

2021 Budget Notes

Engineering and Construction Services

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Description

Engineering and Construction Services (ECS) provides specialized engineering design and construction services to internal clients (Toronto Water, Transportation Services, Solid Waste Management Services, and other City Programs and Agencies), and external clients (the development industry, utility companies, TTC, Metrolinx and other public agencies) creating safe and sustainable municipal infrastructure.

ECS delivers the following services:

- Municipal Infrastructure Construction
- Engineering Review and Acceptance
- Engineering Information

Why We Do It

Municipal (road, water, wastewater, and solid waste) infrastructure is designed and constructed to ensure that it is safe and sustainable

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

Municipal Infrastructure Construction

Who We Serve: Residents, Businesses, City and Agencies, Business Improvement Areas and Visitors

What We Deliver: Engineering and project management services for the construction of new and upgraded infrastructure including roads and bridges, TTC streetcar track, sewers and watermains, stormwater management facilities, water & wastewater treatment facilities, and solid waste management facilities

How Much Resources (2021 gross operating budget): \$47.805 million

Engineering Review

Who We Serve: Businesses, Residents, Visitors, Utility Companies, City and Agency Staff, Development Industry, Metrolinx

What We Deliver: Review and acceptance of development, third party, utility, and other public agencies applications

How Much Resources (2021 gross operating budget): \$16.339 million

Engineering Information

Who We Serve: Businesses, City and Agency Staff, Metrolinx, Residents, Waterfront Toronto, Residents, Visitors

What We Deliver: Establish, maintain and provide effective technical and data support to various business Units across ECS and other City Divisions involved in managing and building the City's infrastructure

How Much Resources (2021 gross operating budget): \$9.541 million

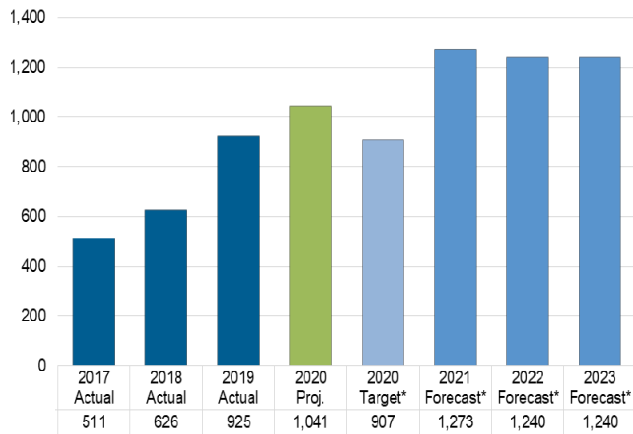
Budget at a Glance

OPERATING BUDGET			
\$Million	2021	2022	2023
Revenues	\$72.1	\$72.5	\$72.5
Gross Expenditures	\$73.7	\$75.0	\$75.9
Net Expenditures	\$1.6	\$2.5	\$3.4
Approved Positions	631.1	631.1	631.1

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

How Well We Are Doing – Behind the Numbers

Annual Expenditure on Municipal Infrastructure Design & Construction (\$Millions)

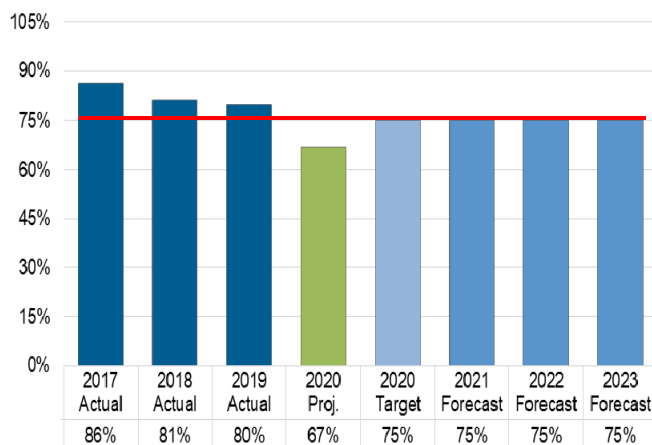


*80% of the capital program assigned to ECS

Capital Program Delivery Rate

- Surpassed capital program delivery target of 80%, delivering \$1.041 billion in capital projects on behalf of Client Divisions and Agencies, representing a delivery rate of 92% on an assigned capital program valued at \$1.134 billion.
- The value of the capital program delivered in 2020 has increased by \$116 million (13%) over 2019. In 2019 ECS delivered \$925 million in capital projects.
- The value of the capital program delivered has increased by over 100% from 2017 (\$511 million) to 2020 (\$1.041 billion) with anticipated further increases in future years.

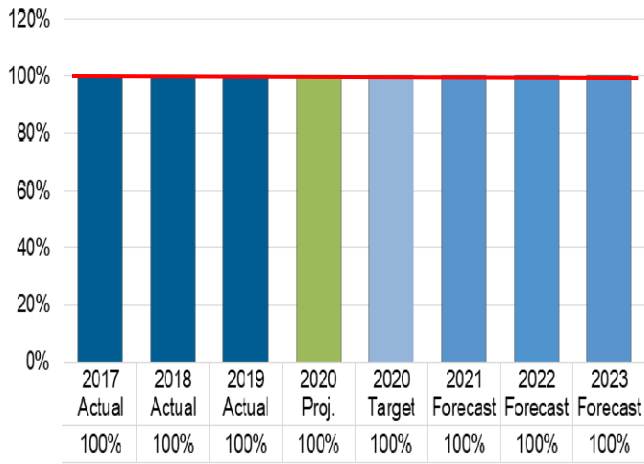
% of Development Applications and Revisions Reviewed within STAR timelines



% of Development Applications Reviewed Within STAR Timelines

- The Council approved target compliance with the "Streamlining the Application Review" (STAR) timeline for circulations of development applications and revisions is 75%.
- In 2019, 81% of development application circulations and revisions by ECS were completed within STAR timelines, surpassing the 75% Council approved target compliance rate.
- In 2020, ECS will not meet the 75% Council approved target compliance rate forecasting to meet 67% of STAR timelines.
- Pending approval of additional staff through the 2021 Budget, ECS will target compliance with STAR timelines in 2021 and future years.

% of Bridge Condition Inspections Completed



% of Bridge Condition Inspections Completed

- ECS is legislated to complete 100% of 877 (624 every second year) City owned by Transportation Services and Parks, Forestry & Recreation vehicular and pedestrian bridge inspections on a biennial basis (every two years).
- In 2019, ECS completed 100% (877) of planned bridge condition inspections. This included inspection of 244 Parks, Forestry & Recreation pedestrian bridges.
- In 2020, ECS is projecting to complete 100% (624) of planned bridge condition inspections, comprising of 322 discrete spans along the elevated portion of the F.G. Gardiner Expressway, and 302 individual bridges and culverts along City roads and parks.
- ECS is targeting to maintain a 100% (877) completion rate in 2021 and future years for the legislated biennial bridge condition inspection cycle.

How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Outcome Measures								
Municipal Infrastructure Construction	Linear meters of road lane constructed/resurfaced	299,485	483,082	350,000	350,000	350,000	350,000	●
	Linear meters of streetcar way track constructed	2,951	1,942	2,080	2,080	3,457	1,500	●
	Linear meters of sidewalk constructed	59,317	50,095	65,000	65,000	50,000	50,000	●
	Linear meters of watermain constructed	28,986	48,214	42,000	42,000	41,000	41,000	●
	Linear meters of sewer constructed	1,033	10,051	7,900	7,900	7,800	7,800	●
	Number of contracts completed	100	122	100	>100	100	100	●
Engineering Review	Number of development application submissions reviewed	1,988	1,899	1,800 ²	1,800	1,800	1,800	●
	Number of engineering drawing submissions reviewed	89	114	100 ²	100	100	100	●
	Number of third party applications reviewed	259	244	770 ²	770	1300	1335	●
Engineering Information	Number of bridges (vehicular & pedestrian bridge spans) inspected ¹	677	877 ³	624	624	877 ³	624	●

¹ ECS is legislated to complete 100% of the vehicular and pedestrian bridge inspections on a biennial basis (every two years).

²These are Market Driven Outcomes where ECS is not able to define a Target. ECS is able to project the Target based on year to date activity.

³Includes 244 Parks Forestry and Recreation's bridges.

How Well We Are Doing

Service	Service Measure	2018 Actual	2019 Actual	2020 Target	2020 Projection	2021 Target	2022 Target	Status
Service Level Measures								
Municipal Infrastructure Construction	High rate of expenditure on municipal infrastructure design and construction as a % of assigned Capital Program	80%	92%	80%	>90%	80%	80%	●
Engineering Review	Development Applications reviewed and accepted within STAR timelines	80%	81%	75%	67%	75%	75%	●
	Engineering drawing submissions reviewed within STAR timelines	92%	91%	75%	90%	75%	75%	●
	Third Party Applications reviewed within 20 days	97%	94%	90%	98%	90%	90%	●
Engineering Information	Compliance with bridge condition inspection regulatory timelines	100%	100%	100%	100%	100%	100%	●

COVID-19 IMPACT AND RECOVERY

2020 Impact	2021 Impact and Recovery
<p>Financial Impact (Operating)</p> <p>Due to emergency closures and public health regulations, ECS has experienced the following financial impacts:</p> <ul style="list-style-type: none"> • \$0.015 million in additional costs for health and safety supplies and protocols. • \$0.022 million in additional staff related costs (overtime) to respond to emergency efforts. • \$0.530 million in costs related to the lump sum payment to permanent staff who were eligible to retire under the Voluntary Separation Program. • \$0.944 million in projected cost savings in salaries and benefits due to hiring slow-down. 	<p>Financial Impact (Operating)</p> <p>In response to the financial pressures and challenges resulting from COVID-19, adjustments were made to the operating budget through a combination of efficiencies and cost containment:</p> <ul style="list-style-type: none"> • \$2.023 million in projected cost savings in salaries and benefits (and corresponding revenue reduction of \$1.616 million) resulting from the implementation of the Voluntary Separation Program. • \$0.832 million in projected cost savings in salaries due to cancellation of the non-union performance pay.
<p>Service Level Changes</p> <ul style="list-style-type: none"> • Engineering and Construction Services continues to provide safe and specialized engineering design and construction services. • Due to COVID-19 interruptions, insufficient staffing levels and expanded scope of functions ECS achieved 67% compliance on 1,800 development application circulations within mandated timelines (STAR requirement is 75%). 	<p>Service Level Changes</p> <ul style="list-style-type: none"> • There are no anticipated impacts to service levels as a result of COVID-19 during 2021. • The Service Levels will be reviewed to reflect the impacts of hiring slow down and Voluntary Separation Program on program delivery. • With the approval of additional development engineering resources, Engineering and Construction Services anticipates to return to meeting Council approved "Streamlining the Application Review" (STAR) timelines on the review of development applications and meeting customer expectations in a growing development industry.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Delivered \$1.041 billion in capital projects (\$116 million more than in 2019) on behalf of Client Divisions and Agencies, representing a delivery rate of 92% on an assigned capital program valued at \$1.134 billion.
- Maintained 100% completion rate for the Provincially-legislated biennial bridge condition inspection cycle: 624 bridge condition inspections completed, comprising 322 discrete spans along the elevated portion of the F.G. Gardiner Expressway, and 302 individual bridges and culverts along City roads.
- Reconstructed and resurfaced 350 linear km of deteriorated roadways across the City to help ensure that our road network is maintained in a state of good repair.
- Constructed over 60 km of sidewalk across the City for pedestrian safety.
- Completed the first phase of the Gardiner Expressway Strategic Rehabilitation Plan, consisting of the elevated section between Jarvis Street and Cherry Street.
- Long-term Don River and Central Waterfront projects are now actively underway. Phase 1, the Coxwell Bypass Tunnel (\$485 million), at 10.5 km long and 6.3 m in diameter, will intercept combined sewer overflows and stormwater discharges from 23 sewer outfalls improving water quality along the waterfront and the Don River.
- Started construction to upgrade the Ashbridges Bay Wastewater Treatment Plant which includes the new Outfall (\$294 million) (a 7m diameter and 3.5 km tunnel under Lake Ontario) and the Ultra-Violet Effluent Disinfection Facility (\$220 million).
- Implemented Category Management for the delivery of \$27 million in the standalone Watermain Replacement Program.
- Achieved 67% compliance (STAR requirement is 75%) on an estimated 1,800 development application circulations within mandated timelines due to COVID-19, insufficient staffing levels and expanded scope of functions.
- Achieved 98% compliance with timelines for 770 third party applications reviewed in 2020, comprised of 712 transit expansion design submissions (including Eglinton Crosstown Light Rail Transit, GO Expansion, Scarborough Subway Extension, Ontario Line and the Eglinton Crosstown West Extension).
- Achieved 95% compliance with timelines for 2,899 full-stream utility cut permit applications reviewed in 2020.
- Completed 100% (55) of planned environmental certificate of property use (CPU) inspections and reporting on behalf of Parks, Forestry and Recreation, thereby ensuring full compliance with regulatory requirements.
- Processed 148 municipal numbering applications and reported on 15 new street names.



Key Challenges and Risks

- Uncertainty associated with the Transportation Division's Capital Program assigned to ECS for delivery and the forecasted increase in the aggregate Capital Program assigned to ECS by all client Divisions, presents a challenge to ensure that ECS provides the necessary resources to sustain current capital delivery expenditures and completion rates.
- Increased demand to better service the development industry and for the delivery of major Third Party projects:
 - Provision of adequate staffing to support the implementation of the Concept to Keys (C2K) and Housing Now initiatives.
 - Provision of adequate staffing to respond to increased volumes and complexity of applications expected to be submitted to the City for review and approval.
 - Additional pressures to meet Council approved application review timelines, particularly when receiving incomplete and/or substandard submissions.
 - Specialized support and expedited reviews for Metrolinx LRT, Subway and GO Expansion transit projects.
- Recruiting and retaining top calibre talent that is needed in key business areas, in a highly competitive engineering and construction project management market, continues to negatively impact the ECS ability to fully staff its complement.

Priority Actions

Effectively manage multi-year construction

- Continue to enhance planning and coordination of the multi-year Capital Program with internal and external stakeholders.
- Reiterate the need for asset owning Divisions to define and “lock down” multi-year programs in order to ensure successful delivery of approved Capital Programs and achieve budget expenditure targets.

Increase delivery capacity to accommodate City’s municipal infrastructure capital program

- Revisit alternative procurement strategies to increase capital construction throughput commensurate with forecasted increase in Capital Program assigned to ECS.
- Pursue “Strategic Sourcing” by issuing multi-year construction contracts in areas where multi-year programs are defined and where feasible.

Timely Reviews and Processing of Development and Third Party Applications

- Support the implementation of the new C2K and Housing Now initiatives by allocating dedicated staff.
- Ensure adequate staffing and resources are in place to meet the Council approved target compliance of 75% with the "Streamlining the Application Review" (STAR) timeline for circulations of development applications and revisions.
- Continue to ensure Third Party applications are processed according to timelines established by Service Level Agreements.

Ensure Regulatory Compliance & Reliance on Best Practices

- Continue to maintain 100% completion rate for the Provincially legislated biennial bridge condition inspection cycle.
- Ensure compliance with the new Construction Act including updating of operating procedures.
- Continue vigilance and oversight on construction contracts and consultant services to address issues highlighted in Auditor General’s contract management reviews.

Leverage Technology

- Advance the electronic review of development application drawings to improve customer service, maintaining application and drawing security, and meeting prescribed review timelines.
- Implement an Enterprise Cloud Construction Project Management and Document Management Solution to more effectively, efficiently and securely manage construction projects and supporting drawings and documents.
- Incorporate Docu-Sign technology for electronic contract executions and e-Approval for all payments to increase efficiency and environmental sustainability.
- Due to COVID-19 and in support of City Modern TO Initiative continue leveraging technology to ensure that existing and new staff have the necessary technology to work remotely.

Effectively Manage Human Capital

- Develop and implement a strategy, including a comprehensive review of salary compensation, to address the chronic recruiting challenges and retention of top calibre talent in a highly competitive engineering and construction project management market.
 - Continuously assess human capital requirements and complement composition.
 - Promote skills development and develop a succession planning framework.
 - Continue to showcase ECS as an employer of choice by participating and increasing the presence of ECS at targeted events, and with higher education institutions.
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RECOMMENDATIONS

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

1. City Council approve the 2021 Operating Budget for Engineering and Construction Services of \$73.685 million gross, \$72.076 million revenue and \$1.610 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Municipal Infrastructure Construction	47,805.3	45,906.6	1,898.7
Engineering Review	16,338.9	17,556.2	(1,217.3)
Engineering Information	9,541.2	8,612.8	928.4
Total Program Budget	73,685.4	72,075.6	1,609.8

2. City Council approve the 2021 staff complement for Engineering and Construction Services of 631.1 positions comprised of 488.6 capital positions and 142.5 operating positions.

Program / Agency:

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2021 OPERATING BUDGET

2021 OPERATING BUDGET OVERVIEW

Table 1: 2021 Operating Budget by Service

(In \$000s)	2019 Actual	2020 Budget	2020 Projection	2021 Base Budget	2021 New / Enhanced	2021 Budget	Change vs. 2020 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Engineering Information	7,531.5	9,032.9	6,850.5	8,612.8		8,612.8	1,762.4	25.7%
Engineering Review & Acceptance	19,488.5	14,914.6	16,686.4	16,205.0	1,351.2	17,556.2	869.8	5.2%
Municipal Infrastructure Construction	40,512.0	47,361.6	41,526.1	45,906.6		45,906.6	4,380.5	10.5%
Total Revenues	67,532.0	71,309.1	65,063.0	70,724.4	1,351.2	72,075.6	7,012.7	10.8%
Expenditures								
Engineering Information	9,019.3	9,917.6	9,166.0	9,541.2		9,541.2	375.2	4.1%
Engineering Review & Acceptance	12,478.6	14,486.4	12,671.6	14,987.7	1,351.2	16,338.9	3,667.3	28.9%
Municipal Infrastructure Construction	44,612.8	48,791.2	44,970.2	47,805.3		47,805.3	2,835.0	6.3%
Total Gross Expenditures	66,110.8	73,195.2	66,807.8	72,334.2	1,351.2	73,685.4	6,877.6	10.3%
Net Expenditures	(1,421.3)	1,886.1	1,744.8	1,609.8		1,609.8	(134.9)	(7.7%)
Approved Positions	600.1	625.1	625.1	617.1	14.0	631.1	6.0	1.0%

*2020 Projection based on Q3 Variance Report

COSTS TO MAINTAIN EXISTING SERVICES

Total 2021 Base Budget expenditures of \$72.334 million gross reflecting an increase of \$5.526 million in spending above 2020 projected year-end actuals (prior to enhancements), predominantly arising from:

Salary and benefit increases, including the addition of 9.0 positions approved in-year required to deliver transit expansion projects fully funded by Metrolinx.

- Costs for materials and supplies, related to positions to be filled to meet service demands, which were held vacant in 2020 due to COVID-19 response and contracted services required to manage and deliver large scale construction projects.
- Above pressures are partially offset by base expenditure savings arising from a line by line review, other operational savings, mitigation efforts to address COVID-19 financial impacts, and other revenue.

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

- 2021 Base Budget excluding estimated COVID-19 financial impacts totalling \$1.610 million in net expenditures reflects a \$0.276 million net decrease from the 2020 Council approved Budget.

COSTS TO ENHANCE SERVICES

New and Enhanced Service expenditures of \$1.351 million gross and \$0 net, enabling:

- Additional 12 positions required to support the review and approval of development applications and associated construction to meet the Council approved "Streamlining the Application Review" timelines to meet expectations and improve customer services in a rapidly growing development industry (\$1.085 million gross, \$0 net).
- Additional 2 positions dedicated to accelerate development approvals for housing across Toronto as part of the Housing Now Initiative (\$0.266 million gross, \$0 net).

EQUITY IMPACTS OF BUDGET CHANGES

Increasing access to affordable housing: The Engineering and Construction Services' 2021 Operating Budget includes an investment of \$0.266 million to support the development of the Housing Now Initiative, which will have a positive impact on women, seniors, newcomers, and low-income residents, increasing their access to affordable housing. This investment supports numerous City of Toronto equity strategies and commitments including Housing Opportunities Toronto Action Plan, Social Procurement Policy, Strong Neighbourhoods Strategy, Toronto Newcomer Strategy and the Toronto Seniors Strategy.

2021 OPERATING BUDGET KEY DRIVERS

The 2021 Operating Base Budget for Engineering and Construction Services is \$72.334 million gross or 8.3% higher than the 2020 Projected Actuals. Table 2a below summarizes the key cost drivers for the base budget, while Table 2b summarizes Balancing Actions and Table 2c illustrates New and Enhanced requests.

Table 2a: 2021 Key Drivers – Base Budget

Key Cost Drivers (\$000's)	2019 Actuals	2020 Budget	2020 Projection	2021 Base Budget	Change vs. 2020 Projection	
					\$	%
Expenditures						
1 Salaries and Benefits	61,649.0	68,337.6	63,807.1	67,045.0	3,237.9	5.1%
2 Materials and Supplies	140.1	346.8	150.9	264.3	113.4	75.1%
3 Equipment	477.1	739.7	581.4	530.0	(51.4)	(8.8%)
4 Service and Rent	2,721.8	2,861.2	1,355.9	3,566.6	2,210.7	163.0%
5 Contribution To Reserves	907.3	906.2	906.2	921.3	15.1	1.7%
6 Other Expenditures (Inc. IDC's)	215.5	3.7	6.4	7.0	0.6	10.1%
Total Expenditures	66,110.8	73,195.2	66,807.8	72,334.2	5,526.4	8.3%
Revenues						
1 User Fees & Donations	13,147.8	10,565.3	11,571.2	9,950.2	(1,621.0)	(14.0%)
2 Transfers from Capital	51,867.8	55,589.2	49,705.0	53,591.1	3,886.0	7.8%
3 Other Revenues (Inc. IDR's)	2,516.4	5,154.6	3,786.8	7,183.1	3,396.3	89.7%
Total Revenues	67,532.0	71,309.1	65,063.0	70,724.4	5,661.4	8.7%
Net Expenditures	(1,421.3)	1,886.1	1,744.8	1,609.8	(135.0)	(7.7%)
Approved Positions	600.1	625.1	625.1	617.1	(8.0)	(1.3%)

*2020 Projection based on Q3 Variance Report

Salaries & Benefits: Include inflationary increases on existing salaries and benefits and annualised costs from the additional 9 positions approved in-year to deliver transit expansion projects, which are fully funded by Metrolinx. As mitigation efforts to address COVID-19 financial impacts, these increases have been partially offset by reductions to account for hiring slow down, cancellation of non-union performance pay and the implementation of Voluntary Separation Program. Certain positions were also repurposed to better align to priorities within Engineering and Construction Services.

Services and Rents: Include increases for professional and technical services for the delivery of construction projects.

Revenue Changes: Include increases for recovery of additional positions fully funded by Metrolinx and anticipated recovery for capital funded positions.

Table 2b: 2021 Balancing Actions

(\$000s)								
Recommendation	Savings Type	2021				2022		
		Revenue	Gross	Net	Positions	Gross	Net	Positions
Non-salary and revenue adjustments	Match to Actuals	55.9	(620.4)	(676.3)	-		9.6	-
Inflationary increase (1.85%) on fees	Revenue Increase (Other)	98.4		(98.4)	-			
Voluntary Separation Program	Other	(1,616.0)	(2,022.9)	(406.8)	-			
Non-Union Performance Pay Cancellation	Other		(832.0)	(832.0)	-			
Total Balancing Actions		(1,461.7)	(3,475.2)	(2,013.5)	-		9.6	-

The **2021 Operating Budget** includes \$3.475 million in gross expenditure and \$2.014 million in net reductions as follows:

Non-salary and Revenue adjustments:

- A reduction in base expenditures in materials and supplies and other non-salary costs contributes to Engineering and Construction Services' efforts to manage continuous cost increases from internal and external sources.

Revenue Increase:

- Various user fees and other revenue increased to align to projected and inflationary increases.

Salaries and Benefits Projected Savings

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

Table 2c: 2021 New / Enhanced

New / Enhanced Request	2021				2022 Annualized Gross	Equity Impact
	Revenue	Gross	Net	Positions		
In \$ Thousands						
1 Development Engineering Resources	1,084.9	1,084.9		12.0	1,465.5	None
2 Housing Now Initiative	266.4	266.4		2.0	268.0	High
Total New / Enhanced	1,351.2	1,351.2		14.0	1,733.5	

Development Engineering Resources:

- Request for four (4) senior engineer/senior project manager and eight (8) engineer/project manager positions to reliably meet deadlines and industry expectations. The new positions will support the review and approval of development applications and associated construction to meet the Council approved "Streamlining the Application Review" (STAR) timelines and to meet the expectations and to improve customer services in a rapidly growing development industry. In addition, to achieving the City's strategic goals of investing in people and neighbourhoods and a well-run city.

Housing Now Initiative:

- Request for one (1) senior engineer/project manager and one (1) engineer/project manager positions to accelerate development approvals for affordable housing across Toronto in support of Housing Now Initiative, a city-wide initiative and part of the HousingTO 2020-2030 Action Plan. Housing Now Initiative will enable the City to achieve its target of approving 40,000 affordable rental and supportive homes by 2030. The two dedicated temporary positions will provide timely and accelerated service delivery of development approvals for affordable housing.

Note:

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

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

(\$000s)	2020 Projection	2021 Budget	2022 Outlook	2023 Outlook
Revenues	65,063.0	72,075.6	72,466.5	72,479.0
Gross Expenditures	66,807.8	73,685.4	74,990.2	75,907.0
Net Expenditures	1,744.8	1,609.8	2,523.8	3,428.0
Approved Positions	625.1	631.1	631.1	631.1

Key drivers

The 2022 Outlook with total gross expenditures of \$74.990 million reflects an anticipated \$1.305 million or 1.8 per cent increase in gross expenditures above the 2021 Operating Budget; the 2023 Outlook expects a further increase of \$0.917 million or 1.2 per cent above 2022 gross expenditures.

These changes arise from inflationary increases for salaries and benefits.

APPENDICES

Appendix 1

COVID-19 Financial Impact - Operating

COVID-19 Impacts	(\$000s)					
	2020			2021		
	Revenues	Gross	Net	Revenues	Gross	Net
Expenditure Increase						
Salaries & Benefits - Overtime		22.1	22.1			
PPE & Supplies		14.6	14.6			
Sub-Total		36.7	36.7			
Savings due to Management Actions						
Hiring slowdown		(944.2)	(944.2)			
Voluntary Separation Program		529.0	529.0	(1,616.0)	(2,022.9)	(406.8)
Non-Union Performance Pay Cancellation					(832.0)	(832.0)
Sub-Total		(415.2)	(415.2)	(1,616.0)	(2,854.8)	(1,238.8)
Total COVID-19 Impact		(378.5)	(378.5)	(1,616.0)	(2,854.8)	(1,238.8)

Appendix 2

2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018 Actual	2019 Actual	2020 Budget	2020 Projection*	2021 Total Budget	2021 Change from 2020 Projected Actual	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	10,954.1	13,147.8	10,565.3	11,571.2	11,035.1	(536.1)	(4.6%)
Transfers From Capital	44,321.9	51,867.8	55,589.2	49,705.0	53,591.1	3,886.0	7.8%
Contribution From Reserves/Reserve Funds					266.4	266.4	
Sundry and Other Revenues	6,494.5	2,516.4	5,154.6	3,786.8	7,183.1	3,396.3	89.7%
Inter-Divisional Recoveries							
Total Revenues	61,770.5	67,532.0	71,309.1	65,063.0	72,075.6	7,012.7	10.8%
Salaries and Benefits	57,746.8	61,649.0	68,337.6	63,807.1	68,383.5	4,576.4	7.2%
Materials & Supplies	140.6	140.1	346.8	150.9	268.8	117.9	78.1%
Equipment	422.0	477.1	739.7	581.4	530.0	(51.4)	(8.8%)
Service and Rent	1,604.6	2,721.8	2,861.2	1,355.9	3,574.8	2,219.0	163.7%
Contribution To Capital		907.3	906.2	906.2	921.3	15.1	1.7%
Contribution To Reserves/Reserve Funds	766.0	215.5	3.7	6.4	7.0	0.6	10.1%
Other Expenditures	(317.0)						
Inter-Divisional Charges							
Total Gross Expenditures	60,363.0	66,110.8	73,195.2	66,807.8	73,685.4	6,877.6	10.3%
Net Expenditures	(1,407.5)	(1,421.3)	1,886.1	1,744.8	1,609.8	(135.0)	(7.7%)
Approved Positions	592.1	600.1	625.1	625.1	631.1	6.0	1.0%

* 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

Form ID		Infrastructure and Development Services Program - Engineering & Construction Services	Adjustments				2022 Plan Net Change	2023 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
23613		ECS - Housing Now Initiative						
74	Positive	Description:						
<p>Request for one (1) senior engineer and one (1) engineer positions to accelerate development approvals for affordable housing across Toronto in support of Housing Now, a city-wide initiative and part of the HousingTO 2020-2030 Action Plan. Housing Now will help the City in achieving its target of approving 40,000 affordable rental and supportive homes by 2030. The two dedicated temporary positions will help to provide timely and accelerated service delivery of development approvals of affordable housing.</p>								
Service Level Impact:								
<p>The Service Level of a 6-month planning approval processes on first 4 priority sites was achieved by negatively impacting other development applications. Maintaining this Service Level across a larger number of Housing Now sites/proposal will not be sustainable without additional staff to be dedicated to this initiative.</p>								
Equity Statement:								
<p>The "Housing Now" budget proposal's overall equity impact is medium positive. Many members of equity-seeking groups, including women, seniors, newcomers, and low income residents, will be positively impacted as this proposal will be used to support the development of the Housing Now Initiative, which advances a number of the City of Toronto's equity strategies and commitments including the Housing Opportunities Toronto Action Plan, Social Procurement Policy, Strong Neighbourhoods Strategy, Toronto Newcomer Strategy and the Toronto Seniors Strategy. Women, seniors, newcomers, and low-income residents are disproportionately impacted by lack of affordable housing and childcare as well as access to city spaces, which the Housing Now initiative seeks to address. An intersectional analysis shows that many of these populations are also racialized, Black, and/or Indigenous.</p>								
Service: Engineering Review & Acceptance								
Total Changes:			266.4	266.4	0.0	2.00	0.0	0.0
New / Enhanced Services:			266.4	266.4	0.0	2.00	0.0	0.0

Appendix 4 - Continued

Summary of 2021 New / Enhanced Service Priorities Included in Budget

Form ID		Infrastructure and Development Services Program - Engineering & Construction Services	Adjustments				2022 Plan Net Change	2023 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
22727		ECS - Development Engineering - Additional Resources						
74	No Impact	Description:						
<p>Increase of Engineering and Construction Services' approved complement by 12 new positions fully funded by user fees for a net zero impact. The new positions, four (4) Senior Engineer and eight (8) Engineer positions, will as part of the Development Engineering team support the review and approval of development applications and associated construction. Development Engineering (DE) plays a significant role in the review and approval of development applications and construction of key municipal infrastructure to support growth across the City. As part the 'one-window' service to City Planning and the development Industry, Development Engineering coordinates comments and input from operating divisions with regard to all development projects.</p>								
Service Level Impact:								
<p>The current service level target for the Key Performance Indicator is to have 75% of development circulations be completed within the mandated Streamline Application Review (STAR) timelines adopted by Council in 2003. This KPI reflects the tracked timeline for ECS to complete each formal development application submission circulated by City Planning. Over time, there has been a significant increase in the level of complexity and the expanded jurisdictional domain for Development Engineering, exacerbated by the multi-year nature of development applications, which results in a cumulative effect on staff workload year to year.</p>								
Equity Statement:								
No significant equity impact has been identified for this proposal								
Service: Engineering Review & Acceptance								
Total Changes:		1,084.9	1,084.9	0.0	12.00	0.0	0.0	
New / Enhanced Services:		1,084.9	1,084.9	0.0	12.00	0.0	0.0	
<hr/>								
Summary:								
New / Enhanced Services:		1,351.2	1,351.2	0.0	14.00	0.0	0.0	

Appendix 5

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

N/A

Appendix 6

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

N/A

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Summary of Capital Needs Constraints (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

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2021	2022	2023
		\$	\$	\$
Beginning Balance		1,605.0	1,211.9	966.2
Vehicle Reserve	XQ1016			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>				
<i>Engineering and Construction Services</i>		186.6	186.6	186.6
Total Reserve / Reserve Fund Draws / Contributions		1,791.6	1,398.5	1,152.8
Other Program / Agency Net Withdrawals & Contributions		(579.6)	(432.3)	(192.7)
Balance at Year-End		1,211.9	966.2	960.1

* Based on Q3 2020 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2021	2022	2023
		\$	\$	\$
Beginning Balance		30,142.3	14,678.1	17.8
Insurance	XR1010			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>				
<i>Engineering and Construction Services</i>		734.7	734.7	734.7
<i>Interest</i>		47.0	16.9	4.3
Total Reserve / Reserve Fund Draws / Contributions		30,924.0	15,429.7	756.8
Other Program / Agency Net Withdrawals & Contributions		(16,245.9)	(15,411.9)	1,816.0
Balance at Year-End		14,678.1	17.8	2,572.8

* Based on Q3 2020 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2021	2022	2023
		\$	\$	\$
Beginning Balance		228,758.8	216,685.9	204,573.7
Capital Revolving Fund - Affordable Housing	XR1058			
<i>Withdrawals (-)</i>				
<i>Contributions (+)</i>				
<i>Engineering and Construction Services</i>		(266.4)	(268.0)	(268.5)
<i>Interest Income</i>		467.2	483.9	666.2
Total Reserve / Reserve Fund Draws / Contributions		228,959.7	216,901.8	204,971.4
Other Program / Agency Net Withdrawals & Contributions		(12,273.8)	(12,328.1)	(5,114.3)
Balance at Year-End		216,685.9	204,573.7	199,857.0

* Based on Q3 2020 Reserve Fund Variance Report

Appendix 11

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

Tax Supported Budget: Budget funded by property taxes.

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

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