

# Analyst Briefing Notes

## Budget Committee Review (October 29, 2007)

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**PART I: CAPITAL PROGRAM****Executive Summary**

- The Social Services' 2007 Approved Capital Budget of \$1.7 million was 6.1% or \$0.104 million spent as of June 30, 2007. The under spending is primarily due to the delay in successfully procuring a contract for the Program's External Web project. A Request For Proposal (RFP) for the project was closed on July 23, and a suitable vendor was recommended by the end of August. All work is on schedule with 100% of the budget projected to be spent by year end. The Program is reviewing the progress of the three IT projects and adjustments to projected actuals at year-end maybe required.
- The 2008 Recommended Capital Budget, 2009 to 2012 Plan and 2013 to 2017 Estimates includes five IT projects, totalling \$8.400 million Gross (\$NIL million debt). These five IT projects are recommended in the 5-Year Capital Plan.
- The 5-Year Capital Plan of \$8.4 million is fully funded from provincial subsidy and consists of two previously approved and 1 new project committed in 2008 (Employment Assistance, MIS -Data Mart, and Case Management) and two new projects to begin in 2011 (Web Access to Your Service (WAYS) and Employment Assistance- Individual Services & Support).
- The 2008 Recommended Capital Budget of \$1.7 million includes future year commitments of \$1.7 million in 2009, and \$1.6 million in 2010 for three Service Improvement IT projects as follows:
  - The Employment Assistance project will develop an efficient and reliable web-based solution to support strategic areas such as vendor relationships, OW program delivery, and a client centric case management approach. This new system will simplify, automate and standardize business processes, improve allocation of resources for service delivery and audit tracking, and establish a model for the integration of other Employment Assistance initiatives, Ontario Works programs and vendor relationships. The project commenced in 2007 and is expected to be completed by 2010 at a cost of \$2.0 million.
  - The MIS - Data Mart project will facilitate the creation of Divisional and ad hoc management and operational reports by integrating financial, client services, and Employment Resource Centre statistics data from various systems to facilitate in-depth information gathering and trend analysis. The project commenced in 2007 and will be completed by 2010 at a cost of \$1.5 million.
  - The Case Management project will integrate all components of the OW program outside of eligibility assessment and social assistance financial management. The application will provide start-to-finish case management tools, tracking, placement, review, special requirements, quality assurance and exit planning for OW clients. This project began in mid-2007 and is expected to be completed by 2010 at a cost of \$2.0 million.

- The two facility projects for TSS are included in the 5-Year Capital Plan for Facility & Real Estates (F&RE). The projects include the expansion at 1631 Queen St. East and the reconfiguration/retrofit at 455 Dovercourt. All TSS' State of Good Repair projects were transferred to the F&RE Capital Budget in 2006.

**Recommendations**

The City Manager and Chief Financial Officer recommend that:

- 1) the 2008 Recommended Capital Budget for Social Services with a total project cost of \$2.0 million and a 2008 cash flow of \$0.4 million and future year commitments of \$1.6 million be approved. The 2008 Recommended Capital Budget consists of the following:
  - a) New Cash Flow Funding for:
    - i) one sub-project with a 2008 total project cost of \$2.0 million that requires cash flow of \$0.4 million in 2008 and a future year commitment of \$0.9 million in 2009; and, \$0.7 million in 2010; and,
    - ii) two previously approved sub-projects with a 2008 cash flow of \$1.3 million and a future year commitment of \$0.8 million in 2009 and \$0.9 million in 2010.
- 2) the 2009-2012 Capital Plan for Social Services totalling \$6.7 million in project commitments and estimates, comprised of \$1.7 million in 2009; and, \$1.6 million in 2010, \$1.7 million in 2011; and \$1.7 million in 2012, subject to receipt of the provincial subsidy, be approved.

### 2007 Capital Variance Review

2007 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2007 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
1,700	104	6	1,700	100	0

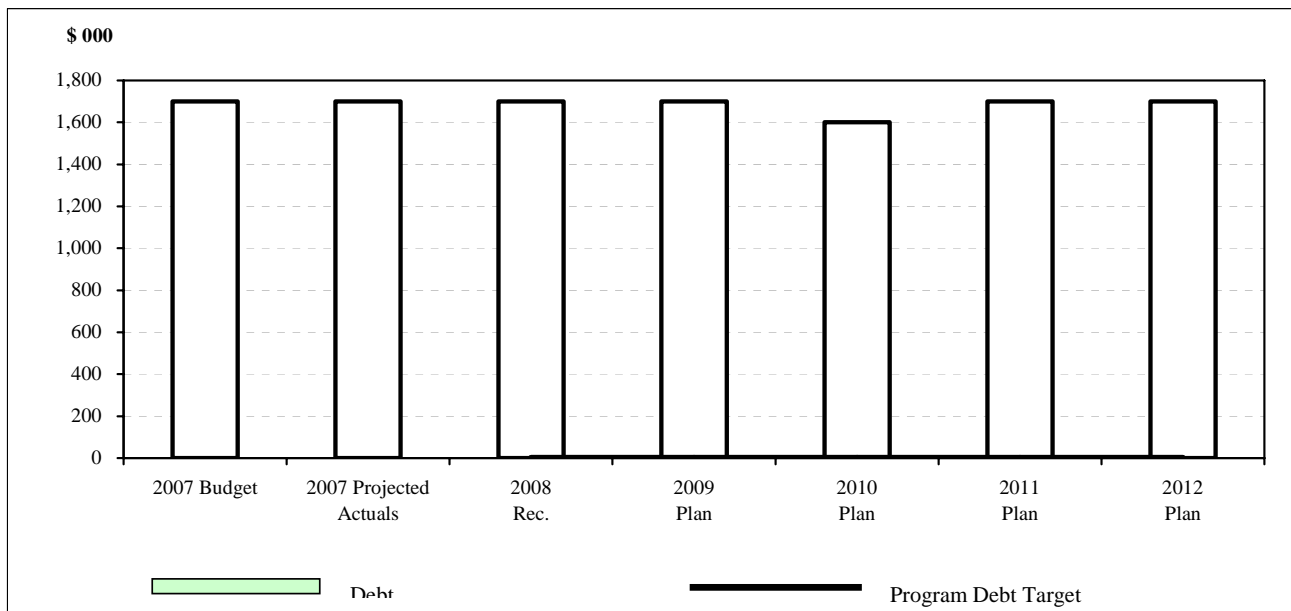
#### Comments / Issues:

- Social Services' 2007 Capital Budget for technology projects is fully funded by provincial subsidy.
- At the end of the 2<sup>nd</sup> quarter, Social Services spent \$0.104 million or 6.1% of its 2007 approved cash flow budget of \$1.700 million. Under spending is mainly due to the delay in successfully procuring a contract for the External Web project.
  - The Request For Proposal (RFP) for the Ontario Works External Web project closed on July 23, and a suitable vendor was recommended by the end of August. All work is on schedule with 100% of the budget (\$1.2 million) projected to be spent by year end.
  - The Employment Assistance project is progressing steadily according to plan. (2007 plan: \$350k)
  - The MIS - Data Mart project is progressing as planned. (2007 plan: \$150k)
- The Program is reviewing the progress of these IT projects and adjustments to the projected actuals at year-end maybe required.

#### Cost Containment Impact

- TSS did not defer or cancel any capital projects due to 2007 cost containments.

### 5-Year Capital Plan (2008 Recommended Budget, 2008-2012 Plan)



	2007		5-Year Plan					
	Budget	Projected Actual	2008	2009	2010	2011	2012	2008-2012
<b>Gross Expenditures:</b>								
2007 Capital Budget & Future Year Commitments	1,700	1,700	1,300	800	900			3,000
Recommended Changes to Commitments								0
2008 New/Change in Scope and Future Year Commitments			400	900	700			2,000
2009 - 2012 Plan Estimates						1,700	1,700	3,400
1-Year Carry Forward to 2008								
<b>Total Gross Annual Expenditures &amp; Plan</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,700</b>	<b>1,600</b>	<b>1,700</b>	<b>1,700</b>	<b>8,400</b>
<b>Program Debt Target</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing:</b>								
Recommended Debt	0		0	0	0	0	0	0
<b>Other Financing Sources:</b>								
Reserves/Reserve Funds								0
Development Charges								0
Federal								0
Provincial	1700		1,700	1,700	1,600	1,700	1,700	8,400
Other Revenue								0
<b>Total Financing</b>	<b>1,700</b>		<b>1,700</b>	<b>1,700</b>	<b>1,600</b>	<b>1,700</b>	<b>1,700</b>	<b>8,400</b>
<b>By Category:</b>								
Health & Safety								0
Legislated								0
SOGR								0
Service Improvement	1,700		1,700	1,700	1,600	1,700	1,700	8,400
Growth Related								
<b>Total By Category</b>	<b>1,700</b>		<b>1,700</b>	<b>1,700</b>	<b>1,600</b>	<b>1,700</b>	<b>1,700</b>	<b>8,400</b>
Yearly SOGR Backlog Estimate (not addressed by current plan)			0	0	0	0	0	0
Accumulated Backlog Estimate (end of year)		-	-	-	-	-	-	0
<b>Operating Impact on Program Costs</b>			0	0	0	0	0	0
<b>Debt Service Costs</b>			0	0	0	0	0	0

## **5-Year Capital Plan Overview**

### **Overview**

The 5-Year Capital Plan is based on improving the Provincial Service Delivery Model Technology (SDMT) system, which has functionality gaps. The system will support and improve the delivery of financial assistance and other services to eligible clients. The gaps include the following: failure to manage and track fraud, limitation in scheduling meetings between caseworkers and clients, and no contingency functionality to ensure clients received payment due to system failure.

Toronto Social Services (TSS) has developed and implemented many supplemental systems & tools to facilitate supports and services over the years. To move the Program further to a client centric environment, an IT Strategy and an associated IT Strategy Roadmap were developed in 2005. In the process, three client-centric initiatives were identified: External Web Portal, Employment Assistance Management and Case Management. In 2006, the External Web Portal was identified as a priority, and forms part of the 5-Year Capital Plan.

The 5-Year Capital Plan (all Service Enhancements) has been developed based on Web applications / new technology upgrades to move the Program forward by utilizing the latest technologies to manage its operation more efficiently and effectively.

The 5-Year Capital Plan of \$8.4 million will deliver the following projects of the TSS Web-Based IT Development Project.

- The Employment Assistance project (\$1.650 million from 2008 thru 2010, in addition to the \$350k cash flow in 2007) will provide the Program a secure, scalable, adaptable web-based solution to support its three strategic areas: vendor relationships, Ontario Works (OW) Program delivery and administration, and implementing a client-centric case management approach. The System will support the implementation of a new delivery model for the Employment Assistance program, create a working model from which other program areas could eventually manage, track and maintain vendor relationships / services securely on-line. It will establish: a framework for the eventual inclusion of other Ontario Works programs and supports (case management / administration), a secure framework for the integration of the other EA initiatives (Case Management, Employment Resource Centres), and a model for the expansion of client self service;
- The MIS - Data Mart project (\$1.350 million from 2008 thru 2010, in addition to the \$150k cash flow in 2007), which is part of the corporate pilot, will develop a complex web based application that will integrate data from several existing in-house sub-systems, and some systems from other Program areas for the purpose of facilitating the creation of Divisional and ad hoc management and operational reports;
- The Case Management project (\$2.0 million from 2008 thru 2010) will integrate all components of the OW program outside of eligibility assessment and social assistance financial management. The application will provide start-to-finish case management tools, tracking, placement, review, special requirements, quality assurance and exit planning for OW clients;

- The Web Access to Your Services (WAYS) project (\$1.7 million from 2011 thru 2012) will assist Toronto residents in accessing the Social Assistance application, services, and information through the internet. This project is designed to streamline administrative processes by expanding the on-line application, as well as access and submission of OW documentations such as the Income Report Statements (IRS) and the Change of Information by Applicants (CIA). The More efficient administrative processes will allow staff to focus on providing OW clients with employment assistance and supports; and,
- The Employment Assistance – Individual Services & Supports project (\$1.7 million from 2011 thru 2012) is a web-based solution that automates, simplifies, and standardizes the Individual Services & Supports business process to reduce duplication and improve administrative efficiency. The project also aims to improve allocation of resources for service delivery and to improve audit tracking. OW clients have training or service needs that are not met through the standard Division-wide employment programs. The individual Services & Supports are employment programs delivered through the local offices that are customized to individual client's needs in an attempt to improve job readiness of OW clients, support OW clients in achieving their employment goals, and increase the range of services available to participants to meet their employment needs.

The Recommended 5-Year Capital Plan for TSS totals \$8.4 million and is 100% funded from Provincial subsidy dedicated to IT initiatives. The Provincial IT subsidy resulted from the province's decision to download technology acquisition and maintenance costs to municipalities in 2003.

### **Multi Year Debt Affordability Target**

The 5-Year Capital Plan is 100% funded by the Province and thus does not require debt financing.

### **Recommended Changes to the 2007 – 2011 Capital Plan**

TSS did not include any IT projects beyond 2010 in its 2007 – 2011 Capital Plan. In the 2008 – 2012 Capital Plan, two new projects were added to the TSS Web-based IT Development Project:

- Web Access to Your Services (WAYS) will commence in 2011, with a total project cost of \$1.7 million fully funded by Provincial subsidy. This project aims to expand access to Social Assistance applications and to allow submission of OW documentations such as IRS and CIA. Thus, the efficiency of the administrative process will be improved through utilizing the Internet.
- Employment Assistance - Individual Services and Supports will start in 2011, with a total cost of \$1.700 million fully funded by Provincial subsidy. This web-based solution aims to automate, simplify, and standardize the Individual Services and Supports business process to reduce duplication and improve administrative efficiency. The project also targets to improve allocation of resources for service delivery and to improve audit tracking.

### **Program Capacity and Readiness to Proceed**

The 5-Year Capital Plan includes five IT Development Projects that comprise of: the Employment Assistance and MIS - Data Mart projects commenced in 2007 with a combined commitment of \$1.3 million in 2008; the Case Management project starts in 2008 with a cash flow of \$0.400 million; and two new projects, Web Access to Your Services (WAYS) and EA-Individual Services and Supports,



scheduled to start in 2011. The ability to complete these projects as planned depends upon the process to finalize contract(s) with external expertise where needed. The plan assumed sufficient time to address the preliminary procurement process. With respect to projects underway:

- The Employment Assistance sub-project is progressing as planned. TSS expects the project to be on target by year-end and ready to move forward into 2008.
- The MIS - Data Mart sub-project is on target and ready to advance into 2008.
- TSS plans to start the Case Management sub-project in 2008. The estimates are based on the best information available at this early stage, pending detailed scopes of work.

### **Backlog of Projects – Unmet Needs**

The Program does not have a backlog of projects. TSS facilities capital funding requirements were previously transferred and consolidated within the Facility & Real Estate Capital Budget.

### **Capital Project Highlights**

#### **Other City Initiatives:**

The Social Services' 5 Year Capital Plan includes the following major capital initiatives:

#### **Summary of Major Capital Initiatives**

	\$000s						
	2008 Rec. Budget	2009 Plan	2010 Plan	2011 Plan	2012 Plan	Total 2008 -2012	Total 2013 -2017
<b>Facilities Projects: New and Expanded</b>	0	0	0	0	0	0	0
<b>IT sub-projects</b>	1,700	1,700	1,600	1,700	1,700	8,400	0
<b>Total</b>	<b>1,700</b>	<b>1,700</b>	<b>1,600</b>	<b>1,700</b>	<b>1,700</b>	<b>8,400</b>	<b>0</b>

Over the next five years, \$8.4 million is recommended to fund the Web-Based IT Development project that will assist the Program in utilizing technology to adopt a more client-centric approach to service delivery. This project consists of 5 projects: Employment Assistance, MIS - Data Mart, Case Management application, WAYS, and Employment Assistance – Individual Services and Supports. These IT projects will enable TSS to manage its business more efficiently and effectively, and to provide clients with better access to the services, information and resources they need to make informed choices.

These projects, together with operating impacts, will be funded by Provincial subsidy dedicated to technology development. It is assumed that the annual Provincial Technology subsidy for OW will continue at the current level of \$1.8 million per year for the foreseeable future. It is recommended that the approval of these IT projects be subject to receipt of the provincial subsidy.

**Operating Budget Impact – 5-Year Plan  
Incremental Operating Impact Summary**

<b>Incremental Operating Budget Impact</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Program Costs (net) (\$000s)	0.0	0.0	0.0	0.0	0.0
Approved Positions	0	0	0	0	0
<b>Debt Service Charges (\$000s)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Program Operating Impacts**

The 5-Year Capital Plan will not impact the Program's Operating Budget since both the recommended projects and the three temporary staff that were hired to work on the sub-projects will be funded by the provincial subsidy. The Program's permanent IT staff will assume responsibility for ongoing maintenance; thus, there will be no additional costs to the Program's Operating Budget upon completion of the projects.

### Total 2008 Recommended Cash Flow & Future Year Commitments (\$000s)

	2006 & Prior Year Carry Forwards	2008 Previously Approved Cash Flow Commitments	2008 New Cash Flow Recommended	2008 Total Cash Flow Recommended	2008 Debt Target	2007 Carry Forwards	Total 2008 Cash Flow (Incl 2007 C/Fwd)	2009	2010	2011	2012	2013-2017	Total Cost
<b>Expenditures</b>													
Previously Approved	0	1,300		1,300		0	1,300	800	900				3,000
Change in Scope													
New			400	400			400	900	700				2,000
New w/Future Year													
<b>Total Expenditure</b>	<b>0</b>	<b>1,300</b>	<b>400</b>	<b>1,700</b>	<b>0</b>	<b>0</b>	<b>1,700</b>	<b>1,700</b>	<b>1,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>
<b>Financing</b>													
Debt	0	0	0	0	0	0	0	0	0				0
Subsidy (SCPI)													
Prov. Subsidy/Grant		1,300	400	1,700			1,700	1,700	1,600				5,000
Development Charges													
Other													
Federal Grants													
Reserves/Res Funds													
<b>Total Financing</b>	<b>0</b>	<b>1,300</b>	<b>400</b>	<b>1,700</b>	<b>0</b>	<b>0</b>	<b>1,700</b>	<b>1,700</b>	<b>1,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>

#### Comments / Issues:

- The 2008 Recommended Capital Budget of \$1.7 million includes \$0.850 million for the Employment Assistance project, \$0.450 million for the MIS - Data Mart project, and \$0.400 million for the Case Management project.
- Approval of the 2008 Recommended Capital Budget of \$1.7 million will result in a future commitment of \$1.7 million in 2009, and \$1.6 million in 2010 for the three recommended projects. The commitments for these three IT projects are fully funded from Provincial IT subsidy.

## **2008 Recommended Capital Budget**

### **2008 Recommended Capital Budget versus Debt Target**

The 2008 Recommended Capital Budget requires no debt as the three IT projects will be 100% funded by the provincial subsidy.

### **Recommended Capital Budget by Category**

All projects included in the 2008 Capital Budget are Service Improvements and Growth projects. These projects support the IT Strategy developed in 2005 in three strategic areas: vendor relationships, OW program delivery, and a client centric case management approach. By investing in these IT projects, TSS will be able to: improve clients' accessibility by offering additional channels to apply for social assistance, which can be accessed 24/7; streamline the administration process and thus, staff can focus on providing supports and employment assistance to clients; and, improve case management tools to offer quality assurance and exit planning for clients.

**PART II: ISSUES FOR DISCUSSION****5-Year Capital Plan Issues****Future Year Estimates**

Historically, all computers that support the delivery of the Ontario Works program were acquired under a Provincial lease, with the City paying half the cost (\$1.94 million annually). In 2003, the cost to support, maintain, service and replace this equipment became the responsibility of the City and the lease payments ceased.

The IT Refresh program of \$7.234 million was approved by Council in 2004 and was completed in 2005 at a cost of \$4.442 million. The refresh program was funded from the Operating Budget utilizing the previously budgeted provincial lease payments. During the 2006 Operating Budget process, these funds were removed from the operating budget. The next phase of the IT Refresh program, estimated to cost up to \$4.600 million, is expected to begin in 2010 and will be funded by the Corporate IT Sustainment Reserve.

It is expected that the \$1.8 million provincial funding will continue in the foreseeable future and will be utilized to fund TSS' IT priorities in the future.

**Issues Referred to the Budget Process****Issues Referred to 2008 Capital Budget Process**

None

**Outstanding Issues from Prior Years**

None

## **Appendix 1**

### **2007 Recommended Capital Budget; 2008 to 2011 Plan and 2012 to 2016 Estimates**

**Appendix 2**  
**2007 Recommended Cash Flow**  
**and Future Year Commitments**

**Appendix 3**  
**2007 Recommended Capital Projects**  
**with Financing Details**