

2023 Budget Notes

Technology Services Division

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at FPD@toronto.ca.Description

Description

The Technology Services Division (TSD) provides city-wide leadership in modernizing and innovating City services through strategic technology investments that advance 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 supporting the aspirations of 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
- 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:

Renee Laforet

Chief Technology Officer (Acting), Technology Services Division

Tel: (416) 397-0500

Email: renee.laforet@toronto.ca

Corporate:

Marie Barcellos

Manager, Financial Planning

Tel: (416) 392-8393

Email: marie.barcellos@toronto.ca

What Service We Provide

<p><u>Business Technology Solutions</u> Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors What We Deliver: Customer centric sustainable digital solutions How Much Resources (gross 2023 operating budget): \$52.5 million</p>
<p><u>Computer & Communications Technology Infrastructure</u> Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors What We Deliver: Stable and scalable technology infrastructure How Much Resources (gross 2023 operating budget): \$62.2 million</p>
<p><u>Enterprise Technology Services Planning & Client Services</u> Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors What We Deliver: Investment yielding measured outcomes How Much Resources (gross 2023 operating budget): \$28.7 million</p>

Budget at a Glance*

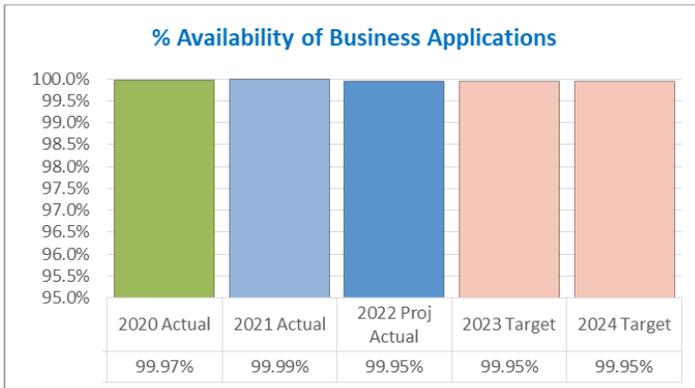
2023 OPERATING BUDGET				2023 - 2032 10-YEAR CAPITAL PLAN			
\$Million	2023	2024	2025	\$Million	2023	2024-2031	Total
Revenues	\$32.7	\$34.6	\$34.7	Gross Expenditures	\$55.8	\$280.6	\$336.4
Gross Expenditures	\$143.4	\$163.1	\$163.6	Debt	\$30.7	\$57.6	\$88.3
Net Expenditures	\$110.6	\$128.5	\$128.9	Note: Includes 2022 carry forward funding			
Approved Positions	787.0	787.0	787.0				

The 2023 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.

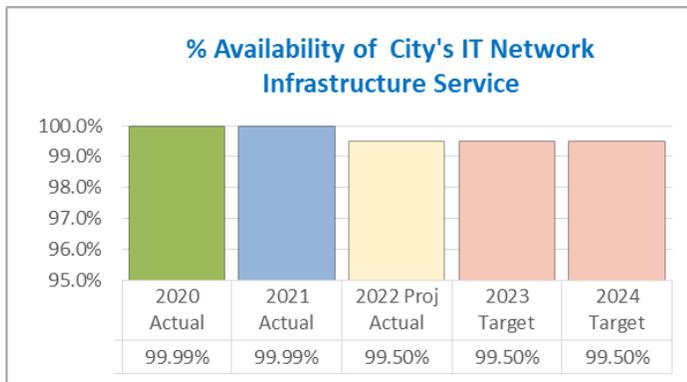
How Well We Are Doing – Behind the Numbers



- In 2022, TSD projects experienced resource constraints and supply chain issues, impacting projects.
- At the end of Q2/2022, 12% or 3/25 of in-flight projects have completed to plan.
- In 2022, 25 projects are scheduled to complete. Target 83% or 21/25 projects are expected to be completed.

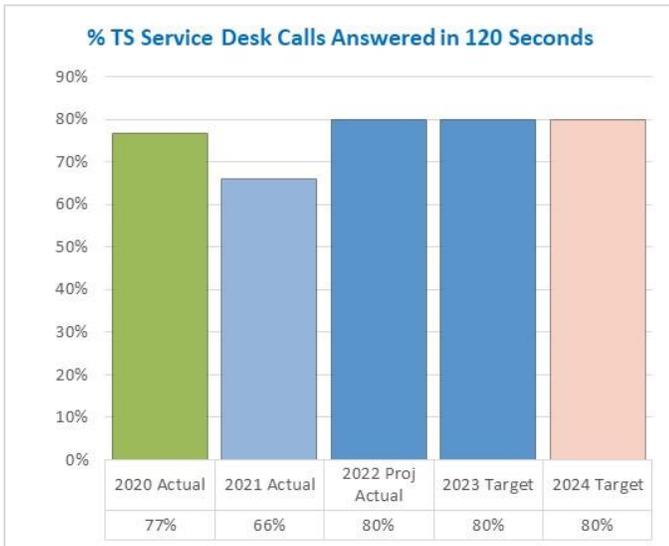


- This measures the availability of all business applications. Applications include Toronto.ca, Municipal Licensing & Standards Online Permitting and Licensing Solution, and Online Parking Ticketing Payment Solution.
- The availability of business applications has been maintained as a result of better planning and fewer incidents.
- Deviations mainly due to scheduled maintenance/upgrades.

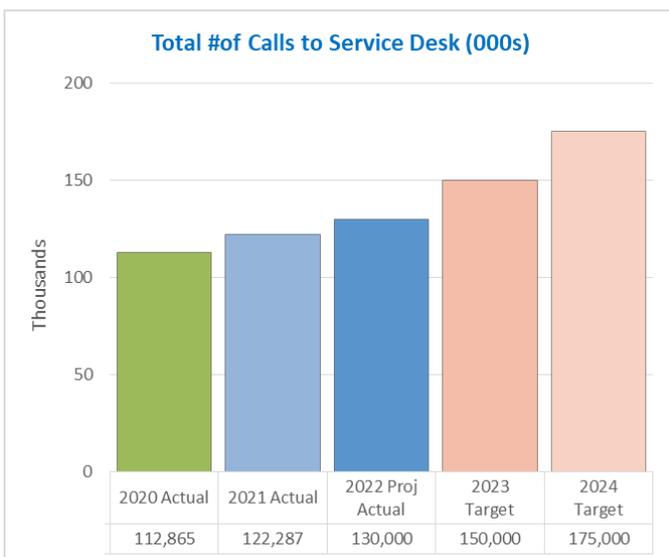


- This measures the availability and reliability of the City's Technology network and infrastructure. The City's Network Infrastructure Service allows for the City's computers, servers, mainframes, peripherals, and other network devices to connect and share software and data resources.
- Enterprise network 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.

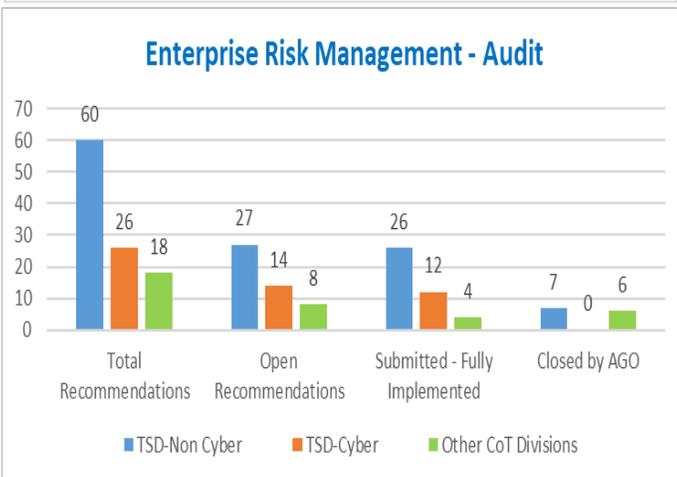
How Well We Are Doing – Behind the Numbers (Cont.)



- Service Desk will maintain or exceed its target of 80% calls answered within 2 minutes over the next two years despite a significant increase in calls due to hybrid work, expansion of Service Desk hours to accommodate more off-hour calls within the business hours, and a significant growth in online services.
- Service Desk plans to do this by increasing its staffing complement, as well as finding operational efficiencies through automation including implementation of ServiceNow.



- Since the beginning of 2022, the call volume has significantly grown and is expected to grow between 5%-19% annually due to the following reasons:
 - Hybrid Work culture
 - Transitioning after-hour technology support calls from 311 to Service Desk
 - Increase in digital services such as Office 365
 - Onboarding more clients and services to Service Desk to meet related Auditor General requirements in terms of centralizing tier-1 support under Service Desk.



- In 2022, Open Audit Recommendations were as follows; 27 in Technology Services Division (decreased by 19 from 2021), 14 jointly between TSD and Cyber (decreased by 3 from 2021) and 8 in other City of Toronto Divisions (decreased by 6 from 2021)
- In 2022, Submitted - Fully Implemented Audit Recommendations were as follows; 26 in Technology Services Division (increased by 6 from 2021), 38 jointly between TSD and Cyber (increased by 16 from 2021) and 4 in other City of Toronto Divisions (no change from 2021)

How Well We Are Doing

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Outcome Measures								
Business Technology Solutions	% Availability of Business Applications	99.97%	99.99%	99.95%	99.95%	●	99.95%	99.95%
Computer & Communications Technology Infrastructure	Ensure continued availability of City Technology Infrastructure / Systems: % Availability of Toronto.ca	100%	99.99%	99.50%	99.50%	●	99.50%	99.50%
Computer & Communications Technology Infrastructure	% Availability of Technology Network Infrastructure Services	99.99%	99.99%	99.50%	99.50%	●	99.50%	99.50%
Computer & Enterprise Technology Planning & Client Services	Deliver Technology Projects to enable City Programs and Services Delivery: Technology Projects: % Plan vs. Actual Completed	61%	83%	83%	83%	●	84%	85%
IT Service Management – Service Desk	% Service Desk Calls Answered in 120 Seconds	76.80%	65.97%	80.00%	80.00%	●	80.00%	80.00%
IT Service Management – Service Desk	Total # of Calls to Service Desk (000s)	112,865	122,287	130,000	130,000	●	150,000	175,000

2022 Projection to 2022 Target Comparison

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

COVID-19 IMPACT AND RECOVERY

2023 Impact and Recovery

Operating Budget Impact

The City will continue 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 2023:

- \$1.1 million in enhancing security capability for teleworking.
- \$1.1 million in increasing internet, cloud subscriptions, hardware/software maintenances, etc. to enable City-wide staff to telework and host Town Hall meetings/events.
- \$0.2 million in acquiring cloud subscriptions for digital signatures to meet modernized business needs.

Planned recovery activity will address **hybrid work and virtual meetings**:

In 2022, TSD ensured that infrastructure was maintained and continues to deliver value and expand capacity to host many virtual meetings and events with a focus on improved citywide collaboration in a hybrid work setting. The TSD team supported over 700 virtual meetings and events, including hybrid legislative meetings for Council and Committees. Continuing growth since Q4 2021 has been seen in the active adoption of collaboration technologies with City staff generating more than 60,000 virtual meetings and 710,000 collaboration messages. Additional Technology Services support for the resumption of in-person service delivery and the move to hybrid work required additional hardware to support return to office.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- City Council unanimously adopted the City's first Digital Infrastructure Strategic Framework (DISF) in April 2022 as the guiding direction for Digital Infrastructure Initiatives undertaken by the City. The DISF was selected as one of six finalists for the Smart City World Expo Awards in Barcelona, Spain in November 2022.
- ConnectTO's public Wi-Fi project was selected as part of the Canada Community Revitalization Fund program, with \$750K in funding.
- Continued to provide free public internet access through the Digital Canopy initiative, serving over 11,000 unique users, and public Wi-Fi in community housing, shelters, parks, and recreation centers.
- Designed and developed a portfolio of accessibility courses that provide City staff with the knowledge to create digital training content accessibly.
- Completed enhancements and application upgrades to ensure continued Payment Card Industry (PCI) compliance, including modernized online payments to address compliance risks and offer customers more options for paying City bills (i.e., MyTorontoPay).
- Launched new digital solutions to bring City services online and in response to evolving COVID response needs (i.e., TO Building Booking, Return To Office Attestation, Human Services Integration Welcome Policy program, Revenue Services eBilling solution Phase1).
- Decommissioned older technologies, to reduce legacy technology footprint, manage technical risk and strengthen our security posture.
- City-wide intake and Enterprise Review was rolled out across all divisions. Over 35 architecture reviews were completed to ensure the guiding principles are met.
- Together with City Clerks and Office of the Chief Information Security Officer, TSD enabled 5 new election related systems in the cloud to support the Election process for business areas such as, recruitment, warehouse management, candidate management, and solution integration. TSD participated in providing operational support for testing, deployment, Advance Vote and Election Day.
- Continued deployment of tools to city divisions to enable enhanced collaboration and provisioned SharePoint sites to support critical initiatives such as the Financial System Transformation Project, ModernTO and the Transit Expansion Project.
- Supported Parks, Forestry and Recreation's 2022 Recreation Registration events with 197,000 successful registrations and more than \$8.3 million processed.
- Expanded Service Desk support capability including increased hours of operation by three hours from 7:00 a.m.-5:00 p.m. to 6:00 a.m.-7:00 p.m. to support hybrid work culture and transition after-hour technology support calls from 311.
- Supported the implementation of NextGen 911 technology with Fire Services which improves information available to first responders and improved emergency service delivery.
- Completed state of good repair and lifecycle management of 25 SQL, 1566 Windows Servers, 526 *NIX Servers to support the City's electronic business processes, digital service delivery systems and infrastructure.

Key Challenges and Risks

- Attracting and retaining talent with the right skillsets and development to meet current and future operational technical requirements.
- Organizational readiness to adopt new technology and operating practices.
- Maintaining operational and transformational momentum given global supply chain issues resulting from the pandemic, financial realities & funding models.
- Legacy technology systems impact the opportunities for cloud migration by having limited functionality, service planning and compliance with technology standards.
- Sustainable funding model for transition to a “Cloud First” environment.
- Moving key foundational initiatives forward due to changing environment and large stakeholder groups, making alignment critical which requires time.

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.
 - Implement a Digital Roadmap focused on the technology journey, which is aligned with the Council-adopted Digital Infrastructure Strategic Framework and corporate strategic priorities. This roadmap creates a way forward to support a well-run City by optimizing investments and enabling the overall technology ecosystem.
 - Enable major transformation initiatives in the City ensuring proper technical oversight, compliance and prioritization in alignment with City priorities and audit recommendations.
 - Continue to roll out the future phases of the modernized enterprise work management technology platform (EWMS) to Parks, Forestry & Recreation and Toronto Water Divisions.
 - Expand on the customer experience transformation successes from 2022, scale the use of digital platforms/solutions to onboard services that are currently only offered through a Tier 2 (in person) or paper delivery driven means, promoting the use of online services and reducing the requirement for residents to receive paper via post or coming into City locations unnecessarily.
 - Continue to provide technology delivery and implementation support for the Financial Systems Transformation Project which successfully completed the design phase in 2022 and moved into implementation. This will support the modernization of the technology that is foundational to the City's core finance processes and support the cloud first strategic direction for technology solutions.
 - Accelerate 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.
-

TABLED BUDGET

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. City Council approve the 2023 Operating Budget for Technology Services of \$143.380 million gross, \$32.748 million revenue and \$110.633 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Business Technology Solutions	52,475.5	18,451.7	34,023.8
Computer & Communications Technology Infrastructure	62,170.6	11,200.1	50,970.5
Enterprise Technology Services Planning & Client Services	28,734.0	3,095.8	25,638.2
Total Program Budget	143,380.1	32,747.6	110,632.5

- The above includes a 2023 budgeted staff complement for Technology Services of 787.0 positions comprised of 140.5 capital positions and 646.5 operating positions.
2. The 2023 Capital Budget for Technology Services with cash flows and future year commitments totaling \$104.493 million as detailed by project in [Appendix 6a](#).
 3. The 2024-2032 Capital Plan for Technology Services totalling \$231.958 million in project estimates as detailed by project in [Appendix 6b](#).

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 New / Enhanced	2023 Budget	Change v. 2022 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Business Technology Solutions	13,914.7	19,364.0	9,263.6	18,451.7		18,451.7	9,188.1	99.2%
Computer & Communications Technology Infrastructure	7,798.3	11,294.8	10,394.1	11,200.1		11,200.1	806.0	7.8%
Enterprise Technology Services Planning & Client Services	2,407.6	3,840.2	5,137.7	3,095.8		3,095.8	(2,041.9)	(39.7%)
Total Revenues	24,120.6	34,499.0	24,795.3	32,747.6		32,747.6	7,952.3	32.1%
Expenditures								
Business Technology Solutions	46,762.5	54,666.4	78,785.6	52,475.5		52,475.5	(26,310.0)	(33.4%)
Computer & Communications Technology Infrastructure	50,275.3	61,337.6	41,330.1	62,170.6		62,170.6	20,840.5	50.4%
Enterprise Technology Services Planning & Client Services	22,831.8	30,318.5	9,041.0	28,734.0		28,734.0	19,693.0	217.8%
Total Gross Expenditures	119,869.5	146,322.5	129,156.7	143,380.1		143,380.1	14,223.5	11.0%
Net Expenditures (including COVID-19)	95,748.9	111,823.5	104,361.4	110,632.5		110,632.5	6,271.2	6.0%
Required COVID-19 Support	2,395.3	2,469.0	2,889.6	2,468.9		2,468.9	(420.6)	(14.6%)
Net Budget (excluding COVID-19 supports)	93,353.6	109,354.5	101,471.8	108,163.6		108,163.6	6,691.8	6.6%
Approved Positions**	770.0	795.0	N/A	787.0		787.0	N/A	N/A

* 2022 Projection based on 9 Month Variance

**YoY comparison based on approved positions

The 2023 Net Budget of \$110.633 million reflects a \$6.271 million or 6.0% increase from 2022 projections comprised of:

- \$0.421 million or 14.6% net decrease in expected COVID-19 impacts; and
- \$6.692 million or 6.6% increase in the 2023 Net Budget (excluding COVID) compared to 2022 projections.

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Budget expenditures of \$143.380 million gross reflect an increase of \$14.224 million or 11.0% in spending above 2022 projected year-end actuals, predominantly arising from:

- The ongoing rollout and implementation of key strategic initiatives including Office 365, TCHC Wi-Fi and Network Segregation and Segmentation;
- Continued financial support for the digital modernization journey of the City and to support remote working through the Hybrid working model; and
- The division's hiring plan to support the initiatives mentioned above.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Technology Services' 2023 Operating Budget do not have any significant equity impacts.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for Technology Services of \$143.380 million in gross expenditures is \$14.224 million or 11.0% higher than the 2022 Projected Actuals. Table 2 below summarizes the key cost drivers for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2020	2021	2022	2022	2023	2023 Change from 2022	
	Actual	Actual	Budget	Projection*	Budget	Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
User Fees & Donations	217.4	170.8	30.3	(32.5)	30.3	62.7	(193.2%)
Transfers From Capital	15,283.1	13,059.0	18,553.4	13,655.5	16,560.6	2,905.1	21.3%
Contribution From Reserves/Reserve Funds	1,702.2	117.9	4,994.9	115.6	4,994.9	4,879.2	4219.3%
Sundry and Other Revenues	161.9	320.0	428.1	564.3	428.1	(136.1)	(24.1%)
Inter-Divisional Recoveries	10,494.6	10,453.0	10,492.4	10,492.4	10,733.7	241.4	2.3%
Total Revenues	27,859.3	24,120.6	34,499.0	24,795.3	32,747.6	7,952.3	32.1%
Salaries and Benefits	89,846.2	80,707.2	93,463.5	84,709.8	90,220.9	5,511.2	6.5%
Materials & Supplies	27.9	8.4	57.3	43.4	61.4	18.0	41.5%
Equipment	155.4	307.1	909.9	1,289.1	899.3	(389.8)	(30.2%)
Service and Rent	35,151.9	38,796.2	51,881.2	43,024.0	52,187.8	9,163.9	21.3%
Contribution To Reserves/Reserve Funds	211.8	10.2	10.2	10.2	10.2		
Other Expenditures	39.8	22.0	0.4	80.2	0.4	(79.8)	(99.5%)
Inter-Divisional Charges	9.6	18.4					
Total Gross Expenditures	125,442.5	119,869.5	146,322.5	129,156.7	143,380.1	14,223.5	11.0%
Net Expenditures	97,583.2	95,748.9	111,823.5	104,361.4	110,632.5	6,271.2	6.0%

*Projection based on 9 Month Variance

Key Base Drivers:**Salaries & Benefits:**

Increases are the result of the required hiring plan to meet the 2023 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 capitolly 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 are due to the implementation of key strategic initiatives including Office 365, TCHC Wi-Fi and Network Segregation and Segmentation

Other Revenue Changes:

- Increase in transfers from capital to reflect the capital recoveries for capitolly funded FTE.
- Adjustment of interdivisional recoveries to align with expected 2023 expenditures.

Offsets and Efficiencies:

Reflects the planned decommissioning of products in Technology Services and adjust for improved pricing on contracts through negotiation as well as monitoring for underutilized licenses and line by line reviews.

Note:

1. For additional information on 2023 key cost drivers please refer to [Appendix 2](#) for a summary of Affordability Measures and [Appendix 3](#) for a more detailed listing and descriptions of the 2023 Service, respectively.

2024 & 2025 OUTLOOKS**Table 3: 2024 and 2025 Outlooks**

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
Revenues			
Internal Recoveries		1,864.6	60.0
Total Revenues	32,747.6	1,864.6	60.0
Gross Expenditures			
Salaries and Benefits		5,242.7	32.8
Inflationary & Subscription Impacts		1,372.2	472.4
Continue Rollout of Office 365		13,120.8	
Total Gross Expenditures	143,380.1	19,735.7	505.2
Net Expenditures	110,632.5	17,871.1	445.2
Approved Positions	787.0	0.0	0.0

Key drivers

The 2024 Outlook with total gross expenditures of \$163.116 million reflects an anticipated \$19.736 million or 13.8% increase in gross expenditures above the 2023 Operating Budget; The 2025 Outlook expects a further increase of \$0.505 million or 0.3% above 2024 gross expenditures.

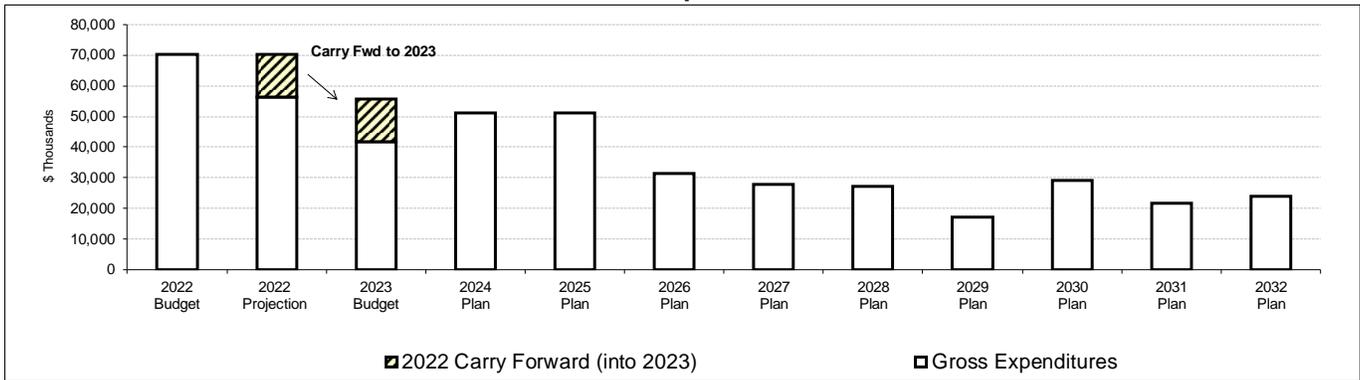
These changes arise from the following:

- The City-Wide rollout of Office 365;
- Reflection of the annualized impacts from the 2023 divisional hiring plan; and
- Inflationary impacts.

**2023 – 2032
CAPITAL BUDGET AND PLAN**

2023 – 2032 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2022		2023 Capital Budget and 2024 - 2032 Capital Plan										Total 10 Year Plan
	Budget	Projected Actual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Gross Expenditures by Project Category:												
Health & Safety & Legislated	184	92	345										345
SOGR	28,586	16,838	27,103	22,675	32,566	24,093	27,924	27,226	17,209	28,995	21,629	23,885	253,305
Service Improvement & Growth	41,558	25,333	28,327	28,568	18,553	7,353							82,801
Total by Project Category	70,328	42,263	55,775	51,243	51,119	31,446	27,924	27,226	17,209	28,995	21,629	23,885	336,451
Financing:													
Debt			25,244	30,728	19,529	7,353							82,854
Reserves/Reserve Funds			25,055	20,515	31,590	24,093	27,924	27,226	17,209	28,995	21,629	23,885	248,121
Development Charges													
Provincial													
Federal													
Debt Recoverable													
Other Revenue			5,476										5,476
Total Financing			55,775	51,243	51,119	31,446	27,924	27,226	17,209	28,995	21,629	23,885	336,451

Changes to Existing Projects
(\$9.5 Million)

The 2023-2032 Capital Budget and Plan reflects changes to the following existing projects over the nine common years (2023-2031) :

- Office 365
- eScheduling Solution & Implementation
- Class Replacement Enterprise Implementation & Decommissioning
- Disaster Recovery Program
- Cloud Deployment – Construction Project & Document Management System
- ConnectTO
- Life Cycle Management (Replacement of IT Assets)

New Projects
(\$4.0 Million)

The 2023-2032 Capital Budget and Plan includes new projects. Key projects are as follows:

- Modernization of Microsoft Access Application - Phase 1
- Enterprise Work Management Solution (EWMS) Phases 2 of 3
- Project Portfolio Management System Migrate to ServiceNow
- T-Recs Cloud Assessment & Migration
- Accelerating the Digitization Journey
- Fleet Services Digital Driver Permit
- MLS RentSafeTO Evaluation Tool Redesign Implementation
- OEM Business Continuity Improvements
- TPS Paramedic Activity & Compliance Tracking Program
- Legal Services Document Management System

Note:

For additional information, please refer to [Appendix 6](#) for a more detailed listing of the 2023 and 2024-2032 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; and [Appendix 8](#) for Capacity to Spend Review, respectively

2023 – 2032 CAPITAL BUDGET AND PLAN

\$336.4 Million 10-Year Gross Capital Program

		
Availability of City's IT Infrastructure/SOGR	Health and Safety	Enhanced Resiliency
\$244.0M 72.5%	\$81.8M 24.3%	\$10.6M 3.2%
<p><i>Technology Lifecycle Management</i> (Infrastructure Refreshing – e.g., laptop and tablet replacement – transitioning from desktops)</p>	<ul style="list-style-type: none"> • <i>Enterprise Work Management Solution</i> • <i>eScheduling Solution & Implementation</i> • <i>Modernized Data Center Architecture</i> • <i>Office 365</i> • <i>Cloud Deployment - Construction Project and Document Management System</i> • <i>ConnectTO – (Optimization of City Assets to deploy public WiFi)</i> 	<ul style="list-style-type: none"> • <i>Class Replacement - Enterprise Implementation & Decommission</i> • <i>Fleet Services Driver, Accident and Fine Management</i> • <i>MLS System Modernization</i> • <i>SDFA Online Grant Management System</i>

Future year changes in capital investment are driven by the following broad areas:

Shifting to Hybrid Work Model (City's adoption of ModernTO) – Hybrid work has become the new norm in the City as a result of the COVID-19 pandemic. This new norm accelerates the vision of ModernTO. In support of this new way of working, the City has established mobile technologies instead of the traditional desktops which are tethered to a desk. This allows the staff to work anywhere in City locations and their defined out-of-office location. This new investment in technology has significantly increased TSD's Lifecycle Management budget.

Moving from On-Premise service desk solution (Microfocus Service Manager) to Cloud-based ServiceNow solution - As part of the on-going digitization efforts in the City, TSD is investing on the best-in-class Information Technology Service Management (ITSM) solution that supports the vision of the Chief Technology Officer to move 80% of services to a cloud infrastructure. The selected solution, coming out of the Data Centre Reference Architecture design is a Cloud-based workflow engine called ServiceNow. This Software as a Service (SaaS) solution has been classified by Gartner as the best ITSM solution or the last 10 year. This investment will remove the reliance on the on-premise ITSM solution in the City.

Office 365 moving towards cloud model which drives the cost of internet services/bandwidth - In support of ModernTO in the City as well as the vision of moving 80% of the City IT assets to the cloud, the continued deployment of Office 365 in 2023 and onwards brings about the need to re-look at the impact of such cloud services on the use of Internet Services. New on-going investments in the increase of Internet Services will be a necessary activity on a regular basis. As shifts in technology to the cloud continue to occur, the corollary investment on Internet bandwidth has to be reviewed and planned.

Deployment of public WIFI in additional City facilities and optimization of City owned fibre - Through the ConnectTO program, TSD will prioritize provisioning free public Wi-Fi in Community Rec centres in Neighbourhood Improvement Areas and common areas in some Community Housing buildings. The project will also prioritize continued and sustained leadership in advocating for digital equity and access to affordable high-speed internet for underserved Torontonians.

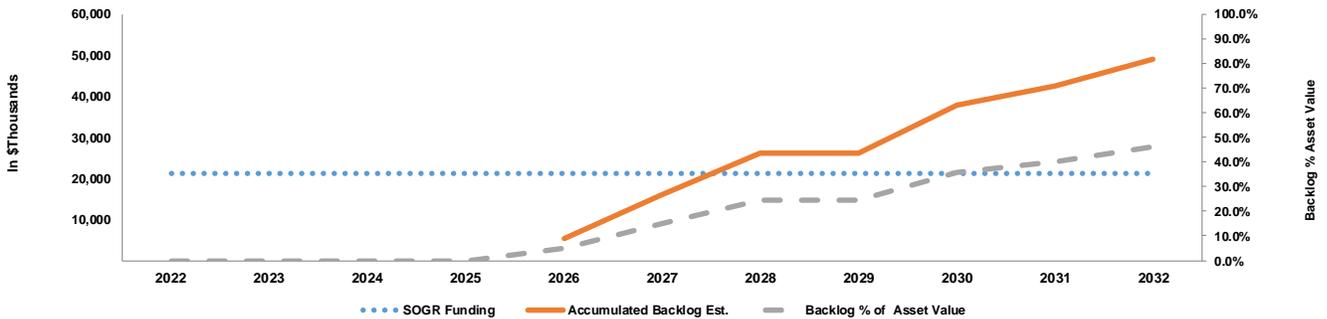
How the Capital Program is Funded

City of Toronto	
\$336.4M 100%	
Debt	\$88.3M
Reserve / Reserve Fund	\$248.1M

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 2: Total SOGR Funding & Backlog



\$ Thousands	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
SOGR Funding	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
Accumulated Backlog Est.					5,242	16,012	26,084	26,139	37,980	42,455	49,186
Backlog % of Asset Value	0.0%	0.0%	0.0%	0.0%	4.9%	15.1%	24.6%	24.7%	35.8%	40.0%	46.4%
Total Asset Value	85,807	106,018	106,018	106,018	106,018	106,018	106,018	106,018	106,018	106,018	106,018

- The accumulated backlog is anticipated to increase from \$5.2 million in 2026 to \$49.2 million in 2032, representing 46.4% of the total replacement value estimated to be \$106 million by 2032.
- Adjustments to the 10-Year Plan to the SOGR program reflects significant technology equipment cost escalations, high priority SOGR needs identified by new condition assessments, and supply chain challenges.
- 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.
- To remain within the reserve funding (\$21.3 million) 2023-2025, 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 48% (\$118 million) Notebooks/Desktops, 24% (\$59 million) Network Assets including costs to implement AG recommendation, 8% (\$20 million) Internet Services includes impact of increased number of remote workers, Proxy, and Firewall due to hybrid work model.
- Based on this plan, it is forecasted that there will be a backlog starting in 2026 and additional funding will be required to support the plans

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2023 Capital Budget will impact the 2024 Operating Budget by a total of \$1.215 million primarily due to the completion of the below mentioned projects expected to be completed in 2022 and 2023, as shown in Table 4 below.

Table 4: Net Operating Impact Summary

Projects	2023 Budget		2024 Plan		2025 Plan		2026 Plan		2027 Plan		2023-2027		2023-2032	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
ServiceNow	1,002.0											1,002.0		1,002.0
Modernized Data Centre Architecture	78.0											78.0		78.0
Enterprise Work Management Solution Phase 1	134.9											134.9		134.9
Sub-Total: Previously Approved	1,214.9											1,214.9		1,214.9
Total (Net)	1,214.9											1,214.9		1,214.9

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

Appendix 1		In \$ Thousands			
COVID-19 Impacts	2022		2023		
	Budget	Projection*	Revenues	Gross	Net
Expenditure Increase					
Enhancements to Support Remote Working	2,469.0	2,889.6		2,468.9	2,468.9
Sub-Total	2,469.0	2,889.6		2,468.9	2,468.9
Total COVID-19 Impact	2,469.0	2,889.6		2,468.9	2,468.9

* 2022 Projection based on 9 month variance

Appendix 2

2023 Affordability Measures

(\$000s)									
Recommendation	Savings Type	Equity Impact	2023				2024 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Adjustments to Operating Impacts from Capital projects based on revised project timelines	Base Savings	No Impact		(3,926.0)	(3,926.0)		3,576.0	3,576.0	
Decommissioning old products and achieving better pricing	Efficiency Savings	No Impact		(990.7)	(990.7)				
Review of Workplace Management System Licenses	Efficiency Savings	No Impact		(122.0)	(122.0)				
Total Affordability Measures				(5,038.7)	(5,038.7)		3,576.0	3,576.0	

Appendix 3

Summary of 2023 Service Changes

N/A

Appendix 4

Summary of 2023 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2023 Capital Budget; 2024 - 2032 Capital Plan Including Carry Forward Funding

Projects (In \$000s)	2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
New Projects <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>														
Accelerating the Digitization Journey	200	1,056	901								2,157			2,157
Enterprise Work Mgmt Solution (EWMS) Phases 2&3	717	9,313	4,966	3,076							18,072			18,072
Fleet Services Digital Driver Permit	350	350									700	700		
Legal Services Document Management System	513	237									750	750		
MLS RentSafeTO Evaluation Tool Redesign Implement	416	46									462			462
Modernization of Microsoft Access Application - P	742	1,072	999								2,813	2,813		
OEM Business Continuity Improvements	200										200			200
Project Portfolio Mgmt System Migrate to SerNow	384	118									502		502	
TPS Paramedic Activity & Compliance Tracking Prog	305										305	305		
T-Recs Cloud Assessment & Migration	160	790									950			950
Existing Projects														
Access Control Self Serve	460	187									647			647
API Cloud Migration	149										149	149		
Artificial Intelligence (AI) for SSHA and TPH	75	471									546			546
Business Applications Service Monitoring	110										110	110		
Class Replacement - Ent Implementation & Decomm	1,000	1,241	1,074								3,315			3,315
ConnectTO - Network Utility	900	500									1,400			1,400
Data Centre Zones Implementation	236	400	450								1,086			1,086
Directory Services Transition - Phase 2	659	558									1,217	1,217		
Disaster Recovery	846										846	846		
Document Direct View Direct (DDVD)	895										895	895		
Domino Decommissioning Strat & Implementation	208										208	208		
ECS Cloud Deployment-Construction Project and DMS	2,517	551									3,068			3,068
EDHR - Complaints Management System	40										40	40		
EIMPP - LLRS Replacement	650	90									740			740
EIMPP - WebGENCAT Replacement	65										65			65
Employee Communications Modernization	210										210			210
Enterprise Business Intelligence Implementation	422	216									638			638
Enterprise Work Mgmt System	5,754	300	23								6,077			6,077
eScheduling Solution & Implementation Phase 1	1,600	4,724									6,324			6,324
eScheduling Solution & Implementation Future Phase			4,938	4,277							9,215			9,215
eSignature Project	166	38									204			204
Fleet Services Driver, Accident and Fine Mgmt	821	1,402	1,370								3,593			3,593
HR Labour Relations Information System (LRIS)	202										202			202

Projects (In \$000s)	2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
IBMS Review & Transformation	540										540		540	
Info Mgmt Infras-Common Search Terms-Ent Classific	72										72		72	
MLS Modernization-Phase 2	660	500	500								1,660			1,660
MLS onboarding to Administrative Penalty System	107	100									207			207
Modernized Data Center Architecture	2,611	3,500	3,752								9,863			9,863
Office 365	4,653	1,094									5,747			5,747
Open Data Master Plan Impl Scope Chg	672	601	579								1,852			1,852
PTP Capital Coordination Future State Seed Projec	200										200			200
Quality Assurance Centre of Excellence Foundation	25										25			25
Salesforce Realignment of Foundational Technologi	91	125									216		216	
SDFA- Online Grant Management System	164	90									254			254
ServiceNow	1,835	645									2,480			2,480
Toronto Property System (TPS) Refresh	246										246		246	
Workforce Business Intel. Requirements	630	713									1,343			1,343
Desktop Hardware Replacement	11,600	7,129	16,877	7,762	15,201	16,207	7,364	16,556	7,929	10,900	117,525		117,525	
Network Asset Replacement	5,001	7,046	7,446	7,941	5,504	4,660	5,152	5,232	5,312	6,132	59,426		59,426	
Enterprise Server Replacement	2,059	2,441	2,441	2,340	2,557	2,340	2,340	2,340	2,430	2,175	23,463		23,463	
Enterprise Software Replacement	1,100	1,187	1,187	1,187	1,274	1,187	1,187	1,187	1,187	1,187	11,870		11,870	
Enterprise Storage Replacement	1,000	1,900	1,095	1,100	975	925	750	1,625	1,050	1,525	11,945		11,945	
Internet Services Replacement	538	512	2,521	3,763	2,413	1,907	416	2,055	3,721	1,966	19,812		19,812	
Total Expenditures (including carry forward from 2022)	55,775	51,243	51,119	31,446	27,924	27,226	17,209	28,995	21,629	23,885	336,451	345	253,305	82,801

☑ - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

☑ - Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2023-2032 Budget and Plan cash flows. Does not break out the climate component costs separately

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

Projects (In \$000s)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
New Project														
Accelerating the Digitization Journey	200	1,056	901								2,157			2,157
Enterprise Work Mgmt Solution (EWMS) Phases 2&3	717	9,313	4,966	3,076							18,072			18,072
Fleet Services Digital Driver Permit	350	350									700			700
Legal Services Document Management System	513	237									750			750
MLS RentSafeTO Evaluation Tool Redesign Implement	416	46									462			462
Modernization of Microsoft Access Application - P	742	1,072	999								2,813			2,813
OEM Business Continuity Improvements	200										200			200
Project Portfolio Mgmt System Migrate to SerNow	384	118									502			502
TPS Paramedic Activity & Compliance Tracking Prog	305										305			305
T-Recs Cloud Assessment & Migration	160	790									950			950
Existing Projects														
Access Control Self Serve	460	187									647	360	287	
API Cloud Migration	149										149	250	(101)	
Artificial Intelligence (AI) for SSHA and TPH	75	471									546	250	296	
Business Applications Service Monitoring	110										110	110		
Class Replacement - Ent Implementation & Decomm	1,000	1,241	1,074								3,315	4,851	(1,536)	
ConnectTO - Network Utility	900	500									1,400	414	986	
Data Centre Zones Implementation	236	400	450								1,086	240	846	
Directory Services Transition - Phase 2	659	558									1,217	1,217		
Disaster Recovery	846										846	276	570	
Document Direct View Direct (DDVD)	895										895	1,540	(645)	
Domino Decommissioning Strat & Implementation	208										208	208		
ECS Cloud Deployment-Construction Project and DMS	2,517	551									3,068	700	2,368	
EDHR - Complaints Management System	40										40	40		
EIMPP - LLRS Replacement	650	90									740	650	90	
EIMPP - WebGENCAT Replacement	65										65	65		
Employee Communications Modernization	210										210	210		
Enterprise Business Intelligence Implementation	422	216									638	522	116	
Enterprise Work Mgmt System	5,754	300	23								6,077	10,482	(4,405)	
eSignature Project	166	38									204	667	(463)	
Fleet Services Driver, Accident and Fine Mgmt	821	1,402	1,370								3,593	2,947	646	
HR Labour Relations Information System (LRIS)	202										202	380	(178)	

Projects (In \$000s)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
IBMS Review & Transformation	540										540	686	(146)	
Info Mgmt Infrac-Common Search Terms-Ent Classific	72										72	397	(325)	
MLS Modernization-Phase 2	660	500	500								1,660	1,735	(75)	
MLS onboarding to Administrative Penalty System	107	100									207	107	100	
Modernized Data Center Architecture	2,611	3,500	3,752								9,863	5,538	4,325	
Office 365	4,653	1,094									5,747	3,878	1,869	
Open Data Master Plan Impl Scope Chg	672	601	579								1,852	830	1,022	
PTP Capital Coordination Future State Seed Projec	200										200	528	(328)	
Quality Assurance Centre of Excellence Foundation	25										25	25		
Salesforce Realignment of Foundational Technologi	91	125									216	957	(741)	
SDFA- Online Grant Management System	164	90									254	164	90	
ServiceNow	1,835	645									2,480	4,633	(2,153)	
Toronto Property System (TPS) Refresh	246										246	449	(203)	
Workforce Business Intel. Requirements	630	713									1,343	870	473	
eScheduling Solution & Implementation Phase 1	1,600	4,724									6,324	380	5,944	
eScheduling Solution & Implementation Future Phase														
Desktop Hardware Replacement	11,600										11,600	2,198		9,402
Network Asset Replacement	5,001										5,001	1,443		3,558
Enterprise Server Replacement	2,059										2,059	151		1,908
Enterprise Software Replacement	1,100										1,100			1,100
Enterprise Storage Replacement	1,000										1,000			1,000
Internet Services Replacement	538										538	24		514
Collection Management Software Development												83	(83)	
Ent Doc & Record Mgmt Solution (EDRMS)												184	(184)	
Electronic Service Delivery Portal-Bldg Permits												915	(915)	
TEMS REPLACEMENT-Design												44	(44)	
CLASS Replacement Planning												73	(73)	
IT Service Process Improvement Pgm												63	(63)	
Corporate Geospatial Strategy Roadmap Implementati												25	(25)	
Justice Video Network (JVN) Implementation												520	(520)	
DIRECTORY SERVICES - Implementation												84	(84)	
311 - UCCE(Telephony) Upgrade												500	(500)	
Total Expenditures (including carry forward from 2022)	55,775	31,028	14,614	3,076							104,493	53,862	6,238	44,393

Appendix 6b

2024 - 2032 Capital Plan

Projects (In \$000s)	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2024 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Desktop Hardware Replacement	7,129	16,877	7,762	15,201	16,207	7,364	16,556	7,929	10,900	105,925		105,925	
Enterprise Server Replacement	2,441	2,441	2,340	2,557	2,340	2,340	2,340	2,430	2,175	21,404		21,404	
Enterprise Software Replacement	1,187	1,187	1,187	1,274	1,187	1,187	1,187	1,187	1,187	10,770		10,770	
Enterprise Storage Replacement	1,900	1,095	1,100	975	925	750	1,625	1,050	1,525	10,945		10,945	
Internet Services Replacement	512	2,521	3,763	2,413	1,907	416	2,055	3,721	1,966	19,274		19,274	
Network Asset Replacement	7,046	7,446	7,941	5,504	4,660	5,152	5,232	5,312	6,132	54,425		54,425	
eScheduling Solution & Implementation Future Phase		4,938	4,277							9,215			9,215
Total Expenditures	20,215	36,505	28,370	27,924	27,226	17,209	28,995	21,629	23,885	231,958		222,743	9,215

Appendix 7

Reporting on Major Capital Projects: Status Update

Major Capital Projects
(\$000s)

Life to Date

Division/Project name	2022 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
Technology Services											
Project Name Disaster Recovery Program	543	73	150	4,532	2,687	Significant Delay	Jan-13	Dec-24	Dec-24	Ⓜ	Ⓜ
Comments:	Disaster Recover (DR) program has three streams of work packages in progress - One stream of work packages is to set up the DR best practices and centre of excellence. The DR program has created the 1st DR Policy, currently it is in the circulation of gathering inputs from Deputy Chiefs and Directors, Office of Emergency Management, and Office of Chief Information Security Officer. In addition, the program is developing the 1st DR Standard and agreement of establishing a joint program Committee which is also currently under development.										
Explanation for Delay:	Project had delayed due to insufficient resources and more than expected time being required to gather inputs from the stakeholders on Disaster Recover (DR) policy and developing DR standards.										
Project Name O365	5,006	1,737	2,380	8,784	4,047	Significant Delay	Jul-21	Jun-23	Mar-24	Ⓜ	Ⓜ
Comments:	M365 deployment for approx. 720 users (across 10 divisions) is completed. Also, completed kick-off meetings with Division Heads for wave 3, 4 & 5 resulting in user list created (approx. 4000 users) and reviewed by Divisional Change Ambassadors. Mailbox migration for batch 1 & 2 in wave 2 also completed along with engagement with Paramedic and Long Term Care teams for legislated requirements. Team is continuing meeting with Divisions that have IT units and performing compatibility checks for wave 3, 4 & 5.										
Explanation for Delay:	The project is experiencing a City-wide technical challenges including large mailbox migration, on-premise to cloud technology interdependencies and governing policies. As a result, the vendor (Microsoft) will not be able to deliver as expected in 2022 and these deliverables are pushed to 2023.										
Project Name Enterprise Work Management Solution	7,700	6,926	9,753	23,622	12,934	Minor Delay	Mar-21	Jun-21	Dec-23	Ⓜ	Ⓜ
Comments:	Completed the Maximo License purchase and implementation for Transportation Services and PF&R. Statement of Work for Toronto Water being finalized, projected forecast for the year to go beyond approved budget.										
Explanation for Delay:	Prior scope changes and consolidation of multiple division has led to delays. Project will be delivered with a phased approach with Phase-1 of the project being on schedule to end by Q2 of 2023 and phase 2 of 3 expected to start in Q3/Q4 of 2023.										

On/Ahead of Schedule	Ⓜ	>70% of Approved Project Cost
Minor Delay < 6 months	Ⓜ	Between 50% and 70%
Significant Delay > 6 months	Ⓜ	< 50% or > 100% of Approved Project

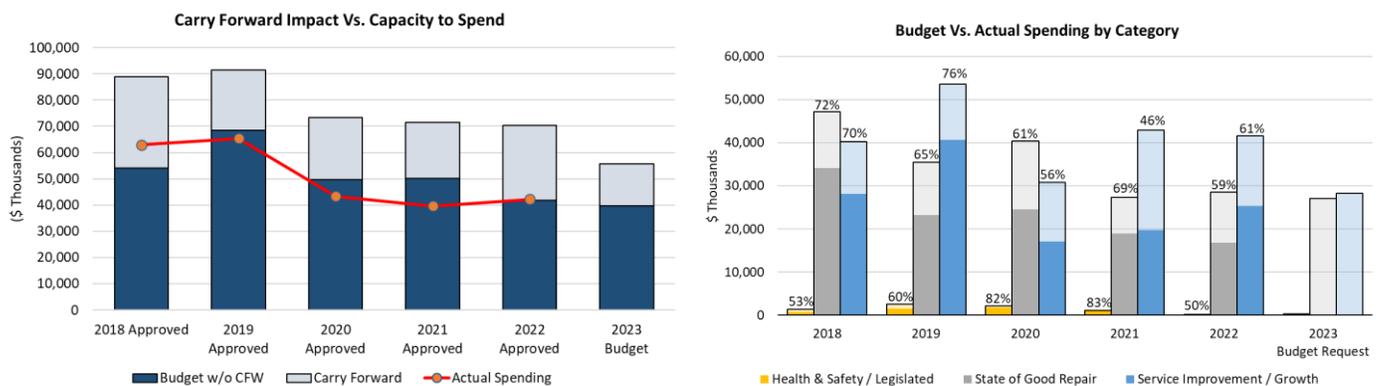
Appendix 8

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 markets 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 3 below) as well as the level of projected 2022 underspending that will be carried forward into 2023 to complete capital work.

Chart 3 – 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, \$15.541 million in capital spending originally cash flowed in 2023 has been deferred to 2024, with an additional \$2.254 million deferred to 2025. Adjustments to the Capital Plan are noted below:

- *eScheduling Solution & Implementation* reduced 2023 budget by \$3.78 million and deferred the same amount 2024 based on project timelines and capacity to spend.
- *Office 365* reduced 2023 budget by \$1.09 million and deferred the same amount to 2024 based on project timelines and capacity to spend.
- *Life Cycle Management Projects* reduced 2023 budget in total by \$6.08 million and deferred the same amount to 2024 onwards due to global supply chain issues.
- Eleven Other TSD projects have decreased their 2023 budget ask based on TSD's divisional priorities, resource constraints, timelines, and capacity to spend. The collective total decrease is \$6.77 million in 2023 compared to the original submitted 2023 budget
- The projects included in the 2023 budget request fall within the following phases:
 - \$39.6 million (71% of budget) & 21 projects (40%) are 30%-100% design completed with Procurements ready.
 - \$3.3 million (6% of budget) & 4 projects (8%) are 5%-30% design completed with Procurements ready.
 - \$6.6 million (12% of budget) & 9 projects (17%) are 5%-30% design completed, not Procurement ready.
 - \$6.3 million (11% of budget) & 18 projects (35%) are 0%-5% design completed with estimates includes 10 new project requests for 2023.

Appendix 9

Summary of Capital Needs Constraints

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2023 Operating Budget

Program Specific Reserve / Reserve Funds

This table lists the Program or Agency's specific reserve and reserve fund draws and contributions and ending reserve / reserve fund balances to fund the 2023 – 2025 Operating Budget and Plan.

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2023	2024	2025
XQ1509	Beginning Balance	78	88	98
Vehicle Reserve - IT Vehicles	<i>Withdrawals (-)</i>			
	Other Program ~ Withdrawals - Capital	0	0	0
	Total Withdrawals	0	0	0
	<i>Contributions (+)</i>			
	Technology Services ~ Contributions - Operating	10	10	10
	Total Contributions	10	10	10
	Net Contributions	10	10	10
	Balance at Year-End	88	98	108

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund		Contributions / (Withdrawals)		
		2023	2024	2025
XR1505	Beginning Balance	6,020	3,905	1,745
Vehicle for Hire	Withdrawals (-)			
	Technology Services ~ Withdrawals - Operating ‡	-640	-640	-640
	Other Program ~ Withdrawals - Operating ‡	-2,855	-2,859	-2,859
	Total Withdrawals	-3,495	-3,499	-3,499
	Contributions (+)			
	Other Program ~ Contributions - Operating	1,284	1,284	1,284
	Total Contributions	1,284	1,284	1,284
	Net Contributions	-2,210	-2,214	-2,215
	Interest Income	96	55	0
	Balance at Year-End	3,905	1,745	-470

**Inflows and Outflows to/from Reserves and Reserve Funds
2023 – 2032 Capital Budget and Plan**

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2023	2024	2025	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞	2032 ∞
XQ1508	Beginning Balance	25,909	21,445	18,064	3,331	-3,928	-15,019	-25,411	-25,786	-37,947	-42,742
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 Program ~ Withdrawals - Operating ‡	-224	-224	-224	-224	-224	-224	-224	-224	-224	-224
	Technology Services ~ Withdrawals - Capital	-21,298	-20,215	-31,567	-24,093	-27,924	-27,226	-17,209	-28,995	-21,629	-23,885
	Total Withdrawals	-25,761	-24,678	-36,030	-28,556	-32,387	-31,689	-21,672	-33,458	-26,092	-28,348
	Contributions (+)										
	Technology Services ~ Contributions - Operating	0	0	0	0	0	0	0	0	0	0
	Other Program ~ Contributions - Operating	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
	Total Contributions	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
	Net Contributions	-4,464	-3,381	-14,733	-7,259	-11,090	-10,392	-375	-12,161	-4,795	-7,051
	Balance at Year-End	21,445	18,064	3,331	-3,928	-15,019	-25,411	-25,786	-37,947	-42,742	-49,794

∞ Using 2025 PBF Contributions, figures have been projected for 2026 - 2032 contributions

Reserve / Reserve Fund		Contributions / (Withdrawals)									
		2023	2024	2025	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞	2032 ∞
XR6003	Beginning Balance	713,857	775,748	733,193	725,292	789,577	882,247	994,956	1,114,523	1,237,639	1,394,870
Water Capital	Withdrawals (-)										
	Other Program ~ Withdrawals - Operating ‡	3,391	3,773	3,773	3,773	3,773	3,773	3,773	3,773	3,773	3,773
	Technology Services ~ Withdrawals - Capital	-6,468	-600	-46	0	0	0	0	0	0	0
	Other Program ~ Withdrawals - Capital	-378,241	-495,309	-471,316	-410,608	-394,881	-392,105	-395,861	-409,334	-390,320	-357,597
	Total Withdrawals	-381,318	-492,136	-467,589	-406,835	-391,108	-388,332	-392,088	-405,561	-386,547	-353,824
	Contributions (+)										
	Rate Model Contributions	428,825	435,012	445,605	456,492	467,635	482,915	491,285	505,966	518,359	536,053
	Total Contributions	428,825	435,012	445,605	456,492	467,635	482,915	491,285	505,966	518,359	536,053
	Net Contributions	47,507	-57,124	-21,984	49,657	76,527	94,583	99,198	100,405	131,812	182,229
	Interest Income	14,383	14,570	14,083	14,627	16,143	18,126	20,369	22,712	25,419	28,977
	Balance at Year-End	775,748	733,193	725,292	789,577	882,247	994,956	1,114,523	1,237,639	1,394,870	1,606,076

∞ Using 2025 PBF Contributions, figures have been projected for 2026 - 2032 contributions

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

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2023	2024	2025	2026 [∞]	2027 [∞]	2028 [∞]	2029 [∞]	2030 [∞]	2031 [∞]	2032 [∞]
XR1404	Beginning Balance	96,122	98,540	83,776	77,540	65,892	65,280	76,627	88,127	90,247	88,235
Waste Management	Withdrawals (-)										
	Other Program ~ Withdrawals - Operating ‡	0	0	0	0	0	0	0	0	0	0
	Technology Services ~ Withdrawals - Capital	-523	0	0	0	0	0	0	0	0	0
	Other Program ~ Withdrawals - Capital	-23,948	-24,518	-20,274	-26,299	-20,544	-16,787	-16,832	-37,239	-41,665	-81,146
	Total Withdrawals	-24,471	-24,518	-20,274	-26,299	-20,544	-16,787	-16,832	-37,239	-41,665	-81,146
	Contributions (+)										
	Rate Model Contributions	25,009	7,994	12,480	13,266	18,665	26,763	26,741	37,638	37,930	45,066
	Total Contributions	25,009	7,994	12,480	13,266	18,665	26,763	26,741	37,638	37,930	45,066
	Net Contributions	538	-16,524	-7,794	-13,033	-1,878	9,976	9,909	398	-3,735	-36,080
	Interest Income	1,880	1,760	1,558	1,385	1,267	1,370	1,591	1,722	1,723	1,369
	Balance at Year-End	98,540	83,776	77,540	65,892	65,280	76,627	88,127	90,247	88,235	53,524

[∞] Using 2025 PBF Contributions, figures have been projected for 2026 - 2032 contributions

‡ Solid Waste Management has been modified with a spend rate of 80.00% 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 Service Priorities: 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).