

Toronto 2017 BUDGET



OPERATING PROGRAM SUMMARY



Office of the Treasurer

2017 OPERATING BUDGET OVERVIEW

The Treasurer's Office provides a broad range of internal financial and employee services to City Programs, Agencies and Corporations and supports the strategic priorities of Council by delivering four main services: Revenue Services, Accounting Services, Pension, Payroll & Employee Benefits and Purchasing and Materials Management.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$73.102 million gross and \$28.688 million net as shown below:

(in \$000's)	2016 Budget	2017 Budget	Change	
			\$	%
Gross Expenditures	76,796.4	73,102.2	(3,694.2)	(4.8%)
Revenues	47,813.2	44,414.1	(3,399.1)	(7.1%)
Net Expenditures	28,983.2	28,688.1	(295.1)	(1.0%)

Through a combination of base budget changes, operational efficiencies and revenue adjustments resulting in total savings of \$1.256 million net, the Program is able to more than offset \$0.132 million in Operating Budget pressures, maintain the 2016 service level for 2017; as well as fund the implementation of a program review within PMMD.

CONTENTS

Overview

- 1: 2017 – 2019 Service Overview and Plan [5](#)
- 2: 2017 Operating Budget by Service [14](#)
- 3: Issues for Discussion [38](#)

Appendices:

- 1. 2016 Performance [42](#)
- 2. 2017 Operating Budget by Expenditure Category [43](#)
- 3. 2017 Organization Chart [44](#)
- 4. Summary of 2017 Service Changes [45](#)
- 5. Summary of 2017 New & Enhanced Service Priorities [46](#)
- 6. Inflows/Outflows to / from Reserves & Reserve Funds [47](#)
- 7. 2017 User Fee Rate Changes [49](#)

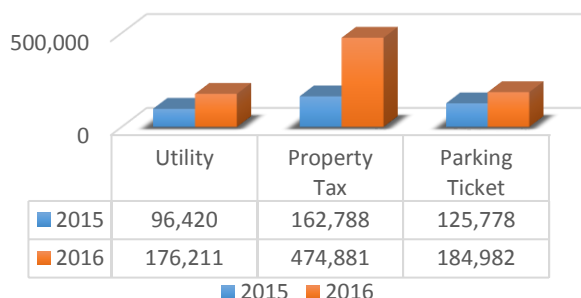
Fast Facts

- Process over 500,000 invoices annually, paying out in excess of \$10 billion per year to vendors, governments & agencies
- Administer over 789,000 property tax accounts, processing 1.6 million tax bills annually, with revenues of \$6.2 billion (City & Education)
- Process 2.3 million parking tickets with revenues of \$99 million
- Administer 476,000 utility accounts, processing 1.6 million utility bills with revenues of \$1.1 billion
- Administer in excess of 70,000 MLTT transactions (\$580 million in revenue projected for 2016)
- Process 816,000 pay cheques and 82,200 pension cheques
- Manage a \$229 million employee benefits plan for approximately 26,000 active employees and 10,000 retirees
- Administer 5 Pre-OMERS Pension Plans with assets of approximately \$1.7 billion
- Procure on average \$1.8 billion of goods and services per year
- Process approximately 1,900 purchase orders/blanket contracts annually
- Manage corporate warehouse inventory flow valued at \$14 million
- Process 90,000 issues of corporate warehouse goods from City stores

Trends

- The online lookups support the City of Toronto's eService Strategic Plan and Strategic Actions 2013-2018. Each of the lookups improves customer service by enhancing the delivery of the City information and services to Toronto residents.
- The online lookups can be accessed anywhere, anytime, from a pc or web enabled device.
- The number of look ups have increased dramatically over the two year period.

Property Tax, Utility & Parking Ticket Look-up Usage



Key Service Deliverables for 2017

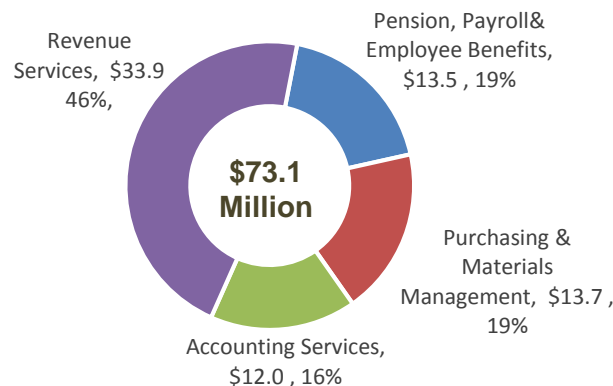
The Office of the Treasurer provides effective financial and employee services to City Programs, Agencies and Corporations within a complex and highly legislated environment. . Changing customer demographics have increased demand for automation and access through voice, internet and social media while maintaining traditional modes of access for an aging customer base.

The 2017 Operating Budget will improve efficiency and effectiveness through:

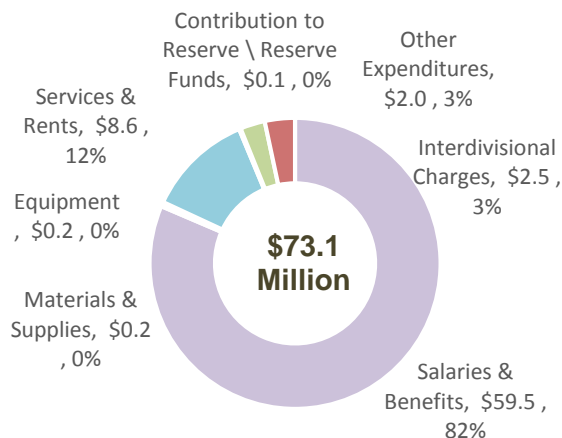
- Continuing to transform business processes.
 - Continue upgrades to Payroll Systems & Technology Platforms such as Employee Self Service Portal/ Management Self Service Portal (ESS/MSS)
 - Continue to implement the time, attendance and scheduling system (eTIME) for other divisions in the City and its agencies. The eTIME system was rolled out to Parks, Forestry & Recreation (PFR) in November 2016, with roll out to Toronto Paramedic Services scheduled for January 2017.
 - Continue development of enhanced self-service electronic delivery options.
 - Continue to automate Accounts Payable, banking and accounts receivable processes to improve process efficiencies, and provide better service to Programs, customers and vendors
 - Continue to support the sustainment, improvement and protection of the integrity of the City's financial system (SAP), including testing, training, user support, and system upgrades.
 - Modernize the supply chain management technology
 - Continue strategies for call centre service levels optimization, post 311 initiative.
 - Re-engineering PMMD service delivery, through implementation of Category Management, implementation of new technology, and optimization of materials management.

Where the money goes:

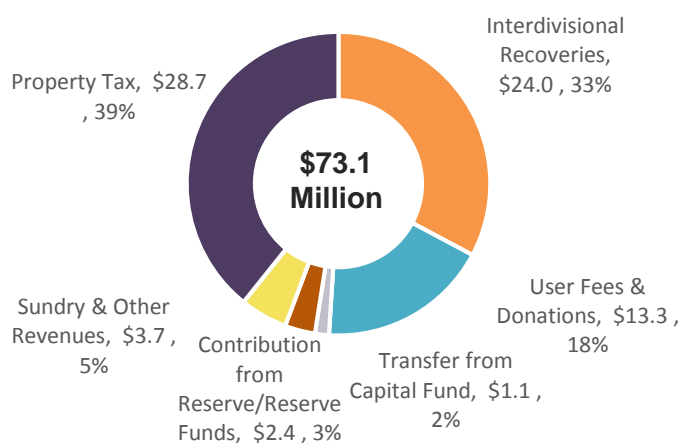
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Continuing to transform business processes** that impact the organization to improve efficiency and customer service through:
 - ✓ Continue implementation of the PMMD Program review
 - ✓ Modernize various customer service functions
- **Complex and highly legislated environment**
 - ✓ Changes from emerging legislative changes to the Purchasing By-law and related Procurement policies
 - ✓ Changes to Property tax legislation, Harmonized sales tax and commodity tax legislation
 - ✓ Addressing payroll legislation, including Canada Revenue Agency
 - ✓ Pension and Accounting legislation
- **Dealing with changing customer demographics**
 - ✓ Automate internal and external processes associated with sourcing, ordering, commissioning, receipting and making payments related to procurement activities.
 - ✓ Develop electronic billing system for property tax and utility billings, and continue expansion of online self-serve options for tax and utility.
 - ✓ Modernize and streamline City's accounting and finance functions as part of SAP roadmap to SAP Simple Finance solution for efficient transaction processing.

2017 Operating Budget Highlights

- The 2017 Operating Budget for the Office of the Treasurer of \$73.102 million in gross expenditures and \$28.688 million net provides funding for Pension, Payroll & Employee Benefits, Purchasing & Materials Management, Accounting Services and Revenue Services
- The 2017 Budget is -1.0% lower than the 2016 Approved Net Budget through measures taken based on the following:
 - ✓ Base expenditure reductions (\$0.313 million)
 - ✓ Efficiency savings (\$0.404 million)
 - ✓ Revenue Adjustments (\$0.450 million)
- New and enhanced funding of \$1.932 million gross and \$0.829 net.
- Staff complement decrease of 48 positions from 703.2 to 655.2.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approved the 2017 Operating Budget for Office of the Treasurer of \$73.102 million gross, \$28.688 million net for the following services:

	Gross	Net
<u>Service:</u>	<u>(\$000s)</u>	<u>(\$000s)</u>
Pension, Payroll & Employee Benefits:	13,451.4	11,952.2
Purchasing& Materials Management:	13,723.8	8,654.0
Accounting Services:	12,044.0	9,754.8
Revenue Services:	<u>33,883.0</u>	<u>(1,672.9)</u>
Total Program Budget	<u>73,102.2</u>	<u>28,688.1</u>

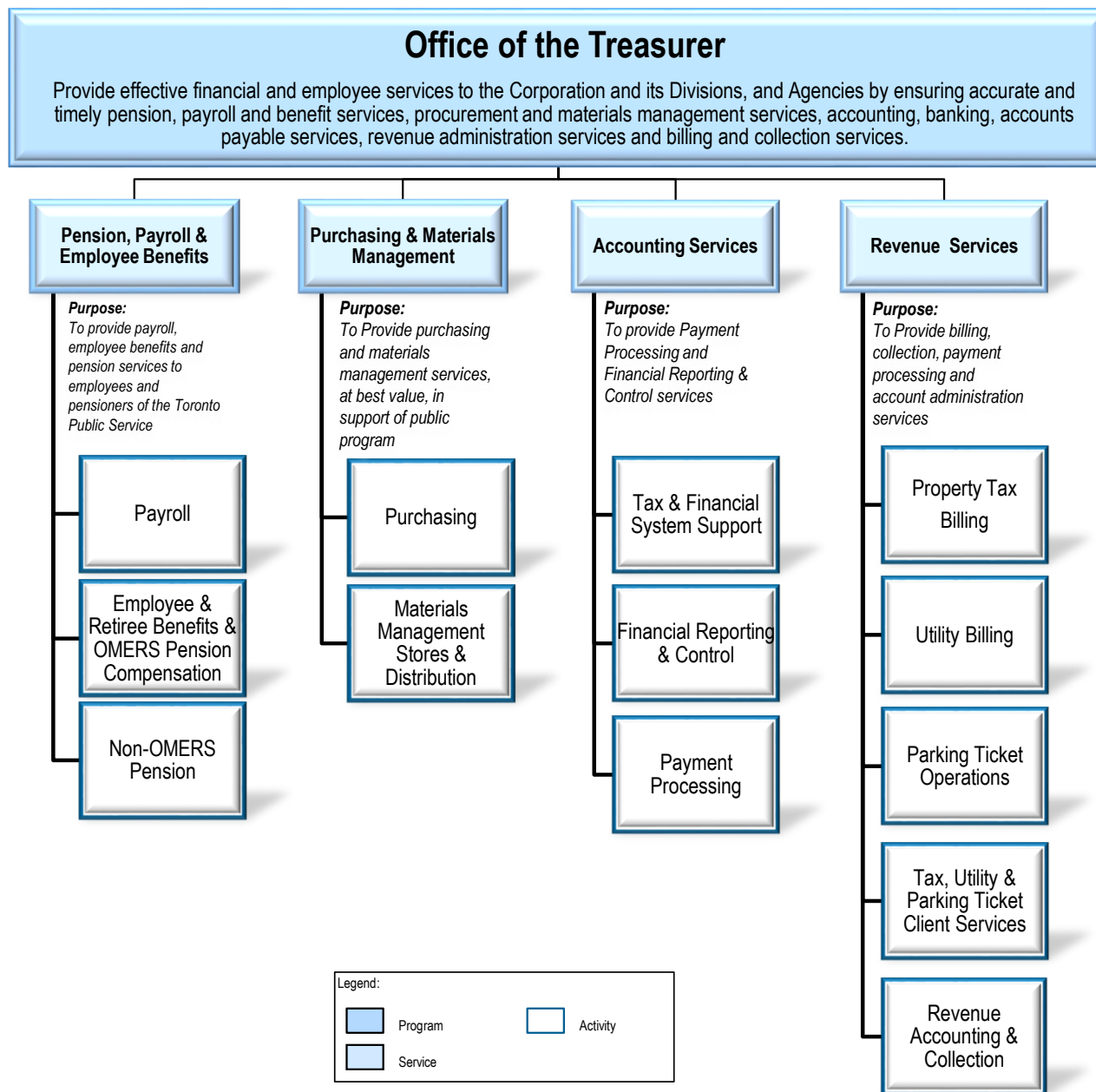
2. City Council approved the 2017 service levels for Office of the Treasurer as outlined on pages 17, 21, 26-29 and 33-35 of this report, and associated staff complement of 655.2 positions.
3. City Council approved the 2017 new user fees and user fee for discontinuation for the Office of the Treasurer identified in Appendix 7, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".



Part 1:

2017-2019 Service Overview and Plan

Program Map



Service Customer

Pension, Payroll & Employee Benefits

- Elected Officials
- Staff - City of Toronto
- Retired Staff - City of Toronto
- OMERS Pension Boards & Committees

Indirect (Beneficial)

- Residents
- Businesses

Purchasing & Materials Management

- Staff - City Divisions
- Staff - Agencies and Corporations
- Suppliers

Indirect (Beneficial)

- Residents
- Businesses

Accounting Services

- Staff - City Divisions
- Staff - Agencies and Corporations

Indirect (Beneficial)

- Residents
- Businesses
- Provincial & Federal Governments

Revenue Services

- Property Owners
- Registered Utility Account Holder
- Parking Ticket Recipient
- Staff - City Divisions
- Business Improvement Area members

Indirect (Beneficial)

- Residents
- Businesses
- Legal Community

Table 1
2017 Operating Budget and Plan by Service

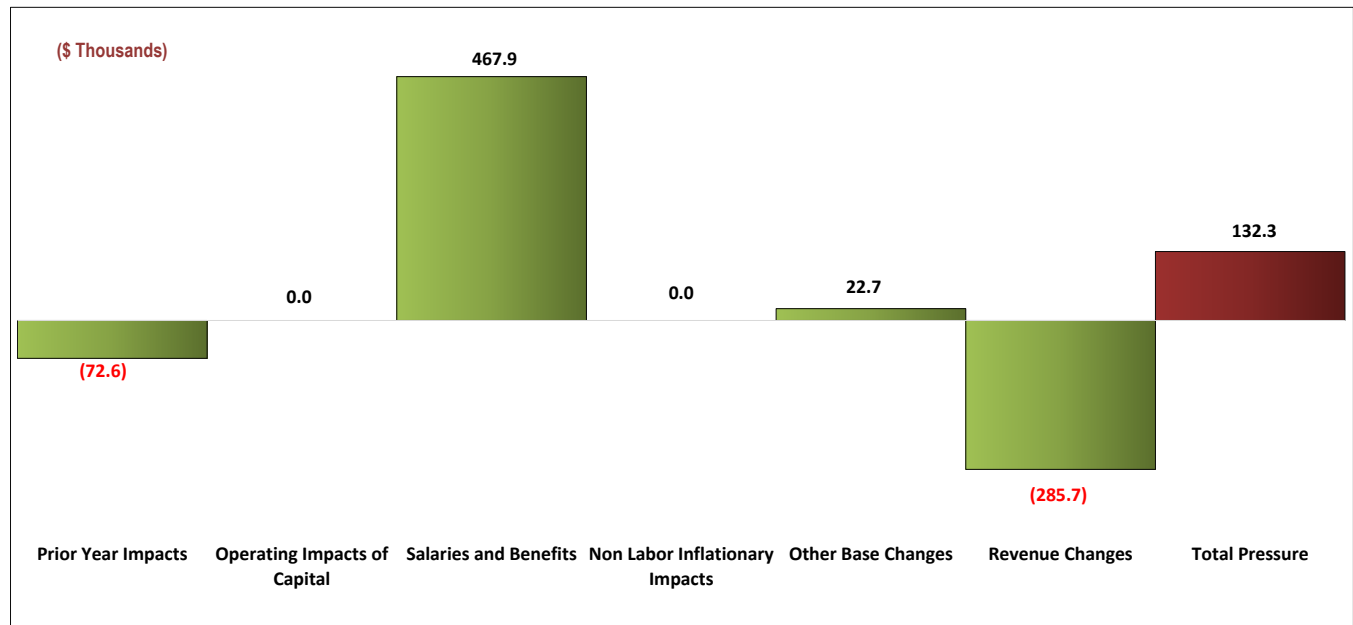
(In \$000s)	2016		2017 Operating Budget			2017 vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/ Enhanced	Total Budget			2018 Plan		2019 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Pension, Payroll & Employee Benefits											
Gross Expenditures	17,897.1	15,369.6	13,451.4		13,451.4	(4,445.7)	(24.8%)	414.0	0.03	393.8	2.8%
Revenue	5,997.5	3,769.6	1,499.2		1,499.2	(4,498.3)	(75.0%)				
Net Expenditures	11,899.6	11,600.0	11,952.2		11,952.2	52.6	0.4%	414.0	3.5%	393.8	3.2%
Purchasing & Materials Management											
Gross Expenditures	11,909.4	10,489.7	11,792.3	1,931.5	13,723.8	1,814.4	15.2%	2,834.2	20.7%	1,431.1	8.6%
Revenue	4,240.1	3,363.4	3,967.2	1,102.6	5,069.8	829.7	19.6%	(1,000.0)	(19.7%)		
Net Expenditures	7,669.3	7,126.3	7,825.1	828.9	8,654.0	984.7	12.8%	3,834.2	44.3%	1,431.1	11.5%
Accounting Services											
Gross Expenditures	12,166.2	11,825.2	12,044.0		12,044.0	(122.2)	(1.0%)	385.8	3.2%	369.7	3.0%
Revenue	2,198.6	2,251.5	2,289.2		2,289.2	90.6	4.1%				
Net Expenditures	9,967.6	9,573.7	9,754.8		9,754.8	(212.8)	(2.1%)	385.8	4.0%	369.7	3.6%
Revenue Services											
Gross Expenditures	34,823.7	32,448.5	33,883.0		33,883.0	(940.7)	(2.7%)	(243.0)	(0.7%)	570.5	1.7%
Revenue	35,377.0	34,015.2	35,555.9		35,555.9	178.9	0.5%	648.5		324.6	
Net Expenditures	(553.3)	(1,566.7)	(1,672.9)		(1,672.9)	(1,119.6)	202.3%	(891.5)	53.3%	245.9	(9.6%)
Total											
Gross Expenditures	76,796.4	70,133.0	71,170.7	1,931.5	73,102.2	(3,694.2)	(4.8%)	3,391.0	4.6%	2,765.1	3.6%
Revenue	47,813.2	43,399.7	43,311.5	1,102.6	44,414.1	(3,399.1)	(7.1%)	(351.5)	(0.8%)	324.6	0.7%
Total Net Expenditures	28,983.2	26,733.3	27,859.2	828.9	28,688.1	(295.1)	(1.0%)	3,742.5	13.0%	2,440.5	7.5%
Approved Positions	703.2	654.2	646.2	9.0	655.2	(48.0)	(6.8%)	7.0	1.1%	(1.0)	(0.2%)

The Office of the Treasurer's 2017 Operating Budget is \$73.102 million gross and \$28.688 million net, representing a 1.0% decrease to the 2016 Approved Net Operating Budget, which meets the reduction target as set out in the 2017 Operating Budget Directions approved by Council, including new funds of \$0.829 million.

- Base pressures of \$0.132 million are mainly attributable to inflationary salary increases common across all services.
- To help mitigate the above pressures, the Program was able to identify base expenditure savings through a line-by-line expenditure review; inflationary increases to user fees; service efficiency savings through outsourcing of Revenue Services payment processing function and user fee revenue adjustment related to mortgage company fees administration fee per property tax account..
- The 2017 Operating Budget also includes new funding to implement the Purchasing & Materials Management Division (PMMD) program review of category management and strategic sourcing.
- Approval of the 2017 Operating Budget will result in Office of the Treasurer reducing its total staff complement by 48 positions from 703.2 to 665.2.
- The 2018 and 2019 Plan increases of \$3.743 million and \$2.441 million respectively are attributable to known salary and benefit increases across all services as well as future year's costs for PMMD program review.

The following graphs summarize the operating budget pressures for the Office of the Treasurer and the measures/actions taken to offset these pressures and meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

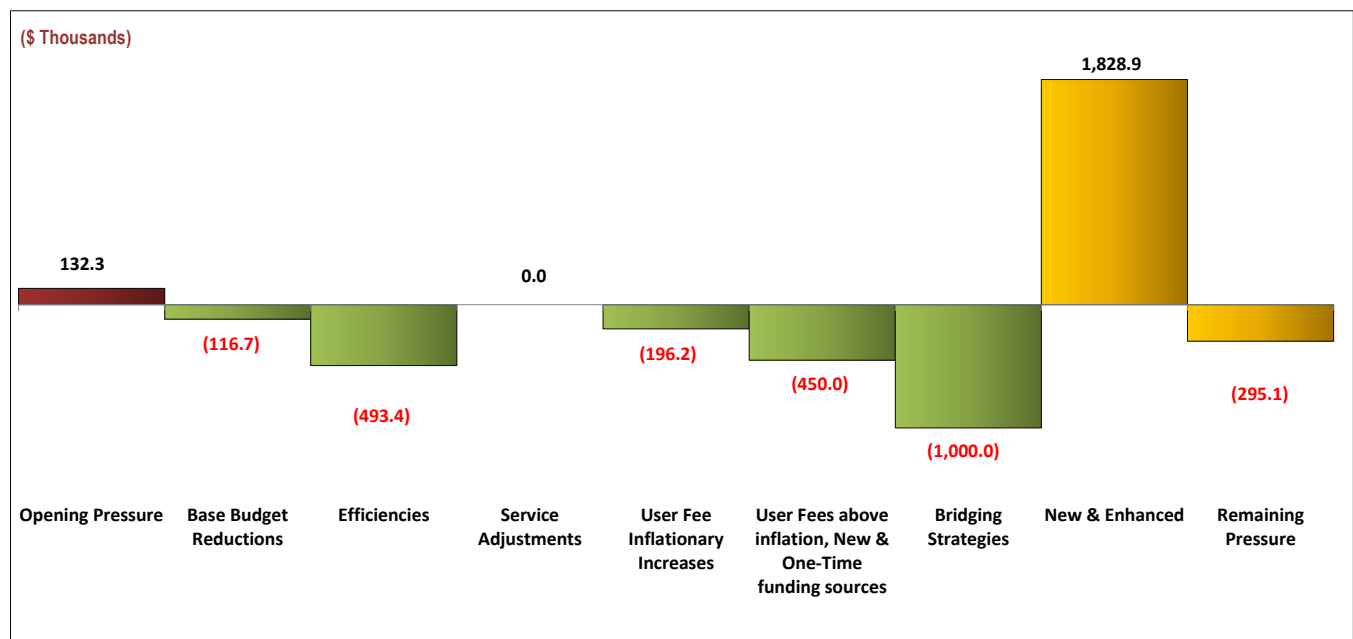


Table 2
Key Cost Drivers

(In \$000s)	Pension, Payroll & Employee Benefits		Purchasing & Materials Management		Accounting Services		Revenue Services		Total	
	\$	Position	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes										
Prior Year Impacts										
Annualization of Positions Approved in 2016			12.3		(84.9)				(72.6)	
Operating Impacts of Capital										
Completion of Capital Projects		(34.0)								(34.0)
Salaries and Benefits										
COLA, Progression Pay & Step Increases	137.3		148.0		67.7		114.9		467.9	
Other Base Changes										
Increase in Inter-Divisional Charges			13.6		2.6				16.2	
Position Changes in Accounting Services					6.5				6.5	
Transfer of positions to Legal Services relating to Administrative Penalty System for Parking Violations							(5.0)			(5.0)
Total Gross Expenditure Changes	137.3	(34.0)	173.9		(8.1)		114.9	(5.0)	418.0	(39.0)
Revenue Changes										
Increased Recoveries from Clients			(13.9)				(187.8)		(201.7)	
Increase to Budgeted Revenue (Tax Compliance Recovery, Rebates and Vendor Discounts)					(84.0)				(84.0)	
Total Revenue Changes					(84.0)		(187.8)		(285.7)	
Net Expenditure Changes	137.3	(34.0)	173.9		(92.1)		(72.9)	(5.0)	132.3	(39.0)

Key cost drivers for Office of the Treasurer are discussed below:

- **Prior Year Impacts:**
 - The annualized costs of a 2016 approved position in Purchasing, Materials Management (cost of \$0.012 million) supporting the social procurement initiative and savings from 2016 position reductions in Accounting Services (savings of \$0.085 million).
- **Operating Impacts of Capital:**
 - Reduction of 34.0 temporary capital positions that are no longer required to support the now completed PPEB CATS/ESS/TASS capital projects.
- **Salaries and Benefits**
 - Inflationary increases in salaries and benefits associated with a cost of living allowance, non-union progression pay and union step increases of \$0.468 million across all services.
- **Other Base Changes:**
 - An increase in inter-divisional charges from Fleet Services and Internal Audit of \$0.016 million.
 - Due to the new Administrative Penalty System (APS), 5.0 positions and \$0.226 million gross and recoveries will be transferred from Revenue Services to Legal Services.
- **Revenue Changes:**
 - Recoveries of \$0.202 million from Non-Program, Solid Waste Management and Toronto Water that offset inflationary increases in salary and benefit costs to maintain required program support.
 - An increase to the budgeted revenues for pcard rebates, tax compliance recovery and vendor discounts earned (\$0.084 million) to better align budget with actual experience in Accounting Services.

In order to offset these pressures, the 2017 service changes for Office of the Treasurer consists of base expenditure savings of \$0.117 million net, base revenue changes of \$0.196 million net, service efficiency savings of \$0.959 million net and revenue adjustments of \$0.450 million net, as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2017 Service Change Summary

Description (\$000s)	Service Changes								Total Service Changes			Incremental Change			
	Pension, Payroll & Employee Benefits		Purchasing & Materials Management		Accounting Services		Revenue Services		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	# Pos.	\$ Net	Pos.	\$ Net	Pos.
Base Changes:															
Base Expenditure Changes															
Line-By-Line Review					(116.7)	(116.7)			(116.7)	(116.7)					
Base Expenditure Change					(116.7)	(116.7)			(116.7)	(116.7)					
Base Revenue Changes															
1.5% Inflationary Increase on User Fees								(196.2)		(196.2)					
Base Revenue Change									(196.2)	(196.2)					
Sub-Total					(116.7)	(116.7)			(116.7)	(312.9)					
Service Efficiencies															
Fleet Rental/Fuel Efficiencies			(5.0)	(5.0)					(5.0)	(5.0)					
Revise Sustainment Requirements for Time Attendance & Scheduling System	(84.7)	(84.7)							(84.7)	(84.7)					
Modernization of Payment Processing Function							(621.1)	(403.7)	(621.1)	(403.7)	(16.0)	(83.2)		(45.3)	
Position Changes due to AMR Technology							(132.4)		(132.4)		(2.0)				
Sub-Total	(84.7)	(84.7)	(5.0)	(5.0)			(753.5)	(403.7)	(843.2)	(493.4)	(18.0)	(83.2)		(45.3)	
Revenue Adjustments															
User fee Increase for Mortgage Company (from \$5.50 to \$10)								(450.0)		(450.0)		(450.0)			
Sub-Total								(450.0)		(450.0)		(450.0)			
Total Changes	(84.7)	(84.7)	(5.0)	(5.0)	(116.7)	(116.7)	(753.5)	(1,049.9)	(959.9)	(1,256.3)	(18.0)	(533.2)		(45.3)	

Base Expenditure Changes (Savings of \$0.117 million gross & net)

Line-By-Line Review

- A line –by-line review of non-salary expenditures resulted in the reduction of \$0.117 million. These reductions will have no impact on service levels.

Base revenue Changes (Savings of \$0.196 million net)

1.5% Inflationary Increase on User Fees

- The 2017 Operating Budget includes increased revenues of \$0.196 million generated from an inflationary increase of 1.5% in Revenue Services user fees, effective January 1, 2017.
- In accordance with the City's User Fee Policy, inflationary increases automatically apply to most user fees to maintain the current level of cost recovery following inflationary increases in associated expenditures. Please see Appendix 7 for a detailed listing of User Fee increases resulting from inflation.

Service Efficiencies (Savings of \$0.843 million gross & \$0.493 million net)

Revise Sustainment Requirements for the Time Attendance & Scheduling System

- The Time Attendance and Scheduling System project has been completed and Pension, Payroll and Employee Benefits has reviewed and refined system sustainment requirements resulting in reduced costs of \$0.085 million.

Modernization of Payment Processing Function

- Opportunities for outsourcing were explored and resulted in the outsourcing of payment processing operations effective February 1, 2017. The modernization in Revenue Services will result in a decrease in the volume of cheque payments processed. The outsourcing of the function will reduce the staff complement by 16 positions and provide savings of \$0.621 million gross and \$0.404 million net.

Position Change due to AMR Technology

- As a result of process improvements and efficiency gains through Automated Meter Reading Technology that was implemented in 2016, 2 permanent staff positions will be deleted without an impact to service for a net savings of \$0.132 million.

Revenue Adjustments (Savings of \$0.450 million net)

- A fee of \$10 for Mortgage Administration fees previously approved in the 2015 Operating Budget will increase from \$5.50 to \$10 generating revenues by \$0.450 million in Revenue Services in 2017.

Table 4
2017 New & Enhanced Service Priorities

Description (\$000s)	New/Enhanced		Total			Incremental Change			
	Purchasing & Materials Management				Position	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities									
Staff Initiated									
<i>Additional Dedicated PMMD Position for Solid Waste</i>	102.8		102.8		1.0				
Sub-Total	102.8		102.8		1.0				
New Service Priorities									
Staff Initiated									
<i>PMMD Program Review Implementation</i>	1,828.9	828.9	1,828.9	828.9	8.0	3,488.6	7.0	1,107.4	(1.0)
Sub-Total	1,828.9	828.9	1,828.9	828.9	8.0	3,488.6	7.0	1,107.4	(1.0)
Total	1,931.7	828.9	1,931.7	828.9	9.0	3,488.6	7.0	1,107.4	(1.0)

Enhanced Service Priorities (\$0.103 million gross & \$0 million net)*Additional Dedicated PMMD Position for Solid Waste*

- The 2017 Operating Budget includes additional funding of \$0.103 million gross and \$0 net to add 1.0 additional position within the Purchasing and Materials Management Division to provide added support to Solid Waste Management Services.
- These added expenditures will be fully recovered from Solid Waste Management Services.

New Service Priorities (\$1.829 million gross & \$0.829 million net)*PMMD Program Review Implementation*

- The 2017 Operating Budget includes funding of \$1.829 million gross and \$0.829 million net and 8.0 new positions to implement Category Management. This value added service is part of an initiative that will transform the City's procurement process, with an emphasis on being more strategic, which is anticipated to result in considerable savings in corporate spending and future corporate purchases in 2018 and onwards.
- This change is consistent with the shared studies recommendation by KPMG, resulting in City Council directing the Deputy City Manager & Chief Financial Officer to conduct further due diligence on reviewing the

shared service opportunity of "share procurement of common goods and services and implement strategic sourcing."

- Following Council direction, PMMD staff began a Program Review in mid-2014. PMMD retained Ernst & Young to conduct a leading practice modelling review consisting of a spend analysis, fit-gap analysis, an implementation plan, business case and roadmap for the implementation of Category Management.
- Ernst & Young estimated that the City could generate \$33.5 million in annual recurring savings by 2020 assuming the implementation begins in 2016.
- PMMD will provide value-added service to City Programs through the use of category management and strategic sourcing, as well as improved training, policy development, policy compliance and metrics.
 - Combined with the implementation of PMMD's Supply Chain Management Transformation Project, PMMD will be better suited to deal with the City's transactional volume, as well as provide strategic advice on procurement.
- The 2017 Budget includes a \$1.0 million draw from the Innovation Reserve Fund to support this initiative.
 - The Office of the Treasurer has achieved further reductions beyond the base budget that will offset the remaining net cost of \$0.829 million to implement the Category Management initiative in 2017, while continuing to meet the budget target.

Approval of the 2017 Operating Budget for Office of the Treasurer will result in a 2018 incremental net pressure of \$3.742 million and a 2019 incremental net pressure of \$2.440 million, to maintain the 2017 service levels, as discussed in the following section.

Table 5
2018 and 2019 Plan by Program

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
Prior Year Bridging Approval Impacts										
Reversal of One-Time Recovery for PMMD Program Review		(1,000.0)	1,000.0	3.5%						
Prior Year Impact										
Savings Achieved through the Administrative Penalty System for Parking Violations	(660.0)		(660.0)	(2.3%)						
Position Changes due to AMR Technology	(2.7)		(2.7)	(0.0%)		(2.7)		(2.7)	(0.0%)	
Modernization of Payment Processing Function	(102.9)	(19.8)	(83.1)	(0.3%)		(45.3)		(45.3)	(0.2%)	
Additional Dedicated PMMD Position for Solid Waste	(4.0)		(4.0)	(0.0%)		3.3		3.3	0.0%	
PMMD Program Review Implementation	2,488.6		2,488.6	8.6%	7.0	1,107.4		1,107.4	3.9%	(1.0)
Salaries and Benefits										
COLA	485.6		485.6	1.7%		592.0		592.0	2.1%	
Progression Pay	648.1		648.1	2.2%		670.6		670.6	2.4%	
Step Increases	315.8		315.8	1.1%		65.0		65.0	0.2%	
Salary & Benefit Adjustments	222.5		222.5	0.8%		374.7		374.7	1.3%	
Other Base Changes (specify)										
Revenue (specify)										
Increased Recoveries from Clients		218.3	(218.3)	(0.8%)			324.6	(324.6)	(1.2%)	
Mortgage Administration User Fee		450.0	(450.0)	(1.6%)						
Sub-Total	3,391.0	(351.5)	3,742.4	12.9%	7.0	2,765.1	324.6	2,440.5	8.6%	(1.0)
Total Incremental Impact	3,391.0	(351.5)	3,742.4	12.9%	7.0	2,765.1	324.6	2,440.5	8.6%	(1.0)

Future year incremental costs are primarily attributable to the following:

Known Impacts:

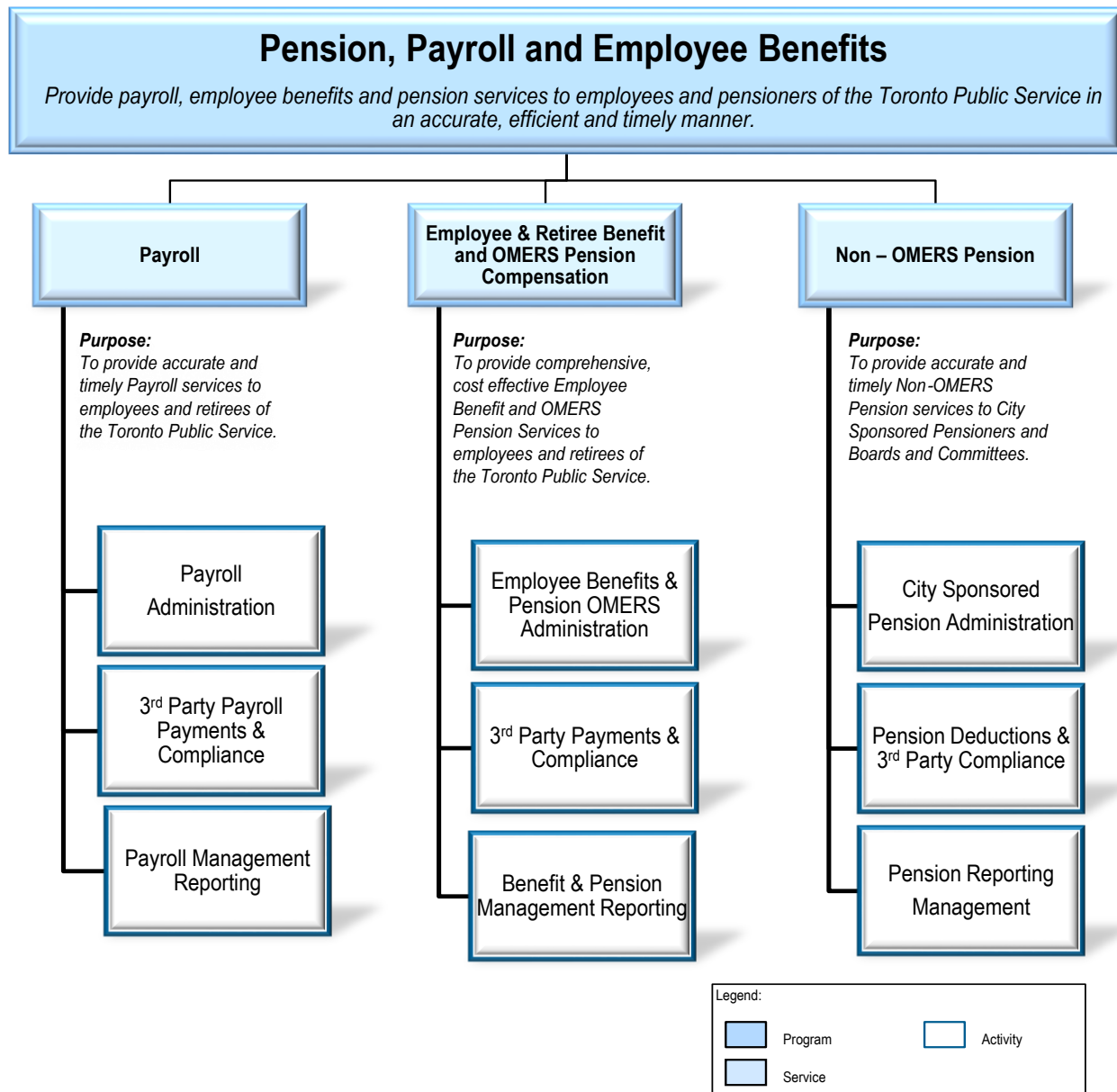
- Reversal of the one-time withdrawal of \$1.0 million from the Innovation Reserve that supports the PMMD program review initiated in 2017.
- Additional costs of \$2.489 million in 2018 and \$1.107 million in 2019 is required for external consultants and staffing for the PMMD program review.
- The 2018 and 2019 Plan also includes increases for known salary and benefit pressures resulting from adjustments for cost of living allowance, step increase for union staff and progression pay for non-union staff.
- Further savings of \$0.660 million from the APS parking violations will reduce 2018 pressures.
- Annualization of the rate increase to \$10 for Mortgage Administration fees approved in the 2017 will increase revenues by \$0.450 million in Revenue Services in 2018.



Part 2:

2017 Operating Budget by Service

Pension, Payroll & Employee Benefits



Service Customer

Payroll

- Elected Officials
- Staff - City of Toronto
- Retired Staff – City of Toronto

Indirect (Beneficial)

- Residents
- Businesses

Employee & Retiree Benefit & OMERS Pension Compensation

- Elected Officials
- Staff - City of Toronto
- Retired Staff – City of Toronto
- OMERS Pension Boards & Committees

Indirect (Beneficial)

- Residents
- Businesses

Non - OMERS Pension

- Elected Officials
- Retired Staff – City of Toronto
- Non-OMERS Pension Boards & Committees

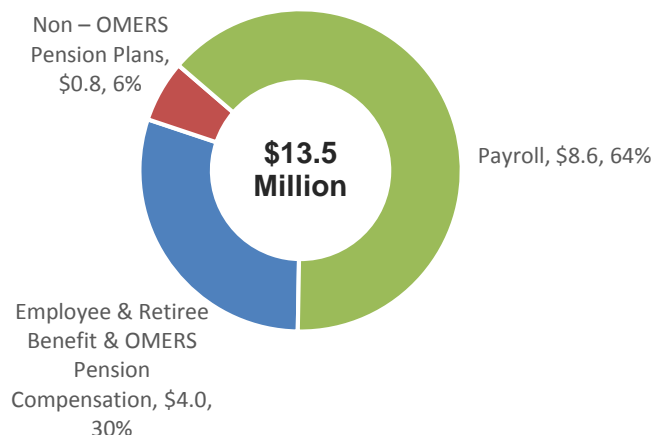
Indirect (Beneficial)

- Residents
- Businesses
- Staff - City of Toronto

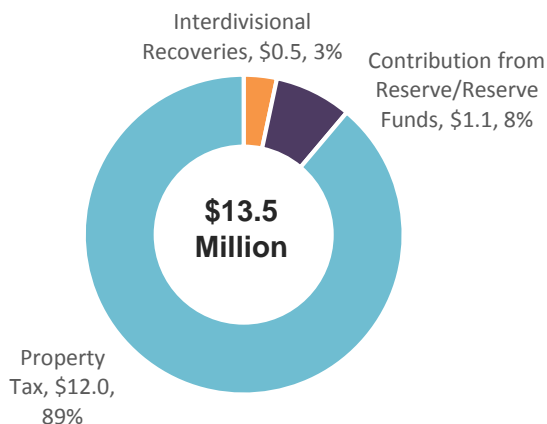
What We Do

Pension, Payroll & Employee Benefits provides accurate and timely pension, payroll and benefits services to employees and pensioners by: processing the City's payroll and maintaining accurate employee information; administering the various City sponsored pension and benefit plans; processing the City's pension payroll and maintaining accurate pensioner information; and providing information and responding to inquiries from city employees and retirees regarding pension, payroll and benefits.

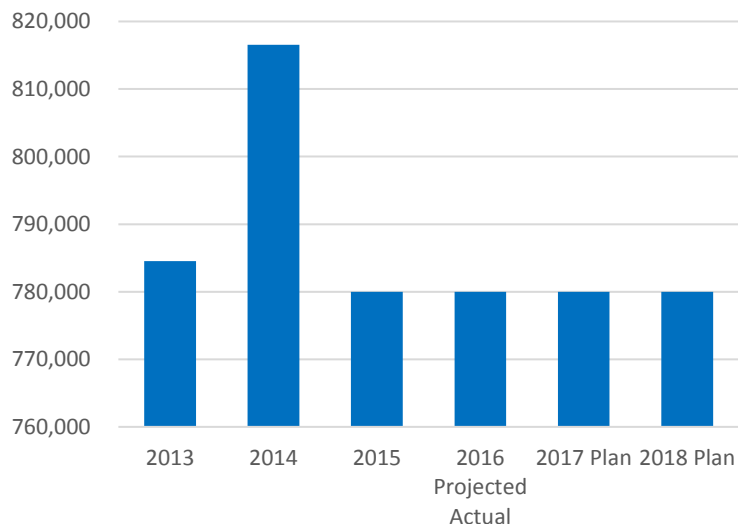
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Cheques/Direct Deposits Processed



- The level of cheques issued is expected to stabilize onward from 2015 as divisions meet budget requirements.
- The increase in 2014 is due to 27 pay periods.

2017 Service Levels

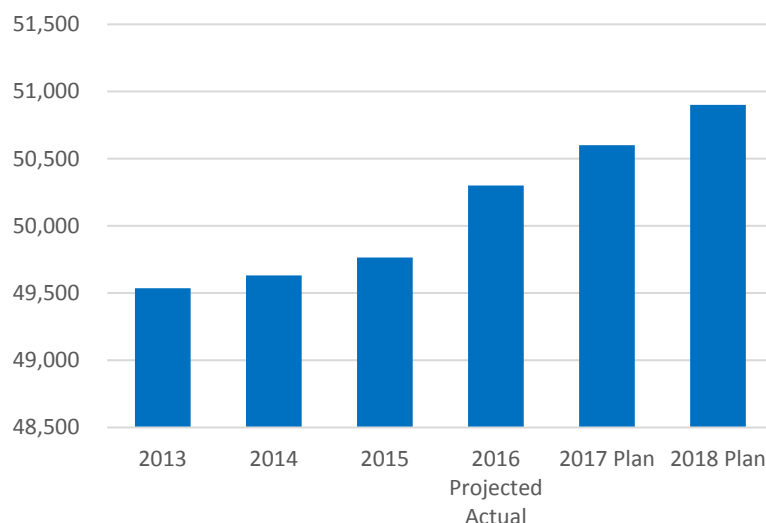
Pension, Payroll & Employee Benefits

			Service Levels					
Activity	Type	Status		2013	2014	2015	2016	2017
Payroll Administration		Approved	Payroll cheque/ direct deposit / statements are made available to all employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.					
		Actual		100%	100%	100%	100%	
3rd Party Payroll Payments & Compliance		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy					
		Actual		100%	100%	100%	100%	
Payroll Management Reporting		Approved	Payroll reports will be made available to management within 2 days of the pay date with 100% accuracy. Payroll cheque/ direct deposit / statements are made available to employees by the close of business day on scheduled paydays 100% of the time, with a minimal number of manual adjustments.					
		Actual		100%	100%	100%	100%	
Employee Benefits & OMERS Pension Administration		Approved	Provide accurate benefit plans to full time active employees and retirees					
		Actual		100%	100%	100%	100%	
Benefit & Pension 3rd Party Payments &		Approved	Provided accurate 3rd party payments on time by due date 100% of the time with 100% accuracy					
		Actual		100%	100%	100%	100%	
Benefit & Pension Management Reporting		Approved	Bi-weekly reports will be made available to management within 2 days of the pay date, with 100% accuracy. Monthly reports will be made available to management by the end of the following month, with 100% accuracy.					
		Actual		100%	100%	100%	100%	
City Sponsored Pension Administration	The Toronto Civic Employees' Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month					
		Actual		100%	100%	100%	100%	
	Toronto Fire Department Superannuation and Benefit Plan	Approved	Produce an accurate bi-monthly pension or spousal pension on the first and fifteenth day of each and every month					
		Actual		100%	100%	100%	100%	
	Metropolitan Toronto Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month					
		Actual		100%	100%	100%	100%	
	Metropolitan Toronto Police Benefit Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month					
		Actual		100%	100%	100%	100%	
	The Corporation of the City of York Employee Pension Plan	Approved	Produce an accurate monthly pension or spousal pension on the first business day of each and every month					
		Actual		100%	100%	100%	100%	
Pension Deduction & 3rd Party Compliance		Approved	Meet all regulatory filing requirements by prescribed dates					
		Actual		100%	100%	100%	100%	
Pension Reporting		Approved	Financial statements filed by prescribed date (June 30)					
		Actual		100%	100%	100%	100%	

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Pension, Payroll and Employee Benefits.

Service Performance Measures

of Active and Inactive Employees & Retirees with Benefits



- The level of cheques issued is expected to increase due to an increase in retirees with benefits.
- This trend is expected to continue into 2018.

Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget						2017 Budget vs. 2016 Budget		Incremental Change			
	Budget	Base Budget	Service Changes	Base Budget vs. 2016 Budget	% Change	New/Enhanced	Budget	\$	%	2018 Plan	2019 Plan		
	\$	\$	\$	\$	%	\$	\$	\$	%	\$	\$	%	%
GROSS EXP.													
Employee & Retiree Benefit & OMERS Pension Compensation	3,940.8	4,014.4		4,014.4	73.5	1.9%	4,014.4	73.5	1.9%	127.3	122.1	3.2%	2.9%
Non – OMERS Pension Plans	831.6	831.4		831.4	(0.2)	(0.0%)	831.4	(0.2)	(0.0%)	20.9	19.9	2.5%	2.3%
Payroll	13,124.6	8,690.3	(84.7)	8,605.6	(4,519.1)	(34.4%)	8,605.6	(4,519.1)	(34.4%)	265.8	251.7	3.1%	2.8%
Total Gross Exp.	17,897.1	13,536.1	(84.7)	13,451.4	(4,445.7)	(24.8%)	13,451.4	(4,445.7)	(24.8%)	414.0	393.8	3.1%	2.8%
REVENUE													
Employee & Retiree Benefit & OMERS Pension Compensation	110.8	110.8		110.8			110.8						
Non – OMERS Pension Plans													
Payroll	5,886.7	1,388.4		1,388.4	(4,498.3)	(76.4%)	1,388.4	(4,498.3)	(76.4%)				
Total Revenues	5,997.5	1,499.2		1,499.2	(4,498.3)	(75.0%)	1,499.2	(4,498.3)	(75.0%)				
NET EXP.													
Employee & Retiree Benefit & OMERS Pension Compensation	3,830.1	3,903.6		3,903.6	73.6	1.9%	3,903.6	73.5	1.9%	127.3	122.1	3.3%	3.0%
Non – OMERS Pension Plans	831.6	831.4		831.4	(0.2)	(0.0%)	831.4	(0.2)	(0.0%)	20.9	19.9	2.5%	2.3%
Payroll	7,237.9	7,301.9	(84.7)	7,217.2	(20.7)	(0.3%)	7,217.2	(20.8)	(0.3%)	265.8	251.7	3.7%	3.4%
Total Net Exp.	11,899.6	12,036.9	(84.7)	11,952.2	52.6	0.4%	11,952.2	52.6	0.4%	414.0	393.8	3.5%	3.1%
Approved Positions	167.0	133.0		133.0	(34.0)	(20.4%)	133.0	(34.0)	(20.4%)				

The *Pension, Payroll & Employee Benefits* 2017 Operating Budget of \$13.451 million gross and \$11.952 million net is \$0.053 million or 0.4% over the 2016 Approved Net Budget.

- Base budget pressures result entirely from inflationary increases in salary and benefit expenses.
- PPEB partially offset budget pressures by repurposing positions resulting in efficiency savings of \$0.085 million.

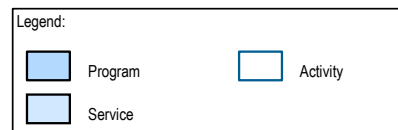
Purchasing & Materials Management


Purpose:

To provide purchasing services at best value in support of public programs and service delivery through the application of open, fair, equitable and accessible procurement processes and practices.

Purpose:

To provide materials management and warehousing services in support of public programs and service delivery.



Service Customer

Purchasing

- Staff - City Divisions
- Staff - Agencies and Boards
- Suppliers

Indirect (Beneficial)

- Residents
- Businesses

Materials Management Stores & Distribution

- Staff - City Divisions
- Staff - Agencies and Boards

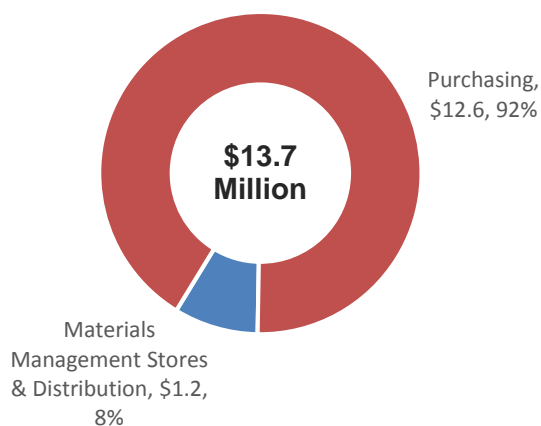
Indirect (Beneficial)

- Residents
- Businesses

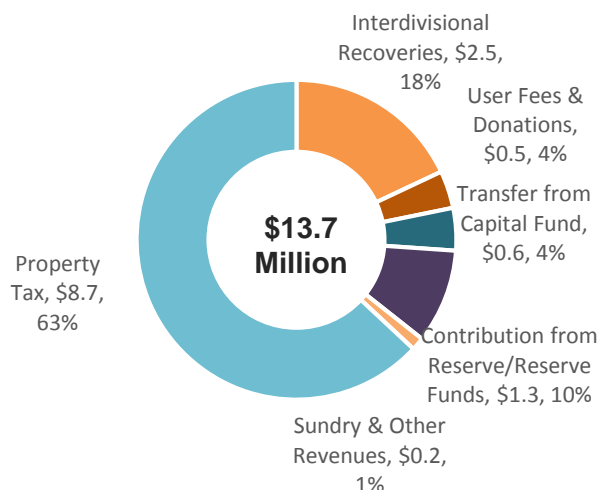
What We Do

Purchasing and Materials Management ensures the best value to the taxpayers of the City of Toronto in the acquisition of goods and services by providing leadership, quality customer service and the application of open, fair, equitable and accessible business processes and practices to all City Programs, designated Agencies and Corporations; administering appropriate delegation of commitment authority; developing innovative business practices; and providing warehouse inventory controls over common items available to City Divisions through Materials Management operated stores.

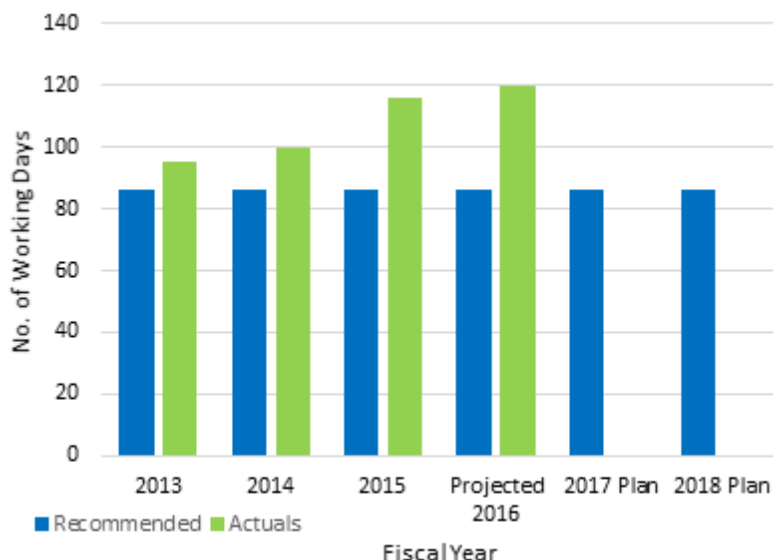
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Procurement Cycle Time (in working days)



- Trends indicate a steady increase in the number of working days it takes to complete competitive procurements.
- It is expected that this trend will decrease in coming years in light of the Supply Chain Management Transformation Project and Program Review.

2017 Service Levels

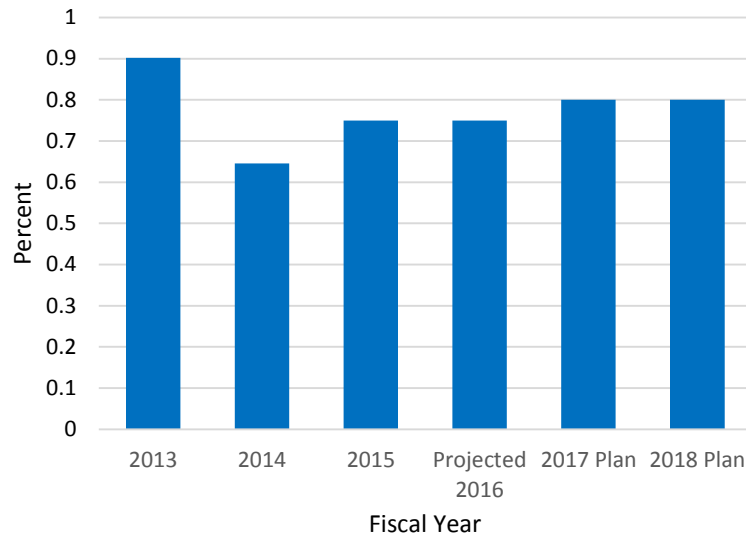
Purchasing & Materials Management

Activity	Type	Status	Service Levels					2017
				2013	2014	2015	2016	
Purchasing & Materials Management	General Inquiries & Interpretation of Policies & Procedures	Approved	100% of inquiries responded to within 48 hours		100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day			100% of inquiries acknowledged and/or actioned (where feasible) within one (1) business day
		Actual	Not Available	Not Available	100%	100%	100%	
	Online Call Document Distribution	Approved	To provide vendors with 24/7 online access 100% of the time					To provide vendors with 24/7 online access 100% of the time
		Actual	Not Available	Not Available	Not Available	100%	100%	
	Non-Competitive Procurement	Approved	100% compliance with Council Policy on Sole Source					100% compliance with Council Policy on Sole Source
		Actual	99.8%	99.9%	99.9%	100%	100%	
	Call Documents	Approved	Issuing within 2-5 days from time of receipt of final approved document 100% of time					Issuing within 2-5 days from time of receipt of final approved document 100% of time
		Actual	81%	82%	90%	100%	100%	
Materials Management Stores & Distribution	Operational Supplies	Approved	Material requests issued and delivered within 5 calendar days	Material requests issued and delivered within 7 calendar days		Material requests issued and delivered within 5 business days		Material requests issued and delivered within 5 business days
		Actual	89.3%	88.5%	90%	95%	75%	
	MSDS (Materials Safety Data Sheet)	Approved	Providing city staff with 24/7 online access 100% of the time					Providing city staff with 24/7 online access 100% of the time
		Actual	100%	100%	100%	100%	100%	
	Stores Catalogue	Approved	Providing 24/7 online access to Catalogue details current to one business day 100% of the time					Providing 24/7 online access to Catalogue details current to one business day 100% of the time
		Actual	100%	100%	100%	100%	100%	
	Inventory	Approved	Turn inventory value at rate of 5 times per year	Turn inventory value at rate of 4.5 times per year		Turn inventory value at rate of 4.25 times per year		Turn inventory value at rate of 4.25 times per year
		Actual	5.8	3.82	4	4.25	4.25	

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Purchasing & Materials Management.

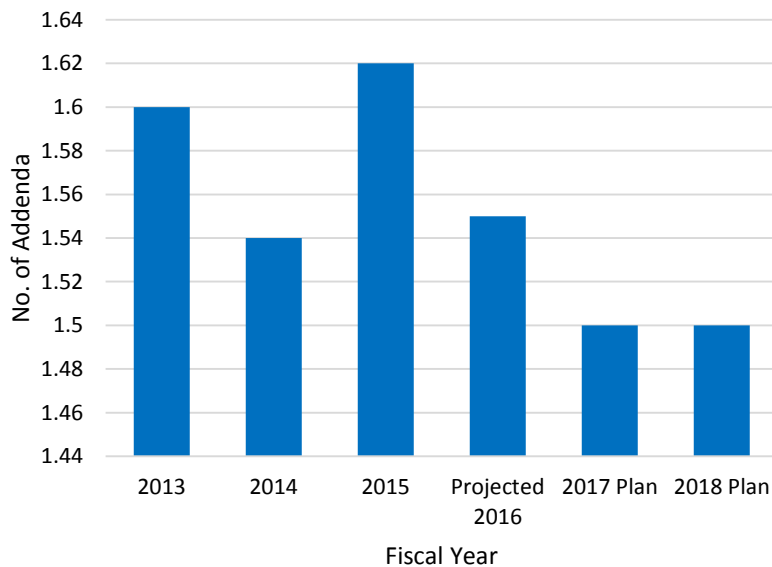
Service Performance Measures

Percent of the time material requests are issued and delivered within 7 calendar days



- The percent of time materials are issued and delivered is relatively stable.
- Is expected to increase to 80% in future years.
- City stores has recently centralized their warehouses, which will drive increased efficiencies.

Average Number of Addenda per Competitive Call



- The average number of addenda completed by the Purchasing and Materials Management Division per competitive Call is in a downward trend.
- This trend is expected to be sustained in the future years resulting in a reduced amount of issued addenda.

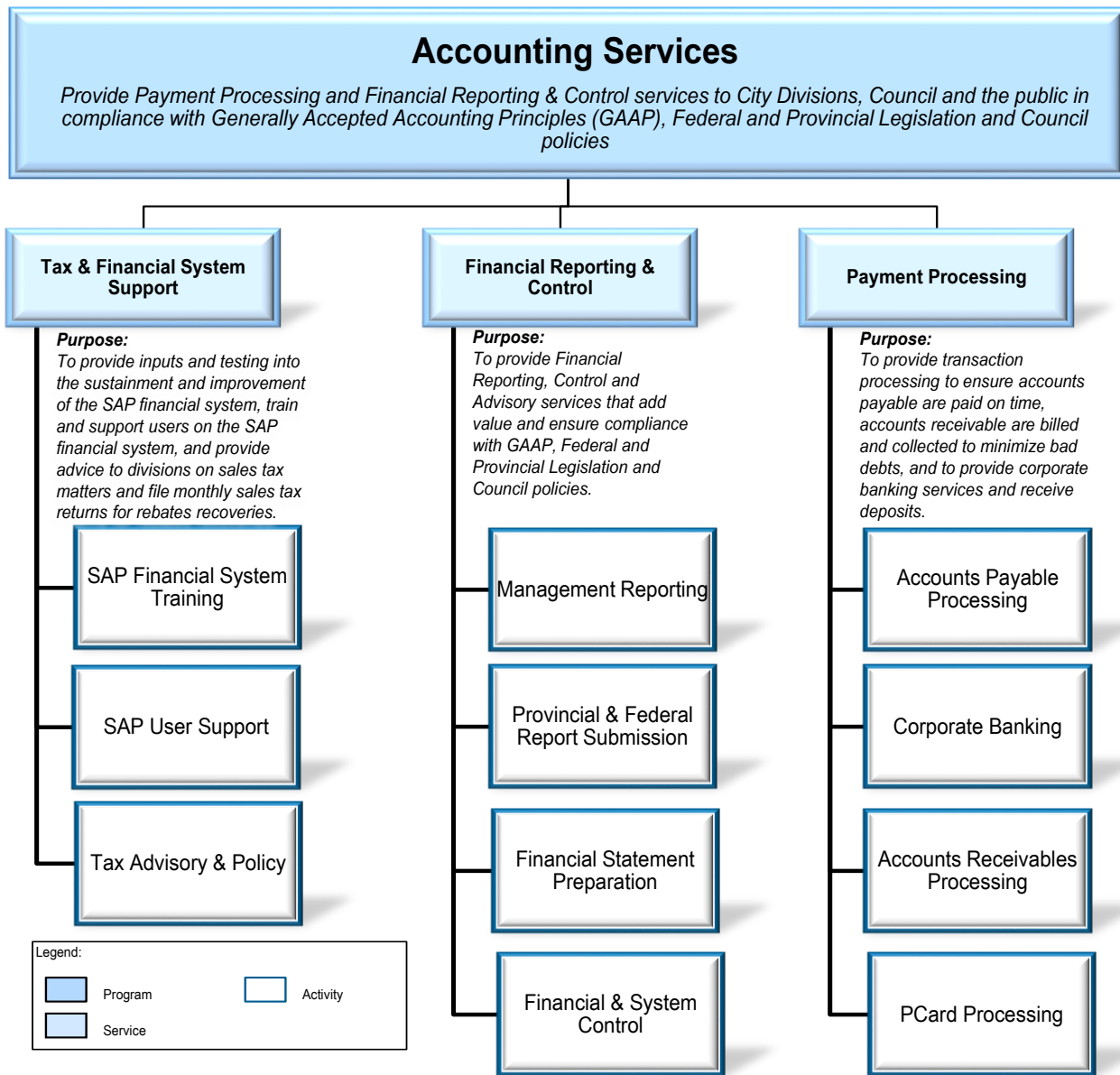
Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							Incremental Change					
	Budget	Base Budget	Service Changes	Base	Base Budget vs. 2016 Budget	% Change	New/Enhanced	Budget	2017 Budget vs. 2016 Budget		2018 Plan		2019 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Materials Management Stores & Distribution	4,358.5	1,166.5	(5.0)	1,161.5	(3,197.0)	(73.4%)		1,161.5	(3,197.0)	(73.4%)	80.6	6.9%	77.4	6.2%
Purchasing	7,550.9	10,630.8		10,630.8	3,079.9	40.8%	1,931.5	12,562.3	5,011.4	66.4%	2,753.6	21.9%	1,353.7	8.8%
Total Gross Exp.	11,909.4	11,797.3	(5.0)	11,792.3	(117.1)	(1.0%)	1,931.5	13,723.8	1,814.4	15.2%	2,834.2	20.7%	1,431.1	8.0%
REVENUE														
Materials Management Stores & Distribution	750.9	1,090.6		1,090.6	339.7	45.2%		1,090.6	339.7	45.2%				
Purchasing	3,489.2	2,876.6		2,876.6	(612.6)	(17.6%)	1,102.6	3,979.2	490.0	14.0%	(1,000.0)	-25.1%		(7.5%)
Total Revenues	4,240.1	3,967.3		3,967.3	(272.9)	(6.4%)	1,102.6	5,069.8	829.7	19.6%	(1,000.0)			
NET EXP.														
Materials Management Stores & Distribution	3,607.6	75.9	(5.0)	70.9	(3,536.7)	(98.0%)		70.9	(3,536.7)	(98.0%)	80.6	113.7%	77.4	51.1%
Purchasing	4,061.7	7,754.2		7,754.2	3,692.5	90.9%	828.9	8,583.1	4,521.4	111.3%	3,753.6	43.7%	1,353.7	11.0%
Total Net Exp.	7,669.3	7,830.0	(5.0)	7,825.0	155.7	2.0%	828.9	8,654.0	984.7	12.8%	3,834.2	44.3%	1,431.1	10.3%
Approved Positions	124.0	124.0		124.0			9.0	133.0	9.0	7.3%	7.0	5.3%	(1.0)	(0.7%)

The Purchasing & Materials Management's 2017 Operating Budget of \$13.724 million gross and \$8.654 million net is \$0.985 million or 12.8% over the 2016 Approved Net Budget.

- Purchasing & Materials Management partially reduced the base budget pressure by \$0.005 million from the Fleet Rental and Fuel reduction.
- The 2017 Operating Budget includes funding of \$1.932 million gross and \$0.829 net for increased dedicated purchasing support for Solid Waste Management and the implementation of the Category Management initiative; increase of 9 new positions.

Accounting Services



Service Customer

Tax & Financial System Support

- Staff - City Divisions
- Staff - Agencies and Boards

Indirect (Beneficial)

- Residents
- Businesses
- Provincial & Federal Governments

Financial Reporting & Control

- Staff - City Divisions
- Staff - Agencies and Boards

Indirect (Beneficial)

- Residents
- Businesses
- Provincial & Federal Governments

Payment Processing

- Staff - City Divisions
- Staff - Agencies and Boards
- Businesses & Vendors

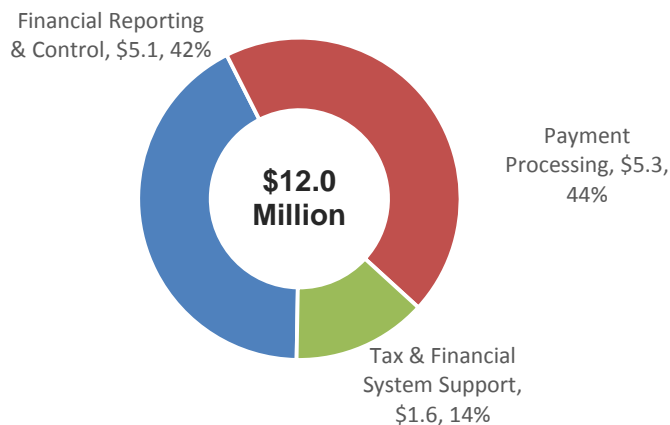
Indirect (Beneficial)

- Residents
- Provincial & Federal Governments

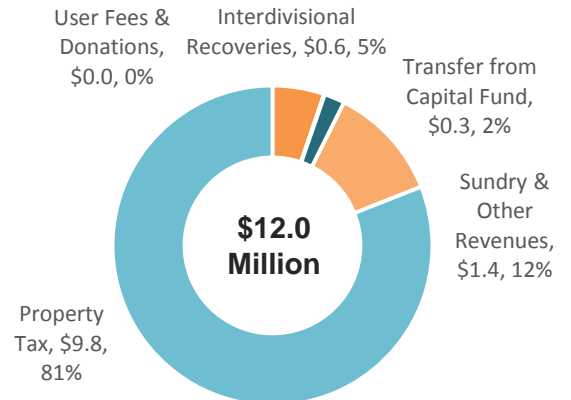
What We Do

Accounting Services provides quality accounting and financial advisory services to all City divisions and Agencies and Corporations in compliance with professional accounting standards, legislation, and City policies. The following services are provided: financial reporting services including preparation of the City's consolidated financial statements and Provincial Financial Information Return (FIR); development, maintenance and protection of the integrity of the City's financial information systems; prompt payment of the City's disbursement obligations; and provision of advice on accounting and financial reporting matters to all city divisions, and Agencies and Corporations.

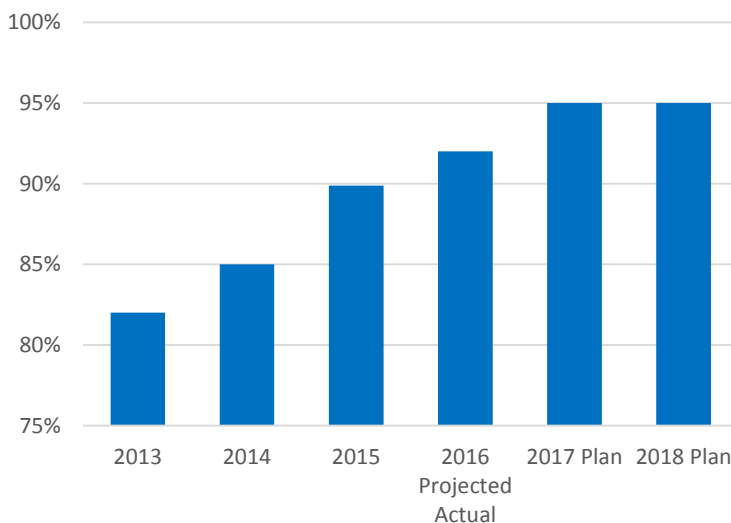
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



% Early Payment Discounts Earned as a % of Discounts Available



- Discounts of \$1.45 million were captured in 2015.
- Early payment discounts in 2016 are expected to increase by 2% from 2015.
- It is anticipated that total discounts earned after the completion of the year end process will be \$1.5 million.
- Discounts of \$1.3 million have been captured to November 30, 2016

2017 Service Levels Accounting Services

Activity	Type	Status	Service Levels				2016	2017
				2013	2014	2015		
Provincial and Federal Reports Submission	MBN Canada (OMBI)	Approved	Completed by Sept 30					Complete by Sept. 30
	Annual Provincial Financial Information Return (FIR)	Approved	Completed by August 31st				Complete by July 31	Complete by July 31
	Infrastructure Funding Reports	Approved	As required					As required
	Toronto York Spadina Subway Extension	Approved	Perform banking services and reporting throughout the year					Perform banking services and reporting throughout the year
	Stats Canada	Approved	Semi-annually					Semi-annually
Financial Statement Preparation	Annual Audited Consolidated Financial Statements	Approved	Complete financial statements with draft audit report prior to June 30th			completed by June 10		Complete by June 10
	Sinking Fund Audited Financial Statements	Approved						
	Trust Fund Audited Financial Statements	Approved						
Management Reporting	Reserves and Reserve Funds Reports	Approved	Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.					Complete Reserves and Reserve Funds reports for submission to BC concurrent with Budget variance reports.
	Council Remuneration Report	Approved	Complete Council Remuneration Report for submission to EC by March 31					Complete Council Remuneration Report for submission to EC by March 31
	Consulting Report	Approved	Complete Consulting report for submission to GMC by June 30th					Complete Consulting report for submission to GMC by June 30th
	Special reports	Approved	Complete special reports as required					Complete special reports as required
	Development Charges Report	Approved	Complete Development Charges report for submission to BC by August 31					Complete Development Charges report for submission to BC by August 31
	Semi-annual Treasurer's report	Approved	Complete semi-annual Treasurer's Report for submission to GMC within 90 days					Complete semi-annual Treasurer's Report for submission to GMC within 90 days

Activity	Type	Status	Service Levels					2017
				2013	2014	2015	2016	
Financial and System Control	Capital projects review	Approved	Monthly					Monthly
	Operating review	Approved	Monthly					Monthly
	Journal entries	Approved	99% within 2 business days					99% within 2 business days
		Actual	99%	99%	99%	99%	99%	
	Policies and procedures request for guidance	Approved	As requested					As requested
	SAP Financial System Security	Approved	As required					As required
	SAP User Administration	Approved	As requested					As requested
	SAP Vendor Master Data maintenance	Approved	As required - daily					As required - daily
	Month end and year end SAP processing	Approved	As scheduled					As scheduled
	Ad hoc reporting	Approved	As required					As required
	Advisory role re accounting controls, reporting and oversight	Approved	Provide advice on all material new areas of concern, prior to implementation, and oversight as requested					Provide advice on all material new areas of concern, prior to implementation, and oversight as requested
	Accounting policy development	Approved	Produce and publish timely, relevant and comprehensive accounting policies on issues, prior to adoption of new standards or practices, as required					Produce and publish timely, relevant and comprehensive accounting policies on issues, prior to adoption of new standards or practices, as required
Corporate Banking	Upload/download of cashed cheques	Approved	Daily					Daily
	confirmation of direct deposits	Approved	Daily					Daily
	Wire / Draft payments	Approved	As required					As required
	eCommerce Processing, POS administration	Approved	Daily					Daily
	Electronic file of chqs	Approved	Daily					Daily
	Exception resolution - Payee Match and others	Approved	Daily					Daily
	Cheque voiding, stale-dating, stop payments & corrections	Approved	Daily					Daily
	RBC Express Administration	Approved	As required					As required
	Bank Reconciliations	Approved	Completed monthly within 30 days					Completed monthly within 30 days
	Inter-bank transfers	Approved	As required					As required
	Cheque verification or certification	Approved	Daily, as requested					Daily, as requested

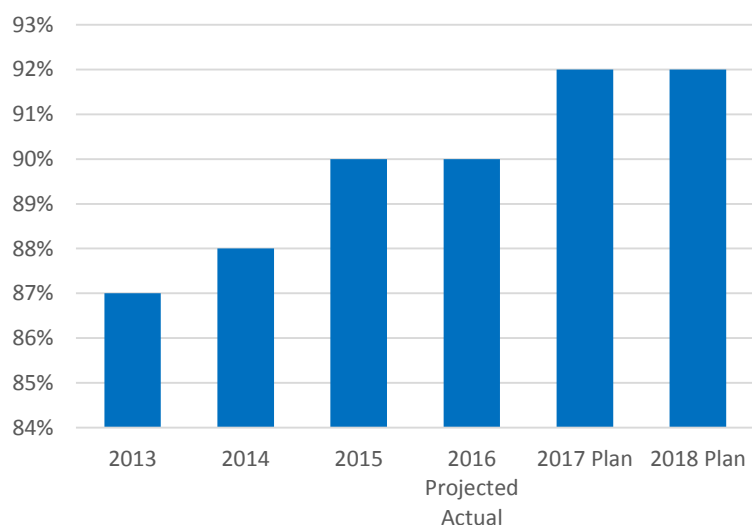
Activity	Type	Status	Service Levels					2017
				2013	2014	2015	2016	
Accounts Receivable Processing	Payments processed	Approved	100% within 24 hours					100% within 24 hours
	Collection	Approved	70% within 60 days					75% within 60 days
	Write-offs	Approved	Completed throughout the year, prepare report to GMC for April					Complete through the year; prepare report to GMC by March 15
Accounts Payable Processing	A/P Transactions Processed	Approved	90% of payments made within 60 days					90% of payments made within 60 days
		Actual	90%	87%	88%	90%	86%	
	Discounts desk	Approved	80% of discounts captured					80% of discounts captured
		Actual	80%	82%	82%	85%	90%	
	Mailroom / Scanned Images	Approved	Daily					Daily
	Cheques issued (FASP)	Approved	Cheques printed on a minimum of every Tuesday & Thursday					Cheques printed on a minimum of every Tuesday & Thursday
	Direct deposit payments issued (FASP)	Approved	Direct Deposits processed a minimum of once per day					Direct Deposits processed a minimum of once per day
	Interface files processing (FASP)	Approved	Interface files processed within 1 business day of receipt					Interface files processed within 1 business day of receipt
Pcard Processing	Pcard transaction log forms	Approved	Reviewed within 90 days					Review within 80 days
	Pcard Issuance	Approved	Within 10 days of request of card from NBC					Within 10 days of request of card from NBC
	Pcard Compliance Review Forms	Approved	Reviewed within 90 days					Reviewed within 90 days
SAP Financial Systems Training	Classroom Training Sessions	Approved	Classes scheduled based on minimum attendance based on business request					Classes scheduled based on minimum attendance based on business request
	Develop course materials & quick reference guides	Approved	Prior to any Legislative changes. Based on changes to the system or business processes.					Prior to any Legislative changes. Based on changes to the system or business processes.
SAP User Support	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested					Daily, as requested
	SAP Applications Support (Help desk inquiries)	Approved	Daily, as requested					Daily, as requested
	SAP System Support - ERP updates tested and applied	Approved	Twice per year, 6 to 8 weeks duration each time					Twice per year, 6 to 8 weeks duration each time
	SAP System Support	Approved	Daily, as requested					Daily, as requested
	SAP System Support	Approved	Daily, as requested					Daily, as requested
	SAP System Support	Approved	Daily, as issues arise					Daily, as issues arise

Activity	Type		Service Levels					
		Status		2013	2014	2015	2016	2017
Tax Advisory & Policy	HST Remittance	Approved	File by mid-month, coincide with Payroll					File by mid-month, coincide with Payroll
	Non-resident withholding tax remittance	Approved	File by mid-month					File by mid-month
	Sales Tax training and updating information on the Accounting Services Website	Approved	As required					As required
	Sales Tax recoveries	Approved	Throughout the year					Throughout the year
	Issuance of donation income tax receipts - City Wide	Approved	Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation					Issue Tax Receipts within 4 calendar weeks upon receipt of proper documentation
	Provision of sales tax advice	Approved	As requested or required					As requested or required
	Implication of tax changes	Approved	Implement changes to meet the legislated timelines					Implement changes to meet the legislated timelines

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Accounting Services

Service Performance Measures

Payment Cycle time - % invoices paid within 60 days



- With the continuous implementation of "in-house" Accounts Payable Transformation initiatives and streamlining processing towards an electronic environment and focusing on performance measures, the service level for payment cycle time for City vendors is expected to increase.

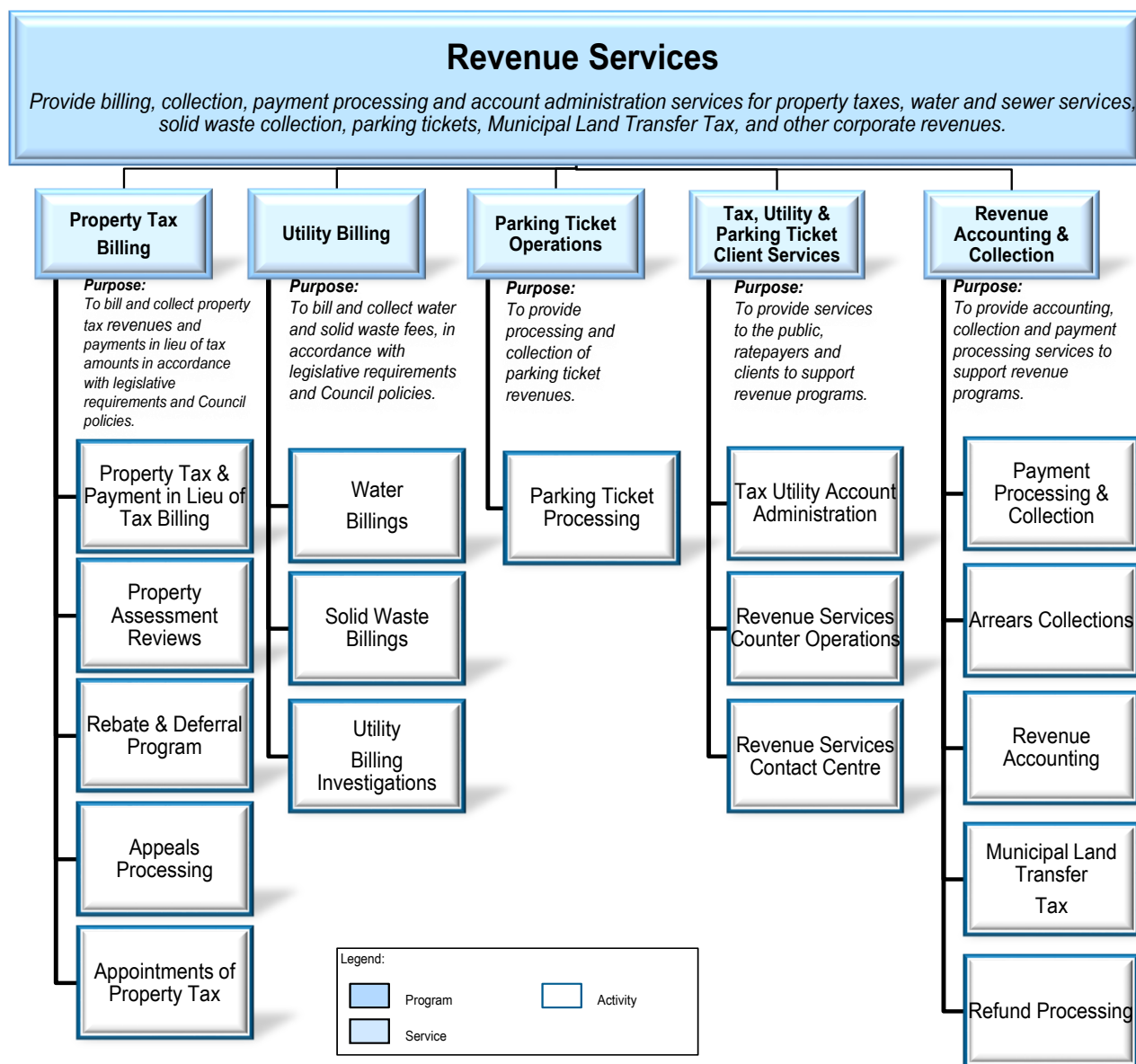
Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							Incremental Change					
	Budget	Base Budget	Service Changes	Base Budget vs. 2016			New/Enhanced	Budget	2017 Budget vs. 2016 Budget		2018 Plan		2019 Plan	
				Base	Budget	% Change			\$	%	\$	%	\$	%
GROSS EXP.														
Financial Reporting & Control	5,162.9	5,091.3		5,091.3	(71.6)	(1.4%)		5,091.3	(71.6)	(1.4%)	186.2	3.7%	175.1	3.3%
Payment Processing	5,353.1	5,326.1		5,326.1	(27.0)	(0.5%)		5,326.1	(27.0)	(0.5%)	145.0	2.7%	141.5	2.6%
Tax & Financial System Support	1,650.2	1,626.5		1,626.5	(23.6)	(1.4%)		1,626.5	(23.6)	(1.4%)	54.6	3.4%	53.1	3.2%
Total Gross Exp.	12,166.2	12,044.0		12,044.0	(122.3)	(1.0%)		12,044.0	(122.3)	(1.0%)	385.8	3.2%	369.7	2.9%
REVENUE														
Financial Reporting & Control	395.2	397.7		397.7	2.6	0.6%		397.7	2.6	0.6%				
Payment Processing	1,365.7	1,431.2		1,431.2	65.5	4.8%		1,431.2	65.5	4.8%				
Tax & Financial System Support	437.7	460.2		460.2	22.5	5.1%		460.2	22.5	5.1%				
Total Revenues	2,198.6	2,289.2		2,289.2	90.5	4.1%		2,289.2	90.5	4.1%				
NET EXP.														
Financial Reporting & Control	4,767.76	4,693.6		4,693.6	(74.2)	(1.6%)		4,693.6	(74.2)	(1.6%)	186.2	4.0%	175.1	3.6%
Payment Processing	3,987.4	3,894.9		3,894.9	(92.5)	(2.3%)		3,894.9	(92.5)	(2.3%)	145.0	3.7%	141.5	3.5%
Tax & Financial System Support	1,212.5	1,166.3		1,166.3	(46.1)	(3.8%)		1,166.3	(46.1)	(3.8%)	54.6	4.7%	53.1	4.3%
Total Net Exp.	9,967.6	9,754.8		9,754.8	(212.9)	(2.1%)		9,754.8	(212.8)	(2.1%)	385.8	4.0%	369.7	3.5%
Approved Positions	113.0	113.0		113.0				113.0						

The Accounting Services' 2017 Operating Budget of \$12.044 million gross and \$9.754 million net is \$0.213 million or 2.1% under the 2016 Approved Net Budget.

- Base Budget pressures with this service arise from COLA, progression pay and step increases in salary and benefit costs.
- These pressures have been fully offset through annualized savings resulting from positions deleted in 2016 (\$0.085 million).
- Accounting Services completed a line-by-line review of expenditures based on current experience which resulted in savings of \$0.117 million.
- A review of vendor discounts and tax compliance recoveries resulted in an increase of \$0.084 million in budgeted revenues.

Revenue Services



Service Customer

Property Tax Billing

- Property Owners
- Staff - City Divisions

Indirect (Beneficial)

- Residents
- Businesses

Utility Billing

- Property Owners
- Registered Utility Account Holder
- Staff - City Divisions

Indirect (Beneficial)

- Residents
- Businesses

Parking Ticket Operations

- Parking Ticket Recipient
- Staff - City Divisions

Indirect (Beneficial)

- Residents
- Businesses

Tax, Utility, Parking Ticket Client Services

- Property Owners
- Registered Utility Account Holder
- Parking Ticket Recipient
- Staff - City Divisions
- Business Improvement Area members

Indirect (Beneficial)

- Residents
- Businesses
- Legal Community

Revenue Accounting & Collection

- Property Owners
- Registered Utility Account Holder
- Staff - City Divisions

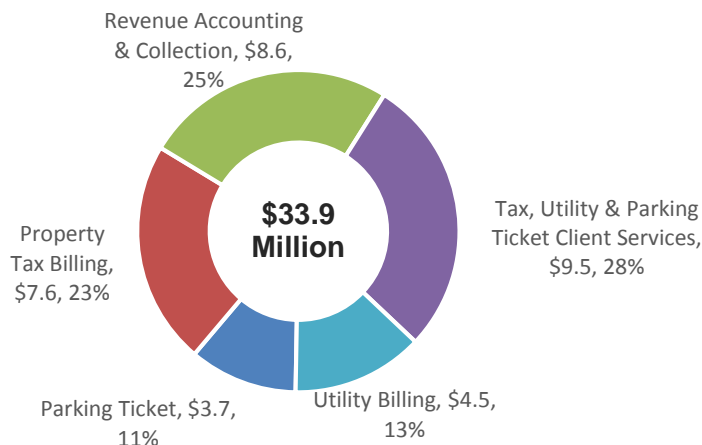
Indirect (Beneficial)

- Residents
- Businesses
- School Boards
- Provincial Government

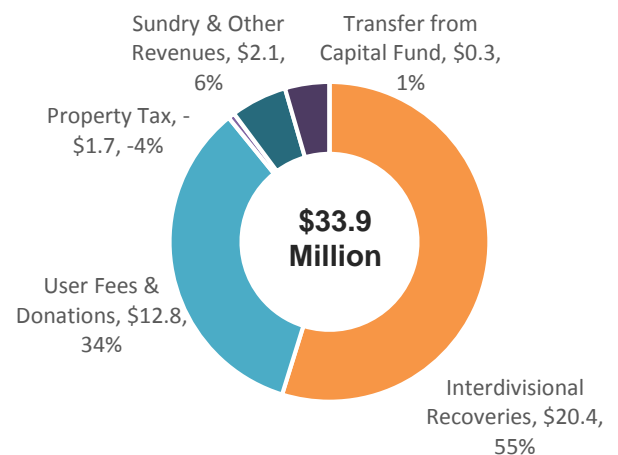
What We Do

Revenue Services is responsible for billing, collection and administration of revenues related to property taxation; water and wastewater services; solid waste fees, parking tickets and Municipal Land Transfer Tax. To support the various revenue programs, the Division provides related services including appeal and refund processing, tax relief and rebate programs, alternate payment programs, customer account maintenance and support, and payment processing. Revenue Services maintains a strong commitment to customer service through the operation of customer service counters in all civic centres and City Hall, and a customer care unit and correspondence unit. The Division's customer base includes residents, property owners, businesses and visitors within the City of Toronto. Revenue Services also provides revenue support functions to other City divisions.

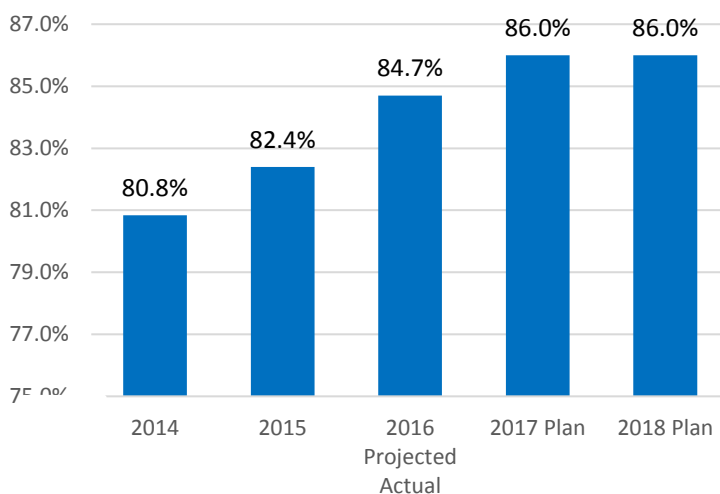
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Percentage of Electronic Payments vs. Total Payments Received



- Percentage of electronic payments received compared to total payments processed for property tax, utility and parking tickets is increasing over time due to consumer behaviour, with more customers electing to make payments electronically, rather than through in-person payments made by cash or cheque, or mailed in cheque payments (including post-dated cheques).
- Electronic payments improve accuracy, are more cost-effective, and can be posted to the City's accounts sooner than cheque payments.
- Development of additional online services for electronic billings and payments will see an increasing trend in the overall percentage of electronic payments over 2017 and 2018.

2017 Service Levels

Revenue Services

			Service Levels				
Activity	Type	Status	2013	2014	2015	2016	2017
Property Tax and Payment in Lieu of Tax Billing	Property Tax Billing (Interim & Final)	Approved	All Property Tax Bills and are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes				All Property Tax Bills and are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
	Supplementary/Omitted Tax Billings	Approved	All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes				All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
	Payment in Lieu of Taxes	Approved	All Payment in Lieu of Taxes are prepared and issued consistent with relevant legislation and by-laws, and within legislated time frames				All Payment in Lieu of Taxes are prepared and issued consistent with relevant legislation and by-laws, and within legislated time frames
	Business Improvement Area (BIA) levies	Approved	All BIA levies are prepared and issued prior to final property tax billing, to ensure that tax bills include BIA levy.				All BIA levies are prepared and issued prior to final property tax billing, to ensure that tax bills include BIA levy.
Property Assessment Reviews		Approved	On average, 120 properties are appealed per year in accordance with council approved criteria and rules and practice of the Assessment Review Board (ARB), and in accordance with timelines set out by Assessment Review Board				On average, 120 properties are appealed per year in accordance with council approved criteria and rules and practice of the Assessment Review Board (ARB), and in accordance with timelines set out by Assessment Review Board
Rebate & Deferral Programs	Vacancy Rebates	Approved	Vacancy rebates are processed within legislated timeframe.				Vacancy rebates are processed within legislated timeframe.
	Charitable Rebates	Approved	Fully completed charity rebate applications processed within 120 days of application deadline date.				Fully completed charity rebate applications processed within 120 days of application deadline date.
	Tax/Water Relief for Low-Income Seniors and Disabled	Approved	Fully completed applications processed within 60 days of application deadline date.				Fully completed applications processed within 60 days of application deadline date.
	Veterans Clubhouse, Ethno-cultural, Heritage Rebates	Approved	Fully completed applications processed within 60 days of application deadline date.				Fully completed applications processed within 60 days of application deadline date.
	Golf Course deferrals	Approved	Golf course deferrals processed within 60 days of receipt of information.				Golf course deferrals processed within 60 days of receipt of information.
Appeals Processing	Assessment Appeals	Approved	Residential appeals processed within 30 days following receipt of ARB decision. Non-residential appeals processed within 120 days following receipt of ARB decision.				Residential appeals processed (during non-billing periods) within 30 days of receipt of ARB decision. Non-residential appeals processed within 120 days following receipt of ARB decision
	Property Tax Appeals	Approved	Approximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year				Approximately 50% of the applications are returned from MPAC in time to be dealt by September 30 of the following year
Apportionments of Property Tax		Approved	All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes				All Property Tax Bills are prepared and issued consistent with relevant legislation and by-laws, and within legislated or Council-approved timeframes
Water Billings	Flat Rate Accounts	Approved	To issue 100% of utility flat rate billings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)				To issue 100% of utility flat rate billings within scheduled cycles (i.e. former Toronto flat rate billings twice per year and former Etobicoke three times per year)
	Metered Accounts	Approved	25% of all meter readings for metered accounts are estimated readings.		Not applicable - this function transferred to Toronto Water		Not applicable - this function transferred to Toronto Water
	Water Relief Applications	Approved	92% of applications processed within first billing cycle		95% of applications processed within first billing cycle.		95% of applications processed within first billing cycle.
Solid Waste Billings		Approved	Mailing of all bills within cycle on schedule				Mailing of all bills within cycle on schedule

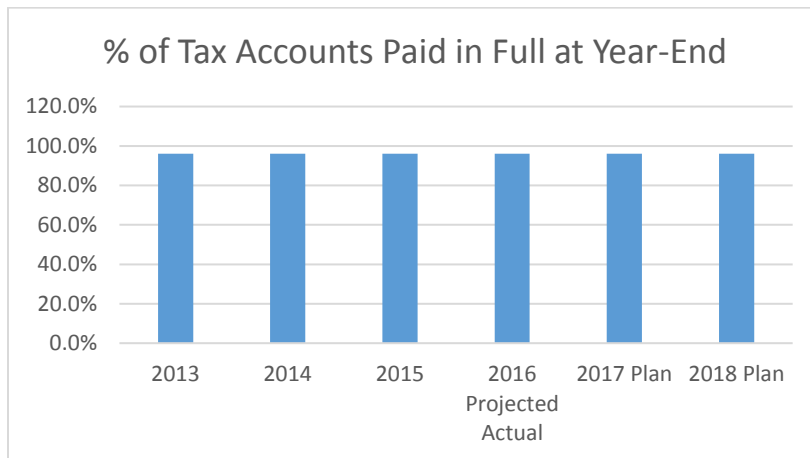
Activity	Type	Status	Service Levels					2017
			2013	2014	2015	2016		
Utility Billing Investigations	Meter Reading	Approved	Read 75% of meters (25% are outcalls ie: no answer at door)			Not applicable - this function transferred to Toronto Water		Not applicable - this function transferred to Toronto Water
	Meter investigations	Approved	Complete all service orders that are in Revenue Services' distribution					Complete all service orders that are in Revenue Services' distribution
Parking Ticket Processing	Parking Ticket	Approved	99.5% of parking tickets processed within legislated timeframes					99.5% of parking tickets processed within legislated timeframes
		Actual	99.9%	99.9%	99.9%	99.9%	99.9%	
	Notice of impending Conviction	Approved	99.5% of notices sent within legislated timeframe					99.5% of notices sent within legislated timeframe
	Notice of Fine and Due Date	Approved	99.5% of notices sent within legislated timeframe					99.5% of notices sent within legislated timeframe
	Refunds and adjustments	Approved	100% of refunds and adjustments processed within 14 days					100% of refunds and adjustments processed within 14 days
	Investigations	Approved	Complete all investigations within 15 days					Complete all investigations within 15 days
	Pre-Court Filing	Approved	99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence					99.5% of all court filing documents prepared within the 75 day legislated time frame from date of offence
Tax / Utility Account Administration	Tax certificate	Approved	Service standard is 20 days, providing that all required information is received.					Service standard is 20 days, providing that all required information is received.
	Utility Certificate	Approved	Service standard is 20 days, providing that all required information is received.					Service standard is 20 days, providing that all required information is received.
	Ownership Update	Approved	Service standard is 20 days, providing that all required documentation is received.					Service standard is 20 days, providing that all required documentation is received.
	Designate/Agent Mailing Request	Approved	Service standard is 20 days, providing that all required documentation is received.					Service standard is 20 days, providing that all required documentation is received.
	Pre-authorized Tax Payment	Approved	In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at least 15 days before the next payment date					In order to change financial institution information or cancel participation in the program, customer is required to provide a signed written notice at least 15 days before the next payment date
	Pre-authorized Utility Payment	Approved	All PUP applications are processed within a 5 day window					All PUP applications are processed within a 5 day window
	Payment Programs Mortgages Company	Approved	All mortgage updates are processed within 30 days					All mortgage updates are processed within 30 days
	Mortgage and PILT payment	Approved	All payments are processed within a 3 - 5 day window					All payments are processed within a 3 - 5 day window
Revenue Services Counter Operations		Approved	All customers are served, with 100% completion of customer transactions, with average wait times of less than 10 minutes for tax/utility transactions, and 15 minute wait times for parking ticket transactions.			All customers are served, with 100% completion of customer transactions, with average wait times of less than 7 minutes for tax/ utility		All customers are served, with 100% completion of customer transactions, with average wait times of less than 7 minutes for tax/ utility transactions, and parking ticket transactions.
		Actual	5.6 minutes	7.0 minutes	5.0 minutes	2.5 min.	5.08 min.	
Revenue Services Contact Centre	Customer Enquiry - Telephone	Approved	It is estimated that 40% of calls are answered with average wait time of 5 minutes.					It is estimated that 40% of calls are answered with average wait time of 5 minutes.
	Customer Enquiry - Correspondence	Approved	All letters, faxes and e-mails are prepared and issued consistent with relevant legislation and by-laws.					All letters, faxes and e-mails are prepared and issued consistent with relevant legislation and by-laws.

			Service Levels					
Activity	Type	Status	2013		2014	2015	2016	2017
Payment Processing and Collection		Approved	As a minimum 90% of all cheque payments received are processed within 3 days from date payment is received or on the date of the cheque for future dated payments (post dated cheques).				As a minimum 95% of all cheque payments received are processed within 3 days from date payment is received or on the date of the cheque for future dated payments (post dated cheques).	As a minimum 95% of all cheque payments received are processed within 3 days from date payment is received or on the date of the cheque for future dated payments (post dated cheques).
		Actual	91.5%	94.2%	95.1%	95.0%	95.0%	
Arrears Collections	Registration - Sale of Land	Approved	In excess of 4,000 accounts in arrears are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.			In excess of 7,000 accounts (pre-reg and reg) in arrears are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.		In excess of 7,000 accounts (pre-reg and reg) in arrears are included in this process annually. Two "Sale of Land by Pubic Tender" are conducted annually.
	Bailiff Warrants	Approved	5,125 accounts are issued to the bailiffs annually	In excess of 6,000 accounts are issued to the bailiffs annually.				In excess of 6,000 accounts are issued to the bailiffs annually.
	Internal Collections	Approved	100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines .					100% of accounts in arrears were mailed Statement of Tax Account within Council-approved timelines .
Revenue Accounting	Returned Cheques Processing	Approved	95% of Returned Payments received by Revenue Services were processed within 10 business days.					95% of Returned Payments received by Revenue Services were processed within 10 business days.
	Account Analysis / Reconciliation	Approved	95% of the monthly reconciliation and Statements were produced in the following month.					95% of the monthly reconciliation and Statements were produced in the following month.
Municipal Land Transfer Tax	MLTT Manual Notices of Assessment	Approved	100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accord to the legislated requirements					100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accord to the legislated requirements
	Automated MLTT land registration transactions	Approved	100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accordance with legislated requirements					100% of MLTT Notices of Assessments and Deferral Confirmations are issued and completed in accordance with legislated requirements
Refund Processing	Refunds due to Over-Payments	Approved	To issue credit letters to property owner requesting required information and issue refunds within one year, over 90% of the time. Tax credit balances of \$500 or less without an ownership change are transferred to the next billing.					To issue credit letters to property owner requesting required information and issue refunds within one year, over 90% of the time. Tax credit balances of \$500 or less without an ownership change are transferred to the next billing.
	Refunds due to Appeals and Rebates	Approved	Over 90% of all refunds as a result of the processing of assessment appeals/MPAC, RFR's and rebate are processed within 120 days.					Over 90% of all refunds as a result of the processing of assessment appeals/MPAC, RFR's and rebate are processed within 120 days.

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Revenue Services.

Service Performance Measures

% of Tax Accounts Paid in Full at Year-End



- The percentage of tax accounts paid in full each year from 2013 through 2015 has remained at 96%.
- The trend is expected to continue in 2016 through 2018 as economic conditions are not expected to change over the next 3 years.

Table 6
2017 Service Budget by Activity

(\$000s)	2016	2017 Operating Budget							Incremental Change					
	Budget	Base Budget	Service Changes	Base Budget	Base Budget vs. 2016 Budget		New/Enhanced	Budget	2017 Budget vs. 2016 Budget		2018 Plan		2019 Plan	
					Budget	% Change			\$	%	\$	%	\$	%
GROSS EXP.														
Parking Ticket	3,961.5	3,691.4		3,691.4	(588.2)	(14.8%)		3,691.4	(588.2)	(14.8%)	(547.0)	(16.2%)	33.4	1.2%
Property Tax Billing	7,534.5	7,622.8		7,622.8	88.3	1.2%		7,622.8	88.3	1.2%	158.5	2.1%	147.7	1.9%
Revenue Accounting & Collection	9,124.5	9,184.5	(621.1)	8,563.4	(559.5)	(6.1%)		8,563.4	(559.5)	(6.1%)	77.3	0.9%	119.3	1.4%
Tax, Utility & Parking Ticket Client Services	9,611.7	9,522.9		9,522.9	(90.4)	(0.9%)		9,522.9	(90.4)	(0.9%)	(5.7)	(0.1%)	203.5	2.1%
Utility Billing	4,591.5	4,615.0	(132.4)	4,482.6	(108.9)	(2.4%)		4,482.6	(108.9)	(2.4%)	73.9	1.6%	66.6	1.5%
Total Gross Exp.	34,823.7	34,636.5	(753.5)	33,883.0	(1,258.8)	(3.6%)		33,883.0	(1,258.8)	(3.6%)	(243.0)	(0.7%)	570.5	1.7%
REVENUE														
Parking Ticket	3,594.2	3,343.0		3,343.0	(29.6)	(0.8%)		3,564.6	(29.6)	(0.8%)	48.7	1.4%	43.5	1.2%
Property Tax Billing	1,795.4	1,869.5		1,869.5	74.0	4.1%		1,869.4	74.0	4.1%	22.5	1.2%	23.3	1.2%
Revenue Accounting & Collection	14,098.3	14,307.8	(217.4)	14,090.4	(7.8)	(0.1%)		14,090.5	(7.8)	(0.1%)	91.3	0.6%	100.7	0.7%
Tax, Utility & Parking Ticket Client Services	11,512.4	12,051.1		12,051.1	464.6	4.0%		11,976.9	464.6	4.0%	405.0	3.4%	86.9	0.7%
Utility Billing	4,376.7	4,334.3	(132.4)	4,201.9	(174.8)	(4.0%)		4,201.9	(174.8)	(4.0%)	80.9	1.9%	70.2	1.6%
Total Revenues	35,377.0	35,905.7	(349.8)	35,555.9	326.4	0.9%		35,555.9	326.4	0.9%	648.5		324.6	0.9%
NET EXP.														
Parking Ticket	367.27	348.43		348.43	(558.67)	(152.1%)		348.4	(558.7)	(152.1%)	(595.76)	-171.0%	(10.1)	4.1%
Property Tax Billing	5,739.09	5,753.25		5,753.25	14.24	0.2%		5,753.3	14.2	0.2%	135.96	2.4%	124.4	2.1%
Revenue Accounting & Collection	(4,973.78)	(5,123.30)	(403.7)	(5,527.04)	(551.71)	11.1%		(5,527.0)	(551.7)	11.1%	(13.96)	0.3%	18.6	(0.3%)
Tax, Utility & Parking Ticket Client Services	(1,900.64)	(2,528.23)		(2,528.23)	(554.95)	29.2%		(2,528.2)	(554.9)	29.2%	(410.71)	16.2%	116.6	(4.0%)
Utility Billing	214.79	280.68	0.0	280.70	65.90	30.7%		280.7	65.9	30.7%	(7.03)	-2.5%	(3.6)	(1.3%)
Total Net Exp.	(553.3)	(1,269.2)	(403.7)	(1,672.9)	(1,585.2)	286.5%		(1,672.9)	(1,585.2)	286.5%	(891.5)	53.3%	245.9	(10.6%)
Approved Positions	319.2	294.2	(18.0)	276.2	(43.0)	(13.5%)		276.2	(43.0)	(13.5%)				

The Revenue Services' 2017 Operating Budget of \$33.883 million gross and net (\$1.673 million) is \$1.585 million or 286.5% under the 2016 Approved Net Budget.

- Base budget pressures in Revenue Services predominately result from inflationary increases in salary and benefit expenditures. These pressures were fully offset by recoveries of \$0.188 million from rate based programs, and Non-Program for inflationary salary increases related to staff that provide support to these programs.
- Further net savings have been achieved in Revenue Services as a result of the following changes / actions:

- Revenues increases of \$0.196 million resulting from inflationary rate increase of 1.5% applied to 2016 user fees and a rate increase of \$4.50 that brings the Mortgage Company administration fee of \$5.50 set in 2016 to \$10 for additional revenues of \$0.450 million.
 - ✓ The fee increase will recover the additional cost for the administration of issuance of client notification lists to the mortgage company (identifying principal and any other outstanding tax or amounts transferred to tax).
 - ✓ The Fee rate is comparable with other municipalities.
- Outsourcing of the Payment Processing function (Savings of \$0.404 million and deletion of 16 positions).
- Efficiency savings arising from the Automated Meter Reader program (\$0.132 million and the deletion of 2 permanent position).



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the establishment of the 2017 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan for the City of Toronto.
(<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including but not limited to controlling expenditures through cost saving measures, and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery.
- The Office of the Treasurer's 2017 Operating Budget is \$73.102 million gross and \$28.688 million net, representing a 1.0% decrease to the 2016 Approved net Operating Budget and is in line with the reduction target as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices.
- The Office of the Treasurer's 2017 Operating Budget includes sustainable and viable service efficiency savings and revenue adjustments of \$0.960 million gross and \$1.256 million net.
 - Efficiency savings arise from the reduction of administration costs related to the parking violations, reduction of staffing positions in Revenue Services Payment Processing Centre and office related costs that will not have an impact on service levels delivered by the Program.

Purchasing and Materials Management Division (PMMD)

- The implementation of Category Management, funded in the 2017 Budget will introduce a new strategic approach to procurement in the City. This will involve the creation of a project team to oversee the implementation and development of a category management unit, and a reorganization of the existing Corporate Purchasing Policy & Quality Assurance unit.
 - The benefits from implementing Category Management results in savings from the purchase of goods and services throughout the entire organization. By 2021, the anticipated annual net benefit is approximately \$34.1 million.
- With the successful negotiation with SAP Canada for use of SAP Ariba, the Supply Chain Management Transformation Project will move into implementation phase, which will automate the sourcing process, warehouse management process, contract management process, vendor performance process and spend analytics, revitalizing the City's procurement and materials management functions.
 - The Supply Chain Management Transformation Project is an integral project to ensure the success of the implementation of Category Management and the realization of benefits.
 - This project represents the tools that enable Category Management.
- Implementing category Management and Strategic Sourcing is a multi-year project and the Office of the Treasurer's 2018 Outlook includes \$4.3 million expense. Savings across the organization are currently estimated to be \$4.9 million in 2018 will be used to offset this pressure.

Issues Referred to the 2017 Operating Budget Process

New & Enhanced Not Included in the 2017 Operating Budget

- The following staff initiated new and enhanced service priority requests have not been included in the 2017 Operating Budget. However, this request is detailed here for Budget Committee's consideration in the 2017 Budget process.

New / Enhanced Not included in the 2017 Preliminary Operating Budget	2017 Impact				Incremental Change			
	Gross	Revenue	Net	Position	2018 Plan		2019 Plan	
					Net	Positions	Net	Positions
Not Included								
Staff Initiated:								
Additional Dedicated PMMD positions for PF&R	133.8	133.8		2.0				
Sub-Total Staff Initiated	133.8	133.8		2.0				
Total New / Enhanced Services (Not Included)	133.8	133.8		2.0				

- *Additional Purchasing Support (PMMD) for Capital Delivery (\$0.134 million gross and net)*
 - Since 2007, Parks, Forestry and Recreation (PF&R) has funded dedicated Buyers (1.5 FTEs) in Purchasing and Materials Management Division (PMMD) for the procurement of professional services and construction tenders to improve annual capital spending.
 - Since that time, there has been a substantial growth in the PFR capital budget and the number of new projects added annually requiring the Program to hire an additional 15 project management staff, with a further 16 new positions planned with varying start dates in 2017.
 - The current 1.5 FTEs in PMMD cannot keep pace with this volume of RFQ/RFP generated by the project management staff and the response time provided by PMMD is no longer acceptable and impacts the ability to deliver projects.
 - The need for an additional 2.0 dedicated full time positions had been identified to support PF&R, increasing the number to 3.5 FTEs to manage the procurement of services for at an additional cost of \$0.134 million gross and \$0 million net as the cost was to be recovered from PF&R.
 - PF&R has a funding request of \$0.134 million that is not included in the 2017 Operating Budget, but forms part of a list to be considered by the Budget Committee in the 2017 Budget process.
 - Approval of funding for the 2 positions in Parks, Forestry and Recreation's 2017 Operating budget would provide the resources required for PMMD to provide this additional support.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, Office of the Treasurer accomplished the following:

- ✓ Implementation of an updated SAP eTime – Time Entry/Recording system across the City and implemented a eTime – Scheduling system for Recreation (PF&R) and Toronto Paramedic Services
- ✓ Implemented all salary and benefit changes in accordance with the Memorandum of Settlements for Local 416 and Local 79
- ✓ Facilitated the joint RFP process for new benefits carrier in partnership with TTC and Toronto Police Services Board (TPSB) resulting in the awarding of the Extended Health Care and Dental Benefits to a new carrier, Green Shield Canada, and the awarding of the LTD and Insured Benefits to the current incumbent Manulife. Successfully transitioned the change in benefit carrier for approximately 25,000 active employees and approximately 10,000 retirees for January 1, 2017 implementation
- ✓ Updated the Purchasing By-law, Chapter 195, and the Procurement Processes Policy to reflect leading practices in government procurement, introduce a Supplier Code of Conduct and prepare for the implementation of upcoming trade agreements
- ✓ Completed a Program Review for Purchasing & Materials Management Division, recommending implementation of category management & strategic sourcing, and review of the optimal approach of the use of warehouses in the City
- ✓ Implemented Corporate Accounts Payable Key Performance Indicators (KPI's) metrics and other relevant reports for client divisions on the accounting intranet web site
- ✓ Accounts Payable continuous automation process has resulted in receiving over 82% of accounts payable documents electronically from City Vendors and Internal customers
- ✓ Received the prestigious GFOA Canadian Award for Financial Reporting, which recognizes high program standard for Canadian Government Accounting and Financial Reporting for the ninth (9th) consecutive year
- ✓ Received the City Manager's Award in the Cross Corporate Project category for the newly developed self-service on-line property tax, utility billing and parking tag lookups
- ✓ Integrated tier 1 and tier 2 call centre operations with Revenue Services and 311 for all tax and utility telephone inquiries, with a roll-out of Tax Management and Collections System (TMACS) and Utility Management and Collections System (UMACS) along with the tax and utility look-up functionality for all 311 staff, to better respond to enquiries and improve customer service
- ✓ In partnership with Toronto Water, continued the implementation of the City's Water Meter Replacement and Automated Meter Reading Program, along with new consumption monitoring reports and ratepayer notification alerts.

Appendix 2

2017 Operating Budget by Expenditure Category

Category of Expense (\$000's)	2014 Actual	2015 Actual	2016 Budget	2016 Projected Actual *	2017 Budget	2017 Change from 2016 Budget		Plan	
	\$	\$	\$	\$	\$	\$	%	2018	2019
Salaries and Benefits	56,787.1	57,974.3	64,644.6	57,656.9	59,533.1	(5,111.5)	(7.9%)	62,010.9	64,770.2
Materials and Supplies	823.6	157.3	207.7	169.2	213.8	6.1	2.9%	213.7	204.2
Equipment	63.9	61.2	89.3	79.1	129.3	40.0	44.8%	89.3	89.3
Services & Rents	6,509.4	7,063.7	7,863.6	7,657.5	8,639.6	776.1	9.9%	9,229.3	9,229.3
Contributions to Reserve/Res Funds	109.4	129.0	129.0	129.0	129.0			129.0	129.0
Other Expenditures	1,787.6	1,567.2	1,493.1	1,797.2	2,009.5	516.4	34.6%	2,057.8	2,057.8
Interdivisional Charges	2,035.7	2,417.6	2,369.2	2,644.1	2,447.9	78.7	3.3%	2,444.9	2,460.2
Total Gross Expenditures	68,116.7	69,370.4	76,796.4	70,133.0	73,102.2	(3,694.2)	(4.8%)	76,174.9	78,940.0
Interdivisional Recoveries	23,489.3	22,955.2	24,343.4	22,877.1	23,961.9	(381.5)	(1.6%)	24,307.9	24,632.5
User Fees & Donations	10,813.8	11,814.6	12,706.2	13,029.5	13,320.8	614.6	4.8%	13,770.8	13,770.8
Transfers from Capital Fund	1,868.2	1,828.3	5,524.1	3,543.1	1,078.6	(4,445.5)	(80.5%)	1,078.6	1,078.6
Contribution from Reserve/Reserve Funds	1,182.7	278.7	1,661.6	370.0	2,359.4	697.8	42.0%	1,359.3	1,359.3
Sundry Revenues	3,504.5	4,207.6	3,577.9	3,580.0	3,693.4	115.5	3.2%	3,693.4	3,693.4
Total Revenues	40,858.5	41,084.4	47,813.2	43,399.7	44,414.1	(3,399.1)	(7.1%)	44,210.0	44,534.6
Total Net Expenditures	27,258.2	28,286.0	28,983.2	26,733.3	28,688.1	(295.1)	(1.0%)	31,964.9	34,405.4
Approved Positions	669.2	735.0	703.2	654.2	655.2	(48.0)	(6.8%)	662.2	661.2

* Based on the 2016 9-month Operating Variance Report

The Office of the Treasurer's year-end favourable variance is projected to be \$2.250 million or 7.8% below the 2016 Approved Operating Budget of \$28.983 million net.

- The favourable variance is mainly due to under-expenditures in salaries and benefits related to delays in filling capital positions, positions in support of dedicated staffing arrangements and vacant operational positions.
- Revenues are projected to be \$4.4 million under-achieved at year end mainly due to lower transfers from capital/reserve/reserve fund of \$3.2 million and under-achieved inter-divisional recoveries of \$1.5 million. Under-achieved revenues are offset by a favourable increase to user fee revenue (\$0.3 million), mainly due to an increase in New Tax Account fee revenue.

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

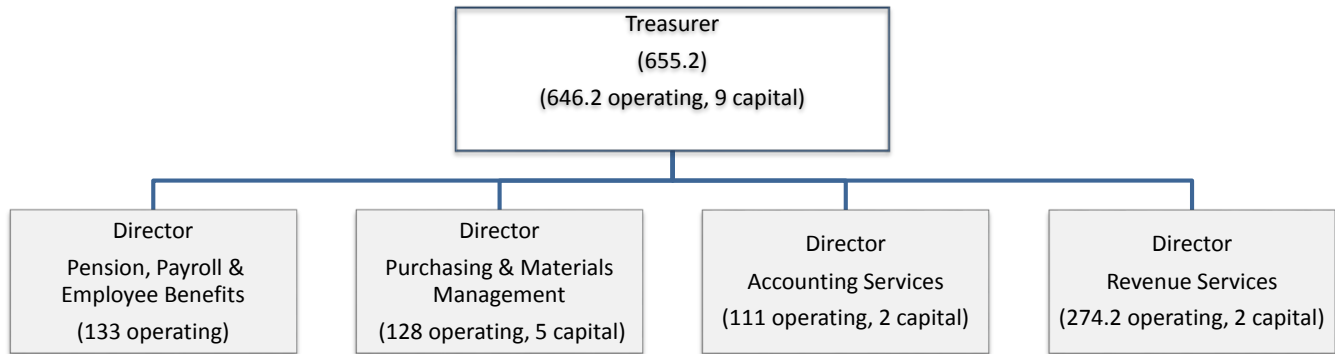
<http://app.toronto.ca/tmmis/decisionBodyProfile.do?function=doPrepare&meetingId=11065>

Impact of 2016 Operating Variance on the 2017 Operating Budget

- The projected savings in 2016 are primarily non-recurring due to delays in filling vacant positions. The program has reduced expenditures in 2017 by \$0.117 million following a line by line expenditure review in line with actual spending experience.

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	5.00	76.00	47.00	495.00	623.00
Temporary		3.00	8.00	21.20	32.20
Total	5.00	79.00	55.00	516.20	655.20

Appendix 4

Summary of 2017 Service Changes

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2017 Council Approved Base Budget Before Service Change:			72,161.4	43,808.7	28,352.6	664.20	1,004.1	1,376.3

10961	Revise TASS sustainment positions
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51	0	Description:
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Savings of \$0.085 million can be realized from operational efficiencies in the TASS sustainment section through re-classifying of existing positions.

Service Level Impact:

Service: PPEB-Payroll

Preliminary Service Changes:	(84.7)	0.0	(84.7)	0.00	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended	(84.7)	0.0	(84.7)	0.00	0.0	0.0
Total Preliminary Service Changes::	(84.7)	0.0	(84.7)	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(84.7)	0.0	(84.7)	0.00	0.0	0.0

11178	RSD_Operational efficiencies resulting from AMR Technology
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51	0	Description:
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Automated Meter Reading (AMR) is now fully implemented, and the new supporting technology has produced operational efficiencies allowing for the deletion of 2 vacant Revenue Clerk 4 positions in the Utility Billing Unit.

Service Level Impact:

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Service: RS-Utility Billing								
Preliminary Service Changes:			(132.4)	(132.4)	0.0	(2.00)	(2.7)	(2.7)
BC Recommended Change:			0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Change:			0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Change:			0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended			(132.4)	(132.4)	0.0	(2.00)	(2.7)	(2.7)
Total Preliminary Service Changes::			(132.4)	(132.4)	0.0	(2.00)	(2.7)	(2.7)
Budget Committee Recommended:			0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:			0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:			(132.4)	(132.4)	0.0	(2.00)	(2.7)	(2.7)

11187	Administrative Penalty System for Parking Violations
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51	0	Description:
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Implementing an administrative structure for parking disputes will divert non-complex matters from the provincial courts freeing up limited court time for more serious matters. As identified in the Council approved report, 5 Support Assistant B positions currently in the First Appearance Facility counter locations within Revenue Services will be transferred to Legal Services, June 1, 2017. Temporary staff required for implementation will incur operational costs and reductions in payments to the province.

Service Level Impact:

Instead of going to Courts for review and decision, City Legal staff will now review each appeal, and provide a fair and equitable dispute resolution process for parking disputes.

Service: RS-Parking Ticket

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes:	(539.8)	0.0	(539.8)	0.00	(581.5)	0.0
		BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Recommended	(539.8)	0.0	(539.8)	0.00	(581.5)	0.0
Service: RS-Tax, Utility & Parking Ticket Client Services								
		Preliminary Service Changes:	74.2	0.0	74.2	0.00	(78.9)	0.0
		BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Recommended	74.2	0.0	74.2	0.00	(78.9)	0.0
		Total Preliminary Service Changes::	(465.6)	0.0	(465.6)	0.00	(660.4)	0.0
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(465.6)	0.0	(465.6)	0.00	(660.4)	0.0

11189		Modernization of the payment processing function	
51	0	Description:	
Modernization of Payment Process in Revenue Services will result in savings in processing costs due to a decline in cheques received.			
Service Level Impact:			
Service levels will be maintained.			
Service: RS-Revenue Accounting & Collection			

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes:	(621.1)	(217.4)	(403.7)	(16.00)	(83.1)	(45.3)
		BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Recommended	(621.1)	(217.4)	(403.7)	(16.00)	(83.1)	(45.3)
		Total Preliminary Service Changes::	(621.1)	(217.4)	(403.7)	(16.00)	(83.1)	(45.3)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(621.1)	(217.4)	(403.7)	(16.00)	(83.1)	(45.3)

11222		Fleet rental efficiencies_PMMD					
51	0	Description:					
Efficiencies will be realized for Purchasing and Materials Management Division's use of Fleet rental units rather than maintaining its own fleet, as a result \$0.005 million costs can be saved.							
Service Level Impact:							
Service: PMM-Materials Management Stores & Distribution							
Preliminary Service Changes:		(4.9)	0.0	(4.9)	0.00	0.0	0.0
BC Recommended Change:		0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Change:		0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Change:		0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended		(4.9)	0.0	(4.9)	0.00	0.0	0.0
Total Preliminary Service Changes::		(4.9)	0.0	(4.9)	0.00	0.0	0.0
Budget Committee Recommended:		0.0	0.0	0.0	0.00	0.0	0.0

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(4.9)	0.0	(4.9)	0.00	0.0	0.0

11223		Fleet fuel price reduction_PMMD
51	0	Description:
Fleet fuel price reduction resulted in savings to the Purchasing & Materials Management Division.		
Service Level Impact:		
 Service: PMM-Materials Management Stores & Distribution		
Preliminary Service Changes:		(0.1) 0.0 (0.1) 0.00 0.0 0.0
BC Recommended Change:		0.0 0.0 0.0 0.00 0.0 0.0
EC Recommended Change:		0.0 0.0 0.0 0.00 0.0 0.0
CC Recommended Change:		0.0 0.0 0.0 0.00 0.0 0.0
Total Council Recommended		(0.1) 0.0 (0.1) 0.00 0.0 0.0
Total Preliminary Service Changes::		(0.1) 0.0 (0.1) 0.00 0.0 0.0
Budget Committee Recommended:		0.0 0.0 0.0 0.00 0.0 0.0
Executive Committee Recommended:		0.0 0.0 0.0 0.00 0.0 0.0
City Council Approved:		0.0 0.0 0.0 0.00 0.0 0.0
Total Council Approved Service Changes:		(0.1) 0.0 (0.1) 0.00 0.0 0.0

11224		Fleet fuel price reduction_RSD
51	0	Description:
A Fleet fuel price reduction resulted in savings to Revenue Services.		

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Service Level Impact:

Service: RS-Utility Billing

Preliminary Service Changes:	(0.0)	0.0	(0.0)	0.00	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended	(0.0)	0.0	(0.0)	0.00	0.0	0.0
Total Preliminary Service Changes::	(0.0)	0.0	(0.0)	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(0.0)	0.0	(0.0)	0.00	0.0	0.0

12044	Tsfr from NP to Rev Serv re: APS	
51	0	Description:

Service Level Impact:

Service: RS-Parking Ticket

Preliminary Service Changes:	0.0	0.0	0.0	0.00	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Change:	318.2	(221.6)	539.8	0.00	0.0	0.0
Total Council Recommended	318.2	(221.6)	539.8	0.00	0.0	0.0

Category:

51 - Efficiency Change 52 - Revenue Change 59 - Service Change

2017 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Service: RS-Tax, Utility & Parking Ticket Client Services								
		Preliminary Service Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Change:	0.0	74.2	(74.2)	0.00	0.0	0.0
		Total Council Recommended	0.0	74.2	(74.2)	0.00	0.0	0.0
		Total Preliminary Service Changes::	0.0	0.0	0.0	0.00	0.0	0.0
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	318.2	(147.4)	465.6	0.00	0.0	0.0
		Total Council Approved Service Changes:	318.2	(147.4)	465.6	0.00	0.0	0.0
Summary:								
		Preliminary Service Changes:	(1,308.8)	(349.8)	(959.0)	(18.00)	(746.3)	(47.9)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	318.2	(147.4)	465.6	0.00	0.0	0.0
		Council Approved Service Changes:	(990.6)	(497.2)	(493.4)	(18.00)	(746.3)	(47.9)
Total Council Approved Base Budget:			71,170.8	43,311.6	27,859.2	646.20	257.8	1,328.3

Appendix 5

Summary of 2017 New / Enhanced Service Priorities

2017 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11151		Additional dedicated PMMD positions for PFR						
72	0	Description: Fund on a 3-year temporary basis 2.0 staff in PMMD beginning in 2017 (April 1 start) as follows: 1 temporary Senior Corporate Buyer (L79 wage grade 13, TFS297); and 1 temporary Corporate Buyer (L79 wage grade 11, TFS291). Service Level Impact: There will be a net zero impact to the operating budget as PFR will cover the costs of the buyers through Capital						
		Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved New / Enhanced Service	0.0	0.0	0.0	0.00	0.0	0.0

11219		PMMD Program Review Funded by Base Reduction in Treasurer	
74	0	Description:	
<p>As a result of the shared studies recommendation by KPMG, City Council directed that the Deputy City Manager & Chief Financial Officer conduct further due diligence on reviewing the shared service opportunity of “share procurement of common goods and services and implement strategic sourcing.” On the basis of that Council direction, PMMD began a Program Review in mid-2014. PriceWaterhouseCooper in conducting a fit-gap analysis of PMMD's technology, noted that if PMMD were to implement Category Management using an eProcurement system as an enabler, the City could save an estimated \$9 million per year. Similar to KPMG, PriceWaterhouseCooper based their estimated savings on a percentage savings of overall spend without further analysis. The cost to implement Category Management in 2017 is \$1.829 million gross and \$0.829 million net. Funding of \$1.0 million is anticipated from the Innovation Reserve and the Office of the Treasurer has achieved reductions that will fund the net cost of \$0.829 million to implement the Category Management initiative in 2017, while continuing to be within the mandated reduction of 2.6%. This value added service is part of the initiatives to transform the City's procurement to be more strategic, and will result in considerable savings in corporate spending and future corporate purchases in 2018 and onwards. Implementing shared services with the City Agencies. Ernst & Young estimated that the City could generate \$33.5 million in annual recurring savings by 2020 assuming the implementation begins in 2016. In 2018, an additional seven permanent staff will be required to support this initiative.</p>			

Category:

71 - Operating Impact of New Capital Projects
72 - Enhanced Services-Service Expansion

74 - New Services
75 - New Revenues

2017 Operating Budget - Council Approved New and Enhanced Services

Summary by Service (\$000's)

Form ID		Internal Focused Services	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Office of the Treasurer						

Service Level Impact:

Currently, PMMD operates on a heavy transactional basis with minimal input on how to source goods and services strategically. The attached table are indicators of the transactional volume in 2015. In the current state, competitive procurement is processed through the purchasing units, while non-competitive procurement is completed by CPPQA. Compliance audits of divisions' use of divisional purchase orders is performed by CPPQA while audits of proper use of rosters is processed by the purchasing units. The sale of surplus material is conducted by CPPQA. Further, based on the transactional volume, PMMD has limited resources to engage in continuous improvement and spends more time dealing with the day-to-day transactions. Sourcing is done tactically and repetitively. Contract Management and Supplier Relationship Management functions are basic and primarily performed by the divisions without the aid of a governance structure or consistent practices across the divisions. During the course of the Program Review, the current state assessment of PMMD confirmed that the significant workload, lack of skill sets and systemic challenges prevent PMMD from engaging in value-added and strategic sourcing activities. Stakeholder groups view PMMD as an execution function for transactional matters only.

Service: PMM-Purchasing

Preliminary:	1,828.9	1,000.0	828.9	8.00	3,488.6	1,107.4
BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved:	1,828.9	1,000.0	828.9	8.00	3,488.6	1,107.4
Total Preliminary New / Enhanced Services:	1,828.9	1,000.0	828.9	8.00	3,488.6	1,107.4
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved New / Enhanced Service	1,828.9	1,000.0	828.9	8.00	3,488.6	1,107.4

11275 Additional dedicated support SW

72 0 **Description:**

Due to substantial growth and new projects added annually in the Solid Waste Management division, the current level of dedicated service provided by Purchasing and Materials Management Division to SWM is no longer sufficient. To adequately meet SWM needs in 2017, 1 temporary Sr. Corporate Buyer position is added to support SWM procurement needs. This temporary position will be funded by SWM.

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2017 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Focused Services	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Office of the Treasurer						
Service Level Impact:								
Service: PMM-Purchasing								
		Preliminary:	102.6	102.6	0.0	1.00	(4.0)	4.8
		BC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Change:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved:	102.6	102.6	0.0	1.00	(4.0)	4.8
		Total Preliminary New / Enhanced Services:	102.6	102.6	0.0	1.00	(4.0)	4.8
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved New / Enhanced Service	102.6	102.6	0.0	1.00	(4.0)	4.8

11346	2018 Supply Chain Management Transformation Sustainment
71	Description:

Service Level Impact:

Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2017 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Treasurer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Total Council Approved New / Enhanced Service			0.0	0.0	0.0	0.00	0.0	0.0

Summary:

Preliminary New / Enhanced Services:	1,931.5	1,102.6	828.9	9.00	3,484.6	1,112.2
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Council Approved New/Enhanced Services:	1,931.5	1,102.6	828.9	9.00	3,484.6	1,112.2

Category:

71 - Operating Impact of New Capital Projects
72 - Enhanced Services-Service Expansion

74 - New Services
75 - New Revenues

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		159,491.1	159,491.1	158,440.3	157,389.5
Employee Benefits Reserve Fund	XR1002				
<i>Proposed Withdrawals (-)</i>			(1,050.8)	(1,050.8)	(1,050.8)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		159,491.1	158,440.3	157,389.5	156,338.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		159,491.1	158,440.3	157,389.5	156,338.7

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		3,739.3	3,739.3	2,739.3	2,739.3
Innovation Reserve Fund	XR1713				
<i>Proposed Withdrawals (-)</i>			(1,000.0)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		3,739.3	2,739.3	2,739.3	2,739.3
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		3,739.3	2,739.3	2,739.3	2,739.3

* Based on 9-month 2016 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
			\$	\$	\$
Projected Beginning Balance		25,335.2	25,335.2	25,412.3	25,489.4
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			77.1	77.1	77.1
Total Reserve / Reserve Fund Draws / Contributions		25,335.2	25,412.3	25,489.4	25,566.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		25,335.2	25,412.3	25,489.4	25,566.5

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
			\$	\$	\$
Projected Beginning Balance		397.0	397.0	448.9	500.8
Vehicle Reserve -PMMD	XQ1204				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			51.9	51.9	51.9
Total Reserve / Reserve Fund Draws / Contributions		397.0	448.9	500.8	552.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		397.0	448.9	500.8	552.7

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
			\$	\$	\$
Projected Beginning Balance		12,443.9	12,443.9	12,135.4	11,826.9
Emergency Planning Reserve	XQ1406				
<i>Proposed Withdrawals (-)</i>			(308.5)	(308.5)	(308.5)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		12,443.9	12,135.4	11,826.9	11,518.4
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		12,443.9	12,135.4	11,826.9	11,518.4

* Based on 9-month 2016 Reserve Fund Variance Report

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2016	2017			2018	2019
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Administration charge for dishonoured cheques	Accounting Services	City Policy	Cheque	40.00	0.00	0.00	40.00	40.00	40.00
Fee for the purchase of Call Documents less than 25 pages	Purchasing & Materials Management	Market Based	Document	25.00	0.00	0.00	25.00	25.00	25.00
Fee for the purchase of Call Documents 25-49 pages	Purchasing & Materials Management	Market Based	Document	50.00	0.00	0.00	50.00	50.00	50.00
Fee for the purchase of call documents 50 pages or more	Purchasing & Materials Management	Market Based	Document	100.00	0.00	0.00	100.00	100.00	100.00
Fees for the purchase of Call Document Drawings/Plans	Purchasing & Materials Management	Market Based	Document	25.00	0.00	0.00	25.00	25.00	25.00
Tax clearance certificate	Revenue Services	City Policy	Certificate	65.00	0.98	0.00	65.98	65.98	65.98
Prior year tax receipt	Revenue Services	Full Cost Recovery	Annual	17.05	0.26	0.00	17.31	17.31	17.31
Tax history statement for years 1998 to present	Revenue Services	Full Cost Recovery	Annual	37.15	0.56	0.00	37.71	37.71	37.71
Tax history statement for years prior to 1998	Revenue Services	Full Cost Recovery	Annual	53.10	0.80	0.00	53.90	53.90	53.90
Tax calculation statement	Revenue Services	Full Cost Recovery	Annual	53.10	0.80	0.00	53.90	53.90	53.90
Dishonoured cheque processing	Revenue Services	City Policy	Cheque	40.00	0.00	0.00	40.00	40.00	40.00
remain on property tx acct	Revenue Services	Full Cost Recovery	Document	17.05	0.26	0.00	17.31	17.31	17.31
Tax apportionment application	Revenue Services	Full Cost Recovery	Application	53.10	0.80	0.00	53.90	53.90	53.90
Municipal charges added to the tax roll	Revenue Services	Full Cost Recovery	Transaction	53.10	0.80	0.00	53.90	53.90	53.90
Tax status verification	Revenue Services	Market Based	Case	26.55	0.40	0.00	26.95	26.95	26.95
Overdue water charges added to the tax roll	Revenue Services	Full Cost Recovery	Late Charge	37.15	0.56	0.00	37.71	37.71	37.71
System (IVR): make payment	Revenue Services	Full Cost Recovery	Transaction	2.00	0.00	0.00	2.00	2.00	2.00
Internet-based parking ticket payment	Revenue Services	Market Based	Transaction	1.50	0.00	0.00	1.50	1.50	1.50
Screen printout/photocopy of documents/materials	Revenue Services	Full Cost Recovery	Page	1.00	0.00	0.00	1.00	1.00	1.00
Final notice for overdue property tax accounts	Revenue Services	Full Cost Recovery	Notice	22.35	0.34	0.00	22.69	22.69	22.69
Notice of Issuance to Bailiff	Revenue Services	Full Cost Recovery	Notice	59.50	0.89	0.00	60.39	60.39	60.39
New account set-up fee for water/utility accounts	Revenue Services	Full Cost Recovery	Transaction	65.30	0.98	0.00	66.28	66.28	66.28
Duplicate utility bill	Revenue Services	Full Cost Recovery	Additional Bill	17.45	0.26	0.00	17.71	17.71	17.71
New property tax account set up fee	Revenue Services	Full Cost Recovery	Account	53.10	0.80	0.00	53.90	53.90	53.90
Processing MLTI refund application electronic register conveyances	Revenue Services	Full Cost Recovery	Application	159.20	2.39	0.00	161.59	161.59	161.59
Processing tax refund: overpayment has remained on property tax acct 2+ yrs & result/ac	Revenue Services	Full Cost Recovery	Transaction	37.15	0.56	0.00	37.71	37.71	37.71
accounts	Revenue Services	Full Cost Recovery	Account/Change	37.15	0.56	0.00	37.71	37.71	37.71
account	Revenue Services	Full Cost Recovery	Account/Change	53.10	0.80	0.00	53.90	53.90	53.90
Refund transfer: credit balance status, prof rep. act behalf of taxpayer	Revenue Services	Full Cost Recovery	Case	37.15	0.56	0.00	37.71	37.71	37.71
Registration of Tax Arrears Certificate	Revenue Services	Full Cost Recovery	Fee+Actual Costs, Incl	1,020.65	15.31	0.00	1,035.96	1,035.96	1,035.96
Preparation & Notice of Registration	Revenue Services	Full Cost Recovery	Notice + Actual Costs	34.35	0.52	0.00	34.87	34.87	34.87
Preparation of Statutory Declaration	Revenue Services	Full Cost Recovery	Case	202.90	3.04	0.00	205.94	205.94	205.94
Prep/Registration: Tax Arrears Cancellation Certificate	Revenue Services	Full Cost Recovery	Fee + Actual Costs	232.00	3.48	0.00	235.48	235.48	235.48
Execution of Extension Agreement	Revenue Services	Full Cost Recovery	Document	1,098.65	16.48	0.00	1,115.13	1,115.13	1,115.13
Preparation of Final Notice	Revenue Services	Full Cost Recovery	Notice + Actual Costs	34.35	0.52	0.00	34.87	34.87	34.87
Preliminary Observation Report	Revenue Services	Full Cost Recovery	Report	338.15	5.07	0.00	343.22	343.22	343.22
Preparation of Tender Forms For Public Sale	Revenue Services	Full Cost Recovery	Notice	34.35	0.52	0.00	34.87	34.87	34.87
Public Tender Application	Revenue Services	Full Cost Recovery	Application	34.35	0.52	0.00	34.87	34.87	34.87
Sale by Public Tender	Revenue Services	Full Cost Recovery	Fee + Actual Costs	962.40	14.44	0.00	976.84	976.84	976.84
Preparation of Land Transfer	Revenue Services	Full Cost Recovery	Fee + Actual Costs	1,397.25	20.96	0.00	1,418.21	1,418.21	1,418.21
Payment into Court and Statement of Facts	Revenue Services	Full Cost Recovery	Fee + Actual Costs	429.70	6.45	0.00	436.15	436.15	436.15
Farm Debt Review Board	Revenue Services	Full Cost Recovery	Review + Actual Cost	34.35	0.52	0.00	34.87	34.87	34.87
Utility clearance certificate	Revenue Services	City Policy	Certificate	50.00	0.75	0.00	50.75	50.75	50.75
Re-Print Fee for duplicate Tax and Utility Bills	Revenue Services	Full Cost Recovery	Actual Cost	17.70	0.27	0.00	17.97	17.97	17.97
Payment Re-Distribution Fee	Revenue Services	Full Cost Recovery	Actual Cost	41.65	0.62	0.00	42.27	42.27	42.27
Tax Sale Proceeding - Site Visit Fee	Revenue Services	Full Cost Recovery	Actual Cost	202.90	3.04	0.00	205.94	205.94	205.94
Administration	Revenue Services	Full Cost Recovery	Actual Cost	5.50	0.00	4.50	10.00	10.00	10.00
User fee applied to MLTT transactions	Revenue Services	Full Cost Recovery	Transaction	75.00	0.00	0.00	75.00	75.00	75.00

Appendix 7b

New User Fees

Rate Description	Service	Fee Category	Fee Basis	2017 Budget Rate	2018 Plan Rate	2019 Plan Rate
User fee for paper transcript of hearing before a Hearing Of	Revenue Services	Full Cost Recovery	Page	6.00	6.00	6.00
CD of hearing APS - Per single days' recording	Revenue Services	Full Cost Recovery	Day	20.00	20.00	20.00
CD of hearing APS - Each additional day, after the first day	Revenue Services	Full Cost Recovery	Day	10.00	10.00	10.00
Hearing Non-Appearance User Fee	Revenue Services	Full Cost Recovery	Each	75.00	75.00	75.00
Screening Non-Appearance User Fee	Revenue Services	Full Cost Recovery	Each	50.00	50.00	50.00
User fee for Plate Denial Enforcement	Revenue Services	Full Cost Recovery	Each	25.00	25.00	25.00
User fee for search for vehicle owner or address information	Revenue Services	Full Cost Recovery	Each	10.00	10.00	10.00
Late payment fee applied to APS transactions	Revenue Services	Full Cost Recovery	Transaction	25.00	25.00	25.00

Appendix 7c

Fees for Discontinuation

Rate Description	Service	Fee Category	Fee Basis	2016 Approved Rate	Year Introduced	Reason for Discontinuation
Internet-based parking ticket payment	Revenue Services	Market based	Transaction	\$1.50	Pre-1998	Eliminate the fee to encourage greater use of the automated payment channels.