

2021 Budget Notes Policy, Planning, Finance & Administration

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 FPD@toronto.ca.

Description

Policy, Planning, Finance & Administration (PPFA) provides centralized financial and administrative support to the Deputy City Manager and Infrastructure and Development Services (IDS) programs so they can focus on providing services to Toronto's residents and businesses. PPFA delivers the following services:

- Corporate Leadership
- Organizational Effectiveness
- Financial Management
- Program Support

Why We Do It

IDS Divisions are able to make informed financial decisions and provide services that are financially sustainable through timely and accurate financial management.

Public consultation on IDS infrastructure projects is timely, accessible and convenient, and the input from residents and businesses contributes to informed decision-making.

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

Organizational Effectiveness & Corporate Leadership

Who We Serve: Deputy City Manager – IDS, City Staff/Divisions

What We Deliver: Provide strategic advice, planning, coordination and reporting to the Infrastructure and Development Services programs to improve organizational effectiveness, and service delivery.

How Much Resources (2021 gross operating budget): \$1.484 million

Financial Management

Who We Serve: City Staff/Divisions and Suppliers of IDS Divisions

What We Deliver: Financial planning, reporting, analysis, advice, processing and oversight to the Infrastructure and Development Services programs to ensure compliance with corporate policies and support service delivery.

How Much Resources (2021 gross operating budget): \$8.351 million

Program Support

Who We Serve: City Staff/Divisions and residents and businesses

What We Deliver: Administrative, public consultation, complement management and payroll time entry services to Infrastructure and Development services divisions to ensure compliance with corporate policies and support service delivery.

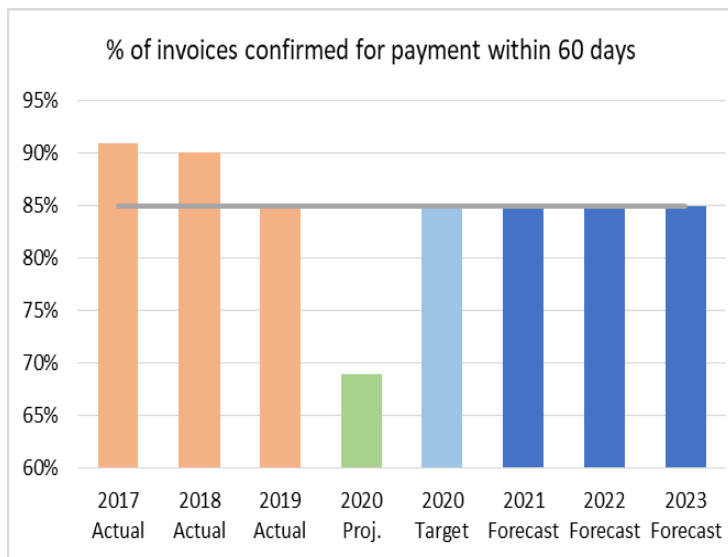
How Much Resources (2021 gross operating budget): \$6.765 million

Budget at a Glance

OPERATING BUDGET			
\$Million	2021	2022	2023
Revenues	\$11.6	\$11.6	\$11.6
Gross Expenditures	\$16.6	\$16.9	\$17.1
Net Expenditures	\$5.0	\$5.3	\$5.5
Approved Positions	167.1	167.1	167.1

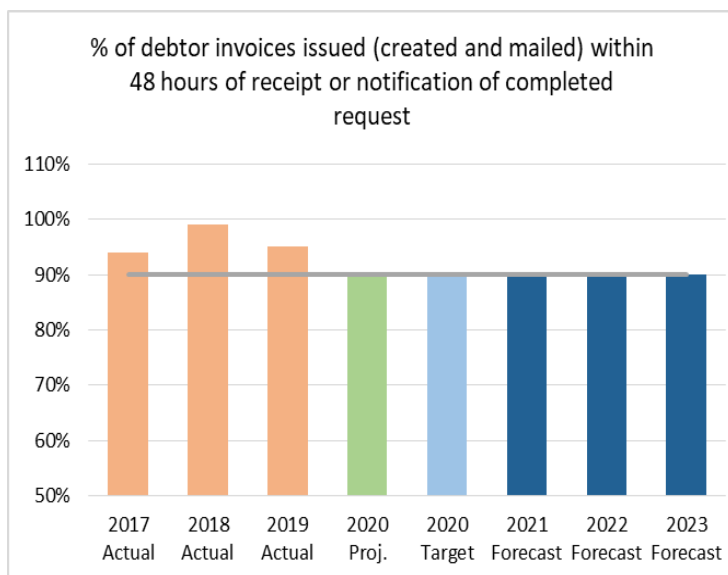
10-YEAR CAPITAL PLAN			
\$Million	2021	2022-2030	Total
This program does not have a capital budget			

How Well We Are Doing – Behind the Numbers



Invoices Confirmed for Payment

- Vendor invoices are reviewed to confirm that goods and services have been received before payment. PPF&A has a target of 85% of invoices to be reviewed and confirmed within 60 days of the invoice date.
- PPF&A has historically exceeded its target ensuring that the IDS division are in compliance with the corporate policies and contractual obligations.
- The 2020 projected actual reflect processing delays and changes in operational procedures resulting from the impacts of COVID-19 response. 2021 service levels are anticipated to be in keeping with previous years' experience.



Invoices Issued within 48 hours

- PPF&A manages the Accounts Receivable process end-to-end for IDS Divisions, including billing, collections, payment processing, banking, and analysis and reporting.
- PPF&A has a target of issuing 90% of debtor invoices (created and mailed) within 48 hours of receipt of an invoice request.
- Due to efficiencies gained through automation, PPF&A has exceeded its target since 2017. The service target will be reviewed during 2021.

How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Service Level/Outcome Measures								
Financial Management	% of Infrastructure and Development Services divisional budgets supported and coordinated within deadlines	100%	100%	100%	100%	100%	100%	●
	% of invoices confirmed for payment within 60 days	90%	85%	85%	69%	85%	85%	●
	Total number of invoices paid	59,344	53,448	52,000	52,163	52,000	52,000	
	% of debtor invoices issued (created and mailed) within 48 hours of receipt or notification of completed request	99%	95%	90%	90%	90%	90%	●
	Total number of debtor invoices issues	59,177	42,592	42,000	30,160	42,000	42,000	
	% of undisputed accounts receivable collected within agreed upon payment terms	69%	75%	70%	55%	70%	70%	●
	Total number of undisputed accounts receivable collected	6,204	5,869	6,000	6,000	6,000	6,000	
Program Support	% of time sheets entered	100%	100%	100%	100%	100%	100%	●
	% of compliance to meet notification guidelines and legislated requirements	100%	100%	100%	100%	100%	100%	●

*PPF&A service targets are expected to be reviewed in 2021.

COVID-19 IMPACT AND RECOVERY**2020 Impact****Financial Impact (Operating)**

Due to emergency closures and public health regulations, PPF&A has experienced the following financial impacts:

- \$0.029 million in additional staff related (overtime) and costs for health and safety supplies and protocols.
- \$0.056 million in costs related to the lump sum payment to permanent staff who were eligible to retire under the Voluntary Separation Program.
- \$0.600 million in projected cost savings in salaries and benefits due to hiring slow-down.

Service Level Changes

- PPF&A continues to provide timely and accurate services to IDS divisions.
- Due to COVID-19 response, PPF&A's achievement of service levels will be impacted for the percentage of invoices confirmed for payment within 60 days (69% vs 85%) and the percentage of undisputed accounts receivable collected within agreed upon payment terms (55% vs 70%).
- PPF&A optimized Toronto Building payment process during COVID-19 response through implementation of Electronic Funds Transfer Payments processing over 1,650 payments.
- Activated IDS COVID-19 Operations Centre and provided dedicated support to both IDS Divisions and the Business Continuity Task Force.

2021 Impact and Recovery**Financial Impact (Operating)**

In response to the financial pressures and challenges resulting from COVID-19, adjustments were made to the operating budget through a combination of efficiencies and cost containment:

- \$0.215 million in projected cost savings in salaries and benefits resulting from the implementation of the Voluntary Separation Program.
- \$0.131 million in projected cost savings in salaries due to cancellation of the non-union performance pay.

Service Level Changes

- There are no anticipated impacts to service levels as a result of COVID-19 during 2021.
- The Service Levels will be reviewed and adjusted as required.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Led and supported IDS programs with continued implementation of enterprise-wide corporate initiatives including: Human Resource Information System (Success Factors); eTime Payroll Transformation; and Budget Process Modernization.
- Optimized payment processes through implementation of Electronic Fund Transfer (EFT) and Wire Payment for Toronto Building and continued roll-out of Cheque-Pro (Electronic Cheque Depositing Solution) across IDS programs, eliminating the use of paper deposits and improving overall cash flow.
- Continued to support city building/capital delivery through transitioning to hosting virtual public consultation events through the use of WebEx and on-line tools.
- Completed consultation for Bloor Street West Bike Lanes, the Yonge Tomorrow study and Transportation Innovation Zones, and launched consultation activities for numerous Active TO cycling projects, along with environmental assessment studies for Broadview-Portlands and Southwest Agincourt.
- Activated IDS COVID-19 Operations Centre and provided dedicated support to both IDS Divisions and the Business Continuity Task Force.
- Supported the COVID-19 Financial Implications Working Group with weekly reporting for IDS programs.

Key Challenges and Risks

- Maintaining current service levels, while simultaneously implementing new enterprise-wide technology improvements and modernization initiatives.
- Responding to increased complexity and growing demand for service in support of IDS programs.
 - MLS – Short Term Rental
 - Public Consultation Unit – Virtual Stakeholder Engagement
- Building a versatile team that is equipped to adjust to the City's changing service delivery models to ensure seamless provision of financial and administrative support services.

Priority Actions

- Continue to transform service delivery through leveraging automation and realign resources to respond to changing requirements.
- Lead and support IDS divisions with implementing the Financial Sustainability Program including future phases of the Budget Modernization Process and the Financial Systems Transformation project.
- Provide ongoing IDS support and co-ordination of various payroll and human resource transformation projects.
- Continued activation of IDS COVID-19 Operation Centre providing critical support to the City's response/restart activities.
- Provide reliable and timely management/financial reporting to IDS divisions to support data-driven decision-making and promote compliance.
- Continue to focus on staff training and cross-training to build workforce capacity and enhance skill sets.
- Continue to lead and support the development and delivery of new online engagement tools for virtual public engagement during Covid-19 and beyond.
- Lead and support the development of an IDS Confronting Anti-Black Racism Engagement Strategy.

RECOMMENDATIONS

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

1. City Council approve the 2021 Operating Budget for Policy Planning Finance and Administration of \$16.599 million gross, \$11.552 million revenue and \$5.047 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Corporate Leadership	1,214.6	245.2	969.4
Organizational Effectiveness	269.0	25.1	243.9
Financial Management	8,531.0	6,135.6	2,215.4
Program Support	6,764.6	5,146.1	1,618.5
Total Program Budget	16,599.2	11,552.0	5,047.2

2. City Council approve the 2021 staff complement for Policy Planning Finance and Administration of 167.1 positions comprised of 6.0 capital position and 161.1 operating positions.

Program / Agency:

Annalisa Mignardi
Executive Director
Tel: (416) 397-4669
Email: Annalisa.Mignardi@toronto.ca

Corporate:

David Troian
Manager, Financial Planning
Tel: (416) 392-7896
Email: David.Troian@toronto.ca

2021 OPERATING BUDGET

2021 OPERATING BUDGET OVERVIEW

Table 1: 2021 Operating Budget by Service

(In \$000s)	2019 Actual	2020 Budget	2020 Projection	2021 Budget	Change vs. 2020 Projection	
By Service	\$	\$	\$	\$	\$	%
Revenues						
Corporate Leadership		246.6	219.0	245.2	26.2	12.0%
Organizational Effectiveness	9.5	18.9	16.8	25.1	8.3	49.3%
Financial Management	3,767.4	5,777.5	5,174.9	6,135.6	960.6	18.6%
Program Support	6,540.5	5,552.9	5,073.9	5,146.1	72.2	1.4%
Total Revenues	10,317.5	11,595.9	10,484.7	11,552.0	1,067.3	10.2%
Expenditures						
Corporate Leadership	996.9	1,268.2	1,050.8	1,214.6	163.8	15.6%
Organizational Effectiveness	464.5	438.8	305.9	269.0	(36.9)	(12.1%)
Financial Management	7,797.3	8,349.1	7,633.1	8,351.0	717.8	9.4%
Program Support	6,053.9	6,966.7	6,248.6	6,764.6	516.0	8.3%
Total Gross Expenditures	15,312.5	17,022.8	15,238.5	16,599.2	1,360.7	8.9%
Net Expenditures	4,995.1	5,426.9	4,753.8	5,047.2	293.4	6.2%
Approved Positions	165.1	169.1	169.1	167.1	(2.0)	(1.2%)

*2020 Projection based on Q3 Variance Report

COSTS TO MAINTAIN EXISTING SERVICES

Total 2021 Base Budget expenditures of \$16.599 million gross reflecting an increase of \$1.361 million in spending above 2020 projected year-end actuals, predominantly arising from:

- Increases in salaries and benefits for existing positions, due to anticipated positions to be filled in 2021 to meet services demands, which were vacant in 2020 due to COVID-19 response.
- Above pressures are partially offset by base expenditure savings arising from a line by line review, other operational savings, mitigation efforts to address COVID-19 financial impacts, and other revenue.

Given the financial impacts of COVID-19 on 2020 actuals, a further comparison of the 2021 Base Budget to the 2020 Council Approved Budget is provided below:

- 2021 Base Budget totalling \$5.047 million in net expenditures reflects a \$0.380 million net decrease below the 2020 Council Approved Budget.

COSTS TO ENHANCE SERVICES

New and Enhanced Service: Policy, Planning, Finance and Administration does not have New and Enhanced Services.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Policy, Planning, Finance and Administration's 2021 Operating Budget do not have any significant equity impacts.

2021 OPERATING BUDGET KEY DRIVERS

The 2021 Operating Base Budget for Policy, Planning, Finance and Administration is \$16.599 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 Balancing Actions.

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	14,894.6	16,311.3	14,892.8	16,066.7	1,173.9	7.9%
2 Materials and Supplies	172.6	218.8	60.7	107.5	46.8	77.1%
3 Equipment	40.6	65.8	31.6	56.8	25.2	79.7%
4 Service and Rent	155.0	376.2	183.4	331.2	147.8	80.6%
5 Contribution To Reserves	49.8	50.6	50.6	36.9	(13.8)	(27.2%)
6 Other Expenditures (Inc. IDCs)			19.3		(19.3)	(100.0%)
Total Expenditures	15,312.5	17,022.8	15,238.5	16,599.2	1,360.7	8.9%
Revenues						
1 Other Revenues (Inc. IDR's)	7,680.3	8,603.1	7,643.4	8,657.0	1,013.5	13.3%
2 Transfers from Capital	2,637.2	2,992.8	2,841.3	2,895.1	53.8	1.9%
Total Revenues	10,317.5	11,595.9	10,484.7	11,552.0	1,067.3	10.2%
Net Expenditures	4,995.1	5,426.9	4,753.8	5,047.2	293.4	6.2%
Approved Positions	165.1	169.1	169.1	167.1	(2.0)	(1.2%)

*2020 Projection based on Q3 Variance Report

Salaries & Benefits: Include increases in salaries and benefits for existing positions including positions to be filled in 2021 to meet services demands, which were vacant in 2020 due to COVID-19 response. As mitigation efforts to address COVID-19 financial impacts, these increases have been partially offset by reductions to account for hiring slow down, cancellation of non-union performance pay and the Voluntary Separation Program.

Services and Rents: Include increases reflective of requirement for employee related costs and operational priorities.

Other Revenue Changes: Include increases for recovery of gross expenditures from rate-based programs (Toronto Water and Solid Waste Management Services) and anticipated recovery for capital and third party funded positions.

Table 2b: 2021 Balancing Actions

(\$000s)								
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Non-salary adjustments	Match to Actuals		(165.3)	(165.3)	-			
Voluntary Separation Program	Other		(215.3)	(215.3)	-			
Non-Union performance pay cancellation	Other		(130.5)	(130.5)	-			
Total Balancing Actions			(511.1)	(511.1)	-			-

Non-salary adjustments:

- A reduction in base expenditures in materials and supplies and other non-salary costs contributes to Policy, Planning, Finance and Administration's efforts to manage continuous cost increases from internal and external sources.

Salaries and Benefits Projected Savings

- Mitigation efforts to address COVID-19 financial impacts include salaries and benefits cost containment by adopting vacancy management strategies, implementing the Voluntary Separation Program and the cancellation of non-union performance pay.

Note:

1. For additional information on 2021 key cost drivers refer to [Appendix 2](#).

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

(\$000s)	2020 Projection	2021 Budget	2022 Outlook	2023 Outlook
Revenues	10,484.7	11,552.0	11,560.0	11,566.1
Gross Expenditures	15,238.5	16,599.2	16,853.7	17,117.3
Net Expenditures	4,753.8	5,047.2	5,293.7	5,551.2
Approved Positions	169.1	167.1	167.1	167.1

Key drivers

The 2022 Outlook with total gross expenditures of \$16.854 million reflects an anticipated \$0.254 million or 1.5 per cent increase in gross expenditures above the 2021 Operating Budget. The 2023 Outlooks expects a further increase of \$0.264 million or 1.6 per cent above 2022 gross expenditures.

These changes arise from inflationary increases for salaries and benefits for existing positions.

APPENDICES

Appendix 1

COVID-19 Financial Impact - Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
Expenditure Increase						
Overtime and PPE supplies		28.5	28.5			
Sub-Total		28.5	28.5			
Savings due to Management Actions						
Hiring slowdown		(599.8)	(599.8)			
Voluntary Separation Program		56.0	56.0		(215.3)	(215.3)
Non-Union performance pay cancellation					(130.5)	(130.5)
Sub-Total		(543.8)	(543.8)		(345.8)	(345.8)
Total COVID-19 Impact		(515.3)	(515.3)		(345.8)	(345.8)

Appendix 2

2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018	2019	2020	2020	2021	2021 Change from	
	Actual	Actual	Budget	Projection*	Total Budget	2020 Projected	Actual
	\$	\$	\$	\$	\$	\$	%
Transfers From Capital	2,488.8	2,637.2	2,992.8	2,841.3	2,895.1	53.8	1.9%
Sundry and Other Revenues	935.6						
Inter-Divisional Recoveries	8,112.1	7,680.3	8,603.1	7,643.4	8,657.0	1,013.5	13.3%
Total Revenues	11,536.5	10,317.5	11,595.9	10,484.7	11,552.0	1,067.3	10.2%
Salaries and Benefits	15,628.1	14,894.6	16,311.3	14,892.8	16,066.7	1,173.9	7.9%
Materials & Supplies	297.6	172.6	218.8	60.7	107.5	46.8	77.1%
Equipment	32.9	40.6	65.8	31.6	56.8	25.2	79.7%
Service and Rent	644.0	155.0	376.2	183.4	331.2	147.8	80.6%
Contribution To Reserves/Reserve Funds	108.4	49.8	50.6	50.6	36.9	(13.8)	(27.2%)
Inter-Divisional Charges				19.3		(19.3)	(100.0%)
Total Gross Expenditures	16,711.0	15,312.5	17,022.8	15,238.5	16,599.2	1,360.7	8.9%
Net Expenditures	5,174.5	4,995.1	5,426.9	4,753.8	5,047.2	293.4	6.2%
Approved Positions	182.1	165.1	169.1	169.1	167.1	(2.0)	(1.2%)

* Year-End Projection Based on Q3 2020 Variance Report

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

***2018 Actuals include MCIC (Major Capital Infrastructure Coordination Division)

Appendix 3

Summary of 2021 Service Changes

N/A

Appendix 4

Summary of 2021 New / Enhanced Service Priorities Included in Budget

N/A

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 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

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2021	2022	2023
		\$	\$	\$
Beginning Balance		551.9	551.9	551.9
Vehicle Reserve - PPFA	XQ1401			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>				
<i>Policy, Planning, Finance & Administration</i>				
Total Reserve / Reserve Fund Draws / Contributions		551.9	551.9	551.9
Other Program / Agency Net Withdrawals & Contributions				
Balance at Year-End		551.9	551.9	551.9

* Based on Q3 2020 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2021	2022	2023
		\$	\$	\$
Beginning Balance		15,142.3	12,548.9	9,920.7
Insurance	XR1010			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>				
<i>Policy, Planning, Finance & Administration</i>		36.9	36.9	36.9
Total Reserve / Reserve Fund Draws / Contributions		15,179.1	12,585.8	9,957.6
Other Program / Agency Net Withdrawals & Contributions		(2,659.3)	(2,690.8)	(2,720.0)
<i>Interest Income</i>		29.0	25.8	28.3
Balance at Year-End		12,548.9	9,920.7	7,265.9

* Based on Q3 2020 Reserve Fund Variance Report

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

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).

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.