2023 Balanced Budget Update

2020 – 2023 Multi-Year Budget
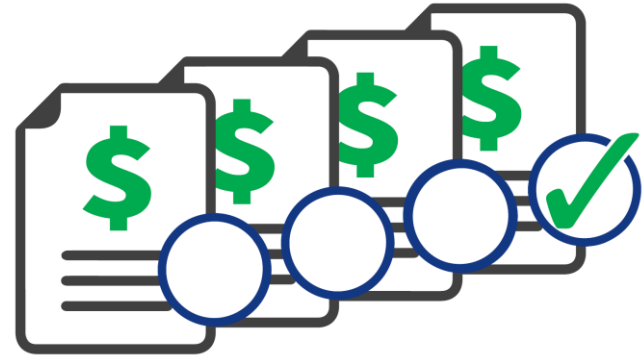## Innovation and Technology Department

Photo: Kelly Krebs, courtesy Tourism Winnipeg

Executive Policy Committee
March 13, 2023

Agenda

1. Service Description, Goals and Performance Measurement

2. Budget Overview and Highlights

3. Operating Budget:
   - Revenue / Expenditures
   - Changes
   - Salaries and FTEs
   - Reserve Summary
   - Referrals – N/A

4. Poverty Reduction Strategy

5. Capital Budget:
   - Summary
   - Projects
   - Changes
   - Referrals – N/A
   - Overview of Capital Needs

6. Other Important Information and Questions

Services Provided*

Innovation, Transformation and Technology

Description

The Innovation, Transformation, and Technology service enables City service delivery through the use of responsive innovation and technology services. In addition, the service facilitates digital service delivery through coordination of continuous improvement and innovation programming, and management of the City's information and technology assets. This service enables creation of a quality customer and employee experience through systemic, sustainable, and value-driven change for City services, processes, information, and technologies.

The key service is innovation and technology.

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Leadership and
Good Governance (LG)

* Source: Volume 2, 2023 Preliminary Budget

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How We Did

Performance Measurements – Innovation, Transformation and Technology*

Performance Reporting

Service Goal / Measure Description	2020 Actual	2021 Actual	2022 Target	2023 Target
Goal 1: Enable a culture of innovation and learning in customer service delivery across the City				
Number of Innovation ideas received	42	11	25	50
Number of Innovation projects initiated	8	1	10	15
Goal 2: Empower our people to continually improve services and processes through data-driven decisions and responsive technology platforms				
Return on Investment attained on Innovation projects	$1.5 million	$1.3 million	$2.1 million	$1.8 million
Percentage of smartphones per Municipal FTE [A]	21.3%	19.7%	22.0%	23.0%
Laptops as a percentage of total devices [A]	20.7%	20.7%	22.0%	24.0%

*   Source: Volume 2, 2023 Preliminary Budget

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How We Did

Performance Measurements – Innovation, Transformation and Technology*

Goal 3: 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	164	212	194	250
Number of visitor sessions to municipal website per capita [A]	11.03	11.98	12.00	12.20

Goal 4: Collaborate across the City and with partners to maintain high satisfaction with innovation and technology services				
Cumulative number of City Staff in Innovation network	175	175	250	325
City Departments' satisfaction with Innovation & Technology services [A]	90%	93%	94%	95%

| Goal 5: Manage information and technology risks to maintain and create public value through the services the City provides				
Infrastructure condition	B-	B-	B-	B-
Innovation and Technology costs as a percentage of operating expenditures	1.51%	1.57%	1.75%	1.75%

* Source: Volume 2, 2023 Preliminary Budget

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How We Did

Performance Measurements – Innovation, Transformation and Technology*

City Department's Satisfaction with Services (2021)
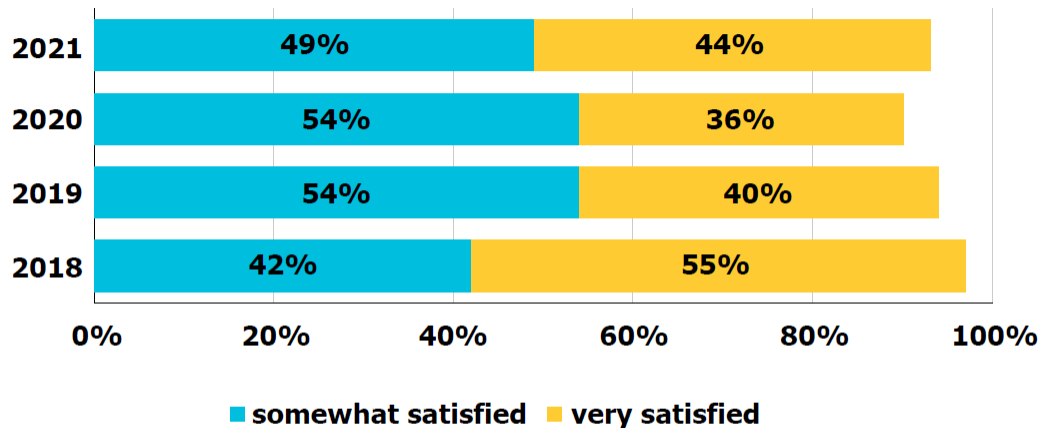
Client satisfaction continues to remain high based on ongoing survey results.

	2017	2018	2019	2020	2021
Total Satisfied	95%	97%	94%	90%	93%

Source: Innovation, Transformation and Technology Client Survey

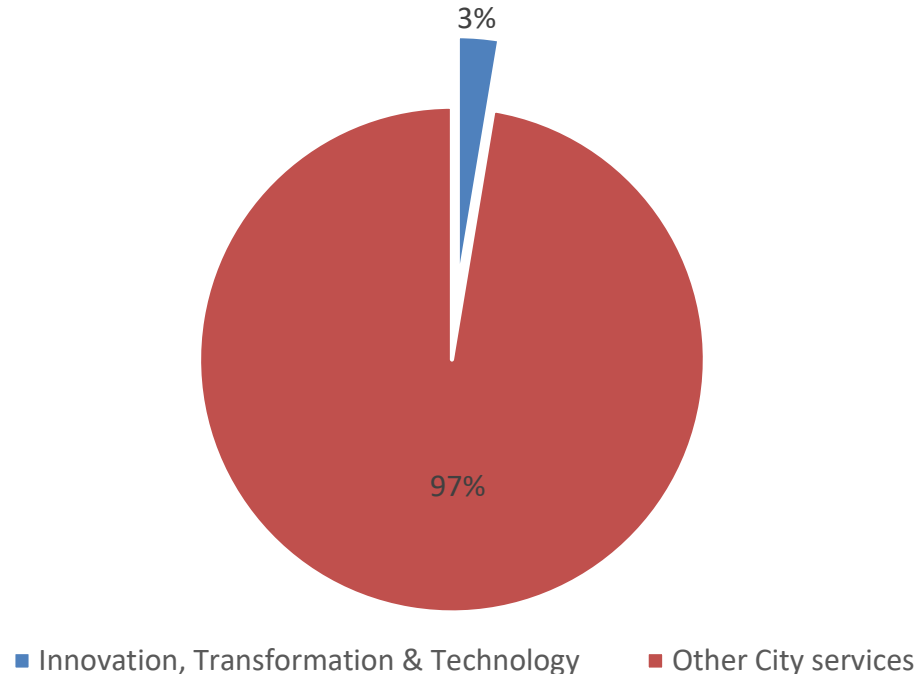*   Source: Volume 2, 2023 Preliminary Budget

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Budget Overview

Budget Overview
(Service Based View)
2023 Average Homeowner's Property Tax Bill - $1,967

Average Property Tax Bill for City Services

- Innovation, Transformation & Technology
- Other City services

Total for Innovation, Transformation and Technology service = $53 per year or 2.7%

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Budget Overview
(Service Based View)

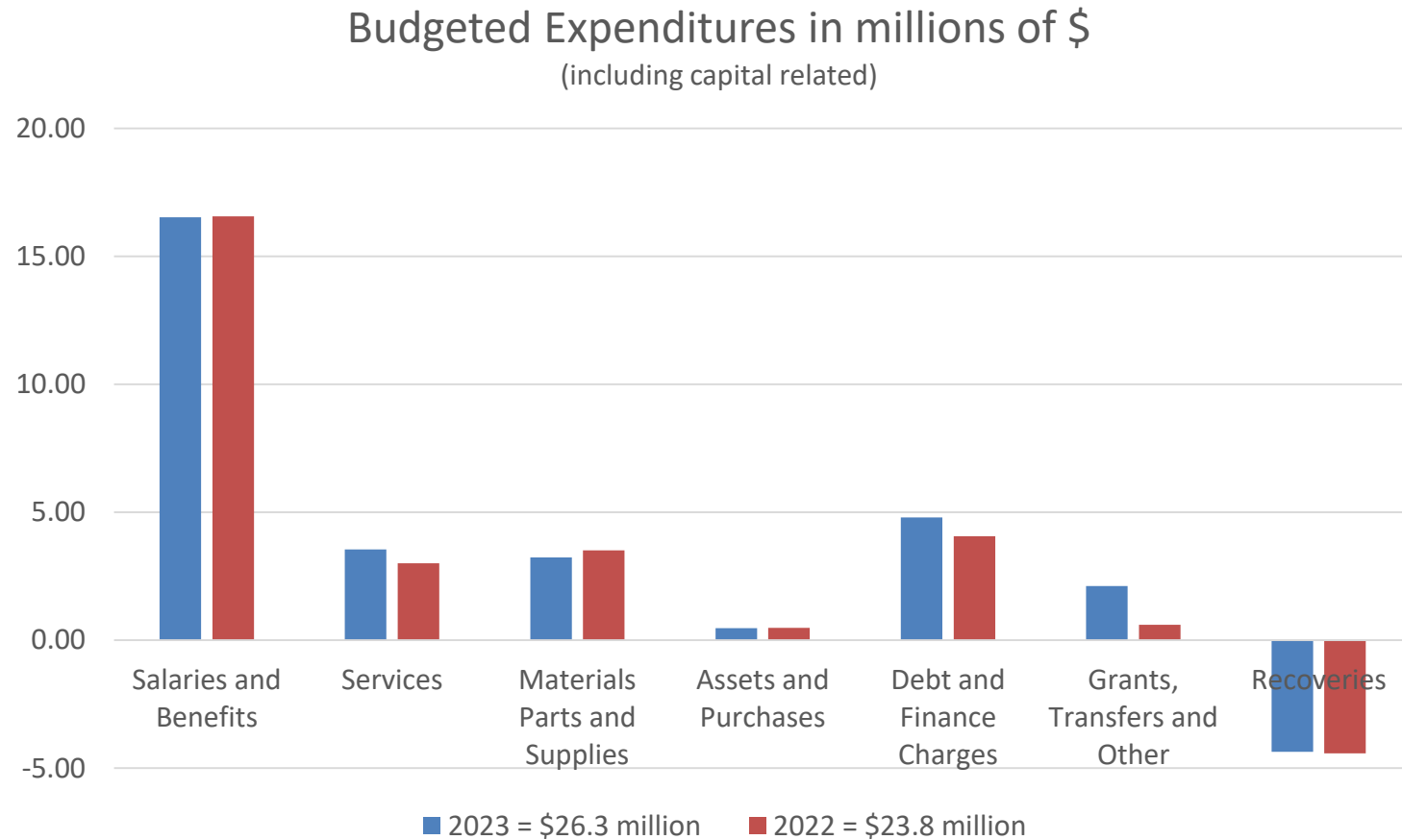| Preliminary 2023 Budget Update					
Service Based Budget (in millions of $)	FTEs	% Contribution From Department Budget	Operating Budget (Mill Rate Support)	Capital Budget	Reserves, Net Loss (Revenue Less Expenditures)
Innovation and Technology	153.04	100%	26.3	5.0	(1.0)
Total	153.04		26.3	5.0	(1.0)

Notes:

1. Computer, Critical Systems and Support Reserve includes contributions by - Innovation and Technology, Public Works and Community Services.

2. The 2023 Budget does not include COVID financial implications.

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Operating Budget

Operating Budget Expenditures Overview
(Service Based View)

Budgeted Expenditures in millions of $
(including capital related)

■ 2023 = $26.3 million   ■ 2022 = $23.8 million

Operating Budget Changes

Operating Budget (In millions of $)	MYB Criteria	2023 Budget
Mill Rate Support - Council Approved 2023 Projection from 2022 Budget Process (a)		**27.3**
Increase (Decrease) From Forecast*:		
Revenue:		
		-
Revenue Net Change (b)		**-**
Expenditures:		
Increase in Civic Accommodations	REV/COST	0.1
Decrease in debt servicing costs	REV/COST	(0.3)
General expense reductions	REV/COST	(0.8)
Expenditures Net Change (c)		**(1.0)**
Mill Rate Support - Preliminary Budget (a-b+c)		**26.3**
* Includes housekeeping or fine tuning adjustments.		

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

	2020 Adopted Budget	2021 Adopted Budget	2022 Adopted Budget	2023 Preliminary Budget	Increase / (Decrease) vs. 2022
Full Time Equivalents *(number of FTEs)*	166.48	167.23	155.54	153.04	(2.50)
Salaries & Benefits *(in millions of $)*	$ 17.7	$ 17.8	$ 16.6	$ 16.3	$ (0.3)
Vacancy Management included in Salaries & Benefits *(in millions of $)*	$ (0.551)	$ (0.547)	$ (0.589)	$ (0.739)	$ (0.150)

Note 1: 2019 FTEs total = 161.77

Note 2: 1 FTE is approximately equivalent to $92,908 for vacancy management in the 2023 budget submission.

Note 3: 6 temporary FTEs in the capital budget not included in operating budget = $737,083.

Note 4:   Decrease of 2.50 FTEs due to a position transfer to Public Works and an increase in Vacancy Management to fund Security Vulnerability Assessment Security Incident Monitoring and Response Service.

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Reserve Summary
(Service Based View)

Reserve Name	Service	2023				
		Beginning Balance	Revenue	Expense	Net (Revenue less Expenses)	Forecasted Ending Balance
1 Computer, Critical Systems and Support Reserve	Innovation, Transformation and Technology	2,852	1,209	2,253	**(1,044)**	1,808
Total Reserves		2,852	1,209	2,253	**(1,044)**	1,808

Capital Budget

Capital Summary – By Service

Service ($000's)	2022 Adopted Budget	2023 Preliminary Budget	2024 - 2028 Forecast	6-year Total
Innovation, Transformation and Technology	5,288.0	4,978.0	10,696.0	15,674.0
Total Capital Submission	**5,288.0**	**4,978.0**	**10,696.0**	**15,674.0**

Listing of Capital Projects

Project Name	2023 Preliminary Budget	2024 - 2028 Forecast	6-Year Total
Innovation Program (formerly Innovation Strategy)	$ -	$ 258.0	$ 258.0
Data Centre Sustainment	1,271.0	-	$ 1,271.0
Network Products Evergreen	136.0	5,550.0	$ 5,686.0
Printing Graphics & Mail Services Asset Renewal	160.0	258.0	$ 418.0
Microsoft Development Network Software Renewal	-	308.0	$ 308.0
Intake Program	821.0	-	$ 821.0
Server-Storage Evergreen	-	3,422.0	$ 3,422.0
Geographic Information System Aerial Imagery Renewal Program	219.0	-	$ 219.0
Desktop Office Suite	371.0	-	$ 371.0
Citizen Portal	2,000.0	900.0	$ 2,900.0
Total Preliminary Budget	**$ 4,978.0**	**$ 10,696.0**	**$ 15,674.0**

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Key Projects in the Funded Capital Submission

Data Centre Sustainment

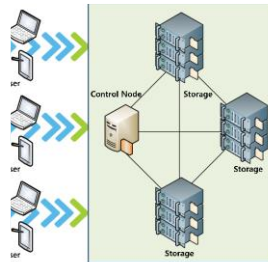Sustains the computer technology required by all City business systems in service of citizens

Budget Year: 2023 Amount: $1.271 million

Network Products Evergreen

Provides network connectivity required by all City business systems in service of citizens

Budget Year(s): 2023-2028
Amount: $5.686 million

Server Storage Evergreen

Sustains the computer technology required by all City business systems in service of citizens

Budget Year(s):
2024-2028 Amount: $3.422 million

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Key Projects in the Funded Capital Submission (cont'd)

Intake Program

Improves the digital dexterity of the organization and better position the City of Winnipeg for a sustainable future.
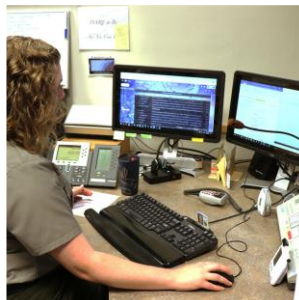
Budget Year(s): 2023

Amount: $0.821 million

**Innovation Program
(Formerly Innovation Strategy Program)**

Enables the City to create innovative ideas, utilize innovative technologies, and approaches to improve existing systems, tools, and processes to primarily reduce costs or increase revenue, improve service levels, and add new capabilities.

Budget Year(s): 2024

Amount: $0.258 million

Citizen Portal

Improve citizen visibility into the progress of their requests. Creates a single portal for City online forms for citizen services.

Budget Year(s): 2023-2028

Amount: $2.9 million

Capital Budget Changes

| Projects ($000's)	MYB Criteria	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2023 to 2027 Total	2028 Forecast	6-year Total
Council Approved Forecast		**1,386.0**	**3,088.0**	**2,858.0**	**1,270.0**	**1,290.0**	**9,892.0**		**9,892.0**
Increase / (Decrease) From Forecast:									
Data Centre Sustainment	REV/COST	1,271.0		(350.0)			921.0		921.0
Server Storage Evergreen	REV/COST	(1,386.0)	415.0	187.0	37.0	(300.0)	(1,047.0)	176.0	(871.0)
Citizen Portal	REV/COST	2,000.0	300.0	300.0	300.0		2,900.0		2,900.0
Other Changes	REV/COST	1,707.0	(1,573.0)	132.0	540.0	778.0	1,584.0	1,248.0	2,832.0
Total Changes		3,592.0	(858.0)	269.0	877.0	478.0	4,358.0	1,424.0	5,782.0
PRELIMINARY CAPITAL BUDGET		**4,978.0**	**2,230.0**	**3,127.0**	**2,147.0**	**1,768.0**	**14,250.0**	**1,424.0**	**15,674.0**

Variance from Forecast:

- Increase in Data Centre Sustainment and decrease in Server Storage Evergreen due to the migration from on-premise data center hosting to a hybrid of Infrastructure-as-a-Service and managed hosting over a 5-year time period.

Budget Challenges

Budget Outlook

6-Year Infrastructure Funding Level
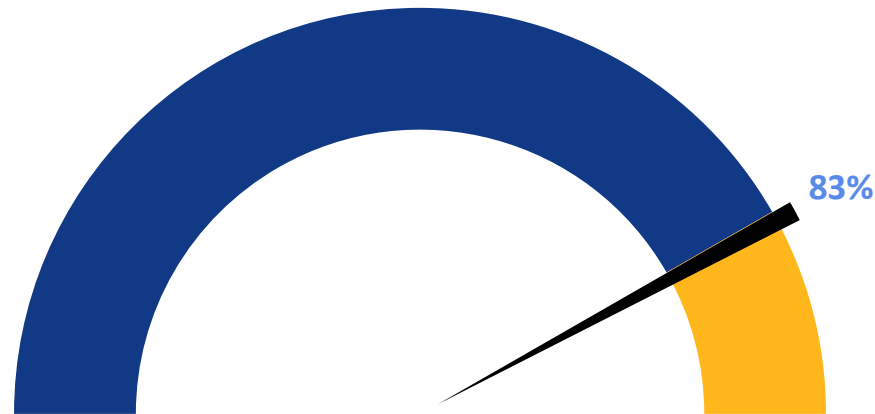
Planned Investment   = $15.674 million   =   83% Funded
Total Potential Capital $18.789 million

City's 2023 to 2028 Infrastructure Funding Gap is $5.7 billion

Note: The total Planned Investment may include programs that are not Innovation, Transformation and Technology items.

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Budget Outlook
2024 to 2026 Expenditure Projections

Operating Budget Forecast Compared to EPC Target in the 2020 to 2023 Multi-Year Budget
In millions of $
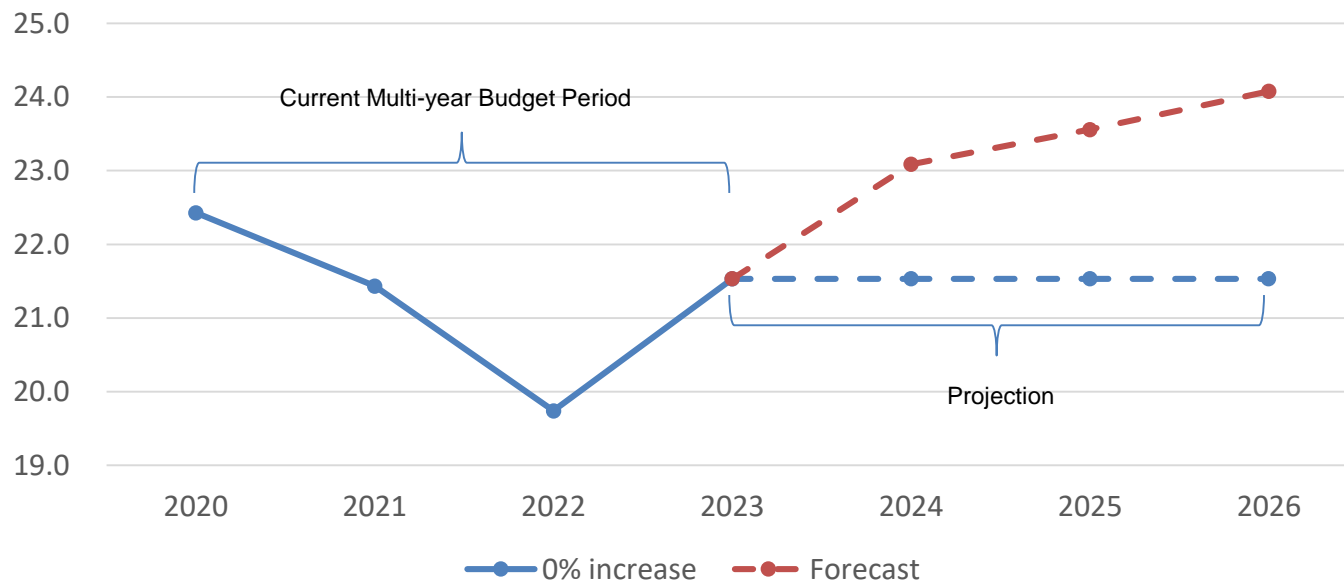
Note: Assumptions for 2024 to 2026 Forecast: All expenditures held at 2023 levels with the exception of salaries and benefits, and inflationary increases for infrastructure and software. Capital related expenditures have been excluded.