

# 2021 Budget Notes

## Environment & Energy Division

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](mailto:FPD@toronto.ca).

### Description

The Environment & Energy Division (EED) leads, fosters, coordinates and supports city action towards achieving Toronto's greenhouse gas reduction targets outlined in TransformTO, the City of Toronto's climate change action plan.

The EED is responsible for leading Toronto's Climate Action Strategy, TransformTO. The EED is continuing to lead the City towards a Net-Zero greenhouse gas (GHG) emissions future before 2050. Achieving TransformTO's GHG emissions reduction targets requires transformational changes in how we live, work, build and commute.

### Why We Do It

**People in Toronto live, work, build and commute in a city where GHG emissions are minimized.**

**Toronto residents, businesses and City Divisions have reliable, timely and implementable information and tools to understand what actions they can take to minimize their environmental impact.**

*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

The Environment & Energy Division, through both local and global initiatives and partnerships, serves, inspires and empowers citizens, City staff, businesses, organizations, local communities and other stakeholders to take transformative action. The Division also represents and serves the future generations who will live in Toronto.

#### **Energy Efficiency in Buildings**

**Who We Serve:** Residents, building owners, businesses and institutions.

**What We Deliver:** Continuous support for residential property owners, scaling up innovative financing mechanisms, dedicated funding for community climate action, advancements in community energy planning, and improving energy efficiency and resiliency of social housing.

#### **New Construction**

**Who We Serve:** Building owners, residents, businesses and institutions.

**What We Deliver:** Advance Leading edge new construction standards, targeting Net-Zero energy through the Toronto Green Standard, and continue to create strategic partnerships with the private sector and other partners.

#### **Outreach & Engagement**

**Who We Serve:** Residents, community groups, partner agencies, businesses and City staff.

**What We Deliver:** TransformTO community engagement, Live Green Toronto activities, networks and communication channels, and delivering award-winning programs like Live Green Toronto and Smart Commute.

#### **Policy & Research**

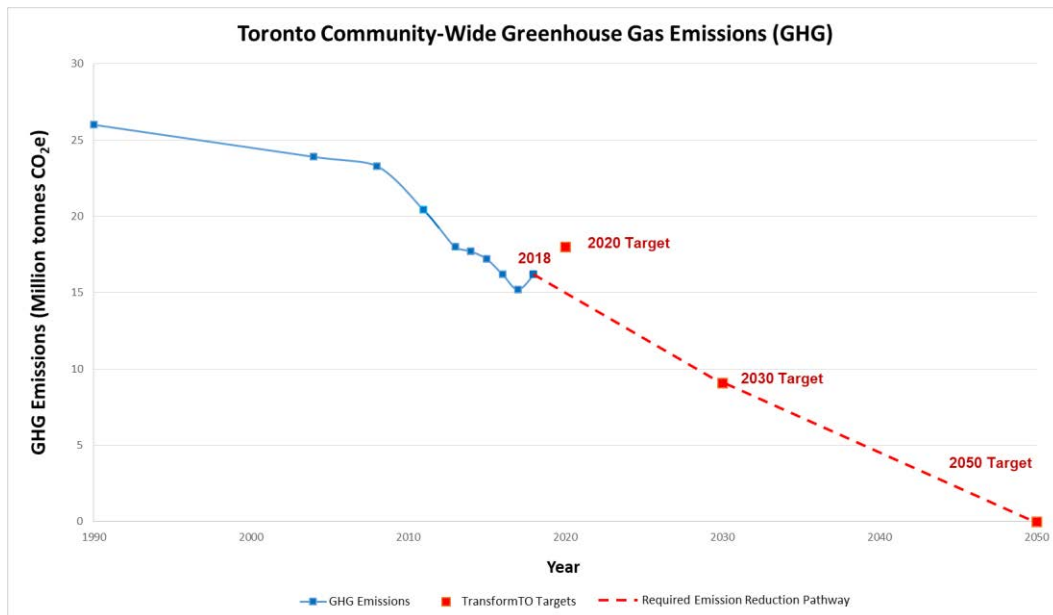
**Who We Serve:** Residents, community groups, agencies, businesses, institutions, building owners and City staff.

**What We Deliver:** Development of the Plan to Achieve Net-Zero before 2050, and continued development of effective climate action policy and guidelines that create the framework for the net zero climate action.

## Budget at a Glance

2021 OPERATING BUDGET				2021 - 2030 10-YEAR CAPITAL PLAN			
\$ Millions	2021	2022	2023	\$ Millions	2021	2022-2030	Total
Revenues	\$4.7	\$2.6	\$2.6	Gross Expenditures	\$66.9	\$275.4	\$342.3
Gross Expenditures	\$16.5	\$15.6	\$15.8	Debt	\$0.0	\$0.0	\$0.0
Net Expenditures	\$11.8	\$13.0	\$13.2	Note: Includes 2020 carry forward funding to 2021			
Approved Positions	101.6	101.6	101.6				

## How Well We Are Doing – Behind the Numbers



- 2018 GHG Emissions increase was driven by a colder winter and the Provincial decision to eliminate conservation, renewables and sustainability initiatives that led to increased natural gas powered generation.
- Achieving Net-Zero requires electricity generation to move away from fossil fuels.
- The Net-Zero strategy is in development and will provide a plan to achieve Net-Zero by 2050 or sooner.
- Investments are being made through existing TransformTO initiatives to reduce emissions in Toronto.

## How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
<b>Service Level Measures</b>								
Environment & Energy Division	Community-wide floor space energy derived from renewable or low-carbon thermal energy (m2)	4,000,000	4,000,000	4,000,000	4,000,000	4,100,000	4,500,000	●
Environment & Energy Division	% of Reduction in CO2 emissions to environment relative to 1990 level	37%			Targets: 30% by 2020 65% by 2030 Net-zero by 2050 or sooner			●
Environment & Energy Division	Average GHG Intensity (kg CO2/m2) of new building development applications	19	19	19	19	18	15	●
Environment & Energy Division	Level of interest (grants approved) in EED community grant programs: Eco-Roof Incentive Program, PollinateTO, Waste Reduction Community Grants, Neighbourhood Climate Action Grants	183	804	402	402	200	100	●

**COVID-19 IMPACT AND RECOVERY**

2020 Impact	2021 Impact and Recovery
<p><b>Financial Impact (Operating)</b></p> <p>Although staff continued to implement the TransformTO strategy in 2020, due to COVID-19, work was scaled back to address the pandemic response. The financial impacts from COVID-19 were:</p> <ul style="list-style-type: none"> <li>• \$1.2 million underspending on salaries &amp; benefits due to unplanned vacancies as a result of prioritizing resources to address the COVID-19 pandemic. This includes unplanned vacancies of positions approved through the 2020 budget as part of TransformTO.</li> <li>• \$1.4 million of contracted services for professional services and technical expertise in support of TransformTO objectives, which were not able to be procured as resources were prioritized to focus on COVID-19 response initiatives</li> </ul>	<p><b>Financial Impact (Operating)</b></p> <ul style="list-style-type: none"> <li>• Salaries &amp; Benefits are aligned to staffing plans after accounting for the on-going impacts of the COVID-19 pandemic expected to continue into 2021. This is expected to result in a reduction of \$1.0 million in salaries and benefits.</li> </ul>
<p><b>Financial Impact (Capital)</b></p> <ul style="list-style-type: none"> <li>• \$3.8 million from the <i>Renewable Thermal Energy Program</i> was deferred from 2020 to 2021 as procurement resources were prioritized to focus on COVID-19 response initiatives.</li> </ul>	<p><b>Financial Impact (Capital)</b></p> <ul style="list-style-type: none"> <li>• 2021 requested cash flows have been updated to align with current plans.</li> </ul>
<p><b>Service Level Changes</b></p> <ul style="list-style-type: none"> <li>• Development of the Strategy to Achieve Net-Zero was delayed. The EED will provide a strategy development update in 2021.</li> </ul>	<p><b>Service Level Changes</b></p> <ul style="list-style-type: none"> <li>• Development of the Net-Zero strategy has been delayed. Timelines are being revised due to the COVID-19 pandemic and the EED will provide an update on strategy development in 2021. The 2021 update will provide technical scenario analysis, and a path-way to net-zero GHG emissions by 2050 or sooner.</li> </ul>

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

The EED has supported City Agencies, Corporations and Divisions with adoption of TransformTO. Implementation of these climate action projects is now underway in Parks, Forestry & Recreation, Corporate Real Estate Management, Children's Services, Solid Waste Management, Toronto Paramedic Services, Toronto Community Housing Corporation (TCHC), and others, which will reduce the City's carbon footprint. We are also seeing TransformTO impacts in the community with developers, private sector building owners, residents and community organizations implementing TransformTO in consultation with EED.

#### Climate Action & Resilience in Buildings

- Funded energy and heating resilience at 49 TCHC buildings using recoverable debt and funded 57,047m<sup>3</sup> of eco-roof area
- Formally launched the Green Will Initiative
- Council approved Toronto's first Wastewater Energy Transfer project which will reduce over 7,500 tonnes of GHG and decarbonise a hospital by 90%
- Implemented photovoltaic (PV) and battery storage resilience project at Toronto Paramedic Services Station 46, began deep retrofits at Waterfront Neighbourhood Centre & Toronto Paramedic Services Headquarters which will reduce emissions by 80% and 72%, respectively

#### Outreach & Engagement

- Recruited and trained 143 volunteers on TransformTO programs and implementation strategies
- Advanced Smart Commute through a Memorandum of Understanding (MOU) with 5 regional municipalities, BikeShare discounts for hospital workers, creation of a Smart Commute Resource Guide and the launch of surveys to engage clients and employees regarding commuting needs during and post COVID-19

#### Policy & Research

- In 2020, the EED developed and implemented phase 1 of the Climate Lens for City capital projects, completed mandatory regulatory reporting to the Federal and Provincial governments, and collaborated on the successful reporting of the City's Green Bond program
- Continued development of the City's Net-Zero strategy by 2050 or sooner in response to Council's Climate Emergency Declaration, and City Council unanimously approved the City's first Electric Vehicle Strategy
- Participated in international organizations including Carbon Neutral Cities Alliance and C40 Cities to leverage best practices and minimize repetition of efforts amongst major municipalities.

### Key Challenges and Risks

- COVID-19 will continue to present challenges in 2021 and the EED will continue to support the City's recovery. This requires a scaling back of deliverables in 2021
- Political uncertainty and changing priorities at the provincial and federal level present challenges to developing and delivering programs that leverage funding or services from those governments. Reduction of CO<sub>2</sub> emissions in Toronto is also dependent on the provincial government's reliance on fossil fuels for electricity generation
- Outreach efforts must be scaled to reach a broader audience across the City and encourage wide-spread changes in behavior. Changing behaviors through outreach is challenging when there are differing public views on the need for climate change mitigation and adaptation, as well as the validity of climate change science.

### Priority Actions

- Enable residents, businesses and building owners to change behaviors and take action towards meeting the overall target of Net-Zero emissions before 2050 through leadership, creating partnerships, providing advice, and the promotion of sustainable solutions
- Continue to oversee the implementation of TransformTO as it relates to the Net-Zero strategy
- Raise the bar for new construction by advancing leading edge new construction standards, target Net-Zero energy through the Toronto Green Standard, and create strategic partnerships with the private sector and other partners.
- Continue TransformTO community engagement, Live Green Toronto activities, networks and communication channels, and delivering award-winning programs like Live Green Toronto and Smart Commute to provide residents, businesses, building owners and Divisions with the information and tools needed to understand how they can minimize their environmental impact.

**RECOMMENDATIONS**

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

1. City Council approve the 2021 Operating Budget for Environment and Energy of \$16.497 million gross, \$4.654 million revenue and \$11.843 million net for the following services:

**Service:**

	<b>Gross Expenditures (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Environment & Energy	16,496.7	4,654.0	11,842.7
<b>Total Program Budget</b>	<b>16,496.7</b>	<b>4,654.0</b>	<b>11,842.7</b>

2. City Council approve the 2021 staff complement for Environment and Energy of 101.6 positions comprised of 2.0 capital positions and 99.6 operating positions.
3. City Council approve 2021 Capital Budget for Environment & Energy with cash flows and future year commitments totaling \$77.813 million as detailed by project in Appendix 6a.
4. City Council approve the 2022-2030 Capital Plan for Environment & Energy totalling \$264.500 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

**Environment & Energy Division:**

**Jim Baxter**

Director, Environment & Energy

Tel: (416) 338-1295

Email: [Jim.Baxter@toronto.ca](mailto:Jim.Baxter@toronto.ca)

**Corporate:**

**Marie Barcellos**

Manager, Financial Planning

Tel: (416) 392-8393

Email: [Marie.Barcellos@toronto.ca](mailto:Marie.Barcellos@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 Base Budget	2021 New / Enhanced	2021 Budget	Change v. 2020 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
Environment & Energy	1,809.6	4,263.6	2,647.6	4,654.0		4,654.0	2,006.4	75.8%
<b>Total Revenues</b>	<b>1,809.6</b>	<b>4,263.6</b>	<b>2,647.6</b>	<b>4,654.0</b>		<b>4,654.0</b>	<b>2,006.4</b>	<b>75.8%</b>
<b>Expenditures</b>								
Environment & Energy	11,932.0	17,294.7	12,867.4	16,496.7		16,496.7	3,629.3	28.2%
<b>Total Gross Expenditures</b>	<b>11,932.0</b>	<b>17,294.7</b>	<b>12,867.4</b>	<b>16,496.7</b>		<b>16,496.7</b>	<b>3,629.3</b>	<b>28.2%</b>
<b>Net Expenditures</b>	<b>10,122.4</b>	<b>13,031.1</b>	<b>10,219.8</b>	<b>11,842.7</b>		<b>11,842.7</b>	<b>1,622.9</b>	<b>15.9%</b>
<b>Approved Positions</b>	<b>83.6</b>	<b>101.6</b>	<b>101.6</b>	<b>101.6</b>		<b>101.6</b>		

\*2020 Projection based on Q3 Variance Report

### COSTS TO MAINTAIN EXISTING SERVICES

**Total 2021 Base Budget** expenditures of \$16.497 million gross reflecting an increase of \$3.629 million in spending above 2020 projected year-end actuals, predominantly arising from:

- Salaries & Benefits aligned to staffing plans after accounting for the on-going impacts of COVID-19. As fewer staff are redeployed to address City-wide operational needs from the pandemic and accounting for filling required vacancies, the budget reflects greater spending over the 2020 forecast.
- Consultant and other external contracts required to progress TransformTO short term strategies, accelerate the Climate Action Plan and develop the plan to achieve Net-Zero before 2050. Underspending from COVID Impacts in 2020 are not expected to continue into 2021 as access to procurement resources improves.
- Budget related to the Eco-Roof and Pollinator Protect Strategy as a result of increased participation in grant program based on historical experience, funded by reserves.

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

- 2021 Base Budget totalling \$11.843 million in net expenditures reflects a \$1.188 million net decrease below the 2020 Council approved Budget.**

### COSTS TO ENHANCE SERVICES

There are no **New and Enhanced Service** requests.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in Environment and Energy's 2021 Operating Budget do not have any significant equity impacts.



**2021 OPERATING BUDGET KEY DRIVERS**

The 2021 Operating Base Budget for Environment & Energy Service is \$3.629 million gross or 28.2% 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	
					\$	%
<b>Expenditures</b>						
1 Salaries and Benefits	8,268.2	10,034.7	10,034.7	9,947.1	(87.5)	-0.9%
2 COVID-19 Impact			(4,724.4)	(1,030.4)	3,694.0	-78.2%
3 Service and Rent	2,837.1	6,020.9	6,020.9	6,020.9		
4 Contribution to Reserve Funds	59.3	42.7	377.9	362.7	(15.2)	-4.0%
5 Contributions & Transfers	670.6	1,131.9	852.4	1,131.9	279.5	32.8%
6 Other Expenditures	96.9	64.5	305.9	64.5	(241.4)	-78.9%
<b>Total Expenditures</b>	<b>11,932.0</b>	<b>17,294.7</b>	<b>12,867.4</b>	<b>16,496.7</b>	<b>3,629.3</b>	<b>28.2%</b>
<b>Revenues</b>						
1 Fees, Service Charges	757.3	132.8	195.3	132.8	(62.5)	-32.0%
2 Capital Fund Transfer	217.8	216.1	162.4	216.1	53.6	33.0%
3 COVID-19 Impact			(2,063.1)		2,063.1	-100.0%
4 Draw from Reserve Funds	601.7	3,379.4	3,321.8	3,379.4	57.6	1.7%
5 Other Revenues (incl. IDR)	232.8	535.3	1,031.2	925.7	(105.5)	-10.2%
<b>Total Revenues</b>	<b>1,809.6</b>	<b>4,263.6</b>	<b>2,647.6</b>	<b>4,654.0</b>	<b>2,006.4</b>	<b>75.8%</b>
<b>Net Expenditures</b>	<b>10,122.4</b>	<b>13,031.1</b>	<b>10,219.8</b>	<b>11,842.7</b>	<b>1,622.9</b>	<b>15.9%</b>
<b>Approved Positions</b>	<b>83.6</b>	<b>101.6</b>	<b>101.6</b>	<b>101.6</b>		

\*2020 Projection based on Q3 Variance Report

**Salaries & Benefits:**

The change against the 2020 projection includes net inflationary increases and increases outlined in collective agreements for staffed positions as well as anticipated positions to be filled in 2021 which were held vacant in 2020 due to the COVID-19 pandemic. These increases have been offset by reductions to account for vacancies in 2021 resulting from the City's continued response and recovery to the COVID-19 pandemic, cancellation of non-union performance pay, and savings from the voluntary separation program.

**COVID-19 Impacts:**

COVID Impacts related to contracted services are not expected to continue into 2021 due to improved access to procurement resources and fewer staff redeployments. Savings from salaries & benefits will continue at a lower amount into 2021 as a result of the COVID-19 pandemic response and recovery.

**Services and Rents:**

Includes consultants and other external contracts required to advance the TransformTO short-term strategies, advance the Climate Action Plan and develop the City's plan to achieve Net-Zero greenhouse gas emissions before 2050.

**Contributions and Transfers & Other Expenditures:**

Budgetary requirements to address the expected demand in Eco-Roof grants, based on historical experience, as well as the new PollinateTO pilot program, both of which are funded by reserves.

**Revenue Changes:**

The increase against the 2020 projection is primarily due to recoveries of expenses from reserve funds for programs that were impacted by the COVID-19 pandemic in 2020.

**Table 2b: 2021 Balancing Actions**

		(\$000s)						
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Voluntary Separation Program savings	Efficiencies		(82.6)	(82.6)				
<b>Total Balancing Actions</b>			(82.6)	(82.6)	-			-

**2021 Balancing Actions**

- Environment and Energy will realize a savings of \$0.083M as a result of staff participation in the Voluntary Separation Program.

**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	2,647.6	4,654.0	2,609.0	2,609.0
Gross Expenditures	12,867.4	16,496.7	15,648.4	15,783.2
<b>Net Expenditures</b>	<b>10,219.8</b>	<b>11,842.7</b>	<b>13,039.4</b>	<b>13,174.2</b>
<b>Approved Positions</b>	<b>101.6</b>	<b>101.6</b>	<b>101.6</b>	<b>101.6</b>

**Key drivers**

The 2022 Outlook with total gross expenditures of \$15.648 million reflects an anticipated \$0.848 million or 5.14 per cent decrease in gross expenditures above the 2021 Operating Budget; The 2023 Outlook reflects an increase of \$0.135 million or 0.86 per cent above 2022 gross expenditures.

These changes arise from the following:

- **Salaries and Benefits**

Increase in Salaries and benefits reflective of collective agreement obligations and filled vacancies. **(2022 & 2023)**

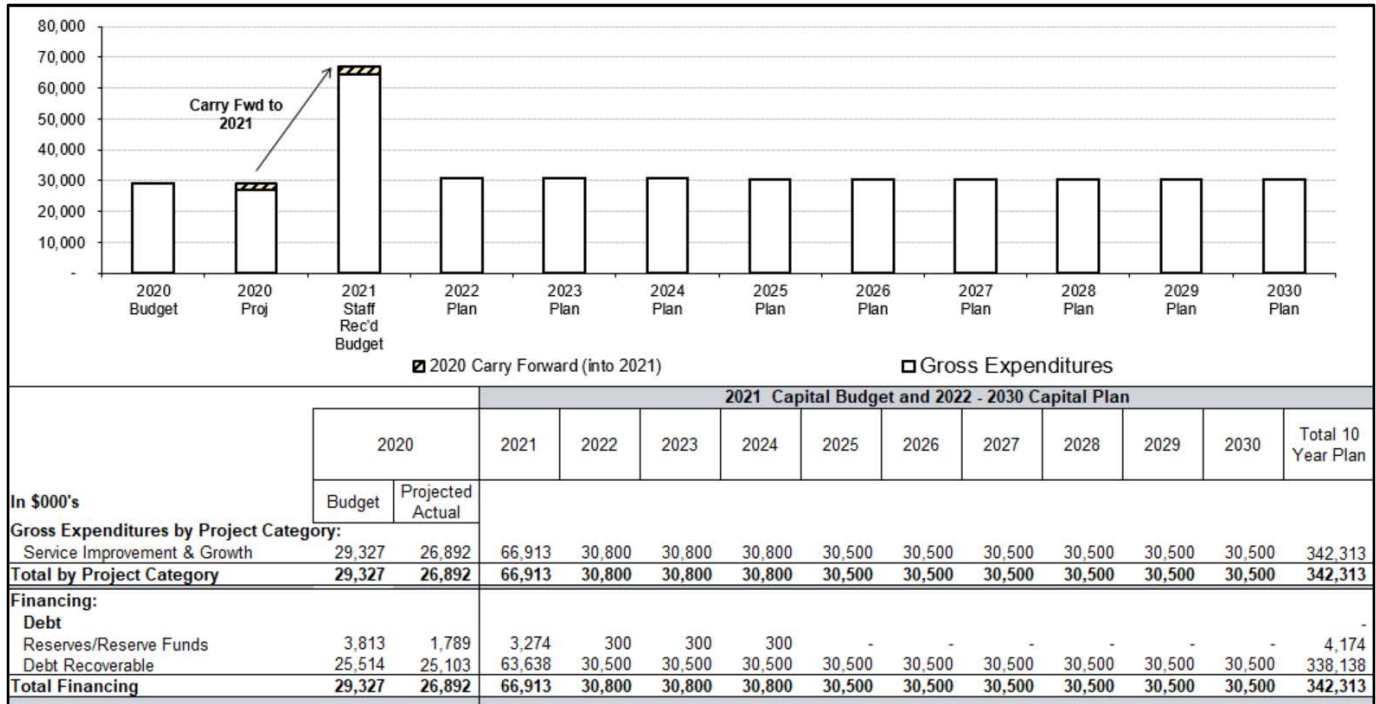
- **Reserve funded programs**

Decrease in revenue from programs funded by reserves with an offsetting reduction in gross expenditures to align with available funding in the respective reserve funds. **(2022 & 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**

- The 2021-2030 capital budget and plan does not include changes to existing projects.
- \$17.8M in existing projects will carry over into 2021, including:
  - \$3.8M in the *Renewable Thermal Energy Program* as procurement resources were prioritized to focus on COVID-19 response initiatives
  - \$14M in TCHC *CHP* as savings from procurement will allow scope to be expanded to include renewables in 2021

**New Projects**  
(\$50.150 Million)




- Transform TO - *Renewable Thermal Energy Program* (\$8.0M) to install renewable energy on City buildings;
- Low interest financing to enable community energy projects that reduce emissions for existing building (\$10.0M) and new development (\$30.0M)
- *Residential Energy Retrofit Program (HELP)* (\$2.15M) to enable home energy improvements through low-interest financing.

**Note:**

For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2021 and 2022-2030 Capital Budget & Plan by project.

**2021 – 2030 CAPITAL BUDGET AND PLAN**

**\$342.3 Million 10-Year Gross Capital Program**

		
<b>Support Energy Efficiency</b>	<b>Reducing GHG Emissions</b>	<b>Environmental &amp; Resilience Program Delivery</b>
\$17.8 M 5%	\$224.1 M 66%	\$100.4 M 29%
<i>Toronto Community Housing Corp (TCHC) Retrofits Residential Energy Retrofit Program (HELP)</i>	<i>Transform TO Renewable Energy Program New Development Sustainable Energy Plan Financing Combined Heat &amp; Power (CHP) District Energy Systems</i>	<i>Community Energy Planning Existing Building Retrofits</i>

**How the Capital Program is Funded**

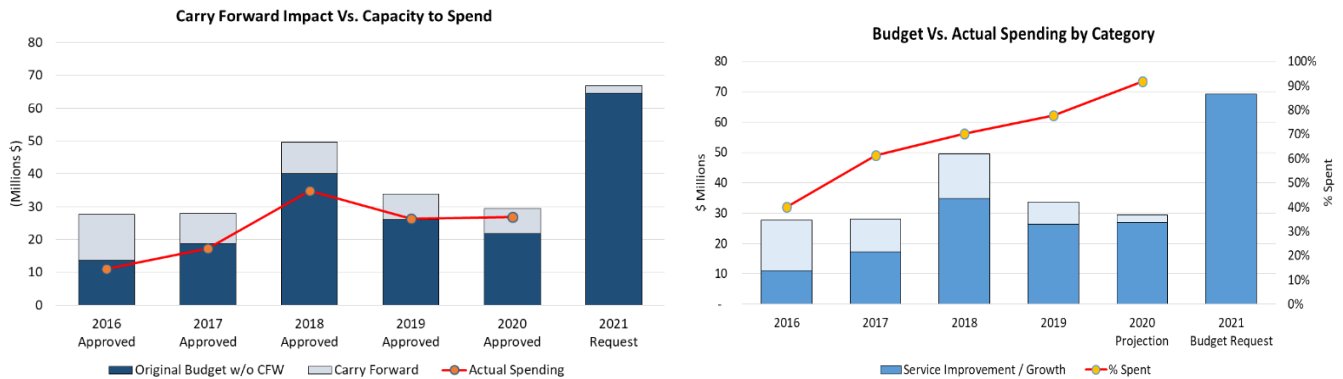
City of Toronto		Provincial Funding	Federal Funding
<b>\$342.313 M 100%</b>		<b>\$0 M 0%</b>	<b>\$0 M 0%</b>
Recoverable Debt	\$ 338.138 M		
Reserve Draws	\$ 4.174 M		

**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 Environment & Energy'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**

Based on the review of historical capital spending constraints and a capacity to spend review, key adjustments to the Capital Plan are noted below:

- The 2021 capital budget represents a \$37.6 million increase over 2020 and is primarily due to:
  - \$8.0 million in loans for installation of renewable energy systems to existing buildings with deep retrofit potential to achieve TransformTO Leading by Example targets. Multiple measures include solar photovoltaic (PV) system, geothermal system, controls optimization and various other measures resulting in GHG emissions reduction, energy use and energy cost reductions.
  - \$28 million in low interest financing to enable community energy projects that reduce emissions for existing buildings (\$3.0M) and new developments (\$25.0M). As these programs have become more mature, a baseline demand can be established which is used to establish the capital plan.
- 2021-2030 includes an increase in \$193M over the same period in last year's approved capital plan which includes increases for sustainable energy plan financing for new developments, renewable energy projects, as well as residential energy retrofit program, all funded by recoverable debt and reserve funds.

# APPENDICES



## Appendix 1

### COVID-19 Financial Impact - Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
<b>Savings due to Underspending</b>						
Salaries & Benefits	(71.4)	(1,314.8)	(1,243.4)		(1,030.4)	(1,030.4)
External contracts	(1,991.7)	(3,409.6)	(1,417.9)			
<b>Sub-Total</b>	<b>(2,063.1)</b>	<b>(4,724.4)</b>	<b>(2,661.3)</b>		<b>(1,030.4)</b>	<b>(1,030.4)</b>
<b>Total COVID-19 Impact</b>	<b>(2,063.1)</b>	<b>(4,724.4)</b>	<b>(2,661.3)</b>		<b>(1,030.4)</b>	<b>(1,030.4)</b>

## Appendix 2

### 2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018	2019	2020	2020	2021	2021 Change from 2020 Projected Actual	
	Actual** \$	Actual** \$	Budget \$	Projection* \$	Total Budget \$	\$	%
Federal Subsidies	145.0		93.5	93.5	93.5		
User Fees & Donations	779.3	757.3	132.8	195.3	132.8	(62.5)	(32.0%)
Transfers From Capital	81.1	217.8	216.1	162.4	216.1	53.6	33.0%
Contribution From Reserves/Reserve Funds	1,000.0	601.7	3,379.4	1,330.1	3,379.4	2,049.3	154.1%
Sundry and Other Revenues	949.1	232.8	360.3	866.3	749.9	(116.4)	(13.4%)
Inter-Divisional Recoveries			81.4		82.2	82.2	
<b>Total Revenues</b>	<b>2,954.5</b>	<b>1,809.6</b>	<b>4,263.6</b>	<b>2,647.6</b>	<b>4,654.0</b>	<b>2,006.4</b>	<b>75.8%</b>
Salaries and Benefits	6,810.2	8,268.2	10,034.7	8,719.9	8,916.7	196.8	2.3%
Materials & Supplies	137.8	53.2	17.8	30.0	17.8	(12.2)	(40.7%)
Equipment	147.6	43.7	46.7	28.5	46.7	18.2	64.1%
Service and Rent	2,291.5	2,837.1	6,020.9	2,611.3	6,020.9	3,409.6	130.6%
Contribution To Reserves/Reserve Funds	32.4	59.3	42.7	377.9	362.7	(15.2)	(4.0%)
Contribution & Transfers	1,226.1	670.6	1,131.9	852.4	1,131.9	279.5	32.8%
Other Expenditures				247.5		(247.5)	(100.0%)
<b>Total Gross Expenditures</b>	<b>10,645.5</b>	<b>11,932.0</b>	<b>17,294.7</b>	<b>12,867.4</b>	<b>16,496.7</b>	<b>3,629.3</b>	<b>28.2%</b>
<b>Net Expenditures</b>	<b>7,691.0</b>	<b>10,122.4</b>	<b>13,031.1</b>	<b>10,219.8</b>	<b>11,842.7</b>	<b>1,622.9</b>	<b>15.9%</b>
<b>Approved Positions</b>	<b>80.3</b>	<b>83.6</b>	<b>101.6</b>	<b>101.6</b>	<b>101.6</b>		

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

\*\* Prior Year Budget and 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**

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	Growth & Improved Service
EE01	Community Energy Planning	437										437	437
EE02	Toronto Community Housing (TCHC) Retrofits	14,000										14,000	14,000
EE03	Residential Energy Retrofit Program (HELP)	2,837	300	300	300							3,737	3,737
EE04	New Development Sustainable Energy Plan Financing	25,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	115,000	115,000
EE05	Renewable Thermal Energy Program	14,638	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	59,638	59,638
EE06	Community Initiatives - Existing Building Retrofits	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	100,000
EE07	Combined Heat & Power (CHP)		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	27,000	27,000
EE08	District Energy Systems		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000	18,000
EE09	Renewable Energy Program - Georexchange		500	500	500	500	500	500	500	500	500	4,500	4,500
<b>Total Expenditures (including carry forward from 2020)</b>		<b>66,913</b>	<b>30,800</b>	<b>30,800</b>	<b>30,800</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>342,313</b>	<b>342,313</b>

### 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	New w/ Future Year
EE01	Community Energy Planning	437										437	437	
EE02	Toronto Community Housing (TCHC) Retrofits	14,000										14,000	14,000	
EE03	Residential Energy Retrofit Program (HELP)	2,837	300	300	300							3,737	1,587	2,150
EE04	New Development Sustainable Energy Plan Financing	25,000	5,000									30,000		30,000
EE05	Renewable Thermal Energy Program	14,638	5,000									19,638	11,638	8,000
EE06	Community Initiatives - Existing Building Retrofits	10,000										10,000		10,000
<b>Total Expenditure (including carry forward from 2020)</b>		<b>66,913</b>	<b>10,300</b>	<b>300</b>	<b>300</b>							<b>77,813</b>	<b>27,663</b>	<b>50,150</b>

## 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	Growth & Improved Service
EE04	<i>New Development Sustainable Energy Plan Financing</i>	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	<b>85,000</b>	<b>85,000</b>
EE05	<i>Renewable Thermal Energy Program</i>		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	<b>40,000</b>	<b>40,000</b>
EE06	<i>Community Initiatives - Existing Building Retrofits</i>	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	<b>90,000</b>	<b>90,000</b>
EE07	<i>Combined Heat &amp; Power (CHP)</i>	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	<b>27,000</b>	<b>27,000</b>
EE08	<i>District Energy Systems</i>	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	<b>18,000</b>	<b>18,000</b>
EE09	<i>Renewable Energy Program - Geexchange</i>	500	500	500	500	500	500	500	500	500	<b>4,500</b>	<b>4,500</b>
<b>Total Expenditures</b>		<b>20,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>30,500</b>	<b>264,500</b>	<b>264,500</b>

## **Appendix 7**

### **Reporting on Major Capital Projects: Status Update**

N/A

## **Appendix 8**

### **Summary of Capital Needs Constraints**

(In \$ Millions)

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	2021	2022	2023
<b>XQ1502</b>			
Beginning Balance	1,818	1,397	722
Vehicle Reserve - Facilities & Real Estate			
<i>Withdrawals (-)</i>			
Environment & Energy Withdrawals - Operating	0	0	0
Other Division/Agency Withdrawals - Operating	0	0	0
Environment & Energy Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	-424	-951	-899
<b>Total Withdrawals</b>	<b>-424</b>	<b>-951</b>	<b>-899</b>
<i>Contributions (+)</i>			
Environment & Energy Operating Contributions	3	3	3
Other Division/Agency Contributions - Operating	0	273	273
Contributions - Other	0	0	0
<b>Total Contributions</b>	<b>3</b>	<b>276</b>	<b>276</b>
<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-421</b>	<b>-675</b>	<b>-623</b>
<b>Balance at Year-End</b>	<b>1,397</b>	<b>722</b>	<b>100</b>
<b>XR1723</b>			
Beginning Balance	5,228	4,292	3,356
Eco-Roof Financial Assistance			
<i>Withdrawals (-)</i>			
Environment & Energy Withdrawals - Operating	-945	-945	-945
Other Division/Agency Withdrawals - Operating	0	0	0
Environment & Energy Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	0	0	0
<b>Total Withdrawals</b>	<b>-945</b>	<b>-945</b>	<b>-945</b>
<i>Contributions (+)</i>			
Environment & Energy Contributions - Operating	0	0	0
Other Division/Agency Contributions - Operating	0	0	0
Contributions - Other	0	0	0
<b>Total Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-945</b>	<b>-945</b>	<b>-945</b>
Interest Income	10	9	10
<b>Balance at Year-End</b>	<b>4,292</b>	<b>3,356</b>	<b>2,420</b>
<b>XR1732</b>			
Beginning Balance	286	116	117
Pollinator Protection			
<i>Withdrawals (-)</i>			
Environment & Energy Withdrawals - Operating	-170	0	0
Other Division/Agency Withdrawals - Operating	0	0	0
Environment & Energy Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	0	0	0
<b>Total Withdrawals</b>	<b>-170</b>	<b>0</b>	<b>0</b>
<i>Contributions (+)</i>			
Environment & Energy Contributions - Operating	0	0	0
Other Division/Agency Contributions - Operating	0	0	0
Contributions - Other	0	0	0
<b>Total Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-170</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	0
<b>Balance at Year-End</b>	<b>116</b>	<b>117</b>	<b>117</b>

Note: Drawdowns in 2022 and 2023 will be increased upon confirmation of grant funding.



Reserve / Reserve Fund Name	2021	2022	2023
<b>XR3029</b>			
Conservation Management			
<b>Beginning Balance</b>	1,503	305	155
<i>Withdrawals (-)</i>			
Environment & Energy Withdrawals - Operating	-1,200	-150	-150
Other Division/Agency Withdrawals - Operating	0	0	0
Environment & Energy Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	0	0	0
<b>Total Withdrawals</b>	<b>-1,200</b>	<b>-150</b>	<b>-150</b>
<i>Contributions (+)</i>			
Environment & Energy Contributions - Operating	0	0	0
Other Division/Agency Contributions - Operating	0	0	0
Contributions - Other	0	0	0
<b>Total Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-1,200</b>	<b>-150</b>	<b>-150</b>
Interest Income	2	1	0
<b>Balance at Year-End</b>	<b>305</b>	<b>155</b>	<b>6</b>

Note: Drawdowns in 2022 and 2023 will be increased upon confirmation of grant funding.

### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name	2021	2022	2023
<b>XQ0703</b>			
Tax Rate Stabilization			
<b>Beginning Balance</b>	322,935	343,351	368,926
<i>Withdrawals (-)</i>			
Environment & Energy Withdrawals - Operating	-825	0	0
Other Division/Agency Withdrawals - Operating	-6,798	-2,464	-2,464
Environment & Energy Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	0	0	0
<b>Total Withdrawals</b>	<b>-7,623</b>	<b>-2,464</b>	<b>-2,464</b>
<i>Contributions (+)</i>			
Environment & Energy Contributions - Operating	0	0	0
Other Division/Agency Contributions - Operating	28,039	28,039	28,039
Contributions - Other	0	0	0
<b>Total Contributions</b>	<b>28,039</b>	<b>28,039</b>	<b>28,039</b>
<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>20,416</b>	<b>25,575</b>	<b>25,575</b>
<b>Balance at Year-End</b>	<b>343,351</b>	<b>368,926</b>	<b>394,501</b>

Reserve / Reserve Fund Name	2021	2022	2023
<b>XR1010</b>			
Insurance			
<b>Beginning Balance</b>	30,142	14,678	18
<i>Withdrawals (-)</i>			
Environment & Energy Withdrawals - Operating	0	0	0
Other Division/Agency Withdrawals - Operating	-77,745	-79,851	-82,069
Environment & Energy Withdrawals - Capital	0	0	0
Other Division/Agency Withdrawals - Capital	-389	0	0
<b>Total Withdrawals</b>	<b>-78,134</b>	<b>-79,851</b>	<b>-82,069</b>
<i>Contributions (+)</i>			
Environment & Energy Operating Contributions	24	24	24
Other Division/Agency Contributions - Operating	62,599	65,150	84,596
Contributions - Other	0	0	0
<b>Total Contributions</b>	<b>62,623</b>	<b>65,174</b>	<b>84,620</b>
<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-15,511</b>	<b>-14,677</b>	<b>2,551</b>
Interest Income	47	17	4
<b>Balance at Year-End</b>	<b>14,678</b>	<b>18</b>	<b>2,573</b>

Reserve / Reserve Fund Name		2021	2022	2023
XR1724	<b>Beginning Balance</b>	5,399	636	-1,597
Local Improvement Charge Energy Works	<i>Withdrawals (-)</i>			
	Environment & Energy Withdrawals - Operating	-239	-239	-239
	Other Division/Agency Withdrawals - Operating	-1,693	-1,694	-1,695
	Environment & Energy Withdrawals - Capital	-2,837	-300	-300
	Other Division/Agency Withdrawals - Capital	0	0	0
	<b>Total Withdrawals</b>	<b>-4,769</b>	<b>-2,233</b>	<b>-2,234</b>
	<i>Contributions (+)</i>			
	Environment & Energy Contributions - Operating	0	0	0
	Other Division/Agency Contributions - Operating	0	0	0
	Contributions - Other	0	0	0
	<b>Total Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-4,769</b>	<b>-2,233</b>	<b>-2,234</b>
	Interest Income	6	0	0
	<b>Balance at Year-End</b>	<b>636</b>	<b>-1,597</b>	<b>-3,830</b>

Note: Third party funding is anticipated but not yet confirmed. Once funding is secured, reserve balance will be positive. If funding is not secured, the associated expenditures will be reduced to match available funds.

**Inflows and Outflows to/from Reserves and Reserve Funds**

**2021 – 2030 Capital Budget and Plan**

**Program Specific Reserve / Reserve Funds**

**Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2021	2022	2023	2024 ∞	2025 ∞	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞
XR1715	Beginning Balance	2,779	2,347	2,353	2,360	2,380	2,412	2,450	2,489	2,528	2,568
Energy Conservation	<i>Withdrawals (-)</i>										
	Environment & Energy Withdrawals - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Operating	0	0	0	0	0	0	0	0	0	0
	Environment & Energy Withdrawals - Capital	-437	0	0	0	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Capital	0	0	0	0	0	0	0	0	0	0
	<b>Total Withdrawals</b>	<b>-437</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<i>Contributions (+)</i>										
	Environment & Energy Operating Contributions	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Contributions - Operating	0	0	0	0	0	0	0	0	0	0
	Contributions - Other	0	0	0	0	0	0	0	0	0	0
	<b>Total Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-437</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Interest Income	5	5	8	20	32	38	39	39	40	41
	<b>Balance at Year-End</b>	<b>2,347</b>	<b>2,353</b>	<b>2,360</b>	<b>2,380</b>	<b>2,412</b>	<b>2,450</b>	<b>2,489</b>	<b>2,528</b>	<b>2,568</b>	<b>2,608</b>

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

Reserve / Reserve Fund Name		Contributions / (Withdrawals)									
		2021	2022	2023	2024 ∞	2025 ∞	2026 ∞	2027 ∞	2028 ∞	2029 ∞	2030 ∞
XR1724	Beginning Balance	5,399	636	-1,597	-3,830	-6,064	-7,998	-9,932	-11,866	-13,800	-15,733
Local Improvement Charge Energy Works	<i>Withdrawals (-)</i>										
	Environment & Energy Withdrawals - Operating	-239	-239	-239	-239	-239	-239	-239	-239	-239	-239
	Other Division/Agency Withdrawals - Operating	-1,693	-1,694	-1,695	-1,695	-1,695	-1,695	-1,695	-1,695	-1,695	-1,695
	Environment & Energy Withdrawals - Capital	-2,837	-300	-300	-300	0	0	0	0	0	0
	Other Division/Agency Withdrawals - Capital	0	0	0	0	0	0	0	0	0	0
	<b>Total Withdrawals</b>	<b>-4,769</b>	<b>-2,233</b>	<b>-2,234</b>	<b>-2,234</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>
	<i>Contributions (+)</i>										
	Environment & Energy Contributions - Operating	0	0	0	0	0	0	0	0	0	0
	Other Division/Agency Contributions - Operating	0	0	0	0	0	0	0	0	0	0
	Contributions - Other	0	0	0	0	0	0	0	0	0	0
	<b>Total Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Reserve / Reserve Fund Draws / Contributions</b>	<b>-4,769</b>	<b>-2,233</b>	<b>-2,234</b>	<b>-2,234</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>	<b>-1,934</b>
	Interest Income	6	0	0	0	0	0	0	0	0	0
	<b>Balance at Year-End</b>	<b>636</b>	<b>-1,597</b>	<b>-3,830</b>	<b>-6,064</b>	<b>-7,998</b>	<b>-9,932</b>	<b>-11,866</b>	<b>-13,800</b>	<b>-15,733</b>	<b>-17,667</b>

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

Note: Third party funding is anticipated but not yet confirmed. Once funding is secured, reserve balance will be positive in at least the next 3 years. If funding is not secured, the associated expenditures will be reduced to match available funds.

## 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.