

Toronto 2017 BUDGET



CAPITAL PROGRAM SUMMARY



311 Toronto

2017 – 2026 CAPITAL BUDGET AND PLAN OVERVIEW

311 Toronto is a preferred first point of contact and gateway for residents, businesses and visitors, providing them with easy access to non-emergency information about City services and programs, 24 hours a day, seven days a week in over 180 languages. To deliver these services, the infrastructure and technology that support the highly complex contact centre and integrated system must operate without interruption. It is essential that the various assets to support these services are maintained and replaced regularly based on their lifecycles.

Included in the 10-Year Capital Budget and Plan is an investment of \$20.331 million in debt funding for 311 Toronto for State of Good Repair projects for server, hardware / software upgrades including the piloting of a Customer Relationship Management (CRM) Solution, enhancement of the Email Management System and Business Intelligence Portal, and SharePoint and Verint upgrades. Service Improvement projects relate specifically to service integrations with Municipal Licensing and Standards (ML&S) and Toronto Building that require support on significant call volumes received.

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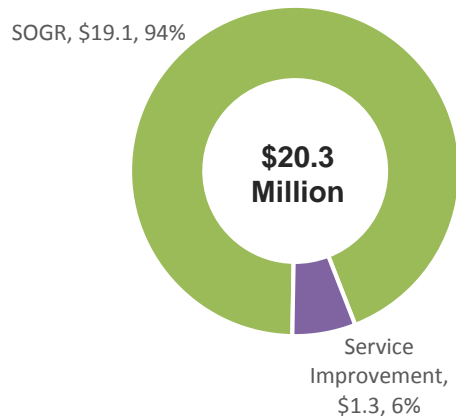
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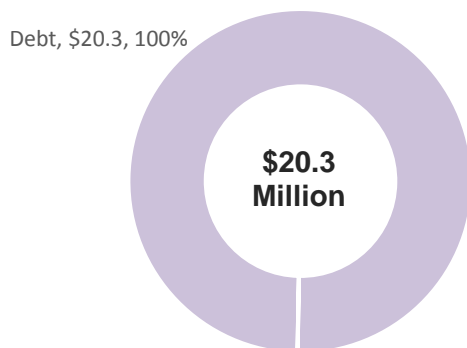
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Capital Spending and Financing

2017-2026 Capital Budget and Plan By Project Category



By Funding Source



Where the money goes:

The 2017–2026 Capital Budget and Plan totalling \$20.331 million provides funding for:

- State of Good Repair (SOGR) projects that ensure hardware is upgraded every 5 years while the lifecycle replacement of the software to newer generation technology solutions occurs regularly allowing for continuity of operations.
- Service Improvement projects that expands 311's service offerings and integrations include an expansion of 311's ability to provide additional services through future integrations with City Programs such as ML&S and Toronto Building which handle significant call volumes and could benefit from integrations with 311 Toronto.

Where the money comes from:

The 10-Year Capital Plan is 100% debt funded.

State of Good Repair Backlog

311 Toronto 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 311 Solution.

Our Key Issues & Priority Actions

- **Integrated Technology Solutions** – There are recognized inherent challenges of integrating disparate information technology (I&T) systems with new solutions in Call Centre Operations. City Programs use legacy systems that are not fully compatible with current 311 I&T infrastructure.
 - ✓ The Program will continue to work with Corporate I&T to determine the best method of developing integration solutions such as with a vendor through an RFP, in-house development or expansion of the current Customer Relationship Management (CRM) tool.
- **Integration with City Programs** – Integration can provide a number of benefits, including improvements to customer service, operational efficiencies and potential long-term savings. Leveraging 311 Toronto's expertise in customer service, technology and infrastructure will allow efficiencies from economies of scale to be realized.
 - ✓ The success of integration with ML&S in 2017 (\$0.260 million), and Toronto Building in 2018 to 2019 (\$1.000 million) will determine future integrations with other divisions and their services.

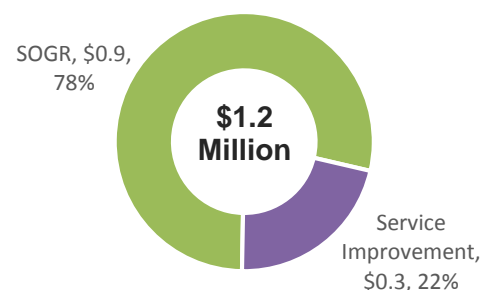


2017 Capital Budget Highlights

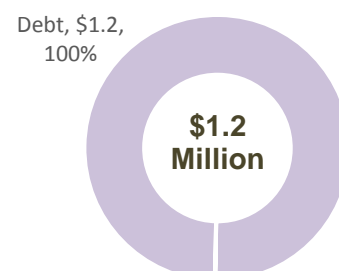
The 2017 Capital Budget for 311 Toronto of \$1.201 million, excluding carry forward funding, will:

- Continue the Customer Relationship Management (CRM) pilot project as part of the service integration with ML&S (\$0.260 million) with subsequent commencement of work on the upgrade or replacement of the existing CRM solution (\$0.750 million).
- Upgrade the licenses for the SharePoint solution, which is at the end of its lifecycle and requires an upgrade to the latest version to ensure business continuity. (\$0.191 million).

2017 Capital Budget By Project Category



By Funding Source



Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2017 Capital Budget for 311 Toronto with a total project cost of \$0.441 million, and 2017 cash flow of \$3.654 million comprised of the following:
 - a) New Cash Flow Funds for:
 - i. 2 new / change in scope sub-projects with a 2017 total project cost of \$0.441 million that requires cash flow of \$0.441 million in 2017;
 - ii. 2 previously approved sub-projects with a 2017 cash flow of \$0.760 million;
 - b) 2016 approved cash flow for 3 previously approved sub-projects with carry forward funding from 2016 into 2017 totalling \$2.453 million.
2. City Council approve the 2018 - 2026 Capital Plan for 311 Toronto totalling \$19.130 million in project estimates, comprised of \$2.770 million for 2018; \$3.522 million for 2019; \$2.179 million for 2020; \$2.179 million for 2021; \$1.696 million for 2022; \$1.696 million for 2023; \$1.696 million for 2024; \$1.696 million for 2025 and \$1.696 million in 2026.
3. City Council request the Director, 311 Toronto to report the results of the Customer Relationship Management (CRM) pilot project to Council as part of the future service integration with Municipal Licensing & Standards (ML&S) prior to the 2018 Budget process.



Part 1:

10-Year Capital Plan

Figure 1a
10-Year Capital Plan
2017 Capital Budget and 2018 - 2021 Capital Plan

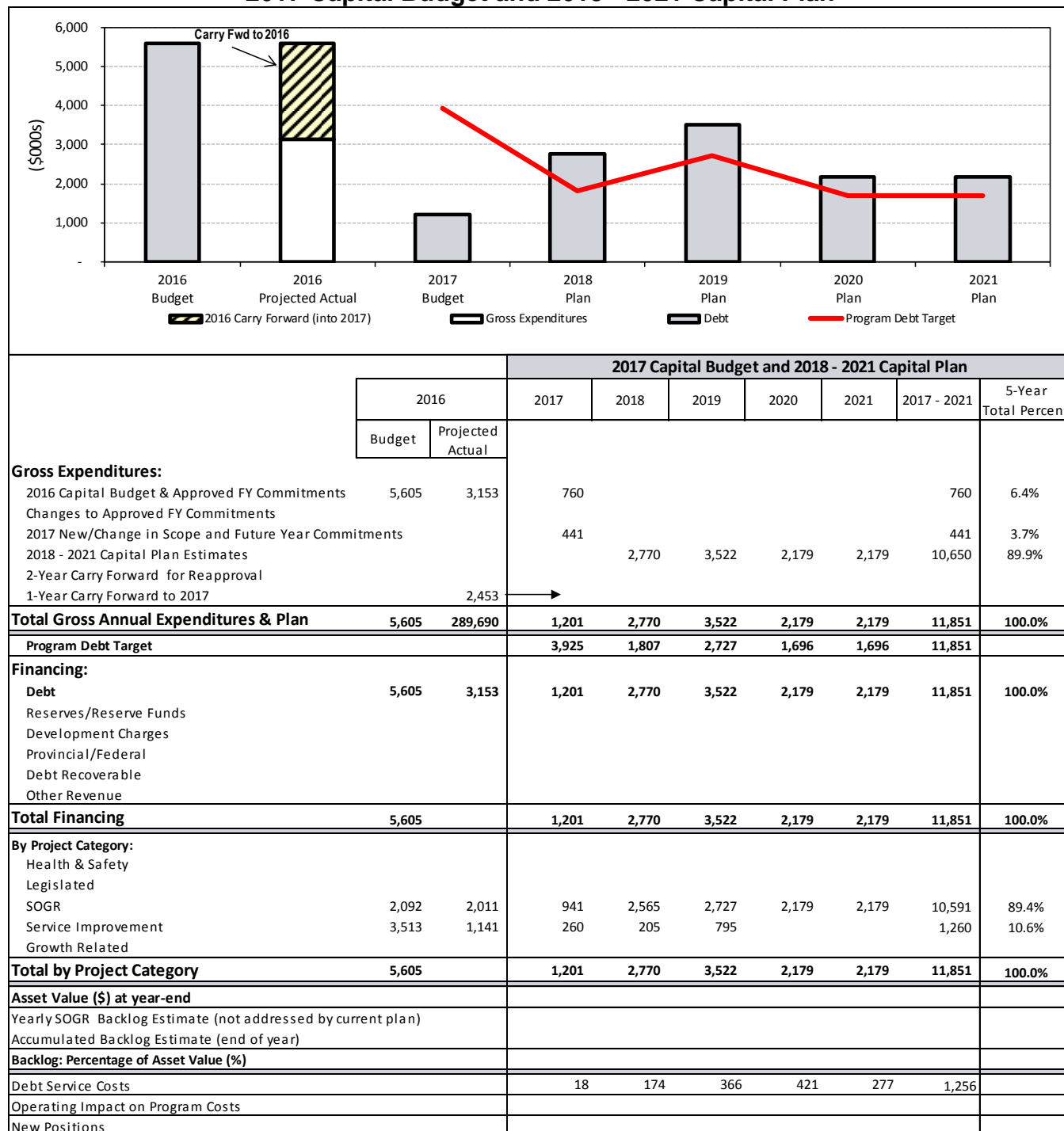
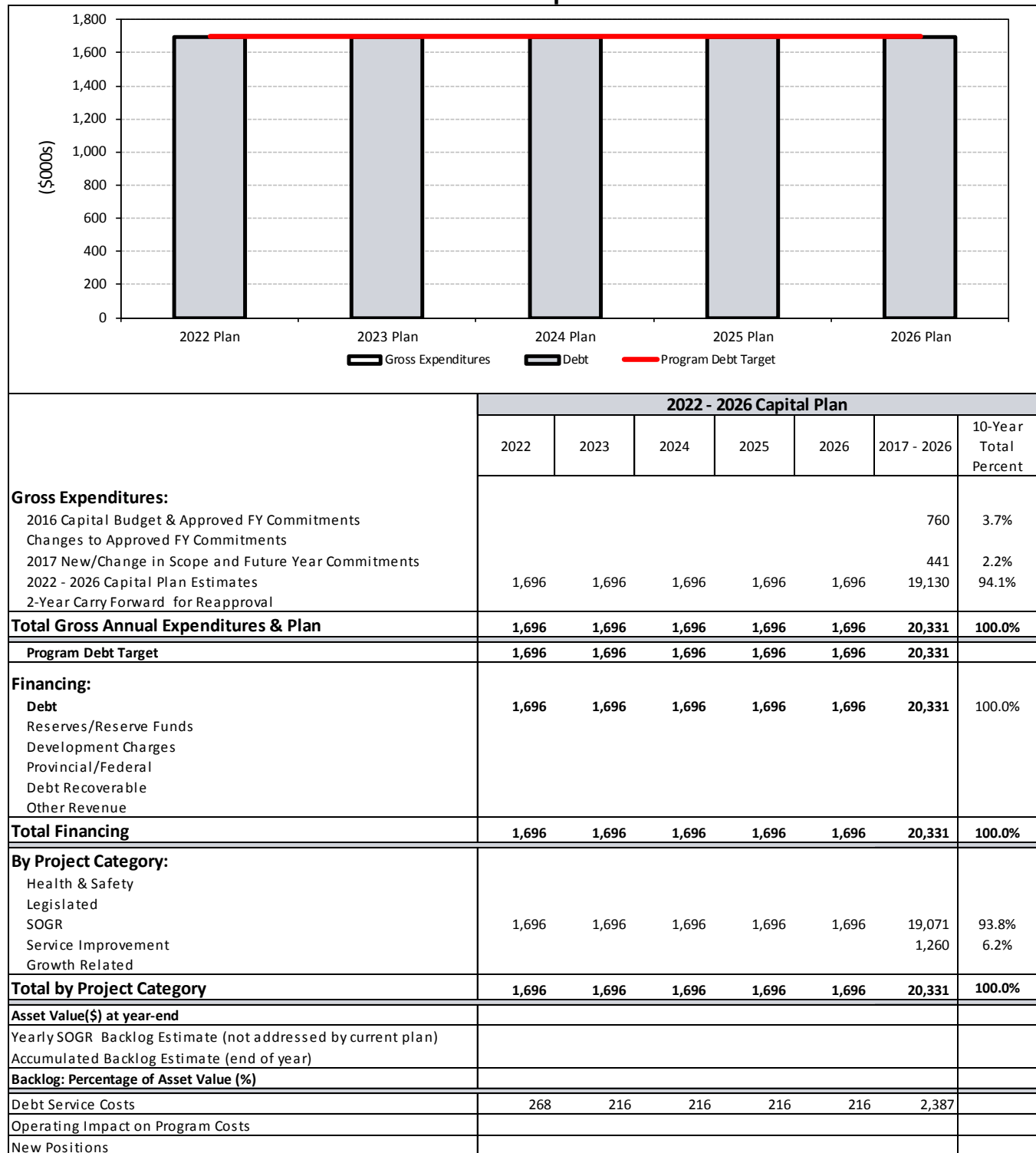


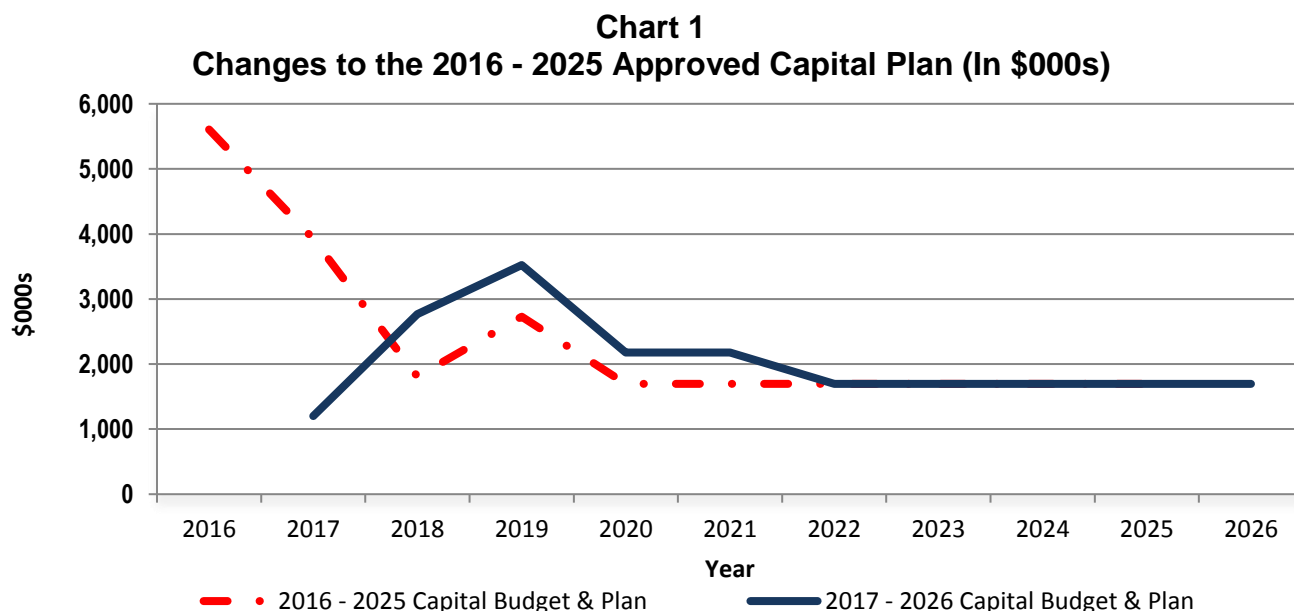
Table 1b
10-Year Capital Plan
2022 - 2026 Capital Plan



Key Changes to the 2016 - 2025 Approved Capital Plan

The 2017 Capital Budget and the 2018 – 2026 Capital Plan reflects a decrease of \$3.909 million in capital funding from the 2016 - 2025 Approved Capital Plan.

The chart and table below provide a breakdown of the \$3.909 million or 16.1% decrease in the Capital Program on an annual basis from 2016 to 2026.



(\$000s)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10-Year Total
2016 - 2025	5,605	3,925	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696		24,240
2017 - 2026		1,201	2,770	3,522	2,179	2,179	1,696	1,696	1,696	1,696	1,696	20,331
Change %		(69.4%)	53.3%	29.2%	28.5%	28.5%	0.0%	0.0%	0.0%	0.0%		(16.1%)
Change \$		(2,724)	963	795	483	483	0	0	0	0		(3,909)

Annual cash flow adjustments in the Capital Program as reflected in the table above reflect strategic changes and revised assumptions on the timing of necessary capital investments and spending included in the 2017 – 2026 Capital Plan for 311 Toronto. The \$3.909 million decrease in capital investment is attributed to a the difference in capital spending approved in 2016 as compared to planned capital investments in the year 2026.

As reflected in Table 2 on the following page, changes to the 10-Year 2016 – 2025 Approved Capital Plan are zero for the nine common years of the Capital Plan (2017 – 2025). The Capital Plan reflects realignments of cash flow funding based on reassessments of planned activities and service needs.

A summary of project changes for the years 2017 to 2025 are provided in Table 2 below:

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

\$000s	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017 - 2025 Total
2016 - 2025 Capital Budget & Plan	5,605	3,925	1,807	2,727	1,696	1,696	1,696	1,696	1,696	1,696		18,635
2017 - 2026 Capital Budget & Plan		1,201	2,770	3,522	2,179	2,179	1,696	1,696	1,696	1,696	1,696	18,635
Capital Budget & Plan Changes (2017 - 2025)		(2,724)	963	795	483	483	-	-	-	-	-	-

	Total Project Cost	2017	2018	2019	2020	2021	2022	2023	2024	2025	2017 - 2025	2026	Revised Total Project Cost
Previously Approved													
Integrations with Toronto Building	1,000	(1,000)	205	795							-		1,000
Total Previously Approved	1,000	(1,000)	205	795	-	-	-	-	-	-	-	-	1,000
New													
CRM Upgrade or Replacement		250									250		
Email Management System			508								508		
Business Intelligence			250								250		
Sharepoint Upgrade		191									191		
SOG - Various		(2,165)			483	483					(1,199)		
Total New		(1,724)	758	-	483	483	-	-	-	-	-	-	-
Total Changes	1,000	(2,724)	963	795	483	483	-	-	-	-	-	-	1,000

Significant Capital Project Changes in 311 Toronto:

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:

Deferrals/Accelerations:

- *Integrations with Toronto Building* – An adjustment was made to defer cash flow funds of \$1.000 million from 2017 to \$0.205 million in 2018 and \$0.795 million in 2019 due to resource funding availability and readiness of key stakeholders such as the Information and Technology (I&T) Division.
 - This funding will primarily be used for integrating 311's current Customer Relationship Management (CRM) platform and Toronto Building's Integrated Business Management System (IBMS), building Enterprise Application Integration (EAI) Middleware for the integration process, Knowledge Base data entry, and staff training.

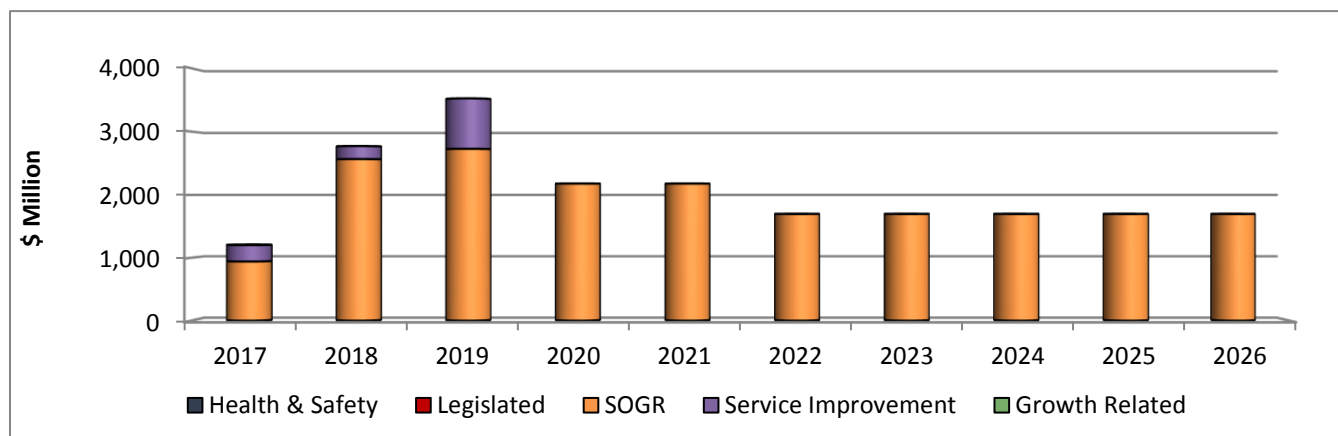
New Projects:

- *SOG - Various* – \$2.165 million in funding for various small-scale state-of-good repair projects was reallocated from the 2017 cash flows planned in 2016 based on an examination of capital needs and priorities:
 - \$0.441 million was reallocated in 2017 to the Customer Relationship Management (CRM) Upgrade / Replacement (\$0.250 million) and the SharePoint Upgrade (\$0.191 million).
 - \$0.758 million in funding was reallocated to the Email Management System (\$0.508 million) and Business Intelligence (BI) Enhancement (\$0.250 million), and deferred to 2018.
 - The remaining \$0.966 million of this funding has been deferred to 2020 (\$0.483 million) and 2021 (\$0.483 million) for the Program's SOGR requirements.
- *CRM Upgrade or Replacement* – funding of \$0.250 million has been reallocated to this project in 2017 to deliver a pilot implementation of a cloud-based CRM solution capable of supporting the 311 business model (channels, services, and partners) for integration with Toronto Water and ML&S.
 - Assessing the success of the pilot implementation will drive the decision and strategy on the selection of a CRM tool.

- Currently, 311 Toronto operates sub-optimally largely due to limitations, issues and risks imposed by the existing CRM technology (Lagan Enterprise Case Management (ECM)), in the areas of service request handling, service transaction processing, and service information updating.
- The solution for CRM capabilities represents a significant part of 311 technology investments for automation support of customer servicing capabilities regarding service requests, information inquiries, customer feedback and complaints, and customer outreach/engagement.
- This is an essential tool used by 311 to meet its existing business mandate and expand its offerings to existing and future partners.
- *Email Management System* – funding of \$0.508 million was reallocated to this initiative in 2018 to enhance the 311 Information and Business Development (IBD) unit's email management system to allow for better workflow, minimization of work effort, and improvement of service level reporting.
 - Implementation of a technology enabled solution is planned for 2018 to allow IBD to respond to client inquiries using Microsoft Outlook and an integrated CISCO software solution to handle the inquiries received.
 - In 2015, over 32,000 emails were received by this unit from CSRs when knowledge base information pertaining to subject matter not found by the agents was required, or when additional information knowledge base updates were needed. Most of these processes continue to be manual in nature and susceptible to human error.
 - There is currently no standardized method of tracking whether the emails are handled within the service standard agreement. This is done manually on a monthly basis to ensure service levels are met.
 - Having an improved system to better manage IBD's emails is crucial for 311 Toronto to be able to report on its service levels, as well as streamline processes to gain efficiency and ensure accountability.
- *Business Intelligence* – funding of \$0.250 was reallocated to this project in 2018 to enhance data integration that will facilitate data mining and analysis for operational, tactic and strategic decisions, as well as allow 311 Toronto to improve information delivery and data availability.
 - The 311 BI Portal enhancement will allow employees to increase productivity by gathering data from a centralized source and reducing manual work effort that is currently required.
 - The proposed solution will impact how information is retrieved by users of 311's BI portal and provide them with improved reporting and analytical capability through correlation of data and development of data models, which would allow integration from various sources and enhanced capabilities such as map enhancement.
- *SharePoint Upgrade* – funding of \$0.191 million was reallocated to this initiative in 2017 to upgrade the current version of this web-based application from 2010 to 2013.
 - 311 Toronto uses SharePoint Business Intelligence features such as Dashboard, Performance Point Service, as well as SQL Server Reporting Service Integration for reports.
 - The current version of SharePoint, which is a core component for 311 Toronto operations, is at the end of its lifecycle and needs to be upgraded to the latest version to ensure business continuity.

2017 – 2026 Capital Plan

Chart 2
2017 – 2026 Capital Plan by Project Category (In \$000s)



As illustrated in the chart above, the 10-Year Capital Plan for 311 Toronto of \$20.331 million provides 93.8% funding for State of Good Repair (SOGR) projects as priorities and 6.2% for Service Improvement projects.

- The level of cash flow funding dedicated to State of Good Repair projects for hardware and software upgrades makes up the majority of project funding to ensure continuity of the 311 Contact Centre operations and that technology is maintained and up-to-date.
- Service Improvement projects enable the integration of service capabilities with such Programs as Municipal Licensing & Standards (ML&S) and Toronto Building which have substantial call volumes and requests from customers for information about their services.

The following table details by category within the capital projects in the 2017 – 2026 Capital Budget and Plan for 311 Toronto:

Table 3
2017 - 2026 Capital Plan by Project Category (In \$000s)

	Total App'd Cash Flows to Date*	2017 Budget	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2017 - 2026 Total	Total Project Cost
Total Expenditures by Category													
State of Good Repair													
CRM Upgrade or Replacement		750	1,307	1,000		1,000	896	200			500	5,653	
Email Management System			508									508	
Business Intelligence			250		500				500			1,250	
Sharepoint Upgrade		191			300				300			791	
Unified Contact Centre Enterprise (UCCE) Telephony				1,000		1,000	1,000	1,000		1,000		4,000	
Verint Upgrade			500		800		800		800		800	3,700	
SOGR - Various				727	579	179		496	96	696	396	3,169	
Sub-Total	-	941	2,565	2,727	2,179	2,179	1,696	1,696	1,696	1,696	1,696	19,071	-
Service Improvements													
Integrations with ML&S	500	260										260	760
Integrations with Toronto Building			205	795								1,000	1,000
Sub-Total	500	260	205	795	-	-						1,260	1,760
Total Expenditures by Category (excluding carry forward)	500	1,201	2,770	3,522	2,179	2,179	1,696	1,696	1,696	1,696	1,696	20,331	1,760

*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)

2017 – 2026 Capital Projects

The 10-Year Capital Plan supports 311 Toronto's objectives of implementing existing and new service improvement projects while maintaining and updating current systems to ensure continuity of its operations.

State of Good Repair (SOGR)

- SOGR projects account for \$19.071 million or 93.8% of the total 10-Year Capital Plan's expenditures.

- The 10-Year Capital Plan incorporates an investment of \$18.571 million dedicated for the following new SOGR capital projects:
 - *Customer Relationship Management (CRM) Upgrade or Replacement (\$5.153 million)* – This project is will deliver a pilot implementation of a cloud-based CRM solution to support the 311 business model for integration with Toronto Water and ML&S. As part of a previous CRM assessment, several leading CRM vendors were identified to provide an optimal upgrade or replacement solution. In order to procure the best product for the best value to the City, this project is to work with the City Manager's Office (CMO), Purchasing Materials and Management Division (PMMD) and Legal Services to procure the most qualified CRM solution for service integration with Toronto Water (2 services) and ML&S (2 services) under the "Toronto At Your Service" business model which is the City's customer service initiative to provide excellent customer service meeting the public's expectations.
 - *SharePoint Upgrade (\$0.791 million)* – This initiative is to upgrade the current version of the web-based application from 2010 to 2013 as the existing software is at the end of its useful life. The upgrade is required to ensure ongoing sustainability and will improve Business Intelligence (BI) reporting with enhanced features and functionalities.
 - *Unified Contact Centre Enterprise (UCCE) Telephony (\$4.000 million)* – Upgrading of the UCCE telephony system will support the ongoing efficiency and effectiveness of call support services provided to the public.
 - The upgrade will allow incoming calls to continue to be handled efficiently and distributed to specific groups or teams of agents as required.
 - *Verint Upgrade (\$3.700 million)* – Upgrading of the Verint Enterprise software used in 311 operations to drive smarter engagement with customers, enhance employee productivity, and deliver the real-time guidance is needed to help improve the overall customer experience.
 - *SOGR-Various (\$3.169 million)* – Funding for various small-scale state-of-good repair projects are anticipated over the 10-year Plan.
 - *Business Intelligence (\$1.250 million)* – Enhancing data integration that will facilitate data mining and analysis will allow 311 Toronto to improve information delivery and data availability.
 - *Email Management System (\$0.508 million)* – Enhancing the 311 Toronto's Information and Business Development (IBD) unit's email management system will provide better workflow, improvement of service level reporting, and increased efficiency and accountability.

Service Improvements

- Service Improvement projects account for \$1.260 million or 6.2% of the total 10-Year Capital Plan's spending.
 - *Integrations with Municipal Licensing & Standards (ML&S) (\$0.260 million)* – The 10-Year Capital Plan provides funding of \$0.260 million in 2017 for the continuation of the CRM pilot project started in 2016 with ML&S in response to substantial call volumes and customer information services which are not currently integrated with 311 Toronto.
 - This project will fund the research to identify a new, enterprise-wide CRM solution that is in line with the Program's long-term Customer Service Strategy.
 - *Integrations with Toronto Building (\$1.000 million)* – The 10-Year Capital Plan also includes funding of \$0.205 million in 2018 and \$0.795 million in 2019 for service integration opportunities with Toronto Building by merging its Integrated Business Management System (IBMS) with 311 Toronto's Customer

Relationship Management (CRM) system to support Toronto Building's considerable call volumes and customer information services.

- The proposed integration will improve how Toronto Building services are currently being delivered as these requests and general inquiries would be handled by 311 Toronto 24 hours a day, 7 days a week.
- This will improve the customer experience as clients will have multiple channels available for all their service needs. Funding will primarily be used for integration of 311's current Customer Relationship Management (CRM) platform and Toronto Building Integrated Business Management System (IBMS), building Enterprise Application Integration (EAI) Middleware for the integration process, Knowledge Base data entry, and staff training.

2017 Capital Budget and Future Year Commitments

Included as a sub-set of the 10-Year Capital Plan is the 2017 Capital Budget and Future Year Commitments, that consists of 2017 and future year cash flow 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.

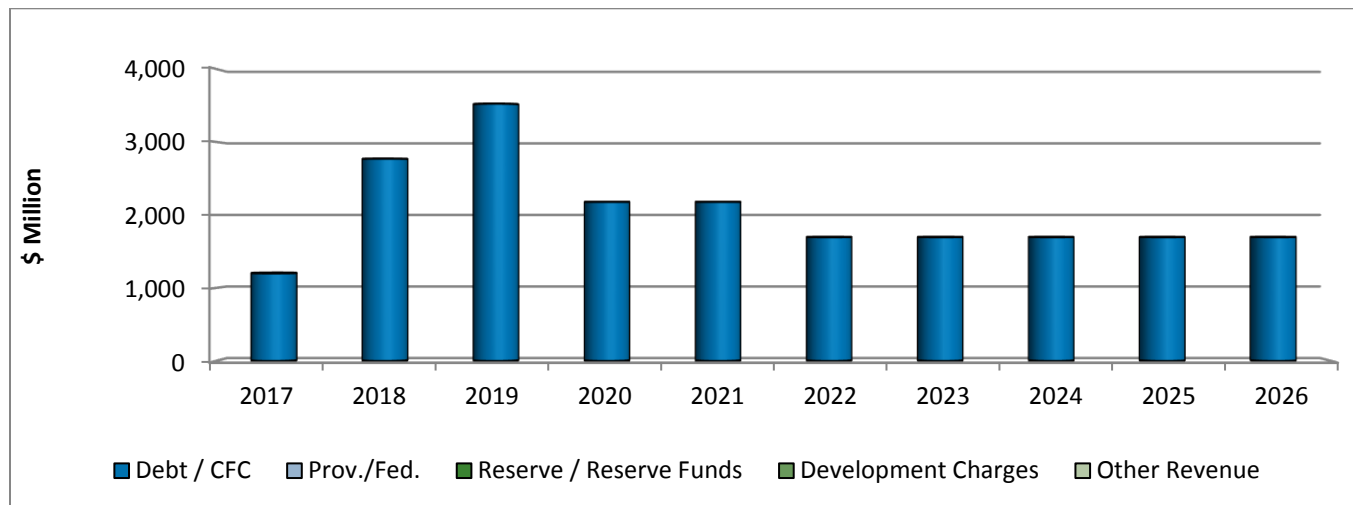
- Table 3a below lists the 2017 Capital Budget and Future Year Commitments for 311 Toronto:

Table 3a
2017 Cash Flow & Future Year Commitments (In \$000s)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total 2017 Cash Flow & FY Commits
Expenditures:											
Previously Approved											-
<i>CRM Upgrade or Replacement</i>	500										500
<i>Integrations with ML&S</i>	260										260
Subtotal	760	-	-	-	-	-	-	-	-	-	760
New w/Future Year											
<i>Sharepoint Upgrade</i>	191										191
<i>CRM Upgrade or Replacement</i>	250										250
Subtotal	441	-	-	-	-	-	-	-	-	-	441
Total Expenditure	1,201	-	-	-	-	-	-	-	-	-	1,201
Financing:											
Debt/CFC	1,201										1,201
Debt Recoverable											-
Other											-
Reserves/Res Funds											-
Development Charges											-
Provincial/Federal											-
Total Financing	1,201	-	-	-	-	-	-	-	-	-	1,201

- Approval of the 2017 Capital Budget of \$1.201 million will not result in any future year funding commitments beyond 2017.

Chart 3
2017 – 2026 Capital Plan by Funding Source (In \$000s)



The 10-Year Capital Plan of \$20.331 million in cash flow funding will be financed solely by debt.

- The debt funding meets the 10-year debt affordability guidelines of \$20.331 million allocated to this Program, dedicated to SOGR and Service Improvement projects:

SOGR:

- CRM Upgrade or Replacement (\$5.653 million)
- Email Management System Development (\$0.508 million)
- Business Intelligence Enhancement (\$1.250 million)
- SharePoint Upgrade (\$0.791 million)
- Unified Contact Centre Enterprise (UCCE) Telephony (\$4.000 million)
- Verint Upgrade (\$3.700 million)
- SOGR – Various (3.169 million)

Service Improvement:

- Integrations with ML&S (\$0.260 million)
- Integrations with Toronto Building (\$1.000 million)

State of Good Repair (SOGR) Backlog

311 Toronto 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 311 Solution.



Part 2:

Issues for Discussion

Issues Impacting the 2017 Capital Budget

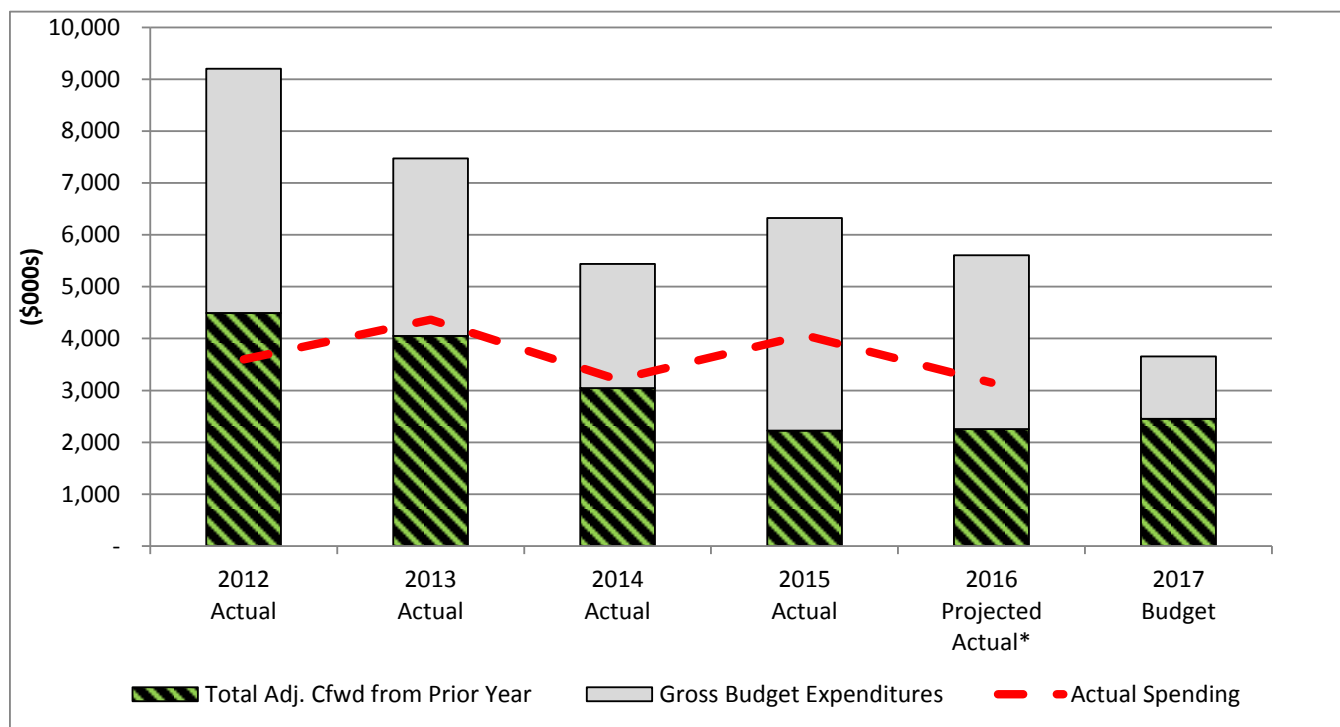
Review of Capital Projects and Spending

- City Council, at its meeting of July 12, 2016 considered the report entitled "2017 Budget Process – Budget Directions and Schedule EX16.37" and directed staff to:
 - Submit their 2017 – 2026 Capital Budget and Plans requiring that annual cash flow funding estimates be examined to more realistically match cash flow spending to project activities and timing, especially in the first 5 years of the Capital Plan's timeframe.
- The 2017 – 2026 Capital Budget and Plan for 311 Toronto has been developed following a review of capital requirements based on the reprioritization of capital needs; a review of the Program's spending capacity and the readiness of planned projects to proceed and their timelines; as well as the ability to reduce overall debt funding and/or leverage non-debt funding sources.
- 311 Toronto has experienced an average annual spending rate over the past five years 2012 – 2016 of 54%, with 2016 projected to be 56%.
 - The 2016 projected spend rate is mainly driven by the year-end projected SOGR expenditures of 96.1% based on the purchase of hardware and professional services for the Unified Contact Centre Enterprise (UCCE) and Verint, Lagan, and Knowledge Base upgrades to be completed by the end of 2016.
 - The spending rate is driven by delays in Service Improvement capital projects where the projected year-end spend rate of 28.5% is due to delays in:
 - The finalization of the Request for Proposal (RFP) documentation for acquisition and implementation of the City Booking and Scheduling Solution;
 - Delays in the Interactive Voice Response (IVR) payment module implementation which is dependent upon the completion of the UCCE Telephony Upgrade.
 - The Integrations with Municipal Licensing and Standards (ML&S) has a projected year-end spend rate of 56.4% as a result of changes to ML&S project requirements which do not require the full budget to be spent.
- The following table summarizes 311 Toronto's rate of spending from 2012 to 2016:

Capacity to Spend – Budget vs. Actual
(In \$000s)

Category	2012			2013			2014			2015			2016			Spending Rate 5 Year 2012-2016 Avg. %
	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Actual	Spending Rate %	Budget	Projected Actual *	Spending Rate %	
SOGR	1,039	274	26.4%	2,547	1,142	44.9%	2,789	1,495	53.6%	2,846	2,510	88.2%	2,092	2,011	96.1%	65.7%
Service Improvement	8,160	3,325	40.7%	4,927	3,222	65.4%	2,651	1,716	64.7%	3,476	1,557	44.8%	3,513	1,141	32.5%	48.2%
Total	9,199	3,599	39.1%	7,474	4,364	58.4%	5,439	3,211	59.0%	6,321	4,068	64.4%	5,605	3,153	56.2%	54.0%

Note - 2016 Projection based on the 2016 Q3 Capital Variance Report



- In establishing the 2017 - 2026 IT Integrated Portfolio Plan, all projects were reviewed for readiness, dependencies, capacity to deliver and historical spending.
 - As a result, cash flow funding of \$1.0 million for the Integration with Toronto Building was deferred from 2017 to \$0.205 million in 2018 and \$0.795 million in 2019; and \$0.758 million was deferred from 2017 to 2018 for the Email Management System (\$0.508 million) and Business Intelligence Project (\$0.250 million).
 - The deferral of these I&T related capital projects by one year reflects the recommendations of the Business Executive Committee (BEC) on the readiness to advance on these capital initiatives.
- SOGR projects were also reviewed to reallocate and align cash flows to the anticipated timing of planned activities. The acceleration and deferrals were required to more realistically match cash flow spending to project activities and ensure continuity of 311 Contact Centre operations.
- As a result of the above actions \$2.724 million of debt funding in 2017 was deferred to later years in the 10 year planning timeframe, reflecting the expected timing and readiness to proceed on these initiatives.

Integration with Municipal Licensing & Standards (ML&S) and Toronto Building

- The 2017 – 2026 Capital Budget and Plan includes funding of \$0.260 million for ML&S and \$1.0 million for Toronto Buildings to explore additional service integrations with 311 technology and gather necessary business requirements. As service integrations are prioritized based on their ability to improve efficiency and customer service, these two Programs have been selected to review integration opportunities as they currently receive substantial call volumes and requests from customers for information about their services.
- Municipal Licensing & Standard – The licensing service represents a significant part of ML&S's call centre activities. Currently, ML&S does not have adequate resources to manage call volumes, preventing the City from providing quality customer service to residents and businesses.

- Successful integration of ML&S call centre activities into 311 using CRM technology would significantly improve customer services provided for residents and businesses and efficiently resolve ML&S's capacity issue. The current funding will allow for a pilot CRM solution.
- Toronto Building – Speech Analytics is used by 311 Toronto to gauge what customers are saying about City services. The studies indicate that a significant number of calls to 311 are related to Toronto Building and the services it provides.
- When customers are unable to connect with Toronto Building, calls are placed to 311 Toronto. Since 311 is not integrated with Toronto Building to look up accounts, statuses and information, 311 Customer Service Representatives (CSRs) are unable to assist these customers, thus requiring call transfers back to Toronto Building.
- These calls have also had a negative impact on 311's service level since CSRs are unable to assist the customer, thus causing longer wait times for those services integrated with 311.
- Successful integration of Toronto Building call centre activities into 311 will reduce the issues experienced by businesses and residents when contacting 311 on a Toronto Building matter.
- The proposed integration will improve how Toronto Building services are currently being delivered as these requests and general inquiries would be handled by 311 Toronto 24/7. Ultimately, this would improve customer experience as clients would have multiple channels available for all their service needs.
- For both divisions, this integration allows for greater employee productivity and workforce management. 311 Toronto Contact Centre agents will be better equipped to handle Toronto Building calls. Likewise, Toronto Building staff across the Toronto Building's Sign Unit, Building Inspections Unit, Plan Examination Unit, and Customer Service Unit would be able to focus their attention on higher value functions and services.

Issues Impacting the 10-Year Capital Plan

Unmet Needs

- The "Unmet Capital Needs" as identified in the table below, cannot be accommodated within the City's debt targets given the limitations on debt servicing costs and are therefore not included in the 2017 Capital Budget and 2018-2026 Capital Plan for 311 Toronto. The projects will be included on the list of "Unfunded Capital Priorities" considered for future funding in conjunction with the revenue options and tools identified in the report *"The City of Toronto's Immediate and Longer-term Revenue Strategy Direction"* from the City Manager and Deputy City Manager & CFO for the 2018 Budget process.

Unmet Needs - Projects Excluded due to Funding Constraints (In \$000s)

Project Description	Criteria	Total Project Expenditure	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Voice Recognition system	8	1,250.0		500.0	750.0							
Digital Migration	8	2,000.0		1,000.0	1,000.0							
Integration with Court Services	8	500.0	500.0									
Integration with ML&S	8	350.0		350.0								
Toronto Water - Dispatching Integration	8	300.0			300.0							
TTC - Scheduling & Booking	8	300.0			300.0							
Total		4,700.0	500.0	1,850.0	2,350.0	-	-	-	-	-	-	-

Criteria to evaluate unfunded priority capital projects:

1. Approved capital projects that are over debt target due to cost escalation.
2. Capital projects to ensure legislative compliance.
3. Health & Safety or SOGR projects that need to be addressed to avoid service interruption or legal claims.
4. Capital projects that leverage an opportunity that would otherwise be missed (financial/timing/coordination).
5. Capital projects that effect operating savings/efficiencies or cost avoidance.
6. Capital projects to implement approved Council priorities.
7. SOGR projects that reduce backlog.
8. Capital projects to address a sustained service demand.

An update on these key strategic initiatives is detailed below:

- *Voice Recognition System (\$1.250 million)* – Initiatives to enhance the customer service experience by integrating a voice recognition system into 311 Toronto's call centre operations.
- *Digital Migration (\$2.000 million)* – Initiative to assess and conduct digital migration of 311 data to improve knowledge sharing, easier access to information and increased operational efficiency by moving customers towards lower cost channels.
- *Integration with Court Services (\$0.500 million)* – Court Services has expressed the need to further expand its use of 311 services by integrating some functions of its customer delivery service processes into the 311 customer information and service request management system. This project will establish the integrated process and components required to allow for 311 to provide the public with 24/7 access to information and service requests pertaining to Court Services and to allow information to be exchanged between both Programs.
- *Integration with ML&S (\$0.350 million)* – Upon completion of the CRM Pilot (anticipated for 2017), 311 Toronto will assess the potential for an integration initiative with ML&S. Detailed analysis to be conducted prior to the project initiation.
- *Toronto Water - Dispatching Integration (\$0.300 million)* – Upon completion of the CRM Pilot (anticipated for 2017), 311 Toronto will assess the potential for integrating Toronto Water's dispatch operations via the call centre. Assessment for the project to be conducted at a later date.
- *Toronto Transit Commission (TTC) – Scheduling & Booking (\$0.300 million)* – 311 Toronto currently performs room bookings on behalf of the Facilities, Real Estate, Environment & Energy (FREEE) Division. TTC has expressed interest in utilizing the resources of 311 Toronto for room booking and scheduling. As a result, an assessment would be required to identify the level of effort for the project.

Future Integration Opportunities

- The success of 311 Toronto Integrations with ML&S and Toronto Building will determine future integration opportunities with other Program and service areas. The following is a list of other City programs, which have call centre operations or customer information functions with potential opportunities to integrate service with 311 Toronto:
 - Court Services;
 - Toronto Employment and Social Services;
 - Parks and Recreation;
 - Toronto Hydro;
 - Toronto Community Housing Corporation;
 - Revenue Services;
 - Children's Services;
 - City Clerk's Office;
 - Economic Development and Culture;
 - Shelter, Housing and Support; and
 - Facilities Management (Custodial Requests).
- Integration with 311 will provide a number of benefits, including improvements to customer service, operational efficiencies and potential savings.
- By having a one-stop approach where customers can access information about the City's services, the customer experience is enhanced.
- Standardization of similar processes, responses and protocols also add to the experience and exemplifies the City as one organization.
- Successful implementation of the new CRM solution will allow for reductions in the cost of future integrations with 311 Toronto.
- Efficiencies from economies of scale can be realized by centralizing the call centre functions, where staff is trained to handle multiple requests and services that are interchangeable.
- 311 Toronto will continue working with customer service areas citywide, including the Channel and Counter Strategy to review, analyze, and maximize efficiencies.
- Future integration opportunities will be further examined subsequent to the completion of the new Customer Relationship Management (CRM) Solution to be in place before the end of 2017. The new CRM Solution will result in lower implementation / integration costs which will give 311 Toronto the flexibility and resource availability to move forward on the aforementioned customer service integrations with other City Programs and Agencies.



Appendices

Appendix 1

2016 Performance

2016 Key Accomplishments

In 2016, 311 Toronto made significant progress and/or accomplished the following:

- ✓ The Contact Centre telephony system is being upgraded to Cisco's Unified Contact Centre Enterprise (UCCE) platform version 10.5. The upgrade will offer system stability and integration, as well as many enhanced or new features such as agent skill group routing, email handling, agent dashboard, instant messaging and reporting.
 - Completed the Detailed Design and Application Design.
 - Completed the Development, UAT and Production Environment Build.
 - Completed all necessary testing including system acceptance testing, functional testing, load testing, user acceptance testing and regression testing.
 - Completed end user training.
 - The system went live August 22, 2016.
- ✓ The Contact Centre workforce management and quality management system is being upgraded to Verint Impact 360 version 11.1. The upgrade will maintain compatibility between telephony and call recording. Additional benefits include a new and unified database and enhanced functionality such as integrating quality management and scheduling components allowing more effective coaching as well as providing key performance indicator scorecards.
 - Completed the Application Design.
 - Completed all necessary testing including system acceptance testing, functional testing, load testing, user acceptance testing and regression testing.
 - Completed end user training.
 - The system went live August 22, 2016.
- ✓ *Account Management Tool* – Tax and utility look up tools to be developed to allow Contact Centre agents to assist customers with some of their account information.
 - Business requirements and technical design completed.
 - Prototypes developed.
 - The tool is expected to go live before the end of 2016.
- ✓ *Customer Relationship Management (CRM) Tool Assessment* – An assessment is being conducted to review the 311 Toronto business model that aligns with the City's customer service strategy and define future state CRM technology that will support this business model
 - Seed fund approved for this project.
 - 311 As-Is state assessment being completed.
 - Technology capacity assessment being completed.
 - Project Design Proposal being completed.
 - The assessment is expected to be completed in Quarter 4 of 2016.

2016 Financial Performance

2016 Budget Variance Analysis (in \$000's)

2016 Budget	As of Sept. 30, 2016		Projected Actuals at Year-End		Unspent Balance	
\$	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
5,605	1,465	26.1%	3,153	56.2%	2,453	43.8%

* Based on 2016 Third Quarter Capital Variance Report

311 Toronto is currently forecasting to spend \$3.153 million, or 56.2% of its 2016 Approved Capital Budget. The low projected year-end spent rate is due to delays in the Program's Service Improvement capital projects specifically related to the finalization of Request for Proposals (RFP) and coordination issues with other projects.

For additional information regarding the 2016 Q3 capital variances and year-end projections for 311 Toronto, please refer to the attached link for the report entitled "*Capital Variance Report for the Nine-Month Period Ended September 30, 2016*" considered by City Council at its meeting on December 13, 2016.

<http://www.toronto.ca/legdocs/mmis/2016/bu/bgrd/backgroundfile-97955.pdf>

Impact of the 2016 Capital Variance on the 2017 Capital Budget

- 311's Service Improvement capital projects has a projected year-end spent rate of 32.5% driven by the below capital initiatives:
 - The Future Integration and Strategy Initiatives project has a projected year-end spend rate of 28.5% as a result of delays in the finalization of the Request for Proposal (RFP) documentation for acquisition and implementation of the City Booking and Scheduling Solution. In addition, a delay in the Unified Contact Centre Enterprise (UCCE) Telephony Upgrade has held progress on the Interactive Voice Response (IVR) payment module implementation, which is dependent on the completion of the UCCE Telephony Upgrade.
 - Integrations with Municipal Licensing and Standards (ML&S) has a projected year-end spend rate of 56.4% as a result of changes to ML&S project requirements which does not require the full budgeted funding to be spent. As a pilot project, 311 Toronto will partner with ML&S to study various Customer Relationship Management (CRM) solutions that could support future business models and be used for future integrations with other City divisions.
- As a result of the delays in the capital projects, as described in the 2016 Q3 Capital Variance Report, funding of \$2.453 million is being carried forward to the 2017 Capital Budget to continue the capital work.
- A detailed review of the 2017 – 2026 Capital Budget and Plan has been conducted and the necessary adjustments have been made to the timing of cash flow funding for capital projects such as Integrations with Toronto Building. By deferring the cash flow funding to future years, the 2017 Capital Budget reflects readiness to proceed and will lead to a higher rate of spending.

Appendix 2

2017 Capital Budget; 2018 to 2026 Capital Plan (\$000s)

Project	Total Project Cost	Prior Year Carry Forward	2017	2018	2019	2020	2021	2017 - 2021	2022	2023	2024	2025	2026	2017 - 2026 Total
State of Good Repair:														
CRM Upgrade or Replacement			750	1,307	1,000		1,000	4,057	896	200			500	5,653
Email Management System				508			-	508						508
Business Intelligence				250		500	-	750			500			1,250
Sharepoint Upgrade			191			300	-	491			300			791
Unified Contact Centre Enterprise (UCCE) Telephony					1,000		1,000	2,000		1,000		1,000		4,000
Verint Upgrade				500		800	-	1,300	800		800		800	3,700
SQGR - Various		81			727	579	179	1,566		496	96	696	396	3,250
Sub-Total		81	941	2,565	2,727	2,179	2,179	10,672	1,696	1,696	1,696	1,696	1,696	19,152
Service Improvements:														
311 Contact Centre Enhancement Initiative	9,594	2,154						2,154						2,154
Integrations with ML&S	760	218	260					478						478
Integrations with Toronto Building	1,000			205	795			1,000						1,000
Sub-Total	11,354	2,372	260	205	795	-	-	3,632	-	-	-	-	-	3,632
Total	11,354	2,453	1,201	2,770	3,522	2,179	2,179	14,304	1,696	1,696	1,696	1,696	1,696	22,784

Appendix 3

2017 Capital Budget; 2018 to 2026 Capital Plan

CITY OF TORONTO

Gross Expenditures (\$000's)

311 Toronto						Current and Future Year Cash Flow Commitments							Current and Future Year Cash Flow Commitments Financed By											
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2017	2018	2019	2020	2021	Total 2017-2021	Total 2022-2026	Total 2017-2026	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing		
THR907676	INTEGRATION AND STRATEGY INITIATIVE																							
0	1	311 Contact Centre Enhancement Initiative			CW	S2	04	2,154	0	0	0	0	2,154	0	0	0	0	0	0	0	0	2,154	0	2,154
0	5	Integrations with MLS (CRM Pilot)			CW	S2	04	478	0	0	0	0	478	0	0	0	0	0	260	0	0	218	0	478
0	7	Integrations with Buildings			CW	S6	04	0	205	795	0	0	1,000	0	0	0	0	0	0	0	0	1,000	0	1,000
Sub-total						2,632	205	795	0	0	3,632	0	3,632	0	0	0	0	0	260	0	0	3,372	0	3,632
THR907677	311 TECHNOLOGY SOLUTION STATE OF GOOD																							
0	1	STATE OF GOOD REPAIR			CW	S2	03	81	0	0	0	0	81	0	0	0	0	0	0	0	0	81	0	81
0	2	STATE OF GOOD REPAIR			CW	S6	03	0	0	727	579	179	1,485	1,684	3,169	0	0	0	0	0	0	3,169	0	3,169
0	5	CRM upgrade or replacement			CW	S2	03	500	0	0	0	0	500	0	0	0	0	0	500	0	0	0	0	500
0	11	Email Management System			CW	S6	03	0	508	0	0	0	508	0	0	0	0	0	0	0	0	508	0	508
0	13	SharePoint upgrade			CW	S4	03	191	0	0	0	0	191	0	0	0	0	0	191	0	0	0	0	191
0	14	UCCE (Telephony) Maintenance and Upgrade			CW	S6	03	0	0	1,000	0	1,000	2,000	2,000	4,000	0	0	0	0	0	0	4,000	0	4,000
0	15	Verint Upgrade			CW	S6	03	0	500	0	800	0	1,300	2,400	3,700	0	0	0	0	0	0	3,700	0	3,700
0	16	CRM Upgrade and Replacement			CW	S4	03	250	0	0	0	0	250	0	0	0	0	0	250	0	0	0	0	250
0	17	CRM Upgrade and Replacement			CW	S6	03	0	1,307	1,000	0	1,000	3,307	1,596	4,903	0	0	0	0	0	0	4,903	0	4,903
0	18	Business Intelligence			CW	S6	03	0	250	0	500	0	750	500	1,250	0	0	0	0	0	0	1,250	0	1,250
0	19	SharePoint Upgrade			CW	S6	03	0	0	0	300	0	300	300	600	0	0	0	0	0	0	600	0	600
Sub-total						1,022	2,565	2,727	2,179	2,179	10,672	8,480	19,152	0	0	0	0	0	941	0	0	18,211	0	19,152
Total Program Expenditure						3,654	2,770	3,522	2,179	2,179	14,304	8,480	22,784	0	0	0	0	0	1,201	0	0	21,583	0	22,784

CITY OF TORONTO

Gross Expenditures (\$000's)

311 Toronto					Current and Future Year Cash Flow Commitments and Estimates								Current and Future Year Cash Flow Commitments and Estimates Financed By									
Sub-Project No.	Project Name	Ward	Stat.	Cat.	2017	2018	2019	2020	2021	Total 2017-2021	Total 2022-2026	Total 2017-2026	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
Priority	SubProj No.	Sub-project Name																				
Financed By:																						
Capital from Current					1,201	0	0	0	0	1,201	0	1,201	0	0	0	0	0	1,201	0	0	0	1,201
Debt					2,453	2,770	3,522	2,179	2,179	13,103	8,480	21,583	0	0	0	0	0	0	0	21,583	0	21,583
Total Program Financing					3,654	2,770	3,522	2,179	2,179	14,304	8,480	22,784	0	0	0	0	0	1,201	0	0	21,583	22,784

Status Code	Description
S2	S2 Prior Year (With 2017 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2017 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 2018 & 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

2017 Cash Flow and Future Year Commitments

Report Phase 5 - Program 49 311 Toronto Program Phase 5 Part B Sub-Project Status S2 Part C Sub-Project Status S2,S3,S4,S5 Sub-Project Category 01,02,03,04,05,06,07 User Fields ALL

CITY OF TORONTO**Gross Expenditures (\$000's)**

311 Toronto						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.	2017	2018	2019	2020	2021	Total 2017-2021	Total 2022-2026	Total 2017-2026	Provincial Grants and Subsidies	Federal Subsidy	Development Charges	Reserves	Reserve Funds	Capital from Current	Other 1	Other2	Debt - Recoverable Debt	Total Financing	
THR907676 INTEGRATION AND STRATEGY INITIATIVE																								
0	1	311 Contact Centre Enhancement Initiative	CW	S2	04	2,154	0	0	0	0	2,154	0	2,154	0	0	0	0	0	0	0	0	2,154	0	2,154
0	5	Integrations with MLS (CRM Pilot)	CW	S2	04	478	0	0	0	0	478	0	478	0	0	0	0	0	260	0	0	218	0	478
Sub-total						2,632	0	0	0	0	2,632	0	2,632	0	0	0	0	0	260	0	0	2,372	0	2,632
THR907677 311 TECHNOLOGY SOLUTION STATE OF GOO																								
0	1	STATE OF GOOD REPAIR	CW	S2	03	81	0	0	0	0	81	0	81	0	0	0	0	0	0	0	0	81	0	81
0	5	CRM upgrade or replacement	CW	S2	03	500	0	0	0	0	500	0	500	0	0	0	0	0	500	0	0	0	0	500
0	13	SharePoint upgrade	CW	S4	03	191	0	0	0	0	191	0	191	0	0	0	0	0	191	0	0	0	0	191
0	16	CRM Upgrade and Replacement	CW	S4	03	250	0	0	0	0	250	0	250	0	0	0	0	0	250	0	0	0	0	250
Sub-total						1,022	0	0	0	0	1,022	0	1,022	0	0	0	0	0	941	0	0	81	0	1,022
Total Program Expenditure						3,654	0	0	0	0	3,654	0	3,654	0	0	0	0	0	1,201	0	0	2,453	0	3,654

CITY OF TORONTO

Gross Expenditures (\$000's)

311 Toronto						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.	2017	2018	2019	2020	2021	Total 2017-2021	Total 2022-2026	Total 2017-2026	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:																									
Capital from Current						1,201	0	0	0	0	1,201	0	1,201	0	0	0	0	0	0	1,201	0	0	0	0	1,201
Debt						2,453	0	0	0	0	2,453	0	2,453	0	0	0	0	0	0	0	0	2,453	0	2,453	
Total Program Financing						3,654	0	0	0	0	3,654	0	3,654	0	0	0	0	0	0	1,201	0	0	2,453	0	3,654

Status Code	Description
S2	S2 Prior Year (With 2017 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2017 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

2017 Capital Budget with Financing Detail

(Phase 5) 49-311 Toronto Sub-Project Category: 01,02,03,04,05,06,07 Type: B Sub-Project Status: S2 Type: C Sub-Project Status: S2,S3,S4,S5



CITY OF TORONTO

311 Toronto
Sub-Project Summary

Project/Financing

Priority Project Project Name

Project/Financing					2017	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
0	THR907676	INTEGRATION AND STRATEGY INITIATIVE													
0	1	311 Contact Centre Enhancement Initiative	01/01/2012	12/31/2017	2,154	0	0	0	0	0	0	0	0	2,154	0
0	5	Integrations with MLS (CRM Pilot)	01/01/2016	12/31/2018	478	0	0	0	0	0	260	0	0	218	0
Project Sub-total:					2,632	0	0	0	0	0	260	0	0	2,372	0
0	THR907677	311 TECHNOLOGY SOLUTION STATE OF GOOD REPAIR													
0	1	STATE OF GOOD REPAIR	01/01/2017	12/31/2017	81	0	0	0	0	0	0	0	0	81	0
0	5	CRM upgrade or replacement	01/01/2017	01/01/2018	500	0	0	0	0	0	500	0	0	0	0
0	13	SharePoint upgrade	09/20/2016	09/20/2024	191	0	0	0	0	0	191	0	0	0	0
0	16	CRM Upgrade and Replacement	01/01/2017	12/31/2017	250	0	0	0	0	0	250	0	0	0	0
Project Sub-total:					1,022	0	0	0	0	0	941	0	0	81	0
Program Total:					3,654	0	0	0	0	0	1,201	0	0	2,453	0

Status Code	Description
S2	S2 Prior Year (With 2017 and/or Future Year Cashflow)
S3	S3 Prior Year - Change of Scope 2017 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