

# 2021 Budget Notes

## Office of the Controller

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### Description

We provide effective financial and employee services to City Programs, Agencies and Corporations by establishing a robust internal control system with relevant processes and procedures to safeguard City assets; systematic and comprehensive recording of financial transactions, along with timely and accurate reporting of financial information; accurate and efficient pension, payroll and benefit services and procurement and materials management services that meet the needs of City divisions; and providing leadership in revenue billing and collection services.

### 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:

- City divisions and Council have access to accurate, compliant, relevant and complete financial information through up-to-date financial system.
- City revenues are sustained through timely, accurate, reliable and flexible billing and collection for property taxes, water and waste water services, solid waste collection, parking tickets, Municipal Land Transfer Tax.
- Toronto residents and businesses have access to reliable, secure and convenient payment options.
- Procurement of goods and services is accessible, timely and consistent for City services and suppliers, which enables City divisions to deliver services as planned.
- Vendors receive accurate and timely payments for the goods and/or services they provide the City.
- City employees and pensioners receive timely and accurate regular payments and benefits.
- City benefits are financially sustainable and meet the physical and mental health needs of employees.

*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

### Accounting Services

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

**What We Deliver:** Tax & Financial System Support, Sound accounting policy and advice, Compliant and Timely Financial Reporting, Payment Processing

**How Much Resources (gross operating budget): \$11.3M**

### Pension, Payroll & Employee Benefits

**Who We Serve:** Elected Officials, Staff - City of Toronto, Retired Staff – City of Toronto, OMERS Pension Boards & Committees

**What We Deliver:** Payroll, Employee & Retiree Benefits & OMERS Pension Compensation, Non-OMERS Pension Payroll,

**How Much Resources (gross operating budget): \$16.5M**

### Purchasing & Materials Management

**Who We Serve:** City divisions, Agencies and Corporations, Suppliers

**What We Deliver:** Purchasing, Materials Management Stores & Distribution

**How Much Resources (gross operating budget): \$18.6M**

### Revenue Services

**Who We Serve:** Property Owners, Registered Utility Account Holder, Parking Ticket Recipient, Staff - City Divisions, Business Improvement Area members

**What We Deliver:** Property Tax & Utility Billing; Municipal Land Transfer Tax; Municipal Accommodation Tax (Hotel and incoming Short Term Rentals) Parking Ticket, Operations; Tax, Utility & Parking Ticket Client Services; Revenue Accounting & Collection

**How Much Resources (gross operating budget): \$30.4M**

### Financial Control & Strategies

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

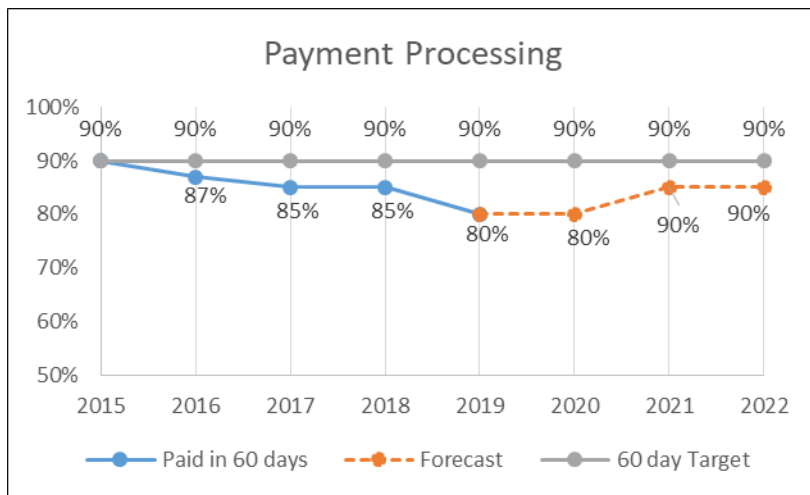
**What We Deliver:** Process improvement, financial control, financial policy and strategy

**How Much Resources (gross operating budget): \$5.8M**

## Budget at a Glance

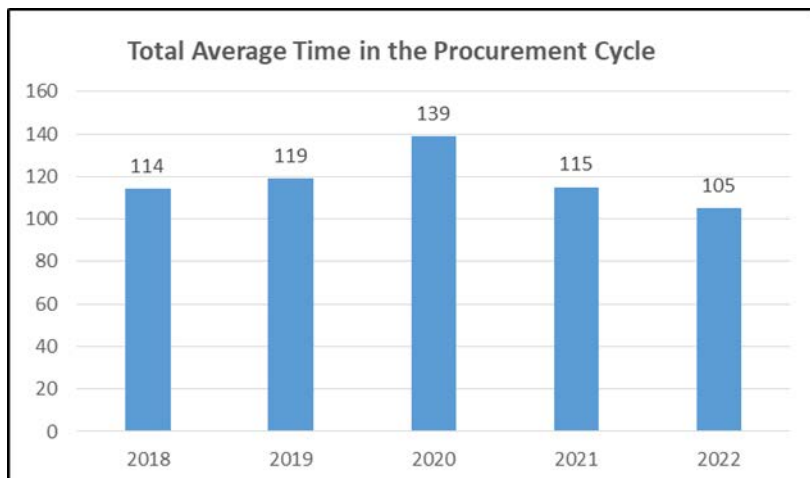
2021 OPERATING BUDGET				2021 - 2030 10-YEAR CAPITAL PLAN			
\$Millions	2021	2022	2023	\$Millions	2021	2022-2030	Total
Revenues	\$43.1	\$46.6	\$46.6	Gross Expenditures	\$75.1	\$100.8	\$175.9
Gross Expenditures	\$82.6	\$88.9	\$89.9	Debt	\$72.9	\$ 94.0	\$166.9
Net Expenditures	\$39.5	\$42.3	\$43.3	Note: Includes 2020 carry forward funding to 2021			
Approved Positions	733.0	731.0	731.0				

## How Well We Are Doing – Behind the Numbers



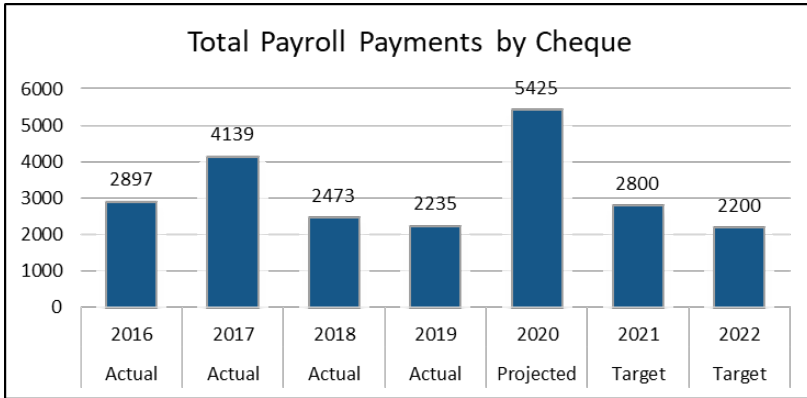
Timely payment processing creates a trusting relationship with our vendors. Vendors who are paid on time are more responsive to the City’s needs and more helpful when required. Timely payments avoid the many follow up activities that take up staff time and effort.

Payment processing activities are shared across the organization. While the Accounts Payable team in Accounting Services is responsible for invoice processing, Divisions provide evidence that goods and services are received as originally ordered and meet expectations through the provision of approvals and system required transactions that indicate that payment can be made.



The projected cycle time increased from 119 in 2019 to 139 days in 2020. This increase is a direct impact of COVID-19, which affected PMMD and City Divisions’ operations and priorities significantly during the period March through July 2020. With the resumption of more normalized service levels across the City in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2020, it is anticipated that the number of days for the end-to-end procurement cycle will improve in 2021, and the targets of 115 and 105 days are being established for 2021 and 2022 respectively. Further improvements and reduction in the cycle time is anticipated with the continued implementation of ARIBA modules and new functionality bringing additional efficiencies to the procurement process.

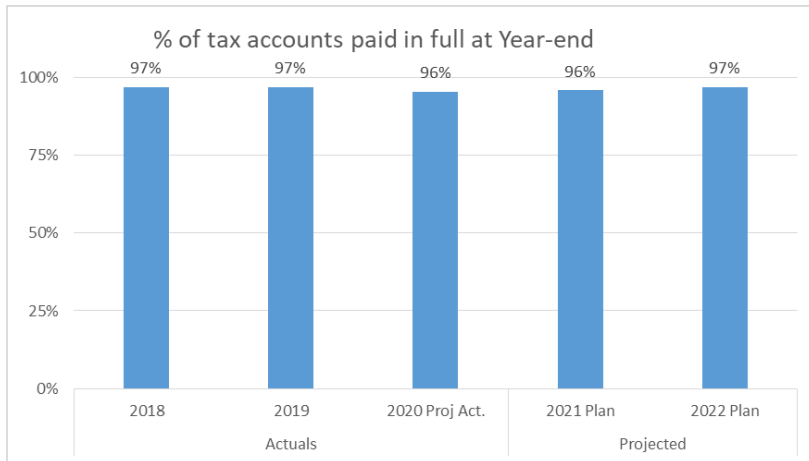
## How Well We Are Doing – Behind the Numbers



The number of payroll payment cheques increased in 2020 as a result of the impact COVID-19 had on employee movements specifically related to part-time recreation employees returning from emergency leave. In addition, hours for full time employees have been adjusted due to late reporting, including corrections in pandemic pay, etc.

Overall, despite 2020 the trend continues to decline year-over-year due to ongoing system enhancements to allow for the processing of most payroll payments through Direct Deposit.

Payments through Direct Deposit increase efficiency and provide a better employee experience by making funds available on a predictable timeline and without any effort from the employee.



The percentage of tax accounts paid in full each year from 2018 through 2020 has experienced a small reduction as a direct results from economic pressures from COVID-19 to fulfill property tax obligations for both residents and businesses.

The trend is expected to slowly increase from 2021 through 2022 as we financially recover from COVID-19.

### How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
<b>Outcome Measures</b>								
City divisions and Council have access to accurate, compliant, relevant and complete financial information	% of time financial statements and reports are available to decision-makers by June 30 <sup>th</sup> .	100% June 30	100% June 30	100% June 30	0% Nov 30	100% June 30	100% June 30	●
	% of compliance to PCI standards	100%	100%	100%	100%	100%	100%	●
Vendors receive accurate and timely payments for the goods and/or services they provide the City	90% of payments are made in 60 days	85%	80%	90%	80%	90%	90%	●
Procurement of goods and services is accessible, timely and consistent for city services and Suppliers.	# of days from the Requisition Date to the Purchase Order / Blanket Contract Date	114	119	110	139	115	105	●
City employees and pensioners receive timely and accurate regular payments and benefits.	% of time payroll cheque, direct deposit are made available to all employees by the close of business day on scheduled paydays, 100% of the time.	100%	100%	100%	100%	100%	100%	●

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
City revenues are sustained through timely, accurate, reliable and flexible billing and collection for property taxes, water and waste water services, solid waste collection, parking tickets, Municipal Land Transfer Tax	% of tax accounts paid in full at year end.	97%	97%	95.5%	95.5%	96%	97%	●
Toronto residents and businesses have access to reliable, secure and convenient payment options	% Electronic Payments (Tax, Utility, Parking tickets)	91.8%	92.1%	95%	95%	95%	95%	●
<b>Service Level Measures</b>								
Accounting Services	% of completion of monthly bank reconciliations 30 days after month end. Target: 100%.	100%	100%	100%	80%	100%	100%	●
	% of accounts receivable collected within 60 days. Target: 75%	75%	75%	75%	60%	75%	75%	●
Pension, Payroll & Employee Benefits	Total Payments by Cheque	2473	2235	3600	5425	2800	2200	●
	# of Active/Inactive Employees & Retirees with benefits	54,357	55,800	58,500	58,500	60,500	61,500	●

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Revenue Services	% of parking tickets processed within legislated timeframe	99.9%	99.9%	99.9%	99.5%	99.9%	99.9%	●
	% of property tax bills are prepared/issued within Council approved timeframes	100%	100%	100%	99.9%	100%	100%	●
Purchasing & Materials Management	Issuance of solicitation within 2-5 days from time of receipt of final approved document, 100 % of time	100%	100%	100%	100%	100%	100%	●
	Material requests issued and delivered within 5 business days	80%	75%	90%	80%	90%	95%	●
<b>Other Measures</b>								
Purchasing & Materials Management	Strategic Sourcing benefits (\$M)	N/A	\$1.11	\$9.47	\$9.47	\$39.08	\$15.26	●
	Inventory turnaround: Turn of inventory value at a rate of 4.25 times per year	5.2	8.5	5	5	5	5	●
	Cost to purchase \$100 of goods and services for the City	\$0.14	\$0.14	\$0.14	\$0.18	\$0.16	\$0.14	●

**COVID-19 IMPACT AND RECOVERY**

2020 Impact	2021 Impact and Recovery
<p><b>Financial Impact (Operating)</b></p> <ul style="list-style-type: none"> <li>• \$6.4 million projected loss of external user fee revenue due to COVID-19 enacted relief measures, reduction in property sale transactions, delays in processing and creating new property tax accounts</li> <li>• \$0.7 million projected loss of revenue due to the impact of pausing Late Payment and Vendor discount programs to prioritize PPE payments and cash flow management</li> <li>• \$0.5 million in additional costs for health and safety supplies and protocols</li> <li>• \$0.6 million in additional costs related to alternate (mailing) delivery of employee pay statements</li> <li>• \$0.9 million in additional costs for special mailing to notify property owners of change to property tax payment schedule</li> <li>• \$1.0 million in additional payroll costs for redeployment and OT costs.</li> <li>• \$4.2 million in projected cost savings in salaries and benefits due to hiring slowdown, emergency leave protocol.</li> </ul>	<p><b>Financial Impact (Operating)</b></p> <ul style="list-style-type: none"> <li>• Anticipated that full collection, property sales transactions and new property tax account activity will resume in 2021.</li> <li>• Anticipated that Late Payment and Vendor discount programs will resume in 2021.</li> <li>• \$1.1 million projected cost savings in salaries &amp; benefits due to hiring slowdowns.</li> <li>• \$0.6 million savings due to cancellation of non-union progression pay.</li> </ul>
<p><b>Financial Impact (Capital)</b></p> <p>COVID-19 impacted the following capital projects:</p> <ul style="list-style-type: none"> <li>• Parking Tag Mgmt S/W Upgrade</li> <li>• Tax Billing System</li> <li>• PPEB Transformation Program</li> <li>• Supply Chain Management Transformation</li> </ul>	<p><b>Financial Impact (Capital)</b></p> <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>
<p><b>Service Level Changes</b></p> <ul style="list-style-type: none"> <li>• Office of the Controller continues to provide effective financial and employee services to City Programs, Agencies, and Corporations while supporting COVID-19 responsibilities to the corporation (e.g. Payroll, PPE Supplies).</li> </ul>	<p><b>Service Level Changes</b></p> <ul style="list-style-type: none"> <li>• Office of the Controller 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

- Due to COVID-19, PMMD pivoted to primarily focus on supporting the response to the pandemic through the procurement of personal protective equipment and other services as required by the Divisions. PMMD is ensuring that the City has a 6 to 8 month supply of PPE inventory on hand at all times during the pandemic.
- Successfully developed and launched an on-line COVID tax relief program, allowing eligible taxpayers to apply for a tax deferral.
- Accounting Services further enhanced the 2019 Annual Financial Report, especially the Task Force on Climate Related Financial Disclosures section, which incorporates recommended disclosures for governance, strategy, risk and metrics/targets associated with the impact of climate change on the City and its operations
- Led a multi-divisional team to implement the Financial Systems Transformation Project, a key pillar under the Financial Sustainability corporate priority of the Corporate Strategic Plan. RFP evaluation process was completed in 2020 to procure a vendor to enable the financial transformation including implementation of a new SAP S4/HANA financial system.
- Launch of TEAM (Toronto Employee and Manager) Central - the City's new staff support center – a one-stop access for employees to get information on COVID-19, pensions, payroll, benefits, vacation time, hiring, learning and redeployment. Employees can now quickly and easily contact one central service to get their individualized information in a confidential, secure way from a dedicated team.

### Key Challenges and Risks

#### Modernization

- Financial Systems Transformation Project: development of a modern, automated, and robust core financial system which will enable informed decision-making with reliable data, increased collaboration, and improved integration across the City with a targeted implementation timeline for 2023.
- Category Management and SAP Ariba - support the movement to a service based portfolio model and the modernization of the procurement process, continued investment in the PMMD reorganization is required.
- Enhancing online services: enabling e-billing, online application/enrolment forms.
- The ability to complete the divisional transformations due to hiring constraints and other organizational challenges will impede the Office of the Controller Divisions ability to provide modernized service delivery to its client divisions.

#### Customer Service

- Meeting people resource demands - understanding and defining new skill sets for new service models – facilitating transformation of staff to new service delivery methods. Resource constraints, lack of capacity to ensure positions are filled on timely basis.
- Challenging workload to continue to provide effective financial and employee services to City Programs, Agencies, and Corporations as well as priority initiatives (DOFA, policy updates, etc.) while supporting COVID-19 responsibilities to the corporation (e.g. Payroll, PPE Supplies).

### Priority Actions

- Continue to implement SAP Ariba's Contract Management module and Supplier Lifecycle Performance Module, as well as work with the Systems Integrator for S4 Hana to determine the appropriate alignment to implement SAP Ariba's Procure to Pay Module. All of these modules will further support the City's procurement and contract management processes.
- Review and renew priority financial and accounting policies and processes to ensure there is appropriate governance and robust internal controls consistently applied across the organization. This is an integral component to Financial Sustainability.
- Continued execution of the PPEB Transformation, including the functional re-alignment which will change the service delivery model for the division in order to add value to divisions and prepare for shared services with agencies, boards, commissions and corporations (ABCC) related to sharing resources to provide payroll and benefits services.
- Further transition to a digital operations through implementation of re-engineered processes and improved client experience.

## RECOMMENDATIONS

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

1. City Council approve the 2021 Operating Budget for Office of the Controller of \$82.597 million gross, \$43.083 million revenue and \$39.514 million net for the following services:

**Service:**

	<b>Gross Expenditures (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Controllership	2,755.2	2,201.9	553.3
Financial Control Process Improvement	856.0	0.0	856.0
Corporate Financial Strategies & Policy	2,165.0	655.2	1,509.8
Accounting Services	11,297.2	2,221.0	9,076.2
Pension, Payroll & Employee Benefits	16,470.9	4,012.5	12,458.4
Purchasing & Materials Management	18,638.4	4,959.5	13,678.9
Revenue Services	30,414.4	29,033.1	1,381.3
<b>Total Program Budget</b>	<b>82,597.1</b>	<b>43,083.2</b>	<b>39,513.9</b>

2. City Council approve the 2021 staff complement for Office of the Controller of 733.0 positions comprised of 73.0 capital position and 660.0 operating positions.
3. City Council approve the 2021 new user fees, technical adjustments to user fees, market rate user fee changes and rationalized user fees for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council approve 2021 Capital Budget for Office of the Controller with cash flows and future year commitments totaling \$164.906 million as detailed by project in Appendix 6a.
5. City Council approve the 2022-2030 Capital Plan for Office of the Controller totalling \$10.950 million in project estimates as detailed by project in Appendix 6b.
6. 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.

**Office of the Controller**

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# 2021 OPERATING BUDGET

## 2021 OPERATING BUDGET OVERVIEW

**Table 1: 2021 Operating Budget by Service**

(In \$000s)	2019 Actual	2020 Budget	2020 Projection*	2021 Base Budget	2021 New / Enhanced Requests	2021 Budget	Change v. 2020 Projection	
							\$	\$
<b>By Service</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>Revenues</b>								
Controllership				611.6	1,590.3	2,201.9	2,201.9	N/A
Financial Control Process Improvement								N/A
Corporate Financial Strategies & Policy	549.5	833.7	605.2	655.2		655.2	50.0	8.3%
Accounting Services	2,608.6	2,832.9	1,879.5	2,221.0		2,221.0	341.5	18.2%
Pension, Payroll & Employee Benefits	3,488.0	4,337.4	3,862.6	4,012.5		4,012.5	149.9	3.9%
Purchasing & Materials Management	4,199.2	4,378.0	3,765.4	4,959.5		4,959.5	1,194.1	31.7%
Revenue Services	27,892.1	28,402.4	20,735.8	29,033.1		29,033.1	8,297.3	40.0%
<b>Total Revenues</b>	<b>38,737.4</b>	<b>40,784.4</b>	<b>30,848.5</b>	<b>41,492.9</b>	<b>1,590.3</b>	<b>43,083.2</b>	<b>12,234.7</b>	<b>39.7%</b>
<b>Expenditures</b>								
Controllership	727.7	694.7	670.9	1,164.9	1,590.3	2,755.2	2,084.3	310.7%
Financial Control Process Improvement		414.6	412.8	856.0		856.0	443.2	107.4%
Corporate Financial Strategies & Policy	2,423.7	2,766.6	1,941.0	2,165.0		2,165.0	224.0	11.5%
Accounting Services	9,519.3	11,737.0	9,947.0	11,297.2		11,297.2	1,350.2	13.6%
Pension, Payroll & Employee Benefits	16,041.6	16,890.9	16,803.6	16,470.9		16,470.9	(332.7)	(2.0%)
Purchasing & Materials Management	15,790.9	17,873.1	17,812.3	18,638.4		18,638.4	826.1	4.6%
Revenue Services	30,861.7	30,438.9	28,272.1	30,414.4		30,414.4	2,142.3	7.6%
<b>Total Gross Expenditures</b>	<b>75,364.9</b>	<b>80,815.8</b>	<b>75,859.7</b>	<b>81,006.8</b>	<b>1,590.3</b>	<b>82,597.1</b>	<b>6,737.4</b>	<b>8.9%</b>
<b>Net Expenditures</b>	<b>36,627.5</b>	<b>40,031.4</b>	<b>45,011.2</b>	<b>39,513.9</b>		<b>39,513.9</b>	<b>(5,487.3)</b>	<b>(12.2%)</b>
<b>Approved Positions</b>	<b>696.0</b>	<b>694.0</b>	<b>694.0</b>	<b>698.0</b>	<b>35.0</b>	<b>733.0</b>	<b>39.0</b>	<b>5.6%</b>

\*2020 Projection based on Q3 Variance Report

### COSTS TO MAINTAIN EXISTING SERVICES

**Total 2021 Base Budget** expenditures of \$81.007 million gross reflecting an increase of \$5.147 million in spending above 2020 projected year-end actuals (prior to enhancements), predominantly arising from:

- Salaries & Benefit – includes step & benefit increases as well as annualizations of positions filled part year in 2020. Projection includes salary savings related to hiring slowdown and emergency leave.

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 of \$39.514 million in net expenditures reflects a \$0.518 million net decrease from the 2020 Council Approved Budget.

### COSTS TO ENHANCE SERVICES

**New and Enhanced Service** expenditures of \$1.590 million gross and \$0 net, enabling:

- Additional 35 positions required to support the enterprise-wide Financial Systems Transformation project.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in Office of the Controller'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 Controller is \$5.147 million gross or 6.8% higher than the 2020 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget, Table 2b summarizes Balancing Actions, while Table 2c summarizes New and Enhanced.

**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	61,181.1	69,140.2	64,382.1	71,041.4	6,659.3	10.3%
2 COVID-19 Impact			(1,254.2)	(1,659.2)	(405.0)	32.3%
3 Materials & Supplies	145.7	223.2	428.9	223.2	(205.7)	-48.0%
4 Equipment	191.7	124.1	248.9	124.0	(124.9)	-50.2%
5 Service and Rent	11,321.9	9,098.9	9,810.1	9,099.0	(711.1)	-7.2%
6 Other	2,252.4	1,957.3	1,971.8	1,957.3	(14.5)	-0.7%
7 Contribution To Reserves	272.1	272.1	272.1	221.1	(51.0)	-18.7%
<b>Total Expenditures</b>	<b>75,364.9</b>	<b>80,815.8</b>	<b>75,859.7</b>	<b>81,006.8</b>	<b>5,147.1</b>	<b>6.8%</b>
<b>Revenues</b>						
1 Provincial Subsidies						
2 User Fees & Donations	16,786.4	17,075.2	17,075.2	17,416.6	341.4	2.0%
3 COVID-19 Impact			(8,547.6)		8,547.6	-100.0%
4 Draw from Reserve Funds	2,153.6	3,664.3	3,435.8	3,334.2	(101.6)	-3.0%
5 Other Revenues (Inc. IDR's)	19,797.4	20,044.9	18,885.1	20,742.1	1,857.0	9.8%
<b>Total Revenues</b>	<b>38,737.4</b>	<b>40,784.4</b>	<b>30,848.5</b>	<b>41,492.9</b>	<b>10,644.4</b>	<b>34.5%</b>
<b>Net Expenditures</b>	<b>36,627.5</b>	<b>40,031.4</b>	<b>45,011.2</b>	<b>39,513.9</b>	<b>(5,497.3)</b>	<b>-12.2%</b>
<b>Approved Positions</b>	<b>696.0</b>	<b>694.0</b>	<b>694.0</b>	<b>698.0</b>	<b>4.0</b>	<b>0.6%</b>

\*2020 Projection based on Q3 Variance Report

**Salaries & Benefits:**

- Includes step & benefit increases as well as annualizations of positions filled part year in 2020. Projection includes salary savings related to hiring slowdown and emergency leave.

**Materials and Supplies:**

- 2020 Projection includes unbudgeted PPE costs incurred due to COVID-19 that is not anticipated to be required in 2021.

**Service and Rent:**

- 2020 Projection includes unbudgeted costs incurred due to COVID-19 that is not anticipated to be required in 2021.

**COVID-19 Impact - Revenues:**

- \$8.5 million projected loss of revenue mainly impacting user fee revenue due to COVID-19 enacted relief measures, reduction in property sale transactions, delays in processing and creating new property tax accounts

**User Fees:**

- Inflationary adjustment of 2% applied to user fees

**Table 2b: 2021 Balancing Actions**

(\$000s)								
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
2% Inflationary impact on user fees	Revenue Increase (User Fees)	341.0		(341.0)				
Hiring slowdown 2021	Other		(1,083.4)	(1,083.4)				
Savings related to staff turnover	Other		(1,418.8)	(1,418.8)				
<b>Total Balancing Actions</b>		<b>341.0</b>	<b>(2,502.2)</b>	<b>(2,843.2)</b>	<b>-</b>			<b>-</b>

2021 Balancing actions are anticipated to generate \$2.843 million in budget offsets through the following:

- Revenue Increase (User Fees) – user fees increased aligned to inflation are expected to generate an added \$0.341 million in revenue.
- Hiring Slowdown & Savings related to staff turnover – \$2.502 million in budget offsets through mitigation efforts to address COVID-19 financial impacts.

**Table 2c: 2021 New / Enhanced**

New / Enhanced Request	2021				2022 Annualized Gross	Equity Impact	Supports Key Issue / Challenge
	Revenue	Gross	Net	Positions			
<b>In \$ Thousands</b>							
Financial Systems Transformation	1,590.3	1,590.3		35.0	4,775.8	None	Support to Enterprise wide Financial Systems Transformation capital project
<b>Total New / Enhanced</b>	<b>1,590.3</b>	<b>1,590.3</b>		<b>35.0</b>	<b>4,775.8</b>		

Additional 35 temporary positions are required to modernize the underlying financial systems infrastructure and standardize processes to drive more consistent access to timely financial information in a more efficient and effective system.

The implementation of one financial system is critical for the City's overall financial management.

The goal of this transformation is to build a reliable, modern, automated, and robust financial system that will be used across all City divisions.

**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	30,848.5	43,083.2	46,551.4	46,613.9
Gross Expenditures	75,859.7	82,597.1	88,862.6	89,865.7
<b>Net Expenditures</b>	<b>45,011.2</b>	<b>39,513.9</b>	<b>42,311.2</b>	<b>43,251.8</b>
<b>Approved Positions</b>	<b>694.0</b>	<b>733.0</b>	<b>731.0</b>	<b>731.0</b>

**Key drivers**

The 2022 Outlook with total gross expenditures of \$88.863 million reflects an anticipated \$6.266 million or 7.59 per cent increase in gross expenditures above the 2021 Operating Budget; The 2023 Outlooks expects a further increase of \$1.003 million or 1.13 per cent above 2022 gross expenditures.

These changes arise mainly from the following:

- Annualization in 2022 of 35 capital positions added in 2021.

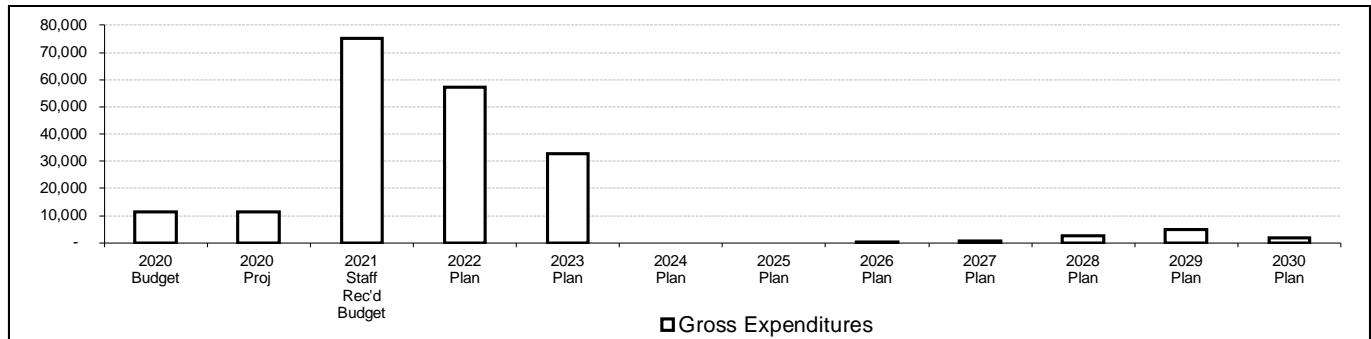
Higher expenditures will result in higher expenditure recoveries in 2022 and 2023.



# 2021 – 2030 CAPITAL BUDGET AND PLAN

**2021 – 2030 CAPITAL BUDGET & PLAN OVERVIEW**

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



In \$'000's	2021 Capital Budget and 2022 - 2030 Capital Plan													Total 10 Year Plan
	2020		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
	Budget	Projected Actual												
<b>Gross Expenditures by Project Category:</b>														
Health & Safety & Legislated														
SOGR	2,227	1,171	4,867	3,137	3,136	-	-	500	800	2,715	5,035	1,900	22,090	
Service Improvement & Growth	9,160	6,737	70,228	54,046	29,492	-	-	-	-	-	-	-	153,766	
<b>Total by Project Category</b>	<b>11,387</b>	<b>7,908</b>	<b>75,095</b>	<b>57,183</b>	<b>32,628</b>	-	-	<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>	<b>175,856</b>	
<b>Financing:</b>														
Debt			72,908	55,788	31,233	-	-	500	800	2,215	3,260	200	166,904	
Reserves/Reserve Funds			1,455	1,395	1,395	-	-	-	-	500	1,775	1,700	8,220	
Development Charges														
Provincial														
Federal														
Debt Recoverable														
Other Revenue				732									732	
<b>Total Financing</b>	-	-	<b>75,095</b>	<b>57,183</b>	<b>32,628</b>	-	-	<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>	<b>175,856</b>	

**Changes to Existing Projects**  
(\$13.7 Million)

- There is an increase of \$7.7 million and \$0.8 million to the Supply Chain Management Transformation and Parking Tag Management Software Upgrade, respectively.
- There is an increase of \$5.2 million to the PPEB Transformation Program Project to continue to "Transform PPEB from a back-office administrator to an enterprise enabler (Shared Services).
- Where feasible, projects and cash deferrals have been made based on capacity to spend and to reduce the impact on debt

**New Projects**  
(\$137.2 Million)

- Financial Systems Transformation project is a response to the City's need to modernize its underlying financial systems infrastructure and standardize processes to drive more consistent access to timely financial information in a more efficient and effective system

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






- Nil

**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**

**\$175.9 Million 10-Year Gross Capital Program**

				
<b>Aging Infrastructure</b>	<b>Information Technology</b>	<b>Vehicles</b>	<b>Communication</b>	<b>Equipment</b>
	\$175.9 M 100%			
	Financial Systems Transformation  PPEB Transformation  Supply Chain Management Transformation  Parking Tag Management Software Upgrade  Tax Billing System  Utility Billing System  Parking Tag Management Software Replacement 2026  Tax Billing System Replacement 2028  Utility Billing System Replacement 2028			

**How the Capital Program is Funded**

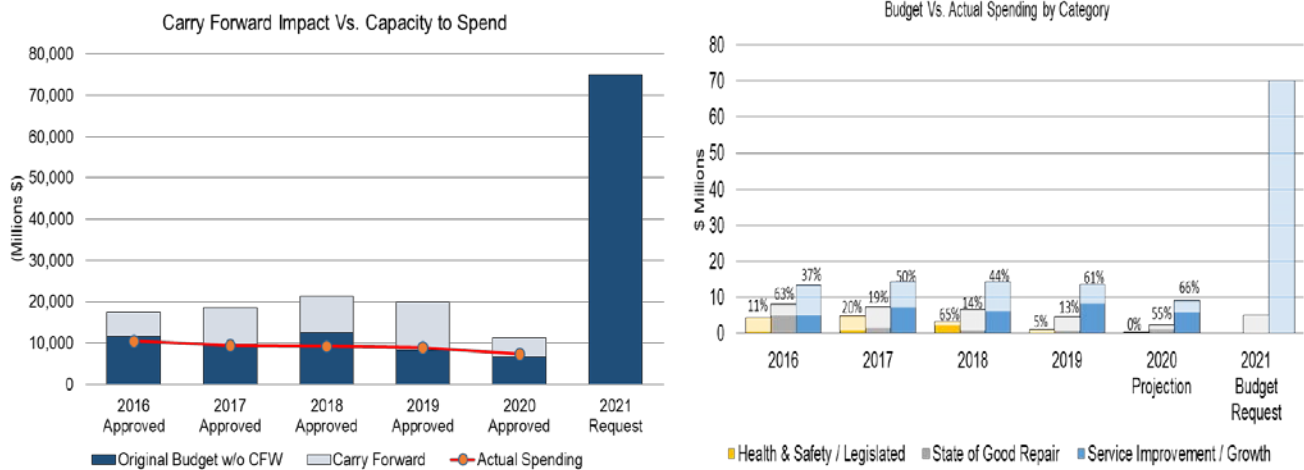
City of Toronto		Provincial Funding	Federal Funding
\$175.9 M 100%		\$0M 0%	\$0M 0%
Debt	\$167.0M		
Reserve Draws	\$ 8.2M		
Other	\$ 0.7M		

**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 Office of the Controller'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 with cash flows consistent with project readiness.

**OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS**

The 10-Year Capital Plan with Budget will impact future year Operating Budgets by \$1.170 million net over the 2021-2030 period, as shown in Table 4 below.

**Table 4: Net Operating Impact Summary**  
(In \$000's)

Projects	2021 Budget		2022 Plan		2023 Plan		2024 Plan		2025 Plan		2021-2025		2021-2030		
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	
<b>Previously Approved</b>															
PPEB Transformation Program (annual fees, maintenance, vendor support for Clone & Test Tools for SAP & SF)			130.0		130.0		130.0		130.0		130.0		520.0		1,170.0
<b>Sub-Total: Previously Approved</b>			<b>130.0</b>		<b>130.0</b>		<b>130.0</b>		<b>130.0</b>		<b>130.0</b>		<b>520.0</b>		<b>1,170.0</b>
<b>Total (Net)</b>			<b>130.0</b>		<b>130.0</b>		<b>130.0</b>		<b>130.0</b>		<b>130.0</b>		<b>520.0</b>		<b>1,170.0</b>

Previously Approved projects

- Pension, Payroll & Employee Benefits' Transformation Project – annual fees, maintenance, vendor support for Clone & Test Tools for SAP & Success Factors.

# APPENDICES

## Appendix 1

### COVID-19 Financial Impact - Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
<b>Revenue Loss</b>						
User Fee	(6,425.6)		6,425.6			
IDR TW, SW	(1,422.0)		1,422.0			
Late Payment Charges and Vendor Discount	(700.0)		700.0			
<b>Sub-Total</b>	<b>(8,547.6)</b>		<b>8,547.6</b>			
<b>Expenditure Increase</b>						
Pay Statement Mailing Costs		600.0	600.0			
Notification of property tax schedule change		910.0	910.0			
Sourcing support for PPE		477.8	477.8			
OT & Redeployment Costs		958.0	958.0			
<b>Sub-Total</b>		<b>2,945.8</b>	<b>2,945.8</b>			
<b>Savings due to Management Actions</b>						
Salaries & Benefits - Hiring slowdown & managing vacant positions		(4,200.0)	(4,200.0)		(1,083.4)	(1,083.4)
Cancellation of non-union progression pay					(575.8)	(575.8)
<b>Sub-Total</b>		<b>(4,200.0)</b>	<b>(4,200.0)</b>		<b>(1,659.2)</b>	<b>(1,659.2)</b>
<b>Total COVID-19 Impact</b>	<b>(8,547.6)</b>	<b>(1,254.2)</b>	<b>7,293.4</b>		<b>(1,659.2)</b>	<b>(1,659.2)</b>

Office of the Controller experienced 2020 revenue loss due to COVID-19:

- user fees were impacted mainly due to COVID-19 enacted relief measures, reduction in property sale transactions;
- Late Payment and Vendor Discount revenue programs impacted due to prioritizing PPE payments and cash flow management.

Office of the Controller experienced 2020 unbudgeted expenditure increases due to COVID-19:

- Requirement to mail pay statement to home addresses (for employees not using ESS or on Emergency Leave) in compliance with ESA and Collective Agreements
- Special mailing to notify property owners of change to property tax payment schedule
- Sourcing support for personal protective equipment
- Overtime & redeployment costs to maintain effective financial and employee services to City Programs, Agencies, and Corporations while supporting COVID-19 responsibilities to the corporation (e.g. Payroll, PPE Supplies)
- Savings to Salary & Benefit category due to hiring slowdown and other management actions in 2020 and 2021.

## 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	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	17,642.3	16,786.4	17,075.2	10,649.6	17,416.6	6,767.0	63.5%
Licences & Permits Revenue							
Transfers From Capital	2,114.2	3,864.2	4,293.6	3,145.2	6,455.2	3,310.0	105.2%
Contribution From Reserves/Reserve Funds	656.8	2,153.6	3,664.3	3,435.8	3,334.7	(101.1)	(2.9%)
Sundry and Other Revenues	1,141.0	1,527.7	1,758.4	1,047.0	1,779.7	732.7	70.0%
Inter-Divisional Recoveries	13,070.9	14,405.5	13,992.9	12,570.9	14,097.0	1,526.1	12.1%
<b>Total Revenues</b>	<b>34,625.2</b>	<b>38,737.4</b>	<b>40,784.4</b>	<b>30,848.5</b>	<b>43,083.2</b>	<b>12,234.7</b>	<b>39.7%</b>
Salaries and Benefits	57,823.6	61,181.1	69,140.2	61,140.1	70,972.6	9,832.5	16.1%
Materials & Supplies	145.8	145.7	223.2	428.9	223.2	(205.7)	(48.0%)
Equipment	50.3	191.7	124.1	248.9	124.0	(124.9)	(50.2%)
Service and Rent	7,807.3	11,321.9	9,098.9	11,797.9	9,099.0	(2,698.9)	(22.9%)
Contribution To Capital							
Contribution To Reserves/Reserve Funds	175.0	272.1	272.1	272.1	221.1	(51.0)	(18.7%)
Other Expenditures	2,384.1	2,252.4	1,957.3	1,952.1	1,957.2	5.1	0.3%
Inter-Divisional Charges				19.7		(19.7)	(100.0%)
<b>Total Gross Expenditures</b>	<b>68,386.1</b>	<b>75,364.9</b>	<b>80,815.8</b>	<b>75,859.7</b>	<b>82,597.1</b>	<b>6,737.4</b>	<b>8.9%</b>
<b>Net Expenditures</b>	<b>33,760.9</b>	<b>36,627.5</b>	<b>40,031.4</b>	<b>45,011.2</b>	<b>39,513.9</b>	<b>(5,497.3)</b>	<b>(12.2%)</b>
<b>Approved Positions</b>	<b>681.7</b>	<b>696.0</b>	<b>694.0</b>	<b>694.0</b>	<b>733.0</b>	<b>39.0</b>	<b>5.6%</b>

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

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



### Appendix 3

#### Summary of 2021 Service Changes

N/A

### Appendix 4

#### Summary of 2021 New / Enhanced Service Priorities Included in Budget

Form ID		Finance and Treasury Services Program - Office of the Controller	Adjustments				2022 Plan Net Change	2023 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
22838		Financial Systems Transformation Project						
74	No Impact	<b>Description:</b>						

The Financial Systems Transformation Project (FSTP) is one of the key initiatives under the City's financial sustainability corporate strategic priority. This project is a response to the City's need to modernize its underlying financial systems infrastructure, modernize its finance service delivery model and standardize processes to ensure consistent access to timely financial information in an efficient and effective system. The Financial Systems Transformation Project requires the support of 35 temporary capital funded positions.

**Service Level Impact:**

The transformation is expected to include the redesign of the organization's financial processes, as the City seeks to standardize processes in alignment with current leading practices and technology standards. Having streamlined financial processes and accounting structures will allow City staff across the organization to make decisions quickly and with certainty. With a single source of financial information, we will be able to produce timely and accurate financial information in a more efficient manner.

**Equity Statement:**

This business case has no equity impact

**Service:** TR-Office of the Controller

Total Staff Recommended Changes:	1,590.3	1,590.3	(0.0)	35.00	0.0	0.0
<b>Staff Recommended New/Enhanced Services:</b>	<b>1,590.3</b>	<b>1,590.3</b>	<b>(0.0)</b>	<b>35.00</b>	<b>0.0</b>	<b>0.0</b>

**Summary:**

<b>Staff Recommended New / Enhanced Services:</b>	<b>1,590.3</b>	<b>1,590.3</b>	<b>(0.0)</b>	<b>35.00</b>	<b>0.0</b>	<b>0.0</b>
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### 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
FS023	Financial Systems Transformation	62,311	48,269	26,615								137,195			137,195
FS018	PPEB Transformation Program	3,822	2,350									6,172			6,172
FS022	Supply Chain Management Transformation	3,803	2,477	2,127								8,407			8,407
FS005	Parking Tag Mgmt Software Upgrade	100	950	750								1,800			1,800
FS007	Tax Billing System	2,776	1,742	1,741								6,259	6,259		
FS006	Utility Billing System	2,091	1,395	1,395								4,881	4,881		
FS019	Electronic Self Service Tax and Utility	192										192			192
FS011	Parking Tag Mgmt Software Replacement 2026						500	800	440	1,260		3,000		3,000	
FS014	Tax Billing System Replacement 2028								1,775	2,000	200	3,975		3,975	
FS012	Utility Billing System Replacement 2028								500	1,775	1,700	3,975		3,975	
<b>Total Expenditures (including carry forward from 2020)</b>		<b>75,095</b>	<b>57,183</b>	<b>32,628</b>			<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>	<b>175,856</b>		<b>22,090</b>	<b>153,766</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	Change in Scope	New w/ Future Year
FS023	Financial Systems Transformation	62,311	48,269	26,615								137,195			137,195
FS018	PPEB Transformation Program	3,822	2,350									6,172	938	5,234	
FS022	Supply Chain Management Transformation	3,803	2,477	2,127								8,407	711	7,696	
FS019	Electronic Self Service Tax and Utility	192										192	192		
FS005	Parking Tag Mgmt Software Upgrade	100	950	750								1,800	1,034	766	
FS007	Tax Billing System	2,776	1,742	1,741								6,259	6,259		
FS006	Utility Billing System	2,091	1,395	1,395								4,881	4,881		
	<b>Total Expenditure (including carry forward from 2020)</b>	<b>75,095</b>	<b>57,183</b>	<b>32,628</b>								<b>164,906</b>	<b>14,015</b>	<b>13,696</b>	<b>137,195</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	Health & Safety & Legislated	SOGR	Growth & Improved Service
FS011	Parking Tag Mgmt Software Replacement 2026					500	800	440	1,260		3,000		3,000	
FS014	Tax Billing System Replacement 2028							1,775	2,000	200	3,975		3,975	
FS012	Utility Billing System Replacement 2028							500	1,775	1,700	3,975		3,975	
	<b>Total Expenditures</b>					<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>	<b>10,950</b>		<b>10,950</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

## 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	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
<b>Beginning Balance</b>			11,301.7	10,983.5	10,665.2
Emergency Planning	XQ1406				
<i>Withdrawals (-)</i>			(209.7)	(209.7)	(209.7)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	11,092.0	10,773.8	10,455.5
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(108.5)	(108.5)	(108.5)
<b>Balance at Year-End</b>		11,301.7	10,983.5	10,665.2	10,347.0

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

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>			218,475.9	209,933.2	201,413.7
Employee Retiree Benefit RF City	XR1002				
<i>Withdrawals (-)</i>			(1,050.8)	(1,050.8)	(1,050.8)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	217,425.1	208,882.4	200,362.9
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(7,941.2)	(7,941.2)	(7,941.2)
<b>Interst Income</b>			449.4	472.5	649.8
<b>Balance at Year-End</b>		218,475.9	209,933.2	201,413.7	193,071.6

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

## 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>			90,761.1	89,180.2	92,418.3
Tax Rate Stabilization Reserve	XQ0703				
Withdrawals (-)			(1,482.6)	(1,482.6)	(1,482.6)
Contributions (+)					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	89,278.5	87,697.6	90,935.7
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(98.3)	4,720.8	4,720.8
<b>Balance at Year-End</b>		90,761.1	89,180.2	92,418.3	95,656.5

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

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>			15,142.3	12,548.9	9,920.8
Insurance Reserve Fund	XR1010				
Withdrawals (-)					
Contributions (+)			170.5	170.5	170.5
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	15,312.8	12,719.4	10,091.3
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(2,792.9)	(2,824.5)	(2,853.6)
<b>Interest Income</b>			29.0	25.8	28.3
<b>Balance at Year-End</b>		15,142.3	12,548.9	9,920.8	7,265.9

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

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>			301.7	352.3	378.2
Vehicle Reserve - Purchase & Materials Mgmt	XQ1204				
Withdrawals (-)					
Contributions (+)			50.6	50.6	50.6
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	352.3	402.9	428.8
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			-	(24.7)	(10.6)
<b>Balance at Year-End</b>		301.7	352.3	378.2	418.2

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

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>			12,434.7	12,255.1	12,786.3
DC RF - Development Studies	XR2120				
Withdrawals (-)			(321.5)	(321.5)	(321.5)
Contributions (+)					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	12,113.2	11,933.6	12,464.8
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(2,133.0)	(1,590.0)	(1,530.0)
<b>DC Contributions</b>			2,249.0	2,414.0	3,204.0
<b>Interest Income</b>			25.9	28.8	44.4
<b>Balance at Year-End</b>		12,434.7	12,255.1	12,786.3	14,183.3

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

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>			24,400.5	24,182.0	24,044.9
DC RF - Civic Improvements	XR2121				
<i>Withdrawals (-)</i>			(2.5)	(2.5)	(2.5)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	24,398.0	24,179.5	24,042.4
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(1,342.0)	(1,344.0)	(1,344.0)
<b>DC Contributions</b>			1,075.0	1,154.0	1,532.0
<b>Interest Income</b>			51.0	55.4	79.7
<b>Balance at Year-End</b>		24,400.5	24,182.0	24,044.9	24,310.0

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

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>			197,480.7	233,818.8	201,020.4
DC RF - Roads & Related	XR2110				
<i>Withdrawals (-)</i>			(88.3)	(88.3)	(88.3)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	197,392.4	233,730.5	200,932.1
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(20,917.0)	(94,260.6)	(46,734.0)
<b>DC Contributions</b>			56,891.0	61,051.0	81,054.0
<b>Interest Income</b>			452.4	499.5	719.8
<b>Balance at Year-End</b>		197,480.7	233,818.8	201,020.4	235,972.0

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

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>			98,969.2	221,042.6	354,811.8
DC RF - Transit	XR2109				
<i>Withdrawals (-)</i>			(88.3)	(88.3)	(88.3)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	98,880.9	220,954.3	354,723.5
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(2,299.0)	-	-
<b>DC Contributions</b>			124,125.0	133,196.0	176,858.0
<b>Interest Income</b>			335.7	661.5	1,462.5
<b>Balance at Year-End</b>		98,969.2	221,042.6	354,811.8	533,044.0

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

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>			99,734.9	97,339.7	92,643.0
DC RF - Water	XR2111				
<i>Withdrawals (-)</i>			(90.9)	(90.9)	(90.9)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	99,644.0	97,248.8	92,552.1
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(23,771.0)	(27,639.0)	(24,835.0)
<b>DC Contributions</b>			21,260.0	22,815.0	30,286.0
<b>Interest Income</b>			206.7	218.2	314.6
<b>Balance at Year-End</b>		99,734.9	97,339.7	92,643.0	98,317.7

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

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

**2021 – 2030 Capital Budget and Plan**

**Program Specific Reserve / Reserve Funds**

N/A

**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)										
			2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Total
XR6003 & XR6004 Toronto Water & Waste Water Capital Reserve Funds	Beginning Balance		1,218,319	1,113,906	772,787	441,782	229,060	121,200	149,101	98,143	48,308	105,963	
	Withdrawals (-)												
	Utility Billing System		(942)	(1,095)	(1,095)								(3,132)
	Electronic Self Service Tax & Utility		(43)										(43)
	Utility Billing System Replacement 2028									(392)	(1,393)	(1,334)	(3,119)
	Total Withdrawals		(985)	(1,095)	(1,095)	-	-	-	-	(392)	(1,393)	(1,334)	(6,294)
Contributions (+)													
<b>Total Contributions</b>		-	-	-	-	-	-	-	-	-	-	-	
Other Program/Agency Net Withdrawals and Contributions			(106,237)	(343,814)	(332,356)	(216,079)	(109,614)	26,547	(52,197)	(50,180)	58,267	200,159	(925,502)
Interest Income			2,809	3,790	2,446	3,357	1,754	1,354	1,239	737	781	2,073	20,338
<b>Balance at Year-End</b>		<b>1,218,319</b>	<b>1,113,906</b>	<b>772,787</b>	<b>441,782</b>	<b>229,060</b>	<b>121,200</b>	<b>149,101</b>	<b>98,143</b>	<b>48,308</b>	<b>105,963</b>	<b>306,861</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)										
			2021 Budget	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	Total
XR1404 Solid Waste Reserve Fund	Beginning Balance		70,080	59,792	48,035	39,661	41,140	47,722	64,434	80,661	102,376	129,901	
	Withdrawals (-)												
	Utility Billing System		(449)	(300)	(300)								(1,049)
	Electronic Self Service Tax & Utility		(21)										(21)
	Utility Billing System Replacement 2028									(108)	(382)	(366)	(856)
	Total Withdrawals		(470)	(300)	(300)	-	-	-	-	(108)	(382)	(366)	(1,926)
Contributions (+)													
<b>Total Contributions</b>		-	-	-	-	-	-	-	-	-	-	-	
Other Program/Agency Net Withdrawals and Contributions			(9,954)	(11,581)	(8,218)	1,145	5,995	15,833	15,089	20,389	26,086	8,486	63,270
Interest Income			136	124	144	334	587	879	1,137	1,435	1,821	2,117	8,714
<b>Balance at Year-End</b>		<b>70,080</b>	<b>59,792</b>	<b>48,035</b>	<b>39,661</b>	<b>41,140</b>	<b>47,722</b>	<b>64,434</b>	<b>80,661</b>	<b>102,376</b>	<b>129,901</b>	<b>140,137</b>	

\* Based on 9-month 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).

**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.