

Analyst Briefing Notes

Budget Committee

(January 28, 2008)

2008 OPERATING BUDGET

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January 25, 2008

2008 OPERATING BUDGET

Executive Summary

- The 2007 projected year-end net expenditure is expected to be \$0.376 million net. This represents a favourable variance of \$0.017 million or 4.4 % of the 2007 Approved Operating Budget. Apart from a small under-expenditure in materials and supplies (\$0.002 million), this favourable variance is mostly attributable to the cost containment measures undertaken in 2007 (\$0.015 million).
 - As a result of one-time discretionary reductions in non salary items (reduced travel, advertising and print materials etc.) the Program will achieve cost containment savings of \$0.015 million in 2007.
 - The projected favourable net operating budget variance is not expected to have any impact on the 2008 Recommended Budget since it is attributable to one time factors which will not recur in 2008.
- The 3-1-1 Customer Service Strategy represents a new corporate service delivery model, which will be completed in 2009. The Project Management Office provides guidance and support to the 3-1-1 Customer Service Strategy through planning, issue management, ongoing research, monitoring and reporting.
- The 2008 Recommended Operating Budget for the 3-1-1 Customer Service Strategy is 69% over the Program's 2007 Approved Operating Budget.

Table 1: 2008 Recommended Budget

	2007		2008 Recommended Operating Budget			Change - 2008 Recommended from 2007 Approved Budget		FY Incremental Outlook	
	2007 Appvd. Budget	2007 Projected Actual	2008 Base	2008 New /Enhanced	2008 Operating Budget			2009	2010
	\$	\$	\$	\$	\$			\$	\$
(In \$000s)						\$	%		
GROSS EXP.	3,020.2	2,824.3	3,458.7	272.0	3,730.7	710.5	23.5		
REVENUE	2,626.9	2,448.1	3,065.4	0.0	3,065.4	438.5	16.7		
NET EXP.	393.3	376.2	393.3	272.0	665.3	272.0	69.2	0.0	0.0
Approved Positions	33.0	33.0	34.0	2.0	36.0	3.0	9.1	0.0	0.0
TARGET			393.3		393.3				
\$ Over / (Under) Program Target			0.0		272.0				
% Over / (Under) Program Target			0.0%		69.2%				

- The 2008 Recommended Operating Budget for 3-1-1 Customer Strategy is \$0.665 million net. This is comprised of base funding of \$0.393 million and new/enhanced service priorities of \$0.272 million. Approval of the 2008 Recommended Operating Budget will result in the Program's staff complement increasing from 33 to 36 approved temporary positions.
- The 2008 Recommended Base Budget of \$3.459 million gross will fund the 3-1-1 Project Management Office (\$0.649 million gross) as well as work on front-end content development and business reviews, core technology implementation, work order system integration and implementation of other capital infrastructure (\$2.809 million gross). It includes funding for merit and step increases, cost of living adjustments (COLA), an additional one day (leap year) and non-salary inflationary factors in the total amount of \$0.100 million.
- Funding of \$3.065 million will be fully recovered from the 2008 Approved Capital Budget for the 3-1-1 Customer Service Strategy, resulting in a base budget of \$0.393 million net that is 69.2% over the 2007 Approved Operating Budget.
- The 2008 Recommended Operating Budget also incorporates funding for one new/enhanced service:
 - The Project Director and the Project Manager positions are recommended to be funded in the 3-1-1 Project Management Office at a cost of \$0.272 million gross and net. These positions were originally funded in the City Manager's Office Budget, but will now be funded in this Program in preparation for the full implementation of the 3-1-1 Operations.
- The Project Management Office will continue to provide support to the 3-1-1 Customer Service Strategy until a successful launch in 2009. The implementation of this strategy poses significant challenges for the Project Management Office. Issues related to the integration of multiple existing IT systems and components will continue to be present until the end of the project life-span in 2009.
- Once implemented, the project will result in the establishment of the 3-1-1 Operating Division, which will be providing 3-1-1 service to the public, commencing with a soft launch in 2008, which could have an incremental impact in 2009 and beyond. As part of the 2008 Capital Budget Process, the Deputy City Manager for Citizen Services "A" was directed to report to Budget Committee on operating costs for the 3-1-1 Operating Division prior to the 2009 Operating Budget Process.
- Presently, the 2009 and 2010 Outlooks for the 3-1-1 Project Management Office anticipate \$0 net increase and they do not include any incremental costs associated with the 3-1-1 Operating Division.
- By establishing direct and simple access to City Hall and providing consistent customer service delivery across all available channels (telephone, web, counter, e-mail), the 3-1-1 Customer Service Strategy will greatly increase efficiency and accountability of the public service.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Operating Budget for 3-1-1 Customer Service Strategy of \$3.731 million gross and \$0.665 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Project Management Office	921.3	665.3
Capital Program Related Work	2,809.4	0.0
	<hr/>	<hr/>
Total Program Budget	3,730.7	665.3
	<hr/>	<hr/>

Section A: 2007 Budget Variance Analysis

Table 2: 2007 Budget Variance Review

	2006 Actuals	2007 Approved Budget	2007 Projected Actuals*	2007 Appvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	% Unspent
GROSS EXP.	1,795.0	3,020.2	2,824.3	195.9	6.5
REVENUES	1,407.0	2,626.9	2,448.1	178.8	6.8
NET EXP.	388.0	393.3	376.2	17.1	4.4
Approved Positions	28.0	33.0	33.0	0.0	0.0

Source: *Projected Actuals Based on the September 31, 2007 Variance Report.

2007 Experience

The Third Quarter Operating Variance Report for 3-1-1 Customer Service Strategy indicates that the Program is expecting to be slightly under budget by year-end 2007. The Program is projecting a favourable year-end variance of \$0.196 million gross. This variance is mainly due to the under expenditure of costs of activities associated with the Capital Program. Delays in some areas, such as implementation of the core technology solution and related sub-projects, resulted in lower staffing requirements and a subsequent corresponding reduction in recoveries for salaries and benefits for staff supporting the Capital Program.

Overall, the Program's year-end projections reflect a favourable variance of \$0.017 million net or 4.4 % of the 2007 Approved Operating Budget by year-end. As a result of cost containment measures, \$0.015 million of this favourable variance arises from one-time discretionary reductions in non-salary items.

2007 Cost Containment Savings

As reported in the Third Quarter Operating Variance Report, the Program expects to achieve cost containment savings of \$0.015 million in 2007 through the measures itemized in the table below.

Net Cost Containment Savings	2007 (\$000s) Savings	2008 (\$000s) Continued Savings	Comments
Hiring Freeze Savings:			
Sub-total	0.0	0.0	
Service Level Adjustments:			
Sub-total	0.0	0.0	
Discretionary Savings:			
Reduced Business travel, advertising and print materials, and some equipment and supplies	(7.5)		One-Time
Reduction in Printing and Advertisement materials	(1.0)		One-Time
Various line items	(7.0)		One-Time
Sub-total	(15.5)	0.0	
TOTAL COST CONTAINMENT	(15.5)	0.0	

Impact of 2007 Operating Variance on the 2008 Recommended Budget

The favourable net operating budget variance reported in the Third Quarter Variance Report is not expected to have any impact on the 2008 Recommended Budget since it is attributable to one time factors which will not recur in 2008. 2007 cost containment measures have not been recommended to continue into 2008.

Section B: 2008 Operating Budget Overview**3-Year Operating Budget Overview**

- The 3-1-1 Customer Service Strategy is a new initiative which will ensure that all residents, businesses and visitors receive convenient and reliable access to accurate information and non-emergency City Services. A successful completion of this initiative is planned for 2009, with a soft launch of the 3-1-1 customer service model in 2008.
- The 3-1-1 Project Management Office, which has a mandate to develop and manage the Project Plan, deliverables and schedule to implement the 3-1-1 Project based on the Council approved model, focuses on the following principal strategic directions:
 - Manage the project efficiently to deliver quality project components according to the Council approved model and schedule.
 - Manage issues arising from the project implementation effectively.
 - Coordinate, monitor and report on the progress of all 3-1-1 capital sub-projects.
 - Provide briefings and presentations on specialized project components to the 3-1-1 Steering Committee and Council as well as to external parties.
- The 3-1-1 Project Management Office identifies its key customers and services it provides as:
 - 3-1-1 Sub-project Teams and divisional partners - the 3-1-1 Project Management Office provides leadership on project management methodology and standards, training, coaching and support, monitoring and standards compliance, as well as issues management on all sub-project activities and co-ordination of all interdivisional activities, including consolidated project reporting.
 - Council – the 3-1-1 Project Management Office provides project status reporting, budget development and variance monitoring, issues management and ongoing research.
- The 2008 Recommended Operating Budget for the 3-1-1 Customer Service Strategy is \$0.665 million net. It provides base funding for the Project Management Office (\$0.649 million gross, \$0.393 million net), as well as required work on front-end content development and business reviews, core technology implementation, work order system integration and other components related to capital infrastructure (\$2.809 million gross, 0\$ net).
- The 2008 Recommended Operating Budget also incorporates funding for one new/enhanced service priority: the Project Director and the Project Manager positions, which were previously funded in the City Manager's Office Budget are now recommended to be added to the 3-1-1 Project Management Office to reflect true project cost and accountability. This new/enhanced service priority resulted in an increase of \$0.272 million (69%) over the Program's net target of \$0.393 million (see page 13).
- The 2008 Recommended Operating Budget for the 3-1-1 Customer Service Strategy would add 3 additional temporary positions to the Program. One of these positions was previously endorsed by Council in principle and it is needed to support the Capital Program. The

remaining two positions pertain to the new/enhanced service recommended for the 2008. The Program's staffing complement would thus increase from 33 to 36 approved temporary positions. Addition of these positions will provide sufficient resources to the Project Management Office to continue with the provision of its services in 2008.

- Once implemented, the project will result in the establishment of the 3-1-1 Division, which will be providing 3-1-1 service to the public. This division will have permanent staff which will be reallocated from other City Divisions resulting in an overall \$0 net budget impact. Starting in 2009, in addition to the operational labour and space requirements, there may be partial year incremental technology costs. These will be determined during the negotiations with the selected vendor which are currently underway.
- The 3-1-1 Project Management Office has already initiated work on the Service Plan development and position mapping for the new 3-1-1 Division and will report back on the operating budget requirements in time for consideration with the 2009 Operating Budget.

Challenges and Issues

The main service objective of the 3-1-1 Project Management Office is to achieve deliverables of the Council Approved Project Plan on budget and time, within scope and quality.

To achieve this objective, the Project Management Office coordinates activities of 44 divisions involved in nine sub-projects included in the 3-1-1 Capital Program. Substantial work has been completed to date and deliverables include the 3-1-1 Contact Centre facility, an intensive content and electronic knowledge data base (with approximately 15,000 unique questions and answers documented, validated and electronically stored), as well as completed business process reviews for a number of City divisions such as Transportation Services, Solid Waste Management, Toronto Water (Phase 1), Municipal Licensing and Standards (MLS) and Urban Forestry (Phase 2).

However, implementation of the 3-1-1 Technology Solution sub-project, which is the largest and most important sub-project of the Capital Program, will continue to pose significant challenges until the end of the project life-span in 2009. Any further unanticipated delays in the 3-1-1 Technology Solution contract negotiations (still on-going) and implementation could affect the project budget and schedule. To address these issues the 3-1-1 Project Management Office developed the following plans/service delivery strategies:

Challenges	Plans	Strategies
Compliance to Project Budget	<ul style="list-style-type: none"> • Negotiate and implement "Best and Final Offer" opportunities with the external technology vendor to contain costs within Council approved budget. 	<ul style="list-style-type: none"> • Develop a clearly defined Statement of Work, Roles and Responsibilities with the vendor. • Regular monitoring and documentation to track ongoing status and associated expenses.
Compliance to Project Schedule	<ul style="list-style-type: none"> • External expert to validate technology vendor work plan. • Internal risk mitigation and contingency plans in place. 	<ul style="list-style-type: none"> • Regular status reporting from all sub-projects contributing to the technology implementation • Adherence to formal Project Management Methodology to properly identify and manage risks.

Strategic Priorities

By providing funding in support of the Project Management Office and implementation of the 3-1-1 Customer Service Strategy, the 2008 Recommended Operating Budget will advance the following strategic priorities:

- ***Establish a 311 hotline so that every resident has a direct and simple access to a person at City Hall who can help resolve problems***

By establishing direct and simple access to City Hall, the 3-1-1 Customer Service Strategy will greatly increase efficiency and accountability of the public service.

- ***Create a coordinated Litter Action Team that will quickly clean up serious litter and dumping problems***

Litter and dumping problems identified by residents' calls to a new "311" telephone service and through all other 3-1-1 channels of communication will be used to coordinate efforts of a Litter Action Team, which will be created to enable quick response to any serious problem area.

- ***Ensure Multilingual access to City Services through the 311 Project***

The 3-1-1 Customer Service Strategy overall design incorporates options for multilingual access to City Services.

Section C: 2008 Recommended Base Budget

Table 3: 2008 Recommended Base Budget

(In \$000s)	2007 Approved Budget	2008 Recommended Base	Change 2008 Recommended Base vs. 2007 Approved Budget		FY Incremental Outlook	
					2009	2010
	\$	\$	\$	%	\$	\$
GROSS EXP.	3,020.2	3,458.7	438.5	14.5		
REVENUE	2,626.9	3,065.4	438.5	16.7		
NET EXP.	393.3	393.3	0.0	0.0	0.0	0.0
Approved Positions	33.0	34.0	1.0	3.0	0.0	0.0
NET TARGET		393.3			0.0	0.0
\$ Over / (Under) Program Target		0.0			0.0	0.0
% Over / (Under) Program Target		0.0%			0.0%	0.0%

2008 Recommended Base Budget

- The 2008 Recommended Base Budget of \$0.393 million net for 3-1-1 Customer Service Strategy does not include any increases over the 2007 Approved Base Budget.
- The 2008 Recommended Base Budget is needed to fund the 3-1-1 Project Management Office (\$0.649 million gross) as well as required work on front-end content development and business reviews, core technology implementation, work order system integration and other components related to capital infrastructure (\$2.809 million gross). It includes funding for merit and step increases, cost of living adjustments (COLA), an additional one day (leap year) and non-salary inflationary factors in the total amount of \$0.100 million.
- Funding of \$3.065 million is available from the 2008 Approved Capital Budget as a recovery for the 3-1-1 Customer Service Strategy. This funding was approved by Council at its meeting of December 11, 2007, as a part of the 2008 Capital Budget and the 2009-2012 Capital Plan. The capital funding recovery will be used for the following, resulting in a 0% net increase in the 2008 Recommended Base Budget:
 - costs for staff dedicated to this project, thus enabling these staff positions to be backfilled to prevent disruption in service delivery in other areas (\$2.809 million). Based on the current work plan, this includes 29 temporary positions. Although this represents the addition of one temporary position, compared to 28 temporary positions required in 2007, the funding requirement for up to 29 positions has already been included in the 5-Year Capital Plan (2006-2010) for 3-1-1 Customer Service Strategy and it was considered and endorsed in principle by Council at its meeting of July 25, 26 and 27, 2006.

- costs for staff with project management roles and responsibilities regarding the capital infrastructure within the Project Management Office (\$0.256 million). These staff are responsible for overseeing specific individual subprojects, as well as management of the project customization requirements. They also provide consolidated cost management and control and have a responsibility for an overall quality assurance and risk management strategy. Similarly, during the 2006 and 2007 Operating Budget processes, recoveries of \$0.226 million and \$0.186 million respectively were approved (from the 2006 and 2007 Capital Budgets for the 3-1-1 Customer Service Strategy) to fund the same functions within the Project Management Office, resulting a \$0 net impact corporately.
- Although the 2008 Recommended Base Budget remains unchanged in comparison to the 2007 approved net levels, there is an overall increase in the amount of \$0.339 million on both the expenditure and revenue sides. It is anticipated that in 2008, as the project shifts from the Planning to the Implementation phase, different skill sets will be required and that experienced staff will be filling all temporary assignments. The capital funding recovery for this base budget change has been included in the 2008 Approved Capital Budget for the 3-1-1 Customer Service Strategy.
- The 2008 Recommended Base Budget results in 34 approved positions. This represents an addition of one temporary position to the existing staff complement of 33.

2008 Key Cost Drivers and Reduction Strategies

Key cost drivers for 2008 include:

- Cost-of-living adjustments (COLA), merit and step increases and an additional one day (leap year) of \$0.098 million and inflationary increases for non-labour costs of \$0.002 million.
- Costs for staff dedicated to the Capital Program for work on front-end content development, business process reviews, core technology implementation, work order system integration, service page development and privacy impact assessment, as well as project management roles and responsibilities in the amount of \$3.065 million, to be recovered from capital funding resulting in a \$0 net impact to the City.

2009 and 2010 Outlook: Net Incremental Impact

The following issues need to be considered in relation to the 2009 and 2010 Outlook for the 3-1-1 Customer Service Strategy:

- The Project Management Office will continue to support the project implementation until a successful launch of the integrated customer service strategy, including the work on front-end content development for all divisions and prioritized ABCCs, formal business process reviews for five divisions participating in this project, core technology implementation, integration with three work order systems, service page development and privacy impact assessments.
- As previously noted, up to 29 temporary positions have been approved to complete the work, all fully recoverable from capital funding. These positions include research and technology

staff, user acceptance testers, new staff trainers etc., all contributing significantly to the 3-1-1 Project implementation. Their scope of responsibilities will be decreasing significantly as the Launch and Project completion/documentation wrap-up dates approach. For example, a reduction of 17 temporary positions is anticipated for 2009.

- Once implemented, the project will result in the establishment of the new 3-1-1 Operating Division, which will be providing 3-1-1 service to the public, commencing with the soft Launch in 2008 (subject to successful 3-1-1 Technology Solution contract negotiations which are currently underway). This division will have permanent staff which will be reallocated from other City divisions resulting in an overall \$0 net budget impact.
- Starting in 2009, in addition to the operational labour and space requirements, there may be partial year incremental technology costs. These costs will be determined during the negotiations with the selected vendor.
- The Program is currently developing the annual 3-1-1 Operating Budget requirements and Service Plan and will report back in time for consideration with the 2009 Operating Budget.
- Presently, the 2009 and 2010 outlooks for the 3-1-1 Project Management Office do not include any incremental costs associated with the new 3-1-1 Operating Division.

Section D: 2008 Recommended Service Priorities

Table 4: Summary of 2008 New / Enhanced Service Priorities (In \$000s)

Priority	Description	2008 Recommended		Rec. New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.		2009	2010
		\$	\$	#	\$	\$
(a) Enhanced Service Priorities - Council Approved						
(b) Enhanced Service Priorities - Program Initiated	New Positions in 3-1-1 Project Management Office	272.0	272.0	2.0		
Sub-Total Enhanced Service Priorities		272.0	272.0	2.0	0.0	0.0
(a) New Service Priorities - Council Approved						
(b) New Service Priorities - Program Initiated						
Sub-Total New Service Priorities		0.0	0.0	0.0	0.0	0.0
Total Recommended New / Enhanced Service Priorities		272.0	272.0	2.0	0.0	0.0

Recommended Enhanced Service Priorities – Program Initiated:

New Positions in 3-1-1 Project Management Office (\$0.272 million net) – Funding in the amount of \$0.272 million gross and net is included for two temporary positions, the Project Director and the Project Manager. In 2006 and 2007, these two positions were funded in the City Manager's Office Budget. To reflect true project cost and accountability, it is recommended these two positions be added to the 3-1-1 Project.

Both the positions and the functions they perform are essential for the successful completion of this project and are required for the duration of the project implementation period.

Section E: Issues for Discussion

2008 Operating Budget Issues

Challenges and Issues

The implementation of this strategy poses significant challenges for the Project Management Office. Issues related to the integration of multiple existing IT systems and components will continue to be present until the end of the project life-span in 2009. Any further unanticipated delays in the 3-1-1 Technology Solution contract negotiations and implementation could affect the project completion schedule. These challenges are recognized and steps are being taken to reduce and mitigate any risks.

The Project Management Office is working closely with all Divisions involved and in doing so it also champions culture change in order to transform City services to a customer-centric approach with a goal of service excellence associated with the 3-1-1 service delivery models throughout North America. Some major enhancements of the 3-1-1 model will not be visible to the public, but will still involve intensive City business transformation.

Once the 3-1-1 Operating Division becomes fully operational and initial baseline service transaction data becomes available, it will be possible to determine and quantify a number of service level indicators such as cost per each type of call, response times, etc.

Issues Referred to 2008 Operating Budget Process

During the 2007 Capital Budget Process, the Deputy City Manager for Citizen Services “A” was directed to report to Budget Committee on operating costs for the 3-1-1 Division prior to the 2008 Operating Budget Process.

In March 2007, a new call document for the 3-1-1 Technology RFP had to be issued, resulting in an extension to the evaluation and recommendation schedule by approximately three months. Completion of several other interrelated sub-projects had also to be extended. Therefore, the information necessary to determine the 3-1-1 technology related incremental operating budget requirements and actual commencement date of the 3-1-1 Operating Division operations was not available prior to the 2008 Operating Budget Process.

At its meeting of September 26 and 27, 2007, Council adopted the recommendations contained in the report entitled “3-1-1 Technology Solution Request for Proposal No.3412-07-3010: Best and Final Offer Results”, directing the 3-1-1 Project Management Office to undertake negotiations with the preferred technology solution vendor, Bearing Point. Negotiations began on October 16th, 2007 and are still on-going.

The 3-1-1 Project Management Office is currently developing the 3-1-1 Operating Division budget requirements and Service Plan and will report back in time for consideration with the 2009 Operating Budget.

Future Year Issues

The 2009 and 2010 Operating Budget Outlook will be further reviewed and updated following the project implementation progress. Once implemented, the project will result in the establishment of the 3-1-1 Operating Division, which could have an incremental operating budget impact in 2009 and beyond.

The Service Plan and Operating Budget requirements for the new 3-1-1 Operating Division will be presented for consideration with the 2009 Operating Budget Process. During the 2008 Capital Budget Process, the Deputy City Manager for Citizen Services “A” was directed report to Budget Committee on the annual operating costs for the 3-1-1 Division prior to the 2009 Operating Budget Process.

Outstanding Issues from 2007 and Prior Years

At its meeting on September 25, 26, 27 and 28, 2006, Council adopted the Policy and Finance Committee Report 7, Clause 18 entitled “Customer Service Standards Development and Implementation Plan”. By adoption of this report, the 3-1-1 Project Management Office was requested to undertake a phased approach to develop full City-wide customer service standards during 2007, based on the outcomes of divisional business process reviews and pilot evaluation results. Recommendation # 4 was referred for consideration during the 2007 Operating Budget process, as follows:

- (4) the 3-1-1 Project Management Office report to Council in the first quarter of 2007, in time to be considered within the City’s Operating Budget process, on any new costs associated with training and coaching staff across the City to become fully versed in City customer service procedures, standards, policies, and service performance monitoring activities.

This report was not prepared for consideration with the 2007 Operating Budget since there was no incremental impact in 2007. At the time, it was also anticipated that the 3-1-1 Project Management Office would report in time for consideration with the 2008 Operating Budget process.

The customer service standards and associated policies and procedures are now being considered as part of the 3-1-1 Service Model plans for the whole City and the report will be prepared and submitted in 2008, once the plans are fully completed. The Program does not anticipate any additional financial requirements in 2008.

Appendix 1

Summary of Recommended Base Budget Changes From 2007 Approved Budget

(In \$000s)	Summary of 2008 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2009	2010
		\$	\$	\$	\$	\$
2007 Council Approved Operating Budget	28.0	3,016.8	2,626.9	389.9	0.0	0.0
In-year approvals and technical adjustments	5.0			0.0		
Corporate adjustments	0.0	3.5	0.0	3.5		
2007 Approved Operating Budget	33.0	3,020.2	2,626.9	393.3	0.0	0.0
Prior year impacts				0.0		
Zero base items				0.0		
Economic factors		90.6	90.6	0.0		
Adjusted Base Budget	33.0	3,110.8	2,717.5	393.3	0.0	0.0
Other base changes		9.2	9.2	0.0		
Base revenue changes	1.0	338.7	338.7	0.0		
Recommended Base Adjustments:						
Service efficiencies				0.0		
Revenue adjustments				0.0		
Minor service impact				0.0		
Major service impact				0.0		
Total Recommended Base Adjustments	1.0	347.9	347.9	0.0	0.0	0.0
2008 Recommended Base Budget	34.0	3,458.7	3,065.4	393.3	0.0	0.0
2008 Program Operating Target	N/A	N/A	N/A	393.3	0.0	0.0
% Over (Under) Program Target				0.0%	0.0%	0%
% Over (Under) 2006 Appvd. Budget				0.0%	0.0%	0%

Appendix 3

Summary of 2008 Recommended New / Enhanced Service Priorities

Appendix 4

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Balance as of June 2007 \$	Proposed Withdrawals (-) / Contributions (+)		
			2008	2009	2010
			\$	\$	\$
Insurance Reserve Fund	XR1010		4.3		
Total Reserve / Reserve Fund Draws / Contributions			4.3	0.0	0.0