Finance and Economic Development Committee

Information Technology Sub-Committee
Tax Supported Programs

# Draft BUDGET 2018

**Balanced, Affordable and Progressive**

Tabled November 8, 2017

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# Corporate Services Department
# 2018 Budget Briefing Note

## Description

The Corporate Services Department (CSD) supports the delivery of city services by: providing excellent service to the public and City departments; partnering with clients to develop innovative solutions to business needs; and ensuring compliance with all legislation, by-laws and other governance requirements.

## Programs/Services Offered

CSD provides a broad range of services to internal and external clients. The service areas play critical roles throughout the corporation, and share commonalities that will help the department to become more efficient:

**Information Technology (IT) Services**

IT Services provides access to information for City staff and citizens, and ensures that the technology used to deliver City services is reliable, and secure. IT Services provides core technology infrastructure services to 350 City facilities, supports more than 11,900 clients and 14,500 computers and mobile devices, and maintains several hundred business-specific software and applications in support of the range of services and programs offered across the City.

IT's core services include:

- Workplace essentials such as e-mail system management, telephones, pagers, & smart phones, service desk, walk-in service centre and additional end user support services, hardware & software purchasing, phone, network & email account set-up, printing, fax and scanning support, mobility enablement and computer training

- Advisory services such as business technology planning; enterprise architecture; industry trends & market research; security & risk assessment; and vendor & product assessment
- Application services such as enterprise and business-specific system implementation, integration, support and maintenance; business intelligence tools, reporting & analytics; business process mapping & reengineering; and software application lifecycle management
- Infrastructure services such as network management (voice, data, & remote access); data management (storage & backup); security safeguards & engineering; facility technology fit-ups; investigations and audit support; and telecommunication services

City of Ottawa
Corporate Services Department
Information Technology Services - Operating Resource Requirement
In Thousands ($000)

| | 2016 | 2017 | | 2018 | |
|---|---|---|---|---|---|
| | Actual | Forecast | Budget | Estimate | $ Change over 2017 Budget |
| **Expenditures by Program** | | | | | |
| Office of the CIO | 1,207 | 335 | 335 | 341 | 6 |
| Network Operations | 11,691 | 12,782 | 12,407 | 13,597 | 1,190 |
| Frontline Services | 14,477 | 14,112 | 13,939 | 13,985 | 46 |
| Applications Management | 16,948 | 15,854 | 15,884 | 16,160 | 276 |
| SAP Solutions | 6,979 | 6,634 | 6,709 | 7,143 | 434 |
| Technology Security | 2,448 | 2,523 | 2,048 | 2,696 | 648 |
| Technology Modernization | 7,083 | 3,582 | 3,584 | 4,378 | 794 |
| Technology Project Management | 2,420 | 2,478 | 2,599 | 2,852 | 253 |
| Technology Solutions | 1,413 | 2,373 | 2,709 | 2,782 | 73 |
| **Gross Expenditure** | **64,666** | **60,673** | **60,214** | **63,934** | **3,720** |
| Recoveries & Allocations | -5,931 | -4,774 | -4,215 | -4,215 | 0 |
| Revenue | 0 | 0 | 0 | 0 | 0 |
| **Net Requirement** | **58,735** | **55,899** | **55,999** | **59,719** | **3,720** |
| **Expenditures by Type** | | | | | |
| Salaries, Wages & Benefits | 37,311 | 31,100 | 32,706 | 33,381 | 675 |
| Overtime | 0 | 309 | 309 | 309 | 0 |
| Material & Services | 27,254 | 29,203 | 27,139 | 30,184 | 3,045 |
| Transfers/Grants/Financial Charges | 0 | 0 | 0 | 0 | 0 |
| Fleet Costs | 0 | 0 | 0 | 0 | 0 |
| Program Facility Costs | 0 | 0 | 0 | 0 | 0 |
| Other Internal Costs | 101 | 61 | 60 | 60 | 0 |
| **Gross Expenditures** | **64,666** | **60,673** | **60,214** | **63,934** | **3,720** |
| Recoveries & Allocations | -5,931 | -4,774 | -4,215 | -4,215 | 0 |
| **Net Expenditure** | **58,735** | **55,899** | **55,999** | **59,719** | **3,720** |
| **Revenues By Type** | | | | | |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Provincial | 0 | 0 | 0 | 0 | 0 |
| Municipal | 0 | 0 | 0 | 0 | 0 |
| Own Funds | 0 | 0 | 0 | 0 | 0 |
| Fees and Services | 0 | 0 | 0 | 0 | 0 |
| Fines | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| **Total Revenue** | **0** | **0** | **0** | **0** | **0** |
| **Net Requirement** | **58,735** | **55,899** | **55,999** | **59,719** | **3,720** |
| **Full Time Equivalents** | | | **296.00** | **296.00** | **0.00** |

**City Of Ottawa**
**2018 Draft Capital Budget**
**Information Technology Sub-Committee**
**Capital Funding Summary**
**In Thousands ($000's)**

| Project Description | Revenues | Capital Reserve Fund | Gas Tax | Development Charges | Debt Funding | Grand Total |
|---|---|---|---|---|---|---|
| Information Technology | | | | | | |
| Renewal of City Assets | | | | | | |
| 908655 Microsoft Upgrade | 96 | 7,101 | - | - | - | 7,197 |
| 908875 Technology Infrastructure - 2018 | - | 4,725 | - | - | - | 4,725 |
| **Renewal of City Assets Total** | **96** | **11,826** | **-** | **-** | **-** | **11,922** |
| **Information Technology Total** | **96** | **11,826** | **-** | **-** | **-** | **11,922** |
| | | | | | | |
| Service Ottawa | | | | | | |
| Strategic Initiatives | | | | | | |
| 908388 Digital Service Strategy &Implementation | - | 1,200 | - | - | - | 1,200 |
| **Strategic Initiatives Total** | **-** | **1,200** | **-** | **-** | **-** | **1,200** |
| **Service Ottawa Total** | **-** | **1,200** | **-** | **-** | **-** | **1,200** |
| | | | | | | |
| **Grand Total** | **96** | **13,026** | **-** | **-** | **-** | **13,122** |

City of Ottawa
Corporate Services Department
Information Technology Services - Operating Resource Requirement Analysis
In Thousands ($000)

| | 2017 Baseline | | | 2018 Adjustments | | | | | 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Forecast | Budget | Adj. to Base Budget | Maintain Services | Growth | Council Priorities | Service Initiatives / Savings | User Fees & Revenues | Estimate | $ Change over 2017 Budget |
| **Expenditures by Program** | | | | | | | | | | |
| Office of the CIO | 335 | 335 | 0 | 6 | 0 | 0 | 0 | 0 | 341 | 6 |
| Network Operations | 12,782 | 12,407 | 0 | 1,190 | 0 | 0 | 0 | 0 | 13,597 | 1,190 |
| Frontline Services | 14,112 | 13,939 | 0 | 46 | 0 | 0 | 0 | 0 | 13,985 | 46 |
| Applications Management | 15,854 | 15,884 | 0 | 276 | 0 | 0 | 0 | 0 | 16,160 | 276 |
| SAP Solutions | 6,634 | 6,709 | 0 | 434 | 0 | 0 | 0 | 0 | 7,143 | 434 |
| Technology Security | 2,523 | 2,048 | 0 | 648 | 0 | 0 | 0 | 0 | 2,696 | 648 |
| Technology Modernization | 3,582 | 3,584 | 0 | 794 | 0 | 0 | 0 | 0 | 4,378 | 794 |
| Technology Project Management | 2,478 | 2,599 | 0 | 253 | 0 | 0 | 0 | 0 | 2,852 | 253 |
| Technology Solutions | 2,373 | 2,709 | 0 | 73 | 0 | 0 | 0 | 0 | 2,782 | 73 |
| **Gross Expenditure** | **60,673** | **60,214** | **0** | **3,720** | **0** | **0** | **0** | **0** | **63,934** | **3,720** |
| Recoveries & Allocations | -4,774 | -4,215 | 0 | 0 | 0 | 0 | 0 | 0 | -4,215 | 0 |
| Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net Requirement** | **55,899** | **55,999** | **0** | **3,720** | **0** | **0** | **0** | **0** | **59,719** | **3,720** |
| **Expenditures by Type** | | | | | | | | | | |
| Salaries, Wages & Benefits | 31,100 | 32,706 | 0 | 675 | 0 | 0 | 0 | 0 | 33,381 | 675 |
| Overtime | 309 | 309 | 0 | 0 | 0 | 0 | 0 | 0 | 309 | 0 |
| Material & Services | 29,203 | 27,139 | 0 | 3,045 | 0 | 0 | 0 | 0 | 30,184 | 3,045 |
| Transfers/Grants/Financial Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fleet Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Program Facility Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Internal Costs | 61 | 60 | 0 | 0 | 0 | 0 | 0 | 0 | 60 | 0 |
| **Gross Expenditures** | **60,673** | **60,214** | **0** | **3,720** | **0** | **0** | **0** | **0** | **63,934** | **3,720** |
| Recoveries & Allocations | -4,774 | -4,215 | 0 | 0 | 0 | 0 | 0 | 0 | -4,215 | 0 |
| **Net Expenditure** | **55,899** | **55,999** | **0** | **3,720** | **0** | **0** | **0** | **0** | **59,719** | **3,720** |
| **Percent of 2017 Net Expenditure Budget** | | | **0.0%** | **6.6%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **6.6%** | |
| **Revenues By Type** | | | | | | | | | | |
| Federal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Provincial | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Municipal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Own Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees and Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Revenue** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Percent of 2017 Revenue Budget** | | | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | |
| **Net Requirement** | **55,899** | **55,999** | **0** | **3,720** | **0** | **0** | **0** | **0** | **59,719** | **3,720** |
| **Percent of 2017 Net Requirement Budget** | | | **0.0%** | **6.6%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **6.6%** | |
| **Full Time Equivalents (FTE's)** | | 296.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | **296.00** | **0.00** |
| **Percent of 2017 FTE's** | | | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | |

**City of Ottawa**
**Information Technology Services - Operating Resource Requirement Explanatory Notes**
**In Thousands ($000)**

| 2017 Forecast vs. Budget Variance Explanation | Surplus / (Deficit) Expense | Revenue | Net |
|---|---|---|---|
| No significant variances to report. | 100 | 0 | 100 |
| **Total Surplus / (Deficit)** | **100** | **0** | **100** |

| 2018 Pressure Category / Explanation | Increase / (Decrease) Expense | Revenue | Net 2018 Changes | FTE Impact |
|---|---|---|---|---|
| **Maintain Services** | | | | |
| All programs include an adjustment for potential 2018 cost of living, increments and benefit adjustments. | 670 | 0 | 670 | 0.00 |
| Minimum wage impact. | 5 | 0 | 5 | 0.00 |
| Upgrades to cooling systems and other minor retrofits to Data Centre 4 funded from the Provision for One-time and Unforeseen. | 500 | 0 | 500 | 0.00 |
| Maintenance contracts fees to support the installed network hardware and software (e.g. Oracle, IBM, Quest and Microsoft, JAWS, SmartGuide, CrossBrowserTest, Managed Security Service, etc.). | 645 | 0 | 645 | 0.00 |
| Increased security tools including end point detection and outsourced security monitoring plus additional costs for improving application performance. | 1,900 | 0 | 1,900 | |
| **Total Maintain Services** | **3,720** | **0** | **3,720** | **0.00** |
| **Total Budget Changes** | **3,720** | **0** | **3,720** | **0.00** |

# Capital Budget

**City of Ottawa**
**2018 Draft Capital Budget**
**IT Sub-Committee**
**Committee In Thousands ($000)**

| Service Area: Information Technology | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Debt | | | | |
| Category | 2018 Capital Budget | Revenues | Tax Supported/ Dedicated Reserves | Rate Supported Reserves | Develop. Charges | Gas Tax | Tax/ Dedicated | Rate | Develop. Charges | Gas Tax | Total Debt |
| Renewal of City Assets | **11,922** | 96 | 11,458 | 368 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Growth | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Regulatory | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Strategic Initiatives | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **11,922** | **96** | **11,458** | **368** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

# City of Ottawa
## 2018 Draft Capital Budget
## Service Area:  Information Technology
**In Thousands ($000)**

| Project Information | | | | Financial Details | | | | |
|---|---|---|---|---|---|---|---|---|
| **908655** | **Microsoft Upgrade** | | | **Class of Estimate:** | **Not Applicable** | | | |
| Dept: | Corporate Services Department | Category: Renewal of City Assets | | Ward: CW | Year of Completion: 2020 | | | |

This program funds the life-cycle replacement of three major Microsoft products: email, desktop operating system, and Office suite. The program is based on a 6-year life-cycle term. The Office suite has reached its end-of-life and will no longer have security patches issued for it. The upgrade program is essential to ensuring continued support from manufacturers, as well continuing to maintain our overall security posture in relation to ever evolving cyber security threats. The work plan includes complementary training programs and funds for the hiring of subject matter experts; to ensure ITS City staff are properly trained on the implementation and support of the solutions, and that best practice system designs are followed to help ensure these productivity tools are deployed and utilized effectively and appropriately.

| **2018 Request** | **7,197** | Projected Yearend Unspent Bal. | 1,344 |
|---|---|---|---|
| Revenues | 96 | Debt | |
| Tax Supported/ Dedicated | 6,733 | Tax Supported/ Dedicated Debt | 0 |
| Rate Supported | 368 | Rate Supported Debt | 0 |
| Develop. Charges | 0 | Develop. Charges Debt | 0 |
| Gas Tax | 0 | Gas Tax Debt | 0 |

| Forecast | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| Authority | 7,197 | 0 | 0 | 0 |
| Spending Plan | 8,541 | 0 | 0 | 0 |
| FTE's | 0 | 0 | 0 | 0 |
| Operating Impact | 0 | 0 | 0 | 0 |

| | | | | | |
|---|---|---|---|---|---|
| **908875** | **Technology Infrastructure - 2018** | | | **Class of Estimate:** | **Not Applicable** |
| Dept: | Corporate Services Department | Category: Renewal of City Assets | | Ward: CW | Year of Completion: 2021 |

This program funds the life-cycle replacement and growth of the City's computer network and telecommunications infrastructure. Specifically in 2018, these funds will be used to life-cycle: computer/laptops, servers, network switches, storage devices, upgrading SAP and miscellaneous data center infrastructure. The funds will also be used to life-cycle various technologies that power the City's telephony network and Internet access. Annual investments must also be made to replace aging infrastructure, to ensure continuous vendor support and availability of security patches, and upgrade network capacity to accommodate increasing use of technology in City operations.

| **2018 Request** | **4,725** | Projected Yearend Unspent Bal. | 0 |
|---|---|---|---|
| Revenues | 0 | Debt | |
| Tax Supported/ Dedicated | 4,725 | Tax Supported/ Dedicated Debt | 0 |
| Rate Supported | 0 | Rate Supported Debt | 0 |
| Develop. Charges | 0 | Develop. Charges Debt | 0 |
| Gas Tax | 0 | Gas Tax Debt | 0 |

| Forecast | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| Authority | 4,725 | 4,030 | 4,139 | 4,214 |
| Spending Plan | 4,725 | 4,030 | 4,139 | 4,214 |
| FTE's | 0 | 0 | 0 | 0 |
| Operating Impact | 0 | 0 | 0 | 0 |

**City of Ottawa**
**2018 Draft Capital Budget**
**IT Sub-Committee**
**In Thousands ($000)**

| Service Area: Service Ottawa | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Debt | | | | |
| Category | 2018 Capital Budget | Revenues | Tax Supported/ Dedicated Reserves | Rate Supported Reserves | Develop. Charges | Gas Tax | Tax/ Dedicated | Rate | Develop. Charges | Gas Tax | Total Debt |
| Renewal of City Assets | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Growth | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Regulatory | **0** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Strategic Initiatives | **1,200** | 0 | 1,200 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **1,200** | **0** | **1,200** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

# City of Ottawa
# 2018 Draft Capital Budget
# Service Area: Service Ottawa
**In Thousands ($000)**

| Project Information | | | | | | |
|---|---|---|---|---|---|---|
| **908388** | **Digital Service Strategy &Implementation** | | **Class of Estimate:** | **Not Applicable** | | |
| Dept: | Service Innovation & Performance Department | Category: Strategic Initiatives | Ward: CW | Year of Completion: 2019 | | |

The Digital Service Strategy and Implementation will articulate the long term digital service vision for the City; define the steps to achieve it; and begin implementing priorities to improve the client experience when accessing City services, while also planning for the longer term digital direction for the City of Ottawa.

| Financial Details | | | | |
|---|---|---|---|---|
| **2018 Request** | **1,200** | Projected Yearend Unspent Bal. | | 1,991 |
| Revenues | 0 | Debt | | |
| Tax Supported/ Dedicated | 1,200 | Tax Supported/ Dedicated Debt | | 0 |
| Rate Supported | 0 | Rate Supported Debt | | 0 |
| Develop. Charges | 0 | Develop. Charges Debt | | 0 |
| Gas Tax | 0 | Gas Tax Debt | | 0 |
| **Forecast** | **2018** | **2019** | **2020** | **2021** |
| Authority | 1,200 | 0 | 0 | 0 |
| Spending Plan | 3,191 | 0 | 0 | 0 |
| FTE's | 0 | 0 | 0 | 0 |
| Operating Impact | 0 | 0 | 0 | 0 |

**City Of Ottawa**
**2018 Capital Draft Budget**
**Information Technology  Sub-Committee**
**Capital Forecast Summary**
**In Thousands (000's)**

| Projects by  Service Area and Category | 2018 | 2019 | 2020 | 2021 | Total |
|---|---|---|---|---|---|
| Information Technology | | | | | |
| Renewal of City Assets | | | | | |
| 908655 Microsoft Upgrade | 7,197 | - | - | - | 7,197 |
| 908875 Technology Infrastructure - 2018 | 4,725 | 4,030 | 4,139 | 4,214 | 17,108 |
| **Renewal of City Assets Total** | **11,922** | **4,030** | **4,139** | **4,214** | **24,305** |
| **Information Technology Total** | **11,922** | **4,030** | **4,139** | **4,214** | **24,305** |
| | | | | | |
| Service Ottawa | | | | | |
| Strategic Initiatives | | | | | |
| 908388 Digital Service Strategy &Implementation | 1,200 | - | - | - | 1,200 |
| **Strategic Initiatives Total** | **1,200** | **-** | **-** | **-** | **1,200** |
| **Service Ottawa Total** | **1,200** | **-** | **-** | **-** | **1,200** |
| | | | | | |
| **Grand Total** | **13,122** | **4,030** | **4,139** | **4,214** | **25,505** |

**City of Ottawa**
**Information Technology Sub-Committee**
**Capital Works-In-Progress**
**In Thousands ($000's)**

| Project Description | Total Authority | Total Expenditures as of August 31, 2017 | Unspent Cash Balance as of August 31, 2017 | Total Contractual Obligation | Unspent/ Uncommitted Balance as of August 31, 2017 |
|---|---|---|---|---|---|
| Information Technology | | | | | |
| Renewal of City Assets | | | | | |
| 904184 IT Lifecycle Renew Bus App | 1,200 | 1,044 | 156 | 1 | 156 |
| 905989 IT Business Systems:Renewal Program 2011 | 1,398 | 624 | 774 | - | 774 |
| 908035 IT Technology Infrastructure - 2016 | 4,875 | 3,270 | 1,605 | - | 1,605 |
| 908522 Technology Infrastructure - 2017 | 3,485 | 505 | 2,980 | 867 | 2,114 |
| 908655 Microsoft Upgrade | 5,000 | 3,656 | 1,344 | - | 1,344 |
| **Renewal of City Assets Total** | **15,958** | **9,098** | **6,860** | **867** | **5,993** |
| **Information Technology Total** | **15,958** | **9,098** | **6,860** | **867** | **5,993** |
| | | | | | |
| Service Ottawa | | | | | |
| Strategic Initiatives | | | | | |
| 908388 Digital Service Strategy &Implementation | 2,266 | 275 | 1,991 | 567 | 1,425 |
| **Strategic Initiatives Total** | **2,266** | **275** | **1,991** | **567** | **1,425** |
| **Service Ottawa Total** | **2,266** | **275** | **1,991** | **567** | **1,425** |
| | | | | | |
| **Grand Total** | **18,224** | **9,372** | **8,852** | **1,434** | **7,417** |