

# 2021 Budget Notes

## Office of the CFO & Treasurer

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### Description

The Office of the Chief Financial Officer & Treasurer ensures the effective use of the Corporation's financial resources by providing sound financial planning management and advice; maintaining financial control; developing and implementing effective financial strategies; and by providing timely, accurate and efficient services to Programs, Agencies, Council and the public.

### Why We Do It

The purpose is to safeguard the City's assets and to manage City resources effectively, efficiently and economically. The following outcomes contribute to this purpose:

- Council and City divisions receive financial planning advice and support that are timely and relevant.
- Torontonians receive timely and equitable resolutions to their claims against the City.
- The City of Toronto has sufficient financial protection from catastrophic financial loss through the insurance program.
- Divisions receive timely and trusted independent assurance on their internal controls [in order to mitigate risk].
- The City's capital projects are financed with debt at the lowest borrowing rate in order to reduce immediate tax burden on Toronto residents and businesses.
- The City's financial assets are invested responsibly to achieve superior [risk-adjusted rate of return] in order to meet the City's cash flow requirements.

*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

#### **Financial Planning**

**Who We Serve:** Council, City divisions, Agencies and Corporations.

**What We Deliver:** City of Toronto balanced budget; financial advice; financial policies, financial reports.

**How Much Resources (gross operating budget):** \$11.2M

#### **Insurance & Risk Management**

**Who We Serve:** City divisions, Agencies and Corporations, Toronto residents.

**What We Deliver:** Insurance coverage, claims management and risk management advice

**How Much Resources (gross operating budget):** \$1.8M

## Internal Audit

**Who We Serve:** Council, City divisions, Agencies and Corporations.

**What We Deliver:** Business and risk consulting on policies, processes and information systems. Assurance services including the performance of compliance, operational, financial, forensic and internal control reviews.

**How Much Resources (gross operating budget):** \$1.8M

## Capital Markets

**Who We Serve:** Council, City divisions, Agencies and Corporations.

**What We Deliver:** Liquidity management, investment and debt management as well as letter of credit administration

**How Much Resources (gross operating budget):** \$1.6M

## Budget at a Glance\*

### 2021 OPERATING BUDGET

\$Million	2021	2022	2023
Revenues	\$ 3.7	\$ 3.9	\$ 3.9
Gross Expenditures	\$16.4	\$17.2	\$17.3
Net Expenditures	\$12.7	\$13.3	\$13.4
Approved Positions	112.0	112.0	112.0

### 2021 - 2030 10-YEAR CAPITAL PLAN

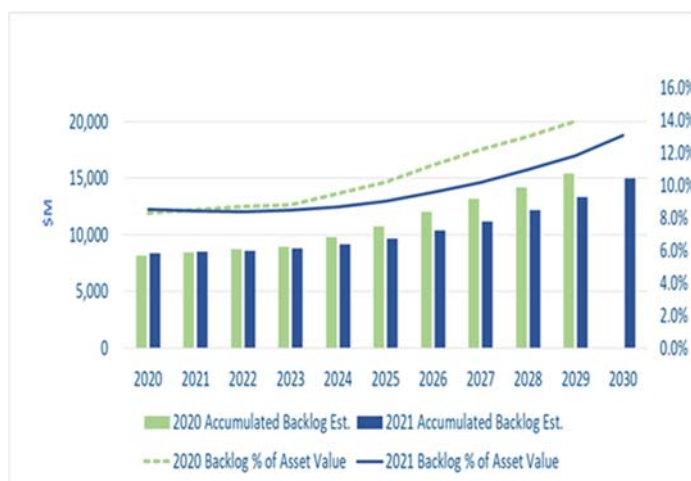
\$Million	2021	2022-2030	Total
Gross Expenditures	\$2.5	\$4.7	\$7.2
Debt	\$2.1	\$3.0	\$5.1

Note: Includes 2020 carry forward funding to 2021

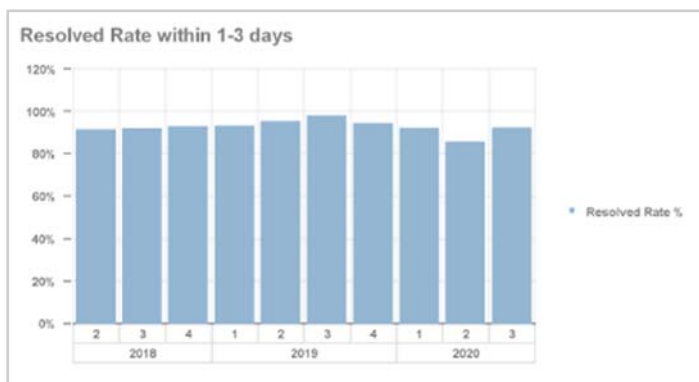
\*This document reflects the 2021 Operating Budget and 2021-2030 Capital Budget and Plan

## How Well We Are Doing – Behind the Numbers

### Impact of Capital Funding (Tax & Rate) on the State of Good Repair



- Ensuring the City's capital assets in state of good repair is one of CFO's priorities. The Financial Planning Division coordinate with the City programs and agencies to monitor the SOGR backlog trend and ensure the City provides significant funding to control the SOGR backlog
- The City has implemented a series of capital investment strategies and significant funding to address its accumulated SOGR backlog
- With continued investment of SOGR funding, this year's 10-year backlog estimates will be lower than the last year's forecast on both dollar amount and percentage of an asset value.



- IRM strives to respond to and resolve insurance and risk management inquiries within 3 business days.
- Q2 results were slightly lower than expected due to the pandemic and the complexity of inquiries during that timeframe.

## How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Outcome Measures*								
Financial Planning	% Balanced Operating Budget approved annually in accordance with Council's mandates	100%	100%	100%	100%	100%	100%	●
Financial Planning	% of time decision support released at least 24hrs for notes and 7 days for Reports, prior to council / committee meeting	100%	100%	100%	100%	100%	100%	●
Financial Planning	% of time Operating variance is provided at the first scheduled Budget Committee meeting after 45 days of the reporting period closing	100%	100%	100%	100%	100%	100%	●
Insurance & Risk Management	% of claimant correspondence sent within 2 days	83%	84%	80%	99%	80%	80%	●
Insurance & Risk Manage	% of acknowledgement letters sent within 5 days	87%	99%	80%	100%	80%	80%	●
Insurance & Risk Manage	% of Division reports requested within 2 days	75%	90%	80%	100%	80%	80%	●
Insurance & Risk Manage	% of claim reports acted on within 15 days	N/A	19%	80%	99%	80%	80%	●
Internal Audit	Respond to requests for advice within 2 business days	100%	100%	100%	100%	100%	100%	●
Internal Audit	An average score of 4 out of 5 in client satisfaction surveys pertaining to all audit completed	4.35	4.3	4.0	4.3	4.0	4.0	●

\*Outcome measures are considered service level measures as well.

Other Measures								
Financial Planning	Impact of Capital Funding (Tax & Rate) on the State of Good Repair (\$B)	\$2.2	\$2.2	\$2.3	\$2.1	\$2.7	\$2.9	●

**COVID 19 IMPACT AND RECOVERY**

2020 Impact	2021 Impact and Recovery
<b>Financial Impact (Operating)</b> <ul style="list-style-type: none"> <li>COVID-19 has resulted in the following unbudgeted savings of \$0.408 million net:               <ul style="list-style-type: none"> <li>\$0.459 million salaries and benefits savings resulting from delays in hiring due to COVID-19 and the hiring slow down process.</li> <li>\$0.051 million additional salaries and benefits mainly in overtime required to provide timely response due to COVID-19.</li> </ul> </li> </ul>	<b>Financial Impact (Operating)</b> <ul style="list-style-type: none"> <li>The hiring slow down process is anticipated to continue in 2021 and will result in salaries and benefits saving of \$0.368 million in 2021.</li> </ul>
<b>Financial Impact (Capital)</b> <ul style="list-style-type: none"> <li>The Integrated Asset Planning Management (IAPM) project was impacted by COVID-19.</li> </ul>	<b>Financial Impact (Capital)</b> <ul style="list-style-type: none"> <li>The 2021 capital projects and cash flows will be reviewed and re-casted as required to align cash flows with the capital project's readiness to proceed.</li> </ul>
<b>Service Level Changes</b> <ul style="list-style-type: none"> <li>There has been no impact to service levels from COVID-19.</li> </ul>	<b>Service Level Changes</b> <ul style="list-style-type: none"> <li>Office of the CFO &amp; Treasurer will continue to review service levels to reflect changes as required to meet ongoing operational needs.</li> </ul>

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- Provided financial advice and support to the City during the COVID-19 pandemic, led and coordinated the weekly financial tracking across all divisions and agencies to ensure the City's services are adequately funded despite severe revenue loss and operational challenges during the City's lock down
- Led the 2021 budgeting process to ensure the City stays financially sustainable even during the pandemic. In the meantime seek funding from various sources including federal and provincial levels of government to ensure the City's critical services are funded timely
- Supported the financial modernization strategy by improving the budget process based on actual spending capacity and enhanced the budgeting systems to facilitate the new process; supported CMO's Result Based Accountability training and incorporated it into 2021 budget material; supported and incorporated Outcome Engagement to improve quality of statements within the Administrative reviews and for the 2021 Budget Notes
- Developed Framework and issued Social Bond – a first for the Canadian public sector
- Arranged 5 public debt issues for a total of approximately \$1 billion – record number of debt issuances
- Continued Green Bond issuance – City's third issue in this category – largest Green municipal issuer in Canada
- Successfully renewed the City's insurance program despite difficult market conditions
- Completed an assessment of financial controls within Agencies and Corporations to provide assurance that the City's consolidated financial statements are presented fairly and that objectives relating to operations, reporting and compliance will be achieved

### Key Challenges and Risks

- The impact from COVID on the City's operations and funding gap in the coming year is highly uncertain, which may affect the city's ability to deliver services and capital projects
- Additional ongoing federal and provincial funding which is critical to the City's financial sustainability under pandemic and recovery period remains a risk to the City
- Risk of lower rates of return in a low interest environment (portfolio is 70% fixed income)
- Debt issues – possible disruption due to COVID 2<sup>nd</sup> Wave – may not complete funding program of \$1B for Capital
- The hard insurance market is expected to continue into 2021, which will increase the cost of insurance and reduce the available insurance capacity in the market
- Demand for Internal Audit services have been increasing; existing resource levels are not adequate to respond to all requests. This could expose the City to potential risks.

### Priority Actions

- Continue to monitor available federal/provincial assistance to ensure the city's operations are properly funded
- Support the City's Safe Restart plan by providing information needed to make timely informed decisions
- Continue to monitor the city's actual spending against budget to ensure the public is well informed
- Assist the Divisions and Agencies in developing responsible budgets
- Provide strategic and analytical support to Divisions and Agencies to recalibrate the 10 year capital plan based on spending capacity and City's priorities
- Develop the City's Asset Management Plan and submit to the Province as legislatively required
- Continue the budget process transformation to align with the value based outcome review strategies
- Continue to monitor the debt capacity level to sustain the City's credit rating and financial sustainability
- Continue innovative financing with Green and Social Bonds
- Stabilize the cost of the City's insurance program while enhancing coverage, including but not limited to, working to reduce the cost of the City's insurance fronting arrangements, insure City automobiles through the TTC Insurance Company Ltd. and improve the quality of underwriting information provided to insurers
- Complete a RFP for a Risk Management Information System to enhance IRM's ability to manage claims and provide metrics on claims and inquiries
- Focus on Financial Sustainability and Digitization of City services

## RECOMMENDATIONS

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

1. City Council approve the 2021 Operating Budget for Office of the CFO & Treasurer of \$16.400 million gross, \$3.703 million revenue and \$12.697 million net for the following services:

**Service:**

	<b>Gross Expenditures (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Insurance & Risk Management	1,782.3	1,782.3	0.0
Capital Markets	1,641.0	135.0	1,506.0
Financial Planning	11,213.0	1,529.9	9,683.1
Internal Audit	1,763.3	255.8	1,507.5
<b>Total Program Budget</b>	<b>16,399.6</b>	<b>3,703.0</b>	<b>12,696.6</b>

2. City Council approve the 2021 staff complement for Office of the CFO & Treasurer of 112.0 positions comprised of 6.0 capital position and 106.0 operating positions.
3. City Council approve 2021 Capital Budget for Office of the CFO & Treasurer with cash flows and future year commitments totaling \$2.1 million as detailed by project in Appendix 6a.
4. City Council approve the 2022-2030 Capital Plan for Office of the CFO & Treasurer totalling \$5.1 million in project estimates as detailed by project in Appendix 6b.
5. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2021 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs

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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	2021 Budget	Change v. 2020 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
Insurance & Risk Management	1,720.7	1,818.9	1,805.3	1,782.3		1,782.3	(23.0)	(1.3%)
Capital Markets	135.0	135.0	135.0	135.0		135.0		
Financial Planning	1,482.2	1,606.6	1,162.3	1,529.9		1,529.9	367.6	31.6%
Internal Audit	169.6	255.7	255.7	255.8		255.8	0.1	0.0%
<b>Total Revenues</b>	<b>3,507.5</b>	<b>3,816.2</b>	<b>3,358.3</b>	<b>3,703.0</b>		<b>3,703.0</b>	<b>344.7</b>	<b>10.3%</b>
<b>Expenditures</b>								
Insurance & Risk Management	1,679.4	1,827.0	1,813.4	1,782.3		1,782.3	(31.1)	(1.7%)
Capital Markets	1,304.9	1,564.1	1,681.2	1,641.0		1,641.0	(40.2)	(2.4%)
Financial Planning	10,358.5	11,962.7	11,089.9	11,213.0		11,213.0	123.1	1.1%
Internal Audit	1,695.1	1,789.4	1,622.4	1,763.3		1,763.3	140.9	8.7%
<b>Total Gross Expenditures</b>	<b>15,037.9</b>	<b>17,143.2</b>	<b>16,206.9</b>	<b>16,399.6</b>		<b>16,399.6</b>	<b>192.7</b>	<b>1.2%</b>
<b>Net Expenditures</b>	<b>11,530.4</b>	<b>13,327.0</b>	<b>12,848.6</b>	<b>12,696.6</b>		<b>12,696.6</b>	<b>(152.0)</b>	<b>(1.2%)</b>
<b>Approved Positions</b>	<b>129.0</b>	<b>117.0</b>	<b>117.0</b>	<b>112.0</b>		<b>112.0</b>	<b>(5.0)</b>	<b>(4.3%)</b>

\*2020 Projection based on Q3 Variance Report

### COSTS TO MAINTAIN EXISTING SERVICES

**Total 2021 Base Budget** expenditures of \$16.400 million gross reflecting an increase of \$0.193 million in spending above 2020 projected year-end actuals, predominantly arising from salary & benefit increases for annualization of positions filled part year/vacant in 2020.

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

- 2021 Base Budget totalling \$12.697 million in net expenditures reflects a \$0.630 million net decrease from the 2020 Council Approved Budget.

### COSTS TO ENHANCE SERVICES

Office of the Chief Financial Officer & Treasurer does not have **New and Enhanced Service** requests in 2021.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in the Office of the CFO & Treasurer's 2021 Operating Budget do not have any significant equity impacts.

**2021 OPERATING BUDGET KEY DRIVERS**

The 2021 Operating Base Budget for Office of the CFO & Treasurer is \$16.400 million gross or 1.2% 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	14,356.5	16,344.5	15,813.0	15,937.2	124.2	0.8%
2	COVID-19 Impact			(408.0)	(368.0)	40.0	-9.8%
3	Materials & Supplies	14.9	23.1	16.1	20.2	4.1	25.5%
4	Equipment	41.6	36.5	39.7	37.5	(2.2)	-5.5%
5	Service and Rent	576.2	700.4	707.5	739.7	32.2	4.6%
6	Contribution To Reserves	38.2	38.2	38.1	32.5	(5.6)	-14.7%
7	Other	10.5	0.5	0.5	0.5		
Total Expenditures		15,037.9	17,143.2	16,206.9	16,399.6	192.7	1.2%
Revenues							
1	Draw from Reserve Funds	1,825.1	1,942.3	1,836.8	1,782.3	(54.5)	-3.0%
2	Other Revenues (Inc. IDR's)	1,682.4	1,873.9	1,521.5	1,920.7	399.2	26.2%
Total Revenues		3,507.5	3,816.2	3,358.3	3,703.0	344.7	10.3%
Net Expenditures		11,530.4	13,327.0	12,848.6	12,696.6	(152.0)	-1.2%
Approved Positions		129.0	117.0	117.0	112.0	(5.0)	-4.3%

**Salaries & Benefits:**

2021 salaries and benefits budget includes 6 capital positions for Capital Modernization that were vacant in 2020 but are anticipated to be filled in 2021, offset by Voluntary Separation Program (VSP) savings and unbudgeted salaries and benefits for staff on secondment.

**Service and Rent:**

Increase in services and rents is mainly attributed to contract cost escalation for software maintenance of the Financial Investment and Debt Management system.

**Other Revenue Changes:**

2021 revenue budget includes higher recovery from capital for the 6 capital positions for Capital Modernization, offset by unbudgeted recovery for staff on secondment.

**Table 2b: 2021 Balancing Actions**

(\$000s)								
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Delete 2 vacant positions	Efficiencies	(78.7)	(282.7)	(204.0)	(2.0)	(11.0)	(9.7)	
VSP savings	Other		(242.0)	(242.0)	(2.0)	66.3	66.3	
<b>Total Balancing Actions</b>		<b>(78.7)</b>	<b>(524.7)</b>	<b>(446.0)</b>	<b>(4.0)</b>	<b>55.3</b>	<b>56.6</b>	<b>-</b>

**The 2021 Operating Budget** includes \$0.525 million in gross and \$0.446 million in net expenditures reductions due to elimination of 4 positions.

- **Efficiencies:** The Director, Finance and Administration position is to be deleted now that Finance and Administration group reports into the Executive Director of Financial Planning Division. A Support Assistant position is to be deleted as work will be redistributed.
- **Other:** A reduction of two positions as a result of the Voluntary Separation Program (VSP),

#### **Note:**

1. For additional information on 2021 key cost drivers refer to [Appendix 2](#) as well as [Appendix 3](#) for a more detailed listing and descriptions of the 2020 Service Changes 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	3,358.3	3,703.0	3,874.6	3,908.8
Gross Expenditures	16,206.9	16,399.6	17,239.3	17,347.6
<b>Net Expenditures</b>	<b>12,848.6</b>	<b>12,696.6</b>	<b>13,364.7</b>	<b>13,438.8</b>
<b>Approved Positions</b>	<b>117.0</b>	<b>112.0</b>	<b>112.0</b>	<b>112.0</b>

**Key drivers**

The 2022 Outlook with total gross expenditures of \$17.239 million reflects an anticipated \$0.840 million or 5.12 per cent increase in gross expenditures above the 2021 Operating Budget; The 2023 Outlooks expects a further increase of \$0.108 million or 0.63 per cent above 2022 gross expenditures.

These changes arise from the following:

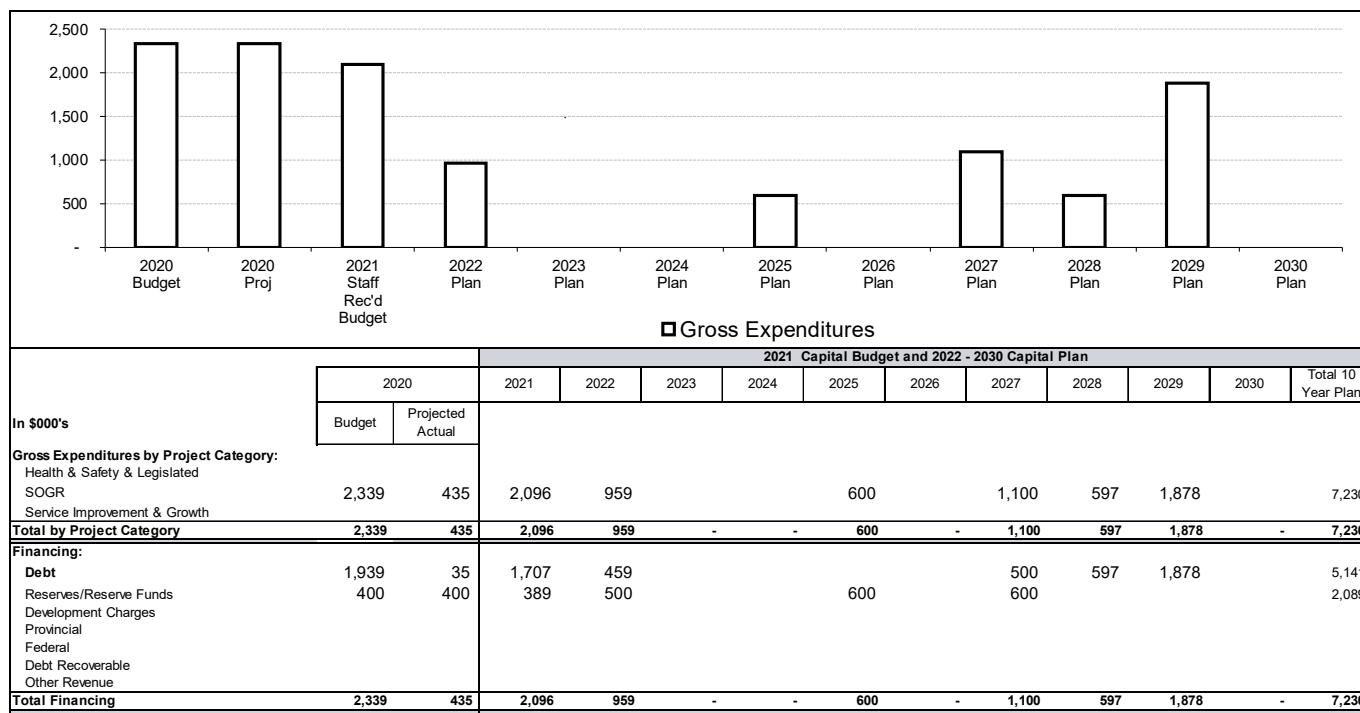
- Increase in 2022 is primarily due to annualization of positions filled part-year 2021 as well as COLA and step increases for unionized staff.
- Increase in 2023 is primarily due to step increases for unionized staff.

Higher expenditures will result in higher expenditure recoveries in 2022 and 2023.

# 2021 – 2030 CAPITAL BUDGET AND PLAN

## 2021 – 2030 CAPITAL BUDGET & PLAN OVERVIEW

**Chart 1: 10-Year Capital Plan Overview**  
(\$000)



### Changes to Existing Projects (\$0 Million)

- Where feasible, project and cash deferrals have been made based on Office of the CFO & Treasurer's capacity to spend and to reduce the impact on debt






### New Projects (\$0 Million)

### Capital Needs Constraints (\$0 Million)

#### Note:

For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2021 and 2022-2030 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update; and [Appendix 8](#) for Capital Needs Constraints, respectively

**2021 – 2030 CAPITAL BUDGET AND PLAN****\$7.2 Million 10-Year Gross Capital Program**

				
<b>Aging Infrastructure</b>	<b>Information Technology</b>	<b>Vehicles</b>	<b>Communication</b>	<b>Equipment</b>
\$0 M 0%	\$7.2 M 100%	\$0 M 0%	\$0 M 0%	\$0 M 0%
	Risk Management Information System  Investment & Debt Management System  Integrated Asset Planning Management  Capital Migration to New System			

**How the Capital Program is Funded**

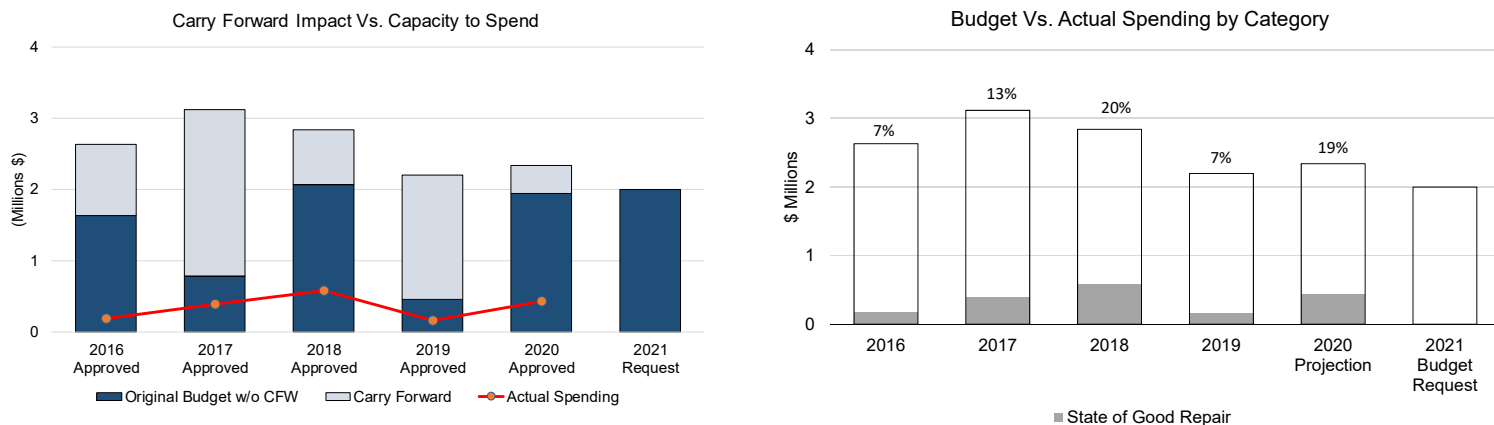
<b>City of Toronto</b>		<b>Provincial Funding</b>	<b>Federal Funding</b>
<b>\$7.2 M 100%</b>		<b>\$0 M 0%</b>	<b>\$0 M 0%</b>
Debt	\$ 5.1 M		
Reserve Draws	\$ 2.1 M		

## CAPACITY TO SPEND REVIEW

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten year capital plan. A review was undertaken to ensure budgets align with the Office of the CFO & Treasurer's ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2020 underspending that will be carried forward into 2021 to complete capital work.

**Chart 2 – Capacity to Spend**



### Capacity to Spend Review Impact on the 10-Year Plan

The 10-Year Capital Plan has been reviewed based on anticipated annual capital spending and cash flows consistent with project readiness.



# APPENDICES

## Appendix 1

**COVID-19 Financial Impact - Operating**

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
<b>Expenditure Increase</b>						
Salaries & benefits - overtime costs		51.0	51.0			
<b>Sub-Total</b>		<b>51.0</b>	<b>51.0</b>			
<b>Savings due to Management Actions</b>						
Salaries & benefits - hiring slow down		(459.0)	(459.0)		(368.0)	(368.0)
<b>Sub-Total</b>		<b>(459.0)</b>	<b>(459.0)</b>		<b>(368.0)</b>	<b>(368.0)</b>
<b>Total COVID-19 Impact</b>		<b>(408.0)</b>	<b>(408.0)</b>		<b>(368.0)</b>	<b>(368.0)</b>

- **Overtime costs:** Staff were working overtime to respond to COVID-19 pandemic.
- **Hiring Slow-Down:** Mitigation efforts to address COVID-19 financial impacts.

## Appendix 2

**2021 Operating Budget by Revenue / Expenditure Category**

Category (In \$000s)	2018 Actual**	2019 Actual**	2020 Budget	2020 Projection*	2021 Budget	2021 Change from 2020 Projected Actual	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations							
Licences & Permits Revenue							
Transfers From Capital	853.5	432.5	672.1		727.0	727.0	
Contribution From Reserves/Reserve Funds	1,753.5	1,825.1	1,942.3	1,836.8	1,782.3	(54.5)	(3.0%)
Sundry and Other Revenues	16.9	188.5	20.0	360.5	20.0	(340.5)	(94.5%)
Inter-Divisional Recoveries	1,058.3	1,061.4	1,181.8	1,161.0	1,173.7	12.7	1.1%
<b>Total Revenues</b>	<b>3,682.2</b>	<b>3,507.5</b>	<b>3,816.2</b>	<b>3,358.3</b>	<b>3,703.0</b>	<b>344.7</b>	<b>10.3%</b>
Salaries and Benefits	13,669.3	14,356.5	16,344.5	15,405.0	15,569.2	164.2	1.1%
Materials & Supplies	10.4	14.9	23.1	16.1	20.2	4.1	25.5%
Equipment	49.4	41.6	36.5	39.7	37.5	(2.2)	(5.5%)
Service and Rent	604.0	576.2	700.4	707.4	739.7	32.3	4.6%
Contribution To Capital							
Contribution To Reserves/Reserve Funds	80.1	38.2	38.2	38.2	32.5	(5.7)	(14.9%)
Other Expenditures		10.5	0.5	0.5	0.5		
Inter-Divisional Charges							
<b>Total Gross Expenditures</b>	<b>14,413.2</b>	<b>15,037.9</b>	<b>17,143.2</b>	<b>16,206.9</b>	<b>16,399.6</b>	<b>192.7</b>	<b>1.2%</b>
<b>Net Expenditures</b>	<b>10,731.0</b>	<b>11,530.4</b>	<b>13,327.0</b>	<b>12,848.6</b>	<b>12,696.6</b>	<b>(152.0)</b>	<b>(1.2%)</b>
<b>Approved Positions</b>	<b>116.0</b>	<b>129.0</b>	<b>117.0</b>	<b>117.0</b>	<b>112.0</b>	<b>(5.0)</b>	<b>(4.3%)</b>

\* Year-End Projection Based on Q3 2020 Variance Report

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

## Appendix 3

**Summary of 2021 Service Changes**

Please note the change in the Organisational structure:

- Finance and Administration group reports into the Executive Director of Financial Planning Division.

Form ID		Finance and Treasury Services  Program - Office of the Chief Financial Officer and Treasurer	Adjustments				2022 Plan Net Change	2023 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
2021 Staff Recommended Base Budget Before Service Changes:			16,682.3	3,781.7	12,900.6	114.00	677.8	79.4
23297		Delete Director, Fin & Admin - FPD						
51	No Impact	Description:						
Delete vacant Director, Fin & Admin position.								
Service Level Impact:								
Equity Statement:								
This business case has no equity impact								
Service: F&A-Financial Management & Program Support								
Total Staff Recommended Changes:			(204.0)	0.0	(204.0)	(1.00)	(9.7)	(5.3)
Staff Recommended Service Changes:			(204.0)	0.0	(204.0)	(1.00)	(9.7)	(5.3)
23347		Delete vacant Support Asst B - IRM						
51	No Impact	Description:						
Delete vacant Support Asst B position. No impact to service level as work will be redistributed.								
Service Level Impact:								
Equity Statement:								
This business case has no equity impact								
Service: CPF-Risk Management & Insurance								
Total Staff Recommended Changes:			(78.7)	(78.7)	0.0	(1.00)	0.0	0.0
Staff Recommended Service Changes:			(78.7)	(78.7)	0.0	(1.00)	0.0	0.0
Summary:								
Staff Recommended Service Changes:			(282.7)	(78.7)	(204.0)	(2.00)	(9.7)	(5.3)
Staff Recommended Base Budget:			16,399.6	3,703.0	12,696.6	112.00	668.1	74.1

[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

Project Code	(In \$000s)	2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2021 2030 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
FS004	Risk Mgmt Information System Upgrade	389										389		389	
FS008	Investment & Debt Mgmt System Replacement 2022		500									500		500	
FS009	Risk Mgmt Information System Replacement 2025					600						600		600	
FS010	Investment & Debt Mgmt System Replacement 2027							600				600		600	
FS020	Integrated Asset Planning Management (IAPM)	1,707	459									2,166		2,166	
FS013	Capital Migration to New System 2027							500	597	1,878		2,975		2,975	
Total Expenditures (including carry forward from 2020)		2,096	959			600		1,100	597	1,878		7,230		7,230	

## Appendix 6a

## 2021 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total 2021 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
FS004	Risk Mgmt Information System Upgrade	389										389	389		
FS008	Investment & Debt Mgmt System Replacement 2022														
FS009	Risk Mgmt Information System Replacement 2025														
FS010	Investment & Debt Mgmt System Replacement 2027														
FS020	Integrated Asset Planning Management (IAPM)	1,707										1,707	3,611	(1,904)	
FS013	Capital Migration to New System 2027														
Total Expenditure (including carry forward from 2020)		2,096										2,096	4,000	(1,904)	

## Appendix 6b

### 2022 - 2030 Capital Plan

Project Code	(In \$000s)	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2022 2030 Total	Health & Safety & Legislated	SOG	Growth & Improved Service
FS008	Investment & Debt Mgmt System Replacement 2022	500									500		500	
FS009	Risk Mgmt Information System Replacement 2025				600						600		600	
FS010	Investment & Debt Mgmt System Replacement 2027						600				600		600	
FS013	Capital Migration to New System 2027	459					500	597	1,878		3,434		3,434	
	<b>Total Expenditures</b>	<b>959</b>			<b>600</b>		<b>1,100</b>	<b>597</b>	<b>1,878</b>		<b>5,134</b>		<b>5,134</b>	



## 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)

Table 9a - New User Fees

N/A

Table 9b – Fees Above Inflation

N/A

Table 9c - User Fees for Discontinuation

N/A

Table 9d - User Fees for Technical Adjustments

N/A

Table 9e - User Fees for Transfers

N/A

Table 9f - User Fees for Rationalization

N/A

## Appendix 10

***Inflows and Outflows to/from Reserves and Reserve Funds*****2021 Operating Budget****Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
<b>Beginning Balance</b>			30,142	14,678	18
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>			(1,782)	(1,814)	(1,843)
<i>Contributions (+)</i>			32	32	32
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			28,392	12,897	(1,793)
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(13,714)	(12,879)	4,366
<b>Balance at Year-End</b>		30,142	14,678	18	2,573

**Inflows and Outflows to/from Reserves and Reserve Funds****2021 – 2030 Capital Budget and Plan****Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2020 *	Contributions / (Withdrawals)										Total
			2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	
XQ0011 Capital Financing Reserve	Beginning Balance		273,328	257,747	247,483	181,210	28,450	9,770	19,670	39,970	79,870	119,770	
	Withdrawals (-)												
	Investment & Debt Management System Replacement			(500)					(600)				(1,100)
	Other Division/Agency		(55,481)	(49,664)	(106,173)	(192,660)	(58,580)	(30,000)	(19,000)	-	-	-	(511,558)
	<b>Total Withdrawals</b>		<b>(55,481)</b>	<b>(50,164)</b>	<b>(106,173)</b>	<b>(192,660)</b>	<b>(58,580)</b>	<b>(30,000)</b>	<b>(19,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(512,658)</b>
	Contributions (+)												
	Other Division/Agency		39,900	39,900	39,900	39,900	39,900	39,900	39,900	39,900	39,900	39,900	399,000
	<b>Total Contributions</b>		<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>39,900</b>	<b>399,000</b>
<b>Balance at Year-End</b>			<b>-</b>	<b>257,747</b>	<b>247,483</b>	<b>181,210</b>	<b>28,450</b>	<b>9,770</b>	<b>19,670</b>	<b>79,870</b>	<b>119,770</b>	<b>159,670</b>	

\* Based on 9-month 2020 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2020 *	Contributions / (Withdrawals)										Total
			2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	
XR1010 Insurance Reserve Fund	Beginning Balance		30,142	14,678	18	2,573	5,155	7,188	9,872	12,599	15,369	18,182	
	Withdrawals (-)												
	Risk Mgmt Information System Upgrade		(389)										(389)
	Risk Mgmt Information System Replacement						(600)						(600)
	Other Division/Agency		(77,745)	(79,851)	(82,069)	(82,069)	(82,069)	(82,069)	(82,069)	(82,069)	(82,069)	(82,069)	(814,148)
	<b>Total Withdrawals</b>		<b>(78,134)</b>	<b>(79,851)</b>	<b>(82,069)</b>	<b>(82,069)</b>	<b>(82,669)</b>	<b>(82,069)</b>	<b>(82,069)</b>	<b>(82,069)</b>	<b>(82,069)</b>	<b>(82,069)</b>	<b>(815,137)</b>
	Contributions (+)												
	Other Division/Agency		62,670	65,191	84,624	84,652	84,701	84,753	84,796	84,839	84,883	84,927	806,036
	<b>Total Contributions</b>		<b>62,670</b>	<b>65,191</b>	<b>84,624</b>	<b>84,652</b>	<b>84,701</b>	<b>84,753</b>	<b>84,796</b>	<b>84,839</b>	<b>84,883</b>	<b>84,927</b>	<b>806,036</b>
<b>Balance at Year-End</b>			<b>-</b>	<b>14,678</b>	<b>18</b>	<b>2,573</b>	<b>5,155</b>	<b>7,188</b>	<b>9,872</b>	<b>12,599</b>	<b>15,369</b>	<b>18,182</b>	<b>21,040</b>

## 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 provide 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 (SOG):** 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.