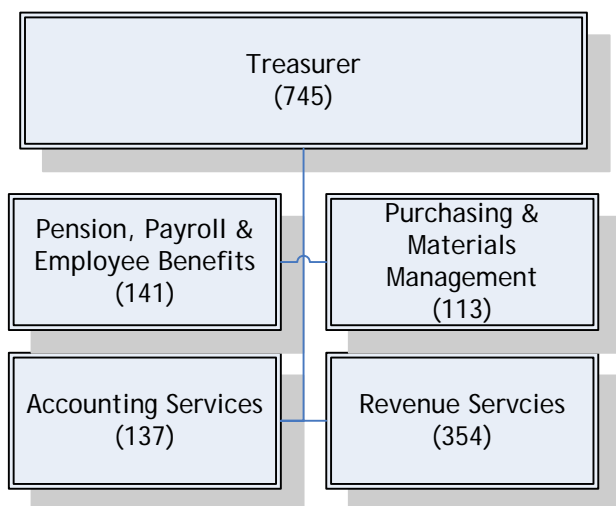


## Office of the Treasurer

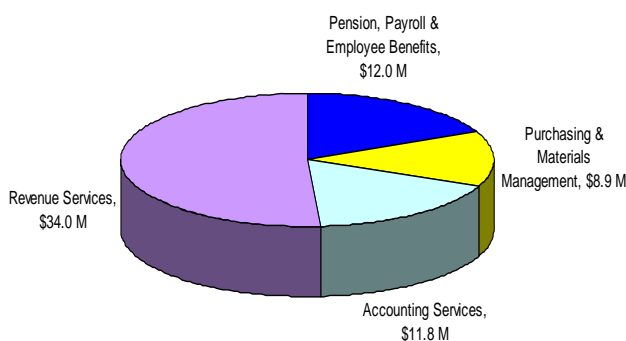
**The Office of the Treasurer provides effective financial services to Divisions, Agencies, Boards and Commissions by ensuring accurate and timely pension, payroll and benefit services; procurement and materials management services; accounting, banking and accounts payable services; and billing, collection and payment processing services related to property taxation, water and sewage services and parking.**

### Program Profile



### 2007 Recommended Operating Budget by Service

Total = \$66.7 M (Gross)



### 2007 Key Strategic Directions and Priorities

- Improving Service:
  - Implement harmonized sick leave plan for management/non-union employees
  - Implement Fixed Area Network project in partnership with Toronto Water
  - Complete program review for Accounting Services
  - Implement the Document and Workflow Management pilot project
- Strengthening Internal Controls
  - Implement PMMD Warehouse & Stores Rationalization recommendations
  - Begin implementation of PSAB Capital (Fixed) Asset Accounting requirements
  - Continuous improvement of vendor payment processing

### 2006 Key Accomplishments

- Improving Service:
  - electronic call distribution
  - RFP/RFQ quick quote templates
  - roll out of direct deposit payment option
  - e-post of water bills
- Strengthening Internal Controls:
  - Accounts Receivable credit & collection protocols approved
  - streamlined and strengthened contract signing procedure
  - Warehouse rationalization approach approved and implementation started

**2008 / 2009 Outlook**

It is expected that the major initiatives started in late 2006 and 2007, will be completed during the 2008 and 2009 period. These major initiatives include the capital asset accounting project, the fixed area network for wireless water meter reading (in conjunction with Toronto Water, document management (electronic storage and routing of documents) and improvements in e-service across the Divisions. Also during this period the Office of the Treasurer will be working in conjunction with Corporate I & T and the Financial Planning Division on the upgrade to the City's financial information and planning system (SAP).

## Pension, Payroll & Employee Benefits

### Program: Office of the Treasurer

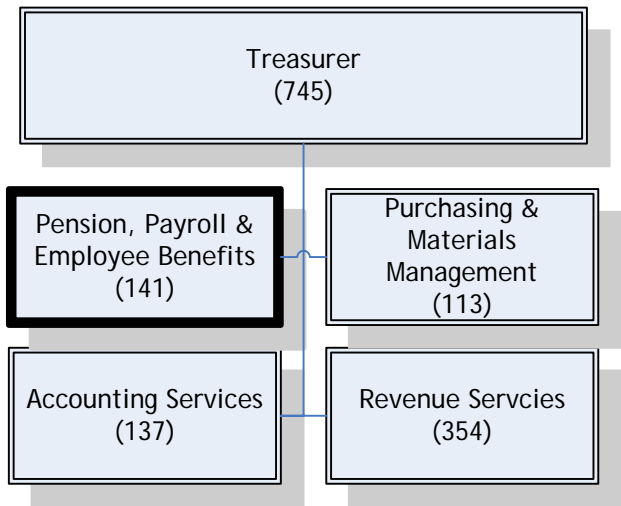
#### Service Area Description:

Pension, Payroll & Employee Benefits provides accurate and timely pension, payroll and benefits services to employees and pensioners by:

- Processing the City's payroll and maintaining accurate employee information;
- Administering the various City pension and benefit plans;
- Processing the City's pension payroll and maintain accurate pensioner information
- Providing information to and responding to all inquiries from city employees regarding payroll and benefit information.

#### Service levels provided

- 800,000 pay cheques processed in 2006
- 116,000 pension cheques processed in 2006.



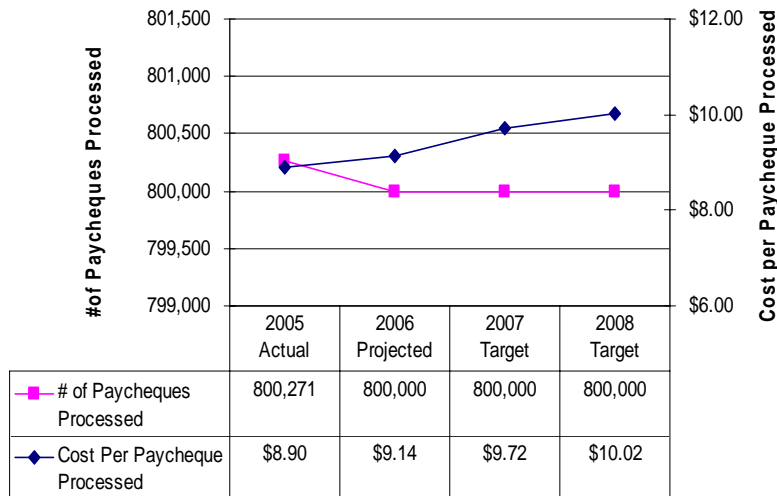
#### *Emerging Challenges and Opportunities:*

- Implementation of the harmonized sick leave plan for management/non-union employees
- Implementation of new benefit plans as a result of Bill 211 – the end of mandatory retirement
- Governance and business process review of City sponsored pension plans.
- Participate in collective bargaining with Firefighters.
- Implement pay harmonization for L79 part-time, Homes for the Aged, and Recreation workers.

## Key Performance Measures:

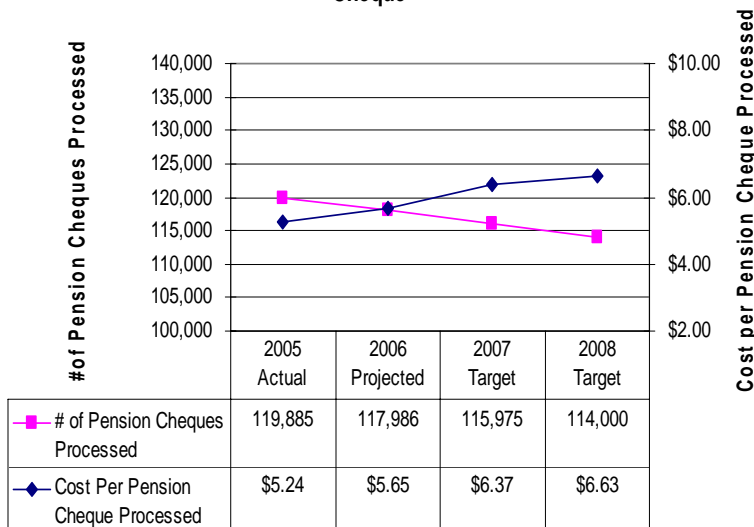
- Efficiency Measures:**

**Number of Paycheques Processed and Cost per Paycheque**



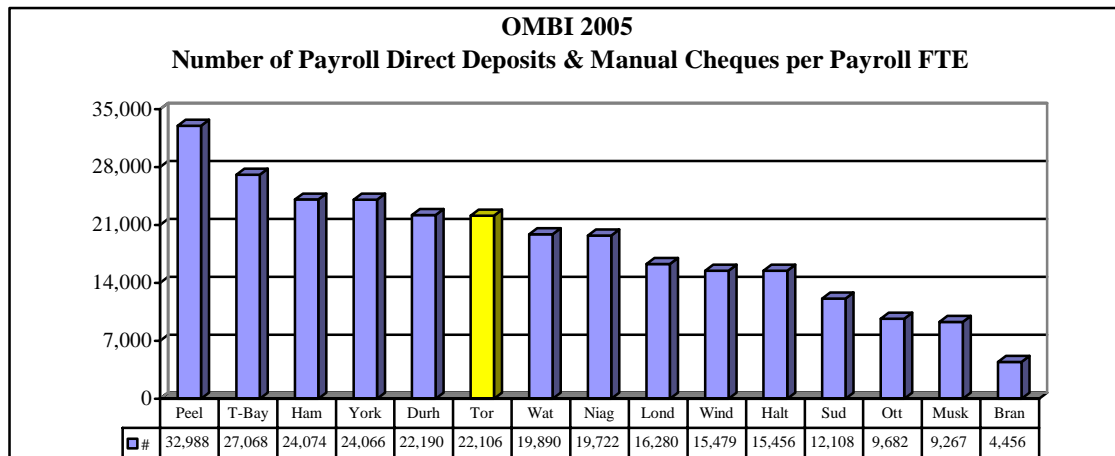
The number of paycheques processed are expected to remain stable at approximately 800,000 paycheques processed each year. However, the cost per paycheque is expected to increase slightly over the next couple of years due to cost of living adjustments, wage harmonization and inflationary increases.

**Number of Pension Cheques Processed and Cost per Pension Cheque**



The cost per pension cheque is expected to increase slightly due to inflationary factors and a consistently lower cheque count.

## Key OMBI Benchmarks



## Influencing Factors:

**Unionization:** Number of unions, union contract settlements resulting in retroactive payments, complexity of the Collective Bargaining Agreement terms and Corporate Policies may be a factor in the creation of replacement cheques and demand for service.

**Organizational Form:** Centralized versus de-centralized nature of time and attendance data entry. Staffing related to decentralized time and attendance data entry are not included in Toronto's results, although for some municipalities this is a centralized activity and therefore the costs have been included as part of the payroll service. Any staffing associated with benefits and pension administration and employee master data maintenance/administration have been excluded from these results and included in those of Human Resources.

**Staffing Mix:** Salary vs. hourly rate and the corresponding demand for support. Also part-time vs. full time compliments and the demand for support.

**Pay Periods:** Differences in the number of pay periods

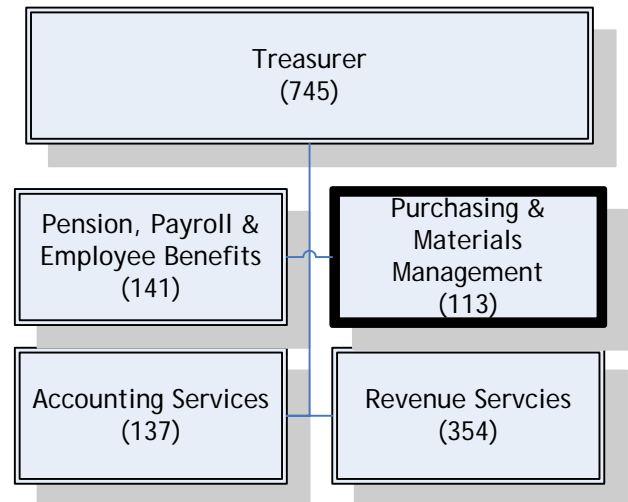
## Purchasing & Materials Management

**Program: Office of the Treasurer**

### Service Area Description:

Purchasing & Materials Management ensures the best value to the taxpayers of the City of Toronto in the acquisition of goods and services by:

- providing leadership, quality customer service and the application of open, fair, equitable and accessible business processes and practices to all City Divisions and designated Agencies, Boards and Commissions;
- administering appropriate delegation of commitment authority; and
- developing innovative business practices.



### Service levels provided

- Approximately \$1.0 billion in purchases in 2006
- Approximately 2,600 purchase orders/contracts will be processed in 2006
- Approximately 88,000 issues of warehoused goods will be processed from city warehouses in 2006.

### *Emerging Challenges and Opportunities:*

- Implementation of the e-procurement feasibility recommendations
- Completion of the warehouse & stores rationalization recommendations
- Implementation of Downloading of Call Documents Project from the city's web site

## Key Performance Measures:

- Efficiency Measures:**

**Cost to Purchase \$100 of Goods and Services**



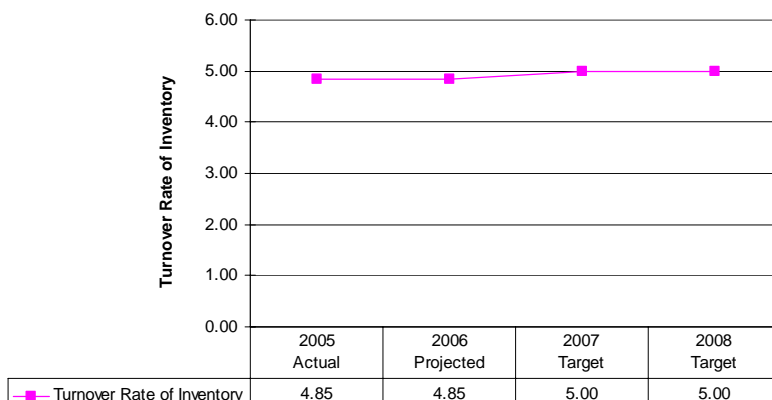
The cost to purchase a \$100 of goods and services will fluctuate based on various factors, such as multi-year blanket contracts, dollar value of orders processed and budget restraints within the divisions.

**Cost per \$100 of Total Inventory Issued & Delivered**



As a result of a new corporate blanket contract for office supplies which allows desktop delivery without the involvement of PMMD in 2006, PMMD issued less inventory value for these items to Client Divisions. This resulted in an increased cost per \$100 issued for 2006 due to a decrease in volume of issues and an increase in costs (i.e. inflation and negotiated pay increases, merits, etc.)

**Turnover Rate of Inventory**



Due to efficiencies, (i.e. optimized inventory levels, obsolescence program, and/or increased use of blanket contracts) warehouse stock items are kept on the shelves for a shorter period of time, resulting in faster movement of stocked items and increased turnover.

## Accounting Services

### Program: Office of the Treasurer

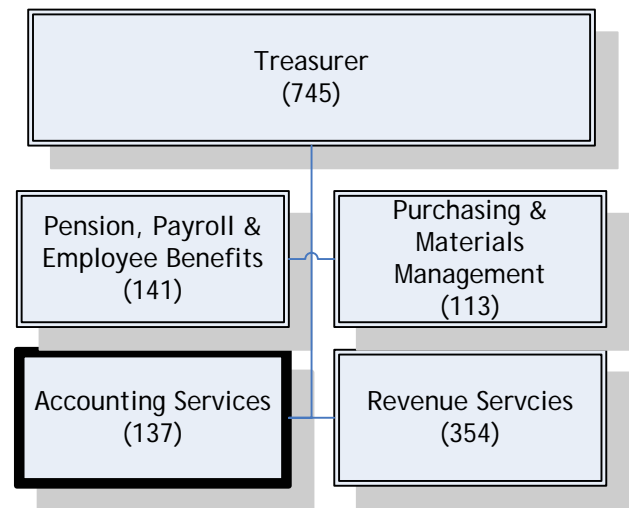
#### Service Area Description:

Accounting Services provides quality accounting and financial advisory services to all City divisions and City Agencies, Boards and Commissions in compliance with professional accounting principles, legislation, and Council policy by:

- prompt payment of the City's disbursement obligations;
- preparation of the City's summary financial statement including the consolidation of the financial results of the City's ABCs and preparation of the Provincial Financial Information Return (FIR);
- developing, maintaining, and protecting the integrity of the City's financial information systems; and
- providing advice on accounting matters to all city divisions.

#### Service levels provided

- Approximately 88% of invoices to be paid within 60 days
- Approximately 190,000 cheque payments and 44,000 direct deposit payments to be issued in 2006
- 416,000 invoices/direct interfaces processed in 2006
- \$3.3 million commodity tax recoveries
- Met reporting deadlines for annual consolidated financial statements and quarterly management reporting



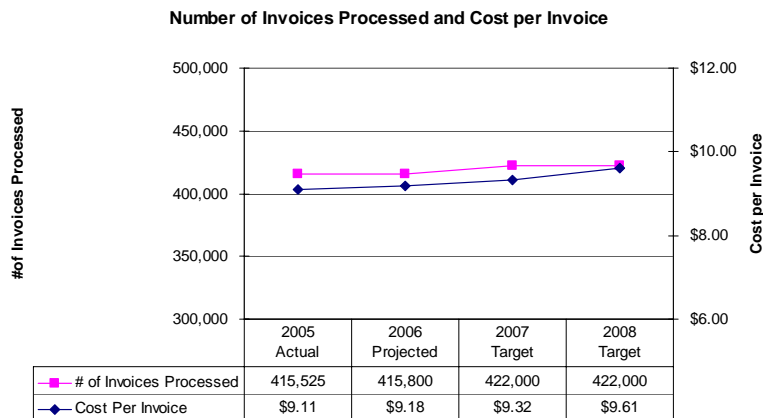
#### Emerging Challenges and Opportunities:

- Program review of the division to assess the range of services and service levels provided as well as establish key skill sets required and the division's capacity to lead and support corporate projects
- Development of a Capital (Fixed) Asset Accounting system to meet new financial reporting requirements
- Participation in the Document Imaging and Document Management Project, in order to process more information electronically and significantly reduce paper consumption and improve payment cycle
- Full Costing Model developed by Accounting Services to be approved by Chief Financial Officer and adopted as corporate model
- Participation in SAP upgrade. Technical support and user training
- Continued administration of the early payment vendor discount program (\$800,000 savings achieved between 2003 – 2006)

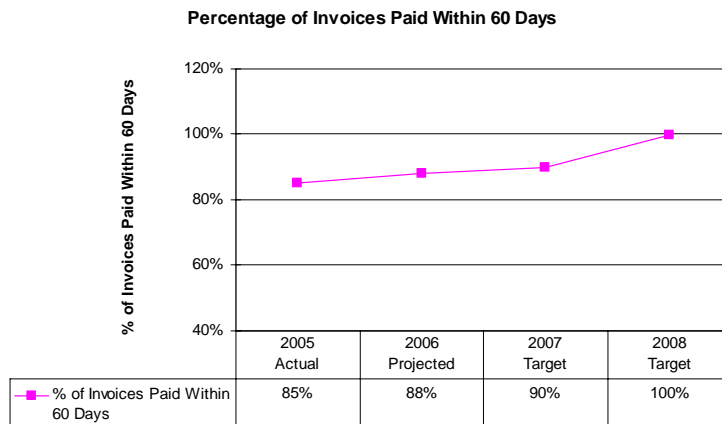


## Key Performance Measures:

- Efficiency Measures:**



The overall trend in the cost per invoice processed is an increase per unit as a result of increased labour costs.



In 2006, approximately 88% (2005: 85%) of vendor payments are expected to be processed within 60 days. With the implementation of 3-Way-Match and imaging, it is anticipated that all invoices will be paid within 60 days.

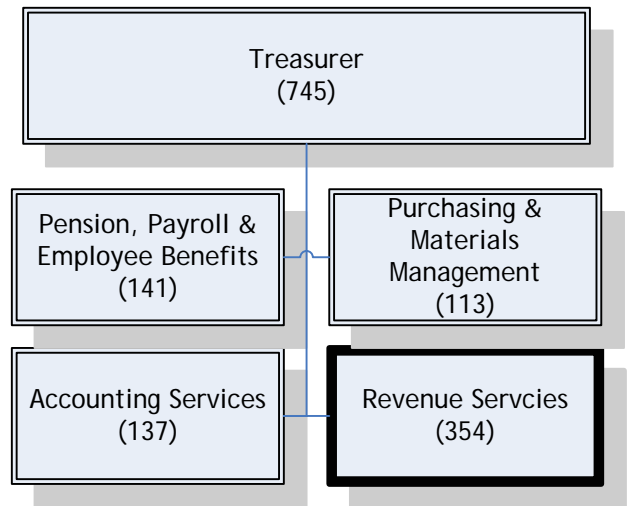
## Revenue Services

**Program: Office of the Treasurer**

### Service Area Description:

Revenue Services is responsible for billing, collection and administration of revenues related to:

- property taxation;
- water consumptions and sewage services; and
- parking tickets.



### Service levels provided:

- Bill and administer over 650,000 tax accounts, representing 1,282,500 bills and revenues of \$5.2 billion (\$3.3 billion municipal & \$1.9 billion education) in 2006
- Bill and administer 472,000 water accounts, representing 1,485,000 bills and revenues of \$549.6 million in 2006
- Processed 2,860,000 parking tickets representing revenues of \$80.7 million in 2006
- Respond to more than 600,000 customer enquiries via the Revenue Services Call Center, Correspondence Unit, and in-person customer service counters in 2006

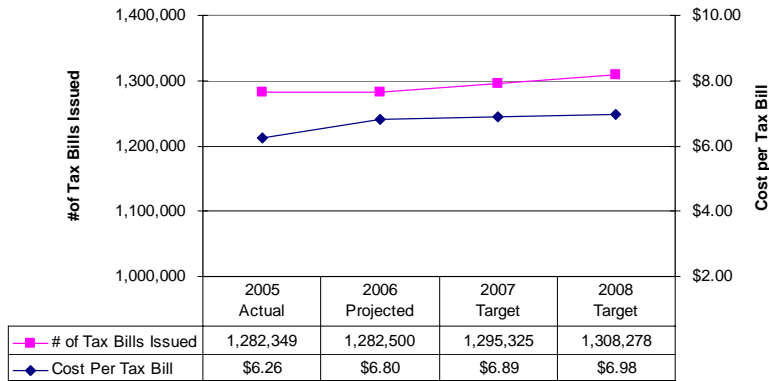
### Emerging Challenges and Opportunities:

- Work with Toronto Water on the issuance and evaluation of an RFP for the Water Meter Replacement and Fixed Area Network Meter Reading project.
- Work with Court Services on the development of an alternate dispute process for parking tickets.
- Work with corporate IT on the pilot implementation of Document Management

## Key Performance Measures:

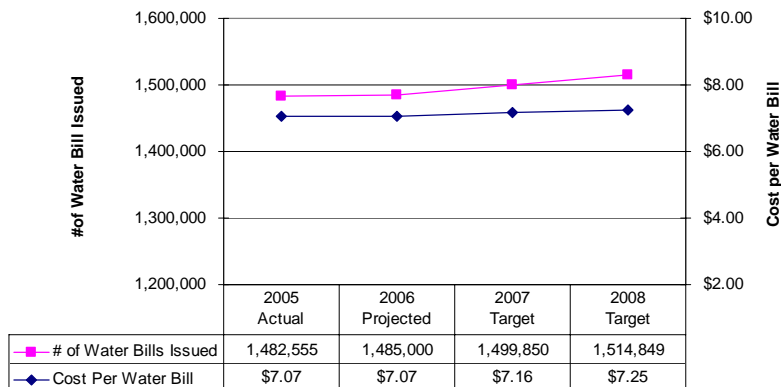
- Efficiency Measures:

Number of Tax Bills Issued and Cost per Tax Bill



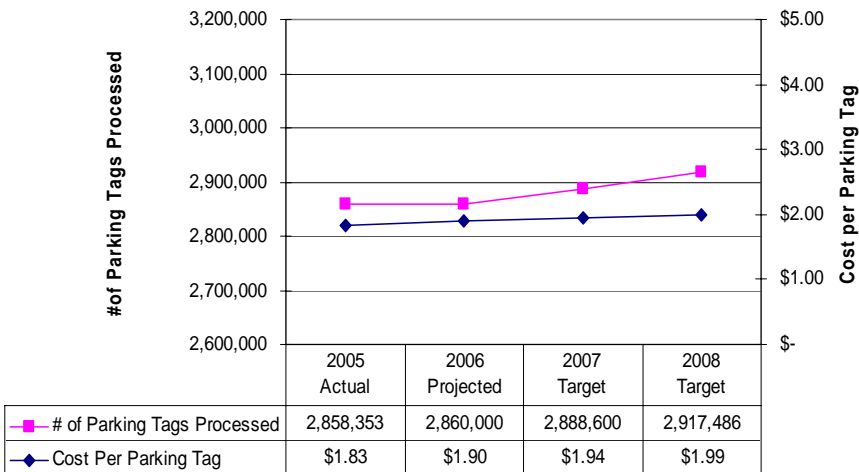
2006 projected increase is due to normal inflationary impacts, primarily in staff salaries and retroactive wage settlements. Targeted costs are expected to increase slightly in 2007 and 2008 to reflect approximate 3.0% anticipated increase in salary and benefit costs, and a 1.0% increase in volume of tax bills issued.

Number of Water Bills Issued and Cost per Water Bill



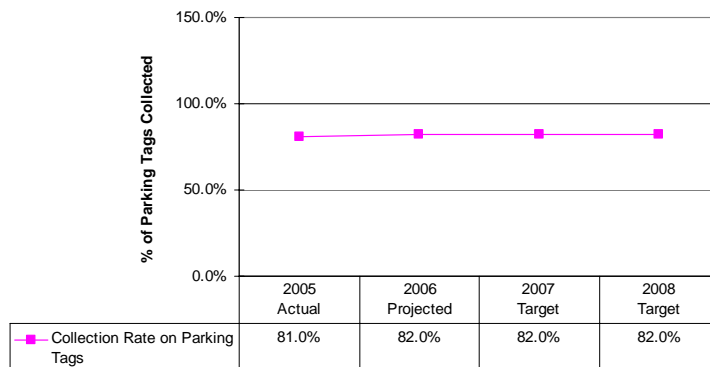
In 2006 there was no increase in cost over 2005 due to efficiencies and savings in staff salaries. Targeted costs are expected to increase slightly in 2007 and 2008 to reflect approximate 3.0% anticipated increase in salary and benefit costs, and a 1.0% increase in volume of water bills issued.

## Number of Parking Tags Processed and Cost per Parking Tag



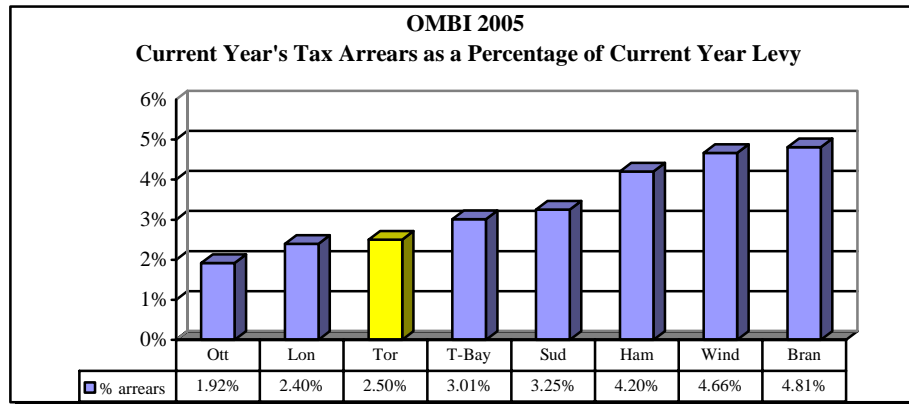
2006 projected costs reflect an increase over 2005 due to increases in payments to the Province and higher than expected expenditures in staff salaries. Targeted costs in 2007 and beyond are expected to reflect only inflationary impacts with the introduction of more efficient ticket issuing and processing methods, allowing for reductions in salary costs.

## Collection Rate on Parking Tags



Collection Rate on Parking Tags is expected to remain stable over 2007 and 2008, reflecting long term average collection success rates.

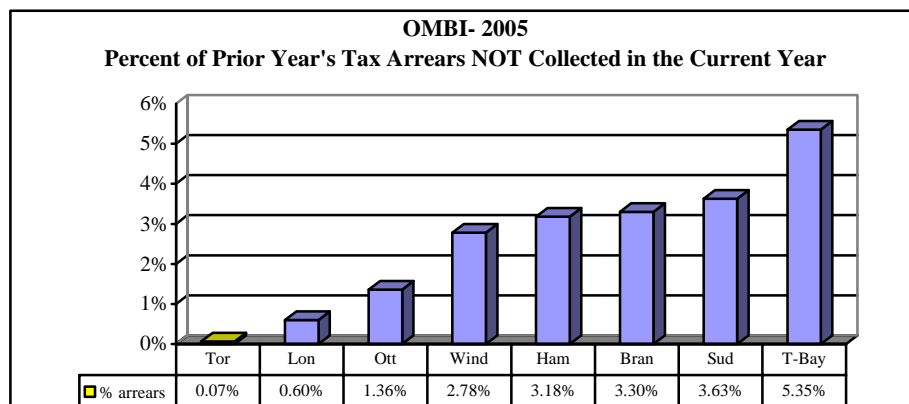
## Key OMBI Benchmarks



## Influencing Factors:

The extent to which municipalities add other charges/receivables to the tax roll for collection purposes will affect the overall results.

The City of Toronto routinely adds other overdue charges/receivables (such as water arrears and fire charges) to the property tax roll, thus impacting the overall current year tax arrears.



## Influencing Factors:

The extent to which municipalities add other charges/receivables to the tax roll for collection purposes will affect the overall results.

A municipality's collection processes will affect prior year tax arrears.

The City of Toronto aggressively pursues collection of overdue tax levies, including the mailing of multiple past due notices, the use of bailiff services, and the use of municipal tax sale proceedings under the City of Toronto Act.