

2021 Budget Notes

City Manager's Office

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Description

The City Manager's Office leads the municipal administration and ensures that programs and services are working together to deliver excellent services to citizens and to achieve Council's priorities.

Why We Do It

The City Manager Office's (CMO) outcome is: the City of Toronto delivers **services that advance prosperity for all** Toronto residents and businesses, in accordance with Council priorities and direction. In order to advance prosperity for all, the City of Toronto delivers services with **fair and equitable outcomes for all** residents and businesses. As a result, Toronto's residents, businesses and elected officials have **trust and confidence** in the administration of their municipal government.

The divisions in the CMO are focused on achieving the following outcomes:

- Corporate strategies, policies and priorities are aligned with Council's vision and set the strategic direction for City divisions.
- The City secures timely and appropriate funding and achieves its legislative and policy priorities from the Provincial and Federal governments.
- City agencies and corporations deliver services and operate in compliance with their Council-approved mandates.
- Toronto residents, businesses and visitors and the Toronto Public Service have access to easy-to-understand, timely and accurate information via multiple communications channels on City services, programs and policies.
- Public and private sector groups and individuals have timely and fair access to city partnership opportunities that support the well-being of residents.
- All City services and facilities are responsive to and supportive of the needs of Indigenous communities. Truth, reconciliation and decolonization is advanced through collaboration and partnerships between the City and Indigenous communities.
- City divisions have a qualified, diverse and engaged workforce to meet their service delivery requirements for current and future needs.
- City's employment practices are fair and equitable. Residents see themselves represented at all levels within the Toronto Public Service.
- City employees work in a physically and mentally safe environment and are provided high quality, accessible learning resources.
- City programs address the barriers faced by Indigenous and equity-seeking people.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

What Service We Provide

Executive Administration

Who We Serve: Residents, City Officials, City Staff

What We Deliver: Coordinate corporate agenda forecast activities, corporate issues management, accountability processes

How Much Resources (gross operating budget): \$6.544 million

Strategic & Corporate Policy

Who We Serve: City Manager & Deputy City Managers (DCMs), Mayor, City Council, City Divisions, Agencies/Corporations, Accountability Officers and the public

What We Deliver: City's intergovernmental funding, policy and legislative priorities, City agency and corporation oversight, strategic planning, governance oversight, government leadership and advice, Corporate Performance & Evaluation

How Much Resources (gross operating budget): \$4.181 million

Strategic Communications

Who We Serve: City Manager & DCMs, Mayor, Media, City Council, The Public, City/Agency staff

What We Deliver: Corporate identity management, media buying, design services, public and internal communications planning and execution, media relationship management, social media community management

How Much Resources (gross operating budget): \$9.888 million

People & Equity

Who We Serve: City Manager & DCMs, Chief Financial Officer (CFO) & Treasurer, Mayor, City Council, City/Agency staff, the Public, and Unions & Associations

What We Deliver: Employee Relations and Grievance Management, Safe and Healthy Workplaces and Disability Management, Corporate Learning and Leadership Development, Equity, Diversity & Human Rights, and Employment Services

How Much Resources (gross operating budget): \$47.526 million

Strategic Partnership

Who We Serve: City Manager & DCMs, Mayor and City Council, City/agency staff, other orders of government, non-government organizations, charitable organizations, philanthropists, business and priority neighborhoods

What We Deliver: Strategic Advice, policy and oversight of corporate public and private sector partnerships; partnership strategic plan development; partnership management and stewardship, strategic philanthropy and revenue generation and management

How Much Resources (gross operating budget): \$1.058 million

Indigenous Affairs

Who We Serve: Urban Indigenous (First Nations, Inuit and Metis) communities in Toronto, as well as Indigenous treaty and territorial partners, City Officials, City Staff

What We Deliver: Advice, policies, initiatives that help to fulfil the City's commitments to Indigenous peoples

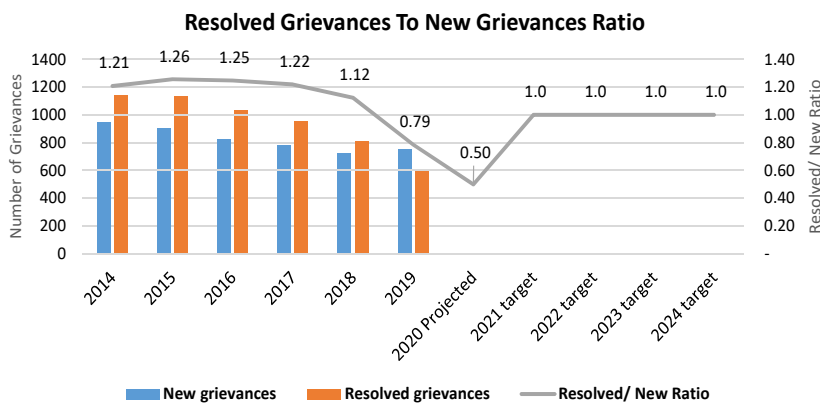
How Much Resources (gross operating budget): \$0.937 million

Budget at a Glance

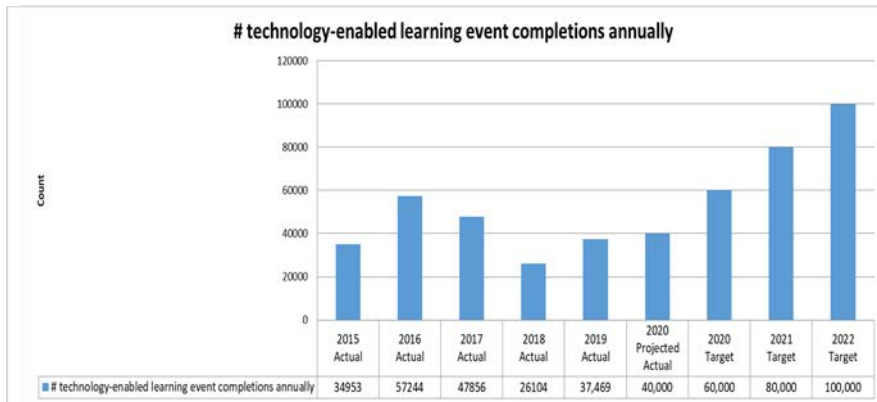
2021 OPERATING BUDGET			
\$Million	2021	2022	2023
Revenues	\$8.3	\$3.3	\$3.2
Gross Expenditures	\$70.1	\$64.3	\$64.2
Net Expenditures	\$61.9	\$61.0	\$61.0
Approved Positions	469.0	469.0	465.0

2021 - 2030 10-YEAR CAPITAL PLAN			
\$Million	2021	2022-2030	Total
City Manager's Office has no capital budget.			

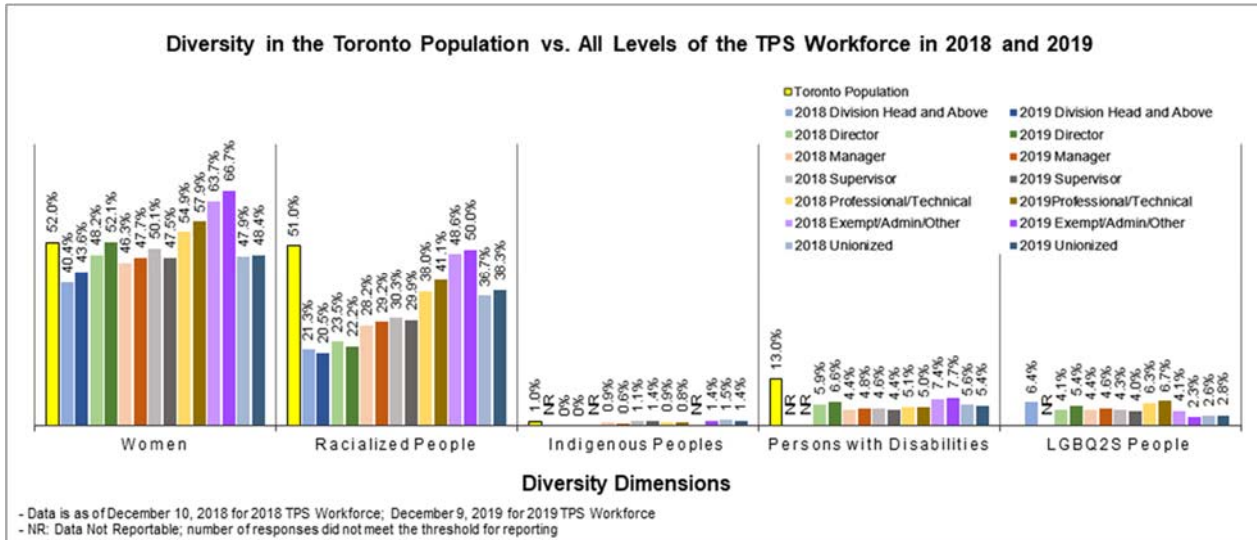
How Well We Are Doing – Behind the Numbers



- The reduction in the "resolved-to-new grievance" ratio in 2019 reflects the shift of resources and focus to collective bargaining with the City's two largest unions; for 2020, it is expected to be low due to the impact from COVID pandemic (fewer grievance cases get resolved as a result of more cancellations)



- The increasing number of technology-enabled learning event completions illustrates improved capacity building for a qualified, engaged and inclusive TPS through access to high quality skills development and online learning



- Toronto Public Service reflects the diversity of the public it serves

How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Service Level Measures								
People & Equity services	# technology-enabled learning event completions annually	26,104	37,469	60,000	40,000	80,000	100,000	●
People & Equity services	Average # Days to Fill a Non-union Vacancy	61	62	60	62	61	60	●
Strategic Communication	% respond to media inquiries by the end of business day	n/a	n/a	95%	99%	95%	95%	●
Strategic Communication	Communications tactics created and distributed within planned timing (News releases, advertising & social media content)	n/a	n/a	95%	99%	95%	95%	●
Strategic Communication	Communications tactics created and distributed within planned timing Employee content (intranet, ELI, staff messages) *	n/a	n/a	95%	98%	95%	95%	●
Outcome Measures								
People & Equity services	% Grievances Resolved at Mediation	91%	72%	74%	74%	74%	74%	●
People & Equity services	% change in the number of workplace injuries	18%	1.8%	-6%	-6%	-6%	-6%	●
People & Equity services	% of clients satisfied with the hiring process (service and quality of hire)	95%	95%	97%	95%	97%	97%	●
Strategic Communication	Growth in followers across corporate platforms (Twitter, Facebook, Instagram)	26%	19%	15%	20%	15%	15%	●
Strategic Communication	Growth in user visits/sessions on Toronto.ca **	n/a	n/a	n/a	26%	10%	10%	●
Other Measures								
People & Equity services	# Corporate Learning Event Completions Annually	15,905	14,376	Will be moving to online learning, no instructor led training for 2020		Unknown - will be moving to online/virtual learning		●
People & Equity services	# employees receiving health & safety training annually	6,875	20,574	14,000	8,000	14,000	14,000	●

* 80% reduction in program/services-related communications and increase of 90% COVID-19 communications as percentage of staff resources

Centralization of web function to 100%, same-day posting of key web updates 99%

** 25% year-over-year increase in the number of sessions recorded on Toronto.ca between March 1 and October 16, 2020 compared to the same period in 2019. Users and Views also increased from 2019 and because all official COVID-19 communications drive to the web as the authoritative source of information, 22% of all 13.5 million views were of COVID-19 web pages between March and October.

COVID-19 IMPACT AND RECOVERY

2020 Impact	2021 Impact and Recovery
<p>Financial Impact (Operating)</p> <ul style="list-style-type: none"> • COVID-19 has resulted in the following unbudgeted costs for the City Manager's Office (CMO) of \$0.212 million net: <ul style="list-style-type: none"> ○ \$2.235 million salaries and benefits savings resulting from delays in hiring due to COVID-19 and the hiring slow down process ○ \$0.364 million training savings due to cancelling courses for Toronto Public Service (TPS) provided by external vendors ○ \$0.088 million professional services savings for reduced need for arbitration ○ \$1.790 million additional salaries and benefits in overtime required to provide a timely response due to COVID-19. ○ \$0.950 million in additional costs required to advertise ○ \$0.159 million additional consulting expenses for Toronto Office of Recovery & Rebuild (TORR) 	<p>Financial Impact (Operating)</p> <ul style="list-style-type: none"> • The 2021 COVID-19 impact is projected to be \$2.275 million net: <ul style="list-style-type: none"> ○ \$0.775 million in additional salaries and benefits in overtime required to provide a timely response due to COVID-19. ○ \$1.500 million in additional costs required for COVID-19 advertisement.
<p>Financial Impact (Capital)</p> <ul style="list-style-type: none"> • N/A 	<p>Financial Impact (Capital)</p> <ul style="list-style-type: none"> • N/A
<p>Service Level Changes</p> <ul style="list-style-type: none"> • There has been no impact to service levels from COVID-19. 	<p>Service Level Changes</p> <ul style="list-style-type: none"> • The CMO will continue to review Service Levels to reflect changes as required to meet ongoing needs.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Implemented new corporate performance management and accountability tool (Results Based Accountability - RBA), training of 800 staff, 95% of staff surveyed identified improved skills
- Established and managed Toronto Office of Recovery and Rebuild, coordinated city-wide review of the impacts of COVID-19 on Toronto and generated recommendations for City Council
 - TORR engagement of 250 groups and organizations, 100 issue-specific stakeholder tables, and over 13,700 survey responses between May 26 and July 15, 2020
 - 7 comprehensive reports from City Manager to City Council on COVID impacts and responses
- Collaborated with federal and provincial governments on the City's funding, legislation and policy needs in response to COVID-19. Directly supported Divisions to advance City priorities, convened over 65 meetings with the Province under the Toronto-Ontario Cooperation and Consultation Agreement, and co-chaired the Provincial-Municipal Technical Working Group on Emergent Municipal Needs in Response to COVID-19 with the Province and the Association of Municipalities of Ontario
- Led and coordinated support for the City's agencies and corporations as part of the City's COVID-19 response including communication, restart and reopening, human resources and funding
- Achieved a settlement with both Local 416 and Local 79 that met the City's bargaining objectives, providing additional flexibility in service delivery, improved operational efficiency and long-term cost containment. Also effectively led an enterprise-wide labour disruption planning process
- Supported the City's Emergency Response and cost containment efforts by:
 - designing and administering a robust Corporate Redeployment program to redirect employees to support essential services, including the hiring slowdown and voluntary separation program;
 - creating policies and e-learning to train staff working and managing remotely and to ensure that new and redeployed staff placed into critical and essential services (Toronto Public Health, Shelter, Support and Housing Administration, Senior Services and Long Term Care) were trained;
 - creating a City staff support centre – TEAM Central;
 - providing expert occupational health advice to the personal protective equipment (PPE) taskforce, creating and revising policies and working with divisions to adapt their business processes to COVID-19 precautions;
 - implementing the Business Continuity Information System (BCIS) to support service planning activities in partnership with Office of Emergency Management;
 - developing a streamlined accommodation process to address the high volume of disability and family status accommodation cases resulting from COVID-19
- The Indigenous Affairs Office has been helping the Indigenous community to navigate the City and build connections with City Divisions. Some examples of this include working closely with:
 - Toronto Building, Municipal Licensing and Standards, Parks, Forestry & Recreation and Fire Services to access land for land-based healing and cultural revival, including Humber Collective.
 - Housing and Planning staff to support the City's first healing lodge for Indigenous women which will start building next year
- At the onset of COVID-19, the Indigenous Affairs Office worked closely with Social Development, Financial & Administration and the Toronto Aboriginal Support Services Council to secure immediate funds for the continuation of vital support services. This work has secured additional funds for Indigenous organizations meeting critical needs for communities
- Following the City's State of Emergency declaration in March 2020, Strategic Partnerships established and led a Donations Coordination Task Force, forged new relationships with donors and developed new partnerships to respond to the pandemic. This resulted in gifts of goods, services and funds valued at more than \$16 million to support vital, community-focused services across the city including personal protective equipment, food, rehousing supports and technology supports particularly for children, youth, and seniors in low income communities

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- Established an academic sector partnership to support access to vital research and expert advice focused on city needs and opportunities including COVID-19 response, recovery and rebuild efforts

Key Challenges and Risks

- Continuing services in essential projects, while balancing those related to COVID-19 response and recovery/rebuilding initiatives (dependent on status of the pandemic and recovery in 2021)
- Undertaking complex human rights investigations as a neutral third party
- Optimizing timely, proactive and coordinated intergovernmental action with other governments to ensure the City has the needed funding, legislation and policies in place to continue responding to the pandemic, including a resurgence, and achieve City priorities
- Securing intergovernmental infrastructure funding for City capital priorities
- Engaging and collaborating with universities and not-for-profit organizations on City priorities
- Effecting People & Equity's Transformation and continuing to provide seamless labour relations
- Engaging a diverse group of Torontonians to support informed decision-making through safe, effective, accessible means, while overcoming barriers such as digital inequity, isolation and COVID-19 protocols
- Continuing to reduce workplace injuries and illnesses
- Transitioning from instructor-led to virtual training via a blended approach fully accessible to all staff
- Managing the impact of changes in Technology Services' capital budget on People & Equity's service delivery (LRIS, WIN dashboard)
- Sourcing talent to meet the current and future needs of the organization
- Advancing Indigenous place-making initiatives by developing the necessary strategic plan and resources

Priority Actions

- Review and assess impacts related to COVID-19, recent organizational/staffing changes, changes to business processes, to inform any adjustments needed to ensure ongoing effectiveness and efficiency
 - Continue to develop meaningful interventions and resources to enhance corporate understanding of human rights, support diverse teams, and create inclusive and respectful workplaces
 - Deliver a coordinated and renewed intergovernmental strategy
 - Initiate a dialogue with federal, provincial and regional officials to convene a strategic federal-provincial-municipal intergovernmental focus on recovery and renewal
 - Support governance and issues management for City agencies and corporations
 - Engage divisions through a phased approach and with Senior Leadership, establish clear priorities
 - Develop a comprehensive strategy to promote meaningful engagement with racialized communities and Indigenous peoples, and improve data and research coordination
 - Continue to provide City divisions with expert advice and support for challenges unique to the unionized environment through collective agreement and policy interpretation. Enhance online training, expand existing training programs to include additional corporate and custom Intact training and liaise with the respective union representatives
 - Support the organization in achieving an ongoing reduction in the number of Ministry of Labour Orders
 - Work with external vendors to transition Indigenous and equity-related classroom courses to virtual instructor-led training sessions, with additional eLearning development to support a blended approach
 - Develop with Technology Services, a Human Resources (HR) Technology Roadmap that continues to modernize and digitize enterprise HR processes
 - Focus on continuous improvement, process efficiencies and modernization of business practices to increase capacity to recruit talent
 - Build engagement and enhance relationships with Indigenous communities, partners and organizations
 - Advance priorities identified by the Indigenous community including community safety and well-being, prosperity and housing.
 - Coordinate with and support City agencies and corporations during the pandemic, recovery/reopening
 - Build and strengthen capacity of the City to support a culture of collaboration and partnership stewardship
 - Develop and implement a philanthropy strategy to support pandemic recovery and rebuild efforts
 - Identify, secure and manage innovative public and private sector partnerships to advance recovery and rebuild efforts
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RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2021 Operating Budget for the City Manager's Office of \$70.134 million gross, \$8.259 million revenue and \$61.875 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Executive Management	6,543.6	5,000.0	1,543.6
Strategic & Corporate Policy	4,181.1	0.0	4,181.1
Strategic Communications	9,888.0	1,036.8	8,851.2
Indigenous Affairs Office	936.8	0.0	936.8
People & Equity	47,526.4	2,222.1	45,304.3
Strategic Partnership	1,058.2	0.0	1,058.2
Total Program Budget	70,133.9	8,258.9	61,875.0

2. City Council approve the 2021 staff complement for City Manager's Office of 469.0 positions comprised of 1.0 capital position and 468.0 operating positions.

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2021 OPERATING BUDGET

2021 OPERATING BUDGET OVERVIEW

Table 1: 2021 Operating Budget by Service

(In \$000s)	2019 Actual	2020 Budget	2020 Projection*	2021 Base Budget	2021 New / Enhanced Requests	2021 Budget	Change v. 2020 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Executive Administration	751.3	1,000.0	185.6	5,000.0		5,000.0	4,814.4	2593.8%
Strategic & Corporate Policy	869.7	1,333.2	61.5				(61.5)	(100.0%)
Strategic Communications	1,421.5	1,108.8	1,355.6	1,036.8		1,036.8	(318.8)	(23.5%)
Indigenous Affairs Office	(31.4)		(17.1)				17.1	(100.0%)
People & Equity	5,452.3	2,825.7	3,579.0	2,222.1		2,222.1	(1,356.9)	(37.9%)
Strategic Partnership	160.4	134.9						N/A
Total Revenues	8,623.8	6,402.6	5,164.6	8,258.9		8,258.9	3,094.2	59.9%
Expenditures								
Executive Administration	3,439.7	2,488.5	1,722.7	6,543.5		6,543.5	4,820.8	279.8%
Strategic & Corporate Policy	3,493.2	5,301.9	3,806.4	3,738.5	442.6	4,181.1	374.7	9.8%
Strategic Communications	7,470.6	8,468.1	9,652.8	9,888.0		9,888.0	235.2	2.4%
Indigenous Affairs Office	526.6	735.3	755.1	723.1	213.7	936.8	181.7	24.1%
People & Equity	44,757.0	46,702.8	46,644.7	47,137.1	389.3	47,526.4	881.6	1.9%
Strategic Partnership	912.6	840.0	845.5	1,058.1		1,058.1	212.6	25.1%
Total Gross Expenditures	60,599.7	64,536.6	63,427.2	69,088.3	1,045.6	70,133.9	6,706.7	10.6%
Net Expenditures	51,975.9	58,134.0	58,262.6	60,829.4	1,045.6	61,875.0	3,612.4	6.2%
Approved Positions	468.0	465.0	465.0	461.0	8.0	469.0	4.0	0.9%

*2020 Projection based on Q3 Variance Report

COSTS TO MAINTAIN EXISTING SERVICES

Total 2021 Base Budget expenditures of \$69.088 million gross reflecting an increase of \$5.661 million in spending above 2020 projected year-end actuals (prior to enhancements), predominantly arising from:

- Increases in consulting expenses for the Concept2Keys initiative (net \$0) and
- Annualized salary & benefits for positions filled for less than the entirety of 2020.

Given the financial impacts of COVID-19 on 2020 actuals, a further comparison of the 2021 Recommended Budget (excluding 2021 COVID-19 impacts) to the 2020 Council approved Budget is provided below:

- **2021 Base Budget of \$60.829 million in net expenditures reflects a \$0.420 million net increase from the 2020 Council approved Budget, when excluding \$2.275 million in estimated COVID-19 financial impacts.**

COSTS TO ENHANCE SERVICES

New and Enhanced Service expenditures of \$1.046 million gross, enabling:

- 1.0 position dedicated to advancing the Indigenous Place-making initiative (\$0.214 million)
- 4.0 positions to establish a Data for Equity Unit (\$0.389 million)
- 3.0 positions to oversee an 18-month Civic Engagement and Insights project (\$0.443 million)

EQUITY IMPACTS OF BUDGET CHANGES**Medium positive**

Increasing equity for Black, Indigenous and equity-seeking communities: The City Manager's Office 2021 Operating Budget includes a \$0.443 million investment (\$0.866 million over two years) which will have a positive investment on Indigenous, Black and equity-seeking communities through the development of a Civic Engagement Strategy for the City of Toronto. This investment supports Council direction to implement the recommendations of the Toronto Office of Rebuild and Recovery report "COVID-19: Impact and Opportunities" and seeks to improve engagement on the City's policies, programs and services. It also includes a \$0.214 million investment which will have a positive impact for Indigenous communities and equity-seeking groups affected by colonialism and systemic barriers. This investment supports the City's Statement of Commitment to Indigenous Communities from 2010 and the Truth and Reconciliation Calls to Action. It also includes a \$0.389 million investment to create a Data for Equity Unit to support implementation of City Council's previously approved Data for Equity Disaggregated Data Strategy which will have a positive impact on Indigenous, Black and equity-seeking groups.

2021 OPERATING BUDGET KEY DRIVERS

The 2021 Operating Base Budget for the City Manager's Office is \$69.088 million gross or 8.9% higher than the 2020 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget, while Table 2b summarizes New and Enhanced requests.

Table 2a: 2021 Key Drivers – Base Budget

Key Cost Drivers	2019 Actuals	2020 Budget	2020 Projection*	2021 Base Budget	Change Vs. 2020 Projection	
					\$	%
Expenditures						
1 Salaries and Benefits	56,332.1	57,955.8	59,423.5	59,457.5	34.0	0.1%
2 COVID-19 Impact			213.6	2,275.0	2,061.4	965.1%
3 Materials & Supplies	90.9	146.5	48.3	124.9	76.6	158.6%
4 Equipment	237.9	273.9	394.4	279.9	(114.5)	-29.0%
5 Service and Rent	3,812.7	6,059.4	3,281.1	6,841.0	3,559.9	108.5%
6 Contribution To Reserves	101.0	101.0		110.0	110.0	
7 Other Expenditures	25.1		66.3		(66.3)	-100.0%
Total Expenditures	60,599.7	64,536.6	63,427.2	69,088.3	5,661.0	8.9%
Revenues						
1 Transfers from Capital	3,054.9	662.6	1,104.1	142.5	(961.6)	-87.1%
2 Contribution from Reserves/Reserve Funds	845.8	1,833.2		5,000.0	5,000.0	
3 Other Revenues	4,723.2	3,906.8	4,060.6	3,116.4	(944.2)	-23.3%
Total Revenues	8,623.9	6,402.6	5,164.7	8,258.9	3,094.2	59.9%
Net Expenditures	51,975.9	58,134.0	58,262.6	60,829.4	2,566.8	4.4%
Approved Positions	468.0	465.0	465.0	461.0	(4.0)	-0.9%

*2020 Projection based on Q3 Variance Report

Salaries & Benefits:

Reflects salaries & benefits for positions for the Concept2Keys initiative and positions that were vacant in 2020 but are anticipated to be filled in 2021, offset by savings due to the Voluntary Separation Program (VSP).

Service and Rent:

Comprised mainly of consulting expenditures related to Concept2Keys the Toronto Office of Recovery and Rebuild (TORR), and advertising expenditures related to COVID-19. Moreover, in 2020 there was a significant underspend on training expenditures, which are anticipated to be fully spent once again in 2021.

Transfers from Capital:

Decrease in 2021 due to the completion of capital projects in 2020.

Contribution from Reserves/Reserve Funds:

Recoveries of \$4M related to the Concept2Keys initiative will increase overall draws from the Building Code Act Service Improvement and Development Application Review Reserves from \$1M included in 2020 budget, to the total \$5M in 2021.

Other Revenues:

Higher interdivisional recoveries in 2020 were temporary in nature, relating to short-term unbudgeted service agreements with City divisions such as the Toronto Urban Fellows Initiative (TUF).

Table 2b: 2021 Balancing Actions

(\$000s)								
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
VSP Savings (SC)	Other		(105.9)	(105.9)				
VSP Savings (P&E)	Other		(435.4)	(435.4)				
Total Balancing Actions			(541.3)	(541.3)	-			-

The Recommended 2021 Operating Budget includes \$0.541 million in gross expenditures reductions as a result of the Voluntary Separation Program (VSP).

Table 2c: 2021 New / Enhanced

New / Enhanced Request	2021				2022 Annualized Gross	Equity Impact	Supports Key Issue / Challenge
	Revenue	Gross	Net	Positions			
In \$ Thousands							
1	Indigenous Affairs support to Truth & Reconciliation Calls to Action	213.7	213.7	1.0	214.2	Medium	Investing in People and Neighborhoods
2	Creating a Data For Equity Unit	389.3	389.3	4.0	607.8	Medium	City's Equity and Prosperity Goals
3	Civic Engagement & Insights Project	442.6	442.6	3.0	423.3	Medium	Corporate Strategic Plan
Total New / Enhanced		1,045.6	1,045.6	8.0	1,245.3		

Indigenous Affairs Support to Truth & Reconciliation Calls to Action

Funding of \$0.214 million will provide dedicated resources to advancing the Indigenous Place-making Initiative, which will expand and ensure presentation and commemoration of Indigenous histories and cultures. It will also support a variety of outcomes including Indigenous self-determination, economic development, tourism, shelter, housing and food security.

Creating a Data for Equity Unit

Funding of \$0.389 million will establish a Data for Equity Unit within the People and Equity Division to provide needed support to divisions on projects that have limited resources, capacity or expertise to collect socio-demographic data and use disaggregated data, as well as conduct community consultations. In order for the Unit to be successful, dedicated staff and resources are needed within the division to ensure organizational capacity to ensure that data collection and use across City divisions is consistent, appropriate, sensitive and reflective of best practices and the implementation of the Data for Equity Strategy.

Civic Engagement & Insights Project

Funding of \$0.443 million will support an 18-month project to respond to Council direction to develop a civic engagement strategy that will guide effective, impactful and measurable engagement and increase public participation in decision-making local governance; research best practices and consult widely with City staff and the public – particularly Black, Indigenous, Accessibility and equity-seeking communities – to develop the engagement strategy. The support of cross-corporate engagement activities, and the identification and creation of policies, tools and advisory/governance structures will be vital to ensure the success of this engagement strategy.

Note:

- For additional information on 2021 key cost drivers refer to [Appendix 2](#), and [Appendix 4](#) for the 2021 New and Enhanced Service Priorities, respectively.

2022 & 2023 OUTLOOKS**Table 3: 2022 and 2023 Outlooks**

(\$000s)	2020 Projection	2021 Budget	2022 Outlook	2023 Outlook
Revenues	5,164.6	8,258.9	3,259.7	3,198.7
Gross Expenditures	63,427.2	70,133.9	64,295.8	64,160.6
Net Expenditures	58,262.6	61,875.0	61,036.1	60,961.9
Approved Positions	465.0	469.0	469.0	465.0

Key drivers

The 2022 Outlook with total gross expenditures of \$64.296 million reflects an anticipated \$5.838 million or 8.32 per cent decrease in gross expenditures below the 2021 Operating Budget; The 2023 Outlooks expects a further decrease of \$0.135 million or 0.21 per cent below the 2022 gross expenditures.

These changes arise from the following:

- Decrease in 2022 is mainly due to the reversal of one-time funding for the Concept2Keys initiative.
- Decrease in 2023 is mainly due to the reversal of one-time funding for the Civic Engagement & Insights Project.

APPENDICES

Appendix 1

COVID-19 Financial Impact - Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
Expenditure Increase						
Salaries & Benefits - Overtime Costs		1,790.4	1,790.4		775.0	775.0
Consulting - Toronto Office of Recovery & Rebuild		159.1	159.1			
Advertising & Translation		950.4	950.4		1,500.0	1,500.0
Sub-Total		2,899.9	2,899.9		2,275.0	2,275.0
Savings due to Underspending						
Salaries & Benefits - delays in hiring due to COVID-19		(2,234.6)	(2,234.6)			
Training - due to cancelling courses provided by external vendors		(363.8)	(363.8)			
Professional Services - reduced need for arbitration		(87.9)	(87.9)			
Sub-Total		(2,686.3)	(2,686.3)			
Total COVID-19 Impact		213.6	213.6		2,275.0	2,275.0

Appendix 2

2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018	2019	2020	2020	2021	2021 Change from 2020	
	Actual**	Actual**	Budget	Projection*	Total Staff Recommended Budget	Projected Actual	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies	237.9	457.7					
User Fees & Donations							
Licences & Permits Revenue							
Transfers From Capital	2,754.9	3,054.9	662.6	1,104.1	142.5	(961.6)	(87.1%)
Contribution From Reserves/Reserve Funds		845.8	1,833.2	77.6	5,000.0	4,922.4	6339.9%
Sundry and Other Revenues	711.9	460.6	782.5	298.1	147.6	(150.5)	(50.5%)
Inter-Divisional Recoveries	3,346.9	3,804.8	3,124.3	3,684.8	2,968.8	(716.0)	(19.4%)
Total Revenues	7,051.6	8,623.8	6,402.6	5,164.6	8,258.9	3,094.3	59.9%
Salaries and Benefits	54,968.1	56,332.1	57,955.8	58,979.0	60,929.0	1,950.0	3.3%
Materials & Supplies	90.8	90.9	146.5	48.3	129.9	81.6	168.9%
Equipment	137.3	237.9	273.9	394.4	303.9	(90.5)	(23.0%)
Service and Rent	3,658.3	3,812.7	6,059.4	3,939.2	8,661.1	4,721.9	119.9%
Contribution To Capital							
Contribution To Reserves/Reserve Funds	93.4	101.0	101.0	88.3	110.0	21.7	24.6%
Other Expenditures	5.4	25.1		(22.0)		22.0	(100.0%)
Inter-Divisional Charges							
Total Gross Expenditures	58,953.3	60,599.7	64,536.6	63,427.2	70,133.9	6,706.7	10.6%
Net Expenditures	51,901.7	51,976.0	58,134.0	58,262.7	61,875.0	3,612.4	6.2%
Approved Positions	456.0	468.0	465.0	465.0	469.0	4.0	0.9%

* Year-End Projection Based on Q3 2020 Variance Report

** Prior Year Actuals adjusted retroactively to remove interdepartmental charges and recoveries

Appendix 3

Summary of 2021 Service Changes

N/A

Appendix 4

Summary of 2021 New / Enhanced Service Priorities Included in Budget

Appendix 5

Summary of 2021 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

**2021 Capital Budget;
2022 - 2030 Capital Plan Including Carry Forward Funding**

N/A

Appendix 6a

2021 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 6b

2022 - 2030 Capital Plan

N/A

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

**2021 User Fee Changes
(Excludes User Fees Adjusted for Inflation)**

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2021 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name	2021	2022	2023
XR1010			
Beginning Balance	30,142	14,678	18
Insurance			
<i>Withdrawals (-)</i>			
City Manager's Office Withdrawals - Operating	0	0	0
Other Division/Agency Withdrawals - Operating	-77,745	-79,851	-82,069
City Manager's Office Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	-389	0	0
Total Withdrawals	-78,134	-79,851	-82,069
<i>Contributions (+)</i>			
City Manager's Office Operating Contributions	110	110	110
Other Division/Agency Contributions - Operating	62,513	65,064	84,510
Contributions - Other	0	0	0
Total Contributions	62,623	65,174	84,620
Total Reserve / Reserve Fund Draws / Contributions	-15,511	-14,677	2,551
Interest Income	47	17	4
Balance at Year-End	14,678	18	2,573

∞ Using 2023 PBF Contributions, figures have been projected for 2024-2030 contributions

Reserve / Reserve Fund Name	2021	2022	2023
XR1305			
Beginning Balance	115,346	104,012	89,894
<i>Withdrawals (-)</i>			
City Manager's Office Withdrawals - Operating	-1,500	0	0
Other Division/Agency Withdrawals - Operating	-10,668	-15,429	-15,508
City Manager's Office Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	-485	0	0
Total Withdrawals	-12,653	-15,429	-15,508
<i>Contributions (+)</i>			
City Manager's Office Contributions - Operating	0	0	0
Other Division/Agency Contributions - Operating	1,089	1,089	1,089
Contributions - Other	0	0	0
Total Contributions	1,089	1,089	1,089
Total Reserve / Reserve Fund Draws / Contributions	-11,564	-14,340	-14,420
Interest Income	230	223	273
Balance at Year-End	104,012	89,894	75,747

∞ Using 2023 PBF Contributions, figures have been projected for 2024-2030 contributions

Reserve / Reserve				
Fund Name		2021	2022	2023
XR1307	Beginning Balance	18,801	11,246	7,117
Development Application Review				
<i>Withdrawals (-)</i>				
	City Manager's Office Withdrawals - Operating	-3,500	0	0
	Other Division/Agency Withdrawals - Operating	-4,086	-4,150	-3,785
	City Manager's Office Withdrawals - Capital	0	0	0
	Other Division/Agency Withdrawals - Capital	0	0	0
	Total Withdrawals	-7,586	-4,150	-3,785
<i>Contributions (+)</i>				
	City Manager's Office Contributions - Operating	0	0	0
	Other Division/Agency Contributions - Operating	0	0	0
	Contributions - Other	0	0	0
	Total Contributions	0	0	0
	Total Reserve / Reserve Fund Draws / Contributions	-7,586	-4,150	-3,785
	Interest Income	32	21	17
	Balance at Year-End	11,246	7,117	3,349

∞ Using 2023 PBF Contributions, figures have been projected for 2024-2030 contributions

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

Staff Recommended Operating / Capital Budget: An operating or capital budget recommended by City Manager and Chief Financial Officer and Treasurer to City Council for consideration and approval.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

Value Based Outcome Review (VBOR): The City conducted a Value Based Outcome Review in 2019 for all of its operations and agencies to identify specific opportunities and strategies to maximize the use of tax dollars, enhance its financial sustainability while achieving service outcomes. These opportunities will help the City chart its financial course in the next four years.

Voluntary Separation Program – On July 28th, 2020, City Council approved the implementation of a Voluntary Separation Program for staff who are eligible to retire with an unreduced pension providing a lump sum payment of up to three months' salary to eligible employees, subject to the terms of the program guidelines, funded through savings generated from a combination of permanently eliminating vacated positions and/or holding the positions vacant for a minimum of six months.