Winnipeg

2020 Operating and Capital Budget

Customer Service and Communications



November 20, 2019

Agenda

1. Strategic Objectives and Priorities

2. Performance Measurement

3. Operating Budget (including options to achieve target)
   - Operating Budget (Departmental or Service Based Basis)
   - Year over Year Variance Explanations
   - Implications of the Recommended Target to Balance the Operating Budget
   - Salaries and benefits, FTEs, and vacancy management and options to achieve target

4. Capital Budget (including options to achieve target)
   - Capital Budget
   - Implications of the Recommended Target for the Capital Budget
   - Capital Forecast to Submission Reconciliation

5. Operating and Capital Budget Referral

6. Budget Summary

7. Questions

Strategic Objectives and Priorities

Strategic Objectives Sources: Volume 1 Community Trends Report, City of Winnipeg Communications Function Review: Final Report

- To provide organizational leadership in implementing Council's policies and priorities through effective issues management, strategic communications, and the provision of professional advice
- To improve communication to the public and media, and providing communications management support to all City departments
- Focus on new and owned communications channels, including increased attention to social and digital communications, generating more content as well as proactively making information available to media and the public
- To improve citizen satisfaction through the ease of use and access to information
- To improve service request routing and tracking to ensure accountability to citizens

Key Priorities

- To provide consistency across all Departments, special operating agencies, and service areas when it comes to communication with the public
- To provide accurate information and enhanced customer service through requests for non-emergency services to the citizens and customers of the City of Winnipeg
- To provide better information to the public, visitors, and businesses through investments in the City's public facing communications channels

Citizen Satisfaction with Overall City Services - 311

Year	2016	2017	2018
Total Calls Received	1,074,895	959,676	858,962
Total Calls Answered	798,068	808,666	666,565
Number of Service Requests	273,681	496,946	417,628
Number of Information Requests	692,103	646,192	583,016
Average Talk Time (in minutes)	4:53	4:39	4:54
Average Wait Time (in minutes)	5:53	3:04	7:36
Number of E-mails	113,392	107,082	93,107
Number of Self Service online	2,000	1,782	2,032
Number of Mobile App interactions (launched in Sept 2013)	1,311	1,032	1,464
Number of In person interactions (Counter - launched in Sept 2013)	27,404	6,459	22,360
Number of social media interactions (launched in 2014)	12,726	13,862	12,969

Service Level Statistics – Communications

Description	2016	2017	2018
Number of News Releases	414	443	361
Translation – Words Translated [A]	262,996	486,371	253,951
Media Inquiries	2,084	2,226	2,742
Number of Website Visits	22.7 million	23.3 million	20.1 million
Number of Public Engagement Sessions	n/a	93	61

[A] 2018 decrease is a result of having a vacant Translator position from May 2018 to December 2018

Recommended Target to Balance the Budget

1. Departmental Operating Budget – (1.2%) budget rate decrease net of capital expenditures, based on 2019 expenditures. (0% over 2019 plus Legal Services allocation)

2. Cash to capital funding levels:

Department	2020	2021	2022	2023	2024	2025
Customer Service and Communications	122	100	-	100	-	-

3. Key assumptions for multi-year budget:

These proposed recommended targets present a balanced tax-supported operating budget from 2020 to 2023:

a. Property Tax Increases: 2.33% annually (road renewal and southwest rapid transit (stage 2))
b. Fees and Charges: Inflationary increases annually
c. Natural Assessment Base Growth: 1.2% annually
d. Efficiencies/Vacancy Management: $17 Million annually
e. Additional Transfers/Savings: $32.5 million in 2020 growing to $40 million by 2023
f. Provincial Operating Grants: Flat at $149.7 million annually (2016 level)
g. Utility dividend rate: 11% of Water and Sewer Sales
h. Remaining Tax Supported Debt Room: $150 million in total

Operating Budget

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of $	2018 Actual	2019 Budget	2020 Draft Budget *	*Year over Year Increase / (Decrease)*	*%*	*Exp. No.*	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
GOVERNMENT GRANTS	0.070	-	0.070	*0.070*			0.070	0.070	0.070
TRANSFERS	1.451	1.452	-	*(1.452)*			-	-	-
TOTAL REVENUE	**1.521**	**1.452**	**0.070**	***(1.382)***	***-95%***	***1***	**0.070**	**0.070**	**0.070**
SALARIES & BENEFITS	7.001	7.236	7.200	*(0.036)*			7.064	7.076	7.237
SERVICES	0.671	0.750	0.706	*(0.044)*			0.706	0.744	0.744
MATS PARTS & SUPPLIES	0.047	0.148	0.149	*0.001*			0.149	0.149	0.149
ASSETS & PURCHASES	0.015	0.086	0.086	-			0.086	0.086	0.086
GRANTS, TRANSFERS & OTHER	0.467	0.534	0.561	*0.027*			0.574	0.586	0.599
RECOVERIES	(0.091)	(0.220)	(1.630)	*(1.410)*			(1.633)	(1.635)	(1.637)
TOTAL OPERATIONAL EXPENDITURES	**8.110**	**8.534**	**7.072**	***(1.462)***	***-17%***		**6.946**	**7.006**	**7.178**
DEBT & FINANCE CHARGES	0.007	0.003	0.003	-			0.003	0.003	0.003
TRANSFER TO CAPITAL	-	-	0.122	*0.122*			0.100	-	0.100
TOTAL EXPENDITURES	**8.117**	**8.537**	**7.197**	***(1.340)***	***-16%***	***2***	**7.049**	**7.009**	**7.281**
Mill Rate (Contribution) / Support	**6.596**	**7.085**	**7.127**	***0.042***			**6.979**	**6.939**	**7.211**

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

Year over Year Variance Explanations

(in millions)

Year over year (increase) / decrease	2020 Draft Budget	2021 Draft Projection	2022 Draft Projection	2023 Draft Projection
1) *Revenue change due to the following:*				
- Increase in Government Grant Revenue - recorded as a recovery previously	$ (0.070)	$ -	$ -	$ -
- Decrease in Interfund transfers - now recorded as interfund recoveries	1.452	-	-	-
Net Revenue Change	**$ 1.382**	**$ -**	**$ -**	**$ -**
2) *Expenditure change due to the following:*				
- Increase (decrease) in transfer to capital	$ 0.122	$ (0.022)	$ (0.100)	$ 0.100
- Increase in interfund recoveries - previously recorded as transfer revenues	(1.452)	-	-	-
- Net (decrease) increase in salaries and benefits	(0.036)	(0.136)	0.012	0.161
- Miscellaneous adjustments.	0.026	0.010	0.048	0.011
Net Expenditure Change	**$ (1.340)**	**$ (0.148)**	**$ (0.040)**	**$ 0.272**

Operating Budget

2020 Draft Operating Budget and 2021 to 2023 Projections in millions of $	2020 Draft Budget *	*Year over Year Increase / (Decrease)*	%	*Exp. No.*	2021 Draft Projection *	2022 Draft Projection *	2023 Draft Projection *
Options to Achieve Operating Budget Target:							
a. Reduce various operating expense accounts	(0.044)				(0.044)	(0.044)	(0.044)
b. Reduce hours and overtime in 311 call centre	(0.287)				(0.369)	(0.376)	(0.382)
c. Close 311 service desk at 510 Main					(0.209)	(0.214)	(0.218)
d. Reduce internal French Langague Service staffing capability, offset by higher translation expense	(0.067)				(0.067)	(0.202)	(0.207)
Total Options to Achieve the Target	**(0.398)**	**-**	**-**	**-**	**(0.689)**	**(0.836)**	**(0.851)**
EPC Recommended Target to Balance	**(0.404)**	**-**	**-**	**-**	**(0.589)**	**(0.797)**	**(0.984)**
Variance (Shortfall from the Target)	**(0.006)**	**-**	**-**	**-**	**0.100**	**0.039**	**(0.133)**

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating target.

Implications of the Recommended Target to Balance Operating Budget

a. Decrease in various operating expenditures within 311 due to actuals being lower than budget the last three years. No service impact from these reductions.
b. Reduction of staffing at 311 will result in fewer representatives being avilabable to answer incoming calls and online requests. Option includes reducing FTEs by up to 6 positions. As well reduces the overtime budget for 311 by nearly 1/2. These changes will provide the department less options to increase hours during high volume times which will result in longer wait times for citizens when volumes are high.
c. The service desk at 510 Main will be closed resulting in the reduction of 4 FTEs. Citizens will need to visit the Bilingual Service Centre on Goulet for the same services. The services offered at 510 Main are all avilable at the Bilingual Service Centre so this will eliminate the duplication of services currently offered.
d. Outsourcing of translation services will result in a reduction of 3 FTE's relating to French Langague Services, though savings will be offset partially by higher translation expense for external translators.

Salary Budget and Full Time Equivalents (FTEs) / Vacancy Management / Options to Achieve the Target

2020 Draft Operating Budget

	2019 Adopted Budget	2020 Draft Budget*	Increase / (Decrease)	2021 Draft Projection*	2022 Draft Projection*	2023 Draft Projection*
Full Time Equivalents *(number of FTEs)*	105.02	101.52	(3.50)	96.02	94.32	94.32
Salaries & Benefits *(in millions of $)*	$ 7.236	$ 7.200	$ (0.036)	$ 7.064	$ 7.076	$ 7.237
Vacancy Management included in Salaries & Benefits *(in millions of $)*	*$ (0.214)*	*$ (0.226)*	*$ (0.012)*	*$ (0.229)*	*$ (0.235)*	*$ (0.239)*

* 2020 Draft Budget and 2021 to 2023 Draft Projections include the options to achieve the operating budget target

Capital Budget

CUSTOMER SERVICE AND COMMUNICATION - GENERAL CAPITAL FUND

Capital Investment Plan - Authorization

($000's)

	Authorization							
	2019 Adopted	2020 Draft Budget*	Draft Forecast*					6-Year Total
			2021	2022	2023	2024	2025	
List of Capital Projects:								
1 311 Renewal	-	**122**	100	-	100	-	-	322
TOTAL CAPITAL PROJECTS	-	**122**	100	-	100	-	-	**322**

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

Capital Budget

Options to Achieve the Target	2020	2021	2022	2023	2024	2025	6-Yr Total
a. Reduce 311 Renewal	(228)	(50)	(100)	(350)	(450)	-	(1,178)
Total Options to Achieve the Target *	**(228)**	**(50)**	**(100)**	**(350)**	**(450)**	**-**	**(1,178)**
EPC Recommended Target to Balance	(228)	(50)	(100)	(350)	(450)	-	**(1,178)**
Variance (Shortfall from Target)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

* 2020 Draft Budget and Five Year Draft Forecast include the options to achieve the capital target

Implications of the Recommended Target for the Capital Budget

a. The capital reduction may expose 311 systems to security vulnerabilities (likelihood: low, impact: high), and would mean a delay in upgrades to our current 311 operating systems resulting in more system bugs and no new features (likelihood: high, impact: low)

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY *(in Thousands of $)*	ADOPTED BUDGET 2019	ADOPTED IN PRINCIPLE FORECAST 2020	CHANGES 2020	DRAFT BUDGET 2020
CUSTOMER SERVICE AND COMMUNICATIONS				
311 Renewal		350	(228)	122
TOTAL CUSTOMER SERVICE AND COMMUNICATIONS		350	(228)	122

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY *(in Thousands of $)*	ADOPTED IN PRINCIPLE FORECAST 2021	CHANGES 2021	DRAFT FORECAST 2021	ADOPTED IN PRINCIPLE FORECAST 2022	CHANGES 2022	DRAFT FORECAST 2022
CUSTOMER SERVICE AND COMMUNICATIONS						
311 Renewal	150	(50)	100	100	(100)	-
TOTAL CUSTOMER SERVICE AND COMMUNICATIONS	150	(50)	100	100	(100)	-

Capital Forecast to Draft Budget (Including Options to Achieve Capital Target) Reconciliation

CAPITAL PROJECTS SUMMARY *(in Thousands of $)*	ADOPTED IN PRINCIPLE FORECAST 2023	CHANGES 2023	DRAFT FORECAST 2023	ADOPTED IN PRINCIPLE FORECAST 2024	CHANGES 2024	DRAFT FORECAST 2024	DRAFT FORECAST 2025	6 YEAR TOTAL 2020-2025
CUSTOMER SERVICE AND COMMUNICATIONS								
311 Renewal	450	(350)	100	450	(450)	-	-	1,600
TOTAL DEPARTMENT NAME	450	(350)	100	450	(450)			1,600

Operating Budget Referrals

Operating Budget Referrals		2020	2021	2022	2023
That the Public Service implement the strategy to conduct a review of French language services provided by the City of Winnipeg - Request for 1.8 FTE's for implementation of the Plan was referred to the 2019 -2021 budget process.	Council (July 19, 2018), Council provided 120 day extension (September 26, 2019)	x	x	x	x

Included in the budget	✔
Not budgeted	x

Operating Budget Summary

Recommended target – 4 year budget – (1.2%) budget rate decrease based on 2019 expenditures. (0% over 2019 plus Legal Services allocation

(in millions of $)

	2019 Approved Budget	2020 Projection (from 2019)	**2020 Draft Budget**	**2021 Draft Projection**	**2022 Draft Projection**	**2023 Draft Projection**
Expenditure Budget*	8.54	9.09	**7.20**	**7.05**	**7.01**	**7.28**
EPC Recommended Expenditure Target			**7.19**	**7.15**	**7.05**	**7.15**
Variance (Shortfall from Target)			**(0.01)**	**0.10**	**0.04**	**(0.13)**

* Note: Draft budget and projections include the options to achieve the EPC recommended targets to balance.

Operating within the recommended operating target will result in a reduction of positions within the 311 Contact Centre, which will likely result in increased wait times when calling 311. The department will continue to focus on realigning priorities of staff within the Communications division in order to continue improving information available to residents, visitors, and businesses with a goal of reducing the number of information requests that come into the 311 Contact Centre. Approximately half of the requests that come into 311 are for information, with the other half being for service requests.

Capital Budget Summary

Recommended target for capital

(in millions of $)

	2019 Approved Capital	2020 Draft Budget	Draft Forecast				
			2021	2022	2023	2024	2025
Cash to Capital Budget*	-	**0.12**	**0.10**	**-**	**0.10**	**-**	**-**
EPC Recommended Capital Target		**0.12**	**0.10**	**-**	**0.10**	**-**	**-**
Variance (Shortfall from Target)		**-**	**-**	**-**	**-**	**-**	**-**

* Note: Draft budget and forecast include the options to achieve the EPC recommended targets to balance.

With the recommended target for capital budget, the department will only be able to maintain 311 systems at current levels and will delay further upgrades to current operating systems.

Questions?