

2025 Program Summary

Technology Services Division

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Description

Technology Services Division (TSD)'s vision is to be the trusted technology leader by fostering a connected City. Its mission is to deploy flexible technology architecture and solutions to deliver seamless services, connect the public and businesses, and empower employees.

Strategic Priorities:

1. Provide a resilient, reliable, secure technology foundation to enable new technology program and service delivery.
2. Advance digital service delivery through modern, enterprise-wide solutions.
3. Harness the power of City data to enable data driven operational processes and decision-making across the City.
4. Connect City of Toronto Divisions, Agencies, public and private partners, and researchers to optimize and advance technology service delivery.

Why We Do It

Our services align to the City's [Digital Infrastructure Strategic Framework](#), demonstrating a commitment to equity and inclusion, supporting a well-run city, creating social, economic, and environmental benefits, ensuring privacy and security, enabling democracy and transparency, and maintaining digital autonomy.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

For further information about Technology Services, please visit: [Technology Services – City of Toronto](#)

What Services We Provide

Digital and Enterprise Business Solutions

Who We Serve: City and Agency staff, businesses, residents, and visitors.

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

How Much Resources (gross 2025 operating budget): \$77.7 million

Technical Services Delivery

Who We Serve: City and Agency staff, businesses, residents, and visitors.

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

How Much Resources (gross 2025 operating budget): \$83.2 million

Enterprise Strategy and Program Delivery

Who We Serve: City and Agency staff, businesses, residents, and visitors.

What We Deliver: Oversight of the City's Technology capital portfolio and execution of Technology programs that deliver enterprise solutions in alignment with Council and AG mandates.

How Much Resources (gross 2025 operating budget): \$39.0 million

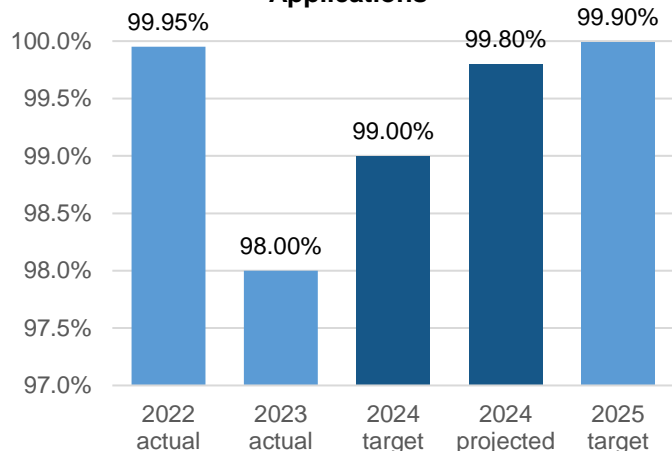
Budget at a Glance

2025 OPERATING BUDGET			
\$Million	2025	2026	2027
Revenues	\$60.2	\$63.1	\$63.2
Gross Expenditures	\$199.9	\$209.8	\$215.7
Net Expenditures	\$139.7	\$146.7	\$152.5
Approved Positions	843.0	843.0	843.0

2025 - 2034 10-YEAR CAPITAL PLAN			
\$Million	2025	2026-2034	Total
Gross Expenditures	\$83.7	\$533.4	\$617.1
Debt	\$54.1	\$266.3	\$320.4
Note: Includes 2024 carry forward funding			

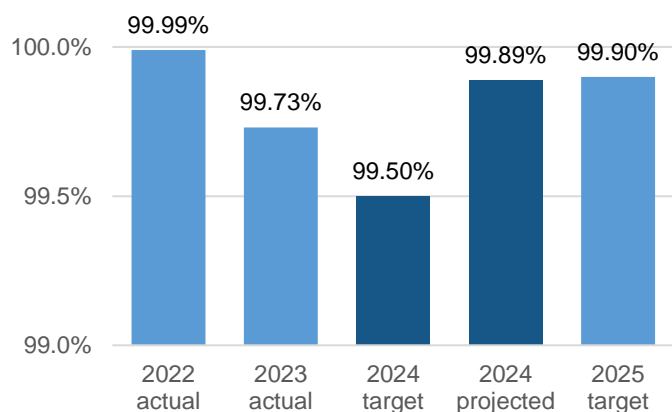
How Well We Are Doing – Behind the Numbers

% Availability of Critical Business Applications



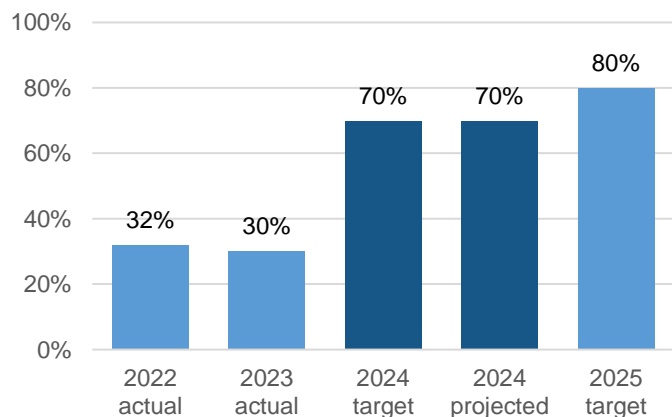
- Measures the average availability of business-critical applications.
- Applications include public facing digital solutions on Toronto.ca, Registration Booking Tool, Online Parking Ticketing Payment Solution, Application Information Centre (AIC), key operational and corporate management systems, and the City Council Toronto Meeting Management Information System.
- The availability of business applications can be affected by technology changes; regular maintenance; underlying shared infrastructure and network; and increasingly, 3rd party solution management.
- Enhanced monitoring processes are in place with a 2025 target of 99.90% availability for critical applications during key City activities. Technology Services is investing in modernization of critical applications for sustained improvement in business availability.

% Availability of Critical Infrastructure Including Network

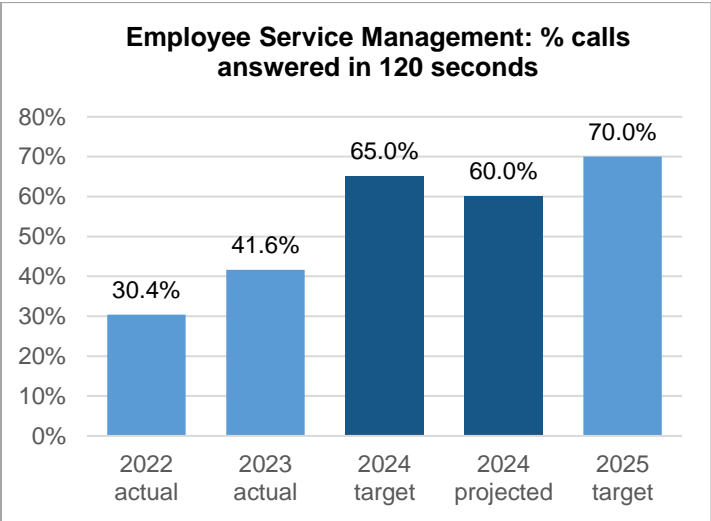


- Measures the average availability of the City's technology network and infrastructure assets, with approximately 194,000 assets, including physical assets like laptops and cellphones and back-end assets like servers and routers, across all City divisions and offices.
- Sustained demand for digitized services, strengthening cyber risk protection and enabling hybrid infrastructure has increased pressure on enterprise network infrastructure and maintenance.
- System changes, state of good repair and global outages like CrowdStrike impact infrastructure availability.
- Technology Services is investing in lifecycle management of its infrastructure to improve availability in support of hybrid work, digital and cloud solutions.

Delivery of City Technology Projects: % Plan vs. Actual Completed



- Measures the delivery of approved capital projects per the sponsor approved milestone dates.
- 2022/2023 Actual: 32% and 30% of projects closed by year-end for 2022 and 2023 respectively due to severe resource constraints, procurement delays and multiple competing priorities impacting project delivery.
- 2024 Projection: tracking to 70% target for projects meeting approved milestone dates, through strengthened enterprise governance, appropriate skills and resource investment, and re-baselining scope and timing on long-running programs to reflect current needs.
- Technology Services continues to partner with key Divisions through a co-leadership model to de-risk and maximize success of strategic enterprise programs.



- The Service Desk handles support calls from approximately 45,000 City staff, Councillors, Accountability Officers and Agencies for technology requests or issues, cyber incidents, and major technical service disruptions.
- The Service Desk is managing approximately 40% more calls on average in 2024 versus 2023 as a result of organizational changes, new technology deployments and service disruptions.
- The Service Desk's 2024 outlook is supported by investments in resourcing and digitalization, improving productivity across the City.
- The 2025 target reflects the full year benefit of these investments, new programs to reduce calls and tickets through service improvements.

How Well We Are Doing

Service	Measure	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Outcome Measures								
Availability of Critical Applications	% Availability of TSD-led Critical Business Applications	99.95%	98%	99%	99.80%	●	99.90%	99.90%
Availability of Critical Infrastructure	% Availability of City's critical infrastructure including network	99.99%	99.73%	99.50%	99.89%	●	99.90%	99.90%
Enterprise Program Delivery	% of Actual projects completed vs. planned completion	32%	30%	70%	70%	●	80%	80%
Employee Service Management	% of Calls Answered in 120 seconds	30.4%	41.6%	65%	60%	●	70%	70%

2023 Projection to 2023 Target Comparison

● 80-100% (MET TARGET) ● 70 - 99% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our 2024 Experience and Success

Advanced Strategy and Policy

- Increased transparency and access to City data through 500+ datasets available on Toronto.ca through the Open Data Portal. Delivered 43 new datasets and 121 updates to existing datasets in 2024.
- Expanded digital connectivity for Torontonians with 45 new free public Wi-Fi sites (136 total) in 2024.
- Continued protection of critical Information Technology (IT) assets through an improved Enterprise IT Disaster Recovery Program.
- Established an Enterprise Program Leadership Table to co-lead City-wide technology initiatives.

Key Digital and Enterprise Business Solutions Delivered

- Delivered 15+ digital solutions including the Vacant Home Tax program redesign, the Housing Dashboard as well as the implementation of the new Registration and Booking Transformation System in collaboration with Parks and Recreation.
- Increased IT Service Desk responsiveness from 38% to 60% through the introduction of a Service Standard, implementation of automated workflows for high volume requests and a call-back feature to reduce wait times during high call volume periods.
- Improved support of Toronto Public Service legislated and public-facing meetings through continued life cycle management of audio-visual equipment for Council and Committee.
- Successfully executed the Ward 15 By-Election in collaboration with City Clerks and the Office of the Chief Information Security Officer.
- Centralized and digitized work management for approximately 600 Urban Forestry staff under the Enterprise Work Management Solution program, providing work order visibility to management and 311.
- Modernized staff productivity tools through the launch of MS Teams and migration of 27K+ staff mailboxes.
- Launched Compliments and Complaints and the Closing the Loop initiatives in partnership with 311, centralizing public feedback through online, linking data between previously siloed systems.

Key Challenges and Risks

Organizational readiness to keep pace with ever-evolving technology and operating practices including:

- Procurement agility to enable digitization and keep pace with continuous, accelerated market changes in the IT sector.
- Attracting and retaining talent and skills to deliver on City priorities.
- Organizational readiness to adopt new technology and operating practices.
- Establishing a sustainable funding model to meet the market shift to cloud and software-as-a-service licensing.

Priority Actions for 2025

Deliver the City of Toronto's Vision to serve its people by becoming a trusted technology leader and fostering a connected city.

1. Build a resilient, reliable, and secure technology foundation:
 - a. Invest in modernized data center strategies, advanced network solutions, and updated audio-visual technologies.
 - b. Continued evolution of IT Disaster Recovery framework.
 - c. Deliver the enterprise-wide Financial Systems Transformation Program.
 2. Deliver client-centric services through enterprise-grade modern solutions:
 - a. Support Council mandated digital initiatives and 2025 divisional systems roadmaps.
 - b. Improve efficiency of the hardware asset management program.
 - c. Complete rollout of M365 suite to streamline staff productivity tools.
 3. Harness the power of our data through an enterprise data platform:
 - a. Establish an enterprise business intelligence framework to connect data in support of City-wide priorities.
 - b. Develop and/or update digital policies to ensure alignment with City Council adopted equity initiatives and programs.
 - c. Explore the secure, responsible use of intelligent automation and artificial intelligence solutions.
 4. Foster stakeholder engagement through a culture of agility and innovation:
 - a. Engage key stakeholders and prioritize public engagement in digital initiatives while advancing the Digital Infrastructure Strategic Framework, AI policy, data governance and standardization.
 - b. Address the digital divide through the ConnectTO program, based on Toronto-specific digital equity research and expanded free public Wi-Fi.
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2025 BUDGET

1. The 2025 Operating Budget for Technology Services of \$199.862 million gross, \$60.215 million revenue, and \$139.647 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Technology Services	199,862.1	60,215.0	139,647.0
Total Program Budget	199,862.1	60,215.0	139,647.0

- The 2025 staff complement for Technology Services of 843.0 positions comprised of 172.0 capital positions and 671.0 operating positions.
2. The 2025 Capital Budget for Technology Services with cash flows and future year commitments totaling \$607.884 million as detailed by project in [Appendix 5a](#).
 3. The 2026-2033 Capital Plan for Technology Services totalling \$9.215 million in project estimates as detailed by project in [Appendix 5b](#).

**2025
OPERATING BUDGET**

2025 OPERATING BUDGET OVERVIEW

Table 1: 2025 Operating Budget by Service

(In \$000s)	2023 Actual	2024 Budget	2024 Projection *	2025 Base Budget	2025 New / Enhanced	2025 Budget	Change v. 2024 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Technology Services	33,134.2	50,356.0	49,254.5	60,215.1		60,215.1	9,859.1	19.6%
Total Revenues	33,134.2	50,356.0	49,254.5	60,215.1		60,215.1	9,859.1	19.6%
Expenditures								
Technology Services	144,032.9	177,724.0	174,494.3	199,862.1		199,862.1	22,138.1	12.5%
Total Gross Expenditures	144,032.9	177,724.0	174,494.3	199,862.1		199,862.1	22,138.1	12.5%
Net Expenditures	110,898.7	127,368.0	125,239.8	139,647.0		139,647.0	12,279.0	9.6%
Approved Positions**	796.0	814.0	N/A	843.0		843.0	N/A	N/A

*2024 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2025 Budget expenditures of \$199.862 million gross reflects an increase of \$22.138 million in spending above 2024 budget, predominantly arising from:

- Salary and Benefits adjustments and annualized costs for the staff hired in 2024.
- The division's hiring plan to support initiatives mentioned below:
 - Elevated support desk, sustainable technology operations and public Wi-Fi.
 - Council initiatives and Council Hybrid Legislated and Public meetings, events and media briefings.
 - Capital project delivery including acceleration of enterprise and digital solutions.
- Ongoing operating sustainment costs for completed capital projects, including Financial Systems Transformation and Enterprise Resource Planning Modernization.
- Additional increases due to growth in technology licence usage in the City and inflationary impacts on existing contracts, as well as migration to Cloud.

EQUITY IMPACTS OF BUDGET CHANGES

Positive equity impact: It is expected that Technology Services' 2025 Operating Budget will have positive equity and reconciliation impacts for Indigenous, Black and equity deserving groups by advancing Indigenous Data Governance, the implementation of the Equity and Inclusion Principle of the Digital Infrastructure Plan, and the ConnectTO program's operating digital equity activities.

2025 OPERATING BUDGET KEY COST DRIVERS

The 2025 Net Operating Budget for Technology Services Division of \$139.647 million is \$12.279 million or 9.6% greater than the 2024 Net Budget. Table 2 below summarizes the key cost drivers for the 2025 Budget.

Table 2: 2025 Key Cost Drivers

(In \$000s)	2025 Request				2026 Annualized impact (Net)
	Revenues	Gross	Net	Positions* *	
2024 Projection (Q3)	49,256.8	174,062.7	125,713.7	758.0	N/A
2024 Operating Budget	50,356.0	177,723.5	127,368.0	814.0	N/A
Key Cost Drivers:					
Salary & Benefits					
Salary & Benefits Adjustments	937.2	8,069.8	7,132.6		
2025 Hiring Plan to meet key initiatives	8,140.5	9,911.8	1,771.2	29.0	1,750.2
Operating Impacts of Capital					
SAP - Financial System Transformation Project and Modernization		2,304.8	2,304.8		1,889.2
Other Completed Capital Projects		1,251.9	1,251.9		1,054.4
Non-Salary increases					
Inflationary	781.3	4,463.9	3,682.6		989.0
Growth & Demand Increase		2,611.2	2,611.2		1,285.1
Sub-Total - Key Cost Drivers	9,859.1	28,613.5	18,754.4	29.0	6,967.9
Sub-Total - Affordability Measures		(6,474.9)	(6,474.9)		
Total 2025 Request	60,215.1	199,862.1	139,647.0	843.0	6,967.9
Change from 2024 Budget (\$)	9,859.1	22,138.6	12,279.0	N/A	N/A
Change from 2024 Budget (%)	19.6%	12.5%	9.6%	N/A	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:**Salary and Benefits:**

- Increases are due to the annualized costs for the staff hired in 2024 and the hiring plan to support the 2025 key initiatives of the division and City, which is partially offset by recoveries from capital projects.

Operating Impacts of Capital:

- Ongoing operating requirements including sustainment of license, maintenance and support, and subscription costs for technology projects, including Financial Systems Transformation and Enterprise Resource Planning Modernization.

Non-Salary Increases

- Increase due to inflationary impacts from technology contracts and growth in City-wide technology licence demand, which is partially offset by interdivisional recoveries from client programs.

Affordability Measures:**Table 3: Offsets and Efficiencies**

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2025				2026 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Decommissioning of legacy solution	Efficiencies	None		(2,688.3)	(2,688.3)				
Better contract pricing negotiation	Efficiencies	None		(245.5)	(245.5)				
Maximize usage and device efficiency	Efficiencies	None		(1,491.1)	(1,491.1)				
Effective licenses and vendor management	Efficiencies	None		(2,050.0)	(2,050.0)				
Total Affordability Measures				(6,474.9)	(6,474.9)	-			-

Efficiency measures are specific actions taken by Technology Services that achieve cost reductions without impacting service levels. Technology Services Division staff continue to monitor their areas to identify ways of providing the same level service more effectively and efficiently. As presented in Table 3, staff have identified sustainable and permanent savings of \$6.475 million, including decommission of legacy solution, service contract costs being lower than budgeted estimates, consistent standards and policies for mobile device management, as well as better management of vendor and licenses.

2026 AND 2027 OUTLOOKS**Table 5: 2026 and 2027 Outlooks**

(In \$000s)	2025 Budget	2026 Incremental Outlook	2027 Incremental Outlook
Revenues			
Revenue Changes		2,930.2	50.4
Total Revenues	60,215.1	2,930.1	50.4
Gross Expenditures			
Salary & Benefits		2,850.3	364.2
Inflationary Impacts		989.0	935.1
Growth & Demand Increase		1,285.1	865.4
Operating Impact from Capital		4,773.7	3,726.1
Total Gross Expenditures	199,862.1	9,898.0	5,890.8
Net Expenditures	139,647.0	6,967.9	5,840.4
Approved Positions	843.0	843.0	843.0

Key Outlook Drivers

The 2026 Outlook with total gross expenditures of \$209.760 million reflects an anticipated \$9.898 million or 5.0% increase in gross expenditures above the 2025 Operating Budget. The 2027 Outlook expects a further increase of \$5.890 million or 2.8% above the 2026 Outlook.

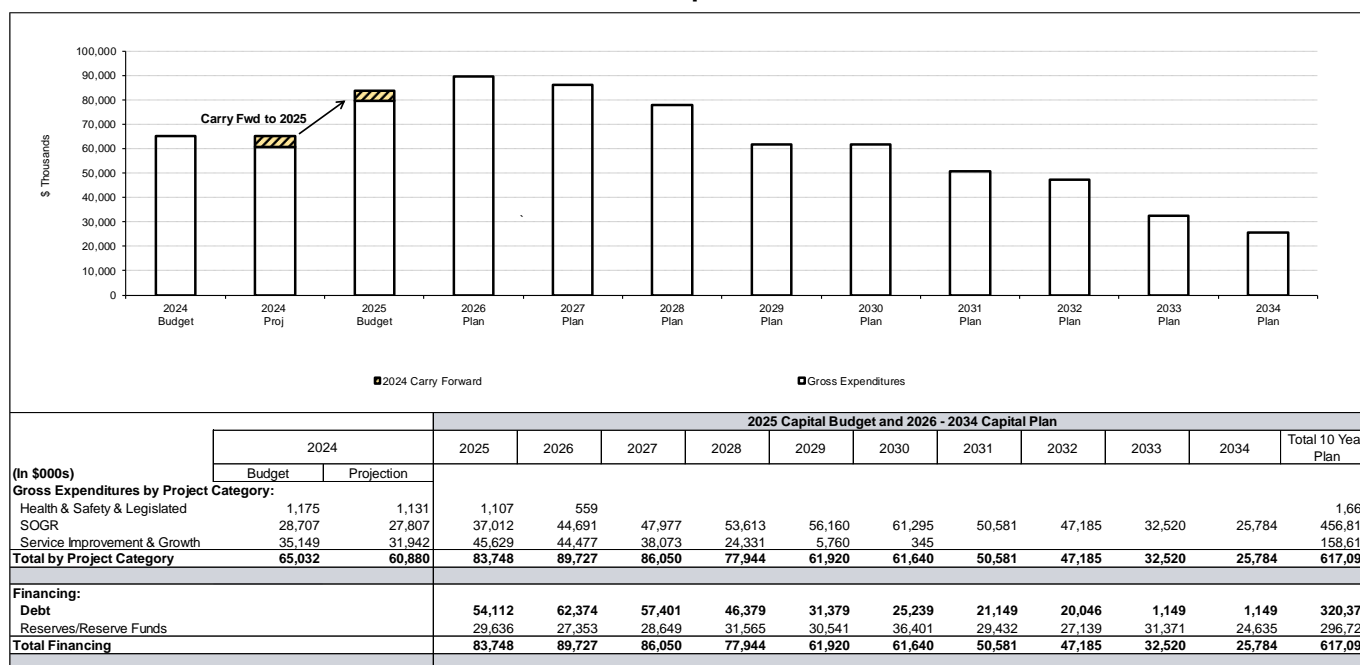
These changes arise from the following:

- Annualized impacts from the 2025 hiring in alignment with the service improvement plans through to 2026 and 2027.
- Operating impacts from capital programs being completed in 2025 and 2026 including the Financial Systems Transformation Project.
- Inflationary impacts on subscription and licensing contracts as well as shift to Cloud solutions.

2025 – 2034 CAPITAL BUDGET AND PLAN

2025 – 2034 CAPITAL BUDGET AND PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



Project Updates (\$146.3 Million)

The 2025-2034 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2025-2033):

- \$67.1 million increase for Lifecycle Management program, driven by equipment pricing and SOGR demands.
- \$33.2 million increase for SAP Enterprise Central Component (ECC) Payroll Modernization Project.
- \$25.0 million increase for Enterprise Work Management System project.
- \$21.0 million increase to various projects to reflect updated cost estimates, project scope changes and timelines.

New Projects (\$112.0 Million)


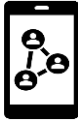


The 2025-2034 Capital Budget and Plan includes new projects. Key projects are as follows:

- \$63.2 million for SAP Enterprise Central Component (ECC) Materials Management and Warehouse Management.
- \$30.2 million for various projects to advance Technology Services' strategic pillars, divisional initiatives, and Mayoral and Council priorities.
- \$11.6 million for Unified Communications projects.
- \$4.3 million for Toronto Emergency Management Business Continuity.
- \$2.7 million for Public Digital Evolution.

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2025 and 2026-2034 Capital Budget and Plan by project; [Appendix 6](#) for Reporting on Major Capital Projects – Status Update; [Appendix 7](#) for Capacity to Deliver Review; and [Appendix 8](#) for Capital Delivery Constraints, respectively.

\$617.1 Million 10-Year Gross Capital Program

			
Foundational Technologies	Technology Modernization	Enterprise Capabilities	Data, Analytics, Engagement and Innovation
\$347.1 M 56.3%	\$60.7 M 9.8%	\$188.2 M 30.5%	\$21.1 M 3.4%
<ul style="list-style-type: none"> • Technology Lifecycle Management • Audio Visual Upgrades • Disaster Recovery Framework and Solution Implementation • Network Modernization • ServiceNow • Modernized Data Centre Architecture 	<ul style="list-style-type: none"> • Community Development and Regulatory and Licensing (CDRL) System Modernized Program • TEAM Central Service Delivery Solution • Fleet Services Driver Accident and Fine Management • M365 • ECS Cloud Deployment-Construction • Modernization Of Microsoft Access Applications • Public Digital Evolution 	<ul style="list-style-type: none"> • Enterprise Work Management Solution • SAP ECC Modernization • eScheduling Solution and Implementation • Unified Communications • Talent Management • SAP SuccessFactors Onboarding 2.0 • Digitization of Physical Records • Digital Payments 	<ul style="list-style-type: none"> • ConnectTO • Open Data Master Plan Implementation • Enterprise Business Intelligence • Toronto Emergency Management Business Continuity • Land Use Information System (LUIS 3.0) • Corporate Accessibility Services/Support Acquisition • Public Engagement Database and Online Engagement Platform • Artificial Intelligence

- SAP Enterprise Central Component (ECC) Modernization including Materials Management and Warehouse Management Transformation – The SAP ECC platform will reach end of life by December 2027 and will need to be migrated to a new platform to ensure supply chain processes can leverage the data/information from improved functionalities to make informed business decisions and deliver effective supply chain management.
- Unified Communications (UC) – The UC Technology Roadmap for City-wide Voice over Internet Protocol calling includes the move of the telephony infrastructure and software platform to a cloud solution to address the state-of-good-repair of the platform and the dependency risk due to the tight coupling of Unified Contact Center Enterprise platforms on the UC; and reduce the on-premise infrastructure. The move of telephony to the cloud enables consolidation of telecommunications and collaboration software to MS Teams.
- Public Digital Evolution – Toronto.ca is visited by nearly 28 million unique users annually (based on 2023 data). It is where Toronto residents, businesses and visitors get critical information and access City services. Given the high number of users and changing ways people access, consume information and transact with the City – modernization and evolution of the website and underlying applications and

framework are necessary to improve user experience, ensure *Accessibility for Ontarians with Disabilities Act* compliance, and enhance security.

- Digital Payments – This project aims to develop the City's digital payments go-forward approach in support of the City's vision to provide a modernized customer experience. Work will include an enterprise-wide assessment to establish and enhance common standards, outline customer-service principles, and identify business requirements and platform features.
- Toronto Emergency Management Business Continuity Information System – The City requires a Business Continuity Management solution that can be easily integrated and operated in the City's existing business and technical environments. The City needs a solution that will allow City of Toronto staff administering the City's corporate business continuity management program to collaborate and manage their efforts across multiple organizations and divisions, from a single, common point of coordination.
- SAP Business Warehouse Modernization – The SAP Business Warehouse platform will be end of life by December 2027 and will need to be migrated which will ensure operational efficiency, mitigate risks, leverage cloud technology, and service continuity.

How the Capital Program is Funded

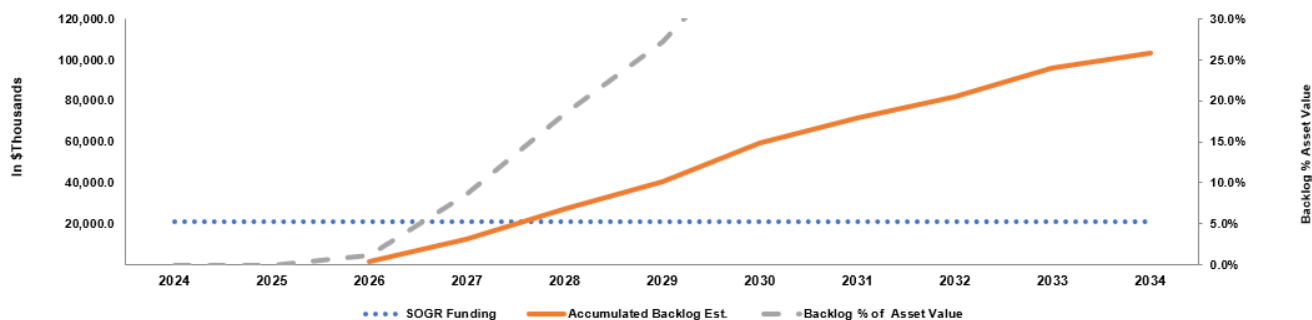
City of Toronto		Provincial Funding	Federal Funding
\$617.1 M 100%		\$0 M 0%	\$0 M 0%
Debt	\$320.4 M		
Reserves / Reserve Funds	\$296.7 M		

STATE OF GOOD REPAIR (SOGR) FUNDING AND BACKLOG

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

Chart 2: Total SOGR Funding and Backlog

State of Good Repair (SOGR) Funding & Backlog



\$ Thousands	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
SOGR Funding	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0	21,297.0
Accumulated Backlog Est.			1,731.0	12,626.0	27,037.0	40,424.0	59,671.0	71,949.0	81,934.0	96,151.0	103,632.0
Backlog % of Asset Value	0.0%	0.0%	1.2%	8.6%	18.4%	27.3%	40.1%	48.1%	54.5%	63.6%	68.3%
Total Asset Value	144,318.8	145,070.1	145,821.5	146,572.9	147,324.2	148,075.6	148,826.9	149,578.3	150,329.7	151,081.0	151,832.4

- The accumulated backlog presented above is anticipated to increase to \$103.6 million by 2034, representing 68.3% of the total replacement value estimated to be \$151.8 million by 2034.
- Adjustments to the 10-Year Plan for the SOGR program reflect significant technology equipment cost escalations, high priority SOGR needs identified by new condition assessments, timing, and dependencies.
- The Technology Services Life Cycle Management (LCM) program ensures that TSD solutions are kept reliable, current, compliant, and supported for continued client satisfaction for all TSD systems. Technology Services delivery management continually assesses the technologies sustained by the LCM program to ensure alignment with leadership directions while also keeping in mind the constant changes in the technology landscape.
- To remain within available reserve funding for these costs (\$21.3 million) 2025-2027, the LCM replacement of notebooks and network assets may be extended beyond the policy of three years (network assets) - five years (notebooks) to be 'when-required.' Based on industry standards, this falls within the cost-constrained approach of five years useful life for notebooks. The mainstream standard is four years, and the aggressive approach is three years. This is a concern with hybrid teleworking as greater mobility leads to increased hardware failures in notebook devices as lifespans are contingent upon the environments to which they are subjected.
- The split of LCM costs is as follows: 44.7% (\$130.5M) Notebooks/Desktops, 30.3% (\$88.7M) Network Assets, 17.3% (\$50.5M) Servers, Storage and Software, 7.7% (\$22.6M) Network Security, includes impact of increased number of remote workers, Proxy, and Firewall due to hybrid work model.
- Based on this plan, it is forecasted that there will be a backlog starting in 2026 and additional funding will be requested as part of future budget processes to support the plan.
- Technology Services will continue to refine these estimates based on planned condition assessments of its asset inventory and the SOGR backlog analysis, including asset values.

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2025 Capital Budget will impact the 2026 Operating budget by a total of \$4.774 million net arising from completing the projects shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2025 Budget		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2025-2029		2025-2034	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
Various Projects	59.4	2.0	104.4								163.8	2.0	163.8	2.0
Corporate UC UCCE Upgrade	77.8										77.8		77.8	
Document Direct & View Direct	176.0	2.0	282.0								458.0	2.0	458.0	2.0
ECS Cloud Deployment (eBuilder)	62.0	1.0									62.0	1.0	62.0	1.0
FSTP	1,001.1		3,120.8		(2,300.0)						1,821.8		1,821.8	
Housing Applications (Java)	120.5	1.0										1.0		1.0
Modernization of MS Access	50.0										50.0		50.0	
Modernized Data Centre Architecture	200.0										200.0		200.0	
ModernTO/CreateTO Program	183.9	2.0									183.9	2.0	183.9	2.0
Open Data Master Implementation Plan	113.7	1.0	70.0								183.7	1.0	183.7	1.0
PAM	61.5		21.5				153.3				236.2		236.2	
Salesforce	554.0	4.0									554.0	4.0	554.0	4.0
SAP ERP Modernization	490.2		626.2		236.2		180.8				1,533.4		1,533.4	
T-RECS Cloud Assessment & Migration	70.0										70.0		70.0	
Sub-Total: Previously Approved	3,220.1	13	4,224.8		(2,063.8)		334.1				5,594.7	13.0	5,594.7	13.0
New Projects - 2024														
Business Warehouse Modernization	813.5										813.5		813.5	
Calling in the Cloud	102.0		102.5		3,681.7		169.6		(352.6)		3,703.3		3,703.3	
Consolidated Contact Centers in the Cloud	138.0				1,356.0				(746.0)		748.0		748.0	
High-Volume Recruitment Capabilities			207.8		415.6						623.4		623.4	
Quality Assurance	463.8										463.8		463.8	
Toronto Emergency Management Business Continuity Information System			238.5		336.6						575.1		575.1	
Sub-Total: New Projects - 2024	1,517.3		548.8		5,789.9		169.6		(1,098.5)		6,927.1		6,927.1	
Total (Net)	4,737.4	13.0	4,773.7		3,726.1		503.6		(1,098.5)		12,521.7	13.0	12,521.7	13.0

- Technology Services requires \$4.737 million net incremental funding in 2025 to sustain required resources, licenses, maintenance, support, and subscription costs, for completed technology projects and cloud subscription costs for on-going projects. The 2025 operating costs have been included in the 2025 Operating Budget for Technology Services as salary (\$1.181M) and non-salary costs (\$3.556M).
- It is expected that an additional operating impact of \$4.774 million in 2026 and further \$3.726 million increase in 2027 will be needed to fund sustainment costs for capital projects.
- Technology Services is committed to realizing and capturing all benefits arising from capital investments. Any future operational impacts of capital projects will continue to be reviewed and assessed for future year budget processes.

APPENDICES

Appendix 1

2025 Operating Budget by Category

Category (In \$000s)	2022 Actual	2023 Actual	2024 Budget	2024 Projection*	2025 Budget	2025 Change from 2024 Budget	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	(32.6)	33.3	30.3	30.3	30.3		
Transfers From Capital	14,015.2	18,346.5	23,416.7	23,181.8	32,494.5	9,077.8	38.8%
Contribution From Reserves/Reserve Funds	115.6	3,832.6	11,108.3	11,108.3	3,891.8	(7,216.5)	(65.0%)
Sundry and Other Revenues	784.2	324.0	3,291.6	2,425.1	10,529.2	7,237.5	219.9%
Inter-Divisional Recoveries	10,484.1	10,597.8	12,509.0	12,509.0	13,269.3	760.3	6.1%
Total Revenues	25,366.6	33,134.2	50,356.0	49,254.5	60,215.1	9,859.1	19.6%
Salaries and Benefits	83,901.7	92,960.5	106,078.1	104,840.3	124,084.7	18,006.6	17.0%
Materials & Supplies	19.3	15.0	63.0	59.8	66.3	3.3	5.3%
Equipment	667.9	511.3	1,137.1	673.3	1,298.3	161.3	14.2%
Service and Rent	46,907.4	50,534.6	70,435.2	68,910.3	74,402.2	3,966.9	5.6%
Contribution To Reserves/Reserve Funds	10.2	10.2	10.2	10.2	10.2		
Other Expenditures	85.1	0.4	0.4	0.4	0.4		
Total Gross Expenditures	131,591.5	144,032.0	177,724.0	174,494.3	199,862.1	22,138.1	12.5%
Net Expenditures	106,224.9	110,897.7	127,368.0	125,239.8	139,647.0	12,279.0	9.6%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2025 Service Changes

N/A

Appendix 3

Summary of 2025 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 5

**2025 Capital Budget;
2026 - 2034 Capital Plan Including Carry Forward Funding**

Projects (In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2025 - 2034 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
New Projects														
Digital Payments	450	886									1,336			1,336
Diversity Data Collection & Reporting Modernization	218	218	799								1,235			1,235
Divisional Roadmaps	239	407	168								814			814
High-Volume Recruitment Capabilities	403	402	1,600								2,405			2,405
M365: Implement Phase 2 and Plan Phase 3	1,473	950	1,340	690							4,453			4,453
MLS Business Licensing & Permitting Portal 2.0	346	346	232								924			924
MLS Chameleon CMS Enablement of Features Initiative	133	632	311								1,076			1,076
PAM (Privileged Access Management)	620	1,192	992	846							3,650			3,650
Public Digital Evolution	650	696	696	696							2,738			2,738
Quality Assurance Centre of Excellence Found Ph2	398	63									461			461
SAP BW Modernization	523	1,083	831								2,437		2,437	
SAP ECC Materials Management and Warehouse Management	589	6,330	3,300	7,500	10,000	10,000	10,000	15,495			63,214		63,214	
ServiceNow Application Portfolio Management	437	523	95								1,055			1,055
ServiceNow: Implement Phase 2 and Plan Phase 3	1,781	1,781	2,024								5,586			5,586
SuccessFactors Reporting Migration	538	538	291								1,367		1,367	
Toronto Emergency Management Business Continuity	434	1,300	1,300	1,300							4,334			4,334
UKG TeleStaff SOGR - Cloud Solution Migration	254	254	2,006								2,514		2,514	
Unified Communications: Calling in the Cloud	496	706	2,601	1,511	537						5,851		5,851	
Unified Communications: Consolidated Contact Cente	297	1,052	2,414	1,752	188						5,703		5,703	
Existing Projects														
Accelerating the Digitization Journey	848	951	951	983							3,733			3,733
Access Control Self Serve	216	612	612								1,440			1,440
Artificial Intelligence (AI)	613	1,583									2,196			2,196
Audio Visual Program	2,200	2,252	2,149	2,149	1,149	1,149	1,149	1,149	1,149	1,149	15,644		15,644	
Automating Short Term Rental Operator Verification	332										332	332		
Business Applications Service Monitoring		420									420		420	
Class Replacement	1,600	1,043									2,643			2,643
Community Development and Regulatory & Licensing	822	1,636	1,636	1,636	3,745	3,745					13,220		13,220	
ConnectTO Program Development/Continuation	1,644	1,696	2,881	1,250							7,471			7,471
Corporate Accessibility Services/Support Acquisition	240	143									383	383		
Data Centre Solution Implementation Phase 1	4,026	2,675	2,675	2,675	2,000						14,051			14,051
Data Centre Zones Implementation	60										60			60
Digital Service Enhancement	600										600			600
Directory Services Transition - Phase 2	592	395									987		987	
Disaster Recovery	652	200									852		852	
ECS Cloud Deployment-Construction Project	1,733	293									2,026			2,026
EIMPP - LLRS Replacement	742	353									1,095			1,095
Employee Communications Modernization	728	240									968			968
Enterprise Business Intelligence Implementation	676	225									901			901
Enterprise Social Media Mgmt & Analytics Software		844									844			844
Enterprise Work Mgmt Solution (EWMS) Phases 2&3	8,619	8,614	9,041	6,649							32,923			32,923
Enterprise Work Mgmt System	3,158	3,454	2,545								9,157			9,157

Projects (In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2025 - 2034 Total
eScheduling Solution & Implementation Future Phase			4,938	4,277							9,215
eScheduling Solution & Implementation Phase 1	1,464	1,587									3,051
File Services Migration to SharePoint	100	663	663								1,426
Fleet Services Digital Driver Permit		134									134
Fleet Services Driver, Accident and Fine Mgmt	1,303	1,362									2,665
Fleet/Fire/EMS Joint Fit Gap Analysis&Market Scan	205										205
HR Labour Relations Information System (LRIS)											
Human Services Integration Service Enhancements	318	36									354
Land Use Information System (LUIS 3.0)	242	719	719	1,105							2,785
Legal Services Document Management System	712	128									840
MLS Modernization-Phase 2	41	150									191
MLS onboarding to Administrative Penalty System	37	450									487
Modernization of Microsoft Access Application	600	737	737								2,074
Modernized Data Center Architecture	1,138	462									1,600
Multi-Tenant Housing - Technology Implementation	535	416									951
Network Modernization Phase 1	1,418	1,607	1,607	1,607	1,607						7,846
Office 365	526										526
Open Data Master Plan	742	671									1,413
PPEB-Day Forward Scanning Implementation Project	767	355									1,122
Project Portfolio Mgmt System Migrate to ServiceNow	506	169									675
PTP Capital Coordination Future State Seed Project	427	125									552
Public Digital Access (PDA)	655	218									873
Public Engagement Database and Online Engagement	77	27									104
SAP ECC Payroll Modernization	589	2,054	3,300	7,500	10,000	10,000	10,000	3,402			46,845
SAP SuccessFactors Onboarding 2.0	631	494									1,125
SDFA- Online Grant Management System	106	115									221
ServiceNow		770									770
Special Events Consolidated Permitting Application	129	194									323
Talent Management Solution Assessment	571	1,267	294								2,132
TEAM Central Service Delivery Solution	1,129	1,153	2,253	2,253	2,153	345					9,286
TEM Business Continuity Improvements	76										76
TFS Online Payment	135	181									316
T-Recs Cloud Assessment & Migration	353	427									780
WEBGENCAT Replacement	110										110
Workforce Business Intel. Requirements	466	155									621
Desktop Hardware Replacement	10,975	10,845	12,329	16,896	14,734	18,771	9,571	12,699	15,092	8,566	130,478
Enterprise Server Replacement	1,826	2,340	2,340	2,340	2,340	2,340	2,430	2,175	2,175	2,175	22,481
Enterprise Software Replacement	1,187	1,187	1,000	1,000	850	950	1,090	950	950	950	10,114
Enterprise Storage Replacement	2,704	700	1,000	225	3,150	4,025	2,150	725	1,600	1,675	17,954
Network Asset Replacement	8,252	8,282	9,219	9,124	8,074	8,729	10,334	8,186	9,441	9,056	88,697
Network Security Replacement	2,316	2,559	2,161	1,980	1,393	1,586	3,857	2,404	2,113	2,213	22,582
Total Expenditures (including carry forward from 2024)	83,748	89,727	86,050	77,944	61,920	61,640	50,581	47,185	32,520	25,784	617,099

Health & Safety & Legislated	SOGR	Growth & Improved Service
		9,215
		3,051
	1,426	
	134	
		2,665
	205	
		354
		2,785
	840	
		191
		487
	2,074	
		1,600
951		
		7,846
		526
		1,413
		1,122
	675	
		552
		873
	104	
	46,845	
		1,125
		221
		770
		323
		2,132
		9,286
		76
		316
		780
		110
		621
	130,478	
	22,481	
	10,114	
		17,954
	88,697	
	22,582	
1,666	456,818	158,615

Appendix 5a

2025 Cash Flow and Future Year Commitments Including Carry Forward Funding

Projects (In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total 2025 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
New Projects														
Digital Payments	450	886									1,336			1,336
Diversity Data Collection & Reporting Modernization	218	218	799								1,235			1,235
Divisional Roadmaps	239	407	168								814			814
High-Volume Recruitment Capabilities	403	402	1,600								2,405			2,405
M365: Implement Phase 2 and Plan Phase 3	1,473	950	1,340	690							4,453			4,453
MLS Business Licensing & Permitting Portal 2.0	346	346	232								924			924
MLS Chameleon CMS Enablement of Features Initiative	133	632	311								1,076			1,076
PAM (Privileged Access Management)	620	1,192	992	846							3,650			3,650
Public Digital Evolution	650	696	696	696							2,738			2,738
Quality Assurance Centre of Excellence Found Ph2	398	63									461			461
SAP BW Modernization	523	1,083	831								2,437			2,437
SAP ECC Materials Management and Warehouse Management	589	6,330	3,300	7,500	10,000	10,000	10,000	15,495			63,214			63,214
HR Labour Relations Information System (LRIS)												65	(65)	
ServiceNow Application Portfolio Management	437	523	95								1,055			1,055
ServiceNow: Implement Phase 2 and Plan Phase 3	1,781	1,781	2,024								5,586			5,586
SuccessFactors Reporting Migration	538	538	291								1,367			1,367
Toronto Emergency Management Business Continuity	434	1,300	1,300	1,300							4,334			4,334
UKG TeleStaff SOGR - Cloud Solution Migration	254	254	2,006								2,514			2,514
Unified Communications: Calling in the Cloud	496	706	2,601	1,511	537						5,851			5,851
Unified Communications: Consolidated Contact Centre	297	1,052	2,414	1,752	188						5,703			5,703
Existing Projects														
Accelerating the Digitization Journey	848	951	951	983							3,733	718	3,015	
Access Control Self Serve	216	612	612								1,440	190	1,250	
Artificial Intelligence (AI)	613	1,583									2,196	200	1,996	
Audio Visual Program	2,200	2,252	2,149	2,149	1,149	1,149	1,149	1,149	1,149	1,149	15,644	12,392	3,252	
Automating Short Term Rental Operator Verification	332										332	332		
Business Applications Service Monitoring		420									420	250	170	
Class Replacement	1,600	1,043									2,643	1,340	1,303	
Community Development and Regulatory & Licensing	822	1,636	1,636	1,636	3,745	3,745					13,220	13,220		
ConnectTO Program Development/Continuation	1,644	1,696	2,881	1,250							7,471	7,448	23	
Corporate Accessibility Services/Support Acquisition	240	143									383	201	182	
Data Centre Solution Implementation Phase 1	4,026	2,675	2,675	2,675	2,000						14,051	11,705	2,346	
Data Centre Zones Implementation	60										60		60	
Digital Service Enhancement	600										600		600	
Directory Services Transition - Phase 2	592	395									987	598	389	
Disaster Recovery	652	200									852		852	
ECS Cloud Deployment-Construction Project	1,733	293									2,026	198	1,828	
EIMPP - LLRS Replacement	742	353									1,095	228	867	
Employee Communications Modernization	728	240									968	38	930	
Enterprise Business Intelligence Implementation	676	225									901	1,963	(1,062)	
Enterprise Social Media Mgmt & Analytics Software		844									844	844		
Enterprise Work Mgmt Solution (EWMS) Phases 2&3	8,619	8,614	9,041	6,649							32,923	15,580	17,343	
Enterprise Work Mgmt System	3,158	3,454	2,545								9,157	1,484	7,673	

Projects (In \$000s)	2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	Total 2025 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
eScheduling Solution & Implementation Phase 1	1,464	1,587									3,051	5,552	(2,501)	
File Services Migration to SharePoint	100	663	663								1,426	1,622	(196)	
Fleet Services Digital Driver Permit		134									134	169	(35)	
Fleet Services Driver, Accident and Fine Mgmt	1,303	1,362									2,665	2,665		
Fleet/Fire/EMS Joint Fit Gap Analysis&Market Scan	205										205	328	(123)	
Human Services Integration Service Enhancements	318	36									354	93	261	
Land Use Information System (LUI 3.0)	242	719	719	1,105							2,785	2,610	175	
Legal Services Document Management System	712	128									840	695	145	
MLS Modernization-Phase 2	41	150									191	150	41	
MLS onboarding to Administrative Penalty System	37	450									487	331	156	
Modernization of Microsoft Access Application	600	737	737								2,074	1,274	800	
Modernized Data Center Architecture	1,138	462									1,600	561	1,039	
Multi-Tenant Housing - Technology Implementation	535	416									951	994	(43)	
Network Modernization Phase 1	1,418	1,607	1,607	1,607	1,607						7,846	7,375	471	
Office 365	526										526	400	126	
Open Data Master Plan	742	671									1,413	578	835	
PPEB-Day Forward Scanning Implementation Project	767	355									1,122	243	879	
Project Portfolio Mgmt System Migrate to ServiceNow	506	169									675	82	593	
PTP Capital Coordination Future State Seed Project	427	125									552	695	(143)	
Public Digital Access (PDA)	655	218									873			873
Public Engagement Database and Online Engagement	77	27									104	27	77	
SAP ECC Payroll Modernization	589	2,054	3,300	7,500	10,000	10,000	10,000	3,402			46,845	13,605	33,240	
SAP SuccessFactors Onboarding 2.0	631	494									1,125	1,125		
SDFA- Online Grant Management System	106	115									221		221	
ServiceNow		770									770		770	
Special Events Consolidated Permitting Application	129	194									323	194	129	
Talent Management Solution Assessment	571	1,267	294								2,132	2,083	49	
TEAM Central Service Delivery Solution	1,129	1,153	2,253	2,253	2,153	345					9,286	9,287	(1)	
TEM Business Continuity Improvements	76										76		76	
TFS Online Payment	135	181									316	238	78	
T-Recs Cloud Assessment & Migration	353	427									780	779	1	
WEBGENCAT Replacement	110										110		110	
Workforce Business Intel. Requirements	466	155									621	103	518	
Desktop Hardware Replacement	10,975	10,845	12,329	16,896	14,734	18,771	9,571	12,699	15,092	8,566	130,478	85,379	45,099	
Enterprise Server Replacement	1,826	2,340	2,340	2,340	2,340	2,340	2,430	2,175	2,175	2,175	22,481	20,552	1,929	
Enterprise Software Replacement	1,187	1,187	1,000	1,000	850	950	1,090	950	950	950	10,114	8,724	1,390	
Enterprise Storage Replacement	2,704	700	1,000	225	3,150	4,025	2,150	725	1,600	1,675	17,954	12,950	5,004	
Network Asset Replacement	8,252	8,282	9,219	9,124	8,074	8,729	10,334	8,186	9,441	9,056	88,697	55,177	33,520	
Network Security Replacement	2,316	2,559	2,161	1,980	1,393	1,586	3,857	2,404	2,113	2,213	22,582	17,829	4,753	
Total Expenditures (including carry forward from 2024)	83,748	89,727	81,112	73,667	61,920	61,640	50,581	47,185	32,520	25,784	607,884	323,752	172,106	112,026

Appendix 5b

2025 - 2033 Capital Plan

Projects (In \$000s)	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan	2026 - 2034 Total
eScheduling Solution & Implementation Future Phase		4,938	4,277							9,215
Total Expenditures		4,938	4,277							9,215

Health & Safety & Legislated	SOG	Growth & Improved Service
		9,215
		9,215

Appendix 6

Reporting on Major Capital Projects: Status Update

Division/Project name		2024 Cash Flow (Active Projects)			Total Project Cost (Active Projects)		Status	Start Date	End Date		On Budget	On Time	
		Appr.	YTD Spend	YE Projected Spend	Appr. Budget	Life to Date			Planned	Revised			
Technology Services Division													
Project Name Disaster Recovery Program		472	286	462	3,861	3,674	Significant Delay	Jan-13	Dec-24	Dec-28	Ⓒ	Ⓓ	
Comments:		A Project Change Request (PCR) has been submitted to address scope changes and to realign timelines and deliverables to achieve updated business outcomes. Disaster Recover (DR) program has four work streams: 1. Set up the DR management framework and governance, including creation of DR Policy, Guidelines, as well as templates and processes. Status: Completed in 2024. 2. Establish Business Continuity Disaster Recovery joint program Committee with partners of TEM and office of CISO to collectively mitigate corporate risks. Additionally, implement DR framework to all City divisions. Status: in progress. 3. Implement foundational infrastructure solutions in order to enable DR environment in the City. Status: in progress as part of DC Modernization project. 4. Implement and update modernized DR solutions for mission critical applications. Status: in progress. Annual IT DR reporting to City Council and Audit Committee was established in 2022 and will continue in 2025.											
Explanation for Delay:		Project re-aligning scope and deliverables. A project change request will be submitted to rebaseline timelines.											
Project Name Office 365		2,576	1,476	2,474	9,495	8,395	On Track	Jul-21	Jun-23	Mar-25	Ⓒ	Ⓒ	
Comments:		Project Change Request (PCR) has been submitted to reflect the new planned completion date of March 2025. The Scope of the M365 Phase 1 project is to migrate mailboxes to the Cloud, install M365 Applications, and assign licenses to staff within all divisions, elected officials and teams, and accountability officers offices. Milestones completed are provided as follows: <ul style="list-style-type: none">• 11,740 mobile devices received M365 Mobile Applications• 27,838 Individual mailboxes migrated• 5350 Shared and Generic Mailboxes migrated• 1,259 Distribution List Recreated• ~12,000 Inactive Mailboxes Migrated to offline solution Planning is currently going on for the following: <ul style="list-style-type: none">• Expanded rollout of the M365 suite including MS Teams, Sharepoint, One Drive											
Explanation for Delay:													

Project Name Enterprise Work Management Solution		11,626	6,648	10,656	84,485	57,003	Significant Delay	Mar-13	Dec-26	Dec-29	⚠	Ⓜ
Comments:		<p>The implementation of the Enterprise Workforce Management System (EWMS) across four divisions is progressing through three distinct phases:</p> <p>Phase 1: successfully completed for the SWMS (March 2022) as well as Transportation for Road Operations (October 2022). The system went live April 2024 for PF&R - Urban Forestry. Part 2 of the PF&R rollout is currently under review jointly with divisions.</p> <p>In parallel, the Toronto Water Phase 1 rollout is concentrating on critical areas such as Distribution & Collections (D&C), Customer & Technical Support (C&TS), and Water Infrastructure Management (WIM). System design and the procurement of vendor services for implementation are underway.</p> <p>Phase 2/3: Planning and development of business requirements are currently in progress to complete the full transition to Maximo and the decommissioning of current legacy work management system. The procurement process for awarding new vendor contracts is expected to be completed in 2025. The vendor contracts will confirm the rollout timelines for the remaining Phase 2 and Phase 3 scope areas. This remaining scope also includes the implementation of a new Maximo mobile solution as well as the transition to a cloud based system architecture.</p> <p>Note: EWMS is a TSD managed major cross-divisional project between Parks, Forestry and Recreation, Solid Waste Management, Toronto Water, Transportation, and Customer Experience Divisions. The financials reflected above is the consolidated budget and expenditures of this project.</p>										
Explanation for Delay:		Phase 2 and 3 planning is underway. The project timelines will be re-baselined once the vendor contracts are awarded in early 2025.										

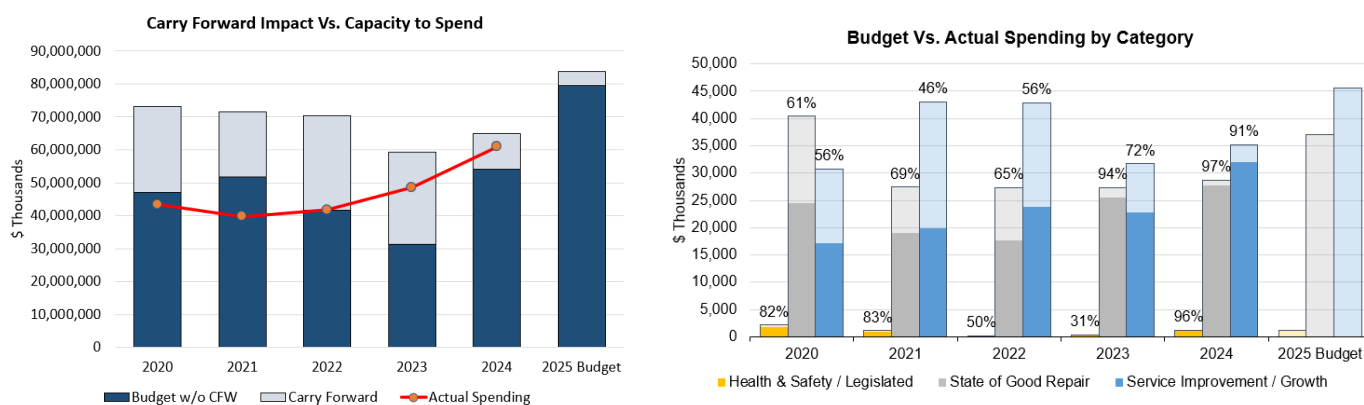
Appendix 7

Capacity to Deliver Review

The 10-Year Capital Plan has been developed with consideration of historically demonstrated capacity to delivery within any given year of a 10-year capital plan. In addition, a review was undertaken to ensure budgets align with the capacity available in the market to deliver on capital projects and assets.

A key component in determining an appropriate level of annual cash flows includes historical capacity to deliver by project categories (Chart 3 below) and assessing projected 2024 underspending that will be carried forward into the 2025-2034 Capital Budget and Plan to complete capital work.

Chart 3 – Capacity to Deliver



- Technology Services Division's actual spending over the previous five years, from 2020 to 2024, has averaged \$46.830 million per year, a 69.9% spend rate.
- The projected spending for 2024 is \$60.880 million or 93.6% of the 2024 Capital Budget of \$65.032 million. The unspent cash flow funding of \$4.152 million has been carried forward into 2025 to continue and complete the required capital work for various projects.
- Based on the review of historical capital spending and an assessment of capacity to deliver, \$48.367 million has been deferred from 2025 to future years.
- The 2025 Capital Budget includes a total cash flow funding of \$83.748 million, the funding increase is primarily due to new projects that have been prioritized to start in 2025 as well as projects focused on state of good repair, addressing audit recommendations, and Council priorities.
- The 2025 Capital Budget of \$83.748 million (including carry forward funding) is higher than the historic 5-year average budget of \$46.830 million and is attributed to the requirements below:
 - The division has been increasing its annual spend rate in the last couple of years due to active collaboration with People and Equity division to ensure resources are attracted and retained, partnering with Purchasing and Materials Management division to expedite procurements, and work with other stakeholder divisions to develop and execute projects per annual plans.

Appendix 8

Summary of Capital Delivery Constraints

Projects	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)									
				2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
NOT INCLUDED													
SAP ECC Payroll Modernization Ph 2	30		30			7	23						
Network Modernization Phase 2 & 3	9		9			4	2	2	2				
Total Delivery Constraints (Not Included)	39		39			11	24	2	2				

- In addition to the 10-Year Capital Plan of \$617.1 million, Technology Services has identified \$38.9 million in capital delivery constraints as reflected in the table above. These unfunded projects will be included on the list to be considered with other City priorities in future year budget processes.
 - SAP ECC Payroll Modernization Phase 2 – Subsequent phase of the SAP ECC Payroll Modernization project that will focus on implementing the SAP Payroll cloud Solution to leverage new SAP functionalities.
 - Network Modernization Phase 2 and 3 – Subsequent phases of the Network Modernization project that will allow the City to leverage and expand on the groundwork completed by the initial phase of the project.

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project
N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2025 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		98	108	118
Vehicle Reserve - IT Vehicles	XQ1509			
<i>Withdrawals (-)</i>				
<i>Fleet Services - Capital</i>		-	-	(40)
<i>Contributions (+)</i>		10	10	10
Total Reserve / Reserve Fund Draws / Contributions		108	118	89
Balance at Year-End		108	118	89

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		17,452	18,742	20,044
Vehicle for Hire	XR1505	(640)	(640)	(640)
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		16,812	18,102	19,404
Other Program / Agency Net Withdrawals & Contributions		1,749	1,749	1,749
Interest Income		180	193	206
Balance at Year-End		18,742	20,044	21,359

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		98	108	118
Vehicle Reserve - IT Vehicles	XQ1509			
<i>Withdrawals (-)</i>		-	-	-
<i>Contributions (+)</i>		10	10	10
Total Reserve / Reserve Fund Draws / Contributions		108	118	129
Other Program / Agency Net Withdrawals & Contributions		0	0	(40)
Balance at Year-End		108	118	89

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		49,057	35,117	19,252
Insurance Reserve Fund	XR1010			
<i>Withdrawals (-)</i>		(116)	(116)	(116)
<i>Contributions (+)</i>		-	-	-
Total Reserve / Reserve Fund Draws / Contributions		48,941	35,001	19,136
Other Program / Agency Net Withdrawals & Contributions		(14,243)	(16,019)	(18,136)
Interest Income		419	270	101
Balance at Year-End		35,117	19,252	1,102

Inflows and Outflows to/from Reserves and Reserve Funds

2024 – 2033 Capital Budget and Plan

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)									
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan
XQ1508 Name of Reserve/Reserve Fund	Beginning Balance	16,874	6,362	(7,151)	(22,801)	(41,967)	(60,109)	(84,111)	(101,144)	(115,884)	(134,856)
	<i>Withdrawals (-)</i>										
	<i>Technology Services - Operating</i>	(4,289)	(8,638)	(8,638)	(8,638)	(8,638)	(8,638)	(8,638)	(8,638)	(8,638)	(8,638)
	<i>Legal Services - Operating</i>	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)	(259)
	<i>Technology Services - Capital</i>	(27,260)	(25,913)	(28,049)	(31,565)	(30,541)	(36,401)	(29,432)	(27,139)	(31,371)	(24,635)
	Total Withdrawals	(31,809)	(34,811)	(36,947)	(40,463)	(39,439)	(45,299)	(38,330)	(36,037)	(40,269)	(33,533)
	<i>Contributions (+)</i>										
	<i>Capital & Corporate Financing</i>	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
	Total Contributions	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297	21,297
Balance at Year-End		6,362	(7,151)	(22,801)	(41,967)	(60,109)	(84,111)	(101,144)	(115,884)	(134,856)	(147,092)

Note: while some years are showing a negative ending balance, it is anticipated that one time funding injection or changing priorities and revised expenditures will adjust the balance.

Corporate Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)									
		2025 Budget	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2034 Plan
XR6003 Water Capital	Beginning Balance	1,051,769	1,105,887	1,180,899	1,280,232	1,407,240	1,561,710	1,765,903	1,980,506	2,259,352	2,578,153
	Withdrawals (-)										
	Technology Services - Capital	(1,484)	-	-	-	-	-	-	-	-	-
	Total Withdrawals	(1,484)	-	-	-	-	-	-	-	-	-
	Contributions (+)	-	-	-	-	-	-	-	-	-	-
Other Program/Agency Net Withdrawals and Contributions		44,868	63,635	87,088	113,638	139,699	187,638	195,964	257,753	294,734	340,190
Interest Income		10,735	11,377	12,244	13,371	14,771	16,555	18,639	21,094	24,067	27,482
Balance at Year-End		1,105,887	1,180,899	1,280,232	1,407,240	1,561,710	1,765,903	1,980,506	2,259,352	2,578,153	2,945,825

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels in annual budget.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Deliver: Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.

Salary and Benefits Adjustment: General increases related to contractual obligations, such as cost of living, step increases, performance for pay and progression pay.

State of Good Repair (SOGR): The cost of maintaining assets to ensure that they can support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).