2022 Budget Update

2020 – 2023 Multi-Year Budget
Innovation & Technology Department

Standing Policy Committee on Innovation and Economic Development
November 29, 2021

Agenda

1. **Service Description, Objectives and Performance Measurement**

2. **Budget Overview and Highlights**

3. **Operating Budget:**
   - Changes
   - FTEs / Salaries and Benefits
   - Reserve Summary
   - Referrals

4. **Capital Budget:**
   - Summary
   - Key Projects
   - Changes
   - Referrals – N/A
   - Other Important Information – N/A

5. **Other Important Information and Questions**

What We Do

Innovation, Transformation and Technology

The Innovation, Transformation and Technology service includes enabling innovation across the city, finding new ways to deliver services to improve effectiveness and efficiency and maximize value to the citizen.

Providing change management support to the organization as it adopts a culture of innovation and implements the required processes to identify, evaluate and implement high value innovation opportunities that support our most important business outcomes.

Implementation of enterprise architecture practices to identify and document business services, inter-relationships with other services and supporting capabilities to facilitate effective business planning across the city.

Providing technology leadership to all city services and advise on solutions that support their evolving needs of today and the future.

How We Did

Our Winnipeg:

Leadership and
Good Governance *(LG)*

Performance Reporting

Service Goal / Measure Description	2018	2019	2020	2021 Target	2022 Target
Enable a culture of innovation and learning in customer service delivery across the City.					
Number of Innovation ideas received [A]	52	30	42	35	50
Number of Innovation projects initiated [A]	19	10	8	7	15
Empower our people to continually improve services and processes through data-driven decisions and responsive technology platforms.					
Return on Investment attained on Innovation projects [B]	$ 562,000	$1.3 million	$1.5 million	$2.0 million	$2.1 million
Communicate service outcomes and activity to the public with transparency, accuracy, and timeliness in support of our commitment to open government.					
Number of Open Data Datasets	126	141	164	179	194
Number of visitor sessions to municipal website per capita [C]	12.18	12.56	11.03	12.00	12.00
Collaborate across the City and with partners to maintain high satisfaction with innovation and technology services.					
Cumulative number of City Staff in Innovation network	20	100	175	225	300
City Department's Satisfaction with Services - Client Survey [C]	97%	94%	90%	92%	94%
Manage information and technology risks to maintain and create public value through the services the City provides.					
Infrastructure condition	B-	B-	B-	B-	B-

Notes:

[A] In 2018 the number is a combined Innovation Capital Fund (ICF) and Innovation Strategy Program (Innovation and Technology).

[B] Included Enterprise Mobility Management anticipated return on investment of $500,000 beginning in 2021 target.

[C] Refer to benchmarking (2019) / comparison data in the next page.

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Budget Overview

Budget Overview
(Service Based View)

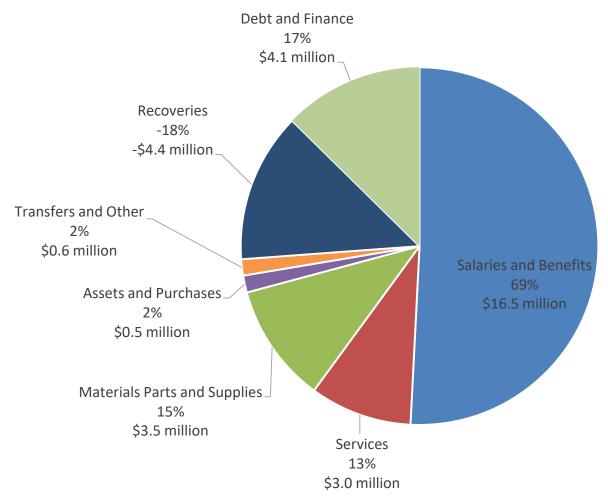| Preliminary 2022 Budget Update				
Service Based Budget (in millions of $)	% Contribution to Service Based Budget	Operating Budget (Mill Rate Support)	Capital Budget	Reserves, Net Income (Revenue Less Expenditures)
Innovation, Transformation & Technology	100.0	23,805.6	5,288.0	(0.8)
Total		23,805.6	5,288.0	(0.8)

Notes:

1. Computer, Critical Systems and Support Reserve includes contributions by Innovation & Technology, Public Works, Assets & Project Management and Community Services Departments.

2. The Preliminary 2022 budget submission does not include any COVID financial implications.

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Budget Overview
(Departmental View)

2022 Preliminary Budget Expenditures = $23.8 million

Debt and Finance
17%
$4.1 million

Recoveries
-18%
-$4.4 million

Transfers and Other
2%
$0.6 million

Assets and Purchases
2%
$0.5 million

Materials Parts and Supplies
15%
$3.5 million

Services
13%
$3.0 million

Salaries and Benefits
69%
$16.5 million

Operating Budget Highlights

Annual Tax Supported Operating Increase [1]	Average [3]
2022 Draft Budget Submission	0.0%
Approved in the Multi-Year Budget [2]	(2.0%)

Budget Impacts – Not Projected in MYB[4], Included in Preliminary Budget	
Reduction of operating expenditures and FTEs related to deferral of previously approved capital projects	Decrease in debt and finance charges

Notes:
1. Based on expenditures before capital related expenditures
2. Adopted Multi-Year Budget (MYB) 2020 Budget and 2021 to 2023 Projections - March 20, 2020
3. Average expenditure increase for 2020 to 2023
4. Adopted Multi-Year Budget (MYB) 2020 & 2021 Budget, 2022 to 2023 Projections – December 16, 2020

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Operating Budget

Operating Budget Changes

Operating Budget (In millions of $)	MYB Criteria	2022 Preliminary	2023 Projection	2022 to 2023 Total
Mill Rate Support - Council Approved from 2021 Budget Process (a)		**26.6**	**26.0**	
Increase (Decrease) From Forecast*:				
Revenue: N/A				
Revenue Net Change (b)		-	-	-
Expenditures:				-
				-
Changes in expenditures related to deferral of spending for capital projects authorized in 2020 & 2021 Adopted Budgets:				
Decrease in Recoveries	REV/COST	2.8	4.0	6.8
Decrease in Capital Funding	REV/COST	(1.5)	-	(1.5)
Decrease in Salaries & Benefits	REV/COST	(1.4)	(1.4)	(2.8)
Decrease in Operating Expenditures	REV/COST	(0.8)	(0.8)	(1.6)
Decrease in Debt & Finance charges	REV/COST	(0.4)	(0.5)	(0.9)
Changes not related to deferred capital spending:				
Decrease in Debt & Finance charges	REV/COST	(1.2)	(0.4)	
Decrease in Transfer to Captial	REV/COST	(0.4)	-	
Miscellaneous Adjustments	HOUSEKEEP	0.1	0.4	0.5
Expenditures Net Change (c)		**(2.8)**	**1.3**	**(1.5)**
				-
Mill Rate Support - Preliminary Budget (a+b-c)		**23.8**	**27.3**	

* Includes housekeeping or fine tuning adjustments.

Multi-year Budget (MYB) Criteria:

LEGISLATED - Legislative Changes

REV/COST - Revenue / cost driver

COUNCIL - Council Direction

INCRE - Incremental operational impact

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Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management

	2020 Adopted Budget	2021 Adopted Budget	2022 Preliminary	Increase / (Decrease) vs. 2021	2023 Budget Projection
Full Time Equivalents *(number of FTEs)*	166.48	167.23	155.54	$ (11.69)	155.98
Salaries & Benefits *(in millions of $)*	$ 17.8	$ 17.8	$ 16.6	$ (1.2)	$ 17.0
Vacancy Management included in Salaries & Benefits *(in millions of $)*	$ (0.551)	$ (0.547)	$ (0.589)	$ (0.042)	$ (0.559)

Notes:

1. 2019 FTEs total = 161.77

2. 2022 FTEs decreased by 11.69 in comparison to 2021 primarily due to deferral of capital spending.

3. 1 FTE is approximately equivalent to $91,176 for vacancy management in the 2022 budget submission.

4. The departments capital budget may include a maximum of 6.0 temporary FTEs not included in operating budget.

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Reserve Summary

Reserve Name	2022				
	Beginning Balance	Revenue	Expense	Net (Reveue less Expenses)	Forecasted Ending Balance
1 Computer, Critical Systems & Support Reserve	3,465	1,284	2,066	**(782)**	2,683
Total Reserves	3,465	1,284	2,066	**(782)**	2,683

Notes:

1. Computer, Critical Systems & Support Reserve includes contributions by Innovation & Technology, Public Works, Asset & Project Management and Community Services Departments.

2. Purpose of the reserve is to provide funding for the replacement, refurbishing, modifying, or upgrading of personal computer hardware and/or software and to stabilize expenditures, therefore smoothing the effect on the annual budget.

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Operating Budget Referrals

		2022 - 2023 Operating Budget Referrals					
		Description	**2022**		**2023**		**Budget Status**
		Referrals to the Budget Process	**FTEs**	**$**	**FTEs**	**$**	
1		**March 2020 Council Recommendation 1.X: 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.**					✔
		Total Referrals to Date	**-**	**-**	**-**	**-**	
		Included in the budget	✔				
		Not budgeted	x				

Capital Budget

Capital Summary – By Service

Service ($000's)	2021 Adopted Budget	2022 Preliminary	2023 - 2027 Forecast	6-year Total
Innovation, Transformation & Technology	3,938.0	5,288.0	9,892.0	15,180.0
Total Capital Submission	**3,938.0**	**5,288.0**	**9,892.0**	**15,180.0**

Key Projects in the Capital Budget

Project Name	Budget Year (s)	Amount ($000's)	Benefits to the Community
Email, Teams and Files (Formerly Microsoft Office License Evergreen)	2022	$ 817.0	Provides many productivity enhancements such as Teams to provide colloboration capabilities to all staff with email.
Data Centre Sustainment (Formerly Enterprise Computing Initiative)	2022, 2025	$ 632.0	Sustains the computer technology required by all City business systems in service of citizens.
Network Products Evergreen (Formerly Communications Network Infrastructure	2022, 2024-2027	$ 4,512.0	Provides network connectivity required by all City business systems in service of citizens.
Microsoft Development Network Software Renewal	2022, 2025	$ 590.0	Enables to sustain the business applications and business services that depend on the Microsoft Developer Network software (MSDN).
Server-Storage Evergreen (Formerly Enterprise Computing Initiative)	2022-2027	$ 6,093.0	Sustains the computer technology required by all City business systems in service of citizens.

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Capital Budget Changes

Projects ($000's)	MYB Criteria	2022 Preliminary	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2022 to 2026 Total	2027 Forecast	6-year Total
Council Approved Forecast		**6,181.0**	**1,886.0**	**3,088.0**	**2,858.0**	**1,270.0**	**15,283.0**		**15,283.0**
Increase / (Decrease) From Forecast:									
Smart Cities	REV/COST	(500.0)	(250.0)	-	-	-	(750.0)	-	(750.0)
Innovation Strategy	REV/COST	(393.0)	(250.0)	200.0	-	-	(443.0)	-	(443.0)
Various Projects	HOUSEKEEP	-	-	(200.0)	-	-	(200.0)	-	(200.0)
2027 Preliminary Submission*	REV/COST							1,290.0	1,290.0
Total Changes		(893.0)	(500.0)	-	-	-	(1,393.0)	1,290.0	(103.0)
PRELIMINARY CAPITAL BUDGET		**5,288.0**	**1,386.0**	**3,088.0**	**2,858.0**	**1,270.0**	**13,890.0**	**1,290.0**	**15,180.0**

* 2027 amount consistent with the 2022 to 2026 capital forecast

Variance from Forecast:
Various projects have changes as a result of reprioritization of funding between projects.
Reductions in 2022 & 2023 are related to deferral of Smart Cities and Innovation Strategy spending.

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