2024 Budget Notes
Technology Services Division

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Description

Technology Services Division's (TSD) vision is to be the trusted technology leader by fostering a connected City.

Our mission is to deploy flexible technology architecture and solutions to deliver seamless services, connect the public and businesses, and empower employees.

Strategic themes:

- Build resilient, reliable, secure technology foundation and operations.
- Deliver user centric services through enterprise grade modern solutions.
- Harness the power of our data to support data driven operational processes and decision making across the City.
- Empower and engage stakeholders to foster a culture of agility and innovation.

Why We Do It

Our services align to the City's Digital Infrastructure Strategic Framework, 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 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.

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What Service We Provide

Business Technology Solutions

Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors

What We Deliver: Robust customer centric, sustainable, and innovative digital solutions, in alignment with council mandates, legislation and Auditor General (AG) recommendations.

How Much Resources (gross 2024 operating budget): $35.9 million

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Corporate Systems, Network & Infrastructure Services

Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors

What We Deliver: Sustainment and delivery of corporate systems, foundational technology and network infrastructure underlying public and City services.

How Much Resources (gross 2024 operating budget): $78.6 million

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Enterprise Program Delivery

Who We Serve: City and Agency Staff, Businesses, Residents, & Visitors

What We Deliver: Oversight of the City's Technology Capital Portfolio and execution of enterprise Technology programs to deliver enterprise solutions and deliver on Council and AG directives.

How Much Resources (gross 2024 operating budget): $61.1 million

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Budget at a Glance
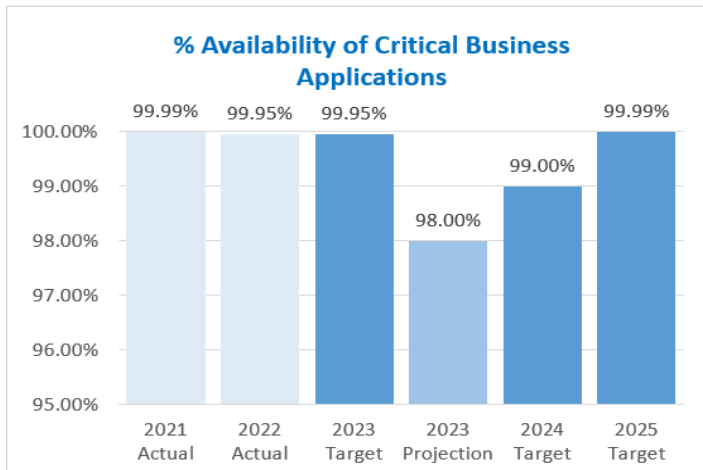
2024 OPERATING BUDGET

$Million	2024	2025	2026
Revenues	$48.4	$45.5	$46.7
Gross Expenditures	$175.6	$193.1	$207.0
Net Expenditures	$127.2	$147.6	$160.3
Approved Positions	811.0	811.0	811.0

2024 - 2033 10-YEAR CAPITAL PLAN

$Million	2024	2025-2033	Total
Gross Expenditures	$57.7	$323.0	$380.7
Debt	$36.2	$122.3	$158.5

Note: Includes 2023 carry forward funding

How Well We Are Doing – Behind the Numbers

% Availability of Critical Business Applications

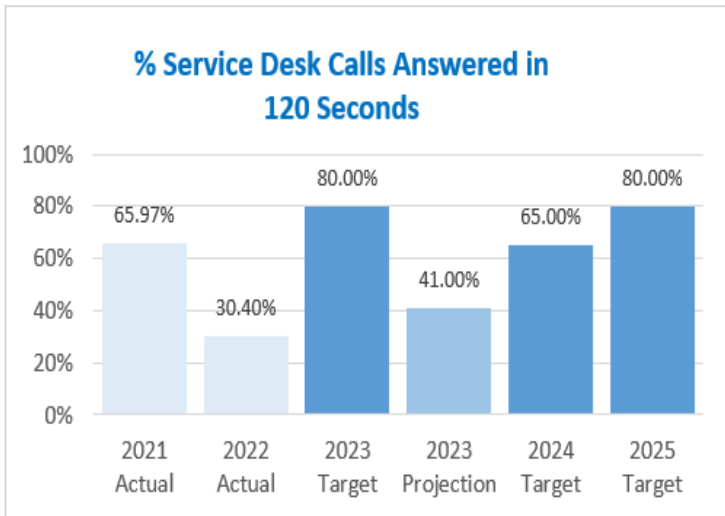| Category	Value
2021 Actual	99.99%
2022 Actual	99.95%
2023 Target	99.95%
2023 Projection	98.00%
2024 Target	99.00%
2025 Target	99.99%

- Measures the availability of business-critical applications, including Toronto.ca, Municipal Licensing and Standards Online Permitting & Licensing, Online Parking Ticketing Payment Solution, Concept 2 Keys, MyToronto Pay (PayIt), Application Information Centre, and City Council tools.

- Application availability challenged by increase in digital services and constrained resource capacity.

- 2024 outlook supported by incremental resource investments.

% Availability of Technology Network Infrastructure Services

Category	Value
2021 Actual	99.99%
2022 Actual	99.99%
2023 Target	99.50%
2023 Projection	99.00%
2024 Target	99.50%
2025 Target	99.99%
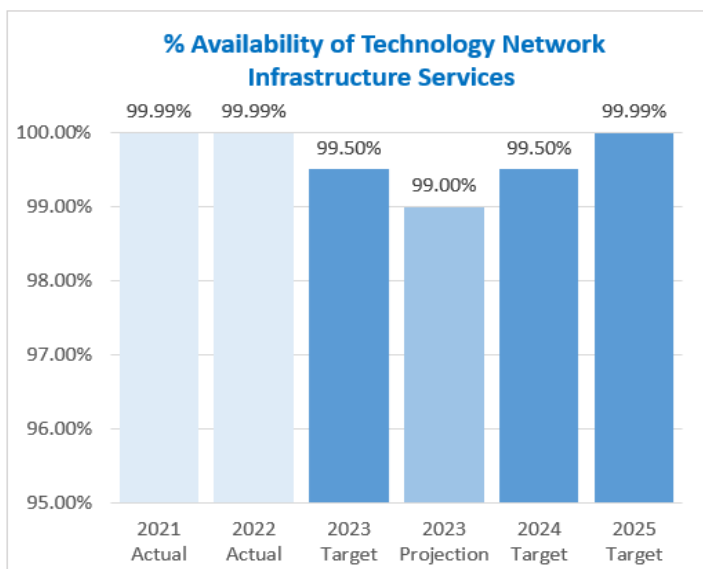
- Measures the availability and reliability of the City's Technology network and infrastructure assets, with approximately 194,000 assets.

- Enterprise network infrastructure pressured by increased demand for digital services and constrained resource capacity.

- 2024 outlook supported by incremental resource investments.

Portfolio: % Plan vs. Actual Completed

Category	Value
2021 Actual	83%
2022 Actual	32%
2023 Target	84%
2023 Projection	38%
2024 Target	70%
2025 Target	80%
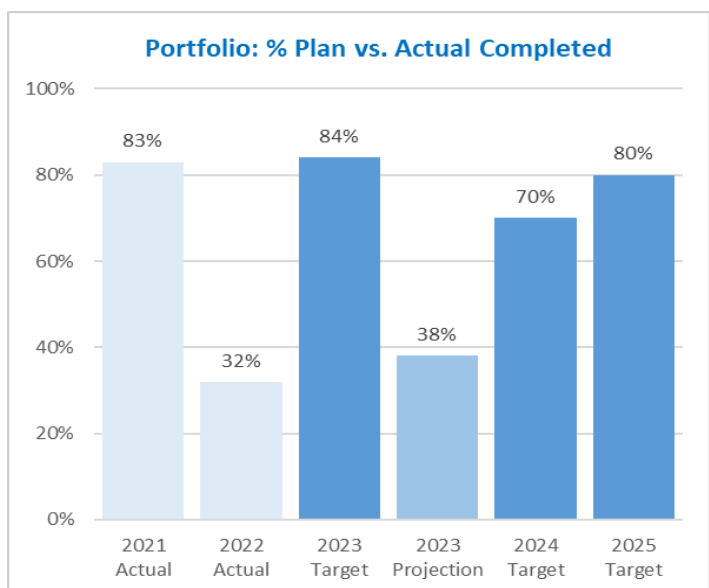
- Measures the delivery of approved capital programs as per the project charters.

- 26 Projects were planned to be completed in 2023. 38% or 10 of the 26 projects are expected to complete as scheduled.

- Capital program delivery impacted by sustained effects from 2022: resource constraints as a result of attrition and time to hire, pandemic recovery priorities, and supply chain and procurement delays.

- 2024 outlook supported by hiring through latter half of 2023 and into 2024 as well as normalization of supply chain and procurement.

- Re-balancing of resource complement in 2024 to incorporate permanent roles will ensure sustained delivery capacity.

% Service Desk Calls Answered in 120 Seconds

Category	Value
2021 Actual	65.97%
2022 Actual	30.40%
2023 Target	80.00%
2023 Projection	41.00%
2024 Target	65.00%
2025 Target	80.00%

- The Service Desk handles support calls from approximately 45,000 City staff, Councillors, Accountability Officers and Agencies for technology requests or issues, Cyber incidents, and major technical service disruptions.

- Service level pressures are a result of staffing shortages and new service growth.

- 2024 outlook supported by investments in resourcing and digitization through ServiceNow.

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Critical Business Applications	% Availability of Critical Business Applications (~500 of 1,463 Applications)	99.99%	99.95%	99.95%	98%	🟡	99%	99.99%
Technology Network Infrastructure Services	% Availability of Technology Network Infrastructure Services	99.99%	99.99%	99.50%	99%	🟡	99.50%	99.99%
Enterprise Program Delivery	Completion of City Technology Projects; % Planned vs. Actual Completed	83%	32%	84.00%	38%	🔴	70%	80%
Service Desk	% Service Desk Calls Answered in 120 Seconds	65.97%	30.40%	80.00%	41%	🔴	65.00%	80.00%

2023 Projection to 2023 Target Comparison
🟢 **100% (MET TARGET)** 🟡 **70 - 99% (LOW RISK)** 🔴 **69% and Under (REQUIRES ATTENTION)**

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

Strategy & Policy

- Digital Infrastructure Strategic Framework: Implemented City's first Council-adopted Digital Infrastructure Strategic Framework by embedding principle-based strategic priorities into technology processes.
- Open Data: The Open Data program is a critical pillar of an open and transparent government. The Open Data program delivered over 461 diverse datasets that span civic issues from mobility, affordable housing, and poverty reduction, through a centralized portal and process to provide transparency on critical services, operations, and decisions. .
- ConnectTO: ConnectTO team has deployed free public Wi-Fi in over 100 locations in 2023, including 89 Parks, Forestry, and Recreation facilities, 10 Toronto Community Housing common areas and St. Lawrence Market and Hall.
- Technology Disaster Recovery Framework: TSD has delivered disaster recovery policy, conducted a disaster recovery confirmation program in the City, as well as formed Joint Program Committee with Toronto Emergency Management and Office of Chief Cyber Officer.

Business Technology Solutions

- Public facing digital services: Over 55 public facing and internal digital solutions were delivered to enable City Divisions to deliver improved services to the public. Some notable projects include Application Information Center, the Housing Action Plan Dashboard, Toronto Building Express Services, Toronto Community Safety Dashboard, and MyToronto Pay expansion.
- Toronto Maps: Map-based applications were enhanced and delivered to enable the public to access location-based information on City services and facilities, including the recently publicly referenced historical Toronto Maps: Warming Centers and Shelter Drop-in sites.
- DevOps: In collaboration with the Office of the Chief Security Officer established a solution to deliver pipelines for building, quality controlling and deploying modern software modules on containerized hosting platform, including micro-services and open-source products.
- Standards: Ensuring interoperability through industry best practices leveraging Application Programming Interface (APIs) for building new digital solutions.

Corporate Systems, Infrastructure and Network

- Public Meetings: Supported transition to hybrid events and legislated meetings. Requested support for hybrid meetings grew significantly due to return to office and hybrid work, and opportunity to improve public accessibility to meetings and events with 441 events hosted in 2021 to over 900 for 2023.
- Lifecycle Management: Supported the quality of hybrid meetings and state of good repair upgrades were completed on the end-of-life Audio Visual technologies in Council Chamber.
- Mayoral By-Election: Supported the 2023 Mayoral By-Election together with City Clerks and Office of the Chief Information Security Officer, including hardware support, support of systems in the cloud to support the Election process for business areas. Support was also provided for the Ward 20 By-election.
- Service Management: Launched ServiceNow as the foundation for Technology Service Management, Asset Management and Operations management replacing legacy systems and processes. This initiative has also implemented a new Technology Self Service Portal to improve the experience for employees seeking support for technology requests or issues.
- Continuous Service Improvement: Initiated Technology Service Management and Experience improvements to modernize the employee experience, integrate end to end processes from intake to project and portfolio management to support, sustain, and provide for better workflow tracking, service metrics and service level management.
- Financial Systems Transformation: Iterative development of the new Financial Systems architecture underway based on the design phase completion in 2022. This will support the modernization of the technology that is foundational to the City's core finance business processes and support the retirement of aging technologies.
- Employee Productivity: Significant progress made towards improving employee experience through the modernization of employee technology services, including the M365 rollout (65% rollout complete), standardizing technology at shared workspaces, improvements to Wi-Fi, and hybrid network access and support of ModernTO.

Enterprise Program Delivery

- <u>Strategic Technology Initiatives Executive Committee (STIEC):</u> STIEC is established to provide City-wide thought leadership, executive prioritization based on business need, and endorsement and advice on new technology capital project proposals.
- <u>Enterprise Architecture Review Board (EARB):</u> Enhanced in 2023, the EARB enables a robust architecture review and governance approvals process for all technology solutions across multiple Divisions.
- <u>Enterprise Work Management Solution (EWMS):</u> The EWMS program is designed to modernize work management on a common technology platform based on IBM Maximo technology, including tools, processes, workflow, and best practices. In 2023, EWMS delivered system enhancements for Transportation Services to support the start of 2023 winter services and 311 Closing the Loop which provided additional status information to public clients on service tickets.
- <u>Transfer Station Weigh Scale Solution:</u> Upgraded and modernized the weigh scale solution for Solid Waste across six transfer stations and one landfill site

Key Challenges and Risks

- Current IT infrastructure and systems are costly to maintain, update and limited in their ability to deliver on a consistent user experience.
- Attracting and retaining talent and skills to meet current and future needs.
- Organizational readiness to adopt new technology and operating practices.
- Procurement flexibility to keep pace with modernization and digitization programs.
- Sustainable funding model for Cloud and Software as a Service (SaaS) licensing. The delivery of information and technology solutions is steadily moving to new enterprise-wide Cloud solutions based on subscriptions vs. traditional on-premise licensing models. These solutions result in higher operating costs that would ideally be offset by capital cost reductions.

Priority Actions

The Refreshed Technology Services Division's Vision, Mission, and Strategic themes are aimed at delivering on the City of Toronto's Vision to service a great city and its people by becoming the trusted technology leader and fostering a connected City:

1. Build resilient, reliable, secure technology foundation and architectures.
   a. Invest in modernized data center, network solutions, and audio / visual technologies.
   b. Implement IT Disaster Recovery framework.
   c. Accelerate asset rationalization and standardization programs.
   d. Support Financial Systems Transformation program.

2. Deliver client centric services through enterprise grade modern solutions.
   a. Support Council mandated digital initiatives.
   b. Leverage Service Now to modernize Technology services delivery.
   c. Complete Microsoft 365 rollout, decommissioning legacy solutions.
   d. Support Divisional 2024 systems roadmaps.

3. Harness the power of our data to support impactful, unified decisions and operations.
   a. Modernize the Open Data policy to consider expanded sources of data, including community datasets.
   b. Develop an enterprise business intelligence framework to connect data City-wide, including advancing a common conceptual data model to leverage more data for a well-run city.
   c. Explore the secure, responsible, unbiased use of artificial intelligence solutions through stakeholder engagement and proof of concepts.

4. Empower and engage stakeholders to foster a culture of agility and innovation.
   a. Engage with City staff, Agencies and Corporations, other levels of government, members of the public, advisory committees and circles, higher educational institutions, and private sector to create an ecosystem to create agile and responsive technology policies and solutions.
   b. Implement ConnectTO program with expanded free public Wi-Fi and strategy for corporate fibre assets informed by sponsorship of Toronto-specific digital equity research.
   c. Continue Digital Infrastructure Strategic Framework (DISF) implementation through development of AI policy and framework and maturation of corporate Data Governance initiatives.
   d. Invest in next generation talent models in line with evolving technology landscape.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Technology Services of $175.565 million gross, $48.407 million revenue, and $127.159 million net for the following services:

Service:	**Gross Expenditures ($000s)**	**Revenue ($000s)**	**Net Expenditures ($000s)**
Business Technology Solutions	62,931.0	26,689.7	36,241.2
Computer & Communications Technology Infrastructure	81,027.4	16,331.2	64,696.1
Enterprise Technology Services Planning & Client Services	31,607.0	5,385.6	26,221.4
Total Program Budget	**175,565.3**	**48,406.6**	**127,158.7**

- The 2024 staff complement for Technology Services of 811.0 positions comprised of 160.0 capital positions and 651.0 operating positions.

2. The 2024 Capital Budget for Technology Services with cash flows and future year commitments totaling $371.485 million as detailed by project in Appendix 5a.

3. The 2025-2033 Capital Plan for Technology Services totalling $9.215 million in project estimates as detailed by project in Appendix 5b.

2024
OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In $000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	$	$	$	$	$	$	$	$	%
Revenues									
Business Technology Solutions	15,574.6	20,742.0	18,895.0	20,742.0	26,689.7		26,689.7	5,947.7	28.7%
Computer & Communications Technology Infrastructure	7,370.3	13,950.1	11,469.2	13,950.1	16,331.2		16,331.2	2,381.1	17.1%
Enterprise Technology Services Planning & Client Services	2,421.8	2,507.1	3,170.1	2,507.1	5,385.6		5,385.6	2,878.6	114.8%
Total Revenues	**25,366.6**	**37,199.2**	**33,534.3**	**37,199.2**	**48,406.6**		**48,406.6**	**11,207.4**	**30.1%**
Expenditures									
Business Technology Solutions	49,351.8	55,502.4	52,975.1	53,033.5	62,931.0		62,931.0	9,897.5	18.7%
Computer & Communications Technology Infrastructure	55,590.5	65,287.6	62,657.3	65,287.6	81,027.4		81,027.4	15,739.7	24.1%
Enterprise Technology Services Planning & Client Services	26,510.1	27,442.4	28,798.9	27,442.4	31,607.0		31,607.0	4,164.6	15.2%
COVID-19 & Reopening Costs	139.0								N/A
Total Gross Expenditures	**131,591.4**	**148,232.5**	**144,431.3**	**145,763.6**	**175,565.3**		**175,565.3**	**29,801.8**	**20.4%**
Net Expenditures	**106,224.8**	**111,033.3**	**110,897.1**	**108,564.4**	**127,158.7**		**127,158.7**	**18,594.3**	**17.1%**
Approved Positions**	**795.0**	**796.0**	**N/A**	**796.0**	**811.0**		**811.0**	**15.0**	**1.9%**

* 2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of $175.565 million gross reflects an increase of $29.802 million in spending above 2023 budget, arising from:

- The ongoing rollout and implementation of key strategic initiatives including Office365, public Wi-Fi, and support of remote work through the Hybrid model, ($15.8 million).

- The division's hiring plan to support the initiatives mentioned below, ($11.5 million):
  - ➢ Support and sustain key services to the public and City Divisions including elevated support desk, cyber resiliency, disaster recovery and audit support.
  - ➢ Support Council initiatives and Council Hybrid Legislated and Public meetings, events, and media briefings.

- Ongoing requirement to maintain WebEx Collaboration services to support hybrid work ($2.5 million).

EQUITY IMPACTS OF BUDGET CHANGES

Positive equity impact: It is expected that Technology Services' 2024 Operating Budget will have positive equity and reconciliation impacts for Indigenous, Black and equity deserving groups by advancing Indigenous Data Governance, the implementation of the Equity and Inclusion Principle of the Digital Infrastructure Plan, and the ConnectTO program's operating digital equity activities.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for Technology Services Division of $127.159 million is $18.594 million or 17% greater than the 2023 Net Budget, when reversing 2023 pandemic costs and applying a zero-base budget approach to all prior year COVID-19 related financial impacts. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In $000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	**37,199.2**	**148,232.5**	**111,033.3**	**796.0**	**N/A**
2023 Projection*	**33,534.3**	**144,431.3**	**110,897.1**	**N/A**	**N/A**
2023 Budget (excl. COVID)	**37,199.2**	**145,763.6**	**108,564.4**	**796.0**	**N/A**
Key Cost Drivers:					
Operating Impacts of Capital					
Service Management Solution		548.8	548.8		
Other	350.0	1,247.5	897.5		7,396.0
Salary & Benefits					
COLA & Benefits Increase	210.0	1,331.9	1,121.9		1,598.3
2024 Hiring Plan to meet key initiatives	7,559.3	10,298.5	2,739.2	15.0	1,409.2
Non-Salary Increases					
Microsoft O365	1,529.7	11,185.3	9,655.6		3,492.0
Growth & Inflationary Increase	1,558.5	7,144.6	5,586.1		6,514.6
Sub-Total - Key Cost Drivers	**11,207.4**	**31,756.6**	**20,549.2**	**15.0**	**20,410.1**
Affordability Measures:					
Efficiencies		(1,378.0)	(1,378.0)		
Match to Actuals		(576.8)	(576.8)		
Sub-Total - Affordability Measures		**(1,954.8)**	**(1,954.8)**		
Total 2024 Budget	**48,406.6**	**175,565.3**	**127,158.7**	**811.0**	**20,410.1**
Change from 2023 Budget (excl. COVID) ($)	**11,207.4**	**29,801.8**	**18,594.3**	**N/A**	**N/A**
Change from 2023 Budget (excl. COVID) (%)	**30%**	**20%**	**17%**	**N/A**	**N/A**

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

Key Base Drivers:

Operating Impacts of Capital:

- Ongoing operating requirements including sustainment of license, maintenance & support, and subscription costs for completed technology projects.

Salaries & Benefits:

- Increases are the result of the required hiring plan to meet the 2024 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.

Non-Salary Increases:

- Increases are due to the implementation of key strategic initiatives including Microsoft Office 365 and Webex, which are critical technologies enhancing the productivity and efficiency of the City's workforce - about 43,500 employees. Additional increases due to growth in technology licence usage in the City and inflationary impacts on existing contracts. These increases are partially offset by a one-time contribution from the IT Sustainment Reserve to fund the budgetary pressure related to the Microsoft Office 365 license costs and Webex.

Affordability Measures:

Table 3: Offsets and Efficiencies

($000s)									
Recommendation	**Savings Type**	**Equity Impact**	**2024**				**2025 (Incremental)**		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Savings realized from decommissioning old technologies	Efficiencies	No Impact		(942.4)	(942.4)	-			-
Line by line review	Match to Actuals	No Impact		(576.8)	(576.8)	-			-
Better pricing on contracts through negotiation	Efficiencies	No Impact		(435.6)	(435.6)	-			-
Total Affordability Measures				**(1,954.8)**	**(1,954.8)**	**-**			**-**

2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

($000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Capital Recovery		1,463.7	1,203.7
Reversal of One-time Funding		(4,349.0)	
Total Revenues	**48,406.6**	**(2,885.3)**	**1,203.7**
Gross Expenditures			
Salary & Benefits		4,471.1	3,845.3
Inflationary Impacts		2,165.6	3,748.4
Operating Impact from Capital		7,396.0	1,366.4
Continue roll out of M365		3,492.0	3,492.0
Budget Revitalization Tool			1,500.0
Total Gross Expenditures	**175,565.3**	**17,524.8**	**13,952.2**
Net Expenditures	**127,158.7**	**20,410.1**	**12,748.5**
Approved Positions	**811.0**	**811.0**	**811.0**

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of $193.090 million reflects an anticipated $17.525 million or 10.0% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlook expects a further increase of $13.952 million or 7.2% above 2025 gross expenditures.

These changes arise from the following:

• Reflection of annualized impacts from the 2024 divisional hiring in alignment with the service improvement plans through to 2025 and 2026.
• Inflationary impacts on subscription and licensing contracts including those that are managed by Technology Services on behalf of the rest of the organization.
• Operating impacts from Capital Programs being completed in 2024 and 2025.

2024 – 2033
CAPITAL BUDGET AND PLAN

2024 2033 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview

☑ 2023 Carry Forward (into 2024)   ☐ Gross Expenditures

In $000's	2023 Budget	2023 Projection	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 10 Year Plan
Gross Expenditures by Project Category:													
Health & Safety & Legislated	381	136	1,119	1,151	171								2,441
SOGR	29,536	27,390	24,446	32,291	34,842	27,813	24,289	22,538	23,797	23,192	24,980	30,688	268,876
Service Improvement & Growth	29,391	19,182	32,161	39,123	20,351	12,802	4,946						109,383
Total by Project Category	**59,308**	**46,708**	**57,726**	**72,565**	**55,364**	**40,615**	**29,235**	**22,538**	**23,797**	**23,192**	**24,980**	**30,688**	**380,700**
Financing:													
Debt	34,740	22,140	36,199	53,851	34,862	18,642	7,504	1,149	1,149	1,149	1,149	2,885	158,539
Reserves/Reserve Funds	24,568	24,568	17,456	18,714	20,502	21,973	21,731	21,389	22,648	22,043	23,831	27,803	218,090
Development Charges													
Provincial													
Federal													
Debt Recoverable													
Other Revenue			4,071										4,071
Total Financing	**59,308**	**46,708**	**57,726**	**72,565**	**55,364**	**40,615**	**29,235**	**22,538**	**23,797**	**23,192**	**24,980**	**30,688**	**380,700**

Heading above 2024-2033 columns: 2024 Capital Budget and 2025 - 2033 Capital Plan

Changes to Existing Projects
($5.6 million)

The 2024-2033 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2024-2032):

- $7.5 million increase for audio visual upgrades and network modernization
- $1.9 million decrease to several projects to reflect updated cost estimates, project scope changes and timelines.

New Projects
($38.7 Million)

The 2024-2033 Capital Budget and Plan includes new projects. Key projects are as follows:

- $13.9 million for *SAP ERP Modernization*
- $12.6 million for various projects to advance Technology Service's strategic pillars, divisional initiatives, and Mayoral and Council priorities.
- $9.4 million for *TEAM Central Service Delivery Solution*
- $1.4 for *SAP SuccessFactors Onboarding Upgrade*
- $2.7 million for *Geocortex and VertiGIS Studio SaaS Assessment for LUIS 3.0*

Capital Needs Constraints
($11.5 Million)

Technology Services has three unmet projects over the 10-year planning horizon:
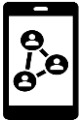
- $8.9 million for *Network Modernization – Phase 2 & 3*
- $2.2 million for *Enterprise-wide Expansion of Online Grants Management System*
- $0.5 million for *DonateTO Phase 3*

Note:

For additional information, please refer to Appendix 5 for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; Appendix 6 for Reporting on Major Capital Projects – Status Update; Appendix 7 for Capacity to Spend Review; and Appendix 8 for Capital Needs Constraints, respectively.

2024 – 2033 CAPITAL BUDGET AND PLAN

$380.7 Million 10-Year Gross Capital Program

Foundational Technologies	Technology Modernization	Enterprise Capabilities	Data, Analytics, Engagement & Innovation
$264.0 M **69.4%**	**$46.3 M** **12.2%**	**$55.4 M** **14.5%**	**$15.0 M** **3.9%**
• *Technology Lifecycle Management* • *Audio Visual Upgrades* • *Disaster Recovery Framework and Solution Implementation* • *Network Modernization - Phase 1* • *ServiceNow* • *Modernized Data Centre Architecture* • *Office 365*	• *Community Development and Regulatory & Licensing (CDRL) System Modernized Program* • *TEAM Central Service Delivery Solution* • *Fleet Services Driver Accident and Fine Management* • *Geocortex and VertiGIS Studio SaaS Assessment for LUIS 3.0* • *ECS Cloud Deployment-Construction Modernization Of Microsoft Access Application - Phase 1*	• *Enterprise Work Management Solution* • *SAP ERP Modernization* • *eScheduling Solution & Implementation* • *Talent Management Solution Assessment* • *SAP SuccessFactors Onboarding 2.0* • *Digitization of Physical Records* • *T-RECS Cloud Assessment & Migration*	• *Enterprise Business Intelligence* • *Open Data Master Plan Implementation* • *Workforce Business Intelligence* • *ConnectTO* • *Corporate Accessibility Services/Support Acquisition* • *Public Engagement Database and Online Engagement Platform* • *Artificial Intelligence*

- **Deployment of public Wi-Fi in additional City facilities and optimization of City owned fibre -** Through the *ConnectTO* program, Technology Services will prioritize provision of free public Wi-Fi in community recreation 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.

- **Replacing audio-visual equipment in legislative meeting spaces and council chambers at the Civic Centres to support virtual meetings** - In 2020, accountability for Audio-Visual Services shifted from Real Estate Services to Technology Services. With the Return to Office (RTO), the need for effective and efficient audio-visual technologies across the City including council chamber(s) at the Civic Centres is imperative. This supports the *ModernTO* vision for collaborative workspaces across the city.

- **Community Development and Regulatory & Licensing (CDRL) System Modernized Program** - Community Development and Regulatory Licensing (CDRL) are essential services that are provided by the City of Toronto to residents and businesses. The *CDRL system* is responsible for overseeing and enforcing regulations related to building and construction, planning, zoning, and licensing activities within the community. Modernizing the CDRL legacy systems are essential to ensure that they remain in a state of good repair and minimize the City's technology sprawl.

- **Disaster Recovery Solution Implementation** - Investment in core infrastructure and additional resources to enable *Disaster Recovery* capabilities at the Tiffield Data Center to fortify the City's ability to recover critical applications efficiently and safeguard its reputation, customer trust, and overall business operations. This project aims to create a highly available and resilient environment to host disaster recovery workloads.

- **Network Modernization** - This program will deliver improvements to the segregation of the City's service/digital assets, introduce modern network technologies, and will focus on improving cyber and business resiliency.

- **SAP ERP Modernization** - The *SAP Enterprise Resource Planning Central Components (ECC)* platform will be end of life by December 2027. To avoid any risks derived from the end of life, leveraging the benefits of cloud technology, aiming for the "A well-run City" principle, and to ensure continuity of impacted divisions, this project aims to replace SAP ECC remaining functionality with the SAP Next Generation product before the end of life.

- **TEAM Central Service Delivery Solution** - *TEAM Central* currently leverages an interim technology solution which includes minimal automation and relies heavily on manual processes external to the system. Growing enablement gaps have resulted in process inefficiencies, extended wait and response times, duplicate inquiries, and an overall suboptimal employee experience. This project aims to solve this through a robust Customer Relationship Management (CRM) solution that will fully enable multi-tiered service delivery and enrich self-serve and digital channels to streamline access to critical information and services.

### How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
$380.7 M **100%**		**$0 M** **0%**	**$0 M** **0%**
Debt	$ 162.6 M		
Reserves / Reserve Funds	$ 218.1 M		

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for Asset Life Cycle Management (LCM) in Technology Services and excludes other divisional SOGR projects funded by other than the Sustainment Reserve.

Chart 2: Total SOGR Funding & Backlog

State of Good Repair (SOGR) Funding & Backlog
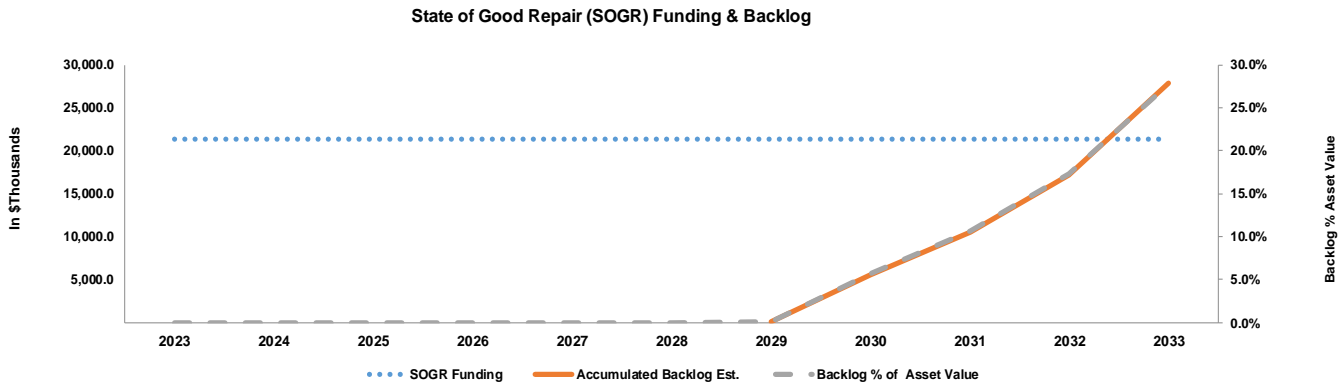
$ Thousands	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
SOGR Funding	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0
Accumulated Backlog Est.							125.2	5,619.2	10,508.2	17,185.2	27,834.2
Backlog % of Asset Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	5.8%	10.7%	17.3%	27.7%
Total Asset Value	91,617.6	92,472.0	93,326.4	94,188.7	95,059.0	95,937.3	96,823.8	97,718.4	98,621.3	99,532.5	100,452.2

- The accumulated backlog is anticipated to increase from $0.125 million in 2029 to $27.8 million in 2033, representing 27.7% of the total replacement value estimated to be $100 million by 2033.

- Adjustments to the 10-Year Plan for the SOGR program reflect 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 ensures that TSD solutions are kept reliable, current, compliant, and supported for continued client satisfaction for all TSD systems. TS (Technology Services) 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 available reserve funding for these costs ($21.3M) 2024-2026, 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 lifespans are contingent upon the environments to which they are subjected.

- The split of LCM costs is as follows: 41% ($90M) Notebooks/Desktops, 28% ($62M) Network Assets, 23% ($47M) Servers, Storage and Software, 8% ($18M) 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 2029 and additional funding will be requested as part of future budget processes to support the plans.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

The 10-Year Capital Plan will impact future year Operating Budget for Technology Services by $10.2 million net over the 2024-2033 period due to the expected completion of the below mentioned projects, as shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2024 Budget		2025 Plan		2026 Plan		2027 Plan		2028 Plan		2024-2028		2024-2033	
	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions	$000s	Positions
Previously Approved														
Various Projects	128.0										128.0		128.0	
ConnectTO - Network Utility	80.0										80.0		80.0	
Integrated Business Mgmt System	86.0										86.0		86.0	
Employee Communication Modernization	95.0										95.0		95.0	
Directory Services Transition	400.0		1,100.0								1,500.0		1,500.0	
LLRS Replacement	60.0										60.0		60.0	
ServiceNow	547.3										547.3		547.3	
eScheduling Solution & Implementation	50.0										50.0		50.0	
Network Modernization - Phase 1			1,385.8								1,385.8		1,385.8	
Modernized Data Centre Architecture			800.0								800.0		800.0	
Aritificial Intelligence (AI)			200.0								200.0		200.0	
T-RECS Cloud Assessment & Migration			400.0								400.0		400.0	
FSTP			2,500.0								2,500.0		2,500.0	
Network Asset Replacement			440.0								440.0		440.0	
Community Development and Regulatory & Licensing (CDRL) System Modernized Program			80.0								80.0		80.0	
Sub-Total: Previously Approved	**1,446.3**		**6,905.8**								**8,352.1**		**8,352.1**	
New Projects - 2024														
SAP ERP Modernization			490.2		1,366.4						1,856.6		1,856.6	
Sub-Total: New Projects - 2024			**490.2**		**1,366.4**						**1,856.6**		**1,856.6**	
Total (Net)	**1,446.3**		**7,396.0**		**1,366.4**						**10,208.7**		**10,208.7**	

- Technology Services requires $1.4 million in additional net funding in 2024 to sustain license, maintenance & support, and subscription costs for completed technology projects that were previously approved. The 2024 operating costs have been included in the 2024 Operating Budget for Technology Services.

- It is expected that an additional operating impact of $7.4 million in 2025 and further $1.4 million increase in 2026 will be needed to fund sustainment costs for capital projects that are planned to be completed.

- Operational impacts of capital projects will continually be reviewed and assessed for future years.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In $000s)	2021 Actual $	2022 Actual $	2023 Budget $	2023 Projection* $	2024 Budget $	2024 Change from 2023 Budget $	2024 Change from 2023 Budget %	2024 Change from 2023 Projection $	2024 Change from 2023 Projection %
User Fees & Donations	170.8	(32.6)	30.3	35.1	30.3			(4.8)	(13.8%)
Transfers From Capital	13,059.0	14,015.2	18,262.2	17,188.9	23,181.8	4,919.6	26.9%	5,992.9	34.9%
Contribution From Reserves/Reserve Funds	117.9	115.6	7,744.9	5,252.5	9,393.9	1,649.0	21.3%	4,141.3	78.8%
Sundry and Other Revenues	320.0	784.2	428.1	324.0	3,291.6	2,863.5	668.8%	2,967.6	915.9%
Inter-Divisional Recoveries	10,453.0	10,484.1	10,733.7	10,733.7	12,509.0	1,775.3	16.5%	1,775.3	16.5%
Total Revenues	**24,120.6**	**25,366.6**	**37,199.2**	**33,534.3**	**48,406.6**	**11,207.4**	**30.1%**	**14,872.3**	**44.3%**
Salaries and Benefits	80,707.2	83,901.7	92,323.3	88,357.5	103,953.7	11,630.4	12.6%	15,596.1	17.7%
Materials & Supplies	8.4	19.3	61.4	36.8	63.0	1.6	2.5%	26.1	70.9%
Equipment	307.1	667.9	899.3	787.3	973.0	73.6	8.2%	185.7	23.6%
Service and Rent	38,796.2	46,907.4	54,937.8	55,238.5	70,565.1	15,627.3	28.4%	15,326.6	27.7%
Contribution To Reserves/Reserve Funds	10.2	10.2	10.2	10.2	10.2				
Other Expenditures	22.0	85.1	0.4	0.4	0.4				
Inter-Divisional Charges	18.4			0.6				(0.6)	(100.0%)
Total Gross Expenditures	**119,869.5**	**131,591.5**	**148,232.5**	**144,431.3**	**175,565.3**	**27,332.9**	**18.4%**	**31,134.0**	**21.6%**
Net Expenditures	**95,748.9**	**106,224.9**	**111,033.3**	**110,897.1**	**127,158.7**	**16,125.4**	**14.5%**	**16,261.7**	**14.7%**

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget;
2025 - 2033 Capital Plan Including Carry Forward Funding

(In $000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
New Projects														
Audio Visual Program	1,340	1,461	1,152	1,149	1,149	1,149	1,149	1,149	1,149	2,885	13,732		13,732	
File Services Migration to SharePoint	445	1,121	501								2,067		2,067	
SAP ERP Modernization	340	1,777	5,728	4,691	1,409						13,945		13,945	
Corporate Accessibility Services/Support Acquisition	326	144	57								527	527		
Network Modernization - Phase 1	1,435	6,495									7,930			7,930
Disaster Recovery Solution Implementation Phase 1	845	5,571	5,912	130							12,458			12,458
SAP SuccessFactors Onboarding 2.0	764	631									1,395			1,395
Community Developmnt and Regulatory & Licensing (CDRL) System Modernized Program	745	6,474	6,594								13,813		13,813	
Public Engagement Database and Online Engagement	85	27									112		112	
Multi-Tenant Housing - Technology Implementation	514	732	57								1,303	1,303		
Automating Short Term Rental Operator Verification	279	275	57								611	611		
ConnectTO Program Development/Continuation	1,269	1,996	1,996	2,881	250						8,392			8,392
Human Services Integration Service Enhancements	424	93									517			517
Special Events Consolidated Permitting Application and Monitoring Tool	172	137	57								366			366
Digital Service Enhancement	600										600			600
Talent Management Solution Assessment	100	1,833	250								2,183			2,183
Fleet/Fire/EMS Joint Fit Gap Analysis and Market Scan on Fleet Management Information System	55	163	165								383		383	
Geocortex and VertiGIS Studio SaaS Assessment for LUIS 3.0	645	918	1,087								2,650			2,650
PPEB-Day Forward Scanning Implementation Project	575	186	57								818			818
TFS Online Payment	542	181	57								780			780
TEAM Central Service Delivery Solution	150	5,452	2,943	473	419						9,437			9,437
Enterprise Social Media Management and Analytics Software	125	461	383								969			969
Existing Projects														
Accelerating the Digitization Journey	562	695									1,257			1,257
Access Control Self Serve	162										162			162
API Cloud Migration	45										45		45	
Artificial Intelligence (AI) for SSHA and TPH	962	200									1,162			1,162
Business Applications Service Monitoring	170	30									200		200	
Class Replacement - Ent Implementation & Decomm	718	1,198									1,916			1,916
ConnectTO - Network Utility	505										505			505
Data Centre Zones Implementation	194										194			194
Desktop Hardware Replacement	4,294	6,903	7,774	8,746	9,219	8,390	10,569	7,941	10,912	14,925	89,673		89,673	
Directory Services Transition - Phase 2	590	198	200								988		988	
Disaster Recovery	324										324		324	

(In $000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total		Health & Safety & Legislated	SOGR	Growth & Improved Service
Document Direct View Direct (DDVD)	560	289									849			849	
ECS Cloud Deployment-Construction Project and DMS	2,300	150									2,450				2,450
EIMPP - LLRS Replacement	506	200									706				706
EIMPP - WebGENCAT Replacement	35										35				35
Employee Communications Modernization	823										823				823
Enterprise Business Intelligence Implementation	673	1,363	600								2,636				2,636
Enterprise Server Replacement	2,441	2,072	2,340	2,340	2,340	2,340	2,340	2,430	2,175	2,175	22,993			22,993	
Enterprise Software Replacement	1,187	1,187	947	900	900	900	950	1,090	950	900	9,911			9,911	
Enterprise Storage Replacement	1,900	1,900	1,700	1,000	1,125	1,125	1,625	1,050	1,525	1,900	14,850			14,850	
Enterprise Work Mgmt Solution (EWMS) Phases 2&3	5,208	4,965	3,076	4,105							17,354				17,354
Enterprise Work Mgmt System	300	23									323				323
eScheduling Solution & Implementation Future Phase				4,938	4,277						9,215				9,215
eScheduling Solution & Implementation Phase 1	1,233	2,509	2,686	275							6,703				6,703
eSignature Project	86										86				86
Fleet Services Digital Driver Permit	379	169									548			548	
Fleet Services Driver, Accident and Fine Mgmt	864	1,907	758								3,529				3,529
HR Labour Relations Information System (LRIS)	100		65								165				165
IBMS Review & Transformation	155										155			155	
Legal Services Document Management System	200	695									895			895	
MLS Modernization-Phase 2	111										111				111
MLS onboarding to Administrative Penalty System	50	331									381				381
MLS RentSafeTO Evaluation Tool Redesign Implementation	189										189				189
Modernization of Microsoft Access Application	1,087	1,114									2,201			2,201	
Modernized Data Center Architecture	2,419										2,419				2,419
Museums and Heritage Srvs IT Infrastructure SOGR	89										89			89	
Network Asset Replacement	6,800	5,903	6,182	6,826	6,167	6,654	6,115	5,675	5,865	5,790	61,977			61,977	
Network Security Replacement	534	726	1,559	2,161	1,980	1,980	1,049	3,857	2,404	2,113	18,363			18,363	
OEM Business Continuity Improvements	227										227				227
Office 365	2,396										2,396				2,396
Open Data Master Plan Impl Scope Chg	654	578									1,232				1,232
Project Portfolio Mgmt System Migrate to SerNow	556	82									638			638	
PTP Capital Coordination Future State Seed Project	150	695									845				845
Salesforce Realignment of Foundational Technologies	125										125			125	
SDFA- Online Grant Management System	105										105				105
ServiceNow	2,458										2,458				2,458
T-Recs Cloud Assessment & Migration	125	355	424								904				904
Workforce Business Intel. Requirements	400										400				400
Total Expenditures (including carry forward from 2023)	**57,726**	**72,565**	**55,364**	**40,615**	**29,235**	**22,538**	**23,797**	**23,192**	**24,980**	**30,688**	**380,700**		**2,441**	**268,876**	**109,383**

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In $000s)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
New Projects														
Audio Visual Program	1,340	1,461	1,152	1,149	1,149	1,149	1,149	1,149	1,149	2,885	13,732			13,732
File Services Migration to SharePoint	445	1,121	501								2,067			2,067
SAP ERP Modernization	340	1,777	5,728	4,691	1,409						13,945			13,945
Corporate Accessibility Services/Support Acquisition	326	144	57								527			527
Network Modernization - Phase 1	1,435	6,495									7,930			7,930
Disaster Recovery Solution Implementation Phase 1	845	5,571	5,912	130							12,458			12,458
SAP SuccessFactors Onboarding 2.0	764	631									1,395			1,395
Community Developmnt and Regulatory & Licensing (CDRL) System Modernized Program	745	6,474	6,594								13,813			13,813
Public Engagement Database and Online Engagement	85	27									112			112
Multi-Tenant Housing - Technology Implementation	514	732	57								1,303			1,303
Automating Short Term Rental Operator Verification	279	275	57								611			611
ConnectTO Program Development/Continuation	1,269	1,996	1,996	2,881	250						8,392			8,392
Human Services Integration Service Enhancements	424	93									517			517
Special Events Consolidated Permitting Application and Monitoring Tool	172	137	57								366			366
Digital Service Enhancement	600										600			600
Talent Management Solution Assessment	100	1,833	250								2,183			2,183
Fleet/Fire/EMS Joint Fit Gap Analysis and Market Scan on Fleet Management Information System	55	163	165								383			383
Geocortex and VertiGIS Studio SaaS Assessment LUIS 3.0	645	918	1,087								2,650			2,650
PPEB-Day Forward Scanning Implementation Project	575	186	57								818			818
TFS Online Payment	542	181	57								780			780
TEAM Central Service Delivery Solution	150	5,452	2,943	473	419						9,437			9,437
Enterprise Social Media Mgmt & Analytics Software	125	461	383								969			969
Existing Projects														
Accelerating the Digitization Journey	562	695									1,257	2,036	(779)	
Access Control Self Serve	162										162	349	(187)	
API Cloud Migration	45										45	23	22	
Artificial Intelligence (AI) for SSHA and TPH	962	200									1,162	442	720	
Business Applications Service Monitoring	170	30									200	170	30	
Class Replacement - Ent Implementation & Decomm	718	1,198									1,916	2,588	(672)	
ConnectTO - Network Utility	505										505	500	5	
Data Centre Zones Implementation	194										194	904	(710)	
Directory Services Transition - Phase 2	590	198	200								988	836	152	
Disaster Recovery Program	324										324	251	73	
Document Direct View Direct (DDVD)	560	289									849	200	649	
ECS Cloud Deployment-Construction Project and DMS	2,300	150									2,450	1,520	930	
EIMPP - LLRS Replacement	506	200									706	306	400	

(In $000s)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
EIMPP - WebGENCAT Replacement	35										35	35		
Employee Communications Modernization	823										823	257	566	
Enterprise Business Intelligence Implementation	1,073	1,363	200								2,636	337	2,299	
Enterprise Work Mgmt Solution (EWMS) Phases 2&3	5,208	4,965	3,076	4,105							17,354	17,354		
Enterprise Work Mgmt System	300	23									323	323		
eScheduling Solution & Implementation Phase 1	1,233	2,509	2,686	275							6,703	5,008	1,695	
eSignature Project	86										86	86		
Fleet Services Digital Driver Permit	379	169									548	677	(129)	
Fleet Services Driver, Accident and Fine Mgmt	864	1,907	758								3,529	3,332	197	
HR Labour Relations Information System (LRIS)	100		65								165	19	146	
IBMS Review & Transformation	155										155	155		
Legal Services Document Management System	200	695									895	370	525	
MLS Modernization-Phase 2	111										111	111		
MLS onboarding to Administrative Penalty System	50	331									381	331	50	
MLS RentSafeTO Evaluation Tool Redesign Implementation	189										189	224	(35)	
Modernization of Microsoft Access Application	1,087	1,114									2,201	2,145	56	
Modernized Data Center Architecture	2,419										2,419	7,942	(5,523)	
Museums and Heritage Srvs IT Infrastructure SOGR	89										89	89		
OEM Business Continuity Improvements	227										227	30	197	
Office 365	2,396										2,396	2,190	206	
Open Data Master Plan Impl Scope Chg	654	578									1,232	1,359	(127)	
Project Portfolio Mgmt System Migrate to SerNow	556	82									638	202	436	
PTP Capital Coordination Future State Seed Project	150	695									845	150	695	
Salesforce Realignment of Foundational Technologies	125										125	214	(89)	
SDFA- Online Grant Management System	105										105	105		
ServiceNow	2,458										2,458		2,458	
T-Recs Cloud Assessment & Migration	125	355	424								904	868	36	
Workforce Business Intel. Requirements			400								400	1,052	(652)	
Desktop Hardware Replacement	4,294	6,903	7,774	8,746	9,219	8,390	10,569	7,941	10,912	14,925	89,673			89,673
Network Asset Replacement	6,800	5,903	6,182	6,826	6,167	6,654	6,115	5,675	5,865	5,790	61,977			61,977
Enterprise Server Replacement	2,441	2,072	2,340	2,340	2,340	2,340	2,340	2,430	2,175	2,175	22,993			22,993
Enterprise Software Replacement	1,187	1,187	947	900	900	900	950	1,090	950	900	9,911			9,911
Enterprise Storage Replacement	1,900	1,900	1,700	1,000	1,125	1,125	1,625	1,050	1,525	1,900	14,850			14,850
Network Security Replacement	534	726	1,559	2,161	1,980	1,980	1,049	3,857	2,404	2,113	18,363			18,363
Total Expenditures (including carry forward from 2023)	**57,726**	**72,565**	**55,364**	**35,677**	**24,958**	**22,538**	**23,797**	**23,192**	**24,980**	**30,688**	**371,485**	**55,090**	**3,640**	**312,755**

Appendix 5b

2025 - 2033 Capital Plan

(In $000s)	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2025 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
eScheduling Solution & Implementation Future Phase			4,938	4,277						9,215			9,215
Total Expenditures			4,938	4,277						9,215			9,215

Appendix 6

Reporting on Major Capital Projects: Status Update

| Division/Project name	2023 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Projected YE Status	Start Date	Completion Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Original Planned	Revised Planned/Actual		
Technology Services											
Project Name **Disaster Recovery Program**	836	441	585	3,810	3,235	On Track	Jan-13	Dec-24	Dec-24	Ⓨ	Ⓖ
Comments:	Disaster Recovery (DR) program is currently progressing with three streams of work. The first stream focuses on establishing the DR Program framework and implementing city-wide standardized practices. Progress is provided as follows: - Published the 1st DR Policy in Q2. - Finalized DR planning and reporting templates in Q3 - Developed IT DR standards in Q3. Will conduct consultations and finalize it in Q4, then publish it in Q1 2024. - Researching training materials and identifying resource for developing DR training. The second stream involves assessing DR solution gaps and identifying DR Solution Implementation Strategy. A draft version has been completed in Q3. Currently planning for consultations and endorsement in Q4 in order to finalize the strategy. This includes considering physical/cloud DR site options and identifying opportunities to implement DR solutions. The third stream addresses City Council mandate (AU13.9), The program has been collaborating with OEM, OC and Internal Audit to develop two staff reports related to this mandate. Both staff reports are being finalized in Q3, and it will be submitted to the Audit Committee in Q4. Additionally, the program has also established and chairs the Business Continuity and Disaster Recovery Joint Program Committee on a monthly basis with Toronto Emergency Management, TSD and the Office of CISO, to ensure ongoing collaboration among the partners to manage enterprise risks.										
Explanation for Delay:	The project is expected to be completed on time.										
Project Name **Office 365**	3,196	1,115	2,100	9,289	6,183	Delayed > 6 mths	Jul-21	Jun-23	Dec-24	Ⓨ	Ⓡ
Comments:	The project is currently reviewing the overall timeline to make necessary adjustments in response to the delays that have been encountered.										
Explanation for Delay:	The project delay is primarily due to insufficient staff resources which has major impact to the deployment timeline. The division has identified new priorities with an urgent rating and assigned them to the limited available resources, further affecting the planning of other M365 components. Recruitment is currently in progress to address this resource shortage.										
Project Name **Enterprise Work Management Solution (EWMS)**	6,768	3,985	4,267	45,539	26,709	Delayed > 6 mths	Mar-13	Dec-26	Jun-28	Ⓨ	Ⓡ
Comments:	The EWMS Phase1 initial implementation for Solid Waste and Transportation has been completed. The initial rollout for Parks, Forests, & Recreation is in the testing/training stages with rollout planned for Q4 2023.										
Explanation for Delay:	The EWMS Phase 1 project includes four divisional implementations. The rollout for the fourth division (Toronto Water) will be de-scoped from the current vendor contract. A revised procurement and delivery strategy for Toronto Water is being developed to accommodate the current planned end date. Phase 2 planning is underway for SWMS and Transportation.It is delayed due to coordination with Phase 1.										

Appendix 7

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 2023 underspending that will be carried forward into 2024 to complete capital work.

Chart 3 – Capacity to Spend
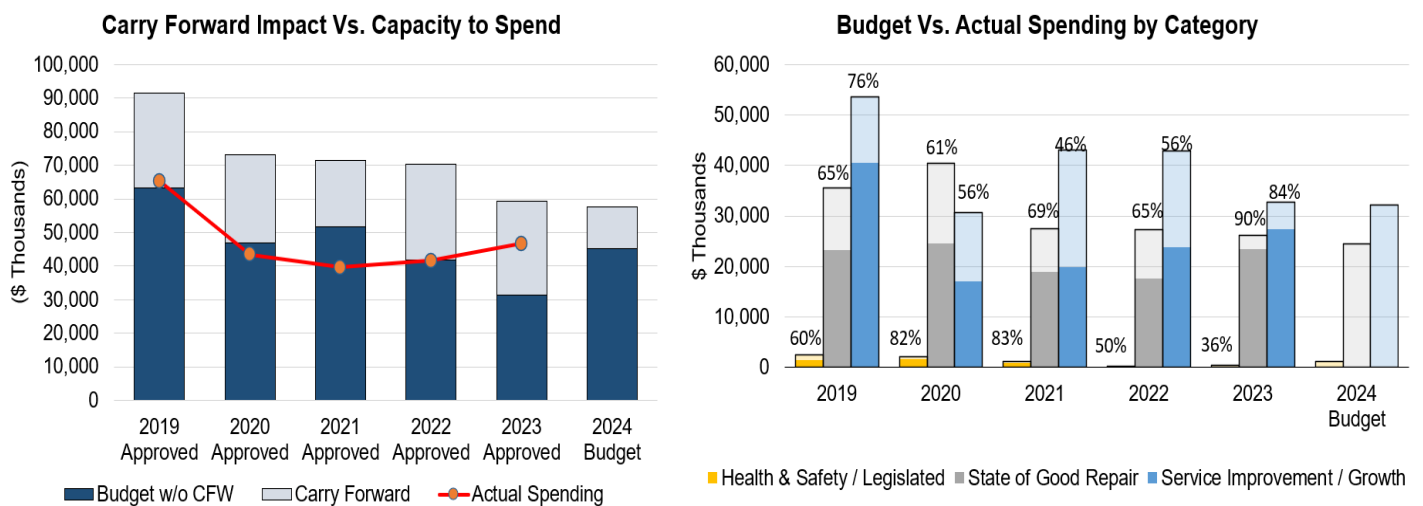
Capacity to Spend Review Impact on the 10-Year Plan

- Technology Services Division's actual spending over the previous five years, from 2019 to 2023, has averaged $47.4 million per year, or 64.8%.

- The projected spending for 2023 is $46.7 million or 78.8% of the 2023 Council Approved Capital Budget of $59.3 million. Challenges in spending are mainly due to insufficient staff resources, contractor issues, procurement delays and coordination with other projects. The unspent cash flow funding of $12.6 million has been carried forward into 2024 to continue and complete the required capital work for various projects.

- Based on the review of historical capital spending constraints and a capacity to spend, $7.7 million has been deferred from 2024 to 2025.

- The 2024 Capital Budget includes a total cash flow funding of $57.7 million, the funding increase is primarily due to new projects that have been prioritized to start in 2024 that focus on state of good repair, and Mayoral and Council priorities.

Appendix 8

Summary of Capital Needs Constraints

Project Description	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In $ Thousands)									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
NOT INCLUDED													
Enterprise-Wide Expansion of Online Grants Mgmt	2,195		2,195		411	869	835	80					
DonateTO Phase 3	486		486		444	42							
Network Modernization Phase 2 & 3	8,845		8,845			3,698	1,718	1,711	1,718				
Total Needs Constraints (Not Included)	**11,526**		**11,526**		**855**	**4,609**	**2,553**	**1,791**	**1,718**				

- In addition to the 10-Year Capital Plan of $380.7 million, Technology Services has identified $11.526 million in capital needs constraints as reflected in the table above.

  Enterprise-Wide Expansion of Online Grants Management System – to establish an enterprise-wide end-to-end solution that will standardize the process of granting funds City-wide.

  DonateTO – to improve donor experience and create a more fulsome solution by making enhancements to the City's financial donations management system (DonateTO).

  Network Modernization Phase 2 & 3 – Subsequent phases of the Network Modernization project that will allow the City to leverage and expand on the groundwork completed by the initial phase of the project.

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds
2024 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund		2024	2025	2026
XR1505	**Beginning Balance**	**5,215**	**4,363**	**3,475**
Vehicle for Hire	*Withdrawals (-)*			
	Technology Services ~ Withdrawals - Operating ‡	-640	-640	-640
	Other Program ~ Withdrawals - Operating ‡	-3,532	-3,563	-3,567
	Total Withdrawals	-4,172	-4,203	-4,207
	Contributions (+)			
	Other Program ~ Contributions - Operating	3,284	3,284	3,284
	Total Contributions	3,284	3,284	3,284
	Net Contributions	-887	-918	-923
	Interest Income	36	29	23
	Balance at Year-End	4,363	3,475	2,574

Reserve / Reserve Fund		2024	2025	2026
XQ1509	**Beginning Balance**	**88**	**98**	**108**
Vehicle Reserve - IT Vehicles	*Withdrawals (-)*			
	Other Program ~ Withdrawals - Capital	0	0	0
	Total Withdrawals	0	0	0
	Contributions (+)			
	Technology Services ~ Contributions - Operating	10	10	10
	Total Contributions	10	10	10
	Net Contributions	10	10	10
	Balance at Year-End	98	108	119

Corporate Reserve / Reserve Funds

Reserve / Reserve		2024	2025	2026
XR1010	**Beginning Balance**	**48,281**	**32,148**	**16,131**
Insurance	***Withdrawals (-)***			
	Technology Services ~ Withdrawals - Operating ‡	-116	-116	-116
	Other Program ~ Withdrawals - Operating ‡	-87,080	-88,396	-89,736
	Other Program ~ Withdrawals - Capital	0	0	-600
	Total Withdrawals	**-87,196**	**-88,511**	**-90,451**
	Contributions (+)			
	Other Program ~ Contributions - Operating	70,762	72,315	73,914
	Total Contributions	**70,762**	**72,315**	**73,914**
	Net Contributions	**-16,433**	**-16,197**	**-16,538**
	Interest Income	**300**	**180**	**0**
	Balance at Year-End	**32,148**	**16,131**	**-406**

Inflows and Outflows to/from Reserves and Reserve Funds

2024 – 2033 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2024	2025	2026	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞	2032 ∞	2033 ∞
XQ1508	**Beginning Balance**	18,393	13,644	11,758	8,061	7,385	6,950	6,858	5,507	4,760	2,226
Vehicle Reserve - IT Sustainment	*Withdrawals (-)*										
	Technology Services ~ Withdrawals - Operating	-8,638	-4,239	-4,239	0	0	0	0	0	0	0
	Other Program ~ Withdrawals - Operating ‡	-252	-252	-252	0	0	0	0	0	0	0
	Technology Services ~ Withdrawals - Capital	-17,156	-18,691	-20,502	-21,973	-21,731	-21,389	-22,648	-22,043	-23,831	-27,803
	Total Withdrawals	-26,046	-23,182	-24,993	-21,973	-21,731	-21,389	-22,648	-22,043	-23,831	-27,803
	Contributions (+)										
	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	-4,750	-1,886	-3,697	-676	-434	-92	-1,351	-746	-2,534	-6,506
	Balance at Year-End	13,644	11,758	8,061	7,385	6,950	6,858	5,507	4,760	2,226	-4,280

Reserve / Reserve		Contributions / (Withdrawals)									
		2024	2025	2026	2027 ∞	2028 ∞	2029 ∞	2030 ∞	2031 ∞	2032 ∞	2033 ∞
XR6003	**Beginning Balance**	818,335	937,386	931,730	1,005,315	1,107,443	1,218,044	1,341,050	1,469,244	1,609,316	1,804,962
Water	*Withdrawals (-)*										
	Other Program ~ Withdrawals - Operating ‡	0	0	0	0	0	0	0	0	0	0
	Technology Services ~ Withdrawals - Capital	-300	-23	0	0	0	0	0	0	0	0
	Other Program ~ Withdrawals - Capital	-350,679	-488,788	-424,066	-403,019	-408,003	-406,471	-412,567	-415,154	-376,923	-289,569
	Total Withdrawals	-350,979	-488,811	-424,066	-403,019	-408,003	-406,471	-412,567	-415,154	-376,923	-289,569
	Contributions (+)										
	Rate Model Contributions	463,470	476,173	490,414	497,254	509,916	519,916	530,262	543,724	559,814	579,079
	Total Contributions	463,470	476,173	490,414	497,254	509,916	519,916	530,262	543,724	559,814	579,079
	Net Contributions	112,491	-12,638	66,348	94,235	101,913	113,445	117,695	128,571	182,891	289,510
	Interest Income	6,559	6,983	7,237	7,893	8,688	9,561	10,499	11,501	12,756	14,623
	Balance at Year-End	937,386	931,730	1,005,315	1,107,443	1,218,044	1,341,050	1,469,244	1,609,316	1,804,962	2,109,095

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

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 can 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).