

**DATE:** APRIL 4, 2014

**TO:** HONOURABLE MAYOR AND MEMBERS OF COUNCIL  
SENIOR MANAGEMENT TEAM

**FROM:** JOHN HENRY, COMMISSIONER OF FINANCE & CITY TREASURER  
JOSEPH PITTARI, COMMISSIONER OF STRATEGIC AND CORPORATE  
SERVICES

**RE:** COMMUNICATION  
COUNCIL MEETING - APRIL 8, 2014

|                      |         |
|----------------------|---------|
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| Item #               | 1       |
| Report No.           | 1 (PK1) |
| Council - April 8/14 |         |

ITEM #1 - PRIORITIES AND KEY INITIATIVES COMMITTEE - MARCH 17, 2014  
CORPORATE TECHNOLOGY STRATEGIC DIRECTION

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### **Recommendation**

In addition to the recommendations in the original item, the following is recommended:

1. THAT the funding requests associated with the Corporate Technology Strategic Direction be considered as part of future budget processes and in consideration with all city-wide funding requests.

### **Background**

On March 17<sup>th</sup>, 2014, staff presented the Corporate Technology Strategy with a recommendation to approve strategic directions, which will serve as the guide for identification of technology improvements and opportunities through a collaborative approach and framework.

The report also contained a number of specific actions and preliminary cost estimates to provide an order of magnitude of the effort required to move toward the City's strategic technology goals. Inherent in strategic planning is the natural tension and balance between available resources and the timeline to realize the strategic intent. For this reason, the staff report clearly indicated that additional resources will be considered as part of the annual corporate and financial planning processes, which holistically evaluate and balance all funding priorities setting the City's multi-year budget.

To assist Council in understanding the order of magnitude associated with the actions contained within the consultant's report, a summary of the financial elements is provided based on the "High Level Roadmap", (figure 10, p. 49-50). It is recognized, the High Level Roadmap is a preliminary assessment of resources, which will change over time, including the possibility for cost mitigation through potential process realignment, resource repurposing, cost avoidance based on realized efficiencies, fluctuations in software/solutions (i.e. lower costs and technology evolves and improves), etc. However, these costs can only be identified through further detailed review and assessment.

### **Financial Elements of the Corporate Technology Strategic Direction**

Some of the actions illustrated within the "High Level Roadmap" have been approved through past budgets or are identified in the City's budget and plan. These items and costs are highlighted for Council. There are business systems initiatives identified, which will require further review and scoping before an estimate can be determined. These items are listed separately.

The primary funding source for staffing is taxation, while corporate information technology systems can be funded by multiple sources, such as reserves, grants, capital contributions, taxation etc. As mentioned above, there is also the possibility of cost mitigation/avoidance, which cannot be identified at this time.

Overall, the Corporate Technology Strategic Direction "High Level Roadmap" has an estimated annual four year average tax increase of approximately 0.8%, excluding any items requiring further detailed scoping and presumes that all the consultant recommendations are implemented. It is important to note, this work plan is subject to change based upon detailed assessment/planning/scheduling of initiatives in terms of value and merit, funding availability, and weighting against other City priorities.

The following tables summarize the preliminary cost estimates. Specifically, Table 1 identifies costs associated with additional staffing to support existing systems/solutions (e.g. JDE) as well as new systems (e.g. EDRMS).

Table 1 – Estimated FTE Impact

| High Level Road Map   | 2015 <sup>(3)</sup> | 2016       | 2017       | 2018       |      |
|---|---------------------|------------|------------|------------|------|
| FTE Resources   |                     |            |            |            |      |
| • Communications Specialist – Website Content Mgmt x 1 <sup>(1)</sup> | \$ 94,422           |            |            |            |      |
| • Amanda x 1  | \$ 116,896          |            |            |            |      |
| • Data Analyst x 1  | \$ 116,896          |            |            |            |      |
| • GIS leader x 1  | \$ 141,648          |            |            |            |      |
| • CAMS x 1  | \$ 119,439          |            |            |            |      |
| • Amanda x 1  | \$ 119,439          |            |            |            |      |
| • JDE x 1   | \$ 119,439          |            |            |            |      |
| • Security Analyst x 1  | \$ 119,439          |            |            |            |      |
| • BA x 2  | \$ 238,878          |            |            |            |      |
| • Fire IT Analyst x 1   | \$ 119,439          |            |            |            |      |
| • JDE x 1   |                     | \$ 122,130 |            |            |      |
| • CAMS x 1  |                     | \$ 122,130 |            |            |      |
| • GIS x 1   |                     | \$ 122,130 |            |            |      |
| • eGov leader x1  |                     | \$ 144,890 |            |            |      |
| • BA x 1  |                     | \$ 122,130 |            |            |      |
| • CAMS x 1  |                     |            | \$ 124,884 |            |      |
| • GIS x 1 <sup>(2)</sup>  |                     |            | \$ 124,884 |            |      |
| • BA x 1  |                     |            | \$ 124,884 |            |      |
| • EDRMS x 2 <sup>(1)</sup>  |                     |            |            | \$ 276,451 |      |
| • GIS x 1 <sup>(2)</sup>  |                     |            |            | \$ 127,162 |      |
| Operating Cost  | \$ 1,305,935        | \$ 633,410 | \$ 374,652 | \$ 403,613 | AVG  |
| Tax Rate Increase (Estimated)   | 0.8%                | 0.3%       | 0.2%       | 0.2%       | 0.4% |

Notes:

(1) 2015 Recognized ARRs

(2) in addition to the 20 FTEs

(3) 2014 positions moved to 2015

Table 2 identifies business system costs associated with existing systems/solutions (e.g. JDE) as well as new systems (e.g. EDRMS).

Table 2 – Estimated Business Systems Impact

| High Level Road Map                     | Approved     | Recognized   | TBD          | 2014        | 2015      | 2016      | 2017        | 2018      |
|---|--------------|--------------|--------------|-------------|-----------|-----------|-------------|-----------|
| Business systems                        |              |              |              |             |           |           |             |           |
| · Performance management <sup>(1)</sup> | \$ 103,000   |              |              |             |           |           |             |           |
| · Asset Management <sup>(1)</sup>       | \$ 3,120,320 |              |              |             |           |           |             |           |
| · AMANDA <sup>(1)</sup>                 | \$ 1,236,000 |              |              |             |           |           |             |           |
| · Mobile deployments                    |              | \$ 371,140   | TBD - Yr 3&4 |             |           |           |             |           |
| · POS                                   |              | \$ 205,700   |              |             |           |           |             |           |
| · JDE HR                                |              | \$ 164,800   | TBD - Yr 4   |             |           |           |             |           |
| · Online services                       |              | \$ 463,500   |              |             |           |           |             |           |
| · Tax                                   |              | \$ 154,500   |              |             |           |           |             |           |
| · EDMS                                  |              | \$ 1,894,200 |              |             |           |           |             |           |
| · JDE Finance                           |              |              | TBD          |             |           |           |             |           |
| · CLASS replacement                     |              |              | TBD          |             |           |           |             |           |
| · GIS platform                          |              |              | TBD          |             |           |           |             |           |
| · GIS integration                       |              |              | TBD          |             |           |           |             |           |
| · MDM + Integration tools               |              |              | TBD          |             |           |           |             |           |
| · CRM                                   |              |              | TBD          |             |           |           |             |           |
| Taxation                                | \$ 603,000   | \$ 3,253,840 |              | \$ 603,000  | \$371,140 | \$525,000 | \$1,727,000 | \$630,700 |
| Gas Tax/Reserves                        | \$ 3,856,320 |              |              | \$3,856,320 |           |           |             |           |
| Capital Cost                            | \$ 4,459,320 |              |              | \$4,459,320 | \$371,140 | \$525,000 | \$1,727,000 | \$630,700 |
| Tax Rate Increase (Estimated)           |              |              |              | Approved    | 0.2%      | 0.3%      | 0.9%        | 0.3%      |
|   |              |              |              |             |           |           |             | 0.4%      |

Notes:

(1) Projects are approved and underway

\* Shading represents estimated timeline distribution

The resources presented in Tables 1 & 2 need to be assessed against need/value/merit/timing by the IT Governance Committee and annual planning processes as there may be differences of opinion with what was recommended by the consultant.

Report prepared by:

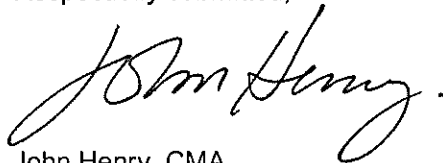
Jackie Macchiusi, CGA

Manager of Capital and Reserve Planning

Ellen Boudreau, MBA

Senior Budget Analyst

Respectfully submitted,



John Henry, CMA

Commissioner of Finance and City Treasurer



Joseph Pittari, MSc

Commissioner, Strategic and Corporate Services

c: Barbara Cribbett, Interim City Manager  
Jeffrey Abrams, City Clerk