



# Corporate Services

**Staff Recommended 2020 Operating Budget  
2020 – 2029 Capital Budget & Plan**

**Budget Briefing to Budget Committee  
January 15<sup>th</sup>, 2020**

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at 416-392-8393 or [marie.barcellos@toronto.ca](mailto:marie.barcellos@toronto.ca).



**Corporate Services** is an organization leading and enabling city-wide modernization initiatives and long term sustainability related to climate action, city resilience and City assets, while supporting and delivering service excellence.



# What We Do – Our Programs



## 311 Toronto

- ✓ Provides the public with quick, easy access to all City of Toronto services
- ✓ Focused on connecting residents, business owners and visitors with information and contacts to specialized City services



## Corporate Real Estate Management

- ✓ Maximizes value from the utilization and management of City properties
- ✓ Delivers service excellence to enable City divisions to focus on core operations
- ✓ Provides a safe and compliant workplace



## Environment & Energy

- ✓ Leads the City's climate change & resilience efforts
- ✓ Navigates the City's course through the Climate Emergency
- ✓ Advocates for climate action on behalf of future generations



## Fleet Services

- ✓ Provides professional fleet management services to clients
- ✓ Maximizes safety, fiscal and environmental sustainability



## Information & Technology

- ✓ Provides technology solutions to enable modernization and innovation of City services
- ✓ Ensures a reliable technology environment

# What We Do – Our Focus

## Corporate Services Priorities



Improved  
Customer  
Experience



City-Wide  
Modernization



Lifecycle Asset  
Management



Climate Action and  
Resilience



## Corporate Strategic Plan Priorities



Financial sustainability



A well-run City



Maintain and create housing  
that is affordable



Keep Toronto moving



Invest in people and  
neighbourhoods



Tackle climate change and  
build resilience

Area of Focus	Outcomes
<b>Improved Customer Experience</b>	<ul style="list-style-type: none"> <li>▪ Provide consistent customer service experiences allowing people and businesses to interact with the City where, how and when they want to</li> <li>▪ Improve customer satisfaction and usability of City services</li> <li>▪ Improve time to market and responsiveness of City services</li> </ul>
<b>City-wide Modernization</b>	<ul style="list-style-type: none"> <li>▪ Enable City services by ensuring business continuity and mitigating business risks</li> <li>▪ Robust standards around security, privacy, accessibility to create standards and shared platforms for scale and efficiency</li> <li>▪ Optimize self-serve channels to realize cost efficiencies and manage growth</li> <li>▪ Enable the delivery of City services through effective use of real estate</li> </ul>
<b>Lifecycle Asset Management</b>	<ul style="list-style-type: none"> <li>▪ Safe, compliant and accessible assets to deliver City services</li> <li>▪ Optimize use of City assets to achieve greatest value and to serve a growing city</li> <li>▪ Accelerate data analysis and data sharing capabilities for City programs</li> </ul>
<b>Climate Action and Resilience</b>	<ul style="list-style-type: none"> <li>▪ Leading the implementation of TransformTO initiatives both within and external to the City to create a zero carbon city before 2050</li> <li>▪ Create a more resilient city now and for future generations</li> </ul>



## Improved Customer Experience

- The adoption of a new customer service operating model and building the capacity to scale
- Ability to design and develop services in a more agile way by engaging in innovative partnerships, addressing policy and regulatory barriers and collaborating across levels of government
- Accelerating digital adoption to realize benefits and reinvest in standardized platforms



## City-Wide Modernization

- Organizational readiness for modernization and transformation
- Investments needed in organizational risk management and business continuity to mitigate against disruption of operations/services, financial loss and reputational damage
- Review of policies, procedures and processes to ensure they support growth and modernization efforts and service demand for digital solutions



## Lifecycle Asset Management

- Integrated asset plans and strategies are required to ensure decisions made related to the use of these assets yield the greatest value to the public
- Balancing client needs while optimizing the City's asset base to achieve the best use of assets
- Modernizing the technology environment to centralized shared technology platforms while ensuring continued business operations



## Climate Action and Resilience

- Ability to achieve TransformTO and Council goals of net-zero before 2050 will require the adoption of low carbon technologies and fuel substitution
- Being able to transform behaviours, influence and enact change across the city to gain support from all levels of government and the city's residential, institutional and business community

## Key Priority Actions

### Improved Customer Experience

- Development, approval and implementation of new a operating model structure, including integrated in-person hubs, optimized self-serve channel, and tier 1& 2 phone channel
- Launch new product development approach, starting with Short-Term Rentals to improve speed, usability and value of services to residents and businesses
- Continue to develop capacity and scale to customer service priorities
- Continuous development of foundational CRM platform and explore innovative partnerships to reduce risk, costs and time to market

### City-wide Modernization

- On-going, proactive investment to mitigate enterprise risk and maintain business continuity
- Continued centralization of stewardship and planning of the City's real estate assets (i.e. ModernTO, portfolio strategies, temporary shelter sites)
- Plan centralization of Fleet and I&T to create greater value in how we deliver services
- Leverage “cloud” computing to bring a consistent standard approach to delivering business solutions, creating greater efficiency, agility, scalability and sustainability



## Key Priority Actions

### Lifecycle Asset Management

- Implementation of a Life Cycle Asset Management program for City facilities
- Implementation of a centralized City-wide compliance program for fire and life safety to improve compliance to over 95% in 2020
- Optimize Fleet cost, use and size through the implementation of applications such as Fleet Share to enhance the use and availability of City fleet assets
- Centralize IT shared platforms and asset management, reducing IT applications

### Climate Action and Resilience

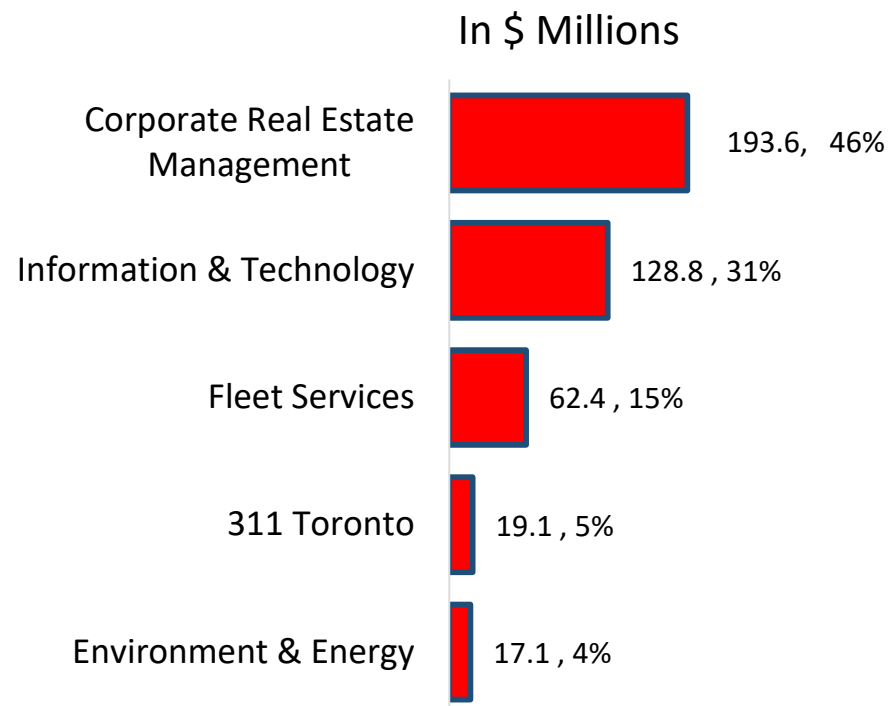
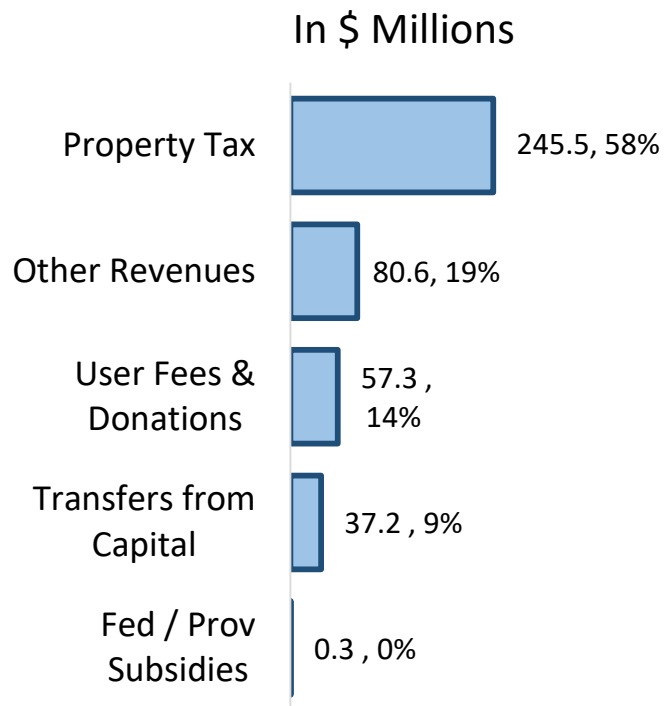
- Continue implementing existing TransformTO strategies (i.e. Supporting energy efficiency & low-carbon buildings, advancing sustainable transportation, engaging with residents & stakeholders)
- Develop plans, conduct feasibility analysis and take action related to City Council's declaration of a climate emergency in 2019
- Continue to implement the City's 2019 – 2023 Green Fleet Plan

# 2020 Staff Recommended Operating Budget and Plan

# 2020 Staff Recommended Operating Budget

## WHERE THE MONEY COMES FROM (\$421.0 Million)

## HOW THE MONEY IS INVESTED (\$421.0 Million)



Refer to Appendices 1 to 3 for additional details on the 2020 Staff Recommended Operating Budget



**SAFETY  
& SECURITY**

**\$4.4 M**



**CLIMATE  
CHANGE**

**\$3.7 M**



**OTHER CITY  
PRIORITIES**

**\$0.1 M**

**\$8.2M**

**IN NEW INVESTMENTS TO ADDRESS KEY COMMITMENTS**  
(Refer to Appendix 4 for full list)

# 2020 – 2029 Staff Recommended Capital Budget and Plan

# Capital Assets to Deliver Services

## Real Estate Assets



Capital delivery for 478 facilities, >12.1 million sq. ft.



Manage over 1,000 leases of City space

## City Vehicles & Equipment



Heavy, Medium, Light Duty, and Off-road vehicles & equipment totalling \$612M in value

## Information & Technology



> 850 enterprise and business solutions/applications



19,000+ Mobile Devices



700+ City facilities networked 84,000+ switches, routers, hubs & ports



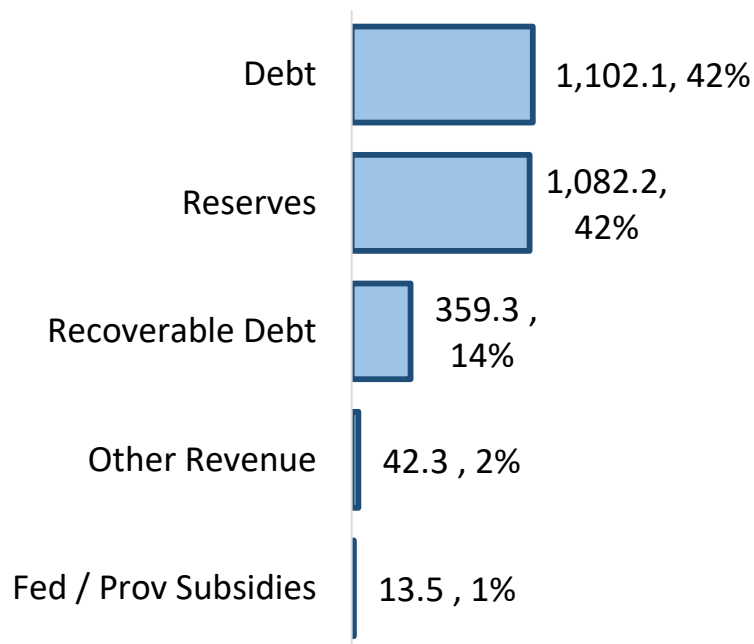
3 data centres  
2,700 servers  
7x24x365



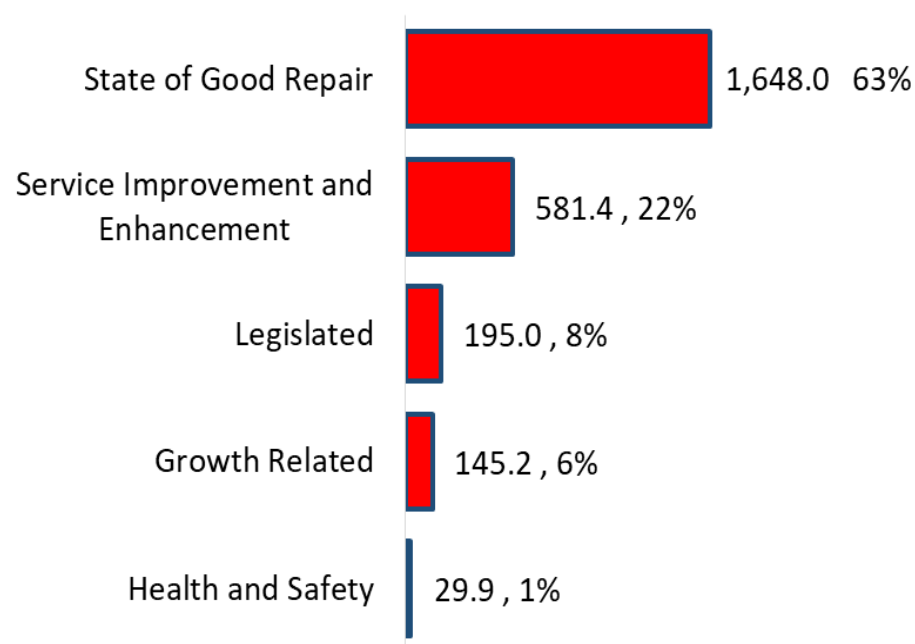
24,000+ desktops & notebook computers, 2,900 multi-function printers

## Where the Money Comes From (\$2.6 Billion)      Where the Money Comes From (\$2.6 Billion)

In \$ Millions



In \$ Millions



## \$2,599.5 M

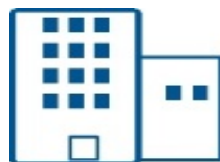
## 10 YEAR GROSS CAPITAL PROGRAM



### Life Cycle Asset Management

\$1,817 M  
70%

- Facility State of Good Repair
- Fleet Replacement
- IT Life Cycle Asset Management
- Accessibility for Ontarians with Disabilities Act (AODA)



### Strategic Real Estate Development

\$400 M  
15%

- St. Lawrence Market North
- New Etobicoke CC
- Old City Hall
- Office Portfolio Optimization
- Property Acquisition for Strategic City Building



### Tools & Technology

\$174 M  
7%

- Software development & purchases
- Customer Experience Improvements
- Security Enhancements



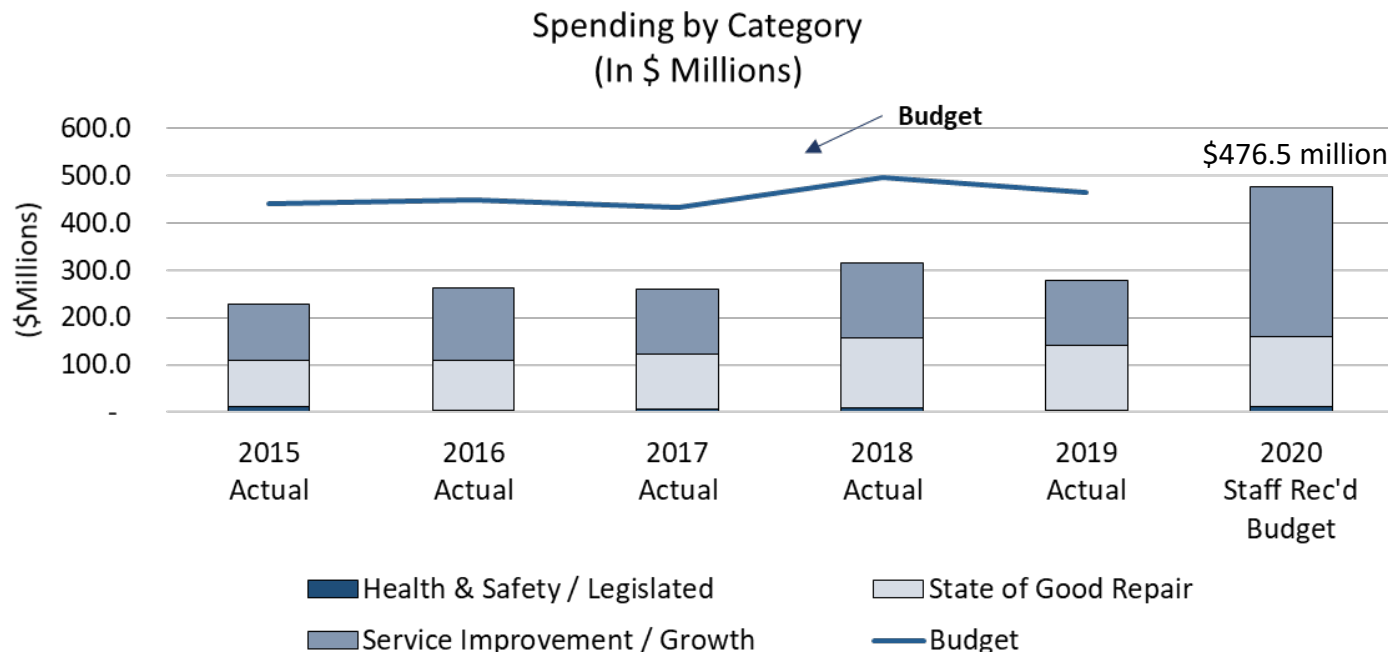
### Climate Action and Resilience

\$208 M  
8%

- Energy Conservation & Demand Management
- Building Automation System
- Energy Audits
- Electrical Resiliency
- Green Fleet Plan



# Capacity to Spend – 2020 Budget



- Capacity to spend based on:
  - **Achievability** – aligning budget with historical spending trends that have been increasing
  - **Affordability** – prioritization of IT initiatives and standardized approach to real estate investments through City-wide real estate strategy
  
- Increase in 2020 budget due to large strategic capital projects reaching the next phase in the stage gating process and strategic property acquisitions with finalized agreements



## Redevelopment Projects

**\$612.2.8 Million, including:**

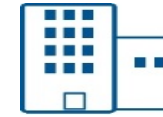
- New Etobicoke Civic Centre Construction (\$389.3M)
- Old City Hall Redevelopment (\$190.4M)
- Revitalization of Wellington Incinerator (\$32.5M)



## State of Good Repair Backlog

**\$937.3M, including:**

- 10-year SOGR on City facilities (\$894.5M)
- 10-year SOGR on City vehicles (\$37.7M)



## Strategic Real Estate Initiatives

**\$256.2 Million, including:**

- Office Portfolio Optimization Strategy (\$243.6M)
- Repurpose 140 Merton in support of Housing Now (\$12.6M)



## Climate Initiatives

**\$14.0M, including:**

- EV and Charging and Infrastructure (\$13.3M)
- FleetShare Program (\$0.7M)

Thank You

# Appendix 1: 2020 Staff Recommended Operating Budget by Program

(In \$000s)	2017 Actual	2018 Actual	2019 Approved Budget	2019 Projected Actual	2020 Staff Rec'd Budget	Change v. 2019 Projected Actual	
By Service	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>							
311 Toronto	7,209.9	7,299.3	8,911.1	8,033.5	8,897.2	863.7	10.8%
Corporate Real Estate Management	77,814.4	83,827.9	88,323.2	85,585.8	89,616.4	4,030.6	4.7%
Environment & Energy	3,051.6	2,954.5	4,711.3	3,076.3	4,093.6	1,017.3	33.1%
Fleet Services	34,521.8	34,055.9	33,676.0	34,311.8	35,181.8	870.0	2.5%
Information & Technology	31,488.1	31,648.9	47,088.5	32,448.2	37,500.1	5,051.9	15.6%
<b>Total Revenues</b>	<b>154,085.7</b>	<b>159,786.5</b>	<b>182,710.1</b>	<b>163,455.6</b>	<b>175,289.1</b>	<b>11,833.5</b>	<b>7.2%</b>
<b>Expenses</b>							
311 Toronto	16,571.9	17,156.1	19,136.4	18,239.1	19,072.0	832.9	4.6%
Corporate Real Estate Management	180,671.6	179,901.5	190,387.4	184,536.3	193,627.1	9,090.8	4.9%
Environment & Energy	7,382.7	10,645.5	15,217.2	12,452.2	17,095.7	4,643.5	37.3%
Fleet Services	57,575.4	57,851.1	58,146.9	58,580.8	62,375.8	3,795.0	6.5%
Information & Technology	112,867.8	115,542.9	133,223.1	117,889.1	128,780.9	10,891.8	9.2%
<b>Total Gross Expenditures</b>	<b>375,069.3</b>	<b>381,097.1</b>	<b>416,110.9</b>	<b>391,697.5</b>	<b>420,951.5</b>	<b>29,254.0</b>	<b>7.5%</b>
<b>Net Expenditures</b>	<b>220,983.6</b>	<b>221,310.6</b>	<b>233,400.8</b>	<b>228,241.9</b>	<b>245,662.4</b>	<b>17,420.5</b>	<b>7.6%</b>
<b>Approved Positions</b>	<b>1,940.0</b>	<b>1,935.6</b>	<b>2,305.5</b>	<b>2,305.5</b>	<b>2,350.0</b>	<b>44.5</b>	

# Appendix 2 - Key Cost Drivers – Base Budget

Key Cost Drivers (\$000)	2018 Actuals	2019 Proj. Actuals	2020 Staff Rec'd Base Budget	YoY Changes		Key Drivers to Preserve Service Levels and Address Issues
				\$	%	
<b>Expenditures</b>						
1 Salaries and Benefits	210,993.4	221,268.6	231,951.7	10,683.1	4.8%	Increase compared to 2019 projected actuals is mainly due to inflation, annualization of previously approved positions and funding to support strategic priorities.
2 Utilities	28,280.3	29,014.9	30,489.6	1,474.7	5.1%	Inflationary increases have been managed and reduced due to TransformTO initiatives and energy efficiency projects within City facilities.
3 Materials & Supplies	30,633.3	31,794.7	32,997.1	1,202.4	3.8%	
4 Equipment	1,902.1	1,401.2	1,451.9	50.7	3.6%	
5 Service and Rent	101,481.6	100,202.8	105,972.2	5,769.3	5.8%	Increase over 2019 due to inflation, contractual increases with external vendors and subscriptions for cloud services.
6 Contribution To Reserves	6,432.7	6,658.9	6,055.7	(603.3)	-9.1%	
7 Other Expenditures	1,373.7	1,356.3	3,754.8	2,398.6	176.9%	Increase over 2019 due to higher recoverable debt repayments for Solar Photovoltaic(PV) installations on City-owned buildings from recently completed projects under CREM.
<b>Total Expenditures</b>	<b>381,097.2</b>	<b>391,697.5</b>	<b>412,673.0</b>	<b>20,975.5</b>	<b>5.4%</b>	
<b>Revenues</b>						
1 Provincial Subsidies						
2 Federal Subsidies	145.0	105.0	299.5	194.5	185.2%	
3 User Fees & Donations (incl. Leasing Revenue)	52,129.2	55,478.6	57,270.0	1,791.5	3.2%	Increases over 2019 from one-time payments from the head lessee for turnover of completed base building retail space at Union Station
4 Transfers From Capital	30,502.8	31,700.4	37,160.4	5,460.0	17.2%	Includes recoveries of staff working on SOGR and IT projects. Increases over 2019 due inflationary increases on staff supporting SOGR and IT capital projects and recoveries for resources related to key strategic construction projects.
5 Other Revenues	77,009.5	76,171.8	78,866.1	2,694.3	3.5%	Increase over 2019 primarily due to higher recoveries from reserve to support IT hardware/software maintenance and technology sustainment team.
<b>Total Revenues</b>	<b>159,786.5</b>	<b>163,455.8</b>	<b>173,596.1</b>	<b>10,140.2</b>	<b>6.2%</b>	
<b>Net Expenditures</b>	<b>221,310.7</b>	<b>228,241.7</b>	<b>239,076.9</b>	<b>10,835.2</b>	<b>4.7%</b>	
<b>Positions</b>	<b>1,935.6</b>	<b>2,305.5</b>	<b>2,291.0</b>	<b>(14.5)</b>		

# Appendix 3 - Efficiency & Other Measures

(\$000s)									
Recommendations	Type	2020				2021		2022	
		Revenue	Gross	Net	Positions	Gross	Net	Gross	Net
<b>Corporate Real Estate Management</b>									
Energy retrofits at City facilities	Efficiencies		(832.0)	(832.0)					
<b>Fleet Services</b>									
Appropriate resourcing (staff & facilities) to reduce cost and related downtime	VBOR		(49.5)	(49.5)		(198.0)	(198.0)	(247.5)	(247.5)
Efficiency from new fuel contract	Efficiencies		(245.4)	(245.4)		(241.7)	(241.7)	(237.7)	(237.7)
<b>Information &amp; Technology</b>									
Line-by-Line Review	Line by Line		(209.1)	(209.1)					
Efficiencies Through Sourcing/Internal Service Delivery	Efficiencies		(448.7)	(448.7)		(569.9)	(569.9)		
Better Price Via Contract Negotiation	Efficiencies		(247.8)	(247.8)					
System Decommission/Rationalization	Efficiencies		(498.4)	(498.4)		(881.0)	(881.0)		
<b>Budget Increase/(Decrease)</b>		-	<b>(2,530.9)</b>	<b>(2,530.9)</b>	-	<b>(1,890.6)</b>	<b>(1,890.6)</b>	<b>(485.2)</b>	<b>(485.2)</b>

- Realized savings driven by:
  - Energy retrofits projects in City facilities,
  - Sourcing of new contracts with external vendors
  - Aligning of resources to improve efficiencies in operations.

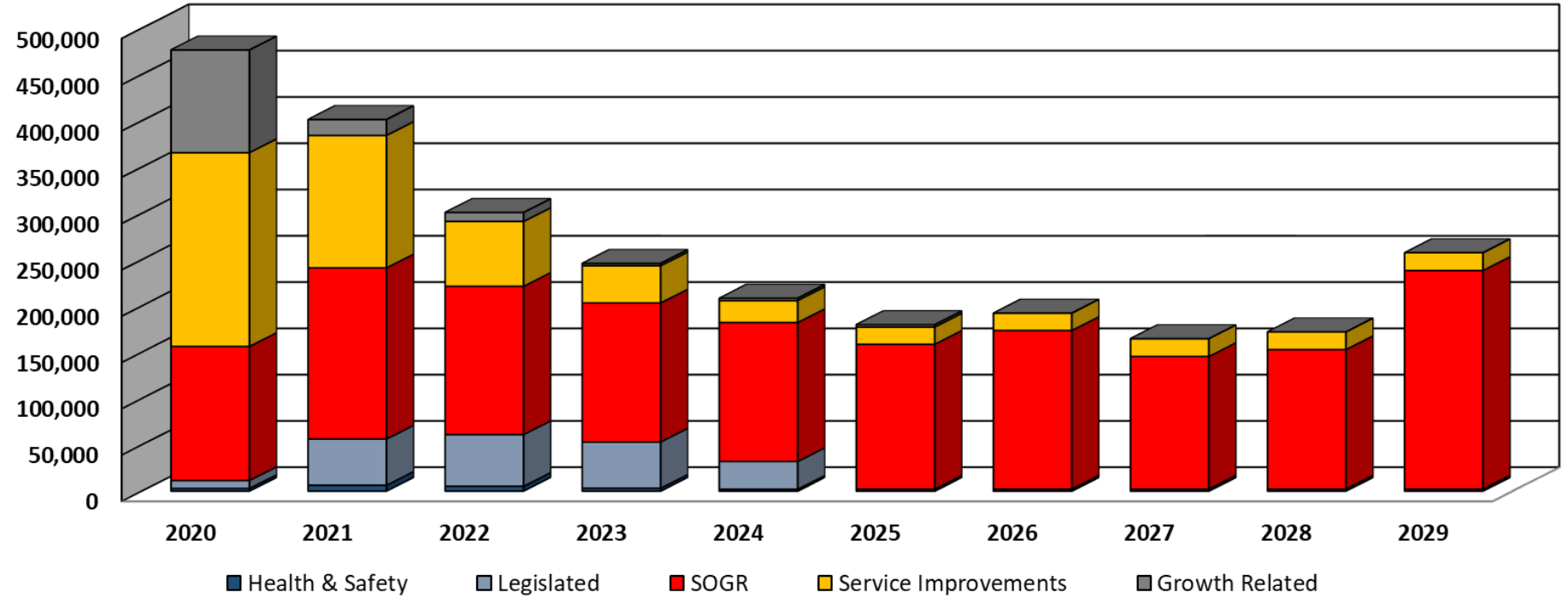
# Appendix 4 - New / Enhanced Priorities

New / Enhanced		2020				2021 Annualized Gross	Equity Impact
		Revenue	Gross	Net	Positions		
<b>In \$ Thousands</b>							
<b>Corporate Real Estate Management</b>							
1	2018AU13.11 - Fire Life Safety Program Enhancements	796.8	3,666.5	2,869.8	39.0	5.6	Low
<b>Environment &amp; Energy</b>							
2	Transform TO	71.4	802.2	730.9	5.0	1,103.8	Low
3	2019.MM10.3 Accelerate TTO Climate Action (Inc. Green Will)		1,210.4	1,210.4	5.0	1,551.8	Low
4	2019.MM10.3 Implement Climate Components-Resilience Strategy		650.4	650.4	4.0	926.6	Low
5	2019.MM10.3 Develop the Plan to achieve Net-Zero before 2050	825.0	1,079.0	254.0	4.0	1,359.5	Medium
<b>Fleet Services</b>							
6	New Positions for Fleet Asset Management		130.0	130.0	2.0	239.8	Low
<b>Information &amp; Technology</b>							
7	AU5.10.1 Cyber Security Action Plan		740.0	740.0	0.0	2,354.0	Low
<b>Total New / Enhanced</b>		<b>1,693.2</b>	<b>8,278.6</b>	<b>6,585.5</b>	<b>59.0</b>	<b>7,541.1</b>	

The Recommended 2020 New & Enhanced Budget includes resource requirements to:

- Implement the consolidated and centralized Fire & Life Safety Program to achieve over 95% compliance with the Ontario Fire Code at City facilities
- Continue the original TransformTO strategy approved by Council in 2016 as well as address Member Motion 10.3 – *Declaring a Climate Emergency and Accelerating Toronto’s Climate Action Plan*
- Affirm the safety and legislative compliance of all fleet assets for staff and citizens while ensuring lowest cost of ownership
- Development of the Cyber Security Action Plan

# Appendix 5: 2020 - 2029 Staff Recommended Capital Budget & Plan by Project Category



2020 - 2029 Staff Recommended Capital Budget and Plan by Category											
\$ Millions	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Health & Safety	2.8	6.4	5.3	3.1	2.1	2.1	2.1	2.1	2.1	2.1	29.9
Legislated	8.6	49.9	55.8	49.9	30.0	0.2	0.2	0.2	0.2	0.1	195.0
SOGR	144.9	184.8	160.2	150.2	150.1	156.4	171.3	143.2	150.6	236.2	1,648.0
Service Improvements	209.3	143.2	70.0	40.2	23.8	18.7	18.7	19.2	19.2	19.2	581.4
Growth Related	110.9	17.1	9.7	2.5	2.5	2.5					145.2
<b>Total</b>	<b>476.5</b>	<b>401.4</b>	<b>301.0</b>	<b>246.0</b>	<b>208.3</b>	<b>179.8</b>	<b>192.2</b>	<b>164.6</b>	<b>172.0</b>	<b>257.6</b>	<b>2,599.5</b>



# Appendix 6: Capital Needs Constraints

Project Description	Total Project Cost	Non-Debt Funding	Debt Required	Cash Flow (In \$ Millions)									
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>NOT INCLUDED</b>													
<b>Corporate Real Estate Management</b>													
<i>Future Use of Old City Hall - Detailed Design &amp; Construction</i>	190,439.6	-	190,439.6	-	11,507.5	74,400.2	84,209.9	20,162.0	160.0	-	-	-	-
<i>New Etobicoke CC - Phase 4 Tender &amp; Construction</i>	389,285.4	-	389,285.4	-	1,018.4	112,267.0	107,080.0	141,750.0	27,170.0	-	-	-	-
<i>Wellington Incinerator</i>	32,500.0	-	32,500.0	8,500.0	16,000.0	8,000.0	-	-	-	-	-	-	-
<i>140 Merton</i>	12,563.0	-	12,563.0	50.0	523.8	3,063.1	5,366.4	3,380.5	179.2	-	-	-	-
<i>Office Portfolio Optimization - Future</i>	243,600.0	-	243,600.0	7,500.0	30,500.0	60,000.0	60,000.0	55,000.0	25,000.0	5,600.0	-	-	-
<i>SOGR Backlog</i>	894,929.0	-	894,929.0	27,079.0	78,530.3	110,352.4	122,346.1	132,327.3	139,275.5	137,101.1	84,984.1	43,915.8	19,017.5
<b>Corporate Real Estate Management - Total</b>	<b>1,763,317.0</b>	<b>-</b>	<b>1,763,317.0</b>	<b>43,129.0</b>	<b>138,080.1</b>	<b>368,082.6</b>	<b>379,002.4</b>	<b>352,619.8</b>	<b>191,784.7</b>	<b>142,701.1</b>	<b>84,984.1</b>	<b>43,915.8</b>	<b>19,017.5</b>
<b>Fleet Services</b>													
<i>FleetShare Program</i>	708.5	708.5	-	20.0	43.5	155.8	181.2	181.2	126.8	-	-	-	-
<i>EV and Charging Infrastructure</i>	13,267.9	13,267.9	-	1,298.8	1,717.0	1,140.7	1,102.8	1,738.3	1,200.2	2,281.9	969.7	903.7	914.8
<b>Fleet Services - Total</b>	<b>13,976.4</b>	<b>13,976.4</b>	<b>-</b>	<b>1,318.8</b>	<b>1,760.5</b>	<b>1,296.5</b>	<b>1,284.0</b>	<b>1,919.5</b>	<b>1,327.0</b>	<b>2,281.9</b>	<b>969.7</b>	<b>903.7</b>	<b>914.8</b>
<b>Total Unmet Needs (Not Included)</b>	<b>1,777,293</b>	<b>13,976</b>	<b>1,763,317</b>	<b>44,448</b>	<b>139,841</b>	<b>369,379</b>	<b>380,286</b>	<b>354,539</b>	<b>193,112</b>	<b>144,983</b>	<b>85,954</b>	<b>44,819</b>	<b>19,932</b>