



Toronto 2016 BUDGET

OPERATING BUDGET NOTES



Office of the Chief Financial Officer

2016 OPERATING BUDGET OVERVIEW

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

2016 Budget Highlights

The total cost to deliver these services to Toronto residents is \$16.577 million gross and \$9.673 million net as shown below.

(in \$000's)	2015 Approved Budget	2016 Budget	Change	
			\$	%
Gross Expenditures	16,558.6	16,577.0	18.4	0.1%
Gross Revenues	6,780.7	6,903.9	123.2	1.8%
Net Expenditures	9,777.9	9,673.1	(104.8)	(1.1%)

For 2016, the Office of the Chief Financial Officer identified \$0.039 million in opening budget pressures arising mainly from inflationary increases within salary and benefit costs. These pressures have been fully offset through a line-by-line review and staffing efficiency to achieve a reduction of 1.1% under the 2015 Approved Net Budget while maintaining the same level of service in 2016.

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Fast Facts

The Office of the CFO:

- Manages the City’s investment portfolio totalling \$5.0 billion;
- Manages \$1.9 billion in sinking funds and supports the City's pension and trust funds.
- Insures \$14.5 billion worth of property.
- Provides financial oversight on \$11.7 billion Operating Budget and a \$33.5 billion 10-Year Capital Plan for both Tax and Rate Supported Programs.
- Maintains the City's fiscal health, by ensuring the debt servicing costs do not exceed 15% of property tax revenues.
- Provides financial analysis, advice, oversight of the City's financial affairs.

Trends

- The City’s investment funds' returns have performed better than benchmark for returns in each of the last four years for both the Bond Funds and Money Market Fund.

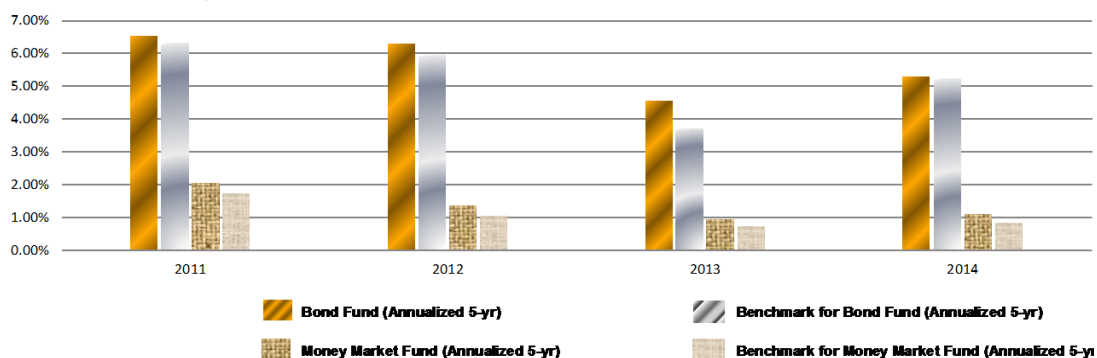
Our Service Deliverables for 2016

The Office of the Chief Financial Officer provides quality financial and shared services; corporate strategic, financial and risk management expertise; and Corporate Financial Planning, Management, Reporting and Control services to ensure the fiscal sustainability of the City in delivering programs and services to the public.

The 2016 Preliminary Operating Budget will:

- Deliver a multi-year service based Operating Budget and 10 Year Capital Plan based on the City's affordability and Council's priority.
- Deliver Long-Term Financial Plan that provides for sustainable services and reliable infrastructure with modest impacts to tax payers.
- Provide oversight and quality assurance of financial and administrative controls to promote compliance with corporate policies and procedures.
- Continue to enhance financial transparency and public engagement in the City's budget process by undertaking a Participatory Budgeting and continuing to improve the budget website.
- Continue the Shared Services Project that expects to complete 6 projects relating to learning, insurance, and real estate, which are anticipated to generate both service improvements and savings for the City, Agencies & Corporations.

City's Investment Funds' Returns vs Benchmarks Returns

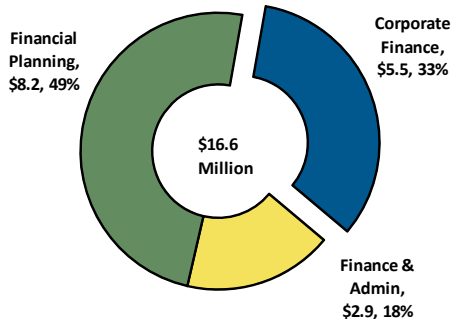


2016 Operating Budget Expenses & Funding

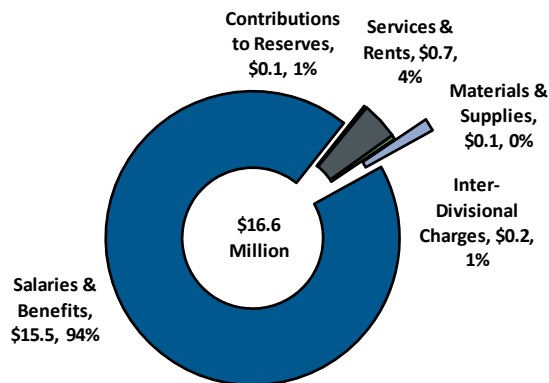
Our Key Issues & Priority Actions

Where the money goes:

2016 Budget by Service

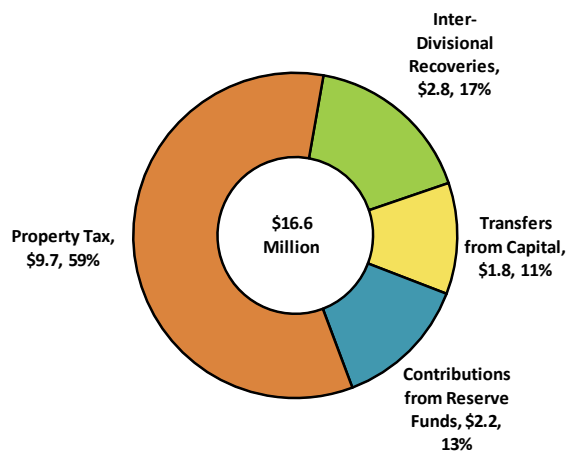


2016 Budget by Expenditure Category



Where the money comes from:

2016 Budget by Funding Source



- **Enhancing transparency and accountability** of financial management and control across all City Programs and Agencies.

 - ✓ A detailed review of the existing Financial Control Bylaw is underway to provide City with capacity to strengthen financial management and governance.
 - ✓ Funding for section 37 position.
- **Implementing Shared Services Project** to identify savings, efficiencies, and improvement opportunities through the transformation of corporate services.

 - ✓ Consolidation and optimization of corporate functions to deliver services through increased collaboration within the City.
- **Delivering a Long-Term Financial Plan** with new and sustainable financing sources to support programs, services and infrastructure with modest impacts to tax payers.

 - ✓ Continuing to leverage City assets and establish other revenue tools through the review of the City of Toronto Act to generate funding for unfunded capital needs and help offset budget pressure.
- **Closing the funding gap** while addressing growing demands for service expansion, escalating costs to deliver services, and rising state-of-good repair backlog.

 - ✓ Continuing to meet service demands given the financial constraints faced by the City.
 - ✓ The 2016-2025 Preliminary Capital Plan includes \$13.2 billion over the 10- year period to address required SOGR capital work.

2016 Operating Budget Highlights

- The 2016 Preliminary Operating Budget for the Office of the Chief Financial Officer of \$16.577 million in gross expenditures provides funding for three services, Fin & Admin, Corporate Finance and Financial Planning.
- The Program has exceeded the budget target with a 1.1% net decrease from the 2015 Approved Budget through measures taken based on the following criteria:
 - The identification of sustainable, on-going savings including line by line reductions (\$0.047 million) and 0.7% in efficiency savings / productivity gains (\$0.067 million); and
 - Target achievement without impacting on Council approved Service Levels.

Actions for Consideration

Approval of the 2016 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2016 Preliminary Operating Budget for The Office of the Chief Financial Officer of \$16.577 million gross, \$9.673 million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Finance & Administration:	2,895.9	2,693.6
Corporate Finance:	5,529.4	1,738.2
Financial Planning:	8,151.7	5,241.0
Total Program Budget	<u>16,577.0</u>	<u>9,673.1</u>

2. City Council approve the 2016 preliminary service levels for the Office of the Chief Financial Officer as outlined on pages 15-16, 20-23, and 28 of this report, and associated staff complement of 115 positions.



Part I:

2016 – 2018

Service Overview and
Plan

Program Map

Office of the DCM & CFO

The Office of the DCM & CFO ensures effective use of the Corporation’s financial resources by providing sound financial management and advice; maintaining financial control; developing and implementing effective financial strategies; and by providing timely, accurate and efficient services to Divisions, Agencies, Council and the public.

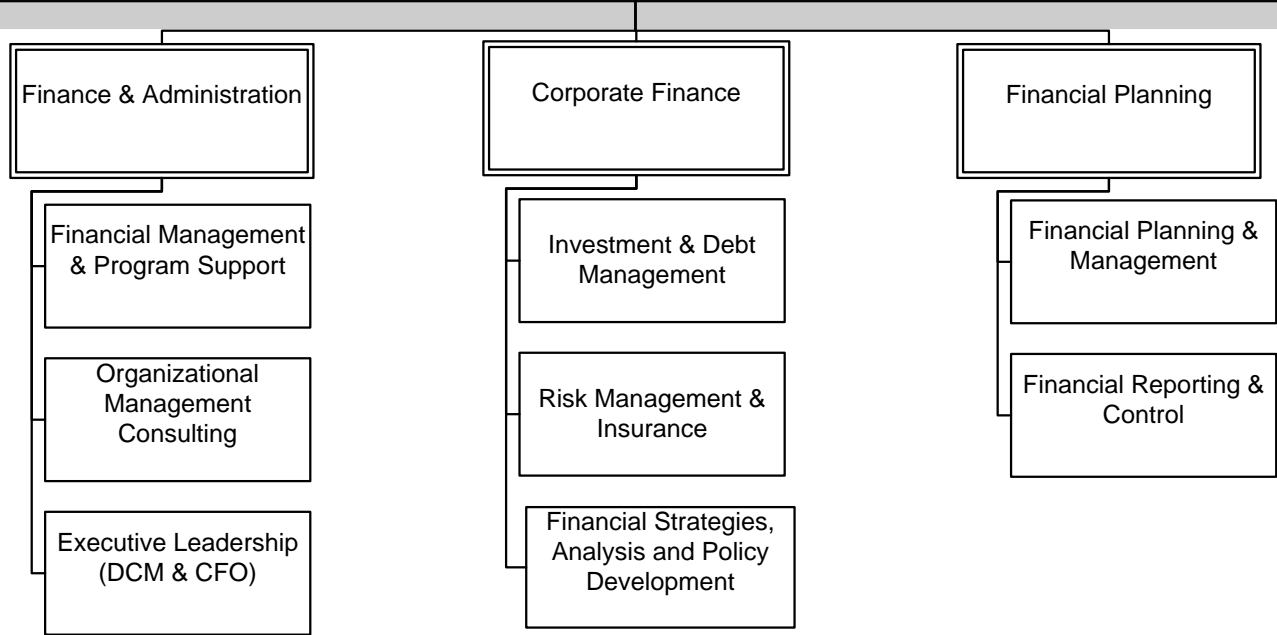


Table 1
2016 Preliminary Operating Budget and Plan by Service

(In \$000s)	2015		2016 Operating Budget			2016 vs. 2015 Budget Approved Changes		Incremental Change 2017 and 2018 Plan			
	Approved Budget	Projected Actual	2016 Base	2016 New/Enhanced	2016 Budget			2017		2018	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Corporate Finance											
Gross Expenditures	5,480.9	5,292.6	5,529.4		5,529.4	48.5	0.9%	8.9	0.2%	17.6	0.3%
Revenue	3,714.7	3,544.7	3,791.1		3,791.1	76.5	2.1%	35.4	0.9%	8.5	0.2%
Net Expenditures	1,766.2	1,747.9	1,738.2	-	1,738.2	(28.0)	(1.6%)	(26.5)	(1.5%)	9.1	0.5%
Finance & Administration											
Gross Expenditures	2,906.0	2,791.3	2,895.9		2,895.9	(10.1)	(0.3%)	(26.0)	(0.9%)	16.6	0.6%
Revenue	186.3	168.9	202.1		202.1	15.8	8.5%	2.6	1.3%	3.6	1.7%
Net Expenditures	2,719.7	2,622.4	2,693.7	-	2,693.7	(25.9)	(1.0%)	(28.6)	(1.1%)	13.0	0.5%
Financial Planning											
Gross Expenditures	8,171.7	7,251.6	8,062.1	89.7	8,151.7	(20.0)	(0.2%)	(1,247.6)	(15.3%)	89.3	1.3%
Revenue	2,879.7	2,769.1	2,821.0	89.7	2,910.7	31.0	1.1%	(1,495.6)	(51.4%)	1.0	0.1%
Net Expenditures	5,292.0	4,482.5	5,241.0	-	5,241.0	(51.0)	(1.0%)	248.0	4.7%	88.2	1.6%
Total											
Gross Expenditures	16,558.6	15,335.5	16,487.3	89.7	16,577.0	18.4	0.1%	(1,264.7)	(7.6%)	123.5	0.8%
Revenue	6,780.7	6,482.7	6,814.3	89.7	6,903.9	123.2	1.8%	(1,457.6)	(21.1%)	13.1	0.2%
Total Net Expenditures	9,777.9	8,852.8	9,673.1	-	9,673.1	(104.8)	(1.1%)	192.9	2.0%	110.3	1.1%
Approved Positions	115.0	110.0	114.0	1.0	115.0	0.0	0.0%	(11.0)	(9.6%)		

The Office of the Chief Financial Officer's 2016 Preliminary Operating Budget is \$16.577 million gross and \$9.673 million net, representing a 1.1% decrease to the 2015 Approved Net Operating Budget and slightly exceeds the reduction target as set out in the 2016 Operating Budget Directions and Guidelines.

- Base pressures are mainly attributable to inflationary salary increases common across all services.
- The Program has been able to offset the above pressures through savings achieved from a line by line review of expenditures, a delay in hiring and right sizing the staff complement from efficiencies found through efficiencies.
- The 2016 Operating Budget includes funding of \$0.090 million gross and \$0 net for 1.0 Financial Analyst position to provide additional public accountability and transparency with regard to Section 37 benefit contributions and expenditures, in accordance with the requirements of Bill 73.
- Approval of the 2016 Preliminary Operating Budget will result in The Office of the Chief Financial Officer's total staff complement remaining at 115.0 positions.
- The 2017 and 2018 Plan increases are mainly attributable to inflationary cost increases for progression pay, step and fringe benefits totaling \$0.193 million and \$0.110 million respectively.

**Table 2
Key Cost Drivers**

(In \$000s)	2016 Operating Budget						2016 Base Budget	
	Corporate Finance		Administration		Financial Planning		Total	
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Prior Year Impacts								
Zero Based Equipment	(2.5)						(2.5)	
Salary & Benefit Costs								
Salary Adjustments	12.4		25.4		4.3		42.1	
Other Base Changes								
Adjustments to Inter-Divisional Charges/Recovery			(30.0)				(30.0)	
Total Gross Expenditure Changes	9.9		(4.6)		4.3		9.6	
Revenue Changes (Increase) / Decrease								
Adjustments to Recovery from TTC	29.6						29.6	
Total Revenue Changes	29.6						29.6	
Net Expenditure Changes	39.5		(4.6)		4.3		39.2	

Key cost drivers for The Office of the Chief Financial Officer are discussed below:

- Salary and Benefit Costs:
 - Cost increases for progression pay, step increases and benefit adjustments totaling \$0.042 million.
 - Cost of living allowance has not been included as 2016 is a collective bargaining year, with increases subject to ongoing negotiations.
- Other Base Changes:
 - Decrease in internal audit charges of \$0.030 million and reallocation to the Treasurer to reflect actual service provision.
- Revenue Changes:
 - Decrease in recoveries from TTC of \$0.030 million reflecting the level of support required of Corporate Finance.

In order to offset the above net pressures, the 2016 service cost changes for this Program consists of base expenditure savings of \$0.077 million net, and service efficiency savings of \$0.067 million net, for a total reduction of \$0.144 million net as detailed below.

Table 3
2016 Total Preliminary Service Change Summary

Description (\$000s)	2016 Service Changes						Total Service Changes			Incremental Change			
	Corporate Finance		Finance & Administration		Financial Planning		\$	\$	#	2017 Plan		2018 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Expenditure Changes													
<i>Line by Line Review Expenditure Reduction</i>			(22.7)	22.7	(24.1)	(24.1)	(46.8)	(46.8)					
<i>Delay in Filling Vacancy</i>					(29.7)	(29.7)	(29.7)	(29.7)		29.7			
Base Expenditure Change			(22.7)	22.7	(53.8)	(53.8)	(76.5)	(76.5)		29.7			
Sub-Total			(22.7)	22.7	(53.8)	(53.8)	(76.5)	(76.5)		29.7			
Service Efficiencies													
<i>Restructuring of Positions</i>	(66.4)	(67.5)					(66.4)	(67.5)	(1.0)	(18.3)		0.6	
Sub-Total	(66.4)	(67.5)					(66.4)	(67.5)	(1.0)	(18.3)		0.6	
Total Changes	(66.4)	(67.5)	(22.7)	22.7	(53.8)	(53.8)	(142.8)	(144.0)	(1.0)	11.4	(11.0)	0.6	

Base Expenditure Changes (Savings of \$0.077 million gross & net)

Line by Line Review Expenditure Reduction

- A line by line review of expenditures, across all services, resulted in the non-salary savings of \$0.047 million.
- The delay in filling a vacant position in Financial Planning will achieve one-time savings of \$0.030 million.

Service Efficiencies (Savings of \$0.066 million gross & \$0.067 million net)

Restructuring of Positions

- Corporate Finance will reduce 1 permanent vacant position with salaries and benefits savings of \$0.067 million reflecting service efficiencies found through restructuring of positions.

In order to offset the above pressures, the 2016 Operating Budget for Corporate Finance includes \$0.067 million in efficiency savings identified through a review of positions within this service that resulted in combining responsibilities and the deletion of a vacant position.

Table 4
2016 Total Preliminary New & Enhanced Service Priorities

Description (\$000s)	New and Enhanced		Total			Incremental Change			
	Financial Planning		\$	\$	Position	2017 Plan		2018 Plan	
	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
New Service Priorities									
<i>New Financial Analyst Position -Section 37</i>	89.7	(0.0)	89.7	(0.0)	1.0				
Sub-Total	89.7	(0.0)	89.7	(0.0)	1.0				
Total	89.7	(0.0)	89.7	(0.0)	1.0				

Preliminary Enhanced Service Priorities (\$0.090 million gross & \$0 million net)

New Financial Analyst Position - Section 37

- The 2016 Operating Budget includes additional funding for the creation of a new temporary Financial Analyst position within Financial Planning dedicated to addressing Section 37 reporting requirements under Bill 73 Amendments: *Smart Growth for Our Communities Act*.
- The Bill imposes new annual reporting requirements on the municipal treasurer regarding expenditures as follows:
 - The annual reports will be required to identify any facilities, services or other matters for which funds from the special account have been spent including details of the amounts spent and the manner in which any capital cost not funded from the special account will be funded.
- Additional funding of \$0.090 million in 2016 is required to support this initiative, with these costs offset through recoveries from "orphaned" interest available in closed out Section 37 and Section 45 accounts.
- Greater detail on Bill 73 reporting requirements and this initiative is available in the issues for Discussion section of these notes (see page 32).

Approval of the 2016 Preliminary Budget for Office of The Chief Financial Officer will result in incremental net cost of \$0.193 million in 2017 and \$0.110 million in 2018 to maintain the 2016 service levels, as discussed in the following section:

Table 5
2017 and 2018 Plan by Program

Description (\$000s)	2017 - Incremental Increase					2018 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Progression Pay and Step Increases	183.2	1.9	181.3			125.4	4.7	120.7		
Delay in Filling Vacancy	29.7		29.7							
Completion of Capital Project - FPARS	(1,526.9)	(1,526.9)			(11.0)					
Annualization of New Position in FPD	31.3	31.3								
Annualization of Positions Restructuring in Corporate Finance	17.9	36.2	(18.3)			(2.0)	(2.6)	0.6		
Revenue										
IDC/IDR	0.1		0.1			0.2		0.2		
Sub-Total	(1,264.7)	(1,457.5)	192.8		(11.0)	123.6	2.1	121.5		
Total Incremental Impact	(1,264.7)	(1,457.5)	192.8		(11.0)	123.6	2.1	121.5		

Future year incremental costs are primarily attributable to the following:

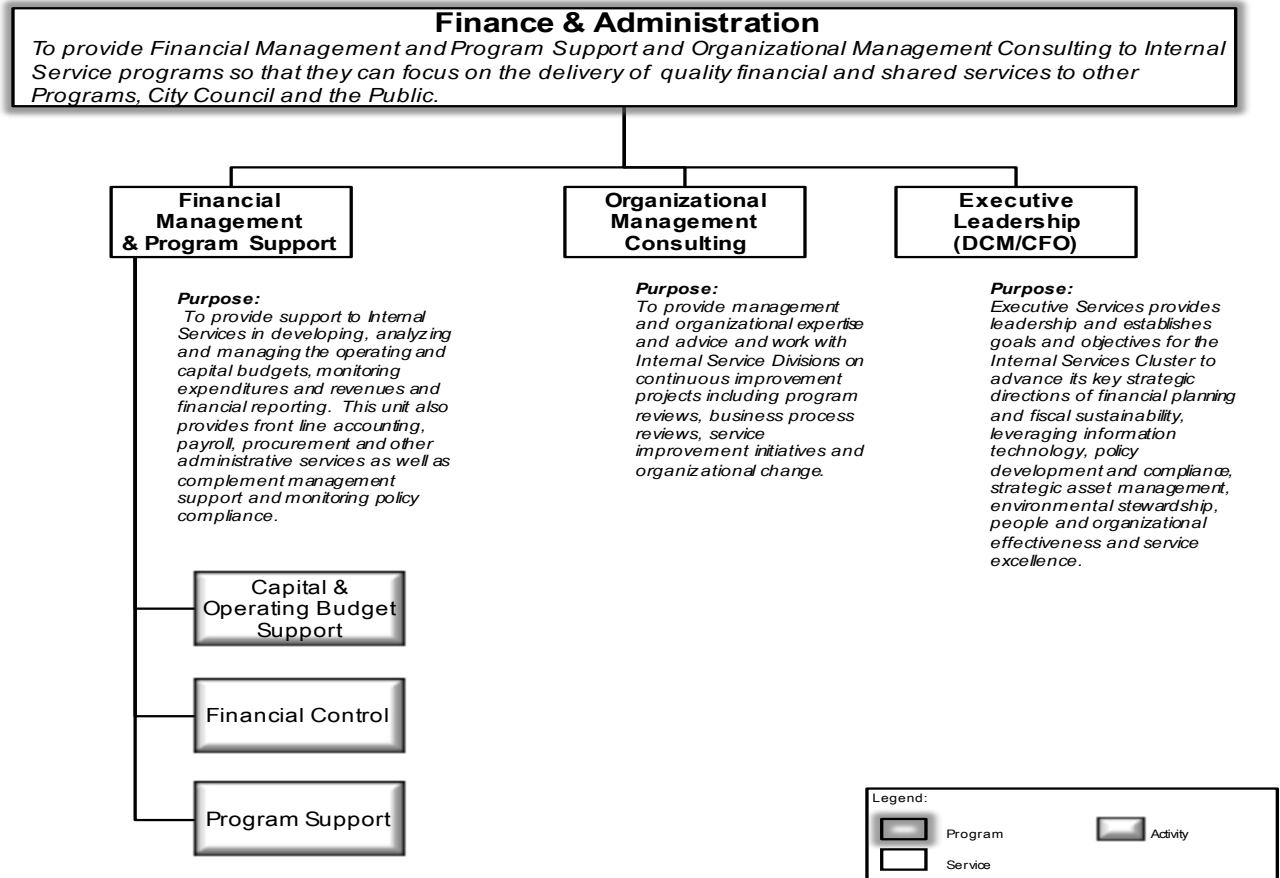
Known Impacts:

- The 2017 and 2018 plans reflect future year net incremental costs for salaries, progression pay, and step increases of \$0.183 million in 2017 and \$0.121 million in 2018.
- Adjustments to salaries and benefits for temporary positions supporting the delivery of the Financial Planning Analysis Reporting System (FPARS) capital project will result in a 2017 decrease of gross expenditures of \$1.527 million and net \$0.00 resulting from associated capital recoveries.
- Reversal of one-time savings of \$0.030 million gross and net as a result of the planned delay in filling a vacant Financial Planning position in 2016.



Part II: 2016 Budget by Service

Finance & Administration



Service Customer

Financial Management & Program Support

- City Manager
- DCM/CFO
- Budget Committee
- Internal Services Divisions
- Other City Divisions

Organizational Management Consulting

- DCM/CFO
- Internal Services Divisions

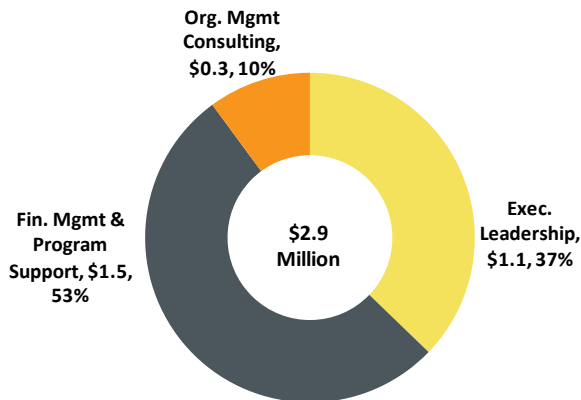
Executive Leadership (DCM/CFO)

- City Manager and DCMs
- City Council and Committees
- Mayor and Councillors
- City Divisions and Agencies
- Property Owners/Taxpayers
- Media

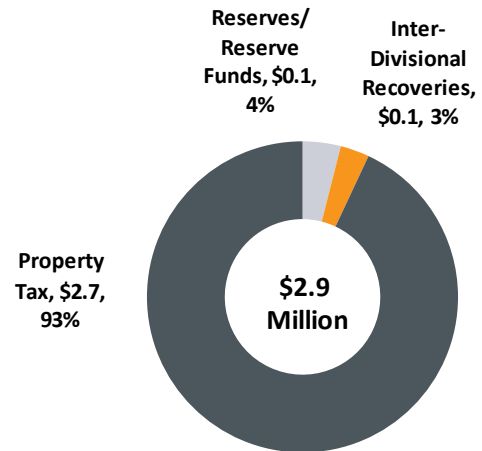
What We Do

Provide Financial Management, Program Support and Organizational Management Consulting to Internal Service programs so that they can focus on the delivery of quality financial and shared services to other Programs, City Council and the Public.

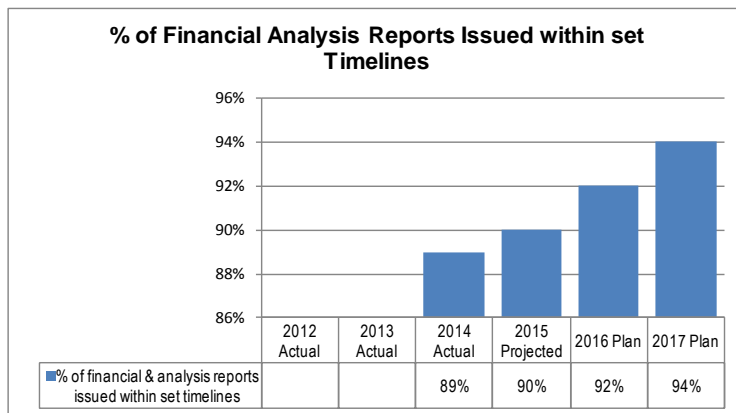
2016 Service Budget by Activity (\$M)



Service by Funding Source (\$M)



% of Financial & Analysis Reports Issued within set Timelines



- Tracking of actual data for issuing of financial and analysis reports began in 2014.
- In 2014, Finance & Administration issued 89% of financial and analysis reports within set timelines.
- Finance & Administration staff is expecting to achieve 90% in 2015.
- The Program will strive for a (92% achievement in 2016 towards a goal of 94% in 2017.

**2016 Service Levels
Finance & Administration**

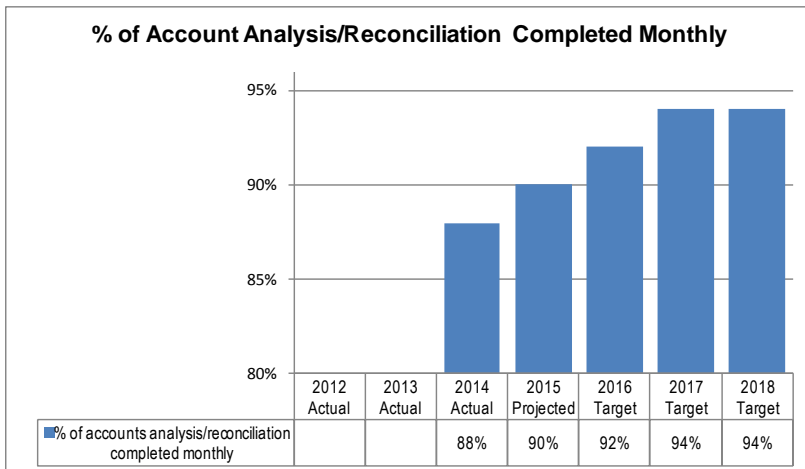
Activity	Type	Sub-Type	Status	Approved Service Levels				2016
				2012	2013	2014	2015	
Executive Leadership			Approved					
Financial Management & Program Support	Capital & Operating Budget Support	Capital Budget	Approved	Capital Budget and 10 Year Plan of Capital Works prepared annually				Capital Budget and 10 Year Plan of Capital Works prepared annually
		Operating	Approved	Operating Budget prepared annually				Operating Budget prepared annually
	Financial Control	Management Reports	Approved	Statistics Canada Report on Capital Expenditures is prepared and submitted semi-annually				Statistics Canada Report on Capital Expenditures is prepared and submitted semi-annually
			Approved	Consultants' expenditure report prepared annually				Consultants' expenditure report prepared annually
			Approved	DPO Activity Report, Blanket Contracts, PO Compliance and Parked Document reports reviewed and distributed monthly				DPO Activity Report, Blanket Contracts, PO Compliance and Parked Document reports reviewed and distributed monthly
			Approved	Attendance Management Reports prepared and distributed monthly				Attendance Management Reports prepared and distributed monthly
		Variance Reports	Approved	Capital and Operating Variance Reports and Cluster Performance Statistics are prepared and consolidated quarterly				Capital and Operating Variance Reports and Cluster Performance Statistics are prepared and consolidated quarterly
		Financial Oversight	Approved	accounts analysis and journal entries reviewed monthly				accounts analysis and journal entries reviewed monthly
	Approved		Review and coordination of cluster signing authorities completed annually				Review and coordination of cluster signing authorities completed annually	
		Payroll Reports	Approved	Additional Cost, Bank Balance and Labour Distribution and Overtime Reports prepared and distributed bi-weekly				Additional Cost, Bank Balance and Labour Distribution and Overtime Reports prepared and distributed bi-weekly
	Program Support	Accounting	Approved	Cheque requisitions, goods receipt, new vendor accounts and petty cash reimbursements are processed within 3-5 business days of receipt				Cheque requisitions, goods receipt, new vendor accounts and petty cash reimbursements are processed within 3-5 business days of receipt
			Approved	Pcard transactions are reviewed and approved monthly				Pcard transactions are reviewed and approved monthly
			Approved	Retention of accounting records on a daily basis				Retention of accounting records on a daily basis
		Purchasing	Approved	Contract release orders (CRO), corporate express requisitions, divisional purchase orders (DPO), material stores requisitions are processed within 3-5 business days				Contract release orders (CRO), corporate express requisitions, divisional purchase orders (DPO), material stores requisitions are processed within 3-5 business days
			Approved	Purchase requisitions and sole source documentation are processed within 5-10 business days				Purchase requisitions and sole source documentation are processed within 5-10 business days
Approved			Corporate calls are managed within standards established by PMMD				Corporate calls are managed within standards established by PMMD	
Approved			Retention of purchasing records on a daily basis				Retention of purchasing records on a daily basis	

Activity	Type	Sub-Type	Status	Approved Service Levels				2016
				2012	2013	2014	2015	
		Payroll	Approved	Time and attendance reporting and pay advice distribution are completed bi-weekly				Time and attendance reporting and pay advice distribution are completed bi-weekly
			Approved	Reimbursement of employee expenses are processed bi-weekly				Reimbursement of employee expenses are processed bi-weekly
			Approved	Benefit changes and employee payroll data updates are processed within 10 business days from date of notification				Benefit changes and employee payroll data updates are processed within 10 business days from date of notification
			Organizational Support	Approved	Organizational charts are revised as required			
		Approved		Organizational change approval (OCA) requests are reviewed and processed within 10 business days of receipt				HR Organizational Management eRequests (HOMeR) are reviewed and processed within 10 business days of receipt
		Approved		Staff requisition requests are reviewed and sent for DCM approval within 5-8 days of receipt				Staff requisition requests are reviewed and sent for DCM approval within 5-8 days of receipt
		Approved		Cluster summary of Conferences/seminars is compiled annually for DCM's approval				Cluster summary of Conferences/seminars is compiled annually for DCM's approval
Organizational Management Consulting			Approved	Project specific				Project specific

Overall, the 2016 Preliminary Service Levels are consistent with the approved 2015 Service Levels for Finance & Administration.

Service Performance

Efficiency Measure – Effectiveness Measure -% of Accounts Analysis/Reconciliation completed monthly



- Tracking of actual data for completed accounts analysis/reconciliation began since 2014.
- In 2014, Finance & Administration completed 88% of accounts analysis/reconciliation monthly.
- Finance & Administration staff will strive for 90% in 2015 towards a goal of 94% in 2017/18.

Table 6
2016 Preliminary Service Budget by Activity

(000s)	2015	2016 Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget	2016 Budget vs. 2015 Budget		2017 Plan		2018 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Executive Leadership	1,055.3	1,077.7		1,077.7	22.3	2.1%		1,077.7	22.3	2.1%	(21.5)	(2.0%)	3.4	0.3%
Financial Management & Program Support	1,565.8	1,526.2		1,526.2	(39.6)	(2.5%)		1,526.2	(39.6)	(2.5%)	(4.4)	(0.3%)	11.0	0.7%
F&A-Organizational Management Consulting	284.9	292.0		292.0	7.1	2.5%		292.0	7.1	2.5%	(0.0)	(0.0%)	2.2	0.8%
Total Gross Exp.	2,906.0	2,895.9		2,895.9	(10.1)	(0.3%)		2,895.9	(10.1)	(0.3%)	(26.0)	(0.9%)	16.6	0.6%
REVENUE														
Executive Leadership	186.3	202.1		202.1	15.8	8.5%		202.1	15.8	8.5%	2.6	1.3%	3.6	1.7%
Financial Management & Program Support														
F&A-Organizational Management Consulting														
Total Revenues	186.3	202.1		202.1	15.8	8.5%		202.1	15.8	8.5%	2.6	1.3%	3.6	1.7%
NET EXP.														
Executive Leadership	869.0	875.6		875.6	6.6	0.8%		875.6	6.6	0.8%	(24.1)	(2.8%)	(0.2)	(0.0%)
Financial Management & Program Support	1,565.8	1,526.2		1,526.2	(39.6)	(2.5%)		1,526.2	(39.6)	(2.5%)	(4.4)	(0.3%)	11.0	0.7%
F&A-Organizational Management Consulting	284.9	292.0		292.0	7.1	2.5%		292.0	7.1	2.5%	(0.0)	(0.0%)	2.2	0.8%
Total Net Exp.	2,719.7	2,693.8		2,693.8	(25.9)	(1.0%)		2,693.8	(25.9)	(1.0%)	(28.6)	(1.1%)	13.0	0.5%
Approved Positions	20.0	20.0		20.0				20.0						

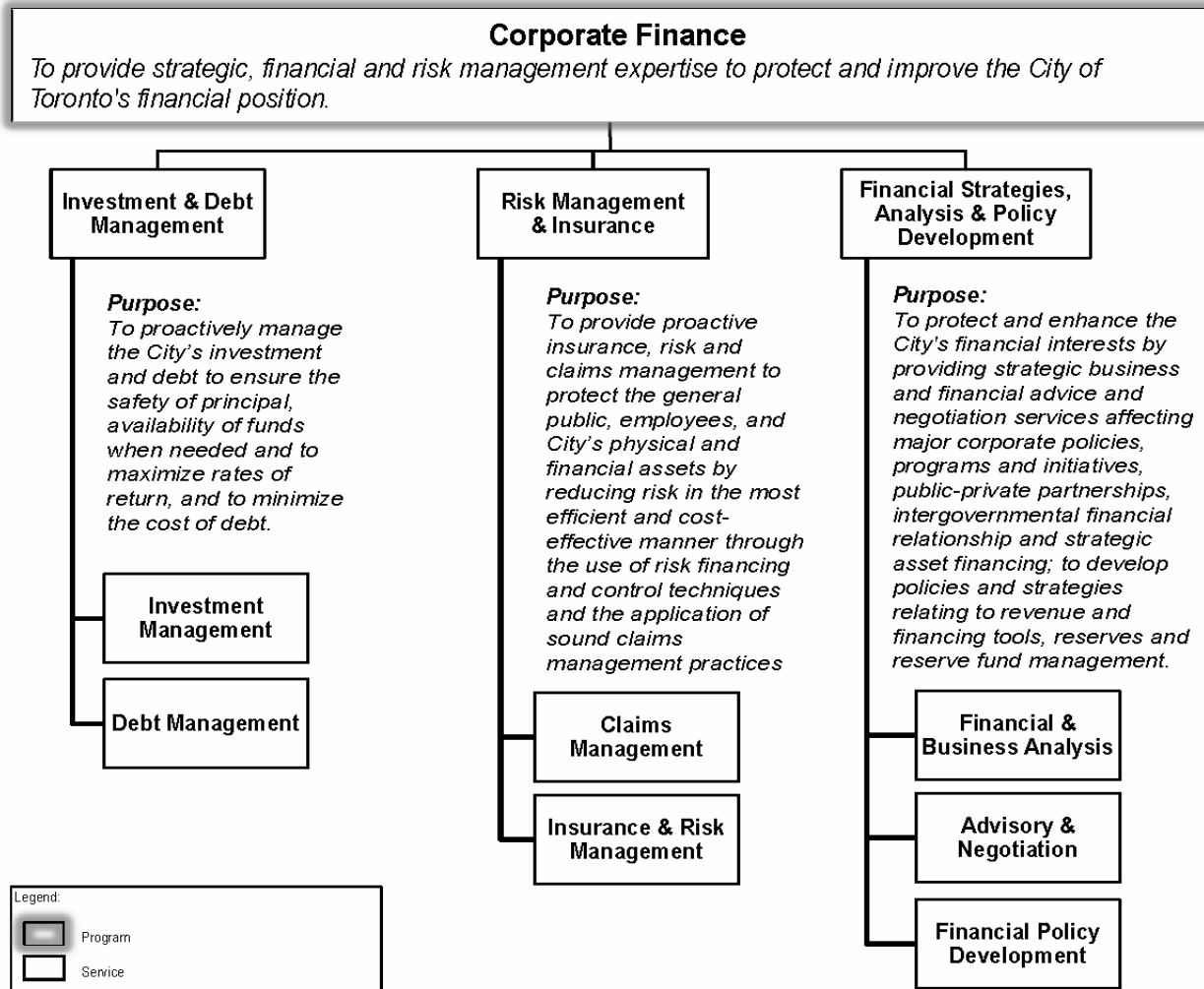
Finance & Administration provide financial management and program support, and organization management consulting to Internal Service programs, so that they can focus on the delivery of quality financial and shared services to other programs, city council and the public.

Finance & Administration's 2016 Preliminary Operating Budget of \$2.896 million gross and \$2.693 million net is \$0.026 million or 1.0% under the 2015 Approved Net Budget.

Base pressures of \$0.027 million in Finance & Administration result from salary and benefit increases relating to progression pay and step that have been fully offset from a decrease in inter-divisional charges from Internal Audit in the amount of \$0.030 million.

- Expenditures have been further reduced by \$0.023 million in line by line savings following a review of recent spending and consideration of future requirements.

Corporate Finance



Legend:
 Program
 Service

Service Customer

Investment & Debt Management

- Corporation
- Divisions
- Agencies
- Owned Subsidiaries
- Pension Funds
- Investment Advisory Committee

Risk Management & Insurance

- Claimants
- Insured Employees & Councillors
- Corporation
- Divisions
- Agencies (except Toronto Transit Commission, Toronto Community Housing Corporation, Toronto Parking Authority)

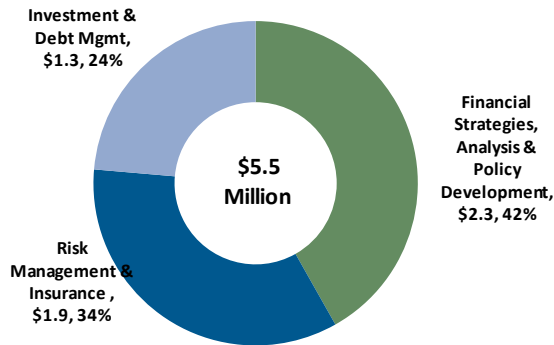
Financial Strategies, Analysis & Policy Development

- Council
- Mayor
- Divisions
- Agencies including Toronto Hydro, Toronto Community Housing Corporation, Toronto Portlands Corporation, Build Toronto, Invest Toronto
- Other orders of Government
- Public
- City Affiliated organizations

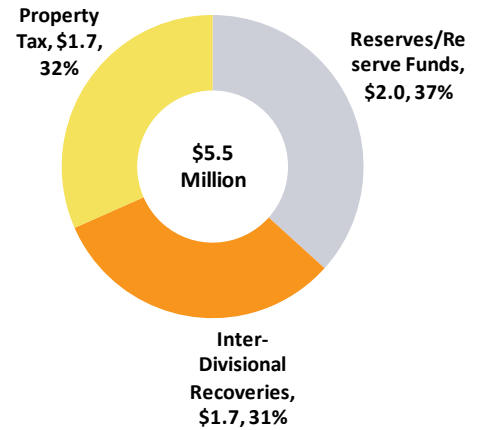
What We Do

Provide strategic, financial and risk management expertise to protect and improve the City of Toronto's financial position.

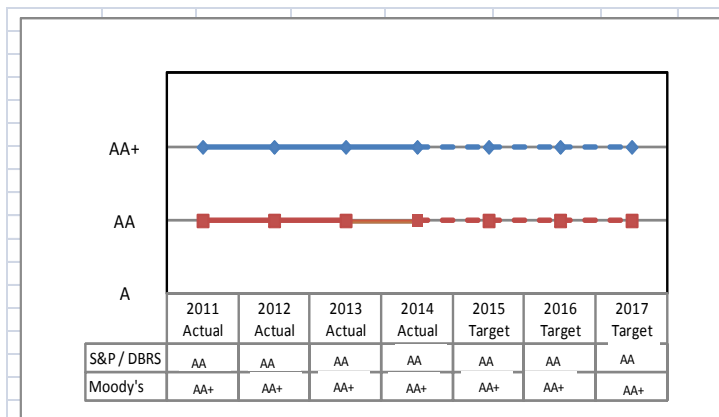
2016 Service Budget by Activity (\$M)



Service by Funding Source (\$M)



City of Toronto Credit Rating



- The City's credit rating has maintained a stable outlook during difficult economic times due to:
 - Toronto's wealthy and diversified economy, low debt burden, very positive liquidity and positive financial management.
 - Interest rate spreads remain stable in relation to the underlying Province of Ontario bonds and in relation to other municipalities.
 - The City has strong credit ratings of AA+ from Moody's, and AA from Standard and Poor's and DBRS.
 - These excellent ratings reflect the expectation that the City's economy will continue to generate taxable assessment growth.

2016 Service Levels
Corporate Finance

Service Level	Activity	Type	Sub-Type	Service Levels				2016
				2012	2013	2014	2015	
Investment and Debt Management	Investment Management	Money Market Funds		Available funds are invested in either the money market or bond funds based on management's assessment of the duration for which the investments should be held				Available funds are invested in either the money market or bond funds based on management's assessment of the duration for which the investments should be held
		Sinking Funds		Available funds are invested in either the money market or bond funds based on management's assessment of the duration for which the investments should be held				Available funds are invested in either the money market or bond funds based on management's assessment of the duration for which the investments should be held
		Bond Funds		Available funds are invested in either the money market or bond funds based on management's assessment of the duration for which the investments should be held				Available funds are invested in either the money market or bond funds based on management's assessment of the duration for which the investments should be held
		City Owned Subsidiaries		Shareholder oversight/review of financial performance of Government Business Enterprises (Toronto Portland Corp., Invest Toronto, Build Toronto, Toronto Community Housing Corp, Toronto Hydro Corporation, and Toronto Parking Authority) as reported in financial statements and business plans, and implemented through shareholder directions	Shareholder oversight review of City Government Business Enterprises. Summaries of quarterly statements and subsidiary statements as available to CFO; Business Plans to CFO & CMO; Annual Financial Statements as attachment to CMO annual shareholder reports.	Shareholder oversight review of City Government Business Enterprises. Summaries of quarterly statements and subsidiary statements as available to CFO; Business Plans to CFO & CMO; Annual Financial Statements as attachment to CMO annual shareholder reports.	Shareholder oversight review of City Government Business Enterprises. Summaries of quarterly statements and subsidiary statements as available to CFO; Business Plans to CFO & CMO; Annual Financial Statements as attachment to CMO annual shareholder reports.	
		Investment strategy for owned subsidiaries		Enwave Energy Corp sale process	Asset monetization strategy review			Asset monetization strategy review
	Debt Management	Debentures		Interest rates and issuings spreads change on a daily basis based on capital market conditions. Credit ratings are generally assessed and issued once per year				Interest rates and issuings spreads change on a daily basis based on capital market conditions. Credit ratings are generally assessed and issued once per year
		Loans		none				none
		Third party loan or line of credit agreements executed		Financial performance of recipient organizations is assessed at least annually, but more frequently if information is available or issues are identified	Work with Facilities and programs to update energy finance policies in respect of Sustainable Energy Funds and internal (recoverable) loans for positive present value projects.	Provide corporate oversight		Provide corporate oversight
		Debt strategy for owned subsidiaries		resolved in a timely manner and effort required is directly related to complexity of issue being resolved	into updating of shareholder directions for THC and TCHC; develop and get Council approval of dividend	into updating of shareholder directions for THC and TCHC; develop and get Council approval of dividend	Develop and get Council approval of dividend policies for BT and TPLC.	Develop and get Council approval of dividend policies for BT and TPLC.
		Credit Rating					Maintain existing credit ratings from the three credit rating agencies with the possibility of increasing the rating.	Maintain existing credit ratings from the three credit rating agencies with the possibility of increasing the rating.
		Investor Relations				Attend 3 investor conferences, give presentations and meet upon request with investors.	Attend 3 investor conferences, give presentations and meet upon request with investors.	

Service Level	Activity	Type	Sub-Type	Service Levels			
				2012	2013	2014	2015
Risk Management and Insurance	Claims Management	Claims Management – General Liability		Claimants notified within 2 weeks. Resolution of claims is often outside of City control and timing can range from a matter of days to several years where there is litigation or complicating factors	Claimants acknowledged upon receipt by City Clerk's Office via return email or Canada Post. City divisions return claim reports to adjuster within 30 days of receipt of request. Claim resolution timing is variable.	Claimants acknowledged upon receipt by City Clerk's Office via return email or Canada Post. City divisions return claim reports to adjuster within 30 days of receipt of request. Claim resolution timing is variable.	
		Claims Management – Other Coverage		Claimants notified within 2 weeks. Resolution of claims is often outside of City control and timing can range from a matter of days to several years where there is litigation or complicating factors	Claimants acknowledged upon receipt by City Clerk's Office via return email or Canada Post. City divisions return claim reports to adjuster within 30 days of receipt of request. Claim resolution timing is variable.	Claimants acknowledged upon receipt by City Clerk's Office via return email or Canada Post. City divisions return claim reports to adjuster within 30 days of receipt of request. Claim resolution timing is variable.	
	Claims Management	Insurance ~ Risk Financing – insurance policies, self insured funding		Coverage through external insurers is contracted annually and supplements internally funded levels. Deductible levels are approved by City Council and the upside limit of policy coverages are secured through the insurance markets and approved by Council.		Coverage through external insurers is contracted annually and supplements internally funded levels. Deductible levels are approved by City Council and the upside limit of policy coverages are secured through the insurance markets and approved by Council.	
		Insurance ~ Insurance Consulting		In accordance with each contract being reviewed		In accordance with each contract being reviewed	
		Insurance ~ Performance Bonds		In accordance with each issue being reviewed		In accordance with each issue being reviewed	
		Risk Management ~ Consultation and Advice		In accordance with each issue being reviewed		In accordance with each issue being reviewed	
		Risk Management ~ Strategies and Policies		In accordance with each issue being reviewed		In accordance with each issue being reviewed	
		Risk Management ~ Letters of Credit		In accordance with each security being reviewed		In accordance with each security being reviewed	
Financial and Business Analysis	Business Analysis ~ Major purchases and contract review	Cost sharing, fiscal arrangements		Comments provided within 48 hours for most documents. Each document is reviewed at the level of detail required based on its size and complexity. Turnaround times are generally established in consultation with the client divisions		Comments provided within 48 hours for most documents. Each document is reviewed at the level of detail required based on its size and complexity. Turnaround times are generally established in consultation with the client divisions	
		Business Analysis ~ Revenue and economic competitiveness	Revenue sharing	Reports prepared in accordance with Council Committee deadlines	Ongoing review of City's business competitiveness, including consideration of property taxes, water rates, and other fees and charges.	Ongoing review of City's business competitiveness, including consideration of property taxes, water rates, and other fees and charges.	
	Business Analysis ~ RFP/RFQ evaluation		In accordance with each bid being reviewed		In accordance with each bid being reviewed		
	Major City-Building Initiatives		Delivered within negotiated timelines 100% of Time	Reports and presentations prepared in accordance with Council Committee deadlines and the timing of the budget process	Reports and presentations prepared in accordance with Council Committee deadlines and the timing of the budget process		

Service Level	Activity	Type	Sub-Type	Service Levels				2016
				2012	2013	2014	2015	
Financial Strategies, Analysis and Policy Development		Public-Private partnerships		Lead/support P3 screening for applications for Federal P3 funding on time minimizing capital costs and optimizing Federal contributions				Lead/support P3 screening for Federal P3 funding on time minimizing capital costs and optimizing Federal contributions potentially solid waste, transportation infrastructure
		Asset Optimizing and Financing		Delivered within negotiated timelines 100% of Time				Delivered within negotiated timelines 100% of time
		Real Estate/Land Development Transactions		Delivered within negotiated timelines 100% of Time	Responses are concluded as quickly as possible taking into consideration the nature of the request and time involved, along with the consideration of other priorities			Responses are concluded as quickly as possible taking into consideration the nature of the request and time involved, along with the consideration of other priorities
Advisory and Negotiation	Financial Advisory/Strategy ~ Long Term financial planning	Funding programs		Reports and presentations prepared in accordance with Council Committee deadlines and the timing of the budget process		Monitor and provide support for funding arrangements for social housing funding and transit		Monitor and provide support for funding arrangements for social housing funding and transit. Update the City's Long Term Financial Plan
	Financial Advisory/Strategy ~ Project Management and Capital Financing					Analysis completed and reports prepared and signed by Committee deadline in accordance with budget process		Analysis completed and reports prepared and signed by Committee deadline in accordance with budget process
	Financial Advisory/Strategy ~ finance analysis and advice			Delivered within negotiated timelines 100% of Time				Delivered within negotiated timelines 100% of time
	Financial Advisory/Strategy ~ Negotiating Intergovernmental financing agreements					Analysis completed and reports prepared and signed by Committee deadline in accordance with budget process		Analysis completed and reports prepared and signed by Committee deadline in accordance with budget process
	Financial Advisory/Strategy ~ Monitoring, compliance review and administration of intergovernmental funding agreements			Per turnaround, reporting and other requirements of each agreement	Monitor and provide support for influencing and adapting to legislative changes related to Provincial Municipal Financial Service Delivery Review (PMFSDR) uploads and other funding arrangements (gas tax, etc.)	Analysis completed and reports prepared and signed by Committee deadline in accordance with budget process		Analysis completed and reports prepared and signed by Committee deadline in accordance with budget process
	Financial Advisory/Strategy ~ Review of financial implications and opportunities re regulatory and legislative amendments			Monitor and provide support for influencing legislative changes related to City of Toronto Act, esp MLTT, Government Business Enterprises		Monitor and work with Solid Waste Management to review the rates and their implications as necessary. Monitor and provide support for influencing and adapting to legislative changes related to Build Toronto regulations, social housing funding and Metrolinx allocation of revenues		Monitor and work with Solid Waste Management to review the rates and their implications as necessary. Monitor and provide support for influencing and adapting to legislative changes related to Build Toronto regulations, social housing funding and Metrolinx allocation of revenues
	Financial Policy Development	Financial Policy ~ City of Toronto Act Taxes		Service levels dependent on source of report required, e.g. Council may request certain policy changes, with specified deadlines		Provide advice on regard to application of Part X tax authorities re bag fee, MLTT, and new Metrolinx/transit funding initiatives.		Provide advice on regard to application of Part X tax authorities re bag fee, MLTT, and new Metrolinx/transit funding initiatives.

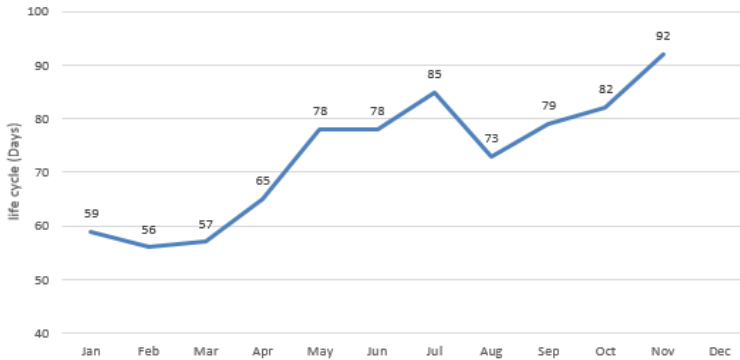
Service Level	Activity	Type	Sub-Type	Service Levels				2016
				2012	2013	2014	2015	
Financial Strategies, Analysis and Policy Development		Financial Policy ~ Municipal Land Transfer Tax		Monitor situation and provide support as required for Municipal Land Transfer Tax administration and policy changes				Monitor situation and provide support as required for Municipal Land Transfer Tax administration and policy changes
		Financial Policy ~ Property tax	Service agreement negotiations	Reported to Committee in accordance with their deadlines and in conjunction		On going review of Property policy.	As required for each new reserve fund and in accordance with Committee schedules and deadlines	As required for each new reserve fund and in accordance with Committee schedules and deadlines
		Financial Policy ~ Water rate	Investment financial oversight	Analysis completed and reports prepared and signed by		Ongoing review of City's business competitiveness, including		Ongoing review of City's business competitiveness, including consideration of property taxes, water rates, and other fees and charges.
		Financial Policy ~ Garbage Rate	Public private partnerships	Analysis completed and reports prepared and signed by Committee deadline in accordance with		Monitor and work with Solid Waste Management to review the rates and their implications as necessary.	Provide assistance and advice to internal and external clients on timely basis 100% of the time	Provide assistance and advice to internal and external clients on timely basis 100% of the time
		Financial Policy ~ Capital financing	Right of way contributions	Report submitted as part of budget approval process to seek Council authority for borrowing requirements		Monitor telecomm right of way legal initiatives in regard to charging for access to City rights of way.	Reviews and recommendations provided in accordance with budget process guidelines 100% of the time	Reviews and recommendations provided in accordance with budget process guidelines 100% of the time
		Financial Policy ~ Reserve Funding		As required for each new reserve fund and in accordance with Committee schedules and deadlines			Meeting agenda closing deadlines 100% of the time	Meeting agenda closing deadlines 100% of the time
		Intergovernmental funding, cost allocation and legislative frameworks					Meeting agenda closing deadlines 100% of the time	Meeting agenda closing deadlines 100% of the time
		Development Finance					Delivered within negotiated timelines 100% of the time	Delivered within negotiated timelines 100% of the time
		Development Charge By-law	Background Study & By-law	Reviewed and updated every 5 years (scheduled 2012-13); amendments to the by-law in the interim if necessary		Bring forward updated City wide background study and revised by-law for Council consideration and adoption.	Bring forward area specific background study and revised by-law for Scarborough transit and port lands area	Bring forward area specific background study and revised by-law for port lands area
			Administration & Implementation	Provide assistance and advice to internal and external clients on timely 100% of the time			Delivered within negotiated timelines 100% of the time. On-going discussion and negotiations with Province regarding legislative reform	Delivered within negotiated timelines 100% of the time. On-going discussion and negotiations with Province regarding legislative reform
			Capital Financing	Reviews and recommendations provided in accordance with budget process guidelines 100% of the time			Reviews and recommendations provided in accordance with budget process guidelines 100% of the time	
			Reporting	Meeting agenda closing deadlines 100% of the time			Delivered within negotiated timelines 100% of the time	Delivered within negotiated timelines 100% of the time
			Capital Financing Tools	On-going discussion and negotiations with Province to implement a Tax Increment Financing; City comments and responses provided to Province within negotiated timelines 100% of the time			Delivered within negotiated timelines 100% of the time	Delivered within negotiated timelines 100% of the time

Overall, the 2016 Preliminary Service Levels are consistent with the approved 2015 Service Levels.

Service Performance

Output Measure – Life Cycle Desktop Claims

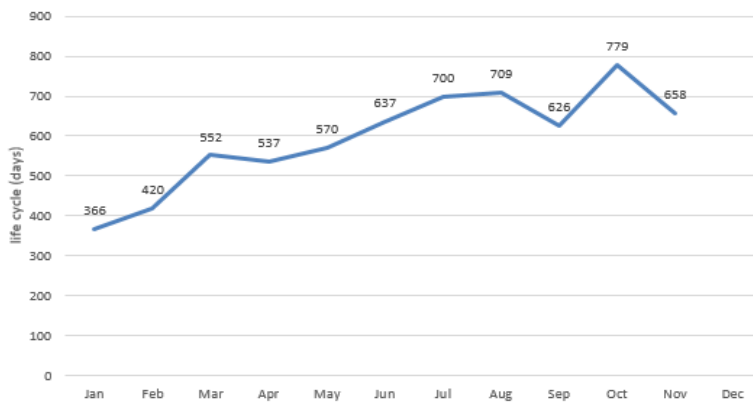
Life Cycle - Desktop Claims 2015



- Desktop Claims are adjusted by telephone and are generally of lower complexity or dollar value.
- The Life Cycle represents the average monthly number of days it takes to close a Desktop Claim.
- IRM objective is to complete Desktop Claims in under 90 days.

Efficiency Measure – Life Cycle –Time & Expense Claims

Life Cycle - Time & Expense Claims 2015



- Time & Expense Claims are typically bodily injury and property damage claims of higher complexity and dollar value.
- The Life Cycle represents the average monthly number of days it takes to close a Time & Expense Claim.
- These claims take on average approximately 2 years to close.

Table 6

2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget							2016 Budget vs. 2015		Incremental Change			
	Approved Budget	Base Budget	Service Changes	2016 Base	Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget	2016 Budget vs. 2015 Budget		2017 Plan		2018 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Investment & Debt Management	1,297.3	1,373.8	(6.5)	1,367.3	70.0	5.4%		1,367.3	70.0	5.4%	35.6	2.6%	3.4	0.2%
Risk Management & Insurance	1,849.6	1,863.0		1,863.0	13.4	0.7%		1,863.0	13.4	0.7%	(5.9)	(0.3%)	7.2	0.4%
Financial Strategies, Analysis & Policy Development	2,334.0	2,239.3	59.8	2,299.1	(34.9)	(1.5%)		2,299.1	(34.9)	(1.5%)	(20.8)	(0.9%)	7.0	0.3%
Total Gross Exp.	5,480.9	5,476.1	53.3	5,529.4	48.5	0.9%		5,529.4	48.5	0.9%	8.9	0.2%	17.6	0.3%
REVENUE														
Investment & Debt Management	1,279.9	1,367.1	(30.8)	1,336.3	56.4	4.4%		1,336.3	56.4	4.4%	29.3	2.2%	0.8	0.1%
Risk Management & Insurance	1,902.5	1,936.7		1,936.7	34.2	1.8%		1,936.7	34.2	1.8%	(3.7)	(0.2%)	6.9	0.4%
Financial Strategies, Analysis & Policy Development	532.3	515.6	2.5	518.1	(14.2)	(2.7%)		518.1	(14.2)	(2.7%)	9.8	1.9%	0.8	0.2%
Total Revenues	3,714.7	3,819.4	(28.3)	3,791.1	76.4	2.1%		3,791.1	76.4	2.1%	35.4	0.9%	8.5	0.2%
NET EXP.														
Investment & Debt Management	17.4	6.7	24.3	31.0	13.6	78.1%		31.0	13.6	78.1%	6.3	20.3%	2.6	7.0%
Risk Management & Insurance	(52.9)	(73.7)		(73.7)	(20.8)	39.3%		(73.7)	(20.8)	39.3%	(2.2)	3.0%	0.3	(0.4%)
Financial Strategies, Analysis & Policy Development	1,801.7	1,723.7	57.3	1,781.0	(20.7)	(1.1%)		1,781.0	(20.7)	(1.1%)	(30.6)	(1.7%)	6.2	0.4%
Total Net Exp.	1,766.2	1,656.7	81.6	1,738.3	(27.9)	(1.6%)		1,738.3	(27.9)	(1.6%)	(26.5)	(1.5%)	9.1	0.5%
Approved Positions	38.0	38.0	(1.0)	37.0	(1.0)	(2.6%)		37.0	(1.0)	(2.6%)				

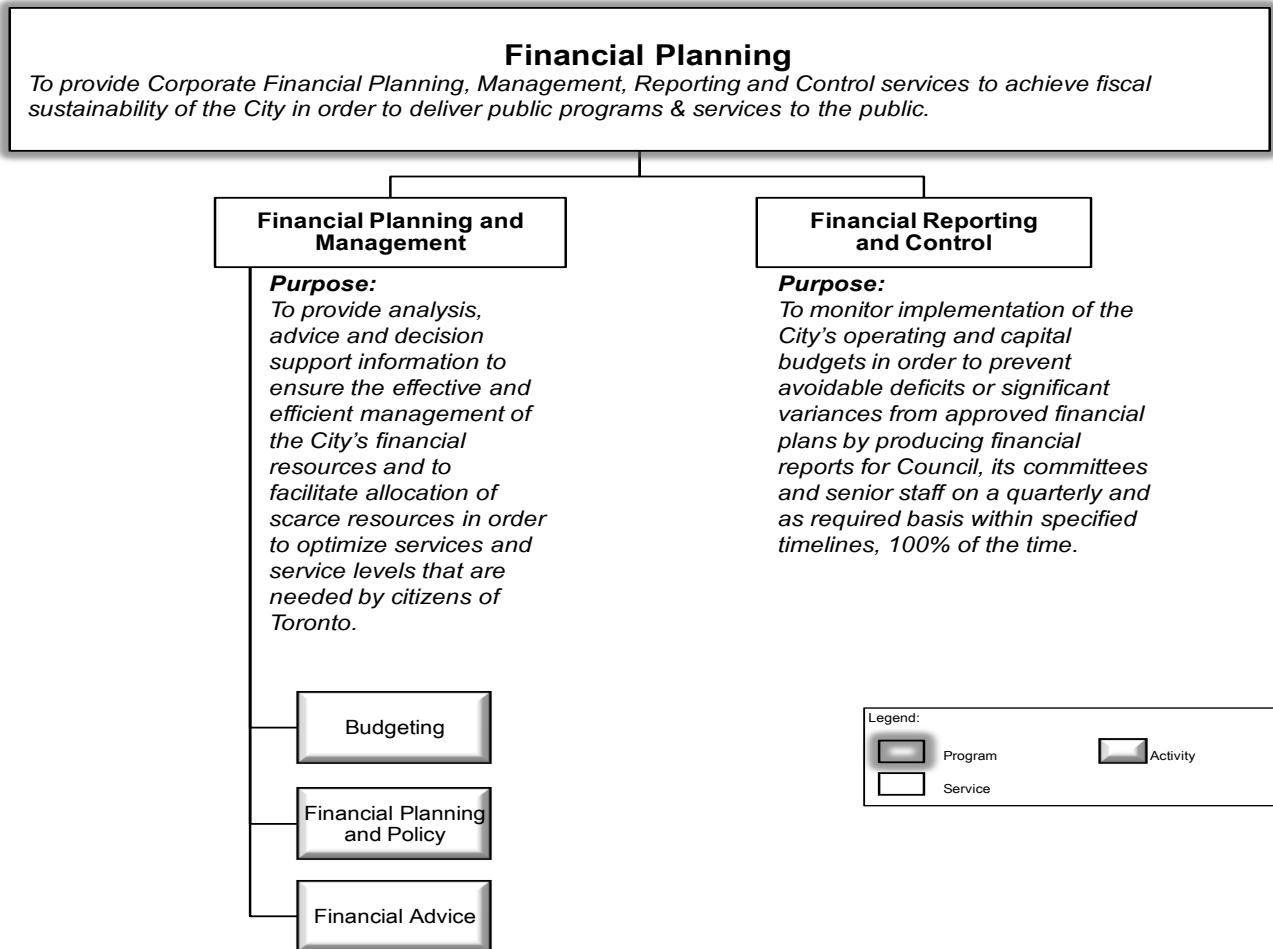
Corporate Finance provides corporate strategic, financial and risk management expertise to protect and improve the City of Toronto's financial position.

The Corporate Finance's 2016 Preliminary Operating Budget of \$5.529 million gross and \$1.738 million net is \$0.028 million or 1.6% under the 2015 Approved Net Budget.

Base budget pressures in Corporate Finance are primarily due to the reduction of capital recoveries from TTC reflecting the reduced level of support required on the Scarborough and Spadina Subway extension projects.

In order to offset the above pressures, the 2016 Operating Budget for Corporate Finance includes \$0.067 million in efficiency savings identified. A review of four positions within this service resulted in a combination of responsibilities and the deletion of a vacant position.

Financial Planning



Service Customer

Financial Planning and Management

- Corporation
- Taxpayer/Stakeholders (Bond rating Agencies, etc.)

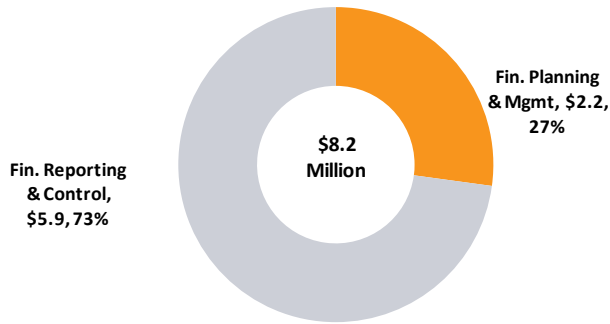
Financial Reporting and Control

- Corporation
- Taxpayer/Stakeholders (Bond rating Agencies, etc.)

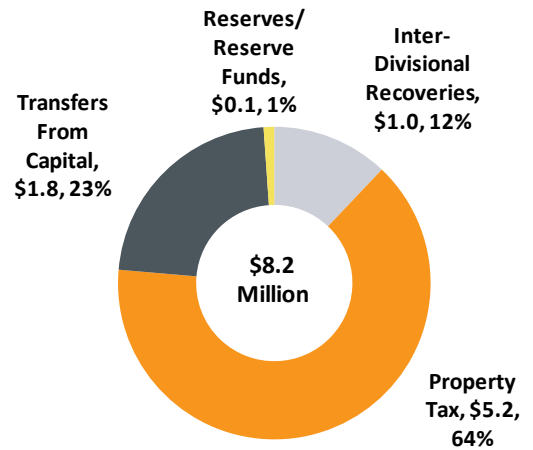
What We Do

To provide Corporate Financial Planning, Management, Reporting and Control services to achieve fiscal sustainability of the City in order to deliver programs and services to the public.

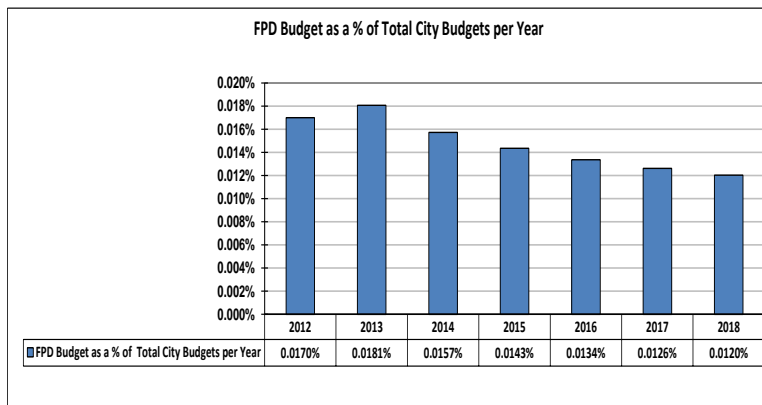
2016 Service Budget by Activity (\$M)



Service by Funding Source (\$M)



FPD Operating Budget as a % of Total City Operating and Capital Budget & Plan



- In 2015, Financial Planning Division's Net Operating Budget was 0.0143% of the City's Total Operating and Capital Budgets.
- The cost of providing financial planning services in relation to the City's overall Operating and Capital Budgets has declined in each year since 2013.
- As the size of the City's budget continues to grow and the inherent financial issues associated with service and capital related matter become more complex, the Financial Planning Division will be challenged to maintain its quality of service delivery.
- It is anticipated that these costs will continue to decline in future years through continued efficient management of resources.

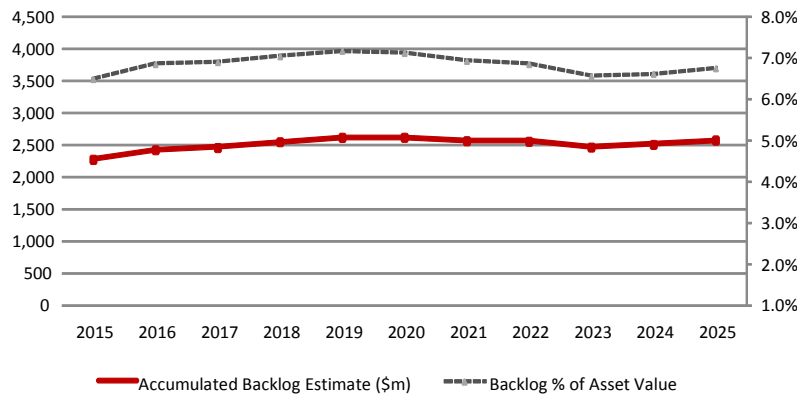
2016 Service Levels
Financial Planning

Activity	Type	Sub-Type	Approved Service Levels					2016
			2011	2012	2013	2014	2015	
Budgeting	Operating	Analysis/ Recommendation provided	Balanced Operating budget approved annually by end of year		Balanced Operating Budget approved annually in accordance with Council's mandates within the first month of the fiscal year.			Balanced Operating Budget approved annually in accordance with Council's mandates within the first month of the fiscal year.
		Decision Support	Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting, 100% of the time					Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting, 100% of the time
		Process Management	Process updated and delivered 6 weeks in advance of submission guidelines					Process updated and delivered 6 weeks in advance of submission guidelines
	Capital	Analysis/ Recommendation provided	A recommended Capital budget and plan, annually, in accordance with Council's mandates		A recommended Capital budget and plan, annually, in accordance with council's mandates within the first month of the fiscal			A recommended Capital budget and plan, annually, in accordance with Council's mandates within the first month of the fiscal year.
		Decision Support	Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting, 100% of the time					Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting, 100% of the time
		Process Management	Process updated and delivered 6 weeks in advance of submission guidelines					Process updated and delivered 6 weeks in advance of submission guidelines
Financial Advice	Decision Support	Reports	Meeting agenda closing deadlines 100% of the time					Meeting agenda closing deadlines 100% of the time
		Council Support	Meeting agenda closing deadlines 100% of the time					Meeting agenda closing deadlines 100% of the time
		Initiatives	Meeting agenda closing deadlines 100% of the time					Meeting agenda closing deadlines 100% of the time
		Issues Management	Responses released within prescribed timelines 100% of the time					Responses released within prescribed timelines 100% of the time
	State of Financial	Issues Management	Responses released within prescribed timelines 100% of the time					Responses released within prescribed timelines 100% of the time
		Intergovernmental	Provided necessary information to support negotiated stance, 100% of the time					Provided necessary information to support negotiated stance, 100% of the time
Financial Planning and Policy	Service Planning	Analysis/ Recommendation provided	A recommended Service Plan annually by end of year, in accordance with council's priorities and directions					A recommended Service Plan annually by end of year, in accordance with council's priorities and directions
		Decision Support	Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting, 100% of the time					Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting, 100% of the time
		Process Management	Process updated and delivered 6 weeks in advance of submission guidelines					Process updated and delivered 6 weeks in advance of submission guidelines
	Program/ Service Review	Analysis/ Recommendation provided	Analysis provided within (turnaround time) 100% of the time					Analysis provided within (turnaround time) 100% of the time
		Decision Support	Inquiries addressed/ Responses released within prescribed timelines 100% of the time					Inquiries addressed/ Responses released within prescribed timelines 100% of the time
		Process Management	Process updated and delivered 6 weeks in advance of submission guidelines					Process updated and delivered 6 weeks in advance of submission guidelines
	Policy Development and Review		Review policies once per year, 100% of the time					Review policies once per year, 100% of the time
	Budget Monitoring & Control	Operating - Variance	Quarterly within 45 days of quarterly closing					Quarterly within 45 days of quarterly closing
		Capital - Variance	Quarterly within 45 days of quarterly closing					Quarterly within 45 days of quarterly closing
Ad hoc (request)		Responses released within prescribed timelines 100% of the time					Responses released within prescribed timelines 100% of the time	
Active Monitoring		Once per month					Once per month	
In-Year Adjustments		Operating/ Capital budget adjustment requests reviewed in advance of Agenda closing deadlines 100% of the time					Operating/ Capital budget adjustment requests reviewed in advance of Agenda closing deadlines 100% of the time	
Complement Management Control		Reviewing submitted OCA forms for Financial Implications within 7 days upon receipt from Divisions 75% of the time					Reviewing submitted Human Resources Organizational Management eRequests for Financial Implications within 7 days upon receipt from Divisions 75% of the time	

Overall, the 2016 Preliminary Service Levels are consistent with the approved 2015 Service Levels except for a minor change in the name of the forms reviewed from "OCA" to Human Resources Organizational Management eRequests".

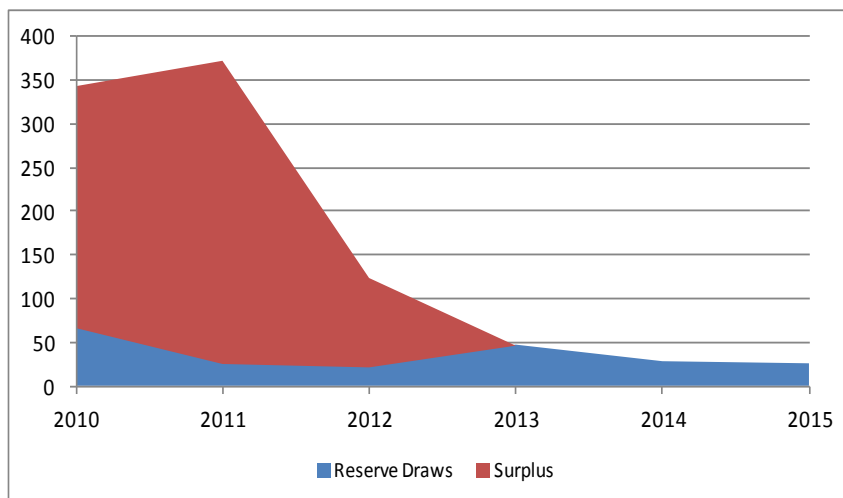
Service Performance

Effectiveness Measure –Impact of Capital Funding on State of Good Repair



- The primary programs with SOGR backlog are: Transportation Services, Facilities Real Estate, Environmental and Energy (FREEE), Toronto Transit Commission (TTC), Toronto and Region Conservation Authority (TRCA), Toronto Public Library, and Parks, Forestry & Recreation.
- It is projected that at the end of 2016, the SOGR backlog will be \$2.169 billion or 89.2% of the \$2.432 billion.
- Over the 10 year period, these key Programs with SOGR backlog make up \$2.401 billion or 92.9% of the \$2.583 billion SOGR backlog by the end of 2025.
- Overall, estimates indicate that the current accumulated Tax Supported SOGR backlog will decrease to some extent from 6.86% of asset value at the end of 2016 to 6.76% of asset value. The decrease is mainly driven by TRCA, Park, Forestry & Recreation, and Other Programs.

Effectiveness Measure –Surplus and One-time Reserves Used to Balance Operating Budget (\$Millions)



- The City has made tremendous strides in reducing the use of prior year Surplus and One-time reserves to balance the Operating Budget.
- The use of Non-Recurring Revenue Sources has been dramatically reduced from \$343.5 million in 2010 to \$25.6 million in 2015.

Table 6

2016 Preliminary Service Budget by Activity

(\$000s)	2015	2016 Operating Budget							2016 Budget vs. 2015		Incremental Change			
	Approved Budget	Base Budget	Service Changes	2016 Base	Prelim. Base Budget vs. 2015 Budget	% Change	New/Enhanced	2016 Budget	\$	%	2017 Plan		2018 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Financial Planning & Management	5,993.2	5,865.0		5,865.0	(128.2)	(2.1%)	69.0	5,934.0	(59.2)	(1.0%)	(1,050.2)	(17.7%)	76.3	1.6%
Financial Reporting & Control	2,178.5	2,197.0		2,197.0	18.5	0.9%	20.7	2,217.7	39.2	1.8%	(197.4)	(8.9%)	13.0	0.6%
Total Gross Exp.	8,171.7	8,062.0		8,062.0	(109.7)	(1.3%)	89.7	8,151.7	(20.0)	(0.2%)	(1,247.6)	(15.3%)	89.3	1.3%
REVENUE														
Financial Planning & Management	2,371.4	2,319.2		2,319.2	(52.2)	(2.2%)	69.0	2,388.2	16.8	0.7%	(1,248.8)	(52.3%)	0.9	0.1%
Financial Reporting & Control	508.3	501.9		501.9	(6.4)	(1.3%)	20.7	522.6	14.3	2.8%	(246.8)	(47.2%)	0.2	0.1%
Total Revenues	2,879.7	2,821.1		2,821.1	(58.6)	(2.0%)	89.7	2,910.8	31.1	1.1%	(1,495.6)	(51.4%)	1.1	0.1%
NET EXP.														
Financial Planning & Management	3,621.8	3,545.8		3,545.8	(76.0)	(2.1%)		3,545.8	(76.0)	(2.1%)	198.6	5.6%	75.4	2.0%
Financial Reporting & Control	1,670.2	1,695.2		1,695.2	25.0	1.5%		1,695.2	25.0	1.5%	49.5	2.9%	12.8	0.7%
Total Net Exp.	5,292.0	5,241.0		5,241.0	(51.0)	(1.0%)		5,241.0	(51.0)	(1.0%)	248.1	4.7%	88.2	1.6%
Approved Positions	57.0	57.0		57.0			1.0	58.0	1.0	1.8%	(11.0)	(19.0%)		

Financial Planning provides comprehensive annual and multi-year financial plans for approval by City Council that outline the cost and financing to deliver City services and its capital infrastructure within the service level standards, affordability targets and priorities established by City Council. This service also provides financial advice, analyses and oversight for all its City partners and council.

Financial Planning's 2016 Preliminary Operating Budget of \$8.152 million gross and \$5.241 million net is \$0.051 million or 1.0% under the 2015 Approved Net Budget.

There are few changes to the budget for this service in 2016 with the only increased base budget expenditure resulting from \$0.004 million in salary and benefit adjustments.

\$0.054 million in expenditure reductions have been achieved within Financial Planning through a line by line review and an anticipated 4 month delay in hiring a vacant position.

- The 2016 Operating Budget for Financial Planning also includes funding of \$0.090 million gross and \$0 million net for a new Financial Analyst position required to support this initiative, with these costs initially offset through additional revenue in the form of recoveries from residual interest available in closed out Section 37 and Section 45 accounts.
 - Moving forward, this requirement will be funded through a standard clause included in all future community benefit agreements.



Part III:

Issues for Discussion

Issues for Discussion

Issues Impacting 2016 Budget

Bill 73 Amendments: Smart Growth for Our Communities Act

- At its meeting on June 10, 11 and 12, 2015 City Council considered a report entitled "PG4.3 Planning Act - Proposed Amendments Introduced Through Bill 73, Smart Growth for Our Communities Act, 2015" and in doing so adopted the following:
 10. *City Council express its support to the Minister of Municipal Affairs and Housing with regard to Bill 73 amendments to provide more public accountability and transparency with regard to Section 37 community benefit contributions and expenditures.*
 11. *City Council affirm its December 16, 2013 recommendation to the Minister of Municipal Affairs and Housing to introduce new language under Section 37 of the Planning Act that enables municipalities to establish a value-based formula, or quantum approach for the use of Section 37.*
- The report is available through the below link:
<http://www.toronto.ca/legdocs/mmis/2015/pg/bgrd/backgroundfile-79744.pdf>
- The above recommendations are intended at making development charges, section 37 density bonusing and parkland dedication systems more predictable, transparent and accountable.
- As indicated in the report, Bill 73 introduces provisions that require monies collected under Section 37 to be paid into a special account and spent only on facilities, services and other matters specified in a Section 37 by-law.
- The Bill also imposes new annual reporting requirements on the municipal treasurer regarding expenditures from the special account.
 - The annual reports will be required to identify any facilities, services or other matters for which funds from the special account have been spent including details of the amounts spent and the manner in which any capital cost not funded from the special account will be funded. This report is to be made available to the public.
- To address the above requirements, 2 positions are being created in the 2016 Operating Budget, one within City Planning and one in Financial Planning Division.
 - These positions will be responsible for monitoring Section 37 contributions and spending and will establish reporting requirements that will be accessible to the public in a format that is clear, understandable, and transparent.
- Additional funding of \$0.090 million in 2016 is required in Financial Planning to support this initiative, with these costs initially offset through additional revenue in the form of recoveries from residual interest available in closed out Section 37 and Section 45 accounts.
 - Moving forward, this requirement will be funded through a standard clause included in all future community benefit agreements.

Issues the Impacting Future Years

Shared Services

- Shared services is the redesign of corporate services with the goal to reduce duplication within and across business units and optimize processes. Shared services solutions are tailored to the functions and organizations involved.
- The goal of the Shared Services Project is for the City and its Agencies to work collaboratively to identify and implement shared services opportunities that will achieve cost savings and service improvements.

Background

- In 2012, the City Manager retained KPMG to undertake a review of shared services between the City and its Agencies. KPMG's study focused on the City's six largest Agencies with a view to expanding any resulting opportunities to additional City Agencies, where appropriate. The Agencies included were: Exhibition Place, the Toronto Parking Authority, the Toronto Police Service, Toronto Public Health, Toronto Public Library, and the Toronto Transit Commission.
- The Deputy City Manager & Chief Financial Officer provided an update on the Shared Services Project to City Council at its September 30, October 01, and 02, 2015 meeting ([EX8.18 Update on the Shared Services Project](#)).

Financial Benefits

- KPMG estimated that the City and Agencies would realize benefits of between \$58.8 and \$65.3 million with up-front investments of between \$3.5 and \$10.5 million.
- Actual savings will be highly dependent on the viability of the opportunities as determined by more detailed review, due diligence, and implementation planning.
- Although the project is still in its early stages, there has is approximately \$35 million in expected savings and efficiencies from cost avoidance to be realized from joint fuel purchases and from the Agencies leveraging the City's SAP contract.
- Financial impacts of the Shared Services Project will be reported to Council and Agencies' Boards through future years budget processes.

Current Status

- The Executive Steering Committee has expanded the scope of the project to include five additional recommendations, two additional functions (facilities management and fleet services), and two additional organizations (Toronto Community Housing and Toronto Zoo.)
- The Executive Steering Committee expects to have 89% (8 of 9) of the short-term recommendations and 38% (3 of 8) of the long-term recommendations implemented by mid-2016.

Roadmap for Moving Forward

- The table below provides a high-level overview of the project plan for assessment and/or implementation as determined by a business case.

Recommendation	Target Timeline					
	2014	2015	2016	2017	2018	2019
Implement and Report as Required						
Human Resources						
Share generic training and learning functions			•			
Coordinate and standardize common H&S		•				
Internal Audit						
Extend the use of the City's Internal Audit to Agencies	•					
Establish a Quality Assurance Centre of Excellence			•			
Procurement						
Continue to rationalize the City stores & automate P2P	Ongoing					
Information Management						
Provide the City's FOI online submission application		•				
Real Estate						
Expand the City's lessor services to TTC & TPA	Deferred					
Insurance						
Insure the TPA under the City's insurance			•			
City Leverage the TTC's insurance company			•			
Implement Pending Further Due Diligence & Planning						
Human Resources						
Develop a LR and collective bargaining strategy		•				
Standardize HR information systems and share payroll	To be determined					
Establish a change management centre of excellence		•				
Procurement						
Share procurement and implement strategic sourcing	To be determined					
Information Technology						
Share common information technology infrastructure						•
Rationalize information technology applications	To be determined					
Real Estate						
Coordinate real estate contract & vendor management	Deferred					
Information Management						
Include the Agencies in digital records plan		•				
Opportunities added by the Executive Steering Committee						
Facilities Management						
Expand the Facilities Transformation Project			•			
Fleet Management						
Create a Fleet Management Centre of Excellence	•					
Information Technology						
IT Contract Management Centre of Excellence	To be determined					
Internal Audit						
Create an Internal Audit Centre of Excellence	•					
Real Estate						

Recommendation	Target Timeline					
	2014	2015	2016	2017	2018	2019
Perform City-Wide Real Estate Framework Assessment			●			

Review of the Financial Control Bylaw

- The existing Financial Control Bylaw, Chapter 71 of the City of Toronto Municipal Code, has not been comprehensively reviewed since its adoption in 2000 after amalgamation. Pursuant to the subsection 71-20 of the Financial Control Bylaw, "the Chief Financial Officer shall undertake a comprehensive review of this chapter every five years".
- As a result, the existing bylaw does not reflect the City's financial and organizational maturity:
 - Inconsistent with the current and future planning and budgeting policies and practices.
 - Silent on a wide range of financial planning, management and reporting requirements.
 - Subject to varying interpretations with a lack of clear and concise definitions share across the corporation.
 - Fails to address City Agencies and Accountability Offices.
- To address the above issues, Financial Planning and the Office of Treasurer began a detailed review of the existing bylaw in 2015. A work plan has been established with a comprehensive stakeholder engagement process to solicit input from City Programs and Corporate Partners, followed by City Agencies, to assess and identify issues, challenges and limitations of the existing bylaw.
- A working group has been established to perform all aspects of the review including research, analysis and the formulation of options and solutions to the Steering Committee in developing the Financial Management and Control Bylaw which will provide the City with capacity to strengthen financial management and governance.
- It is anticipated that the Deputy City Manager & Chief Financial Officer will move forward with a policy report and accompanying Financial Management and Control Bylaw for City Council's consideration and approval by the end of the third quarter 2016.

Long Term Fiscal Plan

- The previous City of Toronto's Long Term Fiscal Plan was approved by Council in 2005. Since then, Council has been updated on the progress on the key issues identified in the 2005 Plan through the annual budget process.
- The Deputy City Manager & Chief Financial Officer undertook in 2015 to produce a new Plan which is built on a 10-year forecast of the Operating Budget, Capital Budget, and capital outlook for years 11 to 20 as well as a compilation of both unfunded capital projects and operating pressures arising from various Program Strategic Plans.
- During 2015, City Manager's Office undertook a five-year review of the City of Toronto Act and submitted a number of amendments to the Province. Some of the proposed amendments will

enable the City to save money or generate incremental revenues. However, the question of new revenue tools was referred to the Long Term Fiscal Plan.

- When the Deputy City Manager & Chief Financial Officer reports in 2016 on an updated Long Term Fiscal Plan, it will recommend strategies to better align City revenues with the desired level of operating and capital investment over the next 10-20 years.



Appendices:

Appendix 1

2015 Service Performance

2015 Key Service Accomplishments

In 2015, the Office of the Chief Financial Officer accomplished the following:

- ✓ Delivered Multi-Year Operating Budget and Plan that set priorities within affordability constraints and was service-based, balanced and sustainable (\$11.4 Billion Gross Expenditure Budget for 2015).
- ✓ Delivered 10-Year Capital Budget and Plan with affordability guidelines that addressed priorities and reduced backlog of State of Good Repair (\$31.7 Billion Budget and Plan for 2015 – 2024).
- ✓ Monitored, controlled and reported on the City's financial performance and complement on a quarterly and as required basis, with dashboard approach to better support performance monitoring and decision making.
- ✓ Provided financial advice on approximately 1,700 reports to Standing Committees and Council.
- ✓ Implemented budget process and communication improvements (e.g. website, Participatory Budgeting in conjunction with City Manager's Office).
- ✓ Continued the implementation of best and leading financial planning and management practices; including a new Financial Management and Control By-Law; Service Planning and a Long Term Financial Plan for the City of Toronto
- ✓ Renewed all of City's corporate insurance policies for the June 1, 2015 to June 1, 2016 term at a premium reduction of 6% or \$319,000 over the expiring term without changing the City's coverage.
- ✓ Provided project analysis, advisory, negotiation and research services for major corporate initiatives and multi-lateral projects – Toronto-York Spadina Subway Extension, Waterfront Revitalization, Port Lands Acceleration Initiative, Pan Am Games, Scarborough Subway, Eglinton Crosstown, George Street Revitalization, St. Lawrence Market North.
- ✓ Negotiated and received Council endorsement for a reduced sunk cost payment to Metrolinx in connection with the cancelled Scarborough LRT, saving the City \$10 million compared to the original Metrolinx claim.
- ✓ Provided support for successful resolution of crossing and utility replacement issues in connection with the Metrolinx Georgetown South / Union Pearson Express rail line expansion, which resulted in a Council approved settlement at about half the original Metrolinx claim, saving the City in the order of \$80 million, plus suspending the 2015 GO Transit capital expansion contribution of a further \$20 million.
- ✓ Provided analysis and strategic advice, and received Council approval for a multi-year budget phase-in strategy dealing with the elimination of over \$115 million in annual Toronto Pooling Compensation payments, and resulting in a Provincial commitment to fast track regulatory changes to enhance City investment flexibility and long range returns.

- ✓ Obtained beneficial changes to the Ontario Energy Board electricity distribution cost allocation guidelines for streetlights which will yield significant financial benefits to the City (\$10s of millions).
- ✓ Established City staff position in regard to hosting fees related to proposed OLG expansion at Woodbine Racetrack that will see City share of gaming revenues increasing by up to \$10 million per year.
- ✓ Issued \$700 million worth of debentures and managed principal and interest payments to support the City's capital works program.
- ✓ Managed the \$2.0 billion in the sinking funds and supported the management of the City's pension fund and trust funds.
- ✓ Managed and directed over 8,000 new claims and 500 new Statements of Claim in 2015.
- ✓ Managed the City's \$63 Million insurance program including self-funding of claims within \$5 Million deductibles.
- ✓ Worked with Council, Municipal Affairs, municipal organizations and developer representatives to respond to proposals to amend the Development Charges Act which will potentially result in significant financial benefits to the City (\$10's of millions).
- ✓ Developed, introduced and obtained Council adoption of a new development charges by-law amendment (subject to one appeal) for the Scarborough Subway Extension project expected to raise approximately \$20 million per year toward offsetting the project costs.
- ✓ Negotiated terms for investment in BMO Field Expansion and new Basketball Practice Facility on Exhibition Place that will generate a financial return on the City's investments.
- ✓ Achieved preliminary federal funding approval for Gardiner Expressway rehab project worth approximately \$800 million, and with Cluster B partners obtained Council endorsement of alternative procurement model to shorten construction impacts and better manage long term rehabilitation contract, and reported to Council on the potential for other cost offset options including tolls, uploading to the Province, Provincial cost sharing, and monetization (to third party investor).
- ✓ Reviewed approximately 370 contract reports for award by Bid Committee and approximately 40 contract reports for award by Council.
- ✓ Oversaw the successful settlement of 4 development charges by-law appeals at nominal cost.
- ✓ Coordinated the development of cluster 2016 Capital Budgets and 2017 to 2025 Capital Plans in accordance with corporate debt targets.
- ✓ Provided oversight of 2015 Operating (totaling \$472.6M gross and \$186.3M net) and Capital Budgets (totaling \$485.6M) for cluster divisions through monitoring, corrective action and variance reporting and prepared performance statistics summary for Divisions.
- ✓ Provided consulting, project management and coordination support to program reviews in Purchasing & Materials Management, Pension, Payroll & Employee Benefits and Corporate Finance – Insurance & Risk Management; and implementation of customer service strategy in Revenue Services Division.
- ✓ Produced Quarterly Management Information Dashboard for Deputy City Manager & Chief Financial Officer and senior management.

- ✓ Completed 9 Share Services projects related to change management, fleet services, health and safety, information management, internal audit, labour relations, and quality assurance which resulted in service improvement for the City, Agencies & Corporations. Started work on both information technology and procurement shared services initiatives, which are multi-year, transformational projects that are expected to generate both savings and service improvements for the City, Agencies & Corporations.
- ✓ Helped develop Internal Services Cluster request for changes under the City of Toronto Act as part of the 5 year statutory review.

Appendix 2

2016 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2013	2014	2015	2015	2016	2016 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2015 Approved		2017	2018
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	13,458.0	13,944.4	15,431.3	14,352.8	15,528.9	97.6	0.6%	14,093.5	14,216.9
Materials and Supplies	31.7	22.6	66.0	58.1	51.0	(15.0)	(22.7%)	51.0	51.0
Equipment	10.8	4.4	9.2	19.2	6.7	(2.5)	(27.0%)	6.7	6.7
Services & Rents	431.7	406.1	711.0	694.3	680.5	(30.5)	(4.3%)	680.5	680.5
Contributions to Reserve/Res Funds	72.6	72.6	77.4	77.4	77.4			77.4	77.4
Other Expenditures	0.2	5.1	0.5	0.5	0.5			0.5	0.5
Interdivisional Charges	183.9	171.4	263.1	133.2	231.9	(31.2)	(11.9%)	231.9	231.9
Total Gross Expenditures	14,188.9	14,626.6	16,558.6	15,335.5	16,577.0	18.4	0.1%	15,141.6	15,265.0
Interdivisional Recoveries	1,921.8	2,068.1	2,707.5	2,698.2	2,807.8	100.3	3.7%	2,839.2	2,841.1
Transfers from Capital Fund	2,314.5	2,312.0	1,925.3	1,814.7	1,837.1	(88.2)	(4.6%)	139.4	140.4
Contribution from Reserve/Reserve Funds	1,433.1	1,528.4	2,080.8	1,934.8	2,221.6	140.7	6.8%	2,259.5	2,269.7
Sundry Revenues	46.1	31.5	67.1	35.0	37.5	(29.6)	(44.1%)	37.5	37.5
Total Revenues	5,715.5	5,940.0	6,780.7	6,482.7	6,903.9	123.2	1.8%	5,275.5	5,288.7
Total Net Expenditures	8,473.4	8,686.6	9,777.9	8,852.8	9,673.1	(104.8)	(1.1%)	9,866.0	9,976.3
Approved Positions	111.0	100.0	115.0	110.0	115.0	0.0	0.0%	104.0	104.0

* Based on the 2015 9-month Operating Variance Report

For additional information regarding the 2015 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "*Operating Variance Report for the Nine-Month Period Ended September 30, 2015*" approved by City Council at its meeting on December 9, 2015.

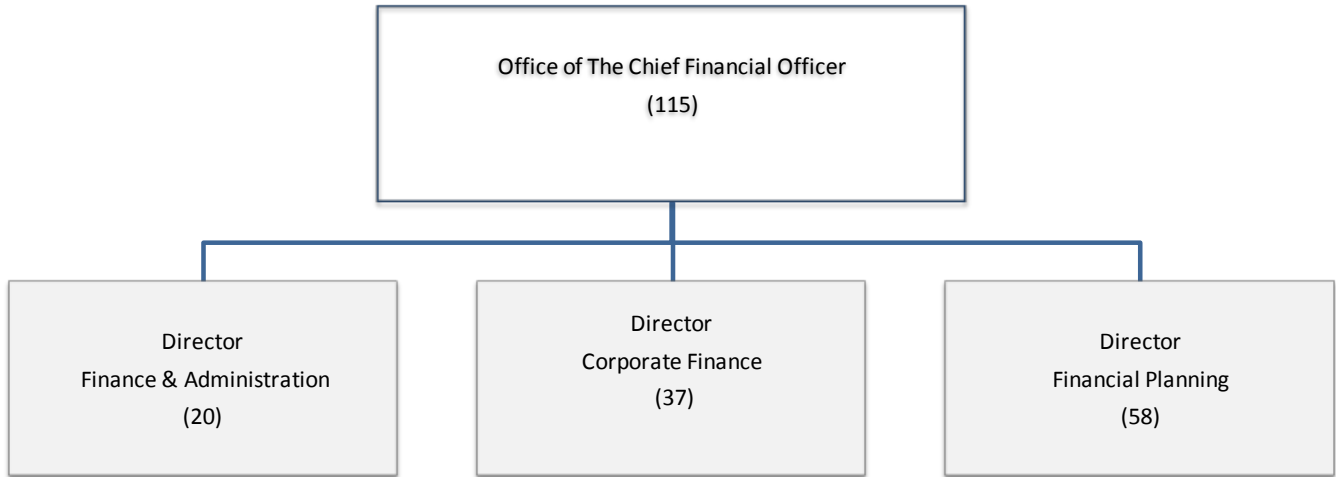
<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-85887.pdf>

Impact of 2015 Operating Variance on the 2016 Budget

The Program has revised expenditures following a line by line review of past expenditures, while considering anticipated future requirements.

Appendix 3

2016 Organization Chart



2016 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	4.00	19.00	64.00	15.00	102.00
Temporary			13.00		13.00
Total	4.00	19.00	77.00	15.00	115.00

Appendix 4

Summary of 2016 Service Changes

2016 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Chief Financial Officer	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2016 Preliminary Base Budget Before Service Changes:			16,553.7	6,813.1	9,740.6	115.00	211.1	109.8

7477	CF - Right Sizing-Complement towards City's needs to 2020
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51	1	Description:
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Corporate Finance has reviewed the impact of the changing needs of the City with regard to its operations. In particular, the scope of work and its complexity in the areas of financial policy development, strategic initiatives and capital markets requires upgrades to existing positions in order to attract and retain the necessary staff. The result is a request to upgrade three positions and a net reduction of one position. These measures result in annualized savings of \$0.085 million in this Service's Operating Budget in 2016 and \$0.024 million in 2017.

Service Level Impact:

As stated above.

Service: CPF-Financial Strategies, Analysis & Policy Development

Preliminary Service Changes	(59.8)	8.1	(67.9)	(1.00)	(23.7)	(1.8)
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Service: CPF-Investment & Debt Management

Preliminary Service Changes	(6.5)	(6.9)	0.4	0.00	5.5	2.3
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Total Preliminary Service Changes:	(66.4)	1.1	(67.5)	(1.00)	(18.3)	0.6
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**2016 Operating Budget - Preliminary Service Changes
Summary by Service (\$000's)**

Form ID		Internal Focused Services Program - Office of the Chief Financial Officer	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Summary:

Total Preliminary Service Changes	(66.4)	1.1	(67.5)	(1.00)	(18.3)	0.6
Total Preliminary Base Budget:	16,487.3	6,814.3	9,673.1	114.00	192.9	110.3

Appendix 5

Summary of 2016 New / Enhanced Service Priorities

2016 Operating Budget - Preliminary New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Chief Financial Officer	Adjustments				2017 Plan Net Change	2018 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
8868		New Position for Section 37 Related Requests						
74		Description:						
<p>This new request is proposed to create a new Financial Analyst position dedicated to address Section 37 reporting requirements under Bill 73. Amendments: Smart Growth for our Communities Act to identify any facilities, services or other matter for which funds from the special account have been spent including details of the amounts spent and the manner in which any capital cost not funded from the special account will be funded.</p> <p>Therefore, this position will be responsible for monitoring Section 37 contribution and spending and will establish reporting requirement that will be available to the public in a format that is clear, understandable and transparent.</p> <p>Additional funding of \$0.090 million in 2016 is required to support this initiative, with these costs initially offset through additional revenue in the form of recoveries from residual interest available in closed out Section 37 and Section 45 accounts.</p> <p>Moving forward, this requirement will be funded through a standard clause included in all future community benefit agreements.</p>								
Service Level Impact:								
Service: FPD-Financial Planning & Management								
Preliminary New / Enhanced Services			69.0	69.0	0.0	0.77	0.0	0.0
Service: FPD-Financial Reporting & Control								
Preliminary New / Enhanced Services			20.6	20.6	0.0	0.23	0.0	0.0
Total Preliminary New/Enhanced Services:			89.7	89.7	0.0	1.00	0.0	0.0
Summary:								
Total Preliminary New / Enhanced Services			89.7	89.7	0.0	1.00	0.0	0.0

Category:

71 - Operating Impact of New Capital Projects
72 - Enhanced Services-Service Expansion

74 - New Services
75 - New Revenues

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Proposed Withdrawals (-) / Contributions (+)		
			2016	2017	2018
Projected Beginning Balance		6,681.5	6,681.5	6,431.6	6,173.6
Development Charges	XR2120		(249.9)	(258.0)	(258.2)
Total Reserve / Reserve Fund Draws / Contributions		6,681.5	6,431.6	6,173.6	5,915.4
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		6,681.5	6,431.6	6,173.6	5,915.4

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2015 * \$	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
Projected Beginning Balance		25,335.2	25,335.2	23,645.4	21,959.6
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>			(1,767.2)	(1,763.1)	(1,769.6)
<i>Contributions (+)</i>			77.4	77.4	77.4
Total Reserve / Reserve Fund Draws / Contributions		25,335.2	23,645.4	21,959.6	20,267.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		25,335.2	23,645.4	21,959.6	20,267.5

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
Projected Beginning Balance		5,034.6	5,034.6	4,919.8	4,802.5
Innovation Reserve Fund	XR1713				
<i>Proposed Withdrawals (-)</i>			(114.8)	(117.4)	(120.9)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		5,034.6	4,919.8	4,802.5	4,681.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		5,034.6	4,919.8	4,802.5	4,681.5

* Based on 9-month 2015 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2016	2017	2018
Projected Beginning Balance		133.0	133.0	43.3	(77.7)
Section 37 Reserve Fund	XR3026				
<i>Proposed Withdrawals (-)</i>			(89.7)	(121.0)	(121.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		133.0	43.3	(77.7)	(198.7)
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		133.0	43.3	(77.7)	(198.7)

* Based on 9-month 2015 Reserve Fund Variance Report