2022 Budget Notes
Technology Services Division

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Description

The Technology Services Division (TSD) provides city-wide leadership in modernizing and innovating City services through strategic technology investments that advances principles of access, affordability and resiliency with equity as a driving factor. This includes:

- Providing a standardized and best practice technology environment to enable program and service delivery to support a digital government.
- Collaborating in partnership with all stakeholders (including the Federal and Provincial Governments, community organizations, residents and businesses) to ensure efficient and effective modernization of solutions with the goal of improving the public experience to access City services.
- Ensuring fiscal stewardship in delivery of results based outcomes to enhance business processes and technology implementations.

Why We Do It

Our services align to the City's Digital Infrastructure Plan, demonstrating a commitment to equity and inclusion, supporting a Well Run City, creating social, economic and environmental benefits, ensuring privacy and security and enabling democracy and transparency.

The Technology Services Division (TSD) leads innovative technology services and solutions that effectively supports the delivery of City services to its stakeholders by ensuring:

- **The City's technology environment is resilient, robust and agile; and**
- **City divisions, residents and businesses experience reliable business continuity enabled from a digital infrastructure that meets their service delivery requirements.**

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

Technology Services Division:	**Corporate:**
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What Service We Provide

Business Technology Solutions
Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors
What We Deliver: Customer-centric sustainable digital solutions
How Much Resources (gross 2022 operating budget): $52.4M

Computer & Communications Technology Infrastructure
Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors
What We Deliver: Stable and scalable technology infrastructure
How Much Resources (gross 2022 operating budget): $61.2M

Enterprise Technology Services Planning & Client Services
Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors
What We Deliver: Investment yielding measured outcomes
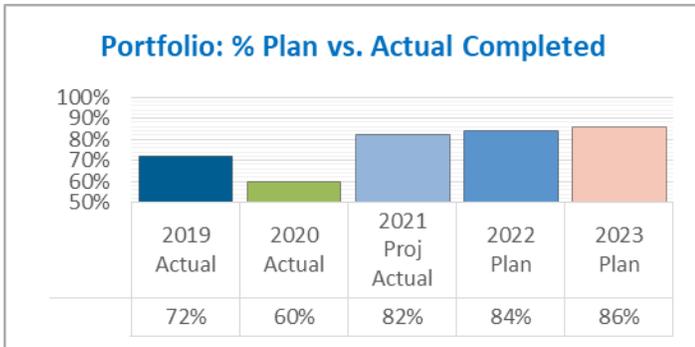**How Much Resources (gross 2022 operating budget):** $27.6M

Budget at a Glance*

2022 OPERATING BUDGET

$Million	2022	2023	2024
Revenues	$31.9	$35.1	$35.2
Gross Expenditures	$141.3	$158.5	$159.5
Net Expenditures	$109.3	$123.4	$124.3
Approved Positions	770.0	770.0	763.0

2022 - 2031 10-YEAR CAPITAL PLAN

$Million	2022	2023-2031	Total
Gross Expenditures	$59.3	$272.8	$332.1
Debt	$38.1	$50.7	$88.7

Note: Includes 2021 carry forward funding

The 2022 Operating and Capital Budgets have been developed to continue investments in priority actions and enable the City to modernize and realize efficiencies and improve service effectiveness.

Based on the most recent published data of the Municipal Benchmarking Network of Canada available at the time of printing these Budget Notes, the Total Cost for Information Technology as a percentage of the Total Municipal Cost was 1.1% in Toronto and compares well with the range of 2%-2.5% reported by similar sized public sector entities.

How Well We Are Doing – Behind the Numbers

Portfolio: % Plan vs. Actual Completed

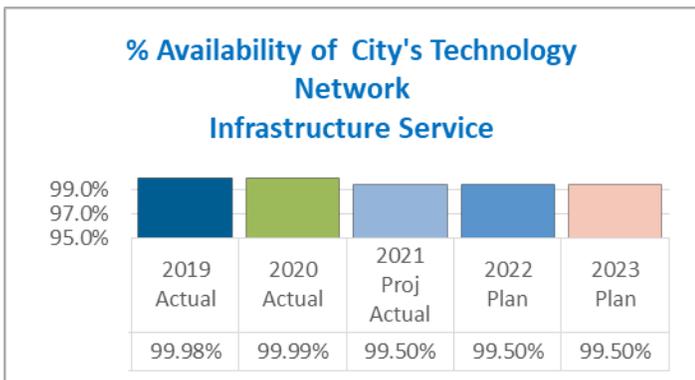| 2019 Actual	2020 Actual	2021 Proj Actual	2022 Plan	2023 Plan
72%	60%	82%	84%	86%

- In 2020, technology project development was suspended with the exception of initiatives that supported the COVID-19 pandemic emergency response
- In 2021, 17 projects are scheduled to be completed. The 2022 target is to complete 82% of planned activities.

% Availability of Business Applications

2019 Actual	2020 Actual	2021 Proj Actual	2022 Plan	2023 Plan
99.97%	99.97%	99.95%	99.95%	99.95%
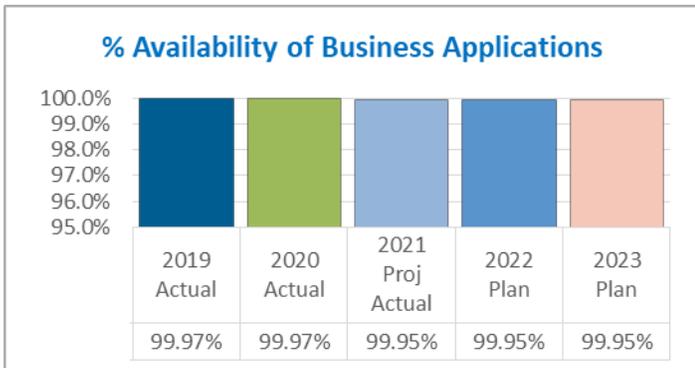
- Measures the availability of all business applications. Applications include Toronto.ca, Municipal Licensing & Standards Online Permitting and Licensing Solution, and Online Parking Ticketing Payment Solution.
- The availability of business applications has been maintained as a result of better planning and fewer incidents.
- Deviations mainly due to scheduled maintenance/upgrades

% Availability of City's Technology Network Infrastructure Service

2019 Actual	2020 Actual	2021 Proj Actual	2022 Plan	2023 Plan
99.98%	99.99%	99.50%	99.50%	99.50%

- Measures the availability and reliability of the City's Technology network and infrastructure. The City's Network infrastructure Service allows for the City's computers, servers, mainframes, peripherals, and other network devices to connect and share software and data resources.
- Enterprise network infrastructure is planned for sustained availability of 99.50% in 2022 per industry standards
- Availability has historically been at or above planned values due to proactive planning, testing and sustainment activities

Enterprise Risk Management - Audit
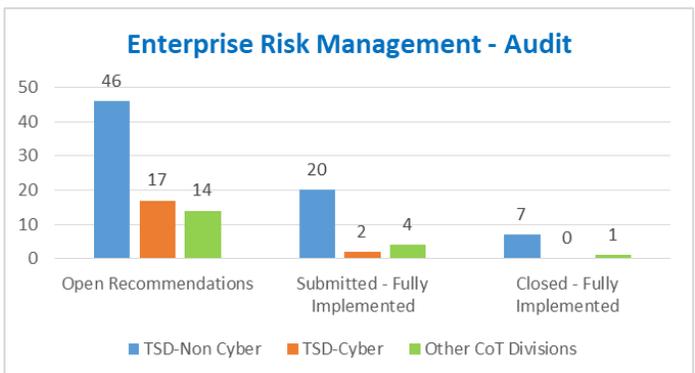
- In 2020 and 2021, Open Audit Recommendations are as follows; 46 in TSD, 17 jointly between TSD and Cyber and 14 in other City of Toronto Divisions
- In 2020 and 2021, Submitted - Fully Implemented Audit Recommendations are as follows; 20 in (TSD, 2 jointly between TSD and Cyber and 4 in other City of Toronto Divisions
- In 2020 and 2021, Closed - Fully Implemented Audit Recommendations are as follows; 7 in TSD and 1 in other City of Toronto Divisions

How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Outcome Measures								
Business Technology Solutions	% Availability of Business Applications	99.97%	99.97%	99.95%	99.95%	●	99.95%	99.95%
Computer & Enterprise Technology Planning & Client Services	Deliver Technology Projects to enable City Programs and Services Delivery: Technology Projects: % Plan vs. Actual Completed	72%	61%	82%	82%	●	88%	90%
Computer & Communications Technology Infrastructure	% Availability of Technology Network Infrastructure Services	99.99%	99.99%	99.50%	99.50%	●	99.50%	99.50%
Computer & Communications Technology Infrastructure	Ensure continued availability of City Technology Infrastructure / Systems: % Availability of Toronto.ca	99.99%	100%	99.50%	99.50%	●	99.50%	99.50%

● **80% - 100%**   ● **64 - 79%**   ● **63% and Under**

COVID-19 IMPACT AND RECOVERY

2022 Impact and Recovery

Operating Budget Impact

The City continues to incur the following operating expenditures as a result of expanding its remote and digital capabilities to support mobile work, virtual council and remote teams, in 2022:

- $1.1 million in enhancing security capability for teleworking.
- $0.9 million in increasing internet, cloud subscriptions, hardware/software maintenances, etc. to enable City-wide staff to telework and host Town Hall meetings/events.
- $0.4 million in acquiring cloud subscriptions for digital signatures, voice agent inquiries, and Chabot to meet modernized business needs.

The recovery activities include:

Remote work and virtual meetings

During the first wave of the COVID-19 pandemic, Technology Services pivoted swiftly to ensure that the City could continue to deliver services, by enabling 11,000 staff to work remotely. In 2021, TSD ensured that infrastructure was maintained and continues to deliver value and expand capacity, to host many virtual meetings at divisional level and improve citywide collaboration in a remote work setting. Virtual meetings included 192 hybrid legislative meetings, including council and committee meetings, 18 days of virtual Council meetings, and 78 press conferences. To support the digital adoption of remote working tools, the Technology Training team delivered over 50 WebEx-specific training sessions that enabled over 2700 City Staff, City Council and the Mayor with the skills to work remotely. In order to achieve this, Technology Services staff closely collaborated with partners from across the City.

Re-opening and Return to Office (RTO)

As the City prepares to re-open, Technology Services again is playing an important role in supporting the resumption of in-person service delivery, completing RTO inventory at all Civic Centres, supporting counter re-openings and providing tools such as tablets to 311 greeters. The City was also able to launch a Digital Appointment Booking solution that made it safer and more efficient to manage public appointments, while saving an average of 6 minutes per appointment.

Technology Services is also actively supporting a safe return to office and ModernTO workplace modernization efforts by deploying new tools such as Office 365 (on-going project) and WebEx Collaboration (deployed to over 22,000 users) to support an improved employee experience.

COVID-19 Chatbot

An innovative solution deployed during the pandemic was the City's first chatbot technology pilot, which utilized artificial intelligence to draw answers to over 61,000 questions posed by Torontonians during a period of high uncertainty and rapidly changing information. Staff in 10 City divisions uploaded and maintained 9,500 chatbot questions and answers, freeing up valuable resources from 311 and Toronto Public Health telephone lines. The chatbot was discontinued in October 2021 as part of an analysis and refresh of COVID web pages on the City's website.

Supporting vaccination efforts

In 2021, Technology Services supported the City's vaccination efforts by setting up the technology for nine Mass Immunization Clinics with up to 40 stations per location, which eventually transitioned from provincial control to Toronto Public Health and, with round-the-clock support, helped achieved Toronto's high vaccination rate.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Launched new digitized 311 Toronto service experience providing approximately 600 service requests over multiple platforms.
- Scaled the City's digital service delivery and telework capacity to enable 11,000 users to continue to work remotely, supporting 192 hybrid legislative meetings, including council and committee meetings, 18 days of virtual Council meetings, and 78 press conferences.
- Deployed new tools for remote meetings and collaboration to over 22,000 users.
- Delivered 50+ technology training sessions on virtual meetings to over 2,700 staff and council members.
- Continued to provide support to City divisions with over 57,000 emails, 103,000 tickets, 30,000 self-serve requests, and 90,000 service desk calls answered, of which 79% were resolved within 2 minutes.
- Through the City's innovative COVID-19 chatbot pilot, answered questions to over 61,000 questions from Torontonians, freeing up resources from 311 and Toronto Public Health phone lines.
- Set up technology for nine Mass Immunization Clinics with up to 40 stations per location and daily support, enabling transition of vaccination clinics from province to Toronto Public Health.
- Supported the resumption of courts virtually, as well as establish digital accessibility for access to justice and Toronto Police enforcement units.
- Assisted the establishment of Front Desk for the enterprise and implementation for Clerks to support counter re-opening and completed return-to-office inventory at all Civic Centres.
- Continued to provide free public internet access through Digital Canopy initiative, serving over 11,000 unique users, and public Wi-Fi in community housing, shelters, parks, and recreation centers
- Completed public engagement for Digital Infrastructure Plan through 17 meetings and presentations, as well as an online questionnaire, to generate a shared vision for & seek input into the City's digital policy.
- Designed and developed a portfolio of accessibility courses that provide City staff with the knowledge to create digital training content accessibly.
- Upgraded and modernized our Local and Wide Area network infrastructure for about 170 sites and locations, replacing and modernizing approximately 300 LAN and WAN devices.

Key Challenges and Risks

- Organizational readiness to adapt new technology and operating practices.
- Maintaining operational and transformational momentum given global supply chain issues resulting from the pandemic, financial realities & funding models.
- Attracting and retaining talent with the right skillsets and development to meet current and future operational technical requirements.
- Legacy technology systems present limited functionality, service planning and compliance challenges impacting the opportunities for cloud migration.
- Sustainable funding model for transition to a "Cloud First" environment.

Priority Actions

- Continue to implement City Council decision to take on an expanded citywide scope and mandate with respect to all technology assets, goods, and services by maturing the Technology Intake Process and Project Governance Model to support centralization and standardization.
- Enabling major transformation initiatives in the City ensuring proper technical oversight, compliance and prioritization in alignment with City priorities and audit recommendations.
- Accelerating the replacement and improvement of legacy technology and systems to produce economies of scale and enable data-driven decision-making; modernizing our data centre and improving aging platforms with modernized applications, where feasible and funded.
- Introduce Integrated Service Hubs and the technology required to enable single point of service and enhance the digital experience of City divisions and public.
- Expand ConnectTO, a City-driven collaborative program that aims to leverage the use of municipal resources and assets to address digital exclusion and increase digital equality through the creation of a Municipal Broadband Network and provide access to affordable, high-speed internet to underserved Toronto residents.

RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2022 Operating Budget for Technology Services of $141.266 million gross, $31.949 million revenue and $109.316 million net for the following services:

Service:	Gross Expenditures ($000s)	Revenue ($000s)	Net Expenditures ($000s)
Business Technology Solutions	52,427.0	18,259.2	34,167.9
Computer & Communications Technology Infrastructure	61,215.6	11,294.8	49,920.8
Enterprise Technology Services Planning & Client Services	27,622.8	2,395.2	25,227.6
Total Technology Services Budget	**141,265.5**	**31,949.2**	**109,316.3**

2. City Council approve the 2022 staff complement for Technology Services of 770.0 positions comprised of 136.0 capital position and 634.0 operating positions.

3. City Council approve 2022 Capital Budget for Technology Services with cash flows and future year commitments totaling $92.770 million as detailed by project in Appendix 6a.

4. City Council approve the 2023-2031 Capital Plan for Technology Services totalling $239.357 million in project estimates as detailed by project in Appendix 6b.

2022
OPERATING BUDGET

2022 OPERATING BUDGET OVERVIEW

Table 1: 2022 Operating Budget by Service

(In $000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	$	$	$	$	$	$	$	%
Revenues								
Business Technology Solutions	16,452.6	21,112.2	15,337.4	18,259.2		18,259.2	2,921.7	19.0%
Computer & Communications Techn	9,311.5	11,655.3	7,572.1	11,294.8		11,294.8	3,722.7	49.2%
Enterprise Technology Services Pla	2,095.2	2,494.0	1,819.9	2,395.2		2,395.2	575.3	31.6%
Total Revenues	**27,859.3**	**35,261.5**	**24,729.4**	**31,949.2**		**31,949.2**	**7,219.7**	**29.2%**
Expenditures								
Business Technology Solutions	47,593.7	54,353.6	49,779.6	52,427.0		52,427.0	2,647.4	5.3%
Computer & Communications Techn	44,738.7	57,931.2	52,081.8	61,215.6		61,215.6	9,133.9	17.5%
Enterprise Technology Services Pla	33,110.1	27,824.3	25,690.6	27,622.8		27,622.8	1,932.2	7.5%
Total Gross Expenditures	**125,442.5**	**140,109.1**	**127,552.0**	**141,265.5**		**141,265.5**	**13,713.5**	**10.8%**
Net Expenditures	**97,583.2**	**104,847.6**	**102,822.5**	**109,316.3**		**109,316.3**	**6,493.8**	**6.3%**
Approved Positions**	**830**	**770**	**N/A**	**770.0**		**770**	**N/A**	**N/A**

*Projection based on 9 Month Variance
**YoY comparison based on approved positions

COSTS TO MAINTAIN EXISTING SERVICES

Total 2022 Base Budget expenditures of $141.266 million gross reflecting an increase of $13.714 million in spending above 2021 projected year-end actuals, predominantly arising from the:

- Continued rollout of Office 365 and enhanced bandwidth to meet teleworking requirements and to reflect the hiring plan to implement key initiatives in 2022

- Annualized and recurring costs to support the response to COVID 19 that will have an ongoing impact on the operating budget as TSD continues to support the City's mobile work environment.

Given the financial impacts of COVID-19 on 2021 actuals, a further comparison of the 2022 Base Budget (excluding 2022 COVID-19 impacts) to the 2021 Council approved Budget (excluding 2021 COVID-19 impact) is provided below:

- ***2022 Base Budget of $106.847 million in net expenditures reflects a $4.474 million net increase from the 2021 Council approved Budget, when excluding $2.469 million in estimated COVID-19 financial impacts.***

COSTS TO ENHANCE SERVICES

New and Enhanced Service: No additional requests to support new and enhanced services submitted.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Technology Service's 2022 Operating Budget do not have any significant equity impacts.

2022 OPERATING BUDGET KEY DRIVERS

The 2022 Operating Budget for Technology Services of $13.714 million gross is 10.8% higher than the 2021 Projected Actuals. Table 2a below summarizes the Operating Budget by revenue and expenditure category.

Table 2a: 2022 Operating Budget by Revenue / Expenditure Category

Category (In $000s)	2019 Actual $	2020 Actual $	2021 Budget $	2021 Projection* $	2022 Budget $	2022 Change from 2021 Projection $	%
User Fees & Donations	193.4	217.4	137.8	146.3	30.3	(116.0)	(79.3%)
Transfers From Capital	21,499.0	15,283.1	18,853.5	13,674.4	16,107.7	2,433.3	17.8%
Contribution From Reserves/Reserve Funds	2,929.7	1,702.2	4,994.9	117.9	4,994.9	4,877.0	4137.0%
Sundry and Other Revenues	324.2	161.9	164.0	324.0	324.0		
Inter-Divisional Recoveries	16,577.2	10,494.6	11,111.3	10,466.8	10,492.4	25.5	0.2%
Total Revenues	**41,523.6**	**27,859.3**	**35,261.5**	**24,729.4**	**31,949.2**	**7,219.7**	**29.2%**
Salaries and Benefits	90,222.3	89,846.2	91,349.7	84,707.1	88,406.5	3,699.4	4.4%
Materials & Supplies	38.5	27.9	63.3	50.3	57.3	7.0	14.0%
Equipment	1,258.8	155.4	900.1	801.3	909.9	108.7	13.6%
Service and Rent	27,264.2	35,151.9	47,785.4	41,978.8	51,881.2	9,902.4	23.6%
Contribution To Reserves/Reserve Funds	211.5	211.8	10.2	10.2	10.2		
Other Expenditures	96.7	39.8	0.4	1.4	0.4	(1.0)	(72.2%)
Inter-Divisional Charges	959.9	9.6		2.9		(2.9)	(100.0%)
Total Gross Expenditures	**120,052.0**	**125,442.5**	**140,109.1**	**127,552.0**	**141,265.5**	**13,713.5**	**10.8%**
Net Expenditures	**78,528.4**	**97,583.2**	**104,847.6**	**102,822.5**	**109,316.3**	**6,493.8**	**6.3%**

*2021 Projection based on Q3 Variance Report

Key Base Drivers:

Salaries & Benefits:

Salaries and Benefits increases are the result of the required hiring plan to meet the 2022 key initiatives of the division and City. Additional increases are the result of cost of living and step increases for unionized staff. Any increase to capitally funded positions is offset by a corresponding increase in funding from capital and thus have no impact on the Net Expenditures.

Services and Rents:

Increases in the request for Services and Rents are primarily the result of the continued rollout of Office 365 licenses in 2022.

Transfers from Capital:

Reflects increased capital recoveries from resumption of the capital program.

Offsets and Efficiencies:

Efficiencies from providing teleworking solutions in the most cost-effective manner; mitigate user-based licenses for video conferencing and online meetings.

Decommissioning of products when enhanced solutions are implemented; reducing perimeter security with the implementation of Managed Security Services Provider (MSSP).

Monitoring underutilized hardware and software products and eliminating them or developing a new way to deliver the service where applicable. This is done in an effort to mitigate the cost of licenses and software/hardware maintenance costs for the underutilized products.

Note:

1. For additional information on 2022 key cost drivers refer to Appendix 2 for a summary of balancing actions.

2023 & 2024 OUTLOOKS

Table 3: 2023 and 2024 Outlooks

($000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	24,729.4	31,949.2	35,081.0	35,217.1
Gross Expenditures	127,552.0	141,265.5	158,468.8	159,508.4
Net Expenditures	**102,822.5**	**109,316.3**	**123,387.8**	**124,291.3**
Approved Positions	N/A	770.0	770.0	763.0

Key drivers

The 2023 Outlook with total gross expenditures of $158.469 million reflects an anticipated $17.203 million or 12.2 per cent increase in gross expenditures above the 2022 Operating Budget; The 2024 Outlook expects a further increase of $1.040 million or 0.7 per cent above 2023 gross expenditures.
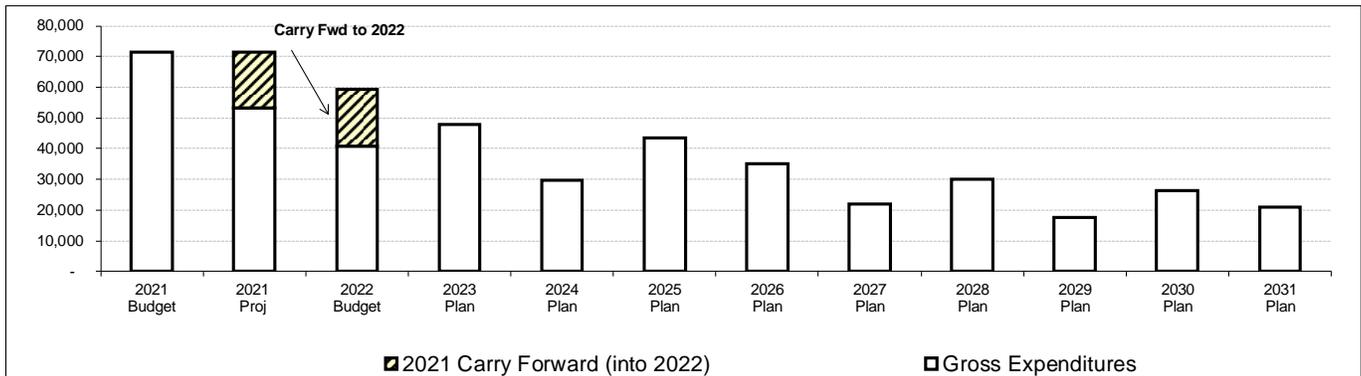
These changes arise from the following:

- Implementation of Work Management System and ServiceNow in 2023
- Final year of the rollout plan for O365 licenses to be completed in 2023
- Increase in 2024 is driven by contractual and inflationary impacts.

2022 – 2031
CAPITAL BUDGET AND PLAN

2022 – 2031 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview

($000)

In $000's	2021		2022 Capital Budget and 2023 - 2031 Capital Plan										
	Budget	Projected Actual	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 10 Year Plan
Gross Expenditures by Project Category:													
Health & Safety & Legislated	1,187	1,080											
SOGR	27,514	20,850	25,550	20,840	18,998	36,043	31,619	21,461	30,188	17,685	26,186	20,846	249,416
Service Improvement & Growth	42,889	26,268	33,729	26,985	10,725	7,387	3,348	537	-	-	-	-	82,711
Total by Project Category	**71,590**	**48,198**	**59,279**	**47,825**	**29,723**	**43,430**	**34,967**	**21,998**	**30,188**	**17,685**	**26,186**	**20,846**	**332,127**
Financing:													
Debt	46,329	25,853	38,091	28,755	10,625	7,387	3,348	537	-	-	-	-	88,743
City Buidling Fund													
Reserves/Reserve Funds	25,049	22,345	21,188	19,070	19,098	36,043	31,619	21,461	30,188	17,685	26,186	20,846	243,384
Development Charges													
Provincial													
Federal													
Debt Recoverable													
Other Revenue													
Total Financing	**71,378**	**48,198**	**59,279**	**47,825**	**29,723**	**43,430**	**34,967**	**21,998**	**30,188**	**17,685**	**26,186**	**20,846**	**332,127**

Changes to Existing Projects
($3.39 Million)

The 2022-2031 Capital Budget and Plan includes an added $3.39 million in funding towards the following changes to existing projects over the nine common years (2022-2030):

- *Open Data Master Plan*
- *ConnectTO*
- *Cloud Deployment – Construction Project & Document Management System*
- *Workforce (HR) Business Intelligence Phase 2*

New Projects
($6.25 Million)

The 2022-2031 Capital Budget and Plan includes $6.25 million for new projects. Key projects are as follows:

- *Document Direct View Direct (DDVD)*
- *API Cloud Migration*
- *Salesforce Realignment of Foundational Technologies*
- *Telestaff Upgrade*
- *eSignature Project*
- *Quality Assurance Centre of Excellence Foundation*
- *eScheduling Solution & Implementation*
- *Employee Communication Modernization*

Note:

For additional information, refer to Appendix 6 for a more detailed listing of the 2022 and 2023-2031 Capital Budget & Plan by project; and Appendix 7 for Reporting on Major Capital Projects – Status Update, respectively

2022 – 2031 CAPITAL BUDGET AND PLAN

$332.1 Million 10-Year Gross Capital Program

Service Improvement, Enhancement and Growth	Aging Infrastructure/SOGR
$82.7M 24.9%	$249.4M 75.1%
• MLS System Modernization • Modernized Data Center • Enterprise Work Management Solution • Office365	• Technology Lifecycle Management (Infrastructure Refresh – E.g. Laptop and tablet replacement – transitioning from desktops)

*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows.

Future year changes in capital investment as transition to approved Cloud First Strategy

TSD implemented a Cloud first Strategy to support the rapid delivery of digital services for the City. Cloud adoption shifts how investments are funded. As most cloud services are subscription-based, this model sees a shift to greater Operating Expenditures as opposed to Capital Expenditures although Capital Investment will continue to be needed to support the delivery of these cloud services. The first big investment in 2021 in this area was the implementation of Office 365 in support of Workplace Modernization Requirements. Benefits include:

- Greater cost agility with infrastructure as a service – Cloud services have a high degree of cost variability, so expenses can quickly decrease if demand for services is reduced.

- Increase retained cash by reducing capital investments - By using cloud/on-demand services, the City does not have to invest upfront to buy technology infrastructure via regular refresh cycles. This reduces the draws on the Technology Lifecycle Management reserve fund.

Leadership and Innovation: Digital Infrastructure Plan

The City carried out extensive City-wide and public consultations during the fall of 2021 to receive input on Toronto's first Digital Infrastructure Plan, which provides a vision, establishes principles, and sets regulations and guidelines for the use of digital tools and data collection across the City and related agencies, boards, and commissions. The public consultations included two virtual public meetings, three drop-in sessions, an online questionnaire, and ten presentations to advisory committees, community groups, and other stakeholders, reaching 794 participants.

Toronto's leadership on the Digital Infrastructure Plan is receiving significant attention from across the country and even globally, with presentations made to working groups such as the Cities Coalition for Digital Rights, Big 6 Cities Coast-to-Coast Working Group, Greater Toronto and Hamilton Area roundtables, and Artificial Intelligence (AI) in Municipal Government Community of Practice.

**How the Capital Program is Funded**

City of Toronto	
$332.1 M **100%**	
Debt	$ 88.7 M
Reserve / Reserve Fund	$ 243.4 M

CAPACITY TO SPEND REVIEW

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten-year capital plan. A review was undertaken to ensure budgets align with Technology Services' ability to spend and the market's capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2021 underspending that will be carried forward into 2022 to complete capital work.

Chart 2 – Capacity to Spend
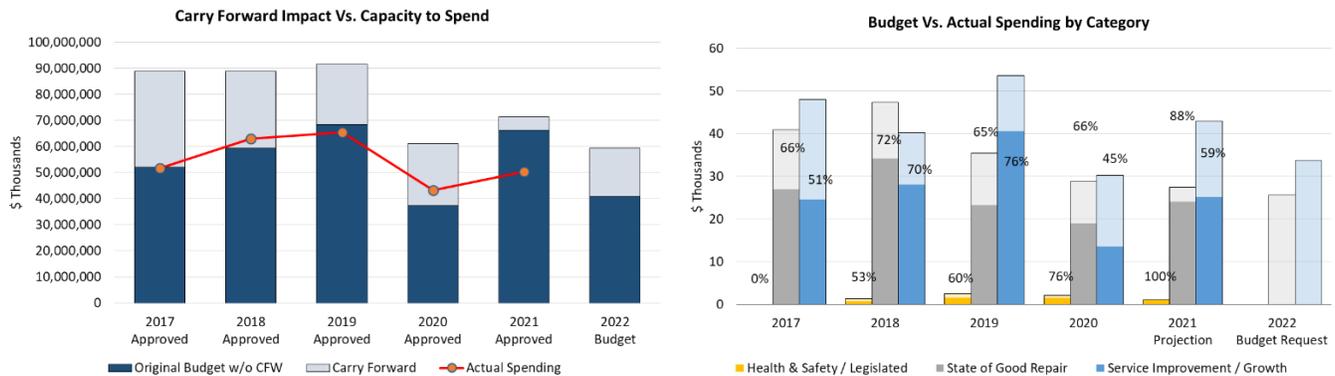
Capacity to Spend Review Impact on the 10-Year Plan

Based on the review of historical capital spending constraints and a capacity to spend review, $18.315 million in capital spending has been deferred from 2021 to 2022, with an additional $5.077 million deferred to 2023 - 2025. Adjustments to the Capital Plan are noted below:

• *Modernized Data Center Architecture* reduced 2022 budget by $5.538 million and deferred $5.538 million to 2023 based on project timelines and capacity to spend

• *Enterprise Work Management Solution* Program has been consolidated across four divisions (Toronto Water, Solid Waste, Parks Forestry & Recreation, and Transportation) for the total budget to reside in TSD. The consolidation has a net zero impact across The City, however it increased the TSD budget by $8.162 million in 2022. Of this, 2.23 million was deferred to 2023

• *Desktop Hardware Replacement* reduced 2022 budget by $2.964 million and deferred the same amount to 2024 due to global supply chain issues.

• Six TSD projects have decreased their 2022 budget ask based on TSD's divisional priorities, resource constraints, timelines and capacity to spend. The collective total decrease is $5.780 million in 2022 compared to the previously submitted 2022 budget

• The projects included in the 2022 budget request fall within the following phases :

  ▪ $27.5M (47% of budget) & 12 projects (24%) are 30%-100% design completed with Procurements ready

  ▪ $16.7M (28% of budget) & 10 projects (20%) are 5%-30% design completed with Procurements ready

  ▪ $5.9M (10% of budget) & 10 projects (20%) are 5%-30% design completed, not Procurement ready

  ▪ $9.1M (15% of budget) & 18 projects (36%) are 0%-5% design completed with estimates includes 12 new project requests for 2022

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for key asset classes in Technology Services such as Lifecycle Management (Desktop Hardware, Software, Servers, etc.)

Chart 3: Total SOGR Funding & Backlog
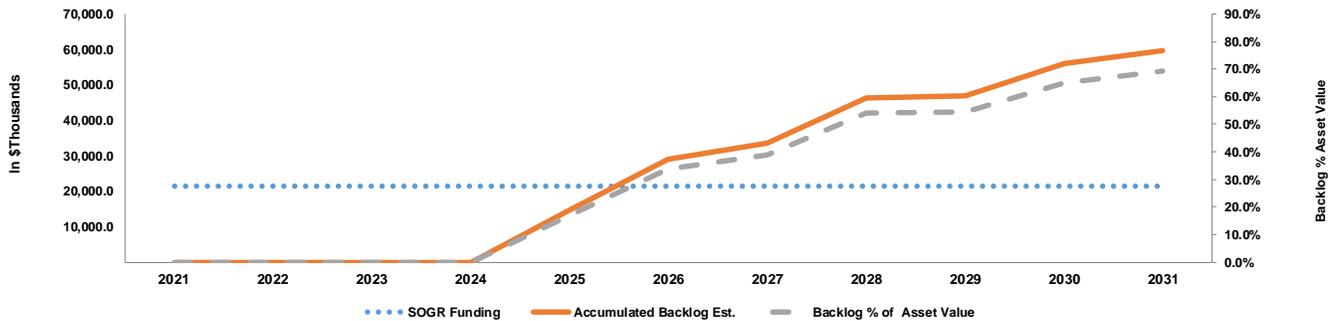
$ Thousands	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SOGR Funding	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0
Accumulated Backlog Est.					14,657.8	29,122.5	33,429.3	46,463.6	46,995.0	56,027.3	59,719.5
Backlog % of Asset Value	0.0%	0.0%	0.0%	0.0%	17.0%	33.9%	38.9%	54.0%	54.6%	65.1%	69.4%
Total Asset Value	84,197.3	85,806.8	86,000.0	86,000.0	86,000.0	86,000.0	86,000.0	86,000.0	86,000.0	86,000.0	86,000.0

- The TSD Life Cycle Management (LCM) program invests to ensure TSD solutions are kept reliable, current, compliant, and supported for continued client satisfaction for all TSD systems. TS Delivery management continually assesses the technologies sustained by the LCM program to ensure alignment with leadership directions, such as Public Cloud First, ModernTO and the transition to 90% notebooks, while also keeping in mind the constant changes in the technology landscape and global supply issues currently being experienced.

- In order to remain within the reserve funding ($21.3M) 2022-2025, the LCM replacement of notebooks and network assets may be extended beyond the policy of three years (network assets) - five years (notebooks) to be 'when-required.' Based on industry standards, this falls within the cost-constrained approach of five years useful life for notebooks. The mainstream standard is four years and the aggressive approach is three years. This is a concern with hybrid teleworking as greater mobility leads to increased hardware failures in notebook devices as the life spans are contingent upon the environmental changes they are subject to regularly.

- The split of LCM costs is as follows 49% ($118M) Notebooks/Desktops, 23% ($56M) Network Assets including costs to implement AG recommendation, 8% ($19M) Internet Services includes impact of increased number of remote workers, Proxy, and Firewall due to COVID-19.

- Based on this plan, it is forecasted that there will be a backlog starting in 2025 and additional funding is required to support the plans. Technology Services will work with FPD to address the projected backlog growth as part of future budget process.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2022 Capital Budget will impact the 2023 Operating Budget by a total of $0.403 million primarily due to the completion of the below mentioned projects expected to be completed in 2022 and 2023, as show in Table 4 below.

Table 4: Net Operating Impact Summary
(In $000's)

Projects	2022 Budget		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2022-2026		2022-2031	
	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions
Previously Approved														
ServiceNow			914.4		914.4						1,828.8		8.0	
Enterprise Work Management Solution	279.5		596.8		758.5						1,634.9		474.0	
AODA Compliance Public Facing	50.0		61.0		72.6						183.6		57.2	
Sub-Total: Previously Approved	**329.5**		**1,572.2**		**1,745.5**						**3,647.2**		**539.2**	
New Projects - 2022														
API Cloud Migration			75.0		75.0		75.0				225.0		225.0	
Class Replacement Project - Enterprise Implementation & Decommisioning							288.0		336.0		624.0		960.0	
Document Direct View Direct (DDVD) Content Migration for Enterprise Wide Processes			75.0		125.0		135.0		145.0		480.0		480.0	
eSignature Project			193.0		50.0		50.0				293.0		293.0	
Salesforce Realignment of Foundational Technologies					220.0						220.0		232.0	
Sub-Total: New Projects - 2022			**343.0**		**470.0**		**548.0**		**481.0**		**1,842.0**		**2,190.0**	
Total (Net)	**329.5**		**1,915.2**		**2,215.5**		**548.0**		**481.0**		**5,489.2**		**2,729.2**	

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

COVID-19 Impacts	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
Sub-Total				
Expenditure Increase				
Security, capability and equiment in support of remote working and digital service delivery	2,367.0		2,468.9	2,468.9
Sub-Total	**2,367.0**		**2,468.9**	**2,468.9**
Support from Other Levels of Gov't				
Sub-Total				
Total COVID-19 Impact	**2,367.0**		**2,468.9**	**2,468.9**

In $ Thousands

Appendix 2

2022 Balancing Actions

($000s)										
Recommendation	**Savings Type**	**Equity Impact**	**AG Recs**	**2022**				**2023 (Incremental)**		
				Revenue	**Gross**	**Net**	**Positions**	**Gross**	**Net**	**Positions**
Cost efficiency from video conferencing and online meeting services	Efficiences	No Impact	No		(251)	(251)				
Reduction to hardware and software maintenance through efficiences	Efficiencies	No Impact	No		(200)	(200)				
Efficiencies in the implementation of chatbot application	Efficiencies	No Impact	No		(86)	(86)				
Total Balancing Actions					**(537)**	**(537)**				

Appendix 3

Summary of 2022 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2022 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2022 Capital Budget;
2023 - 2031 Capital Plan Including Carry Forward Funding

Project Code	(In $000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
	New Projects														
IT001	Document Direct ViewDirect (DDVD)	1,095	795									1,890		1,890	
IT002	API Cloud Migration	400										400		400	
IT003	Salesforce Realignment of Foundational Technologies	545	775									1,320		1,320	
IT004	Class Replacement	569	2,429	2,057								5,055			5,055
IT005	PTP Capital Coordination Future State Seed Project	249	328									577			577
IT006	Telestaff Upgrade	221										221			221
IT007	Fleet Services Driver, Accident and Fine Management	622	1,467	1,258								3,347			3,347
IT008	MLS onboarding to Administrative Penalty System	500										500			500
IT009	eSignature Project	291	501									792			792
IT010	Quality Assurance Centre of Excellence Foundation	150										150			150
IT011	eScheduling Solution & Implementation	980	5,724	4,563	3,393	3,144	537					18,341			18,341
IT012	Employee Communication Modernization	630										630			630
	Existing Projects														
IT013	Disaster Recovery Program	284										284		284	
IT014	Access Control Self Serve	46										46			46
IT015	Electronic Service Delivery Portal - Bldg Permits	974										974			974
IT016	IBMS – Review and Transformation	946										946		946	
IT017	Enterprise Business Intelligence Implementation	650										650			650
IT018	Domino Decommissioning Strategy & Implementation Project	557										557			557
IT019	Office 365	3,693	1,490									5,183			5,183
IT020	MLS Systems Modernization - Noise Complaint	1,124	1,000									2,124			2,124
IT021	Business Systems Imp - ECS Phase 2	63										63			63
IT022	Open Data Master Plan Implementation	1,185										1,185			1,185
IT023	Cloud Deployment - Construction Project and Document Management System	1,041	700									1,741			1,741
IT024	Toronto Property System (TPS) refresh	149	300									449		449	
IT025	T-Recs Cloud Implementation	1,756										1,756			1,756
IT026	ServiceNow	3,744	2,663									6,407			6,407
IT027	Artificial Intelligence (AI) for SSHA and TPH	736										736			736

	Project											Total			
IT028	Information Mgmt Infrastructure - Enterprise Classification	946										946		946	
IT029	Data Centre Zones Implementation	767										767			767
IT030	Directory Services Transition - Phase 2	998										998		998	
IT031	Business Applications Service Monitoring	220										220		220	
IT032	Modernized Data Center Architecture	3,000	5,537	1,000								9,537			9,537
IT033	Museums & Heritage Services IT Infrastructure SOGR	450										450		450	
IT034	ConnectTO - Network Utility	725										725			725
IT035	Workforce (HR) Business Intelligence - Phase 2	1,237										1,237			1,237
IT036	SDFA- Online Grant Management System	209										209			209
IT037	Toronto Building - CRM - Enhanced Complaint Management Process	627										627			627
IT038	HR Labour Relations Information System (LRIS)	560										560			560
IT039	Enterprise Work Management Solution	5,006	6,145	440	340							11,931			11,931
IT040	311 - Verint Upgrade	495										495			495
IT041	311 - UCCE(Telephony) Upgrade	1,880		407	3,654	204						6,145			6,145
IT042	Desktop Hardware Replacement 2016	8,381	9,752	7,169	20,361	15,288	10,586	20,462	7,356	11,567	6,879	117,801		117,801	
IT043	Desktop Software Replacement 2015	250	253	255	258	441	263	265	268	270	441	2,964		2,964	
IT044	Network Asset Replacement 2015	5,589	4,615	5,697	7,998	7,347	4,275	4,660	5,152	5,232	5,312	55,878		55,878	
IT045	Enterprise Server Replacement 2015	1,992	1,958	2,340	2,647	2,472	2,340	2,340	2,340	2,340	2,430	23,198		23,198	
IT046	Enterprise Storage Replacement - 2015	1,035	968	1,825	1,076	992	700	925	700	1,625	1,050	10,895		10,895	
IT047	Enterprise Software Replacement 2015	864	1,023	1,187	1,334	1,250	1,187	1,187	1,187	1,187	1,187	11,593		11,593	
IT048	Internet Services Replacement	850	401	525	2,369	3,829	2,110	349	682	3,965	3,547	18,628		18,628	
	Total Expenditures (including carry forward from 2021)	**59,279**	**48,822**	**28,723**	**43,430**	**34,967**	**21,998**	**30,188**	**17,685**	**26,186**	**20,846**	**332,127**		**248,860**	**83,267**

*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows. Does not break out the climate component costs separately

Appendix 6a
2022 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In $000s)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 2022 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
	New Projects														
IT001	Document Direct View Direct (DDVD)	1,095	795									1,890			1,890
IT002	API Cloud Migration	400										400			400
IT003	Salesforce Realignment of Foundational Technolo	545	775									1,320			1,320
IT004	Class Replacement	569	2,429	2,057								5,055			5,055
IT005	PTP Capital Coordination Future State Seed Proje	249	328									577			577
IT006	Telestaff Upgrade	221										221			221
IT007	Fleet Services Driver, Accident and Fine Managen	622	1,467	1,258								3,347			3,347
IT008	MLS onboarding to Administrative Penalty System	500										500			500
IT009	eSignature Project	291	501									792			792
IT010	Quality Assurance Centre of Excellence Foundatio	150										150			150
IT011	eScheduling Solution & Implementation	980										980			980
IT012	Employee Communication Modernization	630										630			630
	Existing Projects														
IT013	Disaster Recovery Program	284										284	284		
IT014	Access Control Self Serve	46										46	46		
IT015	Electronic Service Delivery Portal - Bldg Permits	974										974	276	698	
IT016	IBMS – Review and Transformation	946										946	646	300	
IT017	Enterprise Business Intelligence Implementation	650										650	360	290	
IT018	Domino Decommissioning Strategy & Implementa	557										557	1	556	
IT019	Office 365	3,693	1,490									5,183	5,183		
IT020	MLS Systems Modernization - Noise Complaint	1,124	1,000									2,124	1,395	729	
IT021	Business Systems Imp - ECS Phase 2	63										63	63		

ID	Project	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total			
IT022	Open Data Master Plan Implementation	1,185										1,185	0	1,185	
IT023	Cloud Deployment - Construction Project and Doc	1,041	700									1,741	1,041	700	
IT024	Toronto Property System (TPS) refresh	149	300									449	449		
IT025	T-Recs Cloud Implementation	1,756										1,756	2,659	(903)	
IT026	ServiceNow	3,744	2,663									6,407	6,407		
IT027	Artificial Intelligence (AI) for SSHA and TPH	736										736	736		
IT028	Information Mgmt Infrastructure - Enterprise Classi	946										946	1,899	(953)	
IT029	Data Centre Zones Implementation	767										767	367	400	
IT030	Directory Services Transition - Phase 2	998										998	998		
IT031	Business Applications Service Monitoring	220										220	220		
IT032	Modernized Data Center Architecture	3,000	5,537	1,000								9,537	9,537		
IT033	Museums & Heritage Services IT Infrastructure SO	450										450	276	174	
IT034	ConnectTO - Network Utility	725										725	175	550	
IT035	Workforce (HR) Business Intelligence - Phase 2	1,237										1,237	287	950	
IT036	SDFA- Online Grant Management System	209										209		209	
IT037	Toronto Building - CRM - Enhanced Complaint Ma	627										627	290	337	
IT038	HR Labour Relations Information System (LRIS)	560										560	364	196	
IT039	Enterprise Work Management Solution	5,006	6,145	440	340							11,931	11,931		
IT040	311 - Verint Upgrade	495										495	495		
IT041	311 - UCCE(Telephony) Upgrade	1,880		407	3,654	204						6,145	6,145		
IT042	Desktop Hardware Replacement 2016	8,381										8,381			8,381
IT043	Desktop Software Replacement 2015	250										250			250
IT044	Network Asset Replacement 2015	5,589										5,589			5,589
IT045	Enterprise Server Replacement 2015	1,992										1,992			1,992
IT046	Enterprise Storage Replacement - 2015	1,035										1,035			1,035
IT047	Enterprise Software Replacement 2015	864										864			864
IT048	Internet Services Replacement	850										850			850
	Total Expenditure (including carry forward from 2021)	**59,279**	**24,130**	**5,162**	**3,994**	**204**						**92,771**	**52,530**	**5,418**	**34,823**

Appendix 6b

2023 - 2031 Capital Plan

Project Code	(In $000s)	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2023 - 2031 Total		Health & Safety & Legislated	SOGR	Growth & Improved Service
IT011	eScheduling Solution & Implementation	5,724	4,563	3,393	3,144	537					17,361				17,361
IT042	Desktop Hardware Replacement 2016	9,752	7,169	20,361	15,288	10,586	20,462	7,356	11,567	6,879	109,420			109,420	
IT043	Desktop Software Replacement 2015	253	255	258	441	263	265	268	270	441	2,714			2,714	
IT044	Network Asset Replacement 2015	4,615	5,697	7,998	7,347	4,275	4,660	5,152	5,232	5,312	50,289			50,289	
IT045	Enterprise Server Replacement 2015	1,958	2,340	2,647	2,472	2,340	2,340	2,340	2,340	2,430	21,206			21,206	
IT046	Enterprise Storage Replacement - 2015	968	1,825	1,076	992	700	925	700	1,625	1,050	9,860			9,860	
IT047	Enterprise Software Replacement 2015	1,023	1,187	1,334	1,250	1,187	1,187	1,187	1,187	1,187	10,729			10,729	
IT048	Internet Services Replacement	401	525	2,369	3,829	2,110	349	682	3,965	3,547	17,778			17,778	
	Total Expenditures	24,693	23,561	39,436	34,763	21,998	30,188	17,685	26,186	20,846	239,357			221,996	17,361

Appendix 7

Reporting on Major Capital Projects: Status Update

Division/Project name	2021 Cash Flow			Total Project		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budge t	Life to Date			Planned	Revised		
Program Name											
Project Name **Enterprise Documents and Records Management**	2,542	579	1,000	8,358	6,268	Significant Delay	Mar-21	Dec-20	Dec-21	®	®
Comments:	Holds management capability deployed in August, plan to deploy disposition for electronic records in November. Cloud Assessment underway, plan to complete in December. Phase 2 established in 2022 to replace the WebGENCAT solution for Toronto Archives and to replace the existing Livelink solution used to manage physical records for the CIty and select Agencies.										
Explanation for Delay:	Work planned for 2020 deferred to 2021 in response to COVID-19. All oustanding capabilities needed to manage electronic records will be completed before end of 2021.										
Project Name **Enterprise Work Management System**	9,053	2,783	7,547	19,478	2,783	Minor Delay	Jan-13	Dec-25	Dec-25	Ⓨ	Ⓖ
Comments:	SWMS work package is on track to be completed by Dec 2021. Other work package are progressing and SOWs are in final stages of signing.										
Explanation for Delay:	Resources are taking longer than anticipated to hire and 2 large work package will not be able to fully deliver by year end which will need to push over into 2023.										
Project Name **Disaster Recovery Program**	785	227	500	4,532	2,599	On Track	Jan-13	Dec-24	Dec-24	Ⓨ	Ⓖ
Comments:	The project is addressing overdue audit recommendations from the AG for a City-wide IT Disaster Recovery Plan (AU7.3). The City needs a Disaster Recovery Program with links to project management gating, Major Incident Management, Business Continuity Planning, and corporate training so that DR becomes just one facet of normal operations.In Q3 Disaster Recover Strategy & Executive Summary, BCP & BIA alignment and validation, and DR Testing guidelines have been completed.										
Explanation for Delay:											
Project Name **O365**	5,034	895	4,318	8,784	895	On Track	Jan-21	Jun-23	Jun-23	Ⓖ	Ⓖ
Comments:	Limited Production Release (LPR) plan in progress, selection of LPR users ongoing. Introduction engagement with divisional I&T teams held in August. Adoption and Change Management strategy in progress. Microsoft workshops and design sessions started in July and are in progress.										
Explanation for Delay:											

On/Ahead of Schedule	Ⓖ	**>70% of Approved Project**
Minor Delay < 6 months	Ⓨ	**Between 50% and 70%**
Significant Delay > 6 months	®	**< 50% or > 100% of**

Appendix 8

Summary of Capital Needs Constraints

(In $ Millions)

N/A

Appendix 9

2022 User Fee Changes

(Excludes User Fees Adjusted for Inflation)

Table 9a - New User Fees

N/A

Table 9b – Fees Above Inflation

N/A

Table 9c - User Fees for Discontinuation

N/A

Table 9d - User Fees for Technical Adjustments

N/A

Table 9e - User Fees for Transfers

N/A

Table 9f - User Fees for Rationalization

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds
2022 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund	Contributions / (Withdrawals)		
	2022	**2023**	**2024**
XR1505 Beginning Balance	7,730	3,078	3,161
Vehicle for Hire *Withdrawals (-)*			
Technology Services Withdrawals - Operating	-640	0	0
Other Division/Agency Withdrawals - Operating	-5,308	-5,311	-5,315
Technology Services Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	0	0	0
Total Withdrawals	-5,948	-5,311	-5,315
Contributions (+)			
Technology ServicesContributions - Operating	0	0	0
Other Division/Agency Contributions - Operating	1,284	5,387	5,387
Contributions - Other	0	0	0
Total Contributions	1,284	5,387	5,387
Total Reserve / Reserve Fund Draws / Contributions	-4,664	76	72
Interest Income	11	7	11
Balance at Year-End	3,078	3,161	3,244

Reserve / Reserve Fund	Contributions / (Withdrawals)		
	2022	**2023**	**2024**
XQ1509 Beginning Balance	68	78	88
Vehicle Reserve - IT *Withdrawals (-)*			
Technology Services Withdrawals - Operating	0	0	0
Other Division/Agency Withdrawals - Operating	0	0	0
Technology Services Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	0	0	0
Total Withdrawals	0	0	0
Contributions (+)			
Technology Services Operating Contributions	10	10	10
Other Division/Agency Contributions - Operating	0	0	0
Contributions - Other	0	0	0
Total Contributions	10	10	10
Total Reserve / Reserve Fund Draws / Contributions	10	10	10
Balance at Year-End	78	88	98

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund		Contributions / (Withdrawals)		
		2022	2023	2024
XR1010	**Beginning Balance**	37,929	24,066	11,173
Insurance	*Withdrawals (-)*			
	Technology Services Withdrawals - Operating	-116	-116	-116
	Other Division/Agency Withdrawals - Operating	-78,533	-79,544	-81,066
	Technology Services Withdrawals - Capital	0	0	0
	Other Division/Agency Withdrawals - Capital	-557	0	0
	Total Withdrawals	-79,206	-79,659	-81,181
	Contributions (+)			
	Technology Services Operating Contributions	0	0	0
	Other Division/Agency Contributions - Operating	65,278	66,726	68,234
	Contributions - Other	0	0	0
	Total Contributions	65,278	66,726	68,234
	Total Reserve / Reserve Fund Draws / Contributions	-13,928	-12,934	-12,948
	Interest Income	65	40	0
	Balance at Year-End	24,066	11,173	-1,775

Inflows and Outflows to/from Reserves and Reserve Funds
2022 – 2031 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund		Contributions / (Withdrawals)									
		2022	2023	2024	2025 ∞	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞
XQ1508	**Beginning Balance**	9,378	7,251	5,115	2,951	-16,258	-31,042	-35,669	-49,023	-49,874	-59,226
Vehicle Reserve - IT Sustainment	*Withdrawals (-)*										
	Technology Services Withdrawals - Operating	-4,239	-4,239	-4,239	-4,239	-4,239	-4,239	-4,239	-4,239	-4,239	-4,239
	Other Division/Agency Withdrawals - Operating	-224	-224	-224	-224	-224	-224	-224	-224	-224	-224
	Technology Services Withdrawals - Capital	-18,961	-18,970	-18,998	-36,043	-31,619	-21,461	-30,188	-17,685	-26,186	-20,846
	Other Division/Agency Withdrawals - Capital	0	0	0	0	0	0	0	0	0	0
	Total Withdrawals	-23,424	-23,433	-23,461	-40,506	-36,082	-25,924	-34,651	-22,148	-30,649	-25,309
	Contributions (+)										
	Technology Services Operating Contributions	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Contributions - Operating	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
	Contributions - Other	0	0	0	0	0	0	0	0	0	0
	Total Contributions	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
	Total Reserve / Reserve Fund Draws / Contributions	-2,127	-2,136	-2,164	-19,209	-14,785	-4,627	-13,354	-851	-9,352	-4,012
	Balance at Year-End	7,251	5,115	2,951	-16,258	-31,042	-35,669	-49,023	-49,874	-59,226	-63,238

∞ *Using 2024 PBF Contributions, figures have been projected for 2025-2031 contributions*

Due to increased lifecycle management costs to support growth and increased remote working due to COVID-19, additional pressures are present on Technology's Services Sustainment Reserve (i.e. replacing desktops with laptops). The program continues to work with Financial Planning to manage the reserve balance while budget funding for commitments will be confirmed prior to any expenses being incurred.

Reserve / Reserve Fund		Contributions / (Withdrawals)									
		2022	2023	2024	2025 ∞	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞
XR1305	**Beginning Balance**	177,671	159,781	142,492	125,391	108,816	92,605	76,387	59,913	43,178	26,180
	Withdrawals (-)										
	Technology Services Withdrawals - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Operating	-17,616	-17,637	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542
	Technology Services Withdrawals - Capital	-627	0	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Capital	0	0	0	0	0	0	0	0	0	0
	Total Withdrawals	-18,243	-17,637	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542
	Contributions (+)										
	Technology ServicesContributions - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Contributions - Operating	0	0	0	0	0	0	0	0	0	0
	Contributions - Other	0	0	0	0	0	0	0	0	0	0
	Total Contributions	0	0	0	0	0	0	0	0	0	0
	Total Reserve / Reserve Fund Draws / Contributions	-18,243	-17,637	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542	-17,542
	Interest Income	354	347	441	968	1,331	1,325	1,068	808	544	275
	Balance at Year-End	159,781	142,492	125,391	108,816	92,605	76,387	59,913	43,178	26,180	8,912

∞ Using 2024 PBF Contributions, figures have been projected for 2025-2031 contributions

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2022	2023	2024	2025 ∞	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞
XR1404	**Beginning Balance**	127,624	119,741	108,721	108,723	118,164	124,807	138,005	154,767	172,292	175,278
Waste Management	*Withdrawals (-)*										
	Technology Services Withdrawals - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Operating	0	0	0	0	0	0	0	0	0	0
	Technology Services Withdrawals - Capital	-1,200	-300	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Capital‡	-20,100	-22,984	-22,021	-18,023	-23,091	-18,028	-15,932	-17,366	-33,764	-37,060
	Total Withdrawals	-21,300	-23,284	-22,021	-18,023	-23,091	-18,028	-15,932	-17,366	-33,764	-37,060
	Contributions (+)										
	Technology ServicesContributions - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Contributions - Operating	13,158	12,002	21,666	26,527	28,129	29,166	30,399	32,327	34,026	35,783
	Contributions - Other	0	0	0	0	0	0	0	0	0	0
	Total Contributions	13,158	12,002	21,666	26,527	28,129	29,166	30,399	32,327	34,026	35,783
	Total Reserve / Reserve Fund Draws / Contributions	-8,142	-11,283	-356	8,504	5,037	11,138	14,467	14,961	262	-1,277
	Interest Income	259	262	358	938	1,605	2,060	2,295	2,564	2,724	2,759
	Balance at Year-End	119,741	108,721	108,723	118,164	124,807	138,005	154,767	172,292	175,278	176,760

∞ Using 2024 PBF Contributions, figures have been projected for 2025-2031 contributions

‡ Solid Waste Management has been modified with a spend rate of 80.00% and Operating Contributions to tie directly to the Rate Model

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2022	2023	2024	2025 ∞	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞
XR6003	**Beginning Balance**	1,052,417	1,110,635	1,073,182	1,085,941	1,151,820	1,274,375	1,429,945	1,595,832	1,778,024	1,981,698
Water Capital	*Withdrawals (-)*										
	Technology Services Withdrawals - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Operating	-383	3,773	3,773	3,773	3,773	3,773	3,773	3,773	3,773	3,773
	Technology Services Withdrawals - Capital	-85	-85	-85	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Capital‡	-362,491	-471,115	-437,114	-400,748	-361,951	-345,457	-353,179	-348,194	-344,639	-346,742
	Total Withdrawals	-362,959	-467,427	-433,426	-396,975	-358,178	-341,684	-349,406	-344,421	-340,866	-342,969
	Contributions (+)										
	Technology ServicesContributions - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Contributions - Operating	418,909	427,465	442,628	453,605	464,706	476,057	491,577	500,169	515,072	527,693
	Contributions - Other	0	0	0	0	0	0	0	0	0	0
	Total Contributions	418,909	427,465	442,628	453,605	464,706	476,057	491,577	500,169	515,072	527,693
	Total Reserve / Reserve Fund Draws / Contributions	55,949	-39,962	9,203	56,630	106,528	134,373	142,171	155,747	174,206	184,724
	Interest Income	2,269	2,509	3,557	9,248	16,028	21,197	23,716	26,445	29,469	32,770
	Balance at Year-End	1,110,635	1,073,182	1,085,941	1,151,820	1,274,375	1,429,945	1,595,832	1,778,024	1,981,698	2,199,192

∞ Using 2024 PBF Contributions, figures have been projected for 2025-2031 contributions

‡ Water Program has been modified with a spend rate of 85.00% and Operating Contributions to tie directly to the Rate Model

Corporate Reserve / Reserve Funds

N/A

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).