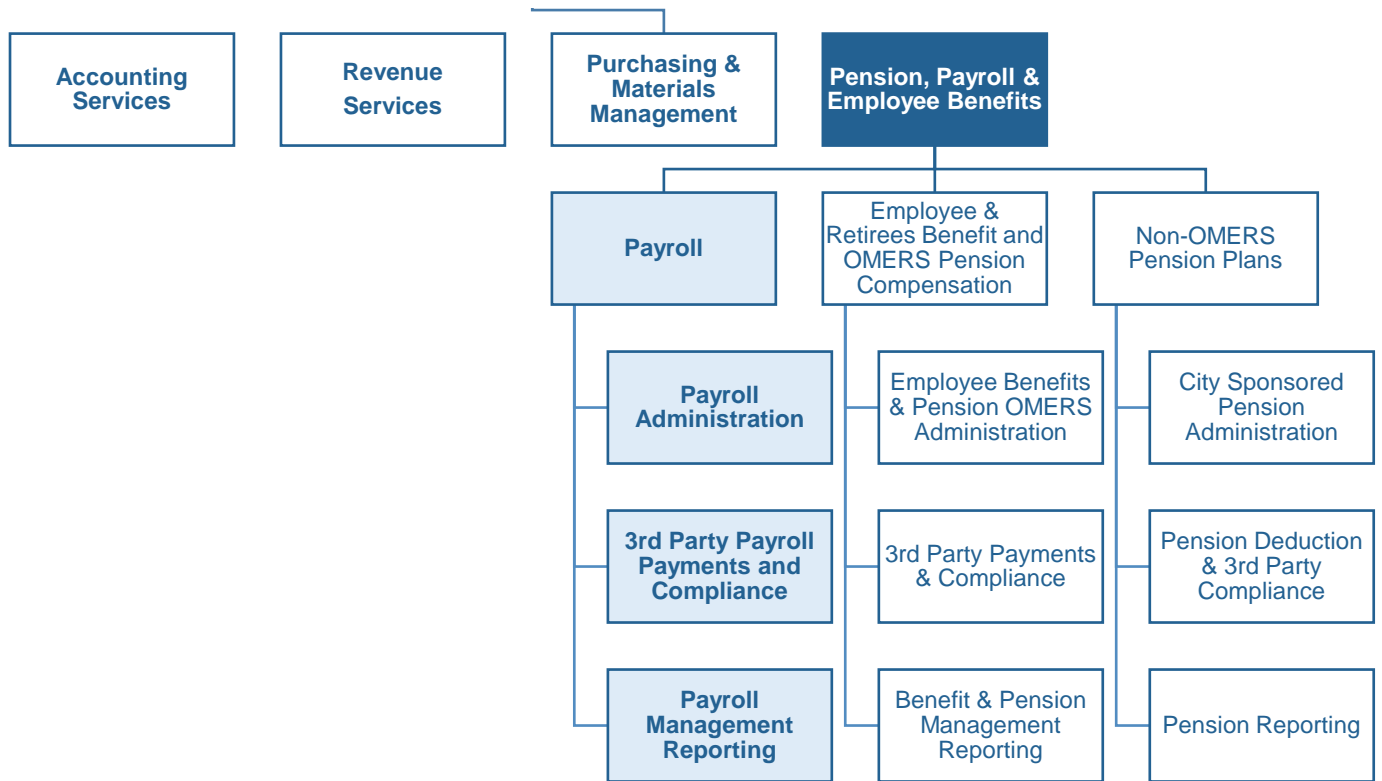


PAYROLL SERVICES

PROGRAM MAP

Office of the Treasurer



Shaded boxes reflect the activities covered in this report

The objective of Payroll Services is to ensure that employees are paid accurately and on time with the correct employee withholding and deduction amounts and City contributions remitted within specified timeframes.

SUMMARY OF PERFORMANCE MEASUREMENT RESULTS

Question	Indicator/Measure	Internal Comparison of Toronto's 2017 vs. 2016 Results	External Comparison to Other Municipalities (MBNC) By Quartile for 2017	Chart & Page Ref.
How often do manual payroll payments have to be issued?	Number of Off-Cycle Manual Payments per Payroll FTE – (Customer Service)	Increase Number of manual payments increased in 2017 (Customer Service)	3 Higher rate of manual payments compared to others (Customer Service)	24.1 24.2 pg 4/5
How often do manual payroll payments have to be issued?	% of all Payroll Payments that are Manual Payments – (Customer Service)	Stable Percentage of manual payments is low and stable (Customer Service)	N/A	24.1 pg. 4
What does it cost to process a payroll cheque or direct deposit?	Operating Cost per Payroll Direct Deposit and Cheque – (Efficiency)	Decrease Cost per cheque / deposit decreased (Efficiency)	3 Higher cost per cheque / deposit compared to others (Efficiency)	24.3 24.4 pg. 6
How many cheques or direct deposits are processed by each payroll employee?	Number of Payroll Direct Deposits and Cheques per Payroll FTE – (Efficiency)	Stable Number of cheques / deposits per FTE was stable (Efficiency)	2 Higher number of cheques / deposits per FTE compared to others (Efficiency)	24.5 24.6 pg. 7

SUMMARY OF OVERALL RESULTS

Internal Comparison of Toronto's 2017 vs. 2016 Results	Internal Comparison of Toronto's 2017 vs. 2016 Results	External Comparison to Other Municipalities (MBNC) By Quartile for 2017	External Comparison to Other Municipalities (MBNC) By Quartile for 2017
Service Level Indicators (Resources) N/A	Performance Measures (Results) <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 100%; text-align: center;"> <div style="background-color: green; width: 100%; height: 5px; margin-bottom: 2px;"></div> <div style="background-color: orange; width: 100%; height: 5px; margin-bottom: 2px;"></div> <div style="background-color: red; width: 100%; height: 5px;"></div> </div> <div style="font-size: 8px;"> 1 - Favorable 2 - Stable 1 - Unfavorable </div> </div> 75% favorable or stable	Service Level Indicators (Resources) N/A	Performance Measures (Results) <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 100%; text-align: center;"> <div style="background-color: green; width: 100%; height: 5px; margin-bottom: 2px;"></div> <div style="background-color: lightgreen; width: 100%; height: 5px; margin-bottom: 2px;"></div> <div style="background-color: yellow; width: 100%; height: 5px; margin-bottom: 2px;"></div> <div style="background-color: red; width: 100%; height: 5px;"></div> </div> <div style="font-size: 8px;"> 0 - 1st quartile 1 - 2nd quartile 2 - 3rd quartile 0- 4th quartile </div> </div> 33% in 1st and 2nd quartiles

For an explanation of how to interpret this summary and the supporting charts, please see the Guide to Toronto's Performance Results. These quartile results are based on a maximum sample size of 16 municipalities.

CUSTOMER SERVICE

Municipalities strive to process all payroll direct deposits and cheques during regular payroll cycles, to minimize inconveniences to employees. Making manual payments (cheques or direct deposits) that are outside the normal payroll cycle is very inefficient. Off-cycle manual payments include payments for adjustments and reversals that result in a change to net pay. They can provide some indication of the accuracy and timeliness of payroll processes.

24.1 – HOW OFTEN DO MANUAL PAYROLL PAYMENTS HAVE TO BE ISSUED IN TORONTO?

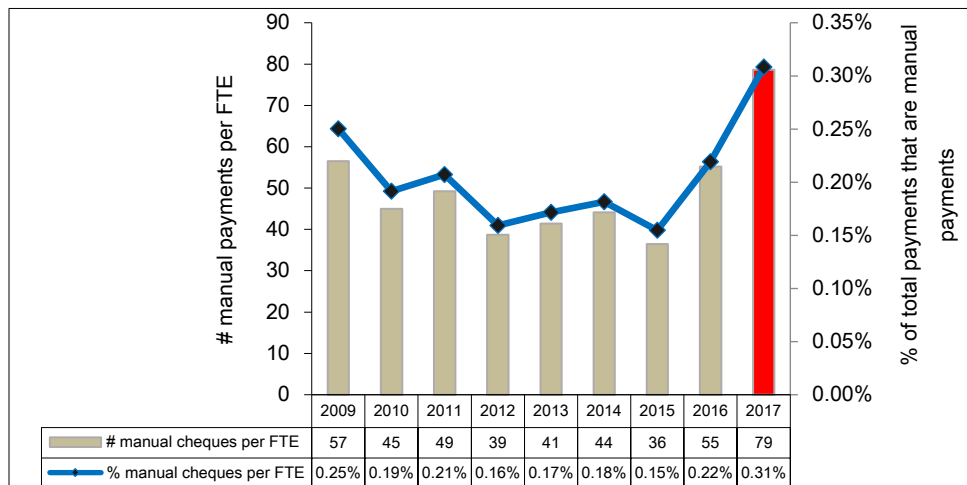


Chart 24.1 provides the number of manual off-cycle payments that were made in Toronto between 2009 and 2017 per payroll full-time equivalent (FTE) employee, which are represented as bars relative to the left axis.

Chart 24.1 (City of Toronto) Number of Off-Cycle Manual Payments per Payroll FTE and % of all Payroll Payments that are Manual Payments

The number of manual cheques per FTE increased significantly in 2017 by 43%. This is due to implementation of retro awards and processing of separate payments as RRSP directly to financial institutions. The increase attributed to increased new staff hired to back filled of deployment of experienced staff to work on various capital projects.

In 2017, manual payments represented only 0.31% of all payments made, reflected as a line graph relative to the right axis.

24.2—HOW DOES TORONTO'S RATE OF MANUAL PAYROLL PAYMENTS COMPARE TO OTHER MUNICIPALITIES?

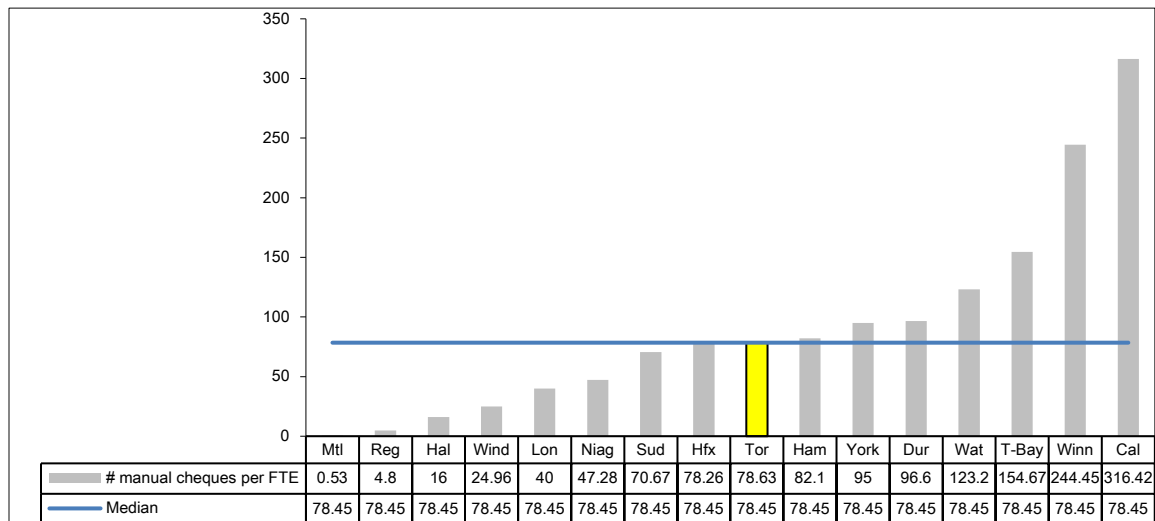


Chart 24.2 (MBNC 2017) Number of Off-Cycle Manual Payments per Payroll FTE

Chart 24.2 compares Toronto's 2017 results to other municipalities for the number of off-cycle manual payments per payroll FTE.

Toronto's ranks ninth of sixteenth municipalities (third quartile) in terms of having the lowest rate of manual payments.

EFFICIENCY

Charts 24.3 to 24.6 provide information on two different measures of payroll efficiency and productivity: (1) the payroll operating cost to process a direct deposit or cheque; and (2) the number of payroll direct deposits and cheques that are processed by each full time equivalent (FTE) payroll employee.

24.3 – WHAT DOES IT COST TO PROCESS A PAYROLL CHEQUE OR DIRECT DEPOSIT IN TORONTO?

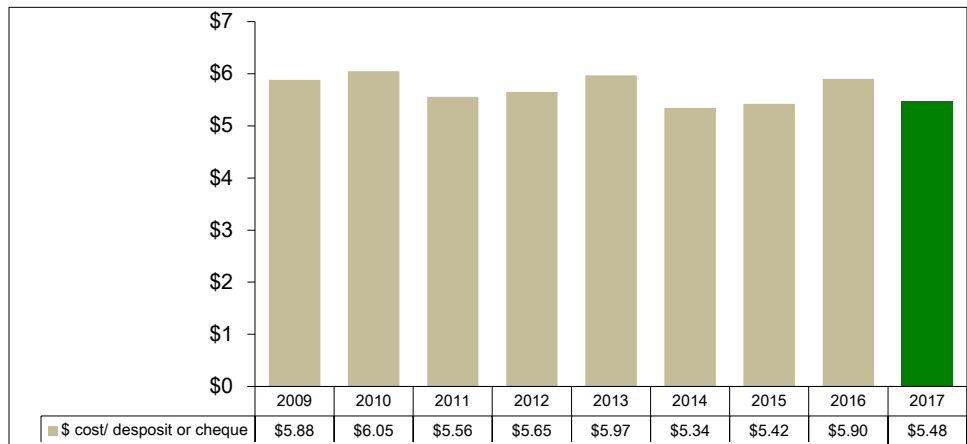


Chart 24.3 provides Toronto’s operating cost per payroll direct deposit or cheque from 2009 through 2017. The graph shows that costs decreased in 2017.

Chart 24.3 (City of Toronto) Operating Cost per Payroll Direct Deposit and Cheque

24.4–HOW DOES TORONTO'S COST TO PROCESS A PAYROLL CHEQUE OR DIRECT DEPOSIT COMPARE TO OTHER MUNICIPALITIES?

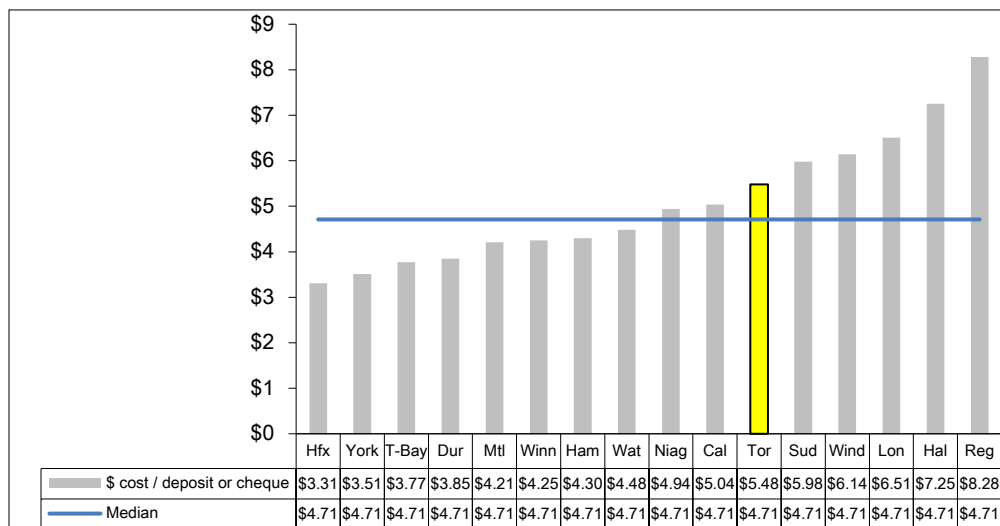


Chart 24.4 shows 2017 information for Toronto and other municipalities on the operating cost per payroll direct deposit or cheque.

Chart 24.4 (MBNC 2017) Operating Cost per Payroll Direct Deposit and Cheque

In relation to other municipalities, Toronto's 2017 cost per direct deposit or cheque ranks eleventh of sixteen (third quartile) municipalities.

24.5—HOW MANY CHEQUES OR DIRECT DEPOSITS ARE PROCESSED BY EACH PAYROLL EMPLOYEE IN TORONTO?

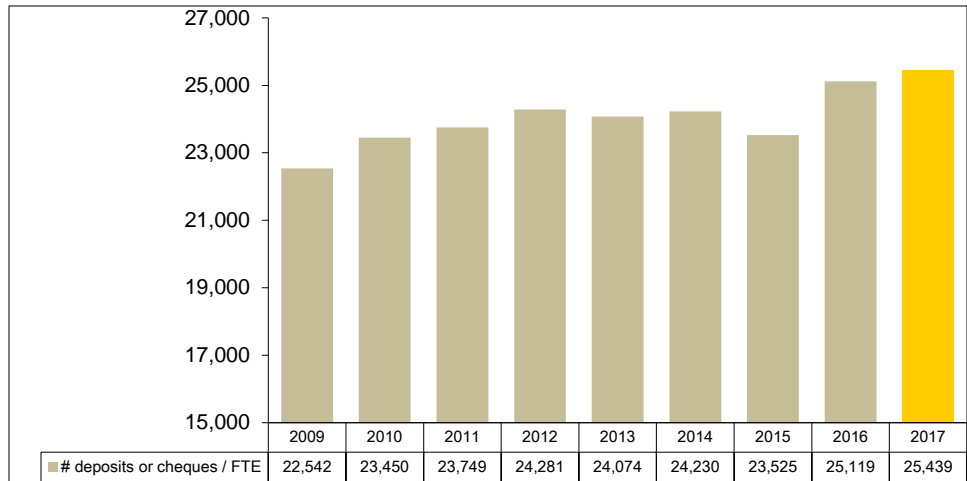


Chart 24.5 provides the number of direct deposits and cheques, (including manual cheques) that were processed from 2009 through 2017 per payroll FTE.

Chart 24.5 (City of Toronto) Number of Payroll Direct Deposits and Cheques per Payroll FTE

The results for 2017 were relatively stable in comparison to the previous year.

24.6 – HOW DOES THE NUMBER OF CHEQUES OR DIRECT DEPOSITS PROCESSED BY PAYROLL EMPLOYEES IN TORONTO COMPARE TO OTHER MUNICIPALITIES?

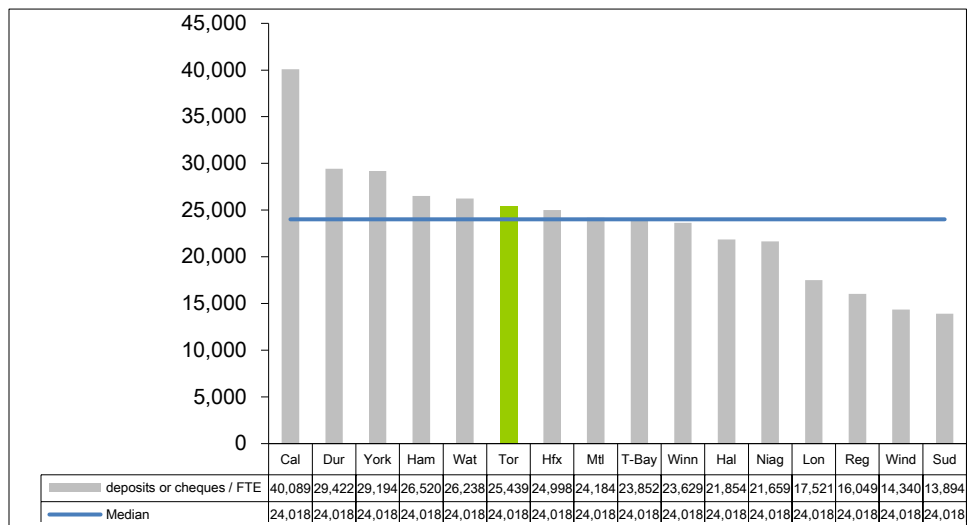


Chart 24.6 compares the number of payroll direct deposits and cheques per payroll FTE in Toronto to other MBNC municipalities.

Chart 24.6 (MBNC 2017) Number of Payroll Direct Deposits and Cheques per Payroll FTE

Toronto ranks sixth of sixteen (second quartile) in terms of having the highest numbers of direct deposits and cheques (including manual cheques) processed per payroll FTE.

2017 ACHIEVEMENTS AND 2018 PLANNED INITIATIVES

The following initiatives have improved or are expected to further improve the efficiency and effectiveness of the Payroll, Pension and Employee Benefits Division:

2017 Initiatives Completed/Achievements

- Implementation of enhanced Employee Self-Service functionality and implementation of Manager Self-Service functionality to automate payroll business processes through electronic work flow to reduce the reliance on paper and manual processes.
- Implementation of an updated SAP cross application time keeping system (CATs) across the City and implemented a Time Attendance and Scheduling System for Parks, Forestry & Recreation (PFR) and Toronto Paramedic Services.
- Initiated the implementation of eTime Self reporting functionality to approximately 11 Divisions involving 1,700 employees
- Monitored Employee benefits and trends in order to recommend changes to the plan design to ensure on-going financial sustainability.
- Successfully transitioned approximately 80,000 employees, retirees and dependents to the new benefits carrier, Green Shield Canada, for health and dental plan administration. Continued to manage the transition issues with employees, Unions and work with the carrier to address any benefit plan issues.

2018 Initiatives Planned

- Continue to provide accurate and timely pension, payroll and benefit services to employees and pensioners
- Upgrade Payroll Systems & Technology Platforms increasing access to Employee Self-Service Portal/Management Self-Service Portal.
- Assess the requirements and readiness to roll-out the time, attendance and scheduling system (eTime) scheduling to other Divisions and develop a roll-out plan for enhanced self-service functionality for Time Entry/Recording.

Factors Influencing the Results of Municipalities

- Organizational Form: Centralized vs. Decentralized. Costs related to time and data entry have been excluded for comparability. Any costs associated with benefits administration and employee master data maintenance have been excluded from these results and are included in those of Human Resources.
- Policy and Practices: In-house vs. external contracted out services, and differences in payroll structure and responsibilities.
- Processes and Systems: Differences in the number of pay periods (i.e. weekly vs. bi-weekly, etc.); Multiple pay schedules for various groups within the organization; Number of manual cheques issued for adjustments and reversals and/or multiple direct deposits and payments and/or adjustments made under separate advice.
- Staff Mix: Salary vs. hourly rate and/or part-time vs. full time complement and the corresponding demand for support.
- Unionization: The number of unions, union contract settlements resulting in retroactive payments, complexity of the Collective Bargaining Agreement terms, and Corporate Policies may be a factor in the creation of replacement payments and demand for service.