan (\$2,519.6M)

### Investment in State of Good Repair

- SOGR at City facilities, including Mechanical/Electrical and Structural/Building Envelop, Renovations, and Site Work (\$587.4M)
- Fleet vehicle replacement (\$729.3M)
- Asset lifecycle management of I&T assets and infrastructure (\$229.1M)
- CRM Upgrade and Replacement (\$4.3M)

### Investment in Service Improvements

- TransformTO capital program (\$117.5M)
- St. Lawrence Market North Redevelopment (\$102.3M project cost)
- Union Station Revitalization (\$823.9M)
- North West “Path” extension, phase 2 (\$48.8M)
- New Etobicoke Civic Centre (\$33.0M)
- Future Use of Old City Hall (\$23.6M)
- Office Modernization Program (\$7.8M)
- Channel & Counter Strategy – Phase 2 (\$7.7M)
- Enterprise Business Intelligence Implementation (\$3.3M)
- Open Data Master Plan Implementation (\$2.1 million)
- Work Management Solution for Transportation (\$3.6 million)
- MLS Modernization Phase 2 work (\$8.3 million)

### Investment in Growth

- School Lands Property Acquisition (\$10.0M)
- Consolidated Data Centre (\$13.6M total project cost)
- Enterprise Solutions Design & Implementation (\$39.3M)

### Legislated

- Accessibility for Ontarians with Disabilities Act (AODA implementation) (\$192.5M)

## Included in 2019 by Category (\$293.3M)

### Investment in State of Good Repair

- SOGR at City facilities, including Mechanical/Electrical and Structural/Building Envelop, Renovations, and Site Work (\$69.2M)
- Fleet vehicle replacement (\$58.9M)
- Asset lifecycle management of I&T assets and infrastructure (\$22.6M)
- CRM Upgrade and Replacement (\$4.3M)

### Investment in Service Improvements

- TransformTO capital program (\$5.0M)
- St. Lawrence Market North Redevelopment (\$14.4M)
- North West “Path” extension, phase 2 (\$0.6M)
- New Etobicoke Civic Centre (\$12.0M)
- Future Use of Old City Hall (\$1.5M)
- Office Modernization Program (\$3.7M)
- Channel & Counter Strategy – Phase 2 (\$1.6M)
- Enterprise Business Intelligence Implementation (\$1.7M)
- Open Data Master Plan Implementation (\$0.9 million)
- Work Management Solution for Transportation (\$2.4 million)
- Cloud Based Human Resource Information System (\$5.3M)

### Investment in Growth

- Consolidated Data Centre (\$3.5M total project cost)
- Enterprise Information Security Program (\$3.6M)

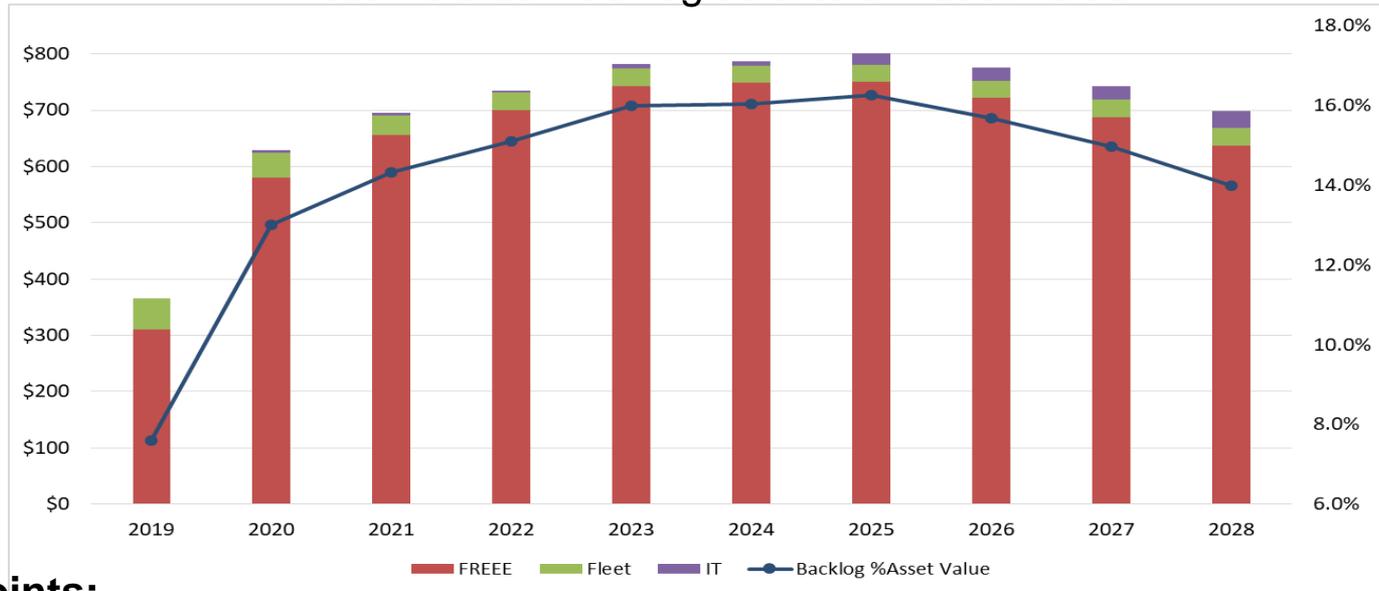
### Legislated

- Accessibility for Ontarians with Disabilities Act (AODA implementation) (\$4.0M)

# State of Good Repair Backlog



Accumulated Backlog as a % of Asset Value



## Key Points:

- Corporate Services backlog as a % of asset value expected to increase from 7.6% to 14% over the 10 year plan
- Increase in FREEE backlog (from 7.5% of asset value in 2019 to 15.4% in 2028) mainly due to an aging building portfolio with needs that exceed funding levels. A focus on updating the building condition assessments across the portfolio has also contributed to the increase.
- The new City Wide Real Estate Model will provide support and strategic direction on how we view and utilize our facilities, which will also be considering, and addressing backlog needs across the portfolio.
- The I&T Sustainment Equipment Reserve funds the lifecycle replacement of IT assets. Current forecast estimates the reserve will not be adequate to fund the total projections of the lifecycle replacements planned for 2020 and beyond. I&T backlog increasing from 0% of asset value in 2019 to 42% in 2028.
- Fleet vehicle replacement backlog is anticipated to drop from 9.1% of asset value in 2019 to 4.2% in 2028 due to planned contributions to the vehicle replacement reserve

# Unfunded Capital Projects



Project Description (\$ Million)	Total Project Cost	Non-Debt Funding	Debt Required	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>311</b>													
<i>Integration with TPH</i>	2.0		2.0				0.8	0.5	0.8				
<i>Enterprise Wide CRM</i>	31.2		31.2		2.2	1.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<i>Teleworking</i>	0.2		0.2		0.2								
<b>Subtotal</b>	<b>33.4</b>		<b>33.4</b>		<b>2.4</b>	<b>1.0</b>	<b>4.8</b>	<b>4.5</b>	<b>4.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
<b>Facilities, Real Estate, Environment &amp; Energy</b>													
<i>150 Borough-Remediation in Atrium Ceiling</i>	20.7		20.7	0.7	10.0	10.0							
<i>843 Eastern Ave - Central Mtc Garage Construction</i>	20.0		20.0		2.0	12.0	6.0						
<i>843 Eastern Ave-Central Mtc Garage Design &amp; Tender</i>	1.5		1.5	0.4	0.6	0.3	0.3						
<i>Future use of Old City Hall - Construction</i>	244.5		244.5				24.5	24.5	97.8	97.8			
<i>New Etobicoke CC - Phase 4 Tender &amp; Construction</i>	346.6	283.0	63.6		86.2	164.9	83.9	11.7					
<i>OMP - Future Year</i>	78.0		78.0		6.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
<i>Permanent Security Enhancements at US &amp; NPS</i>	9.0		9.0		0.5	4.3	4.3						
<i>St. Lawrence Market-South Construction</i>	14.7		14.7		10.0	4.7							
<b>Subtotal</b>	<b>734.9</b>	<b>283.0</b>	<b>451.9</b>	<b>1.1</b>	<b>115.3</b>	<b>205.1</b>	<b>127.8</b>	<b>45.1</b>	<b>106.8</b>	<b>106.8</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>
<b>Corporate Services - Total</b>	<b>768.3</b>	<b>283.0</b>	<b>485.3</b>	<b>1.1</b>	<b>117.7</b>	<b>206.0</b>	<b>132.6</b>	<b>49.6</b>	<b>111.6</b>	<b>110.8</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

## Key Points:

- Total unfunded project requests of \$768.3 million over the 10 years is in addition to the SOGR backlog
- \$591.1 million, or 77% of the unfunded list is from the Future Use of Old City Hall and the New Etobicoke Civic Centre projects
- Follow-up reports will be presented to Committee and City Council in 2019 for large multi-phase constructions projects with final recommendations and updated operating revenues, costs and capital investments to proceed to the next phase of work including:
  - Future Use of Old City Hall – Construction
  - New Etobicoke CC Phase 4 Tender & Construction
  - Office Modernization Program



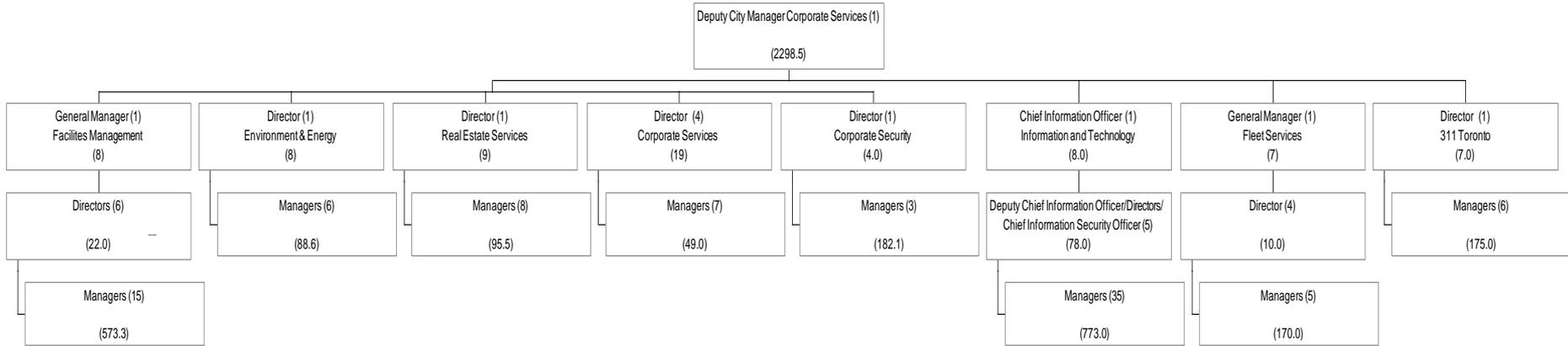
# Appendices





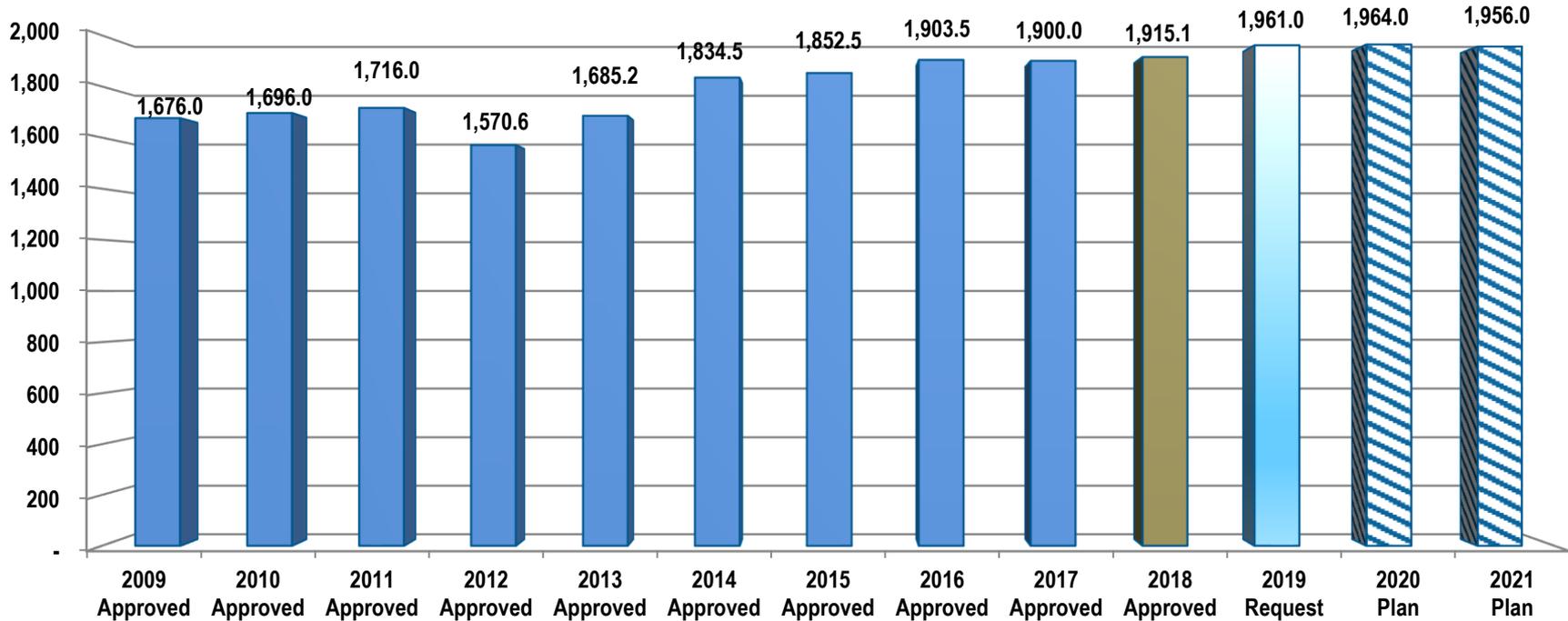
# Operating Appendices

# 2019 Organizational Chart of Corporate Services



Budget	Category	Senior Management	Management with Direct Reports	Management without Direct Reports / Exempt Professional & Clerical	Union	Total
Operating	Permanent	13.0	269.0	349.6	1229.8	1861.4
	Temporary	0.0	0.0	53.5	44.1	97.6
Capital	Permanent	0.0	8.0	35.0	31.0	74.0
	Temporary	0.0	18.0	157.5	91.0	266.5
<b>Total</b>	<b>Total</b>	<b>13.0</b>	<b>295.0</b>	<b>595.6</b>	<b>1395.9</b>	<b>2299.5</b>

# Staffing Trend (Excludes Capital Positions)



## Key Points:

- 2012 to 2014 increase due to operating positions to deliver IT capital projects in 2013 and the addition of provincial trade positions in 2014
- Complement has remained relatively flat over the past 3 years as Divisions focused on shifting resources to priority areas and achieving operational efficiencies to meet budget targets
- Net addition of 45.9 operating positions in 2019 Request is mainly due to the operational sustainment of I&T, enhanced security at key locations and to support TransformTO initiatives.

# Vacancy Analysis



	2016			2017			2018			
	# of Vacancies	Vacancies % of Total Approved Position	Approved Position	# of Vacancies	Vacancies % of Total Approved Position	Approved Position	# of Vacancies as at Sept 30	# of Vacancies as at Dec 31	Vacancies % of Total Approved Position	Approved Position
Operating	221.7	11.6%	1,903.5	182.0	9.6%	1,895.0	226.4	232.0	12.1%	1,915.1
Capital	120.3	34.6%	347.3	104.0	31.4%	331.0	108.0	105.5	30.7%	343.5
Total	342.0	15.2%	2,250.8	286.0	12.8%	2,226.0	334.4	337.5	14.9%	2,258.6

## Key Points:

- The combined operating and capital position vacancy rate for 2018 is 14.9%
  - Capital vacancy rate (30.7%) is primarily due to project delays, which impacts hiring of positions
  - Operating vacancy rate (12.1%) driven by ability to attract people with specialty skill sets in competitive labour market
- Vacancy rate, net of 3.9% gapping (budgeted vacancies) across Corporate Services, is 8.2% on the operating positions
- Hiring Strategies:
  - Prioritization of filling critical positions first
  - Developed strategies to recruit, retain and manage workforce (e.g. increased use of “Talent Pipeline” strategy to reduce fill-time for high turnover positions in 311, FM and Security)
  - Partner with Human Resources to provide a dedicated team to expedite recruitment
  - Focus on career development for both non-union and union staff, and using tools such as Talent Management to develop talent throughout the organization
  - Analyzed barriers for hard-to-fill positions and developing training and recruitment initiatives to address skill gaps and vacancies (FM and Fleet).

# 2019 Key Complement Changes



Program	2018 Approved Staff Complement	2019 Complement Changes									
		Prior Year Impact	Operating Impacts of Capital Projects	Capital Project Delivery	Base Changes	Efficiencies	Service Changes	Total 2019 Base Budget	New/Enh Service Priorities	Total 2019 Staff Recommended Budget	Change from 2018 Approved
FREEE	943.6	(5.0)			7.8			946.4	22.6	969.0	25.4
Fleet Services	179.0				(1.0)	5.0	183.0	1.0	184.0	5.0	
Information & Technology	629.0		11.0		(1.0)		639.0	3.0	642.0	13.0	
311 Toronto	163.5						163.5	2.5	166.0	2.5	
<b>Subtotal - Operating Positions</b>	<b>1,915.1</b>	<b>(5.0)</b>	<b>11.0</b>		<b>5.8</b>	<b>5.0</b>	<b>1,931.9</b>	<b>29.1</b>	<b>1,961.0</b>	<b>45.9</b>	
FREEE	98.5		(4.0)	5.0	(4.0)		95.5	4.0	99.5	1.0	
Fleet Services	8.0			(4.0)			4.0		4.0	(4.0)	
Information & Technology	220.0				(2.0)		218.0		218.0	(2.0)	
311 Toronto	17.0						17.0		17.0		
<b>Subtotal - Capital Positions</b>	<b>343.5</b>		<b>(4.0)</b>	<b>1.0</b>	<b>(6.0)</b>		<b>334.5</b>	<b>4.0</b>	<b>338.5</b>	<b>(5.0)</b>	
<b>Total - Service Group Name</b>	<b>2,258.6</b>	<b>(5.0)</b>	<b>7.0</b>	<b>1.0</b>	<b>(0.2)</b>	<b>5.0</b>	<b>2,266.4</b>	<b>33.1</b>	<b>2,299.5</b>	<b>40.9</b>	

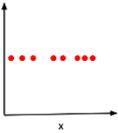
Refer to the next slide for details of key complement changes

# 2019 Key Complement Changes



Category	Description
Prior Year Impacts	- 5 FTE – completion of the City Wide Real Estate Review
Operating Impacts of Capital Projects	+ 11 FTE - licensing and maintenance of completed IT capital projects
Capital Project Delivery	- 7 FTE – completion of Fleet Mgmt and Fuel System Integration + 5 FTE – AODA implementation and Real Estate systems feasibility work
Base Changes	+ 4.5 FTE – security services at various City divisions - 3 FTE – organizational restructure to meet IT service demand
Efficiencies	+ 3 FTE – develop Fleet’s in-house heavy equipment repair capability +2 FTE – Fleet mobile welding efficiencies
New / Enhanced Services	+ 18.6 FTE - additional security services for key locations + 5 FTE - TransformTO positions + 3 FTE – for cyber security awareness & training and privacy

# Operating Budget Variance



Service Area Name In \$ Millions	2017 Variance					2018 YTD September 30 Variance					2018 YE Projection Variance				
	Gross		Net		Alert	Gross		Net		Alert	Gross		Net		Alert
	\$	%	\$	%		\$	%	\$	%		\$	%			
311 Toronto	1,227.4	6.8%	410.4	4.2%	ⓐ	684.5	5.3%	22.5	0.3%	Ⓨ	1,350.2	7.2%	89.0	0.9%	ⓐ
Fleet Services	(4,048.9)	(7.5%)	63.5	0.0%	ⓐ	(485.3)	(1.2%)	(725.0)	44.5%	Ⓨ	(2,734.8)	(4.7%)	0.0	0.0%	ⓐ
Facilities, Real Estate and Environment & Energy	4,513.0	2.3%	700.2	1.0%	ⓐ	9,258.5	6.6%	14,224.0	22.8%	Ⓨ	5,723.8	2.9%	3,970.3	5.5%	ⓐ
Information & Technology	14,529.3	11.3%	496.4	0.7%	ⓐ	9,662.7	10.3%	2,626.7	4.2%	Ⓨ	14,126.4	10.8%	914.2	1.2%	ⓐ
<b>Total</b>	<b>16,220.8</b>	<b>(4.1%)</b>	<b>1,670.5</b>	<b>1.1%</b>	<b>ⓐ</b>	<b>19,120.4</b>	<b>6.6%</b>	<b>16,148.2</b>	<b>12.5%</b>	<b>Ⓨ</b>	<b>18,465.6</b>	<b>4.6%</b>	<b>4,973.5</b>	<b>3.1%</b>	<b>ⓐ</b>
<b>Net Variance</b>	<b>Year End</b>	ⓐ Ⓡ		<b>Year-to-Date</b>	ⓐ Ⓨ Ⓡ			<b>Year End</b>	ⓐ Ⓡ						
		<=100% >100%			85% -105% 0% -85% >105%				<=100% >100%						

## Key Points:

- FREEE's projected year-end surplus of \$3.970 million is primarily a result of underspending in utilities due to:
  - Significantly lower hydro rates for most of 2018, specifically the Global Adjustment portion of the rate, which are not expected to carry into 2019; and
  - Lower energy consumption than expected in 2018 as a result of completed Energy Efficiency Retrofits in prior years. The 2019 utilities budget includes significant reductions to account for expected energy consumption in 2019.
- I&T's projected year-end surplus of \$0.914 million is now expected to reduce to \$0.100 million due to accelerated project delivery and associated sustainment requirements.

# 2019 Staff Recommended Operating Budget Changes



(In \$000s)	Total	
	\$	Positions
<b>2018 Council Approved Operating Budget (Net)</b>	<b>159,059.1</b>	<b>2,258.6</b>
<b>Base Expenditure Changes</b>		
<b>Prior Year Impacts</b>		
Phase 3 Funding of Positions Approved in 2013	1,775.0	
Annualization of 2018 Council Approved TransformTO positions	831.3	
One-time transition team to support City Wide Real Estate review	(0.0)	(5.0)
Other Prior Year Impacts	(416.0)	
<b>Operating Impacts of Capital</b>	309.5	11.0
<b>Delivery of Capital Projects</b>	(9.6)	(3.0)
<b>Economic Factors - Inflationary Increases in Utilities &amp; Contracted Services</b>	3,325.5	
<b>Salaries and Benefits</b>	7,361.9	(1.0)
<b>Other Base Expenditure Changes</b>		
Recoveries from Client Divisions	(2,731.2)	
Utilities savings & Solar PV revenue offsetting RD payments	(1,322.4)	
Growth in City's Hardware & Software Footprint and Service Demands	1,259.3	(3.0)
Resource requirements to service City Divisions & convert temporary positions into permanent	805.0	3.8
Reduction in Utilities budget for Hydro expenditure resulting from energy retrofit initiatives	(535.2)	
Other Base Changes	169.0	0.0
<b>Sub-Total Base Expenditure Changes</b>	<b>10,822.1</b>	<b>0.0</b>
<b>Base Revenue Changes</b>		
Capital Recovery Adjustment	(1,500.9)	
Base User Fee Changes (including Inflation)	(4,257.6)	
Increase in User Fees (Above Inflation) for St. Lawrence Farmer's Market	29.0	
Contributions From Reserves	3,515.6	
2019 Agency & Board Revenue Adjustment	364.8	
Other Base Revenue Changes	(603.5)	
<b>Sub-Total Base Revenue Changes</b>	<b>(2,452.6)</b>	

# 2019 Staff Recommended Operating Budget Changes



(In \$000s)	Total	
	\$	Positions
<b>Service Changes</b>		
<b>Base Expenditure Changes</b>		
Optimize & Rationalize App Development in City Divisions	(1,324.7)	
Savings in Supplies, Casual budget and Physical Server Consolidation using Virtual Servers	(1,133.1)	
Reduction in Utilities budget to reflect actual consumption levels	(1,054.4)	
<b>Service Efficiencies</b>		
Gapping provision adjustment increase by 1%	(1,594.7)	
Decommissioning Older Technology	(773.0)	
Reduction in Contracted Services, Fleet Vehicle Reserve Fund contributions and elimination of automated mail delivery system at Metro Hall	(836.3)	
Other Service Efficiencies across Corporate Services	(635.6)	5.0
<b>Sub-Total Service Changes</b>	<b>(7,351.9)</b>	<b>5.0</b>
<b>Total Base Changes</b>	<b>1,017.6</b>	<b>7.8</b>
<b>New &amp; Enhanced Services</b>		
New CSR to Handle Increased Volume for Toronto Building & Public Health inquiries (\$0.200 million gross)	(0.0)	2.5
Manufacturer Direct Purchase of Light Duty Vehicles	34.3	1.0
TransformTO Initiatives - Leading by Example, New Community Energy Projects Planning, CEP & Low Carbon Thermal Networks and Planning	989.2	5.0
Enhanced Security at City Hall	365.2	4.6
Custodial & Security for Union Stn Loading Dock & Food Crt		
Mgmt Consultant Positions to support OMP/Strgy Policy Plan'g		2.0
Addition of 1.0 Temporary, Project Manager Environment to support review of Green Roof Bylaw, funded by Eco-Roof Reserve Fund (Gross \$0.099 million)		1.0
Maintenance & Custodial services for new Police Data Center, funded by Toronto Police Services (Gross \$0.226 million)		
Additional Security Guards at Jack Layton Ferry Terminal site, 277 Victoria St., 129 Peter St., 21 Panorama St., and 2340 Dundas St W.		14.0
Cyber Security Awareness (AG)	309.2	1.0
Risk Management Cyber Security & Compliance	230.3	2.0
<b>Sub-Total New &amp; Enhanced Services</b>	<b>1,928.2</b>	<b>33.0</b>
<b>Total 2019 Staff Recommended Operating Budget (Net)</b>	<b>162,004.9</b>	<b>2,299.5</b>

# 2020 & 2021 Plan



Service Group Name Description (\$000s)	2020 - Incremental Increase					2021 - Incremental Increase				
	Gross	Revenue	Net	% Change	Position	Gross	Revenue	Net	% Change	Position
<b>Known Impacts:</b>										
<b>Prior Year Impact</b>										
Annualization of 2019 Service Efficiencies	(12.6)		(12.6)	0.3%	(0.0)	1.0		1.0	(8.2%)	
Annualization of 2019 New/Enhanced	579.5	231.7	347.8	16.4%	(0.0)	(30.2)	(75.6)	45.4	13.0%	(2.0)
Annualization of 2019 TransformTO	1,268.7	265.3	1,003.4	101.4%	5.0	(1,826.7)	(257.5)	(1,569.2)	(156.4%)	(5.0)
Annualization of Phasing of IT positions from capital to operating		(1,775.0)	1,775.0	100.0%						
Annualization of other Prior year impacts	(146.5)	(197.7)	51.2	6.5%	(2.0)	(907.1)	(842.9)	(64.2)	(125.4%)	(3.0)
<b>Operating Impact of Capital</b>	507.5	375.3	132.2	44.1%	(1.0)	13.3	(21.9)	35.2	26.6%	(0.0)
<b>Delivery of Capital Projects</b>	82.1	82.1			(5.0)	(573.2)	(573.2)			(4.5)
<b>Salaries and Benefits</b>	4,218.9	(106.3)	4,325.2	62.4%		2,291.5		2,291.5	53.0%	
<b>Other Base Changes (specify)</b>										
Economic Factors	33.4		33.4	0.9%		0.7		0.7	2.2%	
IDC/IDR Changes	29.2	687.5	(658.3)	24.1%		30.9	358.5	(327.6)	49.8%	
Volume Changes										
Contributions to Reserves										
Other Base Changes	120.5	112.3	8.2	(0.4%)	(0.0)	53.2	(78.9)	132.1	1603.7%	(1.0)
<b>Revenue (specify)</b>										
User Fees		28.4	(28.4)	0.7%			29.9	(29.9)	105.3%	
Contributions From Reserves										
Other Base Revenue Changes		79.3	(79.3)	4.6%			(302.1)	302.1	(381.2%)	
<b>Sub-Total</b>	<b>6,680.6</b>	<b>(217.2)</b>	<b>6,897.8</b>		<b>(3.0)</b>	<b>(946.5)</b>	<b>(1,763.7)</b>	<b>817.1</b>		<b>(15.5)</b>
<b>Anticipated Impacts:</b>										
Anticipated Impacts (Base)										
Anticipated Service Changes										
Anticipated New / Enhanced										
Other (specify)										
<b>Sub-Total</b>										
<b>Total Incremental Impact</b>	<b>6,680.6</b>	<b>(217.2)</b>	<b>6,897.8</b>		<b>(3.0)</b>	<b>(946.5)</b>	<b>(1,763.7)</b>	<b>817.1</b>		<b>(15.5)</b>



# Capital Appendices

# Capital Assets to Deliver City Services



- 24/7 Contact centre, access to non-emergency City services, in 180+ languages
- 311 website access to online services, as well as links to mobile apps
- City-wide real estate service delivery model supporting a real estate portfolio of over 6,700 buildings, 106 million sq ft and 28,800 acres of leased and owned lands
- Managing the capital delivery for 469 facilities & 11.8 million sq ft, with an est. replacement value approx. \$4.7 billion
- Manage over 1,000 leases of City space, \$48 million in annual lease revenues
- Over 5,500 vehicles and equipment with est. replacement value of \$582 million and 21 City-owned fuel sites
- 850 enterprise, business solutions & software applications in support of City Programs and service delivery
- Managing a complex and integrated network, connecting over 700 City facilities and 5,000 network components
- Maintains 24,000+ desktop computers, tablets and notebooks, 25,000 phones, 10,000+ wireless devices and 2400 servers and 3 data centres

# Capital Budget Variance

Corporate Services \$ Millions	2017			Alert	2018				Alert
	Budget	Actual	% Spend Year-End		Budget	YTD Sept 30 Actual	Year-End Projection	% Spend Year-End	
311 Toronto	3.12	1.78	57.1%	⚠	6.57	1.49	3.20	48.7%	⚠
FREEE	291.58	161.42	55.4%	⚠	353.81	106.47	217.90	61.6%	⚠
Fleet Services	49.85	44.85	90.0%	Ⓢ	74.16	41.32	61.03	82.3%	Ⓢ
I&T	88.68	51.66	58.3%	⚠	88.84	36.15	57.83	65.1%	⚠
<b>Total</b>	<b>433.23</b>	<b>259.71</b>	<b>59.9%</b>	<b>⚠</b>	<b>523.38</b>	<b>185.43</b>	<b>339.96</b>	<b>65.0%</b>	<b>⚠</b>
<span>Ⓢ</span> >70% <span>⚠</span> between 50% and 70% <span>⚠</span> < 50% or > 100%									

\* Includes Union Station Revitalization (\$112.8M) and Redevelopment of St.Lawrence Market North (\$23.4M). Adjusted year-end forecast is 73% excluding these projects.

## Key Points:

- Year-over-year increase in forecasted spending on capital intensive divisions, including:
  - I&T – 6.9% point increase
  - Environment & Energy Division – 19.7% point increase
- On the core FM SOGR program spending exceeded 80% in 2018 compared to 77.8% in 2017 and 56.2% in 2016 demonstrating improvement in capital project delivery from Facilities Management’s Project Management Office.

# Incremental Operating Impact of Capital



Net Expenditures (\$000s)	2019 Budget		2020 Plan		2021 Plan		2019 - 2028 Total	
	\$	Position	\$	Position	\$	Position	\$	Position
<b>Previously Approved Projects</b>								
<b>Facilities, Real Estate, Environment &amp; Energy</b>								
<i>Security</i>	88.4		119.8		123.4		331.5	0.0
<i>Mechanical and Electrical</i>			20.0				20.0	0.0
<b>Information &amp; Technology</b>								
<i>Enterprise Solution Delivery Management Framework</i>	36.0						36.0	0.0
<i>Intranet Refresh (Phase 1 ITWeb)</i>	14.0						14.0	0.0
<i>Web Bus. Cont. Refresh &amp; Redesign</i>	50.0						50.0	0.0
<b>Sub-Total</b>	<b>188.4</b>	<b>0.0</b>	<b>139.8</b>	<b>0.0</b>	<b>123.4</b>	<b>0.0</b>	<b>451.5</b>	<b>0.0</b>
<b>New Projects</b>								
<b>Information &amp; Technology</b>								
<i>Enterprise Architecture</i>	121.0	1.0	112.0	1.0	34.0		267.0	2.0
<b>Sub-Total</b>	<b>121.0</b>	<b>1.0</b>	<b>112.0</b>	<b>1.0</b>	<b>34.0</b>	<b>0.0</b>	<b>267.0</b>	<b>2.0</b>
<b>Total</b>	<b>309.4</b>	<b>1.0</b>	<b>251.8</b>	<b>1.0</b>	<b>157.4</b>	<b>0.0</b>	<b>718.5</b>	<b>2.0</b>

## Key Points:

- A total of \$0.719 million and 2.0 positions are required from 2019 – 2021 to aid in implementation and sustain various completed capital projects.

