



# 2021 Budget Update

## 2020 – 2023 Multi-Year Budget Innovation, Transformation and Technology



Standing Policy Committee on Innovation and Economic Development  
December 8, 2020

# Agenda

1. Strategic Objectives, Priorities and Performance Measurement
2. Budget Overview
3. Operating Budget
  - Highlights
  - Changes
  - Reserve Summary
  - Referrals
  - Other Important Information
4. Capital Budget
  - Key Projects
  - Changes
  - Summary
  - Referrals - n/a
  - Other Important Information
5. Questions

# What We Do

## Strategic Objectives

- Establish Enterprise Architecture framework and support corporate strategic planning
- Establish enterprise-level transformation agenda and demonstration projects / outcomes
- Formalize technology architecture and strategy to enable corporate performance and coordinated, citizen-centric service
- Create sustainable management systems that support and enable business-driven innovation and execution
- Establish sustainable, optimum capacity across departments that enables innovation, cross departmental collaboration, and improved outcomes
- Ensure efficient and effective delivery of technology and innovation services to support ongoing business requirements

## Key Priorities

- Maintain existing technology supporting critical service delivery across City
- Establish Enterprise Architecture capability to ensure optimum service delivery across City
- Creation and sustainment of innovation capability and execution of highest value innovation opportunities

\* Source: Modified from Volume 1 Community Trends and Performance Report

## How We Did (Performance Measurements)

Year	2017	2018	2019
Number of Website Visits [A]	23.3 million	19.0 million	19.7 million
Percentage of Service Level Agreements Achieved	98%	97%	96%
Number of Open Data Datasets	114	126	141
Number of Managed Workstations	6,625	6,877	7,320
Number of Technology Service tickets addressed	30,023	31,854	32,809
Computer network available during business hours	99.960%	99.800%	99.874%
Infrastructure Condition	B-	B-	B-
Number of Innovation ideas received [B]	17	52	30
Number of Innovation projects initiated [B]	9	19	10
Cumulative number of staff trained in Innovation Engineering [C]	0	20	40
Return on Investment attained on Innovation projects	\$119,000	\$562,000	\$1,301,000
Cumulative number of City Staff in Innovation network	0	20	100

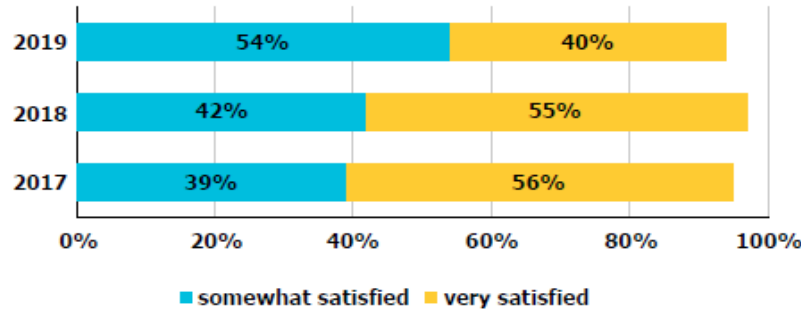
[A] 2018 restated due to error and refined measurement approach to remove non-human (bot) activity.

[B] In 2017 the number is related to the Innovation Capital Fund (ICF) (City Clerks). In 2018 the number is a combined ICF and Innovation Strategy Program (Innovation, Transformation and Technology).

[C] Innovation Engineering training is a new activity that began in 2018.

## Performance Measurements

### City Department's Satisfaction with Services (2019)

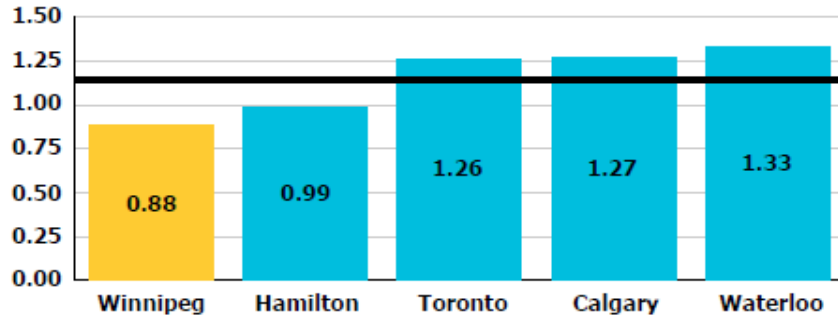


Client satisfaction continues to remain high based on ongoing survey results.

	2015	2016	2017	2018	2019
<b>Total Satisfied</b>	95%	95%	95%	97%	94%

Source: Innovation, Transformation and Technology Client Survey

### Devices per Municipal FTE (2018)



The number of computing devices is an indication of the level of automation within city services, with Winnipeg being lower than other cities.

	2014	2015	2016	2017	2018
<b>Wpg. Trend</b>	0.88	1.12	0.99	0.90	0.88

Source: Municipal Benchmarking Network of Canada (INTN205)

## Performance Measurements (cont'd)

### Open Cities Index and Open Datasets per 100,000 Capita (2019)

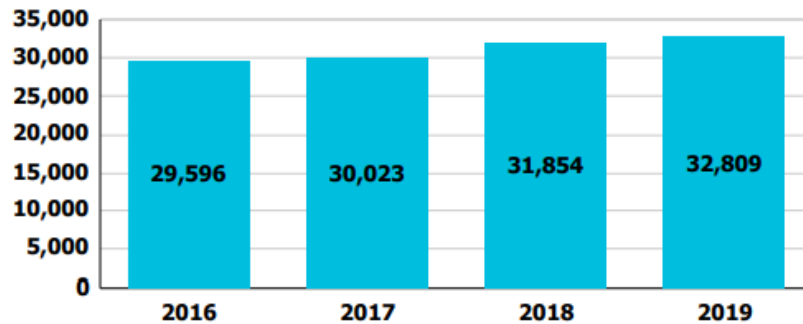


Winnipeg's Open Data Program is expanding and maturing to support open and transparent government, ranked as one of best in Canada in the Open Cities Index (OCI) by the independent Public Sector Digest.

	2015	2016	2017	2018	2019
Number of Datasets	15.17	14.83	15.22	16.71	18.46

Source: Public Sector Digest (Note: they did not perform an OCI ranking in 2018)

### Total Technology Service Tickets Addressed and Service Level Agreements Achieved (2019)



Demand for service continues to rise as technology enables business at an ever increasing rate. Investment to support the service capability has struggled to keep pace resulting in service level agreement (SLA) fulfillment trending downward.

	2016	2017	2018	2019
SLA Achieved	97.0%	98.0%	97.0%	96.0%

# Budget Overview



# Budget Overview

(Service Based View)

Preliminary 2021 Budget Update				
Service Based Budget (in millions of \$)	% Contribution to Department Budget	Operating Budget (Mill Rate Support)	Capital Budget	Reserves Projected Ending Balance - 1
Innovation, Transformation and Technology	100.0	25.8	3.9	2.5
Total Department		25.8	3.9	2.5

Notes:

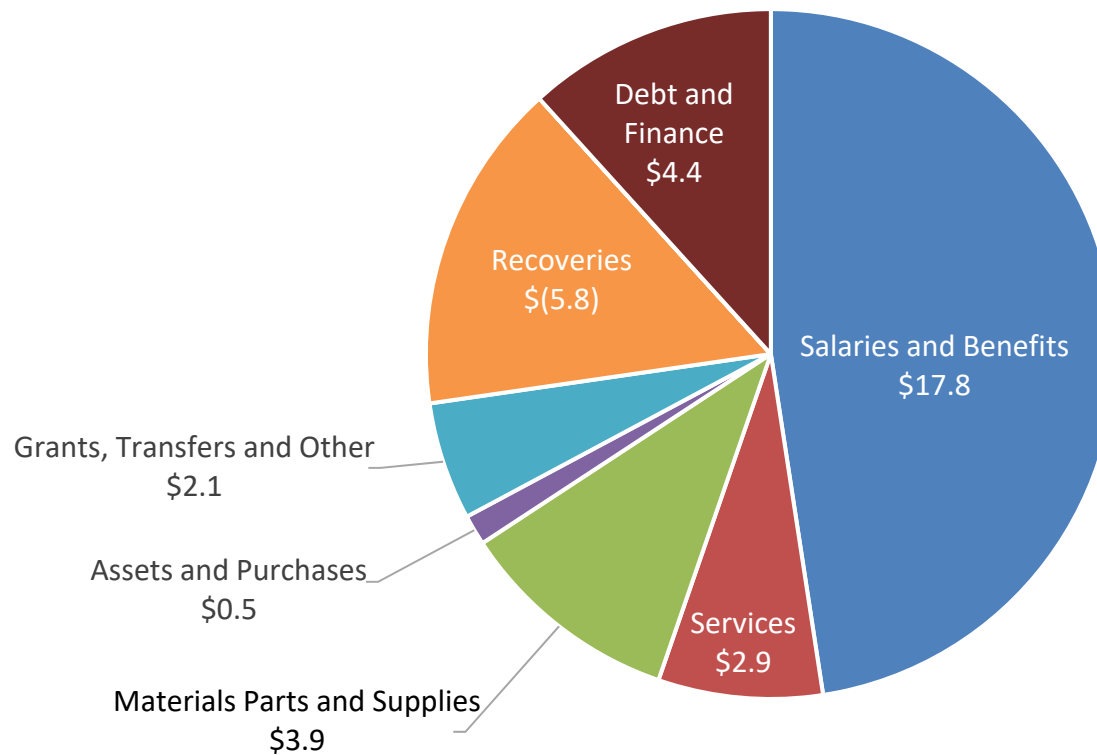
1. Other contributing departments include - Public Works (16% - \$399,000) and Planning, Property & Development (1% - \$22,000)



# Budget Overview

## (Departmental View)

2021 Preliminary Budget Expenditures  
(\$ in millions)



# Operating Budget

# Operating Budget Highlights

Annual Tax Supported Operating Increase <sup>1</sup>	Average <sup>3</sup>
2021 Preliminary Budget	(2.5%)
Approved in the Multi-Year Budget <sup>2</sup>	(2.0%)

## Budget Impacts - Approved in MYB <sup>2</sup>

Reduction of operating expenditures and FTEs relating to cancelling of previously approved capital projects	Efficiencies due to business application rationalization and Innovation and Transformation
Enterprise Content Management funded from savings project generates	Return on Investment from Innovation Strategy Program projects
PeopleSoft 3 <sup>rd</sup> party support	Misc. operating expense reductions

### Notes:

1. Based on expenditures before capital related expenditure
2. Adopted Multi-Year Budget (MYB) 2020 Budget and 2021 to 2023 Projections - March 20, 2020
3. Average for 2020 to 2023
4. Budget impacts is not an exhaustive listing

# Operating Budget Highlights

## Budget Impacts – Not Projected in MYB <sup>1</sup>, Included In Preliminary Budget

Reversal of assumed PST savings	Impact of new WAPSO collective agreement
Decrease in cash to capital	Change in debt and finance charges relating to the capital financing decisions

### Notes:

1. Adopted Multi-Year Budget (MYB) 2020 Budget and 2021 to 2023 Projections - March 20, 2020
2. Based on low economic impact scenario
3. Budget impacts is not an exhaustive listing

## Operating Budget Changes

Operating Budget (In millions of \$)	MYB Criteria	2021 Preliminary	2022 Projection	2023 Projection	2021 to 2023 Total
<b>Mill Rate Support - Council Approved Multi-Year Budget 2020 to 2023 (a)</b>		<b>(28.0)</b>	<b>(27.8)</b>	<b>(27.2)</b>	
<i>Increase (Decrease) From Forecast:</i>					
<i>Revenue:</i>		-	-	-	-
<b>Revenue Net Change (b)</b>		-	-	-	-
<i>Expenditures:</i>					
Decrease in cash to capital	REV/COST	(1.2)	(1.0)	(1.3)	(3.5)
Net (Decrease/Increase) in debt and finance charges	REV/COST	(0.7)	0.3	0.5	0.1
Net (Decrease/Increase) in salary and benefits due to settlement of WAPSO collective agreement	COUNCIL	(0.3)	(0.5)	(0.4)	(1.2)
<b>Expenditures Net Change (c)</b>		<b>(2.2)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>(4.6)</b>
<b>Mill Rate Support - Preliminary Budget (a+b-c)</b>		<b>(25.8)</b>	<b>(26.6)</b>	<b>(26.0)</b>	

The department has maintained the multi-year budget targets established in 2020.

# Reserve Summary

**Reserve Name**

1 Computer, Critical Systems and Support Reserve - All departments

**Total Reserves**

2021			
Beginning Balnce	Revenue	Expense	Forecasted Ending
2,081	<b>1,273</b>	<b>818</b>	2,536
2,081	<b>1,273</b>	<b>818</b>	2,536

# Operating Budget Referrals

Operating Budget Referrals			2021	2022	2023
Innovation and Transformation Fund Initiatives Annual Report	That Council direct the Chief Innovation Officer to report back on the return on investments and results of the innovation and transformation initiatives through the annual budget process.	March 20, 2020 (Council – Rec. 1. X)	n/a	n/a	n/a

- On track for 2020 ROI required for the self-funding commitment
  - Some COVID impact addressed with in-year efficiencies
- 2021 – 2023 ROI models are established to track progress

Included in the budget	✓
Not budgeted	x



## Other Important Operating Budget Information

- Department began transition to self-funded operating expenses in 2020 approved budget
  - On track for 2020 ROI required for the self-funding commitment (some COVID impact addressed with in-year efficiencies)
- Industry Transition to Subscription Services
  - Continuing to see vendors move from product sales to subscription fees
  - Next major transition may be Microsoft Office for 2024

# Capital Budget

# Capital Budget Summary

## List of Capital Projects (\$'000s)

	2021 Budget	Forecast					6-year Total
		2022	2023	2024	2025	2026	
1 Innovation Strategy <b>A</b>	<b>750</b>	500	250	-	-	-	1,500
2 Smart Cities Innovation Program <b>A</b>	<b>750</b>	500	250	-	-	-	1,500
3 Enterprise Computing Initiatives	<b>1,105</b>	3,462	319	855	800	904	7,445
4 Communications Network Infrastructure	<b>395</b>	1,184	923	881	560	266	4,209
5 Printing Graphics & Mail Services Asset Renewal	<b>396</b>	-	-	-	-	-	396
6 Information Security Initiatives	<b>194</b>	140	144	640	979	100	2,197
7 Microsoft Office License Evergreen	-	113	-	712	-	-	825
8 Microsoft Development Network Software Renewal	-	282	-	-	308	-	590
9 Geographic Information System Aerial Imagery Renewal Program	<b>188</b>	-	-	-	211	-	399
10 Corporate VoIP Phone System	<b>160</b>	-	-	-	-	-	160
<b>TOTAL CAPITAL PROJECTS</b>	<b>3,938</b>	6,181	1,886	3,088	2,858	1,270	<b>19,221</b>

**A** - Innovation Strategy and Smart Cities Innovation Programs are self funded with all funding and finance costs covered by innovation project savings and revenues.

## Key Projects in the Capital Budget

Project Name	Budget Year	Amount	Benefits to the Community
Innovation Strategy <b>A</b>	2021-2023	1,500,000	Implements project with financial benefit and citizen impact.
Smart Cities Innovation Program <b>A</b>	2021-2023	1,500,000	Implements foundational projects required for enhancement of critical service delivery.
Enterprise Computing Initiatives	2021-2026	7,445,000	Sustains the computer technology required by all City business systems in service of citizens.
Communications Network Infrastructure	2021-2026	4,209,000	Provides network connectivity required by all City business systems in service of citizens.
Information Security Initiatives	2021-2026	2,197,000	Protects the City's data (e.g. private citizen information) and services from disruption.

**A** Innovation Strategy and Smart Cities Innovation Programs are self funded with all funding and finance costs covered by innovation project savings and revenues.

# Capital Budget Changes

Projects	MYB Criteria	2021					2021 to 2025 Total	2026 Forecast	6-year Total
		Preliminary Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast			
<b>Council Approved Forecast in 000's</b>		<b>4,951</b>	<b>4,460</b>	<b>2,770</b>	<b>2,151</b>	<b>3,619</b>	<b>17,951</b>		<b>17,951</b>
Increase / (Decrease) From Forecast:									-
Enterprise Computing Initiatives	COST/REV	(986)	2,290	(784)	281	(1,156)	(355)		(355)
Intake Program	COST/REV	(100)	(100)	(100)	(100)	-	(400)		(400)
Communications Network Infrastructure	COST/REV	-	-	-	405	113	518		518
Information Security Initiatives	COST/REV	-	-	-	441	203	644		644
Microsoft Office License Evergreen	COST/REV	-	(520)	-	(90)	-	(610)		(610)
Microsoft Development Network Software Renewal	COST/REV	-	51	-	-	55	106		106
Printing Graphics & Mail Services Asset Renewal	COST/REV	46	-	-	-	-	46		46
Geographic Information System Aerial Imagery Renewal Program	COST/REV	27	-	-	-	24	51		51
<b>Total Changes</b>		<b>(1,013)</b>	<b>1,721</b>	<b>(884)</b>	<b>937</b>	<b>(761)</b>	<b>-</b>	<b>1,270</b>	<b>1,270</b>
<b>PRELIMINARY CAPITAL BUDGET</b>		<b>3,938</b>	<b>6,181</b>	<b>1,886</b>	<b>3,088</b>	<b>2,858</b>	<b>17,951</b>	<b>1,270</b>	<b>19,221</b>

## Other Important Capital Budget Information

- Department began transition to self-funded capital expenses in 2020 approved budget
  - Innovation Strategy Program, Smart Cities Program, Enterprise Content Management Program all being funded from ROI resulting from innovation projects
- Current capital funding is limited to sustainment activities other than those that transitioned to self-funded

# Questions?