

Financial & Program Accountability Committee

**Councillor Eldon Gainer, Chair
Councillor Austin Davey, Vice-Chair**

**THE SECOND MEETING OF THE FINANCE AND EFFICIENCIES SUB-COMMITTEE
OF THE CITY OF GREATER SUDBURY**

Committee Room C-40
Tom Davies Square

Monday, August 12th, 2002
Commencement: 10:30 a.m.
Adjournment: 12:40 p.m.

COUNCILLOR TED CALLAGHAN PRESIDING

- Present Councillors Bradley, Dupuis
- Staff M. Mieto, Acting CAO; D. Wuksinic, GM Corporate Services and Acting GM Emergency Services; D. Belisle, GM Public Works; B. Mangiardi, Director of Information Technology; G. Moreau, Manager of Business Applications; S. Jonasson, Director of Finance/City Treasurer; D. Mathe, Manager of Supplies & Services; K. Bowschar-Lische, Planning Committee Secretary
- Declarations of Pecuniary Interest None declared.
- Opening Comments The Chair opened the meeting and welcomed everyone. He said that he was satisfied in reviewing the current Agenda that all requisitions from the June meeting were contained therein.
- Presentation by Ron Begg, Partner in Jackson Begg Ltd. Mr. Bruno Mangiardi, Director of Information Technology, introduced Mr. Ron Begg, Consultant with Jackson Begg Ltd. Mr. Begg was hired to assist in the implementation of the ERP Project at the City of Greater Sudbury.
- Following Mr. Begg's Presentation to the Committee, extensive discussion took place regarding the ERP Project and the adequacy of human resources within the Information Technology Division. (A copy of Mr. Begg's Presentation was provided to all Members of Council.)
- Next Meeting The Committee agreed that Items #3 to 8 of the current Agenda would be reviewed at the next Finance and Efficiencies Committee Meeting.
- Adjournment 2002-02 Dupuis-Bradley: That we do now adjourn.
TIME: 12:40 p.m.

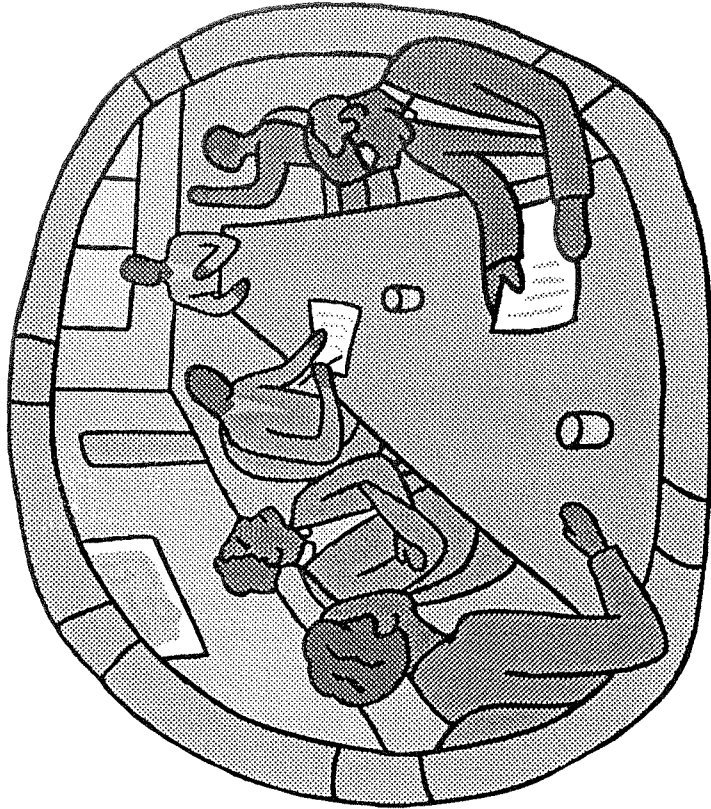
CARRIED

CHAIR

SECRETARY

City of Greater Sudbury

ERP System Review & Update



Introductions

- Ron Begg
- Municipal systems consultant
- 13 Years in Ontario local governments
- Worked with Sudbury as well as others
 - who have gone the ERP route (York Region, Kingston)
 - who have chosen non-ERP solutions (Timmins, North Bay, Simcoe County...)

Agenda

- What is an ERP
- What is PeopleSoft
- How was PeopleSoft selected?
- Special challenges at Sudbury
- Others' experiences
- Conclusions

What is an ERP?

- ERP stands for “Enterprise Resource Planning” – meant to:
 - manage all resources to deliver the corporation’s products/services (human and material resources)
 - be flexible enough to be usable through corporate re-organizations (avoid large replacement projects)
- So - ERPs tend to be both big and complex to address both objectives

What is an ERP?

- Benefits
 - Can handle a variety of complex processes (don't need a number of small specialized systems)
 - Can keep data with enough detail to support a variety of reporting and analytical needs
 - Integrates all the information in one place – supports more comprehensive decision making

What is an ERP?

- Drawbacks
 - Large and complex means implementation is also large and complex
 - Extending the system's "install life" implies that its constantly changing – which requires dedicated, trained internal resources
 - Implementations challenge organizations' ability to organize and deliver

What is PeopleSoft

- One of the major players in the ERP market with SAP. Others are Oracle Financials, Baan, JD Edwards.
- ERPs have become “templated” to get around the large implementation budgets, Deloitte has built municipal templates and has a “municipal team” of consultants.

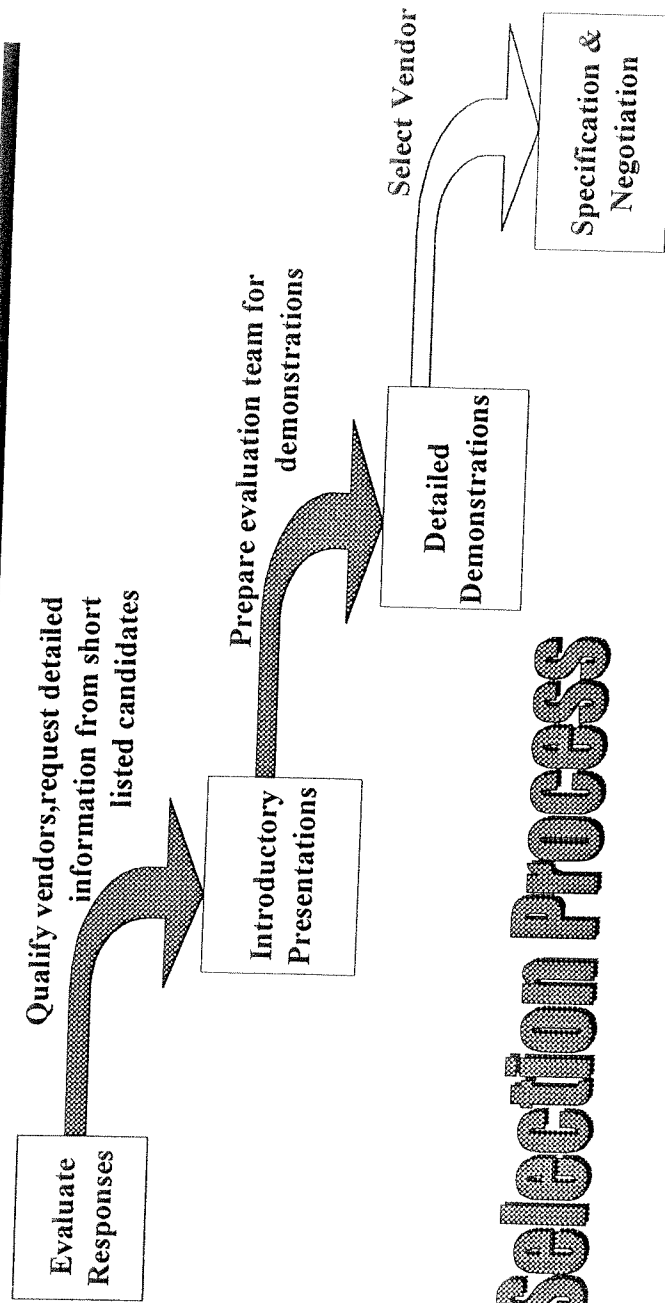
What is PeopleSoft

- ERPs used in Ontario
 - PeopleSoft: Hamilton, Kingston, York, Brampton, Durham, Windsor, Waterloo (City), Oshawa, Kitchener (HR only), Mississauga (HR only)
 - SAP: Toronto, Ottawa, Halton, Burlington, Mississauga, Thunder Bay
 - JD Edwards: London, Vaughan, Brantford, Guelph, Ajax

Selection Process

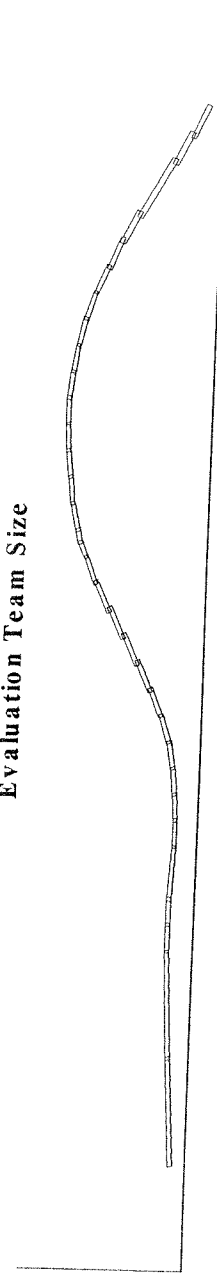
- Looking for software and implementation services together
 - Open front end
 - First cut based on corporate attributes
 - Second cut on approach, details, implementation methods/capability
 - Final cut on detailed demonstrations
- Didn't go looking for "ERP" – went looking for Financials and HRMS.

Selection Process



Selection Process

Evaluation Team Size



Selection Process

- Respondents
 - Deloitte (PeopleSoft), CMS, CompuPower, IBS, Optimum (SAP), Oracle – JD Edwards reply was late
- Short list
 - Deloitte (PeopleSoft), CompuPower, Optimum (SAP), Oracle
- Finalists
 - Deloitte (PeopleSoft), Optimum (SAP)

Sudbury experience

- Implemented during amalgamation
 - Worst possible time to do this, but typical for Ontario because of funding availability and changing organizational needs (Hamilton, Toronto, Kingston)
- Unable to commit sufficient staff numbers and time to the project
 - Especially true for Finance management who were pulled in many different directions
 - IT staff doing double duty for the most part

Sudbury experience

- Insufficient understanding of how to configure system to Sudbury specs
 - Directly related to resource time
 - Add in organization changes that make the "spec" unclear because it's new or changing
- Insufficient technical knowledge and time
 - Directly related to resource time

Others' experiences

- The same as Sudbury
 - Details differ depending on particulars of internal skill sets and organizational stability
 - If anything, Sudbury had better "fall back" positions because it supports the legacy systems internally (no reliance on another vendor for resource timing and technical support)

Conclusions

- "Almost there"
 - Financials live; HRMS to go live next (most configuration/testing done)
 - Finance management more involved in decisions and issues, taking over leadership role
- Still early stages
 - Have replaced most legacy functions but not really at the point where the benefits will show up
 - Management needs to understand enough about their requirements and system capability to match the two

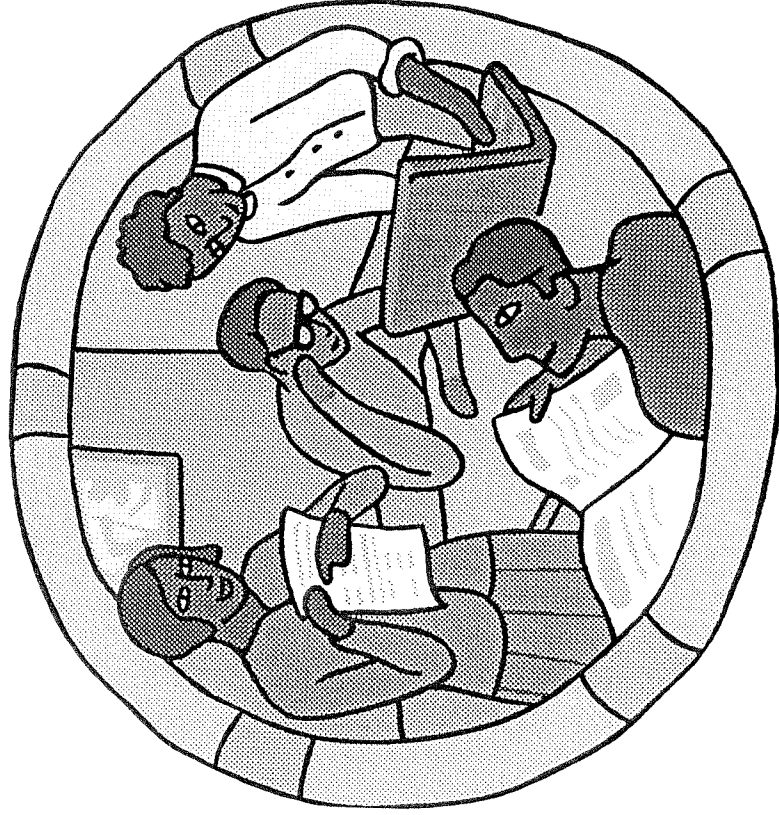
Conclusions

- Decision to dedicate Finance team to manage ERP is consistent with others, and necessary (if a bit late...)
- IT resources insufficient
 - self sufficiency is critical to controlling upgrade consulting costs (currently about \$1MM per upgrade if not self sufficient enough)

Conclusions

- Moving ahead
 - Continue to dedicate time to the system
 - Make more efficient use of it
 - Make more extensive use of it
 - Become self sufficient (avoid large consulting expenses for system changes and upgrades)

Questions & Discussion



Request for Recommendation Priorities Committee




Type of Decision									
Meeting Date	September 25, 2002				Report Date	September 18, 2002			
Recommendation		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting		Open		Closed


Sub-Committee Check-Off			
Please indicate which sub-committee will deal with this issue			
<input type="checkbox"/>	Community Viability	<input type="checkbox"/>	Public & Intergovernmental Affairs
<input checked="" type="checkbox"/>		<input type="checkbox"/>	Financial & Program Accountability

Report Title
July 2002 Variance Report

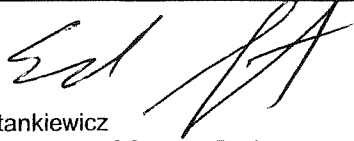
Policy Implications + Budget Impact	
<input type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
N/A	
<input checked="" type="checkbox"/>	Background attached

Recommendation	
N/A	
<input type="checkbox"/>	Recommendation attached

Recommended by the General Manager
 D. Wuksinic General Manager Corporate Services and Acting General Manager of Emergency Services

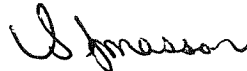
Recommended by the C.A.O.
 M. Mieta Acting Chief Administrative Officer

Report Authored By



E. Stankiewicz
Co-Ordinator of Current Budget

Division Review



S. Jonasson
Director of Finance/City Treasurer

The July 2002 Variance Report reflects the Corporation's first year-end projection. All departments have provided year-end estimates for each of their accounts. Based on the information supplied, potential year-end variances have been identified with accompanying explanations. These projections are based on expenditures and revenues to the end of July.

This preliminary forecast reflects that the Corporation will be in a balanced position.

Attached are tables summarizing the Cost Centre Report which reflects annual budgets, year to date budgets, year to date actuals, year-end projections and year-end variances.

For this report, which covers the first seven months of 2002 (period ending July 31, 2002), potential year-end variances greater than \$100,000 have been identified and are detailed in the following:

1. **General Revenues**

As reported previously, payment in lieu of taxation revenue will exceed budget by approximately \$320,000.

This area also includes provincial revenue in the form of the Community Reinvestment Fund (CRF) as a result of the Local Services Realignment (LSR) exercise. Underexpenditures in sole support caseloads in the Ontario Works division and overexpenditures in the Ontario Disability Support Program (ODSP) will affect the Community Reinvestment Funding (CRF). It appears that these two Local Services Realignment programs will continue to be tied to the CRF. These two items will reflect reduced net expenditures of approximately \$370,000, therefore the CRF will be reduced accordingly. Other programs that may be tied to the CRF are Land Ambulance and Social Housing. However, these areas are projected to be on budget by year-end. Full details regarding the CRF should be released by the Province by October.

Revenue from interest on tax arrears and slot revenues are expected to be significantly higher than budgeted.

General revenues reflect a projected year-end surplus of approximately \$750,000.

2. **OMERS Holiday**

As mentioned previously OMERS contributions were budgeted to recommence in July 2002; however, OMERS has moved the date for contributions to continue, back to January 2003. The surplus was previously reported to be approximately \$900,000, however since some expenditures relate to water and wastewater, the savings will be used to increase the contribution to capital in those areas as per policy. Therefore, the extension of the holiday now translates into a \$800,000 surplus to the corporation for 2002 as premiums were budgeted to cover one-half of the year. The OMERS savings have not yet been applied to all fringe benefit line accounts but this exercise will be done prior to the next variance report.

3. **Chief Administrator's Office**

It was previously reported that this area should be in a deficit position of approximately \$120,000. However, as a result of savings in other sections due to delayed hirings and the vacancy of the CAO's position, this division should be close to budget by year-end.

4. Corporate Services

Legal fees for Human Resources as a result of negotiations and arbitration will exceed budget by approximately \$150,000 and the cost of benefits paid out on behalf of pensioners is expected to exceed budget by approximately \$250,000. Some other expenditures have been curtailed in order to offset this overexpenditure, leaving this division in a potential deficit position of \$350,000.

Outside legal counsel in the Solicitor Services division will be overspent by approximately \$150,000. Also, reductions in licencing revenues of approximately \$150,000 will put this division in a deficit position of approximately \$300,000.

Due to savings in other sections of the department, Corporate Services should reflect a year-end deficit of approximately \$460,000.

5. Planning and Development Services

It was previously reported that Building Services would be in a surplus position of \$100,000 due to increased activity in the residential and institutional sectors. However, this section has seen reduced revenue in search requests of approximately \$50,000 as a result of the use of title insurance.

One area of concern is in the area of Bylaw Enforcement. Reductions in canine licence revenue along with reduced revenue from parking fines and increased canine control costs are responsible for causing this section to be over budget by approximately \$125,000.

Savings in other areas of this department should offset this overexpenditure and translate into a slight surplus for the department.

6. Ontario Works

Sole support caseloads are still slightly below estimates, however this item is tied to the Community Reinvestment Fund (CRF), so there will be no savings as a result of reduced caseloads. Conversely, there will be an overexpenditure in the Ontario Disability Support Program (ODSP) which should not impact the Corporation as this item is also CRF eligible. The net expenditure reduction for these two services is \$370,000.

In addition, the Ontario Works Employment Assistance Service Levels funding may result in approximately \$500,000 of additional revenue based on performance earnings for 2001 and 2002. A report on this issue will be prepared for Council prior to year-end.

Also, a Community Placement bonus of \$660,000 was received from the Province related to 2001. As previously mentioned, a policy report regarding the utilization of this additional Community Placement funding will be presented prior to year-end. Currently this funding has not been factored into the year-end forecast.

7. Public Libraries/Citizen Services

This division should reflect a year-end surplus of approximately \$125,000. In accordance with policy, this surplus will be contributed to a reserve for the libraries if the Corporation is in a surplus position at year-end. For the purpose of this report, the \$125,000 has no impact on the Corporate position.

8. **Leisure Services**

It was previously reported that this area would be in a deficit position of approximately \$320,000 as a result of the following:

- failure of mechanical equipment/aging recreational facilities,
- loss of Summer Career grant,
- flood damage at Centennial Park,
- the operation of St. Jean School,
- higher energy costs,
- loss of revenue as a result of the inability to remarket ice time.

This division has made efforts to find savings in discretionary spending accounts to help offset some of this overexpenditure. The expected year-end deficit for this division is now \$100,000.

9. **Roads/Fleet**

It was previously reported that as a result of extraordinary winter conditions in the first part of the year, a \$2 million year-end overexpenditure in winter control may be experienced. This overexpenditure is net of fleet revenue as increased winter control has increased equipment revenue. In addition, the July 31, 2002 storm has resulted in a \$150,000 cleanup bill raising the deficit to \$2.15 million in roads.

A report to Council identified reductions of \$1.4 million in summer roads maintenance to assist in offsetting some of this deficit. Council directed that the surface and gravel patching activities worth \$550,000 be continued, thus reducing the savings to \$850,000 in summer roads. This would reduce the overexpenditure in roads to \$1.3 million.

With the Northern Ontario Heritage funding for Municipal Road 35 being provided, \$900,000 of funding may be available for road service level adjustments. This \$900,000 has not been factored into the Corporate position and a report dealing with this is being prepared for Council in the near future..

10. **Waste Management**

Slightly higher costs in purchased services for the collection of solid waste and recycling are responsible for this area reflecting a potential year-end deficit of approximately \$150,000.

11. **Fire Services**

The outstanding arbitration issue regarding the firefighters contract and overexpenditures in overtime may result this area to be in a deficit at year-end of approximately \$100,000.

12. **Land Ambulance**

As previously reported, the issue of cross border service is being reviewed by the Province. If this initiative is fully implemented and taking our per call cost differential into account, the impact to the service could be as high as \$650,000. For 2002, this potential overexpenditure can be offset by lower salary costs as a result of vacancies throughout the year. It is not known how this will impact on Community Reinvestment funding, but at this time we have assumed no impact on CRF funding.

13. **Police Services**

Salaries will be overspent by approximately \$405,000 primarily in the area of overtime, and the cost of benefits paid out on behalf of pensioners is expected to exceed budget by approximately \$75,000. In addition, there has been a loss of revenue under the Firearm's Act of \$75,000 which is anticipated to be offset somewhat by additional revenue in other areas. The Service is expected to be overspent by approximately \$420,000 by year end.

Summary

The preliminary forecast for the Corporation reflects a balanced position. For the next projection which deals with the September 30, 2002 report, these numbers will be further refined. We will be continuing to closely monitor all accounts for the remainder of the year. The next variance report will be based on the period ending September 30, 2002 and will be presented to Council in November.

COST CENTRE REPORT

PERIOD ENDING JULY 31, 2002

(000)

SUMMARY

		Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
(1)	GENERAL REVENUES	(183,795)	(98,793)	54	(218,892)	119	(184,544)	749
	CORPORATE SERVICES	16,782	8,720	52	9,502	57	17,252	(470)
	ECONOMIC DEV & PLANNING SERVICES	20,200	11,927	59	9,393	47	20,174	26
	HEALTH & SOCIAL SERVICES	26,740	16,402	61	11,811	44	25,709	1,031
	CITIZEN & LEISURE SERVICES	22,621	13,383	59	12,853	57	22,802	(181)
	PUBLIC WORKS	46,868	33,446	71	40,067	86	48,291	(1,423)
	EMERGENCY SERVICES	17,519	9,735	56	8,002	46	17,620	(101)
	OUTSIDE BOARDS	33,065	19,423	59	19,233	58	33,488	(423)
(2)	OMERS SAVINGS						(827)	827
	EXPENDITURES	183,795	113,036	62	110,861	60	184,509	(714)
	NET BUDGET	-	14,243		(108,031)		(35)	35

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

EXECUTIVE, ADMINISTRATIVE & CORPORATE SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
	1,016	570	56	542	53	1,016	-
(3) OFFICE OF THE CAO	1,247	710	46	602	48	1,255	(8)
(4) CORPORATE SERVICES	14,519	7,440	4	8,358	58	14,981	(462)
EXECUTIVE, ADMIN & CORPORATE SERVICES	16,782	8,720	52	9,502	57	17,252	(470)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

ECONOMIC DEVELOPMENT & PLANNING SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	444	350	79	338	76	444	-
ECONOMIC DEVELOPMENT	1,588	1,188	75	1,345	85	1,592	(4)
(5) PLANNING AND DEVELOPMENT SERVICES	2,165	1,136	53	786	36	2,134	31
SOCIAL HOUSING	16,003	9,253	58	6,924	43	16,004	(1)
ECONOMIC DEVEL & PLANNING SERVICES	20,200	11,927	59	9,393	47	20,174	26

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

HEALTH AND SOCIAL SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	1,106	903	82	917	83	1,068	38
CHILDREN SERVICES	2,940	906	31	1,436	49	2,844	96
LONG TERM CARE & SENIORS	382	1,001	262	625	164	382	-
(6) ONTARIO WORKS	22,312	13,592	61	8,833	40	21,415	897
HEALTH AND SOCIAL SERVICES	26,740	16,402	61	11,811	44	25,709	1,031

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

CITIZEN & LEISURE SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
GENERAL MANAGER'S OFFICE	1,181	1,118	95	1,086	92	1,181	-
CEMETERY SERVICES	24	(83)	(346)	(142)	(592)	98	(74)
(7) PUBLIC LIBRARIES/CITIZENS SERVICES	5,405	3,369	62	3,204	59	5,405	-
(8) LEISURE & RECREATION SERVICES	9,218	5,399	59	5,602	61	9,322	(104)
TRANSPORTATION SERVICES	6,793	3,580	53	3,103	46	6,796	(3)
CITIZEN & LEISURE SERVICES	22,621	13,383	59	12,853	57	22,802	(181)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

PUBLIC WORKS							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
EARTHCARE SUDBURY	202	103	51	28	14	202	-
ENGINEERING SERVICES	140	67	48	1,095	782	140	-
BUILDINGS & FACILITIES	4,100	2,912	71	3,011	73	4,058	42
WATER MAINTENANCE	2,374	806	34	3,333	140	2,374	-
WASTE WATER MAINTENANCE	-	2,154		2,495			-
(9) ROADS MAINTENANCE	29,343	21,491	73	24,931	85	31,960	(2,617)
(9) FLEET	445	506	114	(749)	(168)	(855)	1,300
(10) WASTE MANAGEMENT	10,264	5,407	53	5,923	58	10,412	(148)
PUBLIC WORKS	46,868	33,446	71	40,067	86	48,291	(1,423)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

EMERGENCY SERVICES							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
	286	160	56	241	84	286	-
	31	15	48	20	65	31	-
(11)	11,942	6,789	57	5,655	47	12,043	(101)
(12)	5,260	2,771	53	2,086	40	5,260	-
EMERGENCY SERVICES	17,519	9,735	56	8,002	46	17,620	(101)

COST CENTRE REPORT PERIOD ENDING JULY 31, 2002

(000)

OUTSIDE BOARDS							
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Year-end Projection	Year-end Surplus (Deficit)
SUDBURY AIRPORT OPERATIONS	-	(220)		-		-	-
N.D.C.A.	225	132	59	131	58	225	-
PUBLIC HEALTH (HEALTH UNIT)	5,537	3,421	62	3,229	58	5,537	-
(13) POLICE SERVICES	27,303	16,090	59	15,873	58	27,726	(423)
OUTSIDE BOARDS	33,065	19,423	59	19,233	58	33,488	(423)

Request for Recommendation Priorities Committee



Type of Decision

Meeting Date	Wednesday, September 25, 2002			Report Date	September 17, 2002				
Recommendation		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Sub-Committee Check-Off

Please indicate which sub-committee will deal with this issue

<input type="checkbox"/>	Community Viability	<input type="checkbox"/>	Public & Intergovernmental Affairs	<input checked="" type="checkbox"/>	Financial & Program Accountability
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Report Title

2001 User Charges

Policy Implications + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified

N/A

Background attached

Recommendation

N/A

Recommendation attached

Recommended by the General Manager

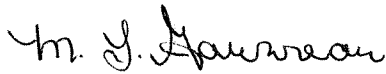
D. Wuksinic
General Manager of Corporate Services, and
Acting General Manager of Emergency Services

Recommended by the C.A.O.

M. Mieto
Acting Chief Administrative Officer

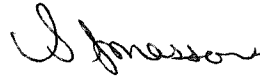
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Report Authored By



M. L. Gauvreau
 Manager of Current Accounting Operations

Division Review



S. Jonasson
 Director of Finance / City Treasurer

As a result of a question posed by Councillor Bradley at the last Priorities Committee meeting, the following addresses his request for a breakdown of revenues. The Consolidated Schedule of Revenues for the Year ended December 31, 2001 (page 5 of Financial Statement presentation notes tabled at the September 11, 2002 meeting) included a figure of \$63,925,000 classified as User Fees. A breakdown of this revenue figure is provided below summarized into five subtotals by type of service.

(in 000's)

Water Rates	\$ 17,582
Sanitary Sewer Rates	10,916
Transit Fares	5,295
Recreation Facility Usage Fees	5,158
Tipping Fees	3,293
Recreation Programs	404
Athletic Fields	232
Recycling Fees	106
Library Services	55
Anderson Farm Fees	5
Subtotal	<u>43,046</u>
Greater Sudbury Housing Authority Rentals	6,511
Pioneer Manor Fees	4,792
Cemetery Crypt and Plot Sales and Internment Fees	2,546
Parking Lot and Metre Rates	1,234
Child Care Fees	459
Subtotal	<u>15,542</u>
Building Permits	1,378
Lottery Licenses, Business Licenses, Other Licenses	1,331
Economic Development Program Fees	549
Committee of Adjustment Fees, Development Services	226
Healing the Landscape Book Sales	15
Subtotal	<u>3,499</u>
Police Traffic Education, Clearance Letters, Reports	351
Recovery of Administration Costs	228
Fire Reports and Fire Responses	153
Recovery of Winter Control Maintenance Costs	141
Building Services Search Requests	108
Recovery of Roadway Maintenance Costs	126
Subtotal	<u>1,107</u>
Parking Fines	431
Recovery of Registration and Administration Costs on Tax Sales	300
Subtotal	<u>731</u>
Grand Total of User Fee Revenue	<u>\$ 63,925</u>

Request for Recommendation Priorities Committee



Type of Decision

Meeting Date	September 25 th , 2002				Report Date	September 20 th , 2002			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Sub-Committee Check-Off

Please indicate which sub-committee will deal with this issue

<input type="checkbox"/>	Community Viability	<input type="checkbox"/>	Public & Intergovernmental Affairs	<input checked="" type="checkbox"/>	Financial & Program Accountability
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Report Title

Information Technology Division Resourcing Plan

Policy Implications + Budget Impact


<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
No impact in 2002.	
Current Budget Impact in 2003 - \$652,050;	
Plus one-time training cost of \$250,000, which will be used over the next two to three years to train staff. A funding source has not been identified.	
<input checked="" type="checkbox"/>	Background attached

Recommendation

THAT this Report be accepted by Council, subject to the hiring of four (4) Temporary Staff for seven (7) months; that a Consultant be retained to validate the findings of the Report; and that the results of the Operational Review be brought forward as part of the 2003 Base Budget; and that the costs associated with the hiring of the Temporary Employees and the Operational Review be funded from the Transition Budget.

Recommendation attached

Recommended by the General Manager


Doug Wuksinic
General Manager of Corporate Services, and
Acting General Manager of Emergency Services

Recommended by the C.A.O.


Mark Mieto
Acting Chief Administrative Officer

Report Authored By



Bruno Mangiardi
Director of Information Technology

Division Review

Background:

The Information Technology Division Resourcing Plan was submitted to the Finance and Efficiencies Committee on August 12th, 2002. This Committee had grave concerns over the issues raised in the Report, and Staff were scheduled to make a detailed presentation to this Committee on August 26th, 2002.

As the Finance and Efficiencies Committee was eliminated prior to this August 26th meeting taking place, this Report is now being presented to the Priorities Committee. (Report dated August 12th, 2002 to the Finance and Efficiencies Committee is attached.)

The recommendation has been modified from that in the original Report to alleviate immediate concerns on a short-term basis, with no impact on the 2002 or 2003 Budget, being:

- 1) That four temporary staff be hired for a period of seven months to alleviate some of the workload at a cost of approximately \$170,000;
- 2) That an outside consultant be retained to perform an operational and resource audit to validate the findings of this Report;
- 3) That the results of this outside review form part of the 2003 Base Budget; and
- 4) That the cost of both the temporary staffing and the operational review be funded from the Transition Budget.

**Request for Recommendation
Finance & Efficiencies
Committee**




Type of Decision										
Meeting Date	August 12 th , 2002				Report Date	August 7 th , 2002				
Recommendation	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low	
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed	

Report Title
Information Technology Division Resourcing Plan

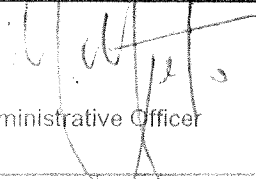
Policy Implications + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
Current Budget Impact in 2002 - \$0	
Current Budget Impact in 2003 - \$652,050	
Plus one-time training cost of \$250,000 which will be used over the next 2-3 years to train staff. A funding source has not been identified.	
<input checked="" type="checkbox"/>	Background attached

Recommendation
<p>THAT the Finance and Efficiencies Committee supports the Information Technology Division Resourcing Plan as presented in the Report dated July 19th, 2002 from the General Manager of Corporate Services and Acting General Manager of Emergency Services, and recommends that it be brought forward in the 2003 Budget Process.</p>
Recommendation attached


Recommended by the General Manager


 Doug Wuksinic
 General Manager of Corporate Services, and
 Acting General Manager of Emergency Services


Recommended by the C.A.O.


 Mark Mieta
 Acting Chief Administrative Officer

Report Authored By


Doug Wuksinic
General Manager of Corporate Services, and
Acting General Manager of Emergency Services

Division Review


Georges Moreau
Acting Director of Information Technology

Background:

The Finance and Efficiencies Committee, at its first meeting, identified its task as one of providing options and opportunities to Council to improve the ways and means by which municipal services are currently provided. The Committee also recognized that to be able to provide these opportunities, the Corporation had to be able to tap into and harness the energy and the expertise of all employees; and to do that, the tools and systems that these employees rely on had to be working properly, had to be adequately maintained, and must not be a source of frustration.

In the course of a review of the ERP System, it quickly became evident that the Information Technology (IT) resources dedicated to this Project, and to the Information Technology Division in general, were inadequate to provide for the needs of the Corporation. ITD affects every service that is delivered by the municipality from financial reporting to maintaining the MMMS System that drives the Public Works Department, bookings, the dispensing of medications, scheduling, purchasing, payroll, building permits, economic development, databases, tax, etc. It is imperative that the Division be resourced properly or these Systems that the employees depend upon would become or would continue to be a source of frustration, and would not allow the Corporation to harness their expertise.

As such, the Committee requested that the General Manager of Corporate Services and Acting General Manager of Emergency Services prepare a Resourcing Plan that would adequately support the information technology requirements of the Corporation. Consequently, it is recommended that the Resourcing Plan, as outlined below be implemented, and that the 2002 Budget be adjusted accordingly. It is anticipated that the 2002 Budget will not be substantially affected as these individuals are not expected to be in place until the Fall; however, the full impact of this staff-gapping will be reflected in the 2003 Budget.

The following is a Report prepared by the Director of Information Technology detailing the background, municipal comparisons and staffing complement increases required.

1. Introduction

The City has been in the amalgamation process for the last two years; and Senior Managers and many Councillors now realize that the workload in the Information Technology Division is overwhelming. Our infrastructure is collapsing because of old components, servers or cables; major corporate systems are not providing the financial information that the City requires; our clients are not being serviced in a timely manner; and other systems have not yet been integrated.

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ITD staff has had to work many hours of overtime just to keep up, and we are failing. At any given time, there are more than 100 outstanding service calls logged in our Help Desk System. We are all so busy fighting fires, that we are making mistakes that force us to revisit the same case 2 or 3 times. We do not have the time to document and record solutions, so we waste resources researching and re-discovering "known" solutions.

In the midst of all this activity, we undertook a very large ERP Project that taxed our resources to the limit. All our people who have been involved in this one Project, not to mention all of the other Systems requirements, logged over 1,600 hours of overtime alone; while the three Managers logged in excess of 2,300 hours, or the equivalent of 1.5 FTE's.

This level of activity is taking its toll on our people. Two employees have been off on stress leave in the last 8 months, and it is almost inevitable that one or more is on the verge of leaving again.

As you know, the IT Task Force recommended a staffing level of 25 to the Transition Board. Behind closed doors, this was subsequently reduced to 20. In hindsight, the original number of 25 was low because it failed to recognize the needs of the Citizen Service Centres, the additional support required by the outside Library Branches, the large geographic area that we must travel to service our clients, and the Provincial download of Provincial Offences, Social Housing, etc. In addition, all of the former Towns and Cities, with the exception of the City of Sudbury and its Libraries and the Regional Municipality of Sudbury, outsourced all of their IT support, something that was never included in the original staffing decisions.

If we are to realize the goal of the City of Greater Sudbury becoming a "Smart Community", and that of the Finance and Efficiencies Committee to recognize and provide opportunities to Council for the provision of more cost-effective services, we must resource the IT Division appropriately. To not resource the Division adequately would mean the continued frustration levels of user departments because the systems and/or tools that they are using are failing and/or are inadequate to handle their needs. This Corporation ... this Division cannot continue to operate with its current ITD structure. The Division must be expanded to accommodate all that is expected of it. The recommendation is that the staff complement be increased by a total of 10 FTE's.

A detailed explanation for the additional resources is contained in the following sections.

As well, attached is a copy of the current ITD Organizational Chart, along with the new Proposed Organizational Structure for your reference.

A review of other municipal IT organizations shows an average staffing level of 4.4 employees per 10,000 households. The current ratio for the City of Greater Sudbury is 2.5 employees per 10,000 households, substantially less than the average. The recommended staff complement of 30 employees will only increase the ratio to 3.8 per 10,000, still substantially below the municipal average.

Along with the additional staffing, a sufficient budget for training must also be set aside to properly train both existing and new staff on the new technologies that have been and will be implemented.

2. Director's Office

The Information Technology Division provides a variety of essential services to the Corporation, as it is responsible for all aspects of information technology, communications (both voice and data), copying, print shop services, kiosks, and business applications. Its mandate includes the development of corporate strategic plans for information technology so that they are aligned with corporate goals and Council's direction. These services are delivered in two main sections – Network and Support, and Business Applications.

The Director's Office provides front-line service and support to the Mayor and the twelve Councillors. This same level of service is also delivered to senior management. Training, servicing and supporting this group has been a daunting task, but the results have been very good.

The Director's Office also maintains and operates a corporate-wide technology equipment pool for notebook computers, multi-media projectors, cell phones, overhead projectors, slide projectors and teleconference phones.

In addition to the normal administrative and strategic planning duties, it is proposed that responsibility for the fleet of copiers, the telephone network, cell phones and the print shop operations be transferred from the Network and Support Section to the Director's Office. The Print Shop Operator will now report directly to the Administrative Assistant who will also take on more responsibilities for the fleet of copiers, telephones, cell phones and equipment pool.

No extra staff is required

3. Network and Support Section

This Section is further sub-divided into two major areas – Help Desk and End User Support, and Network and Major Projects.

3.1 Help Desk and End User Support

To fully appreciate the scope and magnitude of responsibility for this Section, you must know that it is the first line of support for:

- Over 1,000 personal computers, notebook computers and their users, scattered over a very large geographic area;
- These clients are located in over 80 buildings or plants, including 14 Branch Libraries, 7 Citizen Service Centres, 4 Community Centres, 11 Sewage Treatment Plants (STP) and Water Treatment Plants (WTP), 17 Arenas, 16 Fire Halls/EMS Stations, Pioneer Manor, 2 major Operations Depots, etc.;
- Hundreds of printers, scanners, digital cameras, bar code readers, receipt printers;
- Installation, configuration, maintenance and return of all leased computers;
- All personal computer software used by our employees;
- Palm Personal Data Assistants used by Council and many other staff;
- New technologies like Video Conferencing Equipment;
- Inventories of all hardware and software;
- Documentation of known problems and their resolution.

We have attempted to provide this service with 3 Support Technicians and supervision by the Manager. As mentioned above, we have over 80 various locations to attend to in an area of over 3,000 square kilometres. Send a Technician out to one of our remote Citizen Service Centres, and that person is usually gone for the better part of the day! This happens very frequently. Trying to service everyone with this staff complement has not worked and cannot work! In fact, Departments are reacting to the poor level and quality of service by hiring students as IT support staff, under the auspices of Special Provincial Programs/Grants and/or Capital Projects (Pioneer Manor, Library, Airport). Decentralized IT support and service can be disastrous, as they will not be adhering to ITD policies and procedures. At the end of their contract, they will depart with all the knowledge about that area, leaving ITD with the fallout.

To provide an acceptable level of service to our clients, we require additional resources. A Non-Union, hands-on Supervisor for this Section is required to ensure that service requests are dealt with in a timely and efficient manner; that problems are documented, and that the service is managed properly. In addition, two more Support Technicians are required to ensure that the service is viable, to allow for vacation relief, and to provide training for these resources.

Extra Staff: One Supervisor and two Support Technicians

3.2 Network and Major Projects

Where the Help Desk and End User Support Section provides a service to individuals or to very small groups, this Section provides services to the entire CGS client community as a whole. If any network component, server or software application fails, then all CGS clients are dead in the water; eg. if our GroupWise E-mail System should fail, then no one will be able to use e-mail to communicate with each other or with anyone on the Internet. If there is any failure, ITD is informed immediately by the fact that the phones ring off the hook, and we go into emergency mode to resolve the problem. The workload in this Section, and the need to complete any outstanding amalgamation issues has created an enormous backlog. There are still servers and software that were purchased over a year ago that have not yet been put into production. The responsibilities of this Section are critical to the operations of the City, and to the security and safety of our data. The following components are included:

- Network Infrastructure (routers, switches, LAN, WAN, fibre optics, CISCO 5500 Switch, etc.);
- Network Security;
- Over 30 Intel Level Servers that use various operating systems (NT, Netware, or WIN2000) to provide: file sharing, printer sharing, e-mail, virus scans, web server(s), network monitoring, Sewer and Water Treatment Plants monitoring, Provincial Offences Act (POA), Internet monitoring, kiosk, forms control, library, etc.;
- Five (5) UNIX Corporate Servers that support all major business applications - ERP, Library Innovative, other licensed software, and our own in-house developed applications;
- Amalgamate and Migrate all 1,000 users to new servers for e-mail, file and print sharing;
- 2nd and 3rd level technical support;
- GroupWise E-mail;

- Database Administration (DBA) for both Informix and Oracle;
- Back-up, recovery and data security for all servers;
- Virus scanning and controls using McAfee;
- Internet access at work and at home (for Council and senior staff);
- Monitoring the use of the Internet;
- STP and WTP Scada System support.

In addition to these operational services, this Section is also responsible for:

- PC and server acquisition;
- Support for Corel and MS Office Suites;
- Documentation;
- Training of support staff and our clients;
- Simplex Time Capture Devices (TCD) for Pioneer Manor and Simplex Security Control for Drug Cabinets in EMS;
- OntarioWorks Network.

The most important functions of this Section are strategic planning, innovation, and the integration of new projects. It has the responsibility to monitor industry trends and functions to identify those that are applicable and affordable. It must then plan for the implementation and monitor these major projects. Some examples are:

- Video conferencing equipment (launched June 2002);
- Novell's Zenworks which will automate the installation of all software and provide remote control of client pc's;
- Voice over IP that will allow us to use our fibre optics network instead of Bell Canada phone lines.

To protect our technology infrastructure investment, and to ensure that it is available, robust and secure, will require extra staff. It is recommended that the database administration function be transferred to the Business Application Section, but that the back-up for this function remain in the Network and Support Section. It is also recommended that one more Network Specialist and one more Senior Technician are required for this Section to function properly.

Extra Staff: One Network Specialist and one Senior Technician

4. Business Applications

This Section is responsible for all corporate administrative systems, including the development, support, implementation, documentation and training of CGS users. It also supports all purchased applications, Provincial downloaded or dictated software and our own on-house developed applications. This Section is also responsible for the support and maintenance of all Internet/Intranet-based services.

These services are delivered in the following four areas: Corporate Server Support, WEB Support, Corporate Application Support and Departmental Support.

4.1 Corporate Service Support

It is proposed that the support and maintenance of the main corporate servers and databases be transferred to this Section, but that the back-up support staff remain in the Network and Support Section, as indicated previously. Another Database Administrator (DBA)/System Specialist will be required to perform the following functions:

- Installation, maintenance and support for the Oracle and Informix databases and software;
- Installation, maintenance and support of the UNIX Operating System software;
- Installation, maintenance and support of the PeopleSoft modules, including processes, patches, bundles and major releases;
- Monitoring and troubleshooting the performance of these servers;
- System development, support and back-up for major systems.

Extra Staff: One Database Administrator/System Specialist

4.2 Web Support

This area is responsible for maintenance and support of our presence on the Internet. Its mandate includes the development and support of our Intranet and the development and/or support of any Web-based e-government applications. The following are some of the major services:

- Installation, maintenance and support of our Web servers;
- Installation, maintenance and support of our Web pages content management software – NetObjects;
- Installation, maintenance and support of ALL the City's Web sites; eg. city.greatersudbury.on.ca, elinks.city.greatersudbury.on.ca, e-sudbury, tourism, lake water quality, investment, etc.;
- Installation, maintenance and support of the new Election Web site;
- Development of on-line financial reports via E-links;
- Development and support of our on-line Parking Tickets Payment System called SmartPay;
- Development and support of Internet applications like on-line Tenders, news releases, road reports, surveys, etc.;
- Installation, maintenance and support of Arena on-line ticket sales.

There is currently two staff in this area, and we do not anticipate a requirement for any extra staff.

No extra staff is required

4.3 Corporate Applications Support

This Section is responsible for all the major corporate applications. If there is money involved, then we have a System for recording, reporting and controlling it. Our systems collect over \$125 million in taxes, and \$25 million in water billing; pays over 3,500 employees of the City; issues 40,000 accounts payable cheques. etc. This area is critical to the maintenance, tracking and monitoring of the financial well being of the Corporation.

The following is a partial list of these Systems:

- Payroll;
- Human Resources;
- Tax Billing and Collection;
- Water Billing and Collection;
- Budget Calculation and Reporting;
- General Ledger - PeopleSoft;
- Accounts Payable - PeopleSoft;
- Accounts Receivable;
- Inventory - PeopleSoft;
- Purchasing - PeopleSoft;
- Municipal Maintenance Management (MMMS);
- Fleet Maintenance;
- Building Permits;
- By-law Enforcement;
- Complaint Monitoring;
- Lottery/Business/Animal Licenses;
- Parking Tickets;
- Tipping Fees;
- Facilities Booking and Class Registrations.

The goal of Council to become a "Smart Community" will be accomplished by the staff in this Section. They will identify applications, and then work with other staff to make this goal a reality by Web-enabling all systems. This trend to develop Web-enabled applications is not unique to the City; in fact, many of the systems we license from third party vendors are Web-enabled and/or come with some Web features. The entire PeopleSoft System is Web-enabled.

This Section shouldered the brunt of the technical support and maintenance for the new PeopleSoft ERP System that we are implementing. It required a stellar effort by our staff in 2001 to accomplish what we have, in light of the effort that was required in 2000 to combine all of our systems in time for the creation of the new City of Greater Sudbury. This level of activity and pressure for the last two years has taken its toll on our staff, and has exposed a major weakness in our Division.

There are currently 6 staff in this Section, and we anticipate that we will need another 2 to ensure that we have some built-in back-up, extra payroll support, be able to complete the conversion of all systems to be Web-enabled, and to maintain all our corporate systems.

Extra Staff: 2 Senior System Programmer/Analysts

4.4 Departmental Applications Support

The City has licensed a number of administrative systems rather than develop them ourselves. Some examples of these special purpose applications are:

- Library Millennium System by Innovative;
- Election System;
- Pass3 for Arena Ticket Sales;
- CompuCare, Pioneer Manor;
- FormScope for the creation and formatting of reports; eg. tax bills, water bills, etc.;
- WCB Pro for tracking WSIB Reports;
- Ontrac for recording and reporting traffic accidents;
- Customer Relationship Management;
- Autodesk CAD & Mapping;
- Convera Document Imaging;
- Cartegraph for creation of traffic sign template;
- CD-Oasys to display assessment data;
- CD-Code for Ontario Building Code.

In addition, there are also systems that the Province requires us to use. The three major applications are:

- OntarioWorks - SDMT;
- Child Care Services;
- Provincial Offences Act - ICON.

And finally, we have developed a number of other systems to satisfy specific needs for some Departments:

- Committee of Adjustment;
- Construction Services Project;
- Watermain Break Tracker;
- EMS Training Records;
- Fire Services;
- Etc.

We propose to clearly delineate the responsibility for these various systems by making this Section responsible for anything that is not standard office software. Network and Support will support E-mail, Corel or MS office suites, and the Windows Operating System. Everything else will be supported by this Section, and will require an additional two Programmer/Analysts.

Extra Staff: Two Programmer/Analysts

5. Training

This is an area that is always left forgotten. Technology is changing at a rapid pace, and we must keep up to it. We have spent many dollars for the implementation of various new technologies and software applications. Unfortunately, there has been little time available to train our staff in these new changes. With the implementation of the new PeopleSoft ERP System, there was some additional training that some of the staff received. However, again because of the lack of staff, not enough training was done.

It is estimated that we would require one-time financing for training of roughly \$12,000 for each new position (10) and \$8,000 for existing positions (16).

Budget Impact:

The monetary impact of this Resourcing Plan for 2002 will be zero as we will not be able to hire all the new staff until very late in the year ... November or December. Any salary cost for any new staff will be offset by savings in the Current Salary Account for the Information Technology Division.

For Budget Year 2003, the annual salary cost of \$652,050 will be included in the Information Technology Division Budget. Details of these costs are:

No. of New Employees	Position	Annual Salary Cost (\$)
1	Network Supervisor	63,000
2	Support Technicians @ \$50,000 each	100,000
1	Network Specialist	62,000
1	Senior Technician	55,000
1	Database Administrator/System Specialist	63,000
2	Senior Programmer/Analysts @ \$57,000 each	114,000
2	Programmer/Analysts @ \$55,000 each	110,000
Total		567,000
Fringe Benefits @ 15%		85,050
Grand Total		652,050

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In addition to these salary costs, additional one-time funding of about \$250,000 is required to train these new employees and to train existing employees over the next 2-3 years. A funding source has not been identified.

Summary:

Should this Report not be approved, the ramifications will be felt throughout the Corporation.

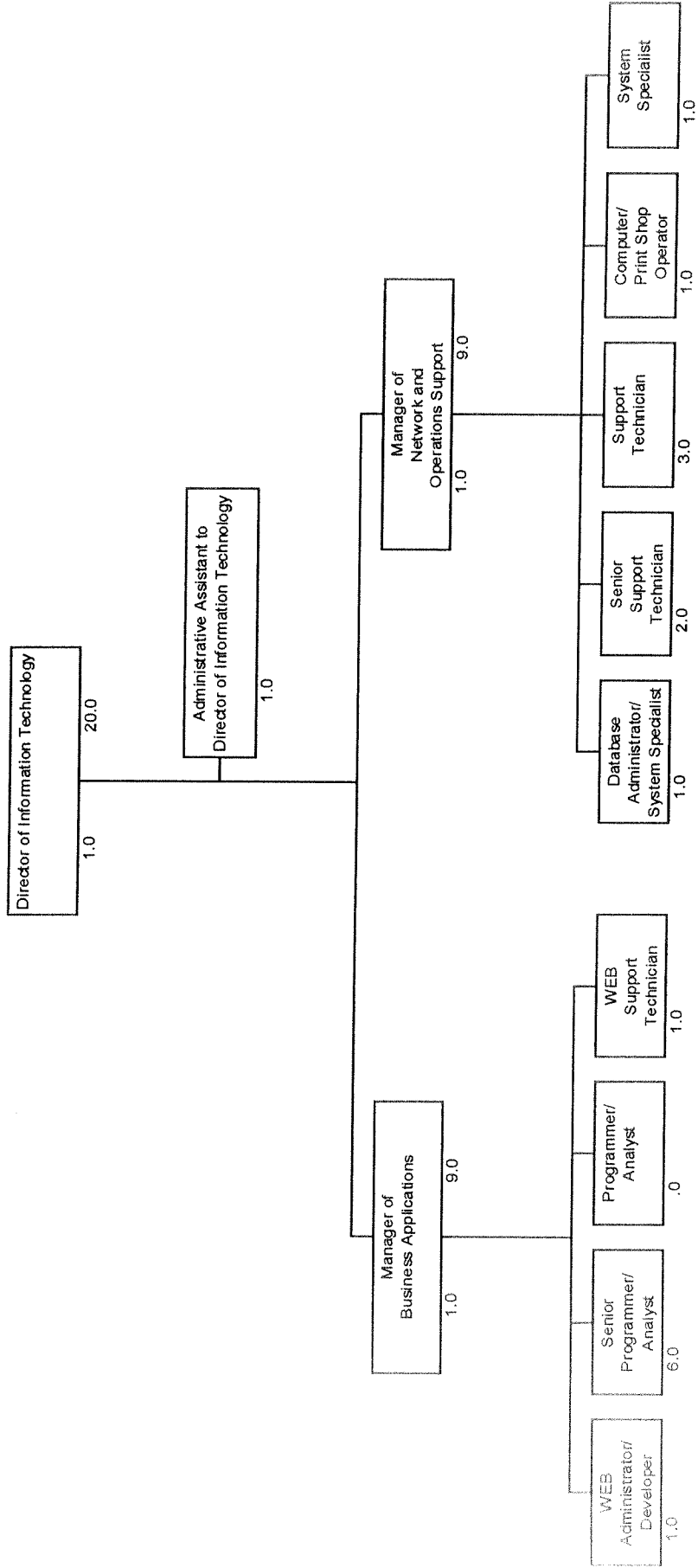
It is very likely that we may lose staff to stress and sickness, and that one "senior" staff person will probably quit or ask to be demoted to a Union position. Management staff cannot keep putting in the hours they have been as it is affecting their health and well being, which in turn affects our ability to service our clients.

Without additional staff, we will be unable to travel within our geographic area to service the Citizen Service Centres and the outside library branches, nor support the Provincially downloaded areas of POA, Social Housing, etc. in a timely manner. Service to our clients will continue to deteriorate; in fact, we are already seeing departments trying to hire IT staff in an attempt to satisfy their service needs. Decentralized IT staff will cost the Corporation much more as the IT function will be disjointed, unco-ordinated and will have different systems that cannot be integrated.

We are unable to convert the Legacy Systems to make them web-enabled e-government application systems which forces us to spend money to maintain old hardware servers and system licenses.

To realize the goal of Council to become a "smart community", we require additional staff and training to support the current infrastructure, software, application systems and Council's goals.

INFORMATION TECHNOLOGY DIVISION - Existing



INFORMATION TECHNOLOGY DIVISION - Proposed

