

Toronto 2017 BUDGET



OPERATING BUDGET NOTES



Policy, Planning, Finance & Administration

2017 OPERATING BUDGET OVERVIEW

Policy, Planning, Finance & Administration (PPF&A) provides centralized financial and administrative support to the Deputy City Manager and Cluster B Programs so they can focus on providing services to Toronto's residents and businesses.

2017 Operating Budget Highlights

The total cost to deliver these services is \$21.141 million gross and \$9.108 million net as shown below:

(In \$000's)	2016 Budget	2017 Preliminary	Change	
			\$	%
Gross Expenditures	22,207.7	21,141.4	(1,066.4)	(4.8%)
Revenues	12,448.4	12,033.0	(415.4)	(3.3%)
Net Expenditures	9,759.3	9,108.3	(651.0)	(6.7%)

Through operational efficiencies and service adjustments savings of \$0.907 million, PPF&A is able to more than offset \$0.256 million in opening budget pressures, (arising mainly from increases for staff salaries and benefits) and exceed the 2.6% net budget reduction target with negligible service level impacts.

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Fast Facts

- Processed over 43,000 vendor invoices
- Issued over 35,000 customer invoices
- Processed \$153 million in accounts receivable transactions
- Processed bi-weekly payroll files for over 6,000 Cluster B employees
- Conducted 80 public consultation events to support Cluster B projects
- Support a culture of excellence in Cluster B through the B Excellent Team and the Excellence Toronto initiative
-

Trends

- The number of invoices/credit note lines entered per employee has increased by 101.5% since 2013.
- The Office of Emergency Management has maintained a current Business Impact Analysis for all City Divisions since 2013.
- The Program continues to transform service delivery through automation and streamlining processes.
- For 2017 and onwards, the Program anticipates that it will continue to maintain approved Service Levels.

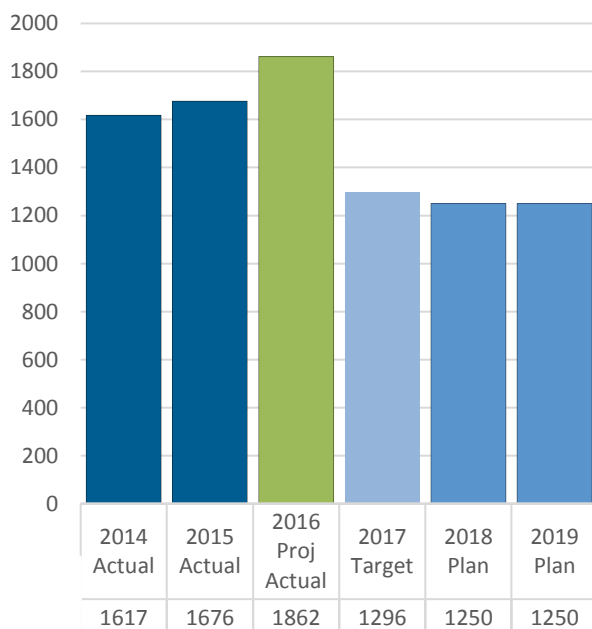
Key Service Deliverables for 2017

PPF&A offers centralized financial and administrative support to the Deputy City Manager and Cluster B Programs so they can focus on providing services to Toronto's residents and businesses.

The 2017 Preliminary Operating Budget will:

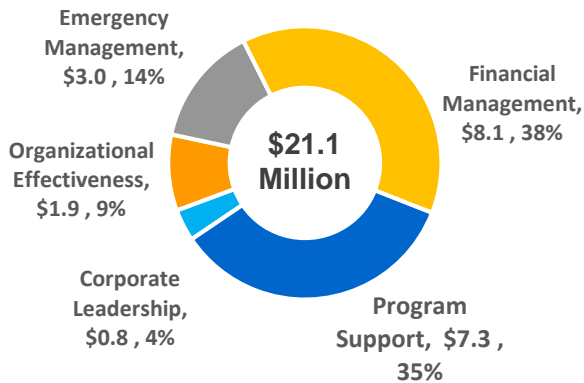
- Continue the implementation of PPF&A's Strategic Plan objectives:
 - Service excellence;
 - Responsible management of public resources; and
 - Commitment to staff.
- Provide financial and administrative support to Cluster B Programs.
- Continue the development of Five-year Capital Programs to ensure that construction is coordinated.
- Maintain 100% compliance with Municipal Code Chapter 59: Emergency Management requirements and those under the *Emergency Management and Civil Protection Act*
- Ensure ongoing readiness of the City's Emergency Operations Centre and ability to have it staffed within 2 hours of a request for activation.

Number of Purchasing Line Items Processed

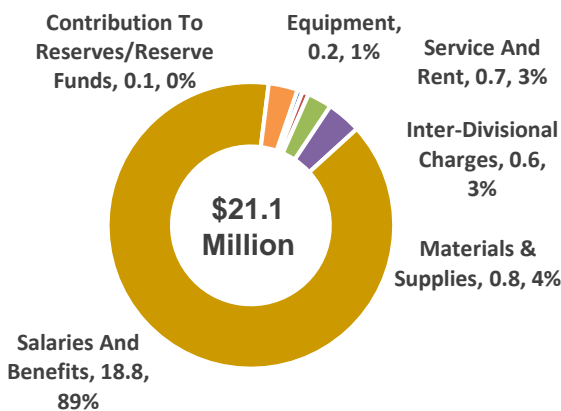


Where the money goes:

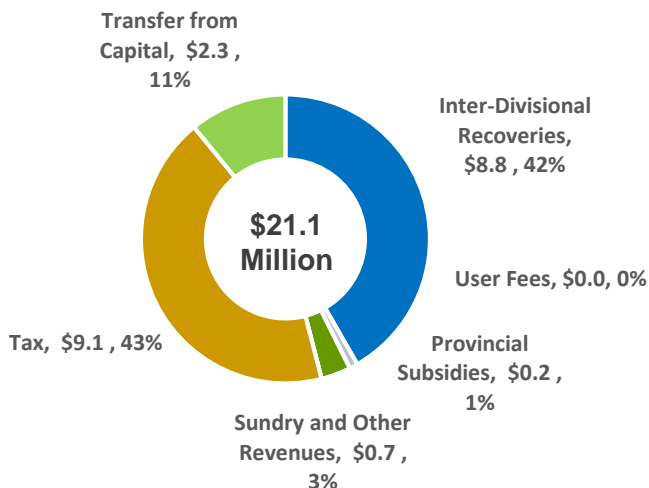
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Increasing Demand for Service**
 - ✓ Continue to streamline operations through business process reviews to identify efficiencies.
- **Implementing new corporate technology improvements while maintaining Service Levels**
 - ✓ Leverage corporate technology improvements to automate manual processes such as Employee Self-Serve / Management Self-Serve.
 - ✓ Continue initiatives to automate City procurement processes and Cluster B dashboard report.
- **Attracting and retaining skilled staff to improve service delivery**
 - ✓ PPF&A will require staff with new and/or enhanced skill sets
 - ✓ Build workforce capacity through continued work with Human Resources to fill vacant positions and focus on staff training.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget of \$21.141 million gross and \$9.108 million net provides funding for Corporate Leadership, Organizational Effectiveness, Emergency Management, Financial Management and Program Support services.
- This represents a decrease of 6.7% to the 2016 Approved Net Budget through measures taken, including:
 - Base expenditure changes following a line-by-line review of accounts, (\$0.298 million);
 - Efficiency savings through an annual operational review of staffing requirements, (\$0.579 million); and
 - Service adjustment savings arising from the discontinuation of the Cooling Centre Program in the Office of Emergency Management, (\$0.030 million).

Actions for Consideration

Approval of the 2017 Preliminary Budget as presented in these notes requires that:

1. City Council approve the 2017 Preliminary Operating Budget for Policy, Planning, Finance and Administration of \$21.141 million gross, \$9.108 million net for the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Corporate Leadership	818.77	818.77
Organizational Effectiveness	1,893.03	282.72
Emergency Management	3,016.82	2,781.82
Financial Management	8,102.12	4,245.65
Program Support	<u>7,310.63</u>	<u>979.36</u>
Total Program Budget	<u>21,141.4</u>	<u>9,108.3</u>

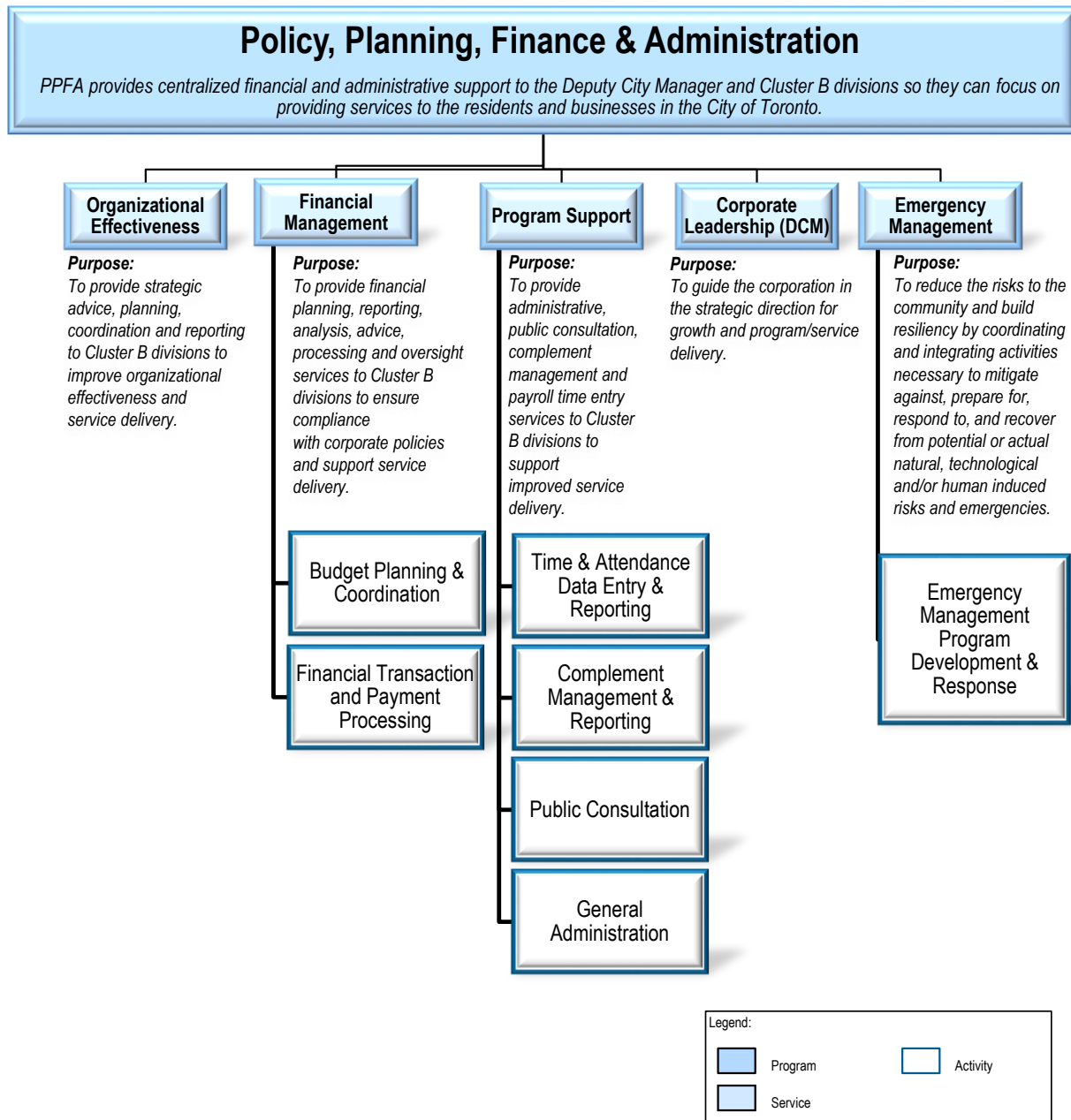
2. City Council approve the 2017 Service Levels for PPF&A as outlined on pages 15, 18, 21 and 24 of this report, and associated staff complement of 188.4 positions.



Part 1:

2017-2019 Service Overview and Plan

Program Map



Service Customer

Organizational Effectiveness	Financial Management	Program Support	Corporate Leadership	Office of Emergency Management
<ul style="list-style-type: none"> City Manager & DCMs Staff – City Divisions Waterfront Secretariat Customers of Cluster B Divisions 	<ul style="list-style-type: none"> DCM Cluster B Staff – City Divisions Waterfront Secretariat Suppliers of Cluster B Divisions 	<ul style="list-style-type: none"> DCM Cluster B Staff – City Divisions Waterfront Secretariat Suppliers of Cluster B divisions 	<ul style="list-style-type: none"> Staff – City Divisions Waterfront Secretariat Customer of Cluster B Divisions Suppliers of Cluster B Divisions 	<ul style="list-style-type: none"> Staff – City Divisions Staff – Agencies & Boards
Indirect (Beneficial) <ul style="list-style-type: none"> Residents Businesses Visitors 	Indirect (Beneficial) <ul style="list-style-type: none"> Residents Businesses Visitors 	Indirect (Beneficial) <ul style="list-style-type: none"> Residents Businesses Visitors 	Indirect (Beneficial) <ul style="list-style-type: none"> Residents Businesses Visitors 	Indirect (Beneficial) <ul style="list-style-type: none"> Residents Businesses Visitors

Table 1
2017 Preliminary Operating Budget and Plan by Service

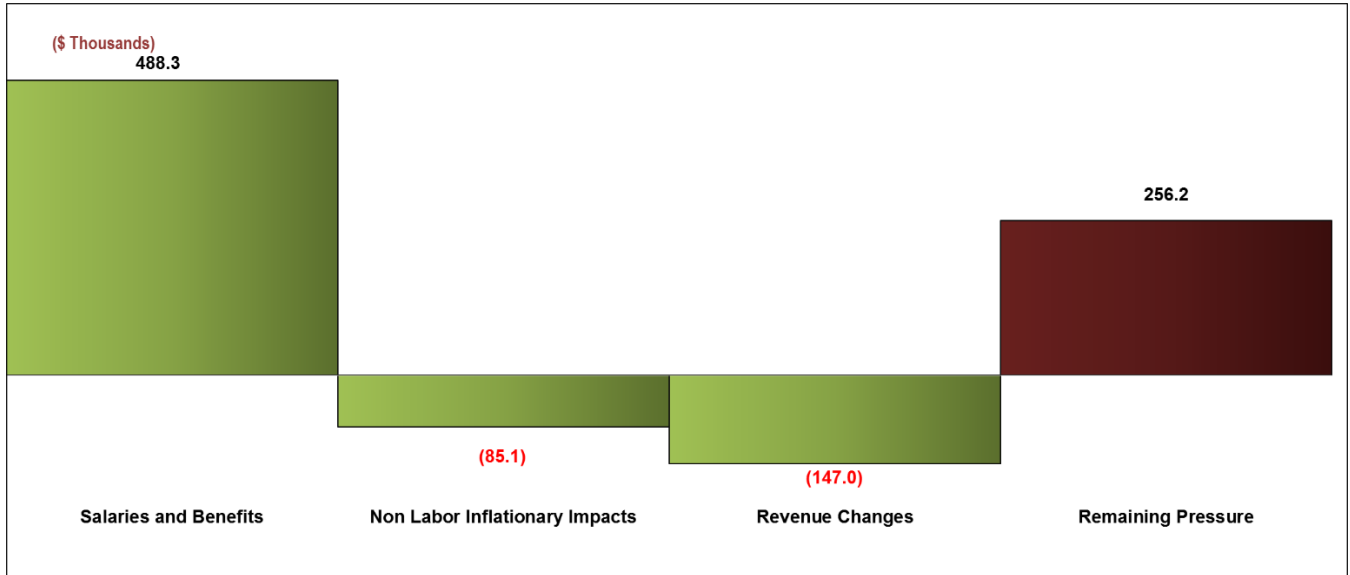
(In \$000s)	2016		2017 Preliminary Operating Budget				2017 Preliminary vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New / Enhanced	Total Budget			2018 Plan		2019 Plan		
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%	
Corporate Leadership												
Gross Expenditures	801.4	761.6	818.8		818.8	17.3	2.2%	35.5	4.3%	33.8	4.0%	
Revenue		-			-	-	-			-		
Net Expenditures	801.4	761.6	818.8		818.8	17.3	2.2%	35.5	4.3%	33.8	4.0%	
Organizational Effectiveness												
Gross Expenditures	2,462.9	2,340.4	1,893.0		1,893.0	(569.9)	(23.1%)	72.0	3.8%	68.6	3.5%	
Revenue	1,667.6	1,575.5	1,610.3		1,610.3	(57.3)	(3.4%)	44.0	2.7%	41.9	2.5%	
Net Expenditures	795.3	764.9	282.7		282.7	(512.6)	(64.5%)	28.1	9.9%	26.7	8.6%	
Emergency management												
Gross Expenditures	3,086.6	2,933.0	3,016.8		3,016.8	(69.8)	(2.3%)	107.1	3.5%	101.6	3.3%	
Revenue	235.0	222.0	235.0		235.0	-				-		
Net Expenditures	2,851.6	2,711.0	2,781.8		2,781.8	(69.8)	(2.4%)	107.1	3.8%	101.6	3.5%	
Financial Management												
Gross Expenditures	7,928.2	7,533.8	8,102.1		8,102.1	173.9	2.2%	277.8	3.4%	259.5	3.1%	
Revenue	4,033.7	3,810.8	3,856.5		3,856.5	(177.2)	(4.4%)	(0.0)	(0.0%)	-		
Net Expenditures	3,894.5	3,722.9	4,245.7		4,245.7	351.2	9.0%	277.8	6.5%	259.5	5.7%	
Program Support												
Gross Expenditures	7,928.6	7,534.1	7,310.6		7,310.6	(618.0)	(7.8%)	176.8	2.4%	157.5	2.1%	
Revenue	6,512.1	6,152.3	6,331.3		6,331.3	(180.9)	(2.8%)	(0.0)	(0.0%)	-		
Net Expenditures	1,416.5	1,381.8	979.4		979.4	(437.1)	(30.9%)	176.8	18.1%	157.5	13.6%	
Total												
Gross Expenditures	22,207.7	21,102.9	21,141.4		21,141.4	(1,066.4)	(4.8%)	669.3	3.2%	621.0	2.9%	
Revenue	12,448.4	11,760.6	12,033.0		12,033.0	(415.4)	(3.3%)	44.0	0.4%	41.9	0.3%	
Net Expenditures	9,759.3	9,342.3	9,108.3		9,108.3	(651.0)	(6.7%)	625.3	6.9%	579.1	6.0%	
Approved Positions	196.4	188.4	188.4		188.4	(8.0)	(4.1%)	-		-		

PPF&A's 2017 Preliminary Operating Budget of \$21.141 million gross and \$9.108 million net, reflects a 6.7% decrease from the 2016 Approved Net Operating Budget, exceeding the reduction target as set out in the 2017 Operating Budget Directions approved by Council.

- The main source of upward pressure on PPF&A's budget of \$0.256 million reflects routine increases in salary and benefit costs.
- To offset this pressure, the Program was able to achieve base expenditure, service efficiency and service adjustments savings of \$0.907 million through line by line reviews comparing budget to actuals, an operational review of staffing requirements and a review of the Cooling Centre program against program objectives.
- Approval of the 2017 Preliminary Operating Budget will result in PPF&A reducing its total staff complement by 8.0 positions from 196.4 to 188.4.
- The 2018 and 2019 Plan increases of \$0.625 million and \$0.579 million, respectively, are attributable to annual escalation in the cost of labour.

The following graphs summarize the operating budget pressures for PPF&A and the actions taken to offset them and meet the budget target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

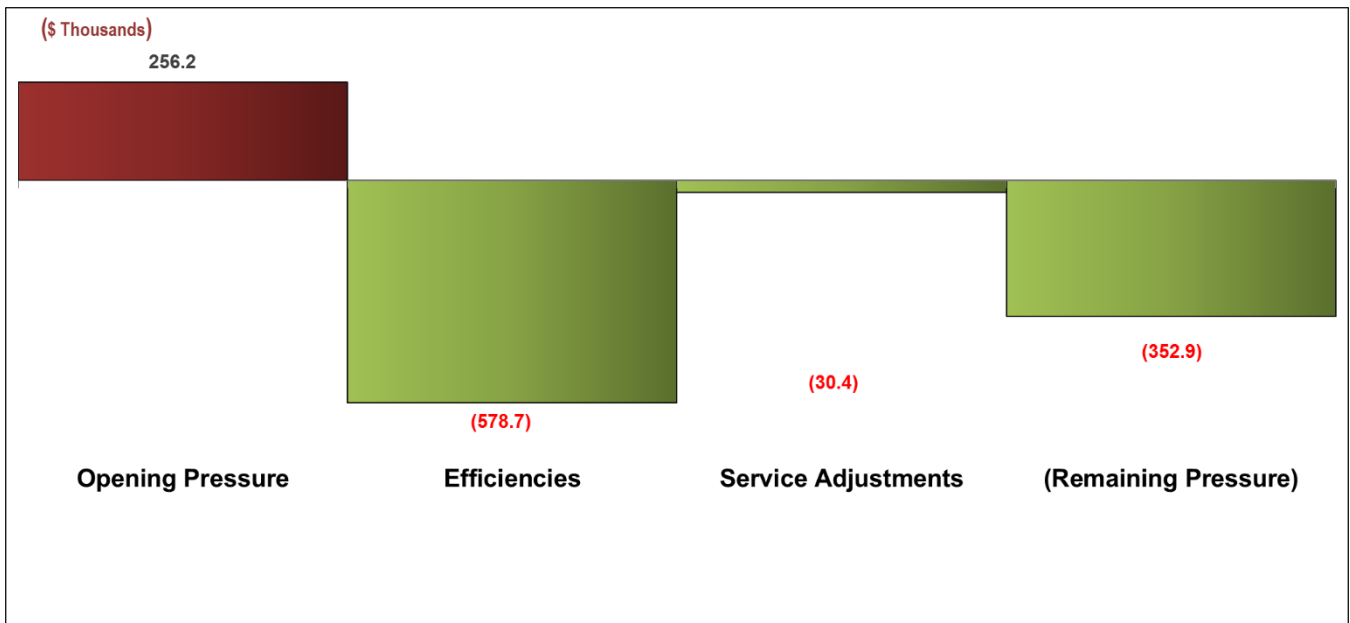


Table 2
Key Cost Drivers

(In \$000s)	2017 Base Operating Budget										Total	
	Corporate Leadership		Organizational Effectiveness		Office of Emergency Management		Financial Management		Program Support			
	\$	Position	\$	Position	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes												
Salaries and Benefits Total												
COLA, Pep Projection and Step	10.8		(51.7)		(14.8)		453.8		90.2			488.3
Other Base Changes												
IDC/IDRs			(32.7)		(12.4)				(40.0)			(85.1)
Total Gross Expenditure Changes	10.8		(84.4)		(27.2)		453.8	0.0	50.2	0.0		403.3
Revenue Changes												
Recovery from Bell for 1 Position (SmartCity)			(147.0)									(147.0)
Total Revenue Change			(147.0)									(147.0)
Net Expenditure Changes	10.8		(231.4)		(27.2)		453.8	0.0	50.2	0.0		256.2

Key costs driving PPF&A's 2017 Preliminary Operating Budget include:

- Salaries and Benefits
 - Cost of living adjustments, progression pay, step increases and benefit costs for nearly 200 management and unionized employees drives PPF&A's cost structure, (\$0.488 million).
- Other Base Changes:
 - Changes in inter-divisional charges and recoveries owe mostly to higher recoveries from Engineering & Construction Services for supporting positions within the Organizational Effectiveness service, (net savings of \$0.085 million).
- Revenue Changes:
 - Bell Canada pays for the salary and benefit costs for one position, (\$0.147 million) recruited by the Major Capital Infrastructure Coordination (MCIC) Office, to expedite approvals for the underground construction work associated with its SmartCity initiative.

In order to achieve the budget reduction target, the 2017 Operating Budget incorporates service changes that consist of base expenditure savings of \$0.298 million, service efficiency savings of \$0.579 million and service adjustments of \$0.030 million, for a total of \$0.907 million net as detailed below in Table 3.

Table 3
Actions to Achieve Budget Reduction Target
2017 Preliminary Service Change Summary

Description (\$000s)	Service Changes										Incremental Change							
	Corporate Leadership		Organizational Effectiveness		Office of Emergency Management		Financial Management		Program Support		Total Service Changes			2018 Plan		2019 Plan		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.	
Base Changes:																		
Base Expenditure Changes																		
Line by Line Review					(16.7)	(16.7)			(281.4)	(281.4)	(298.1)	(298.1)						
Service Efficiencies																		
Review of Staffing Requirements			(291.6)	(288.0)			(285.7)	(108.5)	(363.0)	(182.1)	(940.4)	(578.7)	(8.0)	(35.8)			(34.2)	
Sub-Total			(291.6)	(288.0)	(16.7)	(16.7)	(285.7)	(108.5)	(644.3)	(463.5)	(1,238.4)	(860.0)	(8.0)	(35.8)			(34.2)	
Service Adjustments																		
Discontinue Cooling Centre Program by OEM					(30.4)	(30.4)					(30.4)	(30.4)						
Sub-Total					(30.4)	(30.4)					(30.4)	(30.4)	0.0					
Total Changes			(291.6)	(288.0)	(47.1)	(47.1)	(285.7)	(108.5)	(644.3)	(463.5)	(1,268.8)	907.1	(8.0)	(35.8)			(34.2)	

Base Expenditure Changes (Savings of \$0.298 million gross & net)

Line by Line Review

- A line by line review alleviated \$0.298 million of budget pressure through reductions to the hydro budget, (\$0.150 million) and various line items related to rental equipment, office technology and training.
- This budget change will align the budget with actual experience and projected 2017 requirements.

With the exception of \$0.016 million in savings identified within the Office of Emergency Management, all of the line by line review savings will be realized in the Program Support service.

Service Efficiencies (Savings of \$0.940 million gross & \$0.579 million net)

Operational Review of Staffing Requirements

- PPF&A will delete 8.0 positions to generate efficiency saving as a result of an operational review of staffing requirements.
- These reductions, which will not have an impact on approved Service Levels, will result in the elimination of three union and five non-union positions.

Service Adjustments (Savings of \$0.030 million gross & net)

Discontinue Operating Seven Cooling Centres

- The Office of Emergency Management operates Cooling Centres out of seven civic centres that provide air conditioning, snacks and information about heat-related health issues during Extended Heat Warnings.
- The 2017 Preliminary Operating Budget includes \$0.030 million in service adjustment savings resulting from the discontinuation of the seven Cooling Centres.
- A recent program review revealed that only 12% of the target population, (people who are older, have medical conditions and/or street-involved people) visit the designated centres and that there have been as few as ten people at one of the locations during an extended heat warning.
- The current civic centre locations, along with over 170 City community centres, recreation centers and libraries, will continue to offer cool environments across the City all summer long, so it is anticipated that this change at seven facilities will have a limited impact on availability of cooling services for vulnerable residents. This adjustment is discussed in more detail on page 29.

Approval of the 2017 Preliminary Operating Budget for PPF&A will result in a 2018 incremental net cost of \$0.625 million and a 2019 incremental net cost of \$0.579 million to maintain the 2017 Service Levels, as discussed in the following section.

Table 4
2018 and 2019 Plan by Program

Description (\$000s)	2018 - Incremental Increase					2019 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	Position	Gross Expense	Revenue	Net Expense	% Change	Position
Known Impacts:										
IDC/IDR Total	0.3	37.5	(37.1)	(0.4%)		0.4	35.8	(35.4)	(0.4%)	
Salary and Benefits										
COLA, Progression Pay and Step	704.6		704.6	7.7%		654.9		654.9	6.7%	
Other Base Revenue Changes										
Cost Recovery for 1 position in MCIC from Bell (SmartCity initiative)		6.5	(6.5)	(0.1%)			6.2	(6.2)	(0.1%)	
Service Changes										
Review of Staffing Requirements	(35.8)		(35.8)	(0.4%)		(34.2)		(34.2)	(0.4%)	
Sub-Total	669.2	44.0	625.3	6.9%		621.0	41.9	579.1	5.9%	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

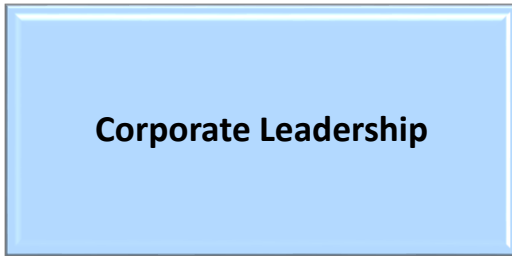
- Future year pressures are almost entirely comprised of costs associated with COLA, progression pay, step and other salary and benefit adjustments, which are anticipated to increase by \$0.625 million in 2018 and \$0.579 million in 2019.



Part 2:

2017 Preliminary Operating Budget by Service

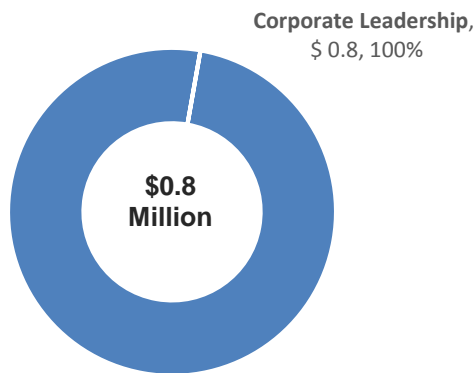
Corporate Leadership (DCM)



What We Do

- Guide the corporation in the strategic direction for growth and program/service delivery.
- Provide corporate oversight and administrative governance of Cluster B Programs.
- Provide coordination on major City-wide initiatives and projects.

2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)

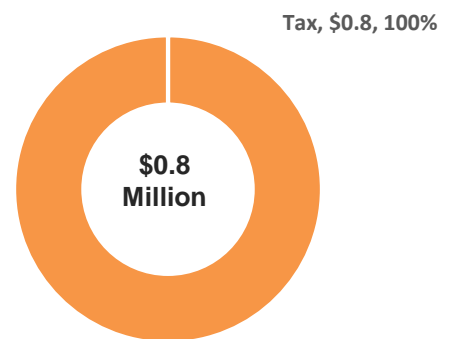


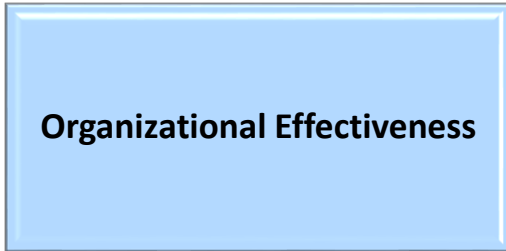
Table 5
2017 Preliminary Service Budget by Activity

(\$000s)	2016		2017 Preliminary Operating Budget							2017 Prelim. Budget vs. 2016 Budget		Incremental Change				
	Budget	Projected Actual	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	\$	%	2018 Plan	%	2019 Plan	%	
	\$	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.																
Corporate Leadership	801.4	761.6	818.8		818.8	17.3	2.2%		818.8	17.3	2.2%	35.5	4.3%	33.8	4.0%	
Total Gross Exp.	801.4	761.6	818.8		818.8	17.3	2.2%		818.8	17.3	2.2%	35.5	4.3%	33.8	4.0%	
REVENUE																
Corporate Leadership																
Total Revenues	0.0															
NET EXP.																
Corporate Leadership	801.4	761.6	818.8		818.8	17.3	2.2%		818.8	17.3	2.2%	35.5	4.3%	33.8	4.0%	
Total Net Exp.	801.4	761.6	818.8		818.8	17.3	2.2%		818.8	17.3	2.2%	35.5	4.3%	33.8	4.0%	
Approved Positions	5.00		5.0		5.0				5.0				0.0%			

The Corporate Leadership service's 2017 Preliminary Operating Budget of \$0.818 million gross and net is \$0.017 million or 2.2% over the 2016 Approved Net Budget.

In addition to the base budget pressures common to all services, this service reflects minor pressures due to a functional area realignment between the five services in PPFA, which has resulted in higher printing costs of \$0.006 million.

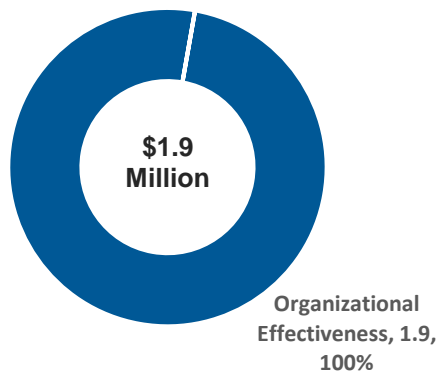
Organizational Effectiveness



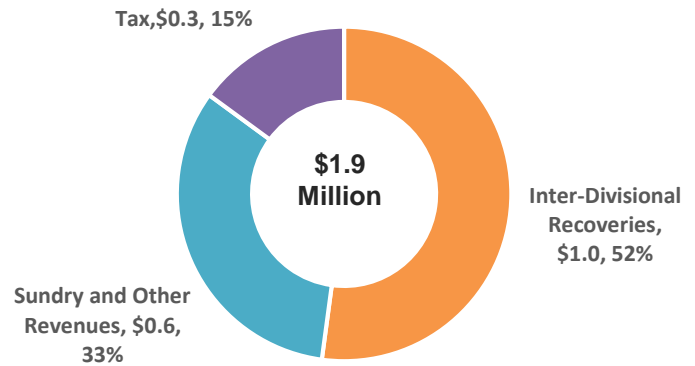
What We Do

- Management reporting
- Support for Excellence Toronto in Cluster B
- Coordination of major capital infrastructure projects
- Development of a coordinated 5-year capital program that integrates City divisions with external agencies and utilities

2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



2017 Service Levels Organizational Effectiveness

Activity	Sub-Activity/Type	Status	2014	2015	2016	2017
Cross Divisional Planning & Coordination	Administrative Support and Coordination	Approved	The assignment is completed within agreed upon timeline 100% of the time			The assignment is completed within agreed upon timeline 100% of the time
	Strategy and Policy Development	Approved	This assignment is completed within agreed upon timeline 100% of the time			
	Implementation Support	Approved	This assignment is completed within agreed upon timeline 100% of the time			
Performance Measurement/ Management Reporting	Monitoring and Tracking	Approved	The indicator is updated/maintained according to the predetermined schedule 100% of the time			The indicator is updated/maintained according to the predetermined schedule 100% of the time
	Monthly Reports	Approved	Report issued within the agreed upon schedule 100% of the time			Report issued within the agreed upon schedule 100% of the time
	Quarterly Reports	Approved	Report issued within the agreed upon schedule 100% of the time			
	Annual Reports	Approved	Report issued within the agreed upon schedule 100% of the time			
	Ad hoc Reports	Approved	Report issued within the agreed upon schedule 100% of the time			
Program Review	Service Improvement	Approved	Report issued within the agreed upon schedule 100% of the time			Report issued within the agreed upon schedule 100% of the time
	Organizational Design	Approved	Report issued within the agreed upon schedule 100% of the time			
	New Business Process documentation Development	Approved	The new business process documentation is developed within the agreed upon timeframe 100% of the time			The new business process documentation is developed within the agreed upon timeframe 100% of the time
	Existing Business Process Documentation	Approved	Business process documentation is maintained 100% of the time			Business process documentation is maintained 100% of the time
	Process Improvement Recommendation	Approved	Business process improvement recommendations are developed within the agreed upon timeframe 100% of the time			Business process improvement recommendations are developed within the agreed upon timeframe 100% of the time

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Organizational Effectiveness.

Table 6
2017 Preliminary Service Budget by Activity

(\$000s)	2016		2017 Preliminary Operating Budget							Incremental Change						
	Budget	Projected Actual	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget		New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
						% Change				\$	%	\$	%	\$	%	
GROSS EXP.																
Organizational Effectiveness	2462.9	2,340.4	2,184.7	(291.6)	1,893.0	(569.9)	(23.1%)		1,893.0	(569.9)	(23.1%)	72.0	3.8%	68.6	3.5%	
Total Gross Exp.	2462.9	2,340.4	2,184.7	(291.6)	1,893.0	(569.9)	(23.1%)		1,893.0	(569.9)	(23.1%)	72.0	3.8%	68.6	3.5%	
REVENUE																
Organizational Effectiveness	1667.6	1,575.5	1,613.9	(3.6)	1,610.3	(57.3)	(3.4%)		1,610.3	(57.3)	(3.4%)	44.0	2.7%	41.9	2.5%	
Total Revenues	1667.6	1,575.5	1,613.9	(3.6)	1,610.3	(57.3)	(3.4%)		1,610.3	(57.3)	(3.4%)	44.0	2.7%	41.9	2.5%	
NET EXP.																
Organizational Effectiveness	795.3	764.9	570.7	(288.0)	282.7	(512.6)	(64.5%)		282.7	(512.6)	(64.5%)	28.1	9.9%	26.7	8.6%	
Total Net Exp.	795.3	764.9	570.7	(288.0)	282.7	(512.6)	(64.5%)		282.7	(512.6)	(64.5%)	28.1	9.9%	26.7	8.6%	
Approved Positions	13.8		13.8	(2.0)	11.8	(2.0)	(14.5%)		11.8	(2.0)	(14.5%)					

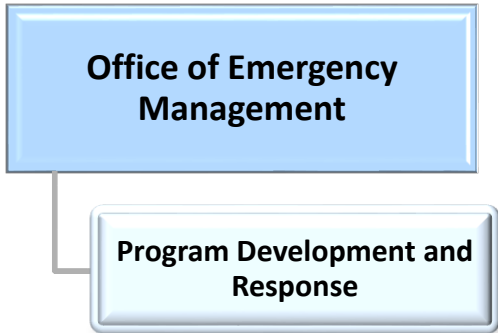
The Organizational Effectiveness service provides strategic advice, planning, coordination and reporting to Cluster B divisions to improve organizational effectiveness and service delivery.

The Organizational Effectiveness service's 2017 Preliminary Operating Budget of \$1.893 million gross and \$0.283 million net is \$0.513 million or 64.5% under the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing minor pressures due to a functional area realignment between the five services in PPF&A that resulted in higher printing costs of \$0.007 million.
- In order to offset these pressures, the 2017 Preliminary Operating Budget includes efficiency savings arising from a review of staffing requirements that reduces the service's budget by \$0.292 million gross and \$0.288 million net.
- Revenue changes include an increase of \$0.147 million in revenue to reflect a 100% cost recovery from Bell Canada for one position supporting the SmartCity initiative.

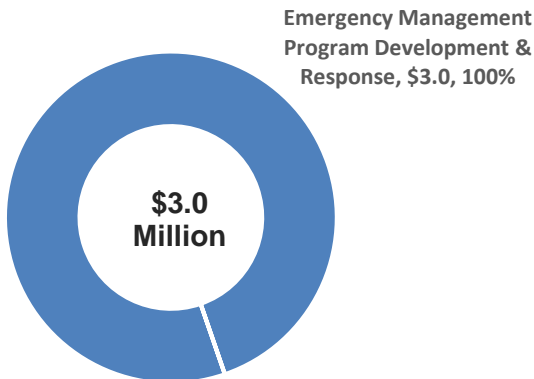
Office of Emergency Management

What We Do

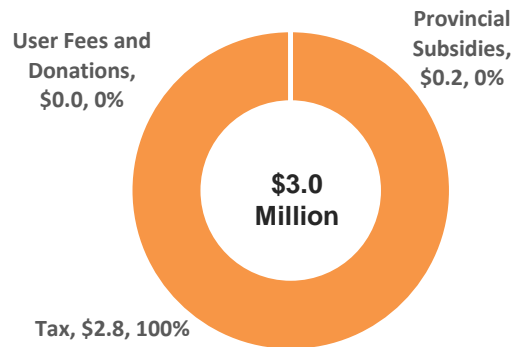


- Coordinating agency for emergency and disaster activities as part of the City’s Emergency Management Program
- Develops programs and plans to prevent disasters, if possible
- Organizes and coordinates emergency responses when disasters and emergencies occur
- Coordinates and implements recovery plans

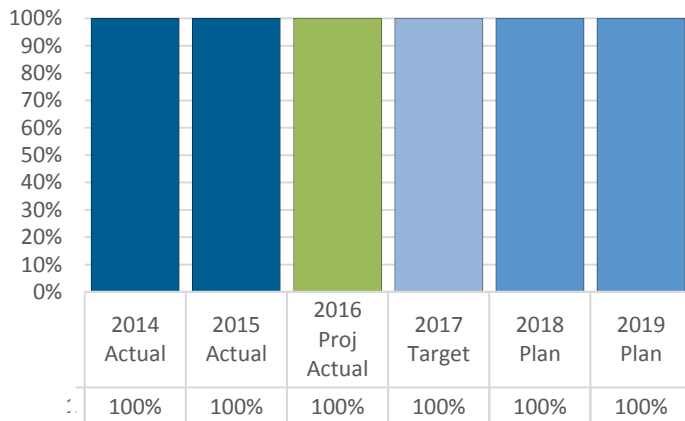
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Per Cent of On-Call Responses to All Calls Within 15 Minutes of Initiation



- This measure indicates the percentage of On-Call responses to all calls within 15 minutes of initiation.
- From 2017 onward, the Program anticipates that it will meet its target of 100%.

2017 Service Levels

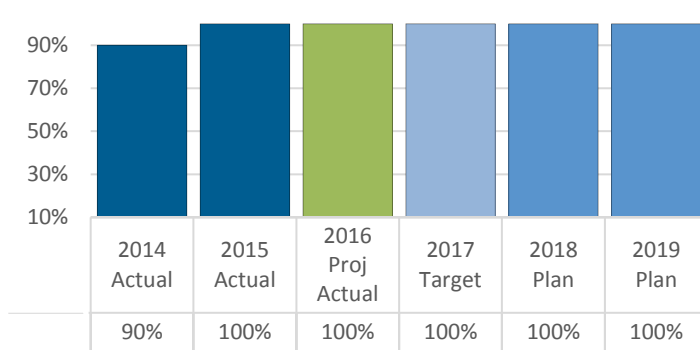
Office Emergency Management

Activity	Sub-Activity/Type	Status	2014	2015	2016	2017
Customer Service - Phone, Email, Material Request	Monthly	Approved	Acknowledge in 1 business day and respond within 3 business days 90% of the time.			Acknowledge in 1 business day and respond within 3 business days 90% of the time.
Municipal Program Requirements	Annually	Approved	100% compliance with the requirements under the Toronto Municipal Code			100% compliance with the requirements under the Toronto Municipal Code
Provincial Program Requirements	Annually	Approved	100% compliance with the requirements under the Act			100% compliance with the requirements under the Act
Training Program	Quarterly	Approved	Achieve 80% on satisfaction survey for all training courses, 50 Basic Emergency Management provincial certificates levels achieved, 75 Incident Management System Level 200 provincial certificates achieved			Achieve 80% on satisfaction survey for all training courses, 50 Basic Emergency Management provincial certificates levels achieved, 100 Basic Incident Management System, 100 Incident Management System
Exercise Program	Annually	Approved	Achieve 80% satisfaction survey for annual exercise			Achieve 80% satisfaction survey for annual exercise
Public Education Program	Monthly	Approved	Achieve 80% satisfaction survey for public education/awareness presentations			Achieve 80% satisfaction survey for public education/awareness presentations
Business Continuity	Monthly	Approved	Ensure 90% of all Divisions have a current Business Impact Analysis, Ensure 90% of Divisions have a current Business Continuity Plan, Ensure 90% of Divisions have in place tested/exercised BC Plans			Ensure 90% of all Divisions have a current Business Impact Analysis, Ensure 90% of Divisions have a current Business Continuity Plan, Ensure 90% of Divisions have in place tested/exercised BC Plans
OEM 24/7 Standby	As required	Approved	Standby responds to all calls within 15 minutes of initiation			Standby responds to all calls within 15 minutes of initiation
Emergency Operation Centre (EOC)	Operationally ready to activate	Approved	Normal Hours: EOC staffed with OEM members within 15 minutes of requests, After Hours: EOC staffed with OEM members within 2 hours of request, To ensure that the 5 Deep EOC Staffing Plan remains at 80%			Normal Hours: EOC staffed with OEM members within 15 minutes of requests, After Hours: EOC staffed with OEM members within 2 hours of request, To ensure that the 5 Deep EOC Staffing Plan remains at 80%

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for the Office of Emergency Management.

Service Performance Measure

Per Cent of Divisions that Have a Current Business Impact Analysis



- The graph to the left measures the percentage of City divisions that have a current Business Impact Analysis.
- The Program is projecting that, from 2017 onward, it will meet the 100% target.

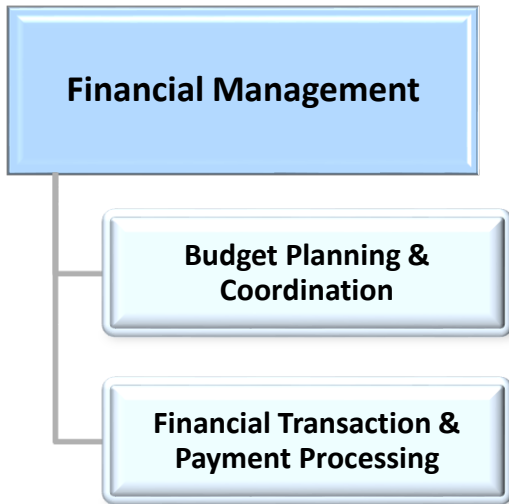
**Table 7
2017 Preliminary Service Budget by Activity**

(\$000s)	2016		2017 Preliminary Operating Budget							Incremental Change						
	Budget	Projected Actual	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget	% Change	New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
	\$	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%	
GROSS EXP.																
Program Development & Response	3,086.6	2,933.0	3,047.2	(30.4)	3,016.8	(69.8)	(2.3%)		3,016.8	(69.8)	(2.3%)	107.1	3.5%	101.6	3.3%	
Total Gross Exp.	3,086.6	2,933.0	3,047.2	(30.4)	3,016.8	(69.8)	(2.3%)		3,016.8	(69.8)	(2.3%)	107.1	3.5%	101.6	3.3%	
REVENUE																
Program Development & Response	235.0	222.0	235.0		235.0				235.0				0.0%			
Total Revenues	235.0	222.0	235.0		235.0				235.0							
NET EXP.																
Program Development & Response	2,851.6	2,711.0	2,812.2	(30.4)	2,781.8	(69.8)	(2.4%)		2,781.8	(69.8)	(2.4%)	107.1	3.8%	101.6	3.5%	
Total Net Exp.	2,851.6	2,711.0	2,812.2	(30.4)	2,781.8	(69.8)	(2.4%)		2,781.8	(69.8)	(2.4%)	107.1	3.8%	101.6	3.5%	
Approved Positions	18.0		18.0		18.0				18.0				0.0%			

The Emergency Management service's 2017 Preliminary Operating Budget of \$3.016 million gross and \$2.781 million net is \$0.069 million or 2.4% under the 2016 Approved Net Budget.

- Base budget pressures common to all services, such as inflationary increases to salary and benefit costs, are fully offset through reduced interdivisional charges and line by line savings.
- The 2017 Preliminary Operating Budget for this service is further reduced by the proposed service adjustment to discontinue the Cooling Centre program.

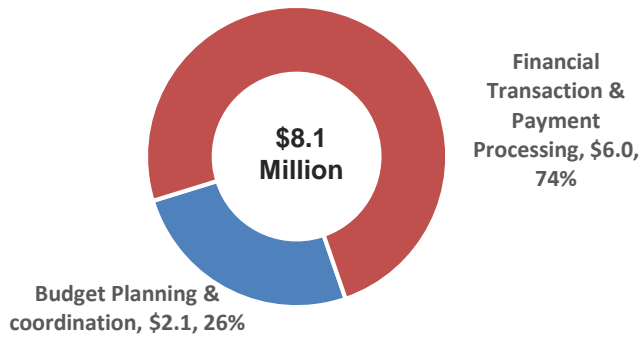
Financial Management



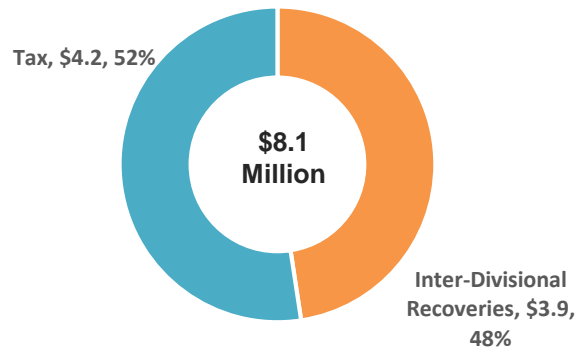
What We Do

- Financial transaction processing for Cluster B divisions
- Capital and Operating Budget preparation and submission for Cluster B divisions
- Monthly and quarterly variance reporting and analysis

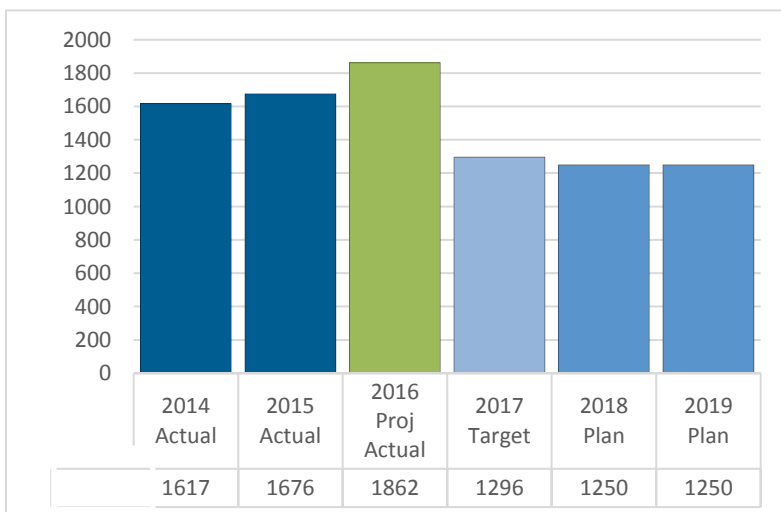
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Number of Purchasing Line Items Processed



- This chart indicates the average number of purchasing line items processed per Accounting Assistant.
- The division is projecting that 1,296 lines per employee will be processed for 2016 and it is estimating that 1,250 lines will be processed per employee for 2017, 2018 and 2019.
- Fewer line items are expected because Solid Waste Management started creating the majority of their own divisional purchase and contract orders and because PPF&A streamlined internal processes which reduces the number of entries needed.

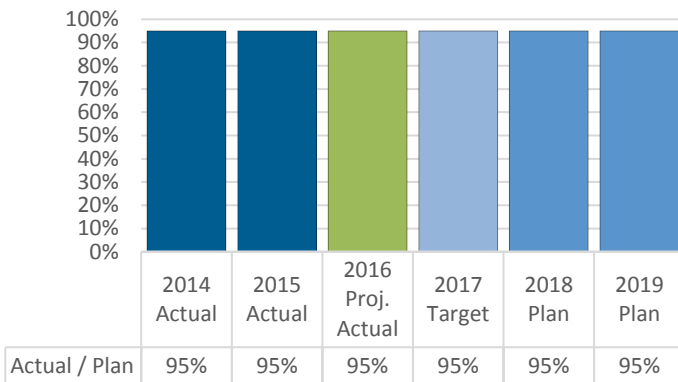
2017 Service Levels Financial Management

Activity	Sub-Activity/Type	Status	2014	2015	2016	2017
Budget Planning & Coordination	Budget coordinated, prepared and submitted	Approved	100% of Cluster B budgets supported and coordinated within deadlines			100% of Cluster B budgets supported and coordinated within deadlines
	Research, data generation, analysis and presentation	Approved	Provide acknowledgement of request within 2 days 95% of the time			Provide acknowledgement of request within 2 days 95% of the time
	Assistance with service planning	Approved	100% of Cluster B Service Plans Supported to submit within prescribed deadlines			100% of Cluster B Service Plans Supported to submit within prescribed deadlines
	Management Reporting & Control	Approved	Monthly variance reports issued within 7 days after month end 80% of the time. Corporate variance reports meet prescribed deadlines 100% of the time.			Monthly variance reports issued within 7 days after month end 80% of the time. Corporate variance reports meet prescribed deadlines
	Business advice & consultation	Approved	Provide acknowledgement of request within 2 days 100% of the time.			Provide acknowledgement of request within 2 days 100% of the time.
Financial Transaction & Payment Processing	Management Reporting & Control	Approved	Ensure reconciliation of accounts within 30 days of month end 100% of the time.			Ensure reconciliation of accounts within 30 days of month end 100% of the time.
	Business advice & consultation	Approved	Provide acknowledgement of request within 2 days 100% of the time.			Provide acknowledgement of request within 2 days 100% of the time.
	Purchasing and procurement	Approved	Process purchasing documents in SAP within 3 business days to source and place the order 90% of the time, Informal calls (\$7,500 to \$50,000) are processed within 60 days 90% of the time based on complete documentation submitted to PPFA Financial Services.			Process purchasing documents in SAP within 3 business days to source and place the order 90% of the time, Informal calls (\$7,500 to \$50,000) are processed within 60 days 90% of the time based on complete documentation submitted to PPFA Financial Services.
	Accounts payable	Approved	85% of invoices confirmed for payment within 60 days.			85% of invoices confirmed for payment within 60 days.
	Accounts receivable	Approved	90% of debtor invoices issued (created and mailed) within 48 hours of receipt or notification of completed request.			90% of debtor invoices issued (created and mailed) within 48 hours of receipt or notification of completed request.
	Collects and process customer payments	Approved	Undisputed accounts receivable collected within agreed upon payment terms 70% of the time. Customer payments deposited by next business day 100% of the time; accounts updated within 5 business days upon receipt of supporting documents 90% of the time.			Undisputed accounts receivable collected within agreed upon payment terms 70% of the time. Customer payments deposited by next business day 100% of the time; accounts updated within 5 business days upon receipt of supporting documents 90% of the time.
	Collects and process customer deposits and prepare refunds for payment	Approved	100% of customer deposits processed within 48 hours of receipt. 90% of completed refund requests processed within 10 business days of receipt.			100% of customer deposits processed within 48 hours of receipt. 90% of completed refund requests processed within 10 business days of receipt.

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Financial Management

Service Performance Measure

Refunds of Customer Deposits



% of Completed Requests for Refunds Processed within 10 Business Days of Receipt

- The City holds deposits from customers to guarantee completion of work according to contractual terms. Refunds are processed once the City is satisfied that the work is completed as agreed.
- PPF&A has set a 2017 target of processing 95% of refunds within 10 business days of receiving a request for a refund from the division authorizing satisfactory completion of the work.
- The division has and projects that it will continue to meet the target.

Table 8
2017 Preliminary Service Budget by Activity

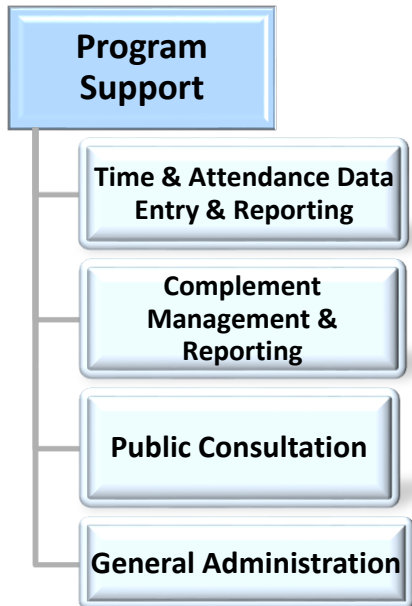
(\$000s)	2016		2017 Preliminary Operating Budget							Incremental Change						
	Budget	Projected Actual	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget		New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan		
						\$	%			\$	%	\$	%	\$	%	
GROSS EXP.																
Budget Planning & Coordination	2,064.2	1,961.5	2,067.2		2,067.2	3.0	0.1%		2,067.2	3.0	0.1%	92.4	4.5%	88.1	4.1%	
Financial Transaction & Payment Processing	5,864.0	5,572.3	6,320.7	(285.7)	6,034.9	170.9	2.9%		6,034.9	170.9	2.9%	185.4	3.1%	171.3	2.8%	
Total Gross Exp.	7,928.2	7,533.8	8,387.9	(285.7)	8,102.1	173.9	2.2%		8,102.1	173.9	2.2%	277.8	3.4%	259.5	3.0%	
REVENUE																
Budget Planning & Coordination	946.7	894.4	946.7	(41.6)	905.1	(41.6)	(4.4%)		905.1	(41.6)	(4.4%)					
Financial Transaction & Payment Processing	3,087.0	2,916.5	3,087.0	(135.6)	2,951.4	(135.6)	(4.4%)		2,951.4	(135.6)	(4.4%)					
Total Revenues	4,033.7	3,810.8	4,033.7	(177.2)	3,856.5	(177.2)	(4.4%)		3,856.5	(177.2)	(4.4%)					
NET EXP.																
Budget Planning & Coordination	1,117.5	1,067.1	1,120.5	41.6	1,162.1	44.6	4.0%		1,162.1	44.6	4.0%	92.4	8.0%	88.1	7.0%	
Financial Transaction & Payment Processing	2,777.0	2,655.8	3,233.6	(150.1)	3,083.5	306.5	11.0%		3,083.5	306.5	11.0%	185.4	6.0%	171.3	5.2%	
Total Net Exp.	3,894.5	3,722.9	4,354.2	(108.5)	4,245.7	351.2	9.0%		4,245.7	351.2	9.0%	277.8	6.5%	259.5	5.2%	
Approved Positions	83.5		84.5	(2.0)	82.4	(1.0)	(1.2%)		82.4	(1.0)	(1.2%)					

The Financial Management service provides financial planning, reporting, analysis, advice, processing, and oversight services to Cluster B divisions to ensure compliance with corporate policies and support service delivery.

The Financial Management service's 2017 Preliminary Operating Budget of \$8.102 million gross and \$4.256 million net is \$0.351 million or 9% over the 2016 Approved Net Budget.

- Base budget pressures in this service are entirely driven by inflationary increases in salary and benefits.
- In order to offset these pressures, the 2017 Preliminary Operating Budget includes service efficiency savings of 1.0 position, or \$0.104 million, arising from an operational review of staffing requirements.

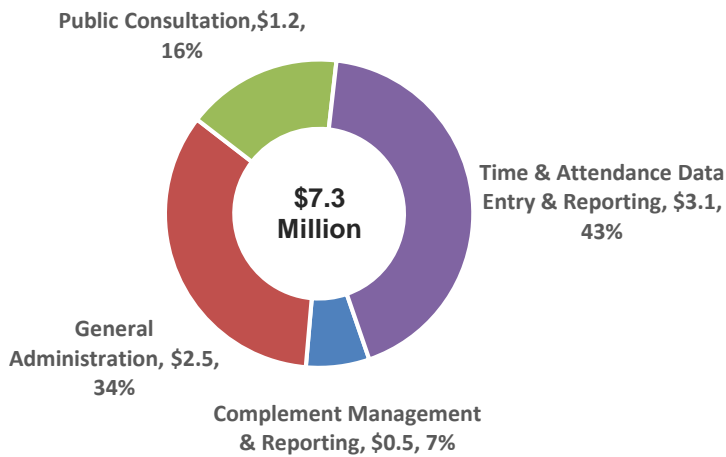
Program Support



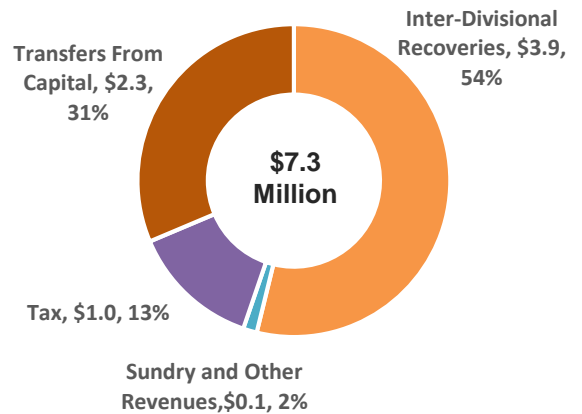
What We Do

- Payroll time entry for over 6,000 Cluster B employees
- Complement management and reporting
- Public consultation support for Cluster B divisions
- General administration support

2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



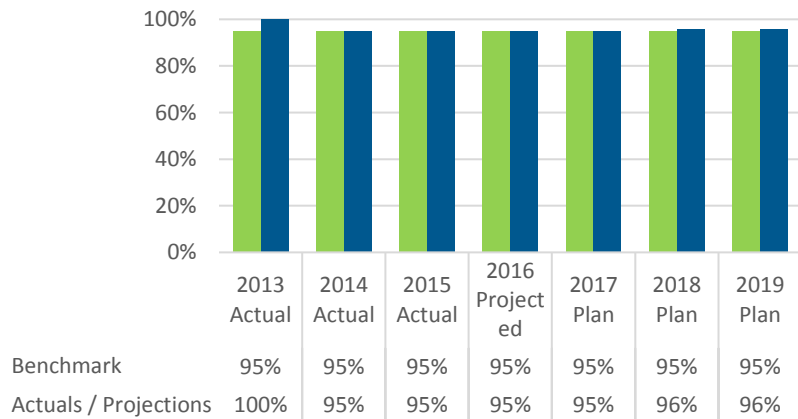
2017 Service Levels Program Support

Activity	Sub-Activity/Type	Status	2014	2015	2016	2017
Time & Attendance - Data Entry & Reporting	Payroll Advice & Reporting	Approved	Provide Monthly Attendance Management Reports 100% of the time. Other reports within 5 days 95% of the time.			Provide Monthly Attendance Management Reports 100% of the time. Other reports within 5 days 95% of the time.
	Time & Attendance Data Entry & Reporting	Approved	Enter Time Sheet on time 100% of the time			Enter Time Sheet on time 100% of the time
Complement Management & Reporting	Complement Management	Approved	Employee records update is completed within 2 days or as agreed upon 95% of the time.			Employee records update is completed within 2 days or as agreed upon 95% of the time.
	Various Monthly and/or Ad Hoc Reports	Approved	Monthly reports are completed within agreed upon timeline 95% of the time.			Monthly reports are completed within agreed upon timeline 95% of the time.
	Client Consultation / Support	Approved	Acknowledgement request in 2 business days			Acknowledgement request in 2 business days
	CM related documentation (HOCA, Staff Requisition)	Approved	One business day			One business day
Public Consultation		Approved	Meet notification guidelines, legislated requirements and client or program needs			Meet notification guidelines, legislated requirements and client or program needs.
General Administration	Office Space Coordination	Approved	Meet client needs met within Corporate Guidelines.			Meet client needs met within Corporate Guidelines.
	Telephony Coordination	Approved	Within 5 working days 95% of the time.			Within 5 working days 95% of the time.
	Courier/Mail Services	Approved	Delivery within 2 working days 90% of the time.			Delivery within 2 working days 90% of the time.

Overall, the 2017 Service Levels are consistent with the approved 2016 Service Levels for Program Support.

Service Performance Measures

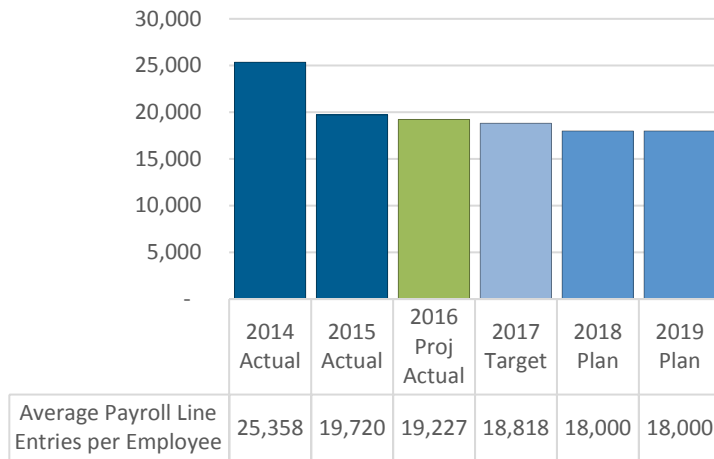
Timely Provision of Information



- This chart measures the percentage of scheduled reports completed within agreed upon timelines, (within a certain number of days of pertinent information becoming available).
- The Program is projecting that in 2016 it will be in line with the 95% target.

Per Cent of Reports Delivered at Agreed Upon Timelines

Average Payroll Line Entries per Employee



- The measure to the left shows the average number of payroll lines entered per Payroll Assistant.
- The division is projecting that 19,227 lines per employee will be processed for 2016 and is estimating that around 18,000 lines will be processed per employee for 2016, 2017 and 2018.
- Fewer payroll lines are expected because technology improvements, (namely the modernization of SAP) streamlined the process which reduces the number of entries.
- Going forward, the Payroll Assistants will focus more on review, control and compliance functions.

Table 9
2017 Preliminary Service Budget by Activity

	2016		2017 Preliminary Operating Budget						Incremental Change					
	Projected Actual	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget		New/Enhanced	Prelim. Budget	2017 Prelim Budget vs. 2016 Budget		2018 Plan		2019 Plan	
					% Change				%	%	%	%	%	
	(\$000s)	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Complement Management & Reporting	536.5	508.1	(21.4)	486.7	(77.8)	(13.8%)		486.7	(77.8)	(0.1)	15.9	3.3%	15.3	3.0%
General Administration	2,840.8	2,716.2	(224.9)	2,491.3	(498.2)	(16.7%)		2,491.3	(498.2)	(16.7%)	42.6	1.7%	38.5	1.5%
Public Consultation	1,162.2	1,216.5	(21.4)	1,195.1	(27.9)	(2.3%)		1,195.1	(27.9)	(2.3%)	38.9	3.3%	32.0	2.6%
Time & Attendance Data Entry & Reporting	2,994.6	3,232.8	(95.4)	3,137.4	(14.0)	(0.4%)		3,137.4	(14.0)	(0.4%)	79.4	2.5%	71.7	2.2%
Total Gross Exp.	7,534.1	7,673.6	(363.0)	7,310.6	(618.0)	(7.8%)		7,310.6	(618.0)	(7.8%)	176.8	2.4%	157.5	2.1%
REVENUE														
Complement Management & Reporting	302.7	320.4	(9.0)	311.4	(9.0)	(2.8%)		311.4	(9.0)	(2.8%)		-		
General Administration	1,513.6	1,602.1	(45.2)	1,556.9	(45.2)	(2.8%)		1,556.9	(45.2)	(2.8%)		-		
Public Consultation	1,914.3	2,026.3	(54.3)	1,972.0	(54.3)	(2.7%)		1,972.0	(54.3)	(2.7%)		-		
Time & Attendance Data Entry & Reporting	2,421.7	2,563.3	(72.3)	2,491.0	(72.3)	(2.8%)		2,491.0	(72.3)	(2.8%)		-		
Total Revenues	6,152.3	6,512.1	(180.9)	6,331.3	(180.9)	(2.8%)		6,331.3	(180.9)	(2.8%)		-		
NET EXP.														
Complement Management & Reporting	233.8	187.7	(12.3)	175.4	(68.8)	(28.2%)		175.4	(68.8)	(28.2%)	15.9	9.1%	15.3	8.0%
General Administration	1,327.3	1,114.1	(179.7)	934.5	(453.0)	(32.6%)		934.5	(453.0)	(32.6%)	42.6	4.6%	38.5	3.9%
Public Consultation	(752.1)	(809.8)	32.9	(776.9)	26.3	(3.3%)		(776.9)	26.3	(3.3%)	38.9	(5.0%)	32.0	(4.3%)
Time & Attendance Data Entry & Reporting	572.9	669.5	(23.0)	646.4	58.3	9.9%		646.4	58.3	9.9%	79.4	12.3%	71.7	9.9%
Total Net Exp.	1,381.8	1,161.5	(182.1)	979.4	(437.1)	(30.9%)		979.4	(437.1)	(30.9%)	176.8	18.1%	157.5	13.6%
Approved Positions		76.2	(4.0)	72.2	(4.0)	(5.2%)		72.2	(4.0)	(5.2%)				

The Program Support Service provides administrative, public consultation, complement management and payroll time entry services to Cluster B divisions to support service delivery.

Program Support's 2017 Preliminary Operating Budget of \$7.311 million gross and \$0.979 million net is \$0.437 million, or 30.9%, under the 2016 Approved Net Budget.

- In order to offset its staffing and benefit cost pressures, the 2017 Preliminary Operating Budget includes line by line review savings of \$0.281 million, savings from an operational review of staffing requirements of 5 positions, or \$0.182 million, and increased interdivisional recoveries, (\$0.040 million).



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- At its meeting on July 12, 2016, the "2017 Budget Process: Budget Directions and Schedule" staff report (EX16.37) was submitted for consideration and adopted by City Council regarding the 2017 Budget Process and scheduling of the review and approval of the Rate and Tax Supported 2017 Operating Budget and 2017-2026 Capital Budget and Plan. (<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-94519.pdf>)
- City Council adopted an across the board budget reduction target of -2.6% net below the 2016 Approved Net Operating Budgets for all City Programs and Agencies utilizing strategies including, but not limited to, controlling expenditures through cost saving measures and exploring all services for efficiency savings including opportunities from business process reengineering, streamlining, transformation and innovation to service delivery models.
- PPF&A's 2017 Preliminary Budget has exceeded the 2.6% net reduction target through:
 - Base expenditure changes following a line-by-line review of accounts, (\$0.298 million);
 - Efficiency savings resulting from an operational review of staffing requirements, (\$0.579 million); and
 - Service adjustment savings arising from the discontinuation of the Cooling Centre Program in the Office of Emergency Management, (\$0.030 million).
- Substantial savings from both changes to the base budget as well as service changes translate into a recommended budget that is 6.7%, or \$0.651, million below PPF&A's 2016 Approved Net Operating Budget.

Issues Referred to the Budget

Cooling Centre Program

- OEM's participates in the City's "Hot Weather Response Program" through coordinating the operation of seven Cooling Centres that open for public use during Extended Heat Warnings.
- A recent review of the Cooling Centres Program revealed that only 12% of the population targeted (isolated seniors, people with disabilities and homeless people) have taken advantage of the support of the Centres.
- The review also noted that over 170 air conditioned facilities are available for public use (recreation and community centres, libraries and other civic spaces) across the City that can act as a de facto cooling centre, with the added benefit of much better geographic coverage and accessibility, as well as being familiar to people as community-oriented safe spaces on an ongoing, year round basis.
- City Council, during the meeting of November 8, 2016, adopted a report from the Acting Medical Officer of Health entitled, *HL14.5 Hot Weather Response for Vulnerable People in Toronto*, (available below).
<http://www.toronto.ca/legdocs/mmis/2016/hl/bgrd/backgroundfile-96422.pdf>
- In adopting this report, City Council requested the City Manager and Deputy City Manager and Chief Financial Officer to consider augmenting the current budget for the Cooling Centre program by \$40,000, to enable opening of seven cooling centres on day one of a heat warning, as opposed to day three, on approximately 20 heat warning and extended heat warning days expected annually, and to provide snacks, drinks, program activities and better signage, alongside other City priorities during the 2017 Budget process.
- While augmenting the program has been considered, OEM's advice is to not increase funding for a program that is not meeting its objectives and, as discussed above, has a lower probability of meeting those targets

regardless of funding because other City facilities already provide cool environments all summer long as their secondary purpose. Their primary role, as community hubs with programming, activities and equipment, has a better chance of drawing people in and addressing the need for extreme heat relief because there are many other reasons to visit, stay and return to those facilities.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, PPF&A accomplished the following:

- ✓ Processed over 43,000 vendor invoices for payment
- ✓ Issued over 35,000 customer invoices
- ✓ Processed \$153 million in accounts receivable transactions
- ✓ Processed bi-weekly payroll files for over 6,000 Cluster B employees, requiring more than 634,500 payroll line entries
- ✓ Conducted 80 public consultation events to support Cluster B projects
- ✓ Rolled out Employee & Manager Self Services payroll portal in Cluster B
- ✓ Prepared monthly management information reports for Cluster B divisions to support their operations
- ✓ Distributed almost 22,000 emergency preparedness publications to the public, City Divisions and Civic Centres across Toronto in multiple languages
- ✓ Reviewed almost 900 special event emergency action plans

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category Program Summary by Expenditure Category

Category of Expense	2014 Actual \$	2015 Actual \$	2016 Budget \$	2016 Projected Actual * \$	2017 Preliminary Budget \$	2017 Change from 2016 Budget		Plan		Plan (Incremental)	
						\$	%	2018 \$	2019 \$	2018 \$	2019 \$
Salaries and Benefits	17,540.3	18,252.1	19,160.7	18,816.1	18,763.7	-397.1	-2.1%	19,432.5	20,053.1	668.8	620.6
Materials and Supplies	704.4	506.2	969.4	757.2	822.2	-147.1	-15.2%	822.2	822.2	0.0	0.0
Equipment	50.1	49.0	213.9	73.4	153.9	-60.0	-28.1%	153.9	153.9	0.0	0.0
Services & Rents	216.0	216.7	869.4	588.0	693.1	-176.3	-20.3%	693.1	693.1	0.0	0.0
Contributions to Capital	116.7	125.7	125.7	125.7	125.7	0.0	0.0%	125.7	125.7	0.0	0.0
Other Expenditures	0.3	0.1									
Interdivisional Charges	811.1	662.4	868.6	742.5	582.7	-285.8	-32.9%	583.2	583.5	0.4	0.4
Total Gross Expenditures	19,438.8	19,812.2	22,207.7	21,102.9	21,141.4	-1,066.4	-4.8%	21,810.6	22,431.6	669.3	621.0
Interdivisional Recoveries	8,260.9	8,226.3	9,340.9	8,626.2	8,778.5	-562.4	-6.0%	8,816.0	8,851.7	37.5	35.8
Provincial Subsidies	85.0	225.0	225.0	225.0	225.0	0.0	0.0%	225.0	225.0		
User Fees & Donations	6.4	23.0		23.0	10.0	10.0		10.0	10.0		
Transfers from Capital Fund	2,292.3	2,321.4	2,292.3	2,338.8	2,292.3	0.0		2,292.3	2,292.3		
Contribution from Reserve/Reserve Funds			0.9		0.0	-0.9	-100.0%				
Sundry Revenues	168.0	237.4	589.3	547.6	727.2	138.0	23.4%	733.7	733.7		
Total Revenues	10,812.7	11,033.1	12,448.4	11,760.6	12,033.0	-415.4	-3.3%	12,077.0	12,118.9	44.0	41.9
Total Net Expenditures	8,626.1	8,779.0	9,759.3	9,342.3	9,108.3	-651.0	-6.7%	9,733.6	10,312.7	625.3	579.1
Approved Positions	200.4	196.4	196.4	188.4	188.4	-8.0	-4.1%	188.4	188.4		

As indicated by the table above, PPF&A projects that year-end gross expenditures will be under-spent by \$1.105 million, primarily from underspending on salaries and benefits costs and associated recoveries will be \$0.688 million below budget resulting in a favourable variance of \$0.417 million.

For additional information regarding the 2016 Q3 operating variances and year-end projections, please refer to the link below for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2016" considered by City Council at its meeting on December 13, 2016.

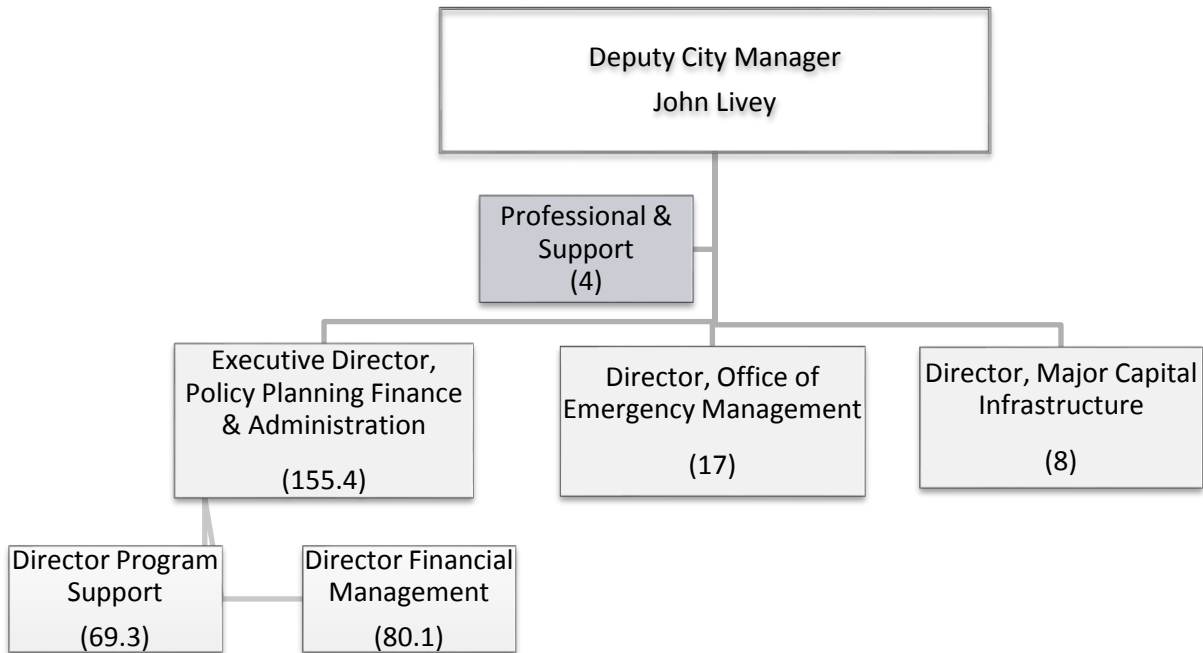
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BU26.4>

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

- As a result of quarterly variance reporting, focused line-by-line reviews were conducted and reductions of \$0.298 million gross and \$0.298 million net will be budgeted in 2017.
- Service efficiencies of \$0.971 million gross and \$0.609 million net will be realized in 2017 from deleting vacant positions that create budget variances.
- The Program plans to continue working with Human Resources to actively fill vacant positions. Both internal and external recruiting competitions are run concurrently and candidate lists for more common unionized positions are established.

Appendix 3

2017 Organization Chart



2017 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	2.0	21.0	42.0	116.0	181.0
Temporary			1.4	6.1	7.4
Total	2.0	21.0	43.4	122.1	188.4

Appendix 4

Summary of 2017 Service Changes

2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Citizen Focused Services B Program - Policy, Planning, Finance & Administration	Adjustments				2018 Plan Net Change	2019 Plan Net Change																												
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions																														
2017 Preliminary Base Budget Before Service Changes:			22,112.1	12,394.8	9,717.4	196.44	661.1	613.3																												
10394		Review of Staffing Requirements																																		
51	1	Description:																																		
<p>The budget includes a complement reduction of eight positions, or 4.1% of the staff across the five divisions covered in the PPF&A budget, for a total of \$0.579 million in net savings.</p> <p>Service Level Impact:</p> <p>Service level impacts are not anticipated as automation and modernization of support services are part of the division's Strategic Plan and several business transformation initiatives are underway to continue using process re-design and technology to drive efficiencies.</p> <p>Service: Organizational Effectiveness</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Preliminary Service Changes</td> <td style="text-align: right;">(291.6)</td> <td style="text-align: right;">(3.6)</td> <td style="text-align: right;">(288.0)</td> <td style="text-align: right;">(2.00)</td> <td style="text-align: right;">(12.9)</td> <td style="text-align: right;">(12.3)</td> </tr> </table> <p>Service: Financial Management</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Preliminary Service Changes</td> <td style="text-align: right;">(285.7)</td> <td style="text-align: right;">(177.2)</td> <td style="text-align: right;">(108.5)</td> <td style="text-align: right;">(2.00)</td> <td style="text-align: right;">(12.6)</td> <td style="text-align: right;">(12.0)</td> </tr> </table> <p>Service: Program Support</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Preliminary Service Changes</td> <td style="text-align: right;">(363.0)</td> <td style="text-align: right;">(180.9)</td> <td style="text-align: right;">(182.1)</td> <td style="text-align: right;">(4.00)</td> <td style="text-align: right;">(10.3)</td> <td style="text-align: right;">(10.0)</td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 60%;">Total Preliminary Service Changes:</td> <td style="text-align: right;">(940.4)</td> <td style="text-align: right;">(361.7)</td> <td style="text-align: right;">(578.7)</td> <td style="text-align: right;">(8.00)</td> <td style="text-align: right;">(35.8)</td> <td style="text-align: right;">(34.2)</td> </tr> </table>									Preliminary Service Changes	(291.6)	(3.6)	(288.0)	(2.00)	(12.9)	(12.3)	Preliminary Service Changes	(285.7)	(177.2)	(108.5)	(2.00)	(12.6)	(12.0)	Preliminary Service Changes	(363.0)	(180.9)	(182.1)	(4.00)	(10.3)	(10.0)	Total Preliminary Service Changes:	(940.4)	(361.7)	(578.7)	(8.00)	(35.8)	(34.2)
Preliminary Service Changes	(291.6)	(3.6)	(288.0)	(2.00)	(12.9)	(12.3)																														
Preliminary Service Changes	(285.7)	(177.2)	(108.5)	(2.00)	(12.6)	(12.0)																														
Preliminary Service Changes	(363.0)	(180.9)	(182.1)	(4.00)	(10.3)	(10.0)																														
Total Preliminary Service Changes:	(940.4)	(361.7)	(578.7)	(8.00)	(35.8)	(34.2)																														

11080		Discontinue Emergency Cooling Centre Program Provided by OEM						
59	1	Description:						
<p>Following a program review that revealed quite low usage rates by the target user group of vulnerable individuals, (12%) the 2017 PPF&A budget recommends discontinuing the Emergency Cooling Centre Program as staff understand that the limitations of the program, (it operates in isolation from other community services, awareness of the ad hoc Program is likely low, as is physical access to one of the seven centres in a City of Toronto's size) to be more fundamental than a program re-design or increased budget would be able to overcome.</p> <p>Service Level Impact:</p> <p>Given the number of public facilities that provide a similar service in Toronto summers, the impact of not operating seven facilities that open on extended heat warnings is not expected to be material.</p>								

**2017 Operating Budget - Preliminary Service Changes
Summary by Service (\$000's)**

Form ID		Citizen Focused Services B Program - Policy, Planning, Finance & Administration	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Service: Emergency Management						
		Preliminary Service Changes	(30.4)	0.0	(30.4)	0.00	0.0	0.0
		Total Preliminary Service Changes:	(30.4)	0.0	(30.4)	0.00	0.0	0.0
Summary:								
		Total Preliminary Service Changes	(970.8)	(361.7)	(609.1)	(8.00)	(35.8)	(34.2)
		Total Preliminary Base Budget:	21,141.4	12,033.0	9,108.3	188.44	625.3	579.1

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 \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		51.6	51.6	73.7	95.8
Vehicle Reserve - OEM	XQ1802				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			22.1	22.1	22.1
Total Reserve / Reserve Fund Draws / Contributions		51.6	73.7	95.8	118.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		51.6	73.7	95.8	118.0

* Based on 9-month 2016 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		19,284.8	19,284.8	19,388.4	19,492.0
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			103.6	103.6	103.6
Total Reserve / Reserve Fund Draws / Contributions		19,284.8	19,388.4	19,492.0	19,595.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		19,284.8	19,388.4	19,492.0	19,595.6

* Based on 9-month 2016 Reserve Fund Variance Report