



Toronto 2016 BUDGET

CAPITAL PROGRAM SUMMARY



Highlights

Overview

- I: 10-Year Capital Plan [6](#)
- II: Issues for Discussion [19](#)

Appendices:

- 1. 2015 Performance [27](#)
- 2. 10-Year Capital Plan Summary [29](#)
- 3. 2016 Capital Budget; 2017-2025 Capital Plan [30](#)
- 4. 2016 Cash Flow & Future Year Commitments [31](#)
- 5. 2016 Capital Projects with Financing Detail [32](#)
- 6. 2016 Reserve / Reserve Fund Review [33](#)

Financial Services

2016 – 2025 CAPITAL BUDGET AND PLAN OVERVIEW

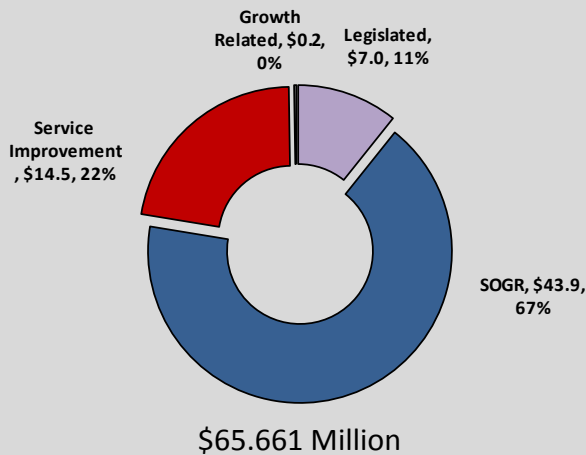
Financial Services' 2016-2025 Capital Plan will continue to leverage information technology and focus on system and business process improvements that transform financial planning and management processes for divisional; corporate and Council decision making.

The 2016–2025 Capital Budget and Plan allocates funding for state of good repair to upgrade and replace to information systems; improve accuracy and timeliness of information; standardize reporting practices across the City and facilitate improved information distribution to Divisions, Committees and Council.

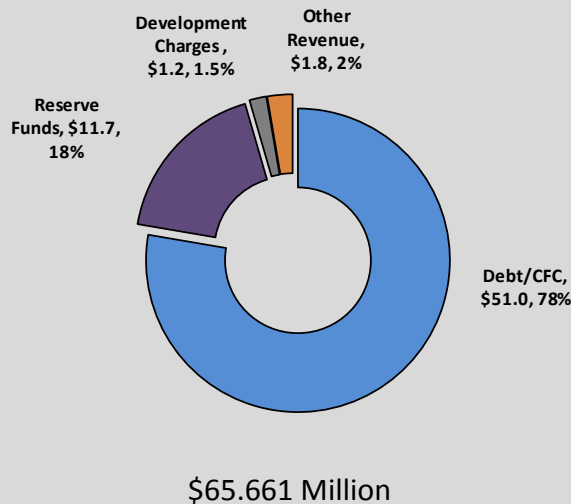
The 10-Year Capital Plan also allocates funding of \$14.548 million to improve and transform service delivery and optimize the use of the City's financial information systems, using best and leading practices.

Capital Spending and Financing

2016-2025 Capital Budget and Plan by Expenditures Category



2016-2025 Capital Budget and Plan by Funding Source



Where does the money go?

The 2016–2025 Capital Budget and Plan totalling \$65.661 million provides funding for:

- State of Good Repair projects of \$43.909 million; Service Improvement projects of \$14.548 million; Legislated projects of \$7.041 million and Growth Related projects of \$0.163 million.
- The 2016-2025 Capital Plan enables significant investments for periodic system repairs and upgrades and major business transformation projects, including:
 - Tax and Utility Billing System (\$18.975 million);
 - Supply Chain Management Transformation (\$6.075 million) and PCI Compliance (\$6.021 million);
 - Completion of the Financial Planning Analysis & Reporting System (FPARS) (\$5.612 million);
 - Integrated Asset Planning & Management - migration to a new capital budgeting system, including mandatory future year upgrades (\$4.300 million);
 - Time management component of the City's SAP Payroll (CATS) (\$4.494 million).

Where does the money come from?

The 2016-2025 Capital Plan is funded from the following sources:

- Debt funding of \$51.013 million comprises 77.7% of the Financial Services' 10-Year Capital Plan.
- Reserves and Reserve Funds provide funding of \$11.703 million or 17.8%.
- Other funding sources of \$1.762 million or 2.7% are provided from Rate Supported Programs
- \$1.183 million or 1.8% from Development Charges.

State of Good Repair Backlog

Financial Services does not have a backlog of State of Good Repair for its inventory of capital assets. Funding included in the 10-Year Capital Plan addresses all state of good repair projects based on planned lifecycle without backlogs and ensures continuity of the City's technology.

Key Issues & Priority Actions

Transforming business processes by modernizing and upgrading the City's resource allocation and business systems.

- ✓ The 2016-2025 Capital Plan includes funding to support automation of processes and reduction of manual effort allowing for greater efficiencies with time and attendance for staff (*Payroll Time Sheets* - \$4.494 million), enhanced user friendly procurement process as well as improved City Store capability (*Supply Chain Management Transformation Project* - \$6.075 million).
- ✓ Implementation of multi-year, service-based and performance focussed planning and budgeting processes and technology (*Financial Planning, Analysis and Reporting System (FPARS)* - \$5.612 million).

High demand for both IT & internal staff resources – Competing demands for limited IT resources and other divisional internal staff resources combined with efforts to consolidate initiatives across various Programs have impacted the ability to meet projected time lines in previous years.

- ✓ Financial Services is actively monitoring these issues and working closely with Corporate I&T to mitigate delays where possible and improve spending rates through collaborative efforts and partnerships with key Programs.

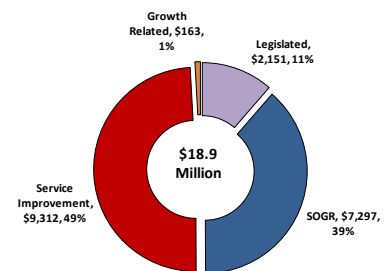
2016 Capital Budget Highlights

The 2016 Capital Budget for Financial Services of \$18.923 million, excluding carry forward funding, will:

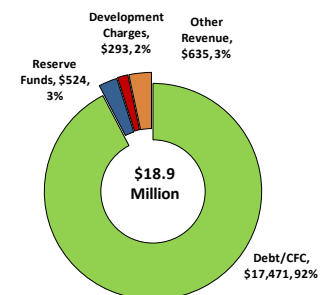
- Begin the business requirements for the *Integrated Asset Planning Management* project (\$1.283 million).
- Continue the *Supply Chain Management Transformation* project (\$3.251 million) and PCI Compliance (\$2.021 million).
- Complete the *FPARS Enterprise Performance Management (EPM)* functionality (\$5.612 million) and *Payroll Timesheets Upgrade (CATS)* project (\$4.494 million).



2016 Capital Budget By Project Category



2016 Capital Budget by Funding Source



COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

1. City Council approved the 2016 Capital Budget for Financial Services with a total project cost of \$10.891 million, and 2016 cash flow of \$18.923 million and future year commitments of \$24.933 million comprised of the following:
 - a) New Cash Flow Funds for:
 - i. 4 new / change in scope sub-projects with a 2016 total project cost of \$10.891 million that requires cash flow of \$4.170 million in 2016 and future year cash flow commitments of \$3.841 million for 2017 and \$2.880 million for 2018;
 - ii. 14 previously approved sub-projects with a 2016 cash flow of \$12.262 million; and future year cash flow commitments of \$6.572 million for 2017; \$10.684 million for 2018; and \$0.956 million for 2019;
 - iii. 4 previously approved sub-projects with carry forward funding from 2014 and prior years requiring 2016 cash flow of \$2.091 million that requires Council to reaffirm its commitment; and
 - b) 2015 approved cash flow for 10 previously approved sub-projects with carry forward funding from 2015 into 2016 totalling \$4.975 million.
2. City Council approved the 2017 - 2025 Capital Plan for Financial Services totalling \$21.805 million in project estimates, comprised of \$3.486 million in 2017; \$0.200 million for 2019; \$2.939 million for 2020; \$3.391 million for 2021; \$1.375 million for 2022; \$0.975 million for 2023; \$1.000 million for 2024; and \$8.439 million in 2025.
3. City Council approved 10 new temporary capital positions for the delivery of 2016 capital projects and that the duration for each temporary position not exceed the life and funding of its respective projects / sub-projects.
4. City Council approved the merger of Accounts Payable Process Improvements and eProcurement Implementation projects with the new Supply Chain Management Transformation project for the procurement and delivery of 2016 capital projects; and
5. City Council approved the closure of the Accounts Payable Process Improvements and eProcurement Implementation projects after the merger with the new Supply Chain Management Transformation project.



Part I:

10-Year Capital Plan

10 Year Capital Plan

Table 1a
2016 Budget, 2017-2020 Capital Plan

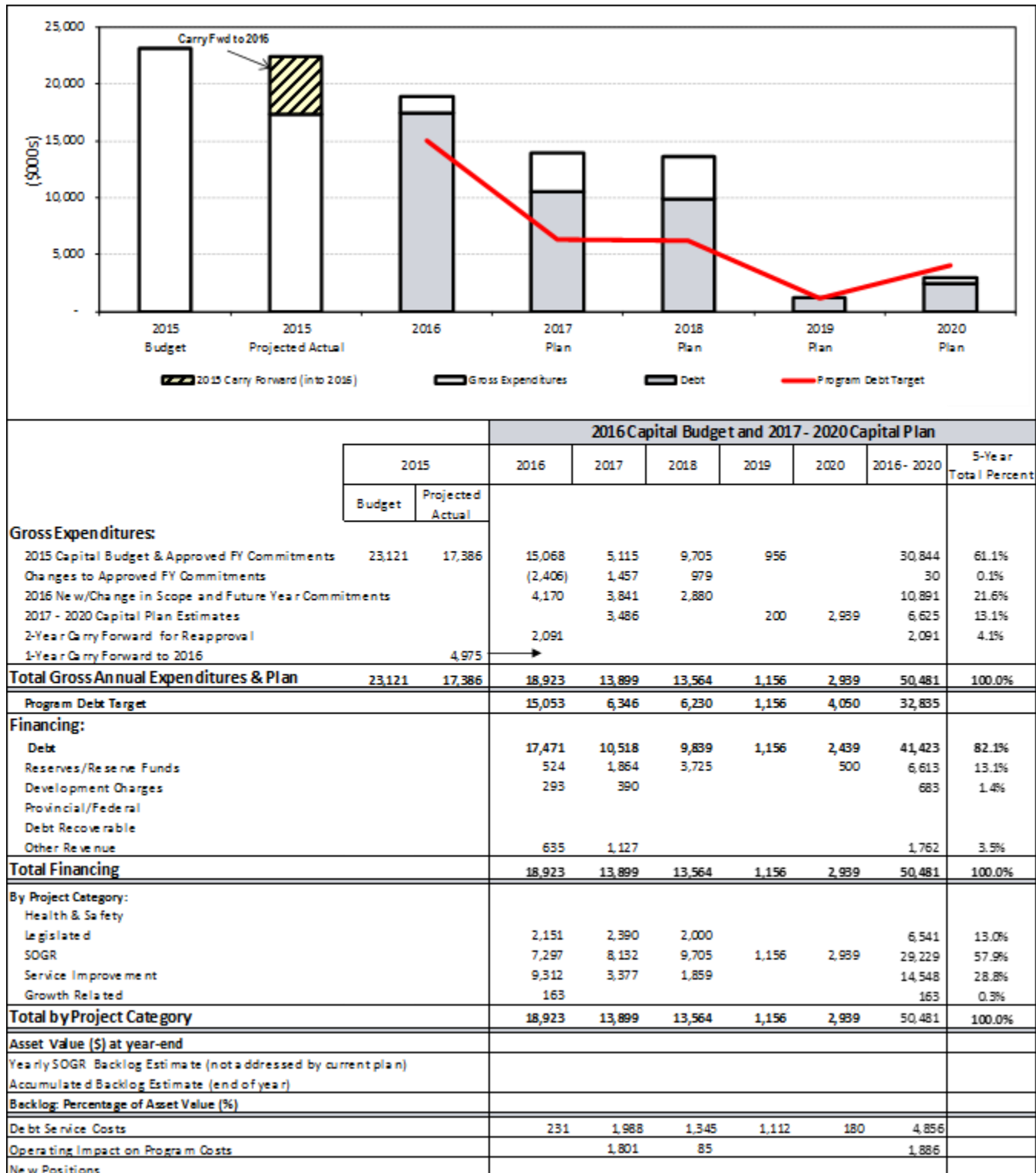
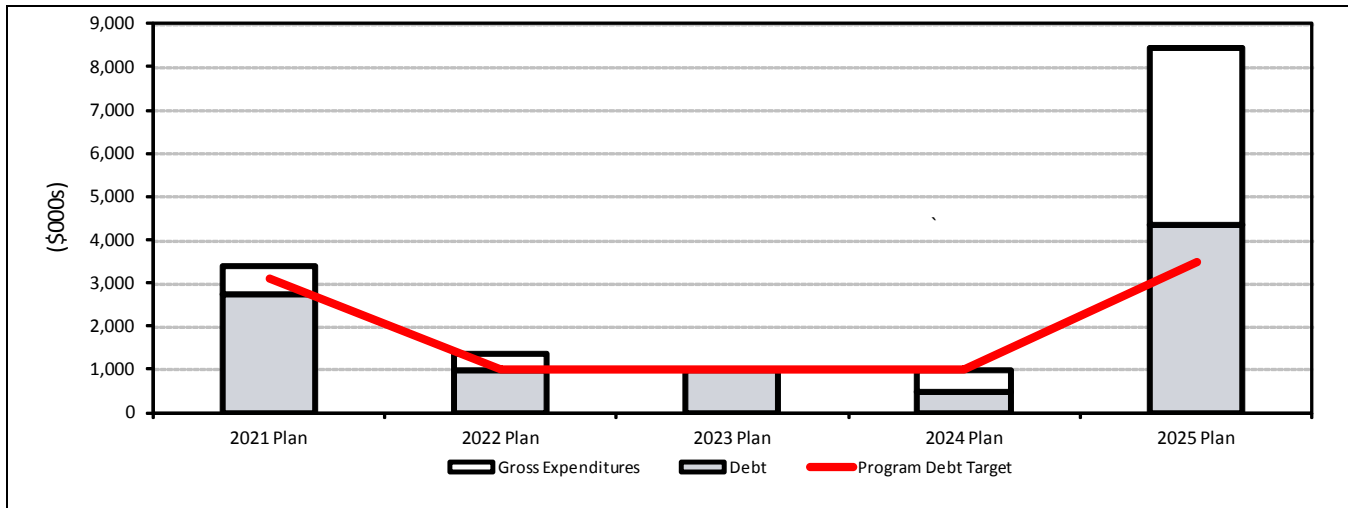


Table 1b
2021 - 2025 Capital Plan



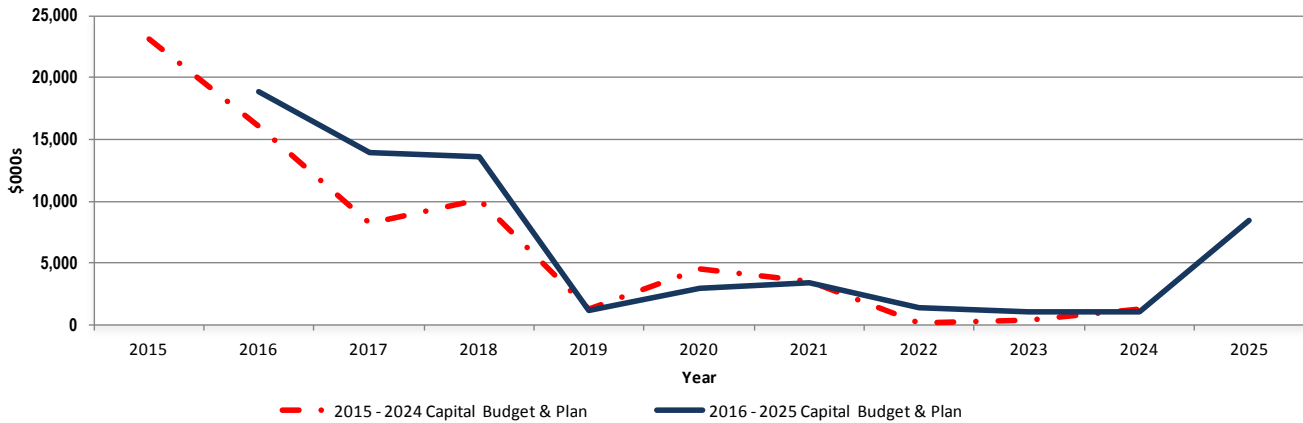
	2021 - 2025 Capital Plan						
	2021	2022	2023	2024	2025	2016 - 2025	10-Year Total Percent
Gross Expenditures:							
2015 Capital Budget & Approved FY Commitments						30,844	47.0%
Changes to Approved FY Commitments						30	0.0%
2016 New/Change in Scope and Future Year Commitments						10,891	16.6%
2021 - 2025 Capital Plan Estimates	3,391	1,375	975	1,000	8,439	21,805	33.2%
2-Year Carry Forward for Reapproval						2,091	3.2%
Total Gross Annual Expenditures & Plan	3,391	1,375	975	1,000	8,439	65,661	100.0%
Program Debt Target	3,115	1,000	1,000	1,000	3,475	42,425	
Financing:							
Debt	2,751	1,000	975	500	4,364	51,013	77.7%
Reserves/Reserve Funds	515			500	4,075	11,703	17.8%
Development Charges	125	375				1,183	1.8%
Provincial/Federal						-	
Debt Recoverable						-	
Other Revenue						1,762	2.7%
Total Financing	3,391	1,375	975	1,000	8,439	65,661	100.0%
By Project Category:							
Health & Safety						-	
Legislated	125	375				7,041	10.7%
SOGR	3,266	1,000	975	1,000	8,439	43,909	66.9%
Service Improvement						14,548	22.2%
Growth Related						163	0.2%
Total by Project Category	3,391	1,375	975	1,000	8,439	65,661	100.0%
Asset Value(\$) at year-end							
Yearly SOGR Backlog Estimate (not addressed by current plan)							
Accumulated Backlog Estimate (end of year)							
Backlog: Percentage of Asset Value (%)							
Debt Service Costs	328	325	131	118	148	5,907	
Operating Impact on Program Costs						1,886	
New Positions							

Key Changes to the 2015 - 2024 Approved Capital Plan

The 2016 Capital Budget and the 2017 - 2025 Capital Plan reflects a decrease of \$2.954 million in capital expenditures from the 2015 - 2024 Approved Capital Plan.

The table and chart below provide a breakdown of the \$2.954 million or 4.3% decrease in the Capital Program on an annual basis from 2015 to 2025.

Chart 1
Changes to the 2015 -2024 Approved Capital Plan (In \$000s)



(\$000s)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10-Year Total
2015 - 2024 Capital Budget & Plan	23,121	16,101	8,262	10,095	1,281	4,550	3,505	125	375	1,200		68,615
2016 - 2025 Capital Budget & Plan		18,923	13,899	13,564	1,156	2,939	3,391	1,375	975	1,000	8,439	65,661
Change %		17.5%	68.2%	34.4%	(9.8%)	(35.4%)	(3.3%)	1,000.0%	160.0%	(16.7%)		(4.3%)
Change \$		2,822	5,637	3,469	(125)	(1,611)	(114)	1,250	600	(200)		(2,954)

As made evident in the chart above, the \$2.954 million decrease in the Capital Program reflects minor modifications in view of the current spending pattern of some projects and the changing requirements to maintain updated lifecycle technology for Information & Technology capital assets.

- As the City has been investing in capital projects to transform business processes and back office functions, many of the capital projects included in the 10-Year Capital Plan will require new funding in 2016 and future years for the replacement of outdated systems as technology is continually changing and improving. Investments will begin to decelerate in 2019 reflecting the lifecycle of upgrades to systems.

As reflected in Table 2 on the following page, changes to the 2015 – 2024 Approved Capital Plan, specifically the \$11.728 million increase in capital funding over the nine common years of the Capital Plans (2016 – 2024) arise from the following factors:

- Cash flows were realigned to better reflect actual spending experience for previously approved capital projects based on readiness to proceed, compliance with legislated standards and capacity to deliver and spend.
- The revised *Supply Chain Management Transformation* project merged with eProcurement Implementation, Supply Chain Management Transformation and Accounts Payable Process Improvement that requires new funding of \$4.588 million over 3 years that will improve the

overall quality and timeliness of the City's procurement process, which is expected to generate greater quality and value within future procurement agreements.

- The procurement and accounts payable streamlining will automate source-to-pay activities that are currently highly manual and labour intensive, and will reduce/remove bottlenecks from current business practices.
- The PCI Compliance version upgrade requires an additional \$4.021 million in 2017 and 2018 for PCI DSS (Payment Card Industry Data Security Standard) compliance from DSS 2.0 to the required 3.0 version as the City is subject to PCI DSS compliance standards.

A summary of project changes for the years 2016 to 2024 totalling \$11.728 million in capital expenditures are provided in Table 2 below:

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

\$000s	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016 - 2024 Total
2015 - 2024 Capital Budget & Plan	23,121	16,101	8,262	10,095	1,281	4,550	3,505	125	375	1,200		45,494
2016 - 2025 Capital Budget & Plan		18,923	13,899	13,564	1,156	2,939	3,391	1,375	975	1,000	8,439	65,661
Capital Budget & Plan Changes (2016 - 2024)		2,822	5,637	3,469	(125)	(1,611)	(114)	1,250	600	(200)		11,728

	Total Project Cost	2016	2017	2018	2019	2020	2021	2022	2023	2024	2016 - 2024	2025	Revised Total Project Cost
Previously Approved													
PCI Compliance	6,362	21	2,000	2,000							4,021		10,383
Workflow & Document Management Technology	2,852		1,443								1,443		4,295
Financial Planning Analysis & Reporting System	60,820	45									45		60,865
Integrated Asset Planning Management		250									250		250
Development Charges Studies	250	155	260	(390)							25		275
Supply Chain Management Transformation	2,150	(656)	14	979							337		2,487
Tax Billing System Replacement												3,475	3,475
Parking Tag Mgmt Software Replacement												889	889
Risk Management Information System Replacement		250	250	250	(125)		250	250	(375)	(200)	550		550
SAP Upgrades (ECC, PBF, Payroll)						(1,361)	1,361				-		-
Capital Migration to New System						(250)	(1,725)	1,000	975		-		-
Total Previously Approved		65	3,967	2,839	(125)	(1,611)	(114)	1,250	600	(200)	6,671		84,531
New													
Supply Chain Management Transformation		2,757	1,201	630							4,588		4,588
eBilling Initiative			469								469		469
Total New		2,757	1,670	630	-	-	-	-	-	-	5,057		5,057
Total Changes		2,822	5,637	3,469	(125)	(1,611)	(114)	1,250	600	(200)	11,728		89,588

Significant Capital Project Changes in Financial Services:

Cash flow funding for the following previously approved capital projects have been adjusted based on historical spending rates, capacity and expected progress and completion of the projects, as outlined below:

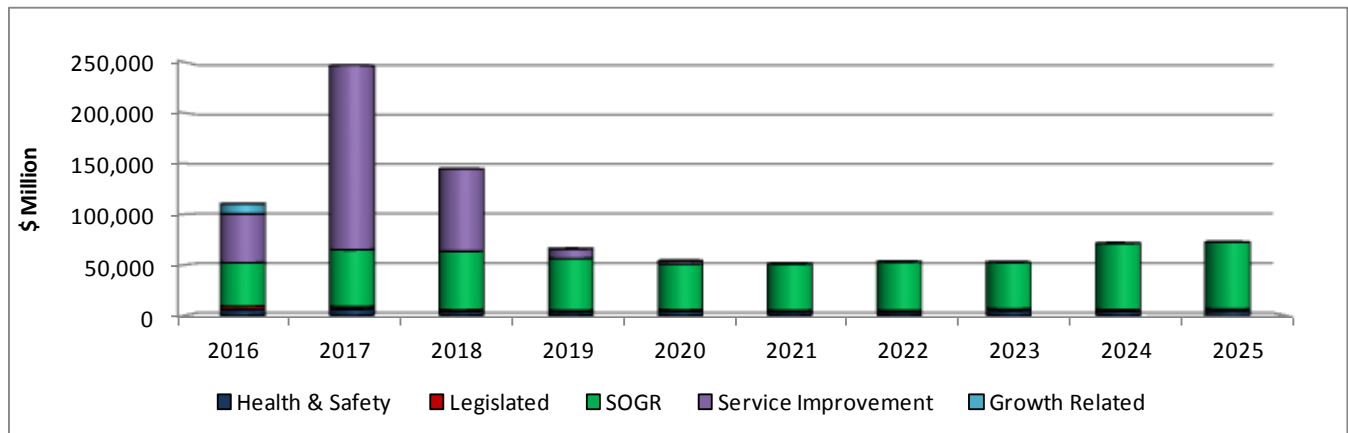
- Additional cash flow funding of \$4.021 million is required to complete the legislated - *Payment Card Industry (PCI) Compliance* project that aims to make the City compliance with the Payment Card Industry's Data Security Standards (PCI DSS), increasing the total project cost to \$10.383 million.
- The *Workflow & Document Management Technology* project requires carry forward funding from 2015 to 2017 of \$1.443 million as the remainder of the project is moved to better integrate technology with service delivery and to enable electronic document capture and storage and workflow technology to further streamline operations.

New projects totalling \$5.057 million have been added to the 2015 – 2024 Approved Capital Plan:

- The *Supply Chain Management Transformation* project requires \$4.588 million to improve City Stores capability and expand current service, which will involve enabling City Stores processes with web ordering for internal customers and more consistent and reliable practices to supply materials from central stores to internal customers throughout the City.

2016 – 2025 Capital Plan

Chart 2
2016 – 2025 Capital Plan by Project Category (In \$000s)



As illustrated in the chart above, the 10-Year Capital Plan for Financial Services of \$65.661 million provides 66.9% funding for State of Good Repair (SOGR) projects as priorities, 22.2% for Service Improvement projects, 10.7% for Legislated projects and 0.2% for Growth Related projects.

The following table details the capital projects, by category, included in the 2016 – 2025 Capital Budget and Plan for Financial Services:

**Table 3
Summary of Capital Projects by Category (In \$000s)**

	Total App'd Cash Flows to Date*	2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2016 - 2025 Total	Total Project Cost
Total Expenditures by Category													
Legislated													
PCI Compliance		2,021	2,000	2,000								6,021	6,362
Development Charges Background Study		130	390									520	
Future Upgrades													
Development Charges Background Study							125	375				500	500
Sub-Total		2,151	2,390	2,000			125	375				7,041	6,862
State of Good Repair													
Tax Billing System Upgrade		710	2,679	5,460								8,849	9,922
Integrated Asset Planning & Management		1,283	3,017									4,300	5,000
SAP- Supported Cross Application Timesheet (CATS)		4,494										4,494	7,540
Utility Billing System Upgrade		710	1,786	3,475								5,971	5,971
Parking Tag Mgmt. Software Upgrade			650	770	956							2,376	2,376
Risk Mgmt. Information System Upgrade		100					125					225	1,392
Future Upgrades													
SAP Upgrades (ECC, PBF, Payroll)					200	2,439	1,361					4,000	4,000
Investment & Debt Mgmt. System Upgrade						500					600	1,100	1,100
Payment Processing Equipment Upgrade							780					780	780
Tax Billing System Upgrade										500	3,475	3,975	3,975
Utility Billing System Upgrade										500	3,475	3,975	3,975
Capital Migration to New System							1,000	1,000	975			2,975	2,975
Parking Tag Mgmt. Software Upgrade											889	889	3,000
Sub-Total		7,297	8,132	9,705	1,156	2,939	3,266	1,000	975	1,000	8,439	43,909	58,868
Service Improvements													
Financial Planning Analysis & Reporting System		5,612										5,612	60,820
Workflow & Document Mgmt. Technology			1,443									1,443	2,852
Electronic Self Service Tax & Utility		199										199	352
eBilling Initiative			469									469	469
Risk Mgmt. Information System Upgrade		250	250	250								750	1,392
Supply Chain Management Transformation		3,251	1,215	1,609								6,075	2,150
Sub-Total		9,312	3,377	1,859								14,548	68,035
Growth Related													
Development Charges Studies		25										25	250
Tax Increment Financing Implementation		138										138	160
Sub-Total		163										163	410
Total Expenditures by Category (excluding carry forward)		18,923	13,899	13,564	1,156	2,939	3,391	1,375	975	1,000	8,439	65,661	134,175

*Life to Date approved cash flows are provided for multi-year capital projects with cash flow approvals prior to 2016, excluding ongoing capital projects (i.e. Civic Improvement projects)

2016 – 2025 Capital Projects

The 10-Year Capital Plan for Financial Services provides for stewardship responsibilities and commitment to maintain existing technology infrastructure in a state of good repair to support city-wide services as well as enhance and fully leverage the use of the City’s current financial information systems using leading and best practices. The greater part of the 10-Year Capital Plan is systems oriented, focusing on technological improvements to automate and transform business processes, improve financial planning, management and decision-making.

State of Good Repair

- The *Tax Billing System Replacement* project consists of redesigning and upgrades to accommodate new technology and new approved programs, to improve on the efficiency and automation of billing and revenue processing operations and to incorporate new web-based technology to support self-service options and improved customer service. The total cost for

this replacement project over the 10-Year Capital Plan period is \$8.849 million, plus \$3.975 million for Future Upgrades.

- The *Utility Billing System Replacement* project requires \$5.971 million, plus \$3.975 million for Future Upgrades, over 10 years to upgrade the system to ensure it is adequate to meet current and future business needs.
 - The system supports the current billing process and combines both Water and Solid Waste into one utility bill.
 - Improvements are required to the operating system in order to accommodate new technology that will generate efficiencies, cost-savings and enhanced service delivery.
- The *Payroll Timesheets Upgrade (CATS)* project requires \$4.494 million in 2016 to complete the installation of CATS technology to replace the outdated SAP program and move the City to best practices.
 - The project will convert customized SAP payroll functions to SAP standard payroll functions where appropriate and integrate the new Time and Attendance (TAS) System with the City's SAP system.
 - Benefits of the implementation include providing management staff with real time access to time and attendance information for their staff. CATS will be the single central point of integration with an enterprise wide time and attendance management solution, representing more favourable system architecture for sustainment than multiple interfaces connecting to an unsupported custom module within SAP. CATS can be integrated with other SAP products, which the City owns such as the Enterprise Portal, HRIS and PBF (analysis and reporting of time and attendance data can be provided by utilizing the SAP Business Warehouse and Business Intelligence tools).
- The *SAP Upgrade (ECC, PBF and Payroll)* requires \$4.000 million to make improvements to the planning and resource allocation system and continue to implement its corporate management framework. This upgrade will improve the quality of the Programs' business planning by consolidating information to support decisions relative to resource allocation and levels of service.
- The *Parking Tags Software Replacement System* current upgrade requires \$2.376 million and Future Upgrades of \$0.889 million for lifecycle replacement due to changing technology. This system processes parking tickets that generate annual revenues to the City and must be kept current to ensure continued revenue flows, and improved customer service.
- The *Integrated Asset Planning & Management* (formerly the CAPTOR Migration to New System) project requires \$4.300 million to proceed with the current assessment of the City's asset (capital) planning and budgeting and implementing processes to establish city-wide business requirements for an integrated common, asset planning, budget and management system and will replace the current CAPTOR budget system was implemented in 1999 as an interim solution and now is due for a major upgrade and/or replacement. A future upgrade (Capital Migration to New system) is planned for 2021 to 2023 at an estimated cost of \$2.975 million to ensure the City's capital program software is up to date with current technology.

Service Improvements

- The *Financial Planning Analysis & Reporting System (FPARS)* project is a complex, large scale, enterprise business transformation and technology project, utilizing new SAP technologies and implementing best and leading business practices.
 - The project's major goals are to strengthen the foundational elements of sound financial planning, budgeting and performance management and establish principles and best practices that will support the City's transition towards a service-based and performance focussed organization.
 - The 10 Year Capital Plan includes \$5.612 million to complete the implementation of SAP technologies, including Business Warehouse to manage the information flows from source divisional systems to SAP and Enterprise Performance Management (EPM) that will introduce a unified approach to the collection, monitoring and reporting of key performance indicators (KPIs) for the City.
- The *Supply Chain Management Transformation* project requires \$6.075 million over 2016 to 2018. This project requires additional funding of \$4.587 million, representing a total project cost of \$7.920 million over three years.
- This project is merged with the 2015 approved projects- eProcurement Implementation, Supply Chain Management Transformation and Accounts Payable Process Improvements.
- Based on cost benefit analyses provided by SAP in addition to various benefits gathered by PMMD, the corporation cost savings is estimated at approximately \$1.000 million annually upon completion; in addition to the provision of multiple efficiencies for the procurement processes.
 - This is a cumulative project which is part of eCity, founded on four distinct sub-projects enabling the Purchasing and Materials Management Division (PMMD) and Accounting Services to capitalize on internal business efficiencies.
 - It represents a core component to improve the efficiency and effectiveness of the City's Purchasing and Materials Management Division and the City as a whole.
 - In addition, the implementation of new technology to automate the procurement process is a core component to support the Shared Services Project as it enables streamlined and consistent procurement for the City of Toronto and its associated Agencies.
- The *Workflow & Document Management Technology* project requires funding in 2017 of \$1.443 million to initiate a Records Management solution to better integrate technology with service delivery and to enable electronic document capture and storage and workflow technology to further streamline operations.

Legislated

- The PCI Compliance version upgrade requires \$6.021 million over the next 3 years for PCI DSS (Payment Card Industry Data Security Standard) compliance from DSS 2.0 to the required 3.0 version as the City is subject to PCI DSS compliance standards.
- The Payment Card Industry (PCI) Compliance project aims to make the City achieve compliance with the Payment Card Industry's Data Security Standards (PCI DSS). The Payment Card Industry

Data Security Standards provide the required standards for organizations that accept, process and/or store credit card payments.

- The standards include network architecture, applications security, data transport, data storage, access, vulnerability testing as well as defining the areas that require documented processes, policies and standards.
- Presently, the City is not fully PCI DSS compliant and as the PCI DSS requirements continues to evolve this project requires the funds to ensure that the City will reach compliance and avoid fines that the City is currently paying.
- Furthermore, continued non-compliance may result in additional fines or prevention of the City from accepting credit card payments. The City processes over 1 million credit/debit transactions annually.

2016 Capital Budget and Future Year Commitments

Included as a sub-set of the 10-Year Capital Plan is the 2016 Capital Budget and Future Year Commitments, that consists of 2016 and future year cash flows for projects previously approved by Council; adjustments (Scope Change) to those previously approved projects; as well as new projects that collectively require Council approval to begin, continue or complete capital work.

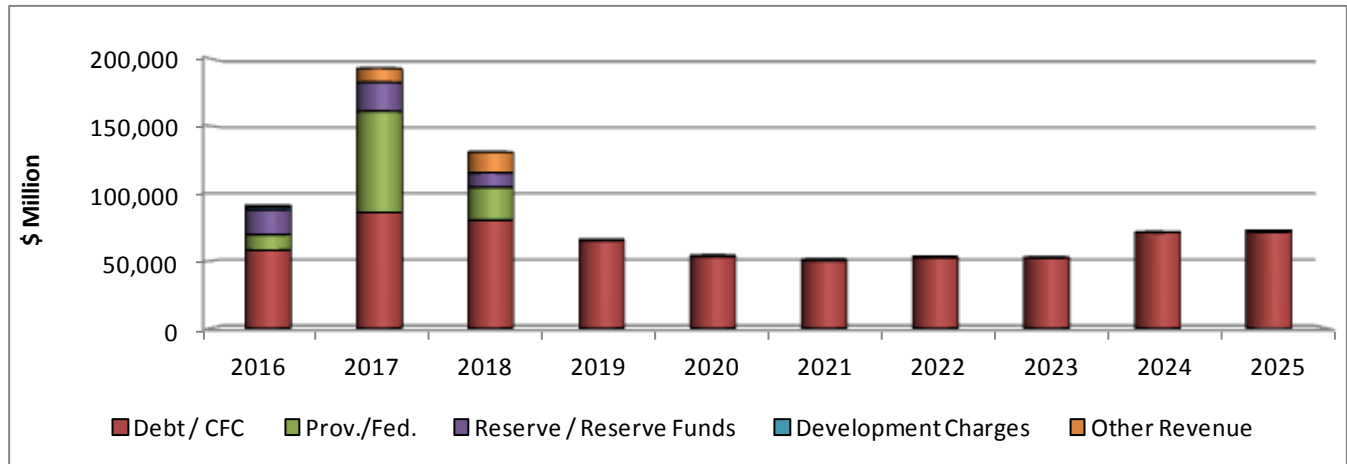
- Approval of the 2016 Capital Budget of \$43.856 million results in the future year funding commitments of \$10.413 million in 2017, \$13.564 million in 2018 and \$.0.956 million in 2019 million.
- Table 3a below lists the 2016 Cash Flow and Future Year Commitments for Financial Services that has been approved through the 2016 Capital Budget:

Table 3a

2016 Cash Flow & Future Year Commitments (In \$000s)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total 2016 Cash Flow & FY Commits
Expenditures:											
Previously Approved											-
CATS - Payroll Timesheets Upgrade (Additional)	4,494										4,494
Development Charges Studies	25										25
Electronic Self Service Tax and Utility	199										199
Fin. Plan. Analysis & Reporting System (FPARS)	5,612										5,612
Integrated Asset Planning Management (IAPM)	250										250
Parking Tag Mgmt Software Replacement		650	770	956							2,376
PCI Compliance	2,021										2,021
Risk Mgmt Information System Replacement	100										100
Supply Chain Management Transformation	494	14	979								1,487
Tax & Utility Replacement	1,420	4,465	8,935								14,820
Tax Increment Financing Implementation	138										138
Workflow & Document Mgmt Technology		1,443									
Change in Scope											
PCI Compliance		2,000	2,000								4,000
Risk Mgmt Information System Replacement	250	250	250								750
Supply Chain Management Transformation	2,757	1,201	630								
New w/Future Year											
Development Charges Background Study 2016	130	390									520
Integrated Asset Planning Management (IAPM)	1,033										1,033
											-
Total Expenditure	18,923	10,413	13,564	956							43,856
Financing:											
Debt/CFC	17,471	7,266	9,839	956							35,532
Other	635	1,030									1,665
Reserves/Res Funds	524	1,727	3,725								5,976
Development Charges	293	390									683
Total Financing	18,923	10,413	13,564	956							43,856

Chart 3
2016 – 2025 Capital Plan by Funding Source (In \$000s)



The 10-Year Capital Plan of \$65.661 million cash flow funding is financed by the following sources:

- Debt accounts for \$51.013 million or 77.7% of the financing over the 10-year period.
 - The debt funding is above the 10-year debt affordability guidelines of \$42.425 million allocated to this Program by \$8.588 million, dedicated to Legislated and Service Improvement projects:
 - \$4.0 million for completion of the legislated PCI for PCI DSS (Payment Card Industry Data Security Standard) compliance from DSS 2.0 to the required 3.0 version as the City is subject to PCI DSS compliance standards.
 - \$4.588 million for the Supply Chain Management Transformation project.
 - The Waste Management and the Insurance Reserve Funds and the Capital Financing Reserve constitute \$11.703 million or 11.9% of required funding.
 - Reserve-funded projects include a portion of the Utility Billing System Upgrade (\$8.655 million), Investment and Debt Management System Upgrade (\$1.100 million) and Risk Management Information System Replacement (\$0.975 million), Payment Processing Equipment Replacement (\$0.390 million), Workflow & Document Mgmt. Technology (\$0.425 million) and eBilling Initiative (\$0.137 million).
- Development Charges represent \$1.183 million or 1.8% of funding for the 10-Year Capital Plan.
 - Development Charge funding of \$1.045 million for periodic updates to the Development Charges By-Law Studies and \$0.138 million for Tax Increment Financing Implementation.
- Other sources of revenue represent 3.8% or \$1.762 million of total capital financing.
 - Funding is primarily from Rate Supported Programs for the Utility Billing System, Electronic Self-Serve Tax and Utility project, Electronic Self Service Tax and Utility, eBilling Initiative and the Workflow and Document Management Technology projects.

10-Year Capital Plan: Net Operating Budget Impact

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

Projects	2016 Budget		2017 Plan		2018 Plan		2019 Plan		2020 Plan		2016 - 2020		2016 - 2025	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
Workflow & Document Management Technology					85.0							85.0		85.0
New Projects - 2016														
Supply Chain Management Transformation			1,801.0									1,801.0		1,801.0
Total Recommended (Net)			1,801.0		85.0							1,886.0		1,886.0

The 10-Year Capital Plan will increase future year Operating Budgets by a total of \$1.886 million net over the 2016 – 2025 period, as shown in the table above.

This is comprised of funding to sustain the following capital projects:

- The Workflow & Document Management Technology project for the Revenue Services Division will require funds for maintenance & support resulting in \$0.085 million in 2018; and
- The new Supply Chain Management Transformation project will require \$1.801 million for hardware and maintenance, software license and subscription and support in 2017. \$1.681 million is included in the Information & Technology 2017 Operating Outlook. The Office of the Treasurer (PMMD) has included in the 2017 Operating Outlook \$0.120 million for sustainment costs.

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

Table 6
Capital Project Delivery: New Temporary Positions

Position Title	CAPTOR Project Number	# of Positions	Project Delivery		Salary and Benefits \$ Amount(\$000s)						
			Start Date	End Date (m/d/yr)	2016	2017	2018	2019	2020	2020 - 2025	
Trainer Business Process	FNS907850	4.0	04/01/2016	12/31/2017	450.0	500.0					
Financial & Systems Analyst Syst & Rep	FNS907850	1.0	04/01/2016	12/31/2017	105.0	140.0					
Payroll Benefits Pension Service Rep 1	ITP907951	3.0	04/01/2016	12/31/2017	105.0	140.0					
Project Manager Rev Svcs	TRE906809	1.0	04/01/2016	12/31/2017	120.0	160.0					
Systems Integrator 2	TRE906809	1.0	04/01/2016	12/31/2017	105.0	140.0					
Total		10.0			885.0	1,080.0	-	-	-	-	-

- 4 temporary capital positions for the delivery of the Payroll Timesheets Upgrade project capital, 4 temporary capital positions in support of Payroll Timesheets Upgrade and 2 positions For the Tax & Utility upgrade.
- Council approved of the 10 temporary capital positions for delivery of the 2015 capital projects and that the duration for each temporary position does not exceed the life of the funding of its respective capital projects/subprojects.



Part II:

Issues for Discussion

Issues for Discussion

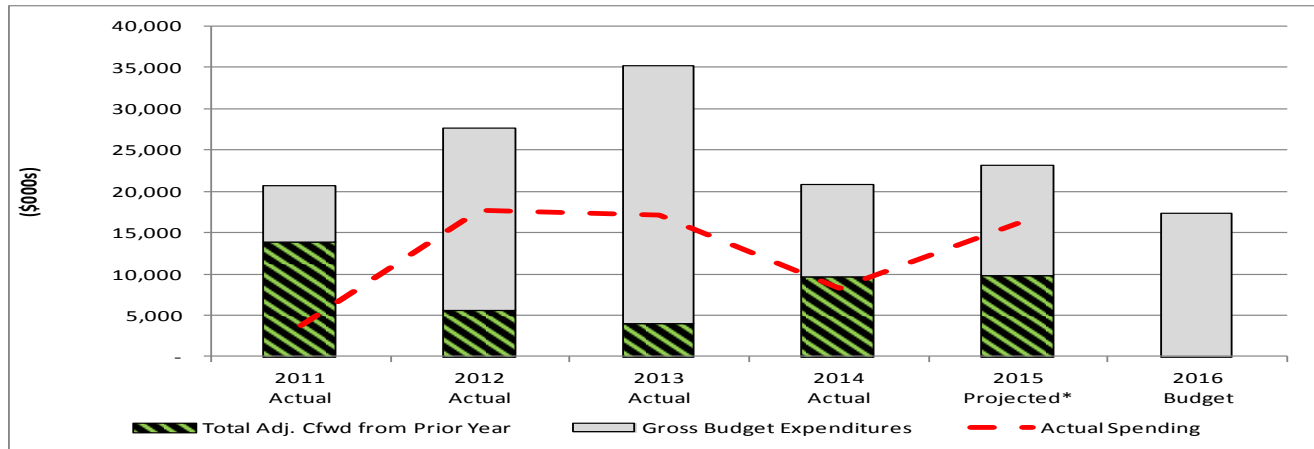
Issues Impacting the 2016 Capital Budget

Review of Capital Project and Spending

- During the 2015 Budget process, City Council directed that the Deputy City Manager & Chief Financial Officer to commence a detail review of the City's 2016 - 2025 capital requirements as part of the City's 2016 Capital Budget process to ensure that debt affordability targets continue to be maintained, and report the results to the Budget Committee early in the 2016 Budget process.
- As reflected in the table below, Financial Services over the 2011-2015 period experienced an average spending rate of 49% or \$62.984 million on an average annual Capital Budget of \$127.269 million. This reflects an improved spend rate over previous years mostly due to a 2015 projected year-end spend rate of 69%.
 - The projected 69% spending rate for 2015 is an improvement over the 2014 expenditure rate. The carry forward of spending to 2016 and beyond is required primarily due to uncontrollable delays for several projects.
- The capacity to spend or move forward on several IT related projects was primarily hindered by the projects' close connection with other Divisional IT related projects. As a result, a delay in one project has delayed the deliverables of new projects. Despite these hindrances, the projects are proceeding with completion dates within the planned five years 2016-2020 capital plan.
- Projects that Financial Services is responsible for are large, City-wide, more complex to implement, requires consultation and collaboration with partner/client divisions to ensure business needs are met and have significant impact on resources and organizational change.
- The Divisions that belong to Financial Services Capital Plan includes Accounting Services; Payroll, Pension and Employee Benefits; Financial Planning; Revenue Services; Corporate Finance; and Purchasing and Materials Management all of which have a limited capacity to undertake multiple projects and continue with ongoing operations.
- In establishing the 2016 - 2025 Capital Program, Financial Services projects were reviewed for readiness, dependencies, capacity to deliver and historical spending as part of the IT 2016-2025 Integrated Portfolio Plan.
 - Cash flow funding was then adjusted to better align with expected delivery of projects. In addition, the Supply Chain Management Transformation project was increased by \$1.101 million in 2016, \$1.215 million in 2017 and \$1.609 million in 2018 to increase the scope to include the end-to-end transformation of the City's procurement and materials management functions.
- The following table illustrates Financial Services' rate of spending from 2011-2025:

Capacity to Spend-Budget vs Actual

(In \$000s)



Category	2011			2012			2013			2014			2015 Projected *			Spending Rate 5 Year Avg. %
	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	Approved Budget	Actual	Spending Rate %	
Legislated	1,004	345	34%	1,555	658	42%	1,247	306	25%	715	478	67%	2,450	2,426	99%	60%
SOGR	1,587	600	38%	5,008	376	8%	7,697	415	5%	4,542	688	15%	7,067	4,395	62%	25%
Service Improvement	17,914	2,741	15%	20,935	16,701	80%	26,071	16,194	62%	15,234	7,160	47%	13,354	6,693	50%	53%
Growth Related	100	22	22%	138	-	0%	138	197	142%	263	-	0%	250	100	40%	36%
Total	20,605	3,708	18%	27,636	17,735	64%	35,153	17,112	49%	20,754	8,326	40%	23,121	13,614	59%	48%

* Based on 2015 9-month Capital Variance Report

Major Capital Projects –Status Update

- In compliance with the Auditor General's recommendation for additional status reporting for large capital projects, Financial Services identified the SAP supported *Payroll Timesheets Upgrade (CATS)* and the Financial Planning and Reporting Analysis System (FPARS) projects to report quarterly beginning in 2015, due to the transformative nature of the projects which will have significant impact to processes city-wide.

Payroll Timesheets Upgrade project (CATS)

- The *Payroll Timesheets Upgrade project (CATS)* is a state of good repair project to replace the City's current time entry application which is heavily customized, outdated and no longer supported by SAP.
- CATS is current SAP best practice and will provide a secure, sustainable and fully supported application that will be a single point of integration with a time, attendance and scheduling solution.
 - The *Cross-Application Timesheet (CATS)* Implementation project with an overall project cost of \$7.540 million is expected to be complete by September 2016.
 - Spending to the end of 2015 is expected to be \$2.260 million and is under spending by \$1.0 million in 2015 due to a 3 month delay in awarding the contract which was expected to be completed in the first quarter of 2015.

- The Upgrade of the *SAP Cross Application Timesheet* together with the Rollout Time & Scheduling will be implemented in Toronto Paramedic Services and Parks Forestry & Recreation in 2016. City-wide roll out plan and budget implications based on 2016 rollout will be developed for 2017.

The Financial Planning Analysis and Reporting System (FPARS) Project

- The *Financial Planning Analysis and Reporting System (FPARS) Project* is a complex, large scale, enterprise business transformation and technology project, utilizing new SAP technologies to support the City's transition towards a service-based and performance focused organization.
- The FPARS project includes two major phases:
 1. Establishing multi-year service-based planning and budgeting by implementing SAP's Public Budget Formulation (PBF), Reporting Analytics, and Complement Planning and Management functionality as well as re-engineering accounting and payroll transactional processes through SAP's Enterprise Central Component (ECC) and performance to form the basis for planning, budgeting, reporting and evaluating City services as mentioned in Program Maps.
 2. The implementation of Enterprise Performance Management (EPM) functionality to deliver reporting, analytics and score-carding solutions for the City.
- FPARS Project Deliverables and Status
 1. Service Inventory for City Programs and Agencies
 - City's Service Inventory includes 155 distinct services offered to the public to support direct service delivery and good governance.
 - Service Inventory expanded in 2014 to include program maps; service profiles; and service levels for all City Agencies except TTC and Police Services.
 - The FPARS Business Transformation team staff continue to work with a few City Divisions and Agencies that wish to refine or reflect changes to their Program Maps. Work will begin again with TTC in 2016 to finalize their Program Map.
 - Toronto Police Services is utilizing the City's Program Mapping approach with other Ontario Police Services to develop a common Program Map, specifically in time for the 2017 Budget process.
 2. Service Planning
 - FPARS has completed technical work in PBF that enables the entry of service planning information (e.g. strategic goals, service objectives targets and priority actions) for reporting purposes.
 - The FPARS Project Management team, including Financial Planning and City Manager staff, have consulted the Cities of Calgary and Edmonton, to research best practices pertaining to service planning (gathering information, utilizing data, in automated processes, etc.).
 - FPARS reported on this research to senior management, and is waiting for direction regarding timing of implementation.

3. Performance Inventory for City Programs and Agencies

- The Enterprise Performance Management (EPM) team staff has been working closely with the City's Programs, to identify and select performance measures for each of their services and activities.
- EPM staff have also been working with City Agencies in order to collect strategic measures (performance measures) for the 2017 Budget process.
- In addition, this phase of FPARS will continue work on documenting, designing and developing technology and strategic measures for real-time reporting, integrating Program and Agency systems to capture service information into PBF, as well as delivering analytics and reporting, to bring together service and financial data.

4. Multi-Year Service-Based Budgeting

- In May 2015 the project successfully rolled out new business functionality for the 2016 Service-Based Budget with data quality improvements, PBF defects were fixed and new upload functionality was added, resulting in more efficient and systemic process and consistency across all divisions.
- In preparation for the 2017 Budget, an upgraded version of PBF (8.1) will be released, including new functionality (Audit and Reporting), as well as enhanced business intelligence reporting and analytics.

5. Processes to Organize Financial, Complement and Performance Data in a Service View

- Work continues to further automate divisional accounting, HR and payroll processes and divisional complement data.
- Development of further dynamic reporting capabilities, including finalizing development of new HR vacancy reports (two HR reports will be released in early 2016) and detailed payroll reports (two payroll reports will be released in early 2016) that support service planning and strategic workforce information and reporting needs.

6. Processes and Tools to Analyze and Report on Service Performance and Results

- Work was completed in 2015 to refine budget reports for use in the 2016 Budget process and to add the ability for complement, payroll and financial dynamic reporting with additional reporting security structures.
- Advanced training on reporting has been provided in order to leverage PBF, new HR reports and new payroll reports to their full potential.
- As more service and performance information is established and complement and transactional information is created, a full suite of analytics and reporting capability will be made available to staff.
- The FPARS project also finalized the SPIRIT dashboard, which brings together service-based information, which will be rolled out in January, 2016 for use by Program Management for monitoring and reporting. Training will be provided to all City Program Areas, including senior management, on the dashboard's data, capabilities and utilization.

7. Enterprise Performance Management (EPM)

- Phase II of the project – Enterprise Performance Management (EPM) -- will further leverage service information in order to **organize, integrate, automate, and analyze** performance measures, processes, and systems to drive successful business performance results.
 - Through EPM, the team will be leveraging automation tools, for capturing performance measurement and information data, and utilizing these measures/data for **forecasting, simulating and reporting** purposes.
 - Discovery work is underway to define requirements, leading to a Proof of Concept (Fit Gap) and implementation of a proper tools set to automate performance management processes in 2016.

8. Financial Impact

- As of December 31, 2014, expenditures incurred since the inception of this project in 2006 total \$55.7 million with an additional \$13.8 million projected to be spent by the end of 2016.
- The 2015 projected project costs are anticipated to be \$5.8 million, with a total projected cost as of Dec 31, 2015 of \$52.6 million. The 2016 plan approved by the Council in 2015 is \$5.43 million, with carry forwards of \$2.6 million giving the FPARS project \$8.0 million in available funds, as summarized below in Table 1.

Table 1
FPARS Budget/Total Project Cost Summary
(\$ Millions)

Cost Description	Total Project Costs	Life to Date Cost Dec 31, 2014	Projected Costs 2015	Projected Cost 2016	Projected Cost to End of Project
Actual Costs prior to 2009 (Configured Solution)	6.0	6.0	-	-	6.0
FPARS Project Business Transformation & Implementation	54.8	40.8	5.8	8.0	54.6
Subtotal: FPARS Project	60.8	46.8	5.8	8.0	60.6
Information Technology Division Costs prior to 2009 (Configured Solution)	2.3	2.3	-	-	2.3
Information Technology Division SAP Upgrade Allocated Costs	3.9	3.9	-	-	3.9
Information Technology SAP/PBF License Costs	2.7	2.7	-	-	2.7
Subtotal: Associated IT Costs	8.9	8.9	-	-	8.9
Total FPARS	69.7	55.7	5.8	8.0	69.5

- In terms of immediate benefits that have been identified to date, ongoing salary and benefit savings of \$13.004 million (Table 2) have been realized in the operating budget through the use of the PBF budgeting tool's personnel expenditure planning (PEP) functionality that has automated the budgeting for salaries and benefits.
- As well, there was a deletion in the Financial Services 2011-2020 approved capital plan for a business warehouse for Accounting Services. Their reporting needs are addressed through FPARS.

Table 2
FPARS Savings to Date
(\$ Millions)

2015 Operating Savings	2015 Net	2016 Net	Savings to Date
Fleet Services	0.150		0.150
311 Toronto	0.191		0.191
Facilities Management & Real Estate	1.003		1.003
Office of the Chief Financial Officer	0.034		0.034
Office of the Treasurer	0.300		0.300
Information & Technology	1.039		1.039
Legal Services	0.750		0.750
Toronto Water	2.178		2.178
Parks, Forestry & Recreation		1.402	1.402
Social Development Finance & Administration		0.054	0.054
Children Services		1.675	1.675
Court Services		0.260	0.260
Shelter Support & Housing Administration		0.805	0.805
Fire Services		3.163	3.163
Total Operating Savings	5.645	7.359	13.004
2014-2023 Capital Budget and Plan Savings	2.030		2.030
Total Capital Savings	2.030		2.030

- Going forward:
 - The FPARS Project Management team, including Financial Planning and Information Technology staff, have met with other representatives from major government agencies and North American municipalities, including the Chinese and Ethiopian governments, United Nations, and the City of Montreal, to share the City's work in our best practices around these deliverables.
 - The FPARS team also began collaborating with and seeking input from Better Budgeting T.O. in ensuring the City continues to move to these best practices.

Issues Impacting the 10 Year Capital Plan

The Supply Chain Management Transformation (SCMT) Project: Implementation

- The SCMT project is a complex, large scale, enterprise business transformation and technology project, utilizing new SAP technologies. This is a cumulative project which is founded on four distinct sub-projects enabling the Purchasing and Materials Management Division (PMMD) and Accounting Services to capitalize on business process efficiencies.
- It represents a core component to improve the efficiency and effectiveness of the City's Purchasing and Materials Management purchases across the City.
- The implementation of new technology to automate the procurement process is a core component to support the Shared Services Project as it enables streamlined and consistent procurement for the City of Toronto and its associated Agencies.

- The project will:
 - Improve customer service to City Divisions and their associated vendors, generate savings from pooled demand.
 - Improve productivity by automating the source-to-pay process, improve overall transparency, enhance City store services through online ordering/inventory tracking, improve contract lifecycle management; and
 - Improve category, contract and vendor performance management. In addition, the project is expected to enhance the quality and the number of bids and proposals received.
- This platform will improve the overall quality and timeliness of the City's procurement process, which is expected to generate greater quality and value within future procurement agreements. The procurement and accounts payable streamlining with the new vendor will automate source-to-pay activities that are currently highly manual and labour intensive, and will reduce/remove bottlenecks from current business practices.
- This will result in a decrease in total cycle time to conduct competitive calls and drive an improvement in service delivery by PMMD where client divisions will be able to obtain their contracts in a more timely fashion.
- The Project will enhance materials management functionality within the current SAP platform and is projected to improve City Stores capability and expand current service, which will involve enabling City Stores processes with web ordering for internal customers and more consistent and reliable practices to supply materials from central stores to internal customers throughout the City.
- The Financial Services 2016 -2025 Capital Plan includes additional funding of \$4.588 million, representing a total project cost of \$7.920 million over three years. Furthermore, this project will merge the following 2015 approved projects:
 1. eProcurement Implementation;
 2. Supply Chain Management Transformation; and
 3. Accounts Payable Process Improvements.
- Based on cost benefit analyses cost savings City wide is estimated at approximately \$1.000 million annually upon completion, in addition to the provision of multiple efficiencies for the procurement processes.



Appendices

Appendix 1

2015 Performance

2015 Key Accomplishments

In 2015, Financial Services made significant progress and/or accomplished the following:

- ✓ For the Financial Planning, Analysis & Reporting System (*FPARS*) project:
 - Completed the implementation of Public Budget Formulation (PBF) release 2 and 3 primary functionalities required for the 2016 budget process.
 - Identified, developed and tested PBF functionality
 - Developed new forms and reports
 - Program Map adjustments
 - Service Level Inventory for City divisions
 - Dashboard development
- ✓ Accounts Payable Process Improvements
 - Currently reviewing functionality improvements in conjunction with the e-Procurement Implementation and Supply Chain Management Transformation projects
- ✓ Revenue System Phase 2
 - Completed Parking Ticket Lookup
 - eForms Tax & Utility – currently working with Corporate I&T and web methods to integrate the forms to the Corporate Enterprise Solution.
 - IVR System - Consulted with vendor, and obtained a cost for the IVR upgrade and a cost for an IVR Tree specific for Revenue, but due to the call centre integration with 311 Toronto, this initiative to review integration options with 311 is on hold.
 - Parking Tags Qmatic System Upgrade - RFP is completed and signed off. Currently waiting for the items to be delivered and installed.
 - Revenue System Online Services & Self Service Tax & Utility Certificate - The basic business process documents are completed. Development is expected to start in June with Corporate I&T.
- ✓ PCI Compliance
 - PCI Roadmap to Compliance detailed for all existing Payment Applications has been completed.
- ✓ Electronic Self Service Tax and Utility
 - Self Service Tax Certificate - The basic business process documents are completed. Development expected to begin in June with Corporate I&T.
 - Scoping and Planning for the Delivery of the Tax & Utility e-Bills - started the Corporate I&T gating process and working to finalize the initial project concept document.

2015 Financial Performance

Table 9
2015 Budget Variance Analysis (In \$000's)

2015 Approved	As of Sept. 30, 2015		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
23,121	4,756	20.6%	13,614	58.9%	9,507	41.1%

* Based on 2015 Third Quarter Capital Variance Report

2015 Experience

At its meeting on December 9, 2015, Council approved the 2015 Capital Variance Report for the nine months ended September 30, 2015. Please refer to the attached link for the staff report regarding the details of variance explanations and year-end projections for Information & Technology:

<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-85867.pdf>

Impact of the 2015 Capital Variance on the 2016 Budget

- As a result of the delays in the capital projects, as described in the 2015 Q3 Capital Variance Report, funding of \$4.975 million is being carried forward to the 2016 Capital Budget to continue the capital work.
- A detailed review of the 2016 – 2025 Capital Budget and Plan has been conducted and the necessary adjustments has been made to the timing of cash flow funding for unique and major capital projects such as Cross Application Timesheet Sheets, Financial Planning Analysis and Reporting System and Workflow and Document Management Technology which are the major contributors to annual under expenditures. By deferring the cash flow funding to future years, the 2016 Capital Budget reflects readiness to proceed and will lead to a higher rate of spending.

Appendix 2

Table 10
2016 Capital Budget; 2017 to 2025 Capital Plan (\$000s)

Project	Total Project Cost	Prior Year Carry Forward	2016	2017	2018	2019	2020	2016 - 2020	2021	2022	2023	2024	2025	2016 - 2025 Total
Legislated:														
PCI Compliance	6,362		2,021	2,000	2,000			6,021						6,021
Development Charges Background Study	500	125	130	390				645						645
								-						-
Future Upgrades														
Development Charges Background Study	500							-	125	375				500
Sub-Total		125	2,151	2,390	2,000	-	-	6,666	125	375	-	-	-	7,166
State of Good Repair:														
Tax Billing System Upgrade	9,922		710	2,679	5,460			8,849						8,849
Integrated Asset Planning & Management	5,000	400	1,283	3,017				4,700						4,700
SAP- Supported Cross Application	7,540	628	4,494					5,122						5,122
Utility Billing System Upgrade	5,971		710	1,786	3,475			5,971						5,971
Parking Tag Mgmt. Software Upgrade	2,376			650	770	956		2,376						2,376
Risk Mgmt. Information System Upgrade	1,392		100					100	125					225
								-						-
Future Upgrades														
SAP Upgrades (ECC, PBF, Payroll)	4,000				200	2,439	1,361	4,000						4,000
Investment & Debt Mgmt. System Upgrade	1,100					500		500			600			1,100
Payment Processing Equipment Upgrade	780						780	780						780
Tax Billing System Upgrade	3,975							-		500	3,475			3,975
Utility Billing System Upgrade	3,975							-		500	3,475			3,975
Capital Migration to New System	2,975							-	1,000	1,000	975			2,975
Parking Tag Mgmt. Software Upgrade	3,000							-			889			889
								-						-
Sub-Total		1,028	7,297	8,132	9,905	3,895	2,141	32,398	1,000	1,000	1,864	-	-	44,937
Service Improvements:														
Financial Planning Analysis & Reporting	60,820	1,558	5,612					7,170						7,170
Workflow & Document Mgmt. Technology	2,852			1,443				1,443						1,443
Electronic Self Service Tax & Utility	199		199					199						352
eBilling Initiative	469			469				469						469
Risk Mgmt. Information System Upgrade	1,392	402	250	250	250			1,152						1,152
Supply Chain Management Transformation	2,150	1,838	3,251	1,215	1,609			7,913						7,913
Sub-Total		3,798	3,501	1,934	1,859	-	-	9,534	-	-	-	-	-	18,499
Growth Related:														
Development Charges Studies	250	24	25					49						49
Tax Increment Financing Implementation	160		138					138						138
								-						-
Sub-Total		24	163					187						187
Total		4,975	13,112	12,456	13,764	3,895	2,141	48,785	1,125	1,375	1,864	-	-	70,789

Appendix 3

2016 Capital Budget; 2017 to 2025 Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3:2016 Capital Budget; 2017 -2025 Capital Plan

Financial Services						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By												
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.	2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Capital from Current Funds	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
<u>TRE906818 Parking Tag Mgmt Software Replacement 2025</u>																								
3	1	Parking Tag Mgmt Software Replacement 2025	CW	S6	03	0	0	0	0	0	0	889	889	0	0	0	0	0	0	0	889	0	889	
Sub-total						0	0	0	0	0	0	889	889	0	0	0	0	0	0	0	0	889	0	889
Total Program Expenditure						18,923	13,899	13,564	1,156	2,939	50,481	15,180	65,661	0	0	1,183	1,100	10,603	0	1,762	0	51,013	0	65,661

Report Phase 2 - Program 24 Financial Services Program Phase 2 Sub-Project Category 01,02,03,04,05 Part B Sub-Project Status S5,S6 Part C Sub-Project Status S2,S3,S4

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 3:2016 Capital Budget; 2017 -2025 Capital Plan

Financial Services					Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By											
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat. Cat.	2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing
Financed By:																						
		Development Charges			293	390	0	0	0	683	500	1,183	0	0	1,183	0	0	0	0	0	0	1,183
		Reserves (Ind. "XQ" Ref.)			0	0	0	0	500	500	600	1,100	0	0	0	1,100	0	0	0	0	0	1,100
		Reserve Funds (Ind."XR" Ref.)			524	1,864	3,725	0	0	6,113	4,490	10,603	0	0	0	0	10,603	0	0	0	0	10,603
		Other1 (Internal)			635	1,127	0	0	0	1,762	0	1,762	0	0	0	0	0	0	1,762	0	0	1,762
		Debt			17,471	10,518	9,839	1,156	2,439	41,423	9,590	51,013	0	0	0	0	0	0	0	0	51,013	51,013
Total Program Financing					18,923	13,899	13,564	1,156	2,939	50,481	15,180	65,661	0	0	1,183	1,100	10,603	0	1,762	0	51,013	65,661

Status Code	Description
S2	S2 Prior Year (With 2016 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2016 and/or Future Year Cost(Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)
S6	S6 New - Future Year (Commencing in 2017 & Beyond)

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

Appendix 4

2016 Cash Flow and Future Year Commitments

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4: Cash Flow & Future Year Commitments

Financial Services						Current and Future Year Cash Flow Commitments							Current and Future Year Cash Flow Commitments Financed By												
<u>Sub-Project No.</u>	<u>Project Name</u>	<u>Ward</u>	<u>Stat.</u>	<u>Cat.</u>																					
<u>Priority</u>	<u>SubProj No.</u>	<u>Sub-project Name</u>				2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
<u>FNS907850 CATS - Payroll Timesheets Upgrade (Additional)</u>																									
0	1	CATS - Payroll Timesheets Upgrade	CW	S2	03	5,122	0	0	0	0	5,122	0	5,122	0	0	0	0	0	0	0	0	0	5,122	0	5,122
Sub-total						5,122	0	0	0	0	5,122	0	5,122	0	0	0	0	0	0	0	0	0	5,122	0	5,122
<u>FNS908030 Development Charges Studies</u>																									
0	1	Development Charges Background Study - Port Lands	CW	S2	05	150	0	0	0	0	150	0	150	0	0	150	0	0	0	0	0	0	0	0	150
Sub-total						150	0	0	0	0	150	0	150	0	0	150	0	0	0	0	0	0	0	0	150
<u>FNS908049 Electronic Self Service Tax and Utility</u>																									
0	1	Electronic Self Service Tax and Utility	CW	S2	04	199	0	0	0	0	199	0	199	0	0	0	0	21	0	78	0	100	0	199	
Sub-total						199	0	0	0	0	199	0	199	0	0	0	0	21	0	78	0	100	0	199	
<u>FNS908076 Supply Chain Management Transformation</u>																									
0	1	Supply Chain Management Transformation	CW	S2	04	1,388	14	642	0	0	2,044	0	2,044	0	0	0	0	0	0	894	0	1,150	0	2,044	
0	2	Supply Chain Mgmt Transformation - Change in Scope	CW	S3	04	2,757	1,201	630	0	0	4,588	0	4,588	0	0	0	0	0	0	0	0	0	4,588	0	4,588
0	3	Accounts Payable Process Improvements	CW	S2	04	284	0	181	0	0	465	0	465	0	0	0	0	0	0	0	0	0	465	0	465
0	4	eProcurement - Implementation	CW	S2	04	660	0	156	0	0	816	0	816	0	0	0	0	0	0	0	0	0	816	0	816
Sub-total						5,089	1,215	1,609	0	0	7,913	0	7,913	0	0	0	0	0	0	894	0	7,019	0	7,913	
<u>TRE906809 Tax & Utility Replacement</u>																									
1	1	Tax Billing System	CW	S2	03	552	0	0	0	0	552	0	552	0	0	0	0	0	0	0	0	552	0	552	
1	2	Utility Billing System	CW	S2	03	710	730	185	0	0	1,625	0	1,625	0	0	0	0	1,068	0	557	0	0	0	1,625	
1	3	Tax Billing System Replacement	CW	S2	03	158	2,679	5,460	0	0	8,297	0	8,297	0	0	0	0	0	0	0	0	8,297	0	8,297	
1	4	Utility Billing System Replacement	CW	S2	03	0	1,056	3,290	0	0	4,346	0	4,346	0	0	0	0	3,612	0	734	0	0	0	4,346	
Sub-total						1,420	4,465	8,935	0	0	14,820	0	14,820	0	0	0	0	4,680	0	1,291	0	8,849	0	14,820	
<u>TRE906811 Parking Tag Mgmt Software Replacement</u>																									
1	1	Parking Tag Mgmt Software Replacement	CW	S2	03	0	168	0	0	0	168	0	168	0	0	0	0	0	0	0	0	168	0	168	
1	2	Parking Tag Mgmt Software Replacement II	CW	S2	03	0	482	770	956	0	2,208	0	2,208	0	0	0	0	0	0	0	0	2,208	0	2,208	
Sub-total						0	650	770	956	0	2,376	0	2,376	0	0	0	0	0	0	0	0	0	2,376	0	2,376
<u>TRE906815 Workflow & Document Mgmt Technology</u>																									

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4: Cash Flow & Future Year Commitments

Financial Services						Current and Future Year Cash Flow Commitments						Current and Future Year Cash Flow Commitments Financed By												
Sub- Priority	Project No. SubProj No.	Project Name Sub-project Name	Ward	Stat.	Cat.	2016	2017	2018	2019	2020	Total 2016-2020	Total 2021-2025	Total 2016-2025	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Reserves	Capital from Current Funds	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
TRE906815		Workflow & Document Mgmt Technology																						
1	1	Workflow & Document Mgmt Technology	CW	S2	04	0	1,443	0	0	0	1,443	0	1,443	0	0	0	0	425	0	296	0	722	0	1,443
		Sub-total				0	1,443	0	0	0	1,443	0	1,443	0	0	0	0	425	0	296	0	722	0	1,443
Total Program Expenditure						23,898	10,413	13,564	956	0	48,831	0	48,831	0	0	832	0	6,378	0	2,559	0	39,062	0	48,831

CITY OF TORONTO

Gross Expenditures (\$000's)

Appendix 4: Cash Flow & Future Year Commitments

Financial Services						Current and Future Year Cash Flow Commitments and Estimates						Current and Future Year Cash Flow Commitments and Estimates Financed By										
<u>Sub-Project No.</u>	<u>Project Name</u>	Ward	Stat.	Cat.		Total	Total	Total	Provincial	Federal	Development	Reserve	Capital	Debt -		Total						
Priority	SubProj No.	Sub-project Name			2016	2017	2018	2019	2020	2016-2020	2021-2025	2016-2025	Grants and Subsidies	Subsidy	Charges	Funds	from Current	Other 1	Other2	Recoverable Debt	Financing	
Financed By:																						
		Development Charges			442	390	0	0	0	832	0	832	0	0	832	0	0	0	0	0	0	832
		Reserve Funds (Ind."XR" Ref.)			926	1,727	3,725	0	0	6,378	0	6,378	0	0	0	0	6,378	0	0	0	0	6,378
		Other1 (Internal)			1,529	1,030	0	0	0	2,559	0	2,559	0	0	0	0	0	0	2,559	0	0	2,559
		Debt			21,001	7,266	9,839	956	0	39,062	0	39,062	0	0	0	0	0	0	0	0	39,062	39,062
Total Program Financing					23,898	10,413	13,564	956	0	48,831	0	48,831	0	0	832	0	6,378	0	2,559	0	39,062	48,831

Status Code	Description
S2	S2 Prior Year (With 2016 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2016 and/or Future Year Cost\Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

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

Appendix 5

2016 Capital Budget with Financing Detail

(Phase 2) 24-Financial Services

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

Type: B Sub-Project Status: S2

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



CITY OF TORONTO

Appendix 5: 2016 Capital Projects with Financing Details

Financial Services
Sub-Project Summary

Project/Financing				2016	Financing										
Priority	Project	Project Name	Start Date	Completion Date	Cash Flow	Provincial Grants Subsidies	Federal Subsidy	Developmt Charges	Reserves	Reserve Funds	Capital From Current	Other 1	Other 2	Debt	Debt - Recoverable
3		<u>CFO906892</u>		<u>Integrated Asset Planning Management (IAPM)</u>											
3	1	IAPM - Planning and Scoping	01/01/2014	12/31/2016	650	0	0	0	0	0	0	0	0	650	0
3	2	IAPM - Planning and Scoping	01/01/2014	12/31/2017	1,033	0	0	0	0	0	0	0	0	1,033	0
Project Sub-total:					1,683	0	0	0	0	0	0	0	0	1,683	0
6		<u>TRE906809</u>		<u>Tax & Utility Replacement</u>											
1	1	Tax Billing System	01/01/2007	12/31/2017	552	0	0	0	0	0	0	0	0	552	0
1	2	Utility Billing System	01/07/2007	12/31/2017	710	0	0	0	0	153	0	557	0	0	0
1	3	Tax Billing System Replacement	08/08/2007	12/31/2017	158	0	0	0	0	0	0	0	0	158	0
Project Sub-total:					1,420	0	0	0	0	153	0	557	0	710	0
8		<u>CFO906801</u>		<u>Development Charges Background Study 2012</u>											
3	1	Development Charges Background Study 2012	04/01/2012	12/31/2016	24	0	0	24	0	0	0	0	0	0	0
Project Sub-total:					24	0	0	24	0	0	0	0	0	0	0
Program Total:					23,898	0	0	442	0	926	0	1,529	0	21,001	0

Status Code	Description
S2	S2 Prior Year (With 2016 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2016 and/or Future Year Cost/Cashflow)
S4	S4 New - Stand-Alone Project (Current Year Only)
S5	S5 New (On-going or Phased Projects)

Category Code	Description
01	Health and Safety C01
02	Legislated C02
03	State of Good Repair C03
04	Service Improvement and Enhancement C04
05	Growth Related C05

Appendix 6

Reserve / Reserve Fund Review

**Table 11: Reserve / Reserve Fund – Program Specific
(\$000s)**

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec 31, 2015 *	Contributions / (Withdrawals)										Total Contributions / (Withdrawals)	
			2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan		
Waste Management (XR1404)	Beginning Balance	97,532	97,532	97,318	95,704	92,229	92,229	92,229	91,839	91,839	91,839	91,339		
	Withdrawals (-)													
	Management Technology TRE906815			(425)									(425)	
	Utility Billing System Replacement TRE906809-2/4		(193)	(1,052)	(3,475)								(4,720)	
	Utility Billing System Replacement FNS907445-1										(500)	(3,475)	(3,975)	
	Equipment Upgrade FNS907444							(390)					(390)	
	Electronic Self Service Tax and Utility FNS908049		(21)										(21)	
	e-Billing Initiative FNS908284-1			(137)									(137)	
	Total Withdrawals			(214)	(1,614)	(3,475)			(390)			(500)	(3,475)	(9,668)
	Contributions (+)													
Total Contributions														
Total Reserve Fund Balance at Year-End		97,532	97,318	95,704	92,229	92,229	92,229	91,839	91,839	91,839	91,339	87,864	(9,668)	

* Based on the 2015 Q3 Variance Report

**Table 12: Reserve / Reserve Fund Review - Corporate
(\$000s)**

Reserve / Reserve Fund Name	Project / SubProject Name and Number	Projected Balance as at Dec 31, 2015 *	Contributions / (Withdrawals)										2016 - 2025 Total Contributions / (Withdrawals)
			2016 Budget	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	
Capital Financing Reserve (XQ0011)	Beginning Balance	232,041	257,376	257,026	256,776	256,526	256,526	256,026	255,901	255,901	255,901	255,901	
	Withdrawals (-)												
	Investment & Debt Management System Upgrade						(500)					(600)	(1,100)
	Total Withdrawals						(500)					(600)	(1,100)
Contributions (+)													
Insurance Reserve Fund (XR1010)	Beginning Balance	25,335											
	Risk Management Information System Replacement		(350)	(250)	(250)			(125)					(975)
	Total Withdrawals		(350)	(250)	(250)			(125)					(975)
Other Program/Agency Net Withdrawals (-)			(350)	(250)	(250)		(500)	(125)				(600)	(2,075)
Total Reserve Fund Balance at Year-End		257,376	257,026	256,776	256,526	256,526	256,026	255,901	255,901	255,901	255,901	255,301	(2,075)