

Toronto 2017 BUDGET



OPERATING BUDGET NOTES



Office of the Chief Financial Officer

2017 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 management and 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.

2017 Operating Budget Highlights

The total cost to deliver these services to Toronto residents is \$16.852 million gross and \$9.571 million net as shown below:

(in \$000's)	2016 Budget	2017 Preliminary Budget	Change	
			\$	%
Gross Expenditures	16,731.5	16,851.6	120.1	0.7%
Revenues	6,903.9	7,280.2	376.3	5.5%
Net Expenditures	9,827.6	9,571.4	(256.2)	(2.6%)

The Program was able to meet the budget target through a combination of \$0.041 million in base savings and \$0.215 million in service efficiencies arising from a business reorganization that enables the Program to maintain the 2016 service level for 2017.

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Fast Facts

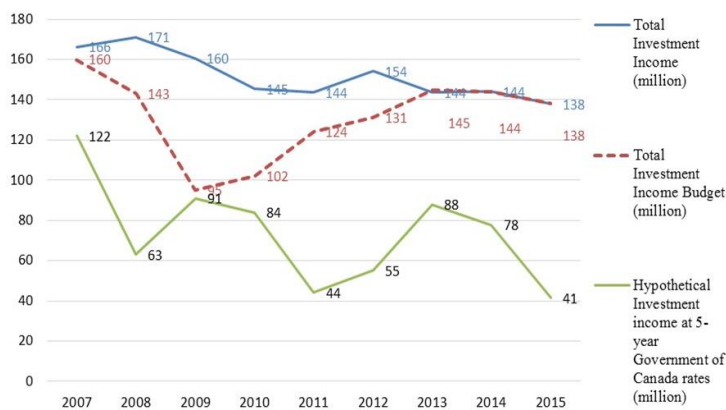
The Office of the CFO:

- Manages the City's investment portfolio totalling \$4.8 billion;
- Manages \$1.8 billion in sinking funds and supports the City's pension and trust funds.
- Insures \$14.6 billion worth of property.
- Delivers and provides financial oversight for a \$11.8 billion Operating Budget for 155 distinct services and a \$33.5 billion 10-Year Capital Plan for both Tax and Rate Supported Programs for assets valued at \$76 billion.
- Maintains the City's fiscal health, through the management of debt servicing costs within affordability limits and other financial strategies.
- Provides financial analysis, advice, and oversight of the City's financial affairs.
- Oversees the completion of 77% of the original Shared Services opportunities with approximately \$37 million in cost avoidance generated for the City & its Agencies related to Shared Services.

Trends

- Returns on the City's investment funds have stayed at a high level while the negative impact of persistently low interest rate environment continues.
- In 2015, Bond Fund earned 4.00% and Money Market earned 0.85%
- Toronto General Funds averaged 2.7%

Portfolio's Earned Return vs Benchmark



Key Service Deliverables for 2017

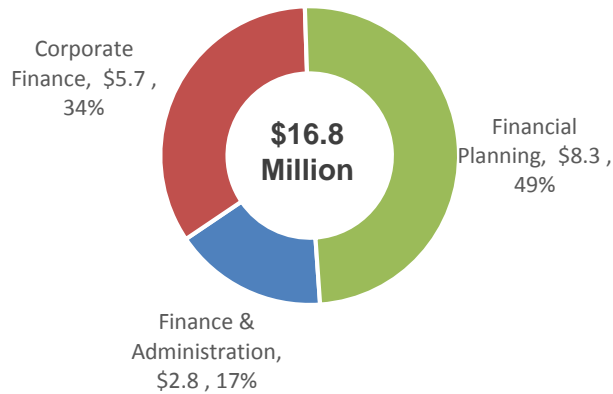
The Office of the Chief Financial Officer provides quality financial and shared services; corporate strategic, financial and risk management expertise; and corporate financial planning, management, reporting and control services to ensure the fiscal sustainability of the City in delivering programs and services to the public.

The 2017 Preliminary Operating Budget will enable the Office of the Chief Financial Officer to continue to:

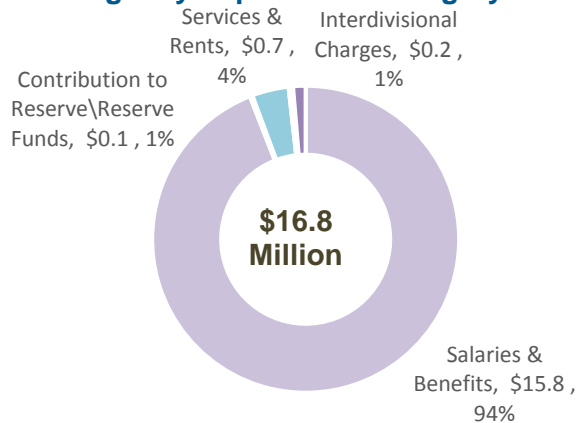
- Deliver a Long-Term Financial Plan that provides for sustainable services and reliable infrastructure with modest impacts to tax payers.
- Close the funding gap on the City's operating budget while addressing growing demands for service expansion and escalating costs to deliver current service levels.
- Provide funding strategies to address under investments by City current infrastructure and new infrastructure to address growth.
- Provide strategies to strengthen the City's strategic decision-making and financial oversight.
- Provide oversight and quality assurance of financial and administrative controls to promote compliance with corporate policies and procedures.
- Provide consulting, project management and coordination to improve planning, support business transformation implementation and promote continuous improvement.
- Focus on the Shared Services Project that will realize savings and service improvements for City & Agencies.

Where the money goes:

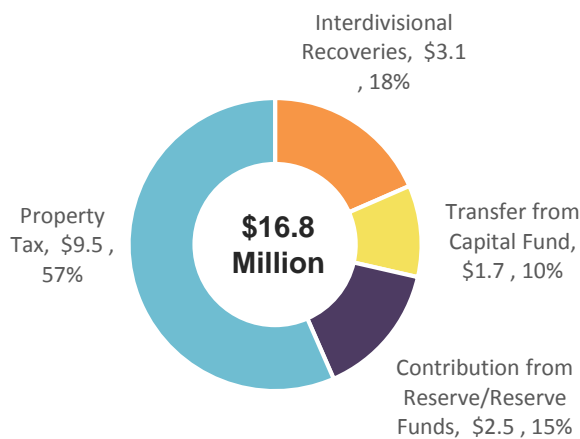
2017 Budget by Service



2017 Budget by Expenditure Category



Where the money comes from:



Our Key Issues & Priority Actions

- **Delivering a Long-Term Financial Plan** with new and sustainable financing sources to support programs, services and infrastructure.

 - ✓ Strengthen the City's strategic decision making, financial planning and oversight
 - ✓ Multi-year expenditure management plan
 - ✓ Multi-year revenue strategy
 - ✓ Asset optimization study.
- **Enhancing transparency and accountability of financial control and management** by updating the Financial Control Bylaw with a detailed review of the existing bylaw.

 - ✓ Establish Bylaw that incorporates financial management and control best practices
 - ✓ Provide foundation for managing City's resources
 - ✓ Support transformation of City into a service based and performance focused organization
 - ✓ Ensure compliance with Provincial and other related legislation.
- **New Investment Regulations** with amendment of the City of Toronto Act concerning investments effective January 2018.

 - ✓ Establish an independent Investment board and develop a new investment policy and strategy.
 - ✓ Amend regulation to provide more flexibility and opportunity for earning improved rates of return.

2017 Operating Budget Highlights

- The 2017 Preliminary Operating Budget for the Office of the Chief Financial Officer of \$16.852 million in gross expenditures and \$9.751 million net provides funding for Finance & Administration, Corporate Finance and Financial Planning Divisions.
- The 2017 Budget is -2.6% lower than the 2016 Approved Net Budget through measures taken based on the following:

 - ✓ Base expenditure reductions (\$0.041 million)
 - ✓ Efficiency savings (\$0.215 million)
- New and enhanced funding of \$0.178 million gross and \$0 million net.
- Staff complement increase by 1 position from 115 to 116.

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 Office of the Chief Financial Officer of \$16.852 million gross, \$9.571 million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Finance & Administration:	2,856.9	2,650.3
Corporate Finance:	5,698.2	1,713.5
Financial Planning:	<u>8,296.5</u>	<u>5,207.6</u>
Total Program Budget	<u>16,851.6</u>	<u>9,571.4</u>

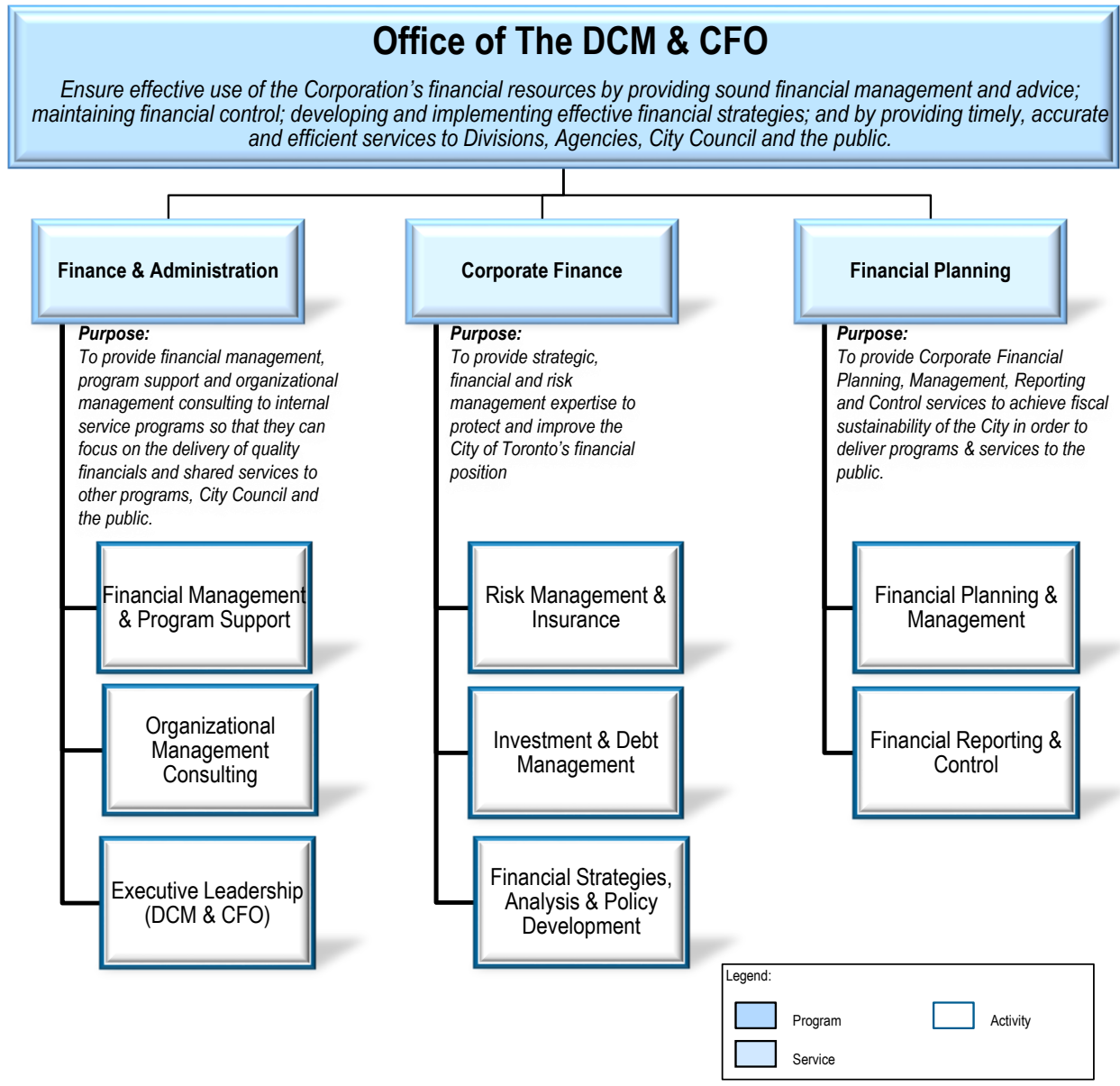
2. City Council approve the 2017 preliminary service levels for the Office of the Chief Financial Officer as outlined on pages 16-17, 21-24 and 29 of this report, and associated staff complement of 116.0 positions.



Part 1:

2017-2019 Service Overview and Plan

Program Map



Service Customer

Finance & Administration

- City Manager
- DCM & CFO
- Staff - City Divisions

Indirect (Beneficial)

- Residents / Taxpayers
- Businesses

Corporate Finance

- City Council
 - Mayor
 - City Manager & DCMs
 - Staff - City Divisions
 - Staff - Agencies and Corporations
 - Pension Funds
 - Investment Advisory Committee
 - Staff - Agencies & Corporations
- Indirect (Beneficial)
- Residents / Taxpayers
 - Businesses

Financial Planning

- City Council
- Mayor and DCMs
- Staff - City Divisions
- Staff - Agencies and Corporations

Indirect (Beneficial)

- Residents / Taxpayers
- Businesses

Table 1
2017 Preliminary Operating Budget and Plan by Service

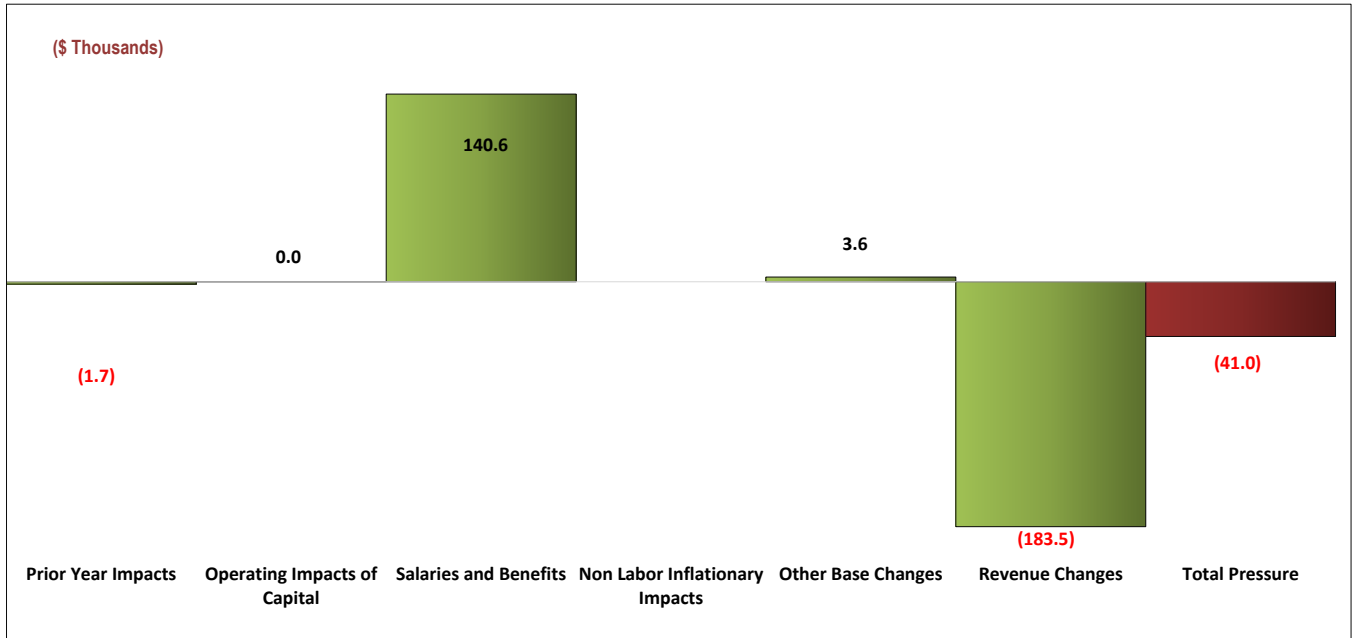
(In \$000s)	2016		2017 Preliminary Operating Budget			2017 Preliminary vs. 2016 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget			2018 Plan		2019 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Finance & Administration											
Gross Expenditures	2,924.2	2,903.5	2,856.9		2,856.9	(67.3)	(2.3%)	117.9	4.1%	105.9	3.6%
Revenue	202.1	202.1	206.6		206.6	4.5	2.2%				
Net Expenditures	2,722.1	2,701.4	2,650.3		2,650.3	(71.8)	(2.6%)	117.9	4.4%	105.9	3.8%
Corporate Finance											
Gross Expenditures	5,567.3	5,424.8	5,619.5	78.7	5,698.2	130.9	2.4%	296.9	5.2%	197.4	3.3%
Revenue	3,791.1	3,661.3	3,906.0	78.7	3,984.7	193.6	5.1%	169.3	4.2%	122.7	3.0%
Net Expenditures	1,776.2	1,763.5	1,713.5		1,713.5	(62.7)	(3.5%)	127.6	7.4%	74.7	4.1%
Financial Planning											
Gross Expenditures	8,240.0	7,212.3	8,196.8	99.7	8,296.5	56.5	0.7%	(892.5)	(10.8%)	296.3	4.0%
Revenue	2,910.7	2,410.9	2,989.2	99.7	3,088.9	178.2	6.1%	(1,586.3)	(51.4%)	35.7	2.4%
Net Expenditures	5,329.3	4,801.4	5,207.6		5,207.6	(121.7)	(2.3%)	693.8	13.3%	260.6	4.4%
Total											
Gross Expenditures	16,731.5	15,540.6	16,673.2	178.4	16,851.6	120.1	0.7%	(477.7)	(2.8%)	599.6	3.7%
Revenue	6,903.9	6,274.3	7,101.8	178.4	7,280.2	376.3	5.5%	(1,417.0)	(19.5%)	158.4	2.7%
Total Net Expenditures	9,827.6	9,266.3	9,571.4		9,571.4	(256.2)	(2.6%)	939.3	9.8%	441.2	4.2%
Approved Positions	115.0	107.0	114.0	2.0	116.0	1.0	0.9%	(9.0)	(7.8%)		

The Office of the Chief Financial Officer's 2017 Preliminary Operating Budget is \$16.852 million gross and \$9.571 million net, representing a 2.6% decrease from the 2016 Approved Net Operating Budget which meets the reduction target as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices.

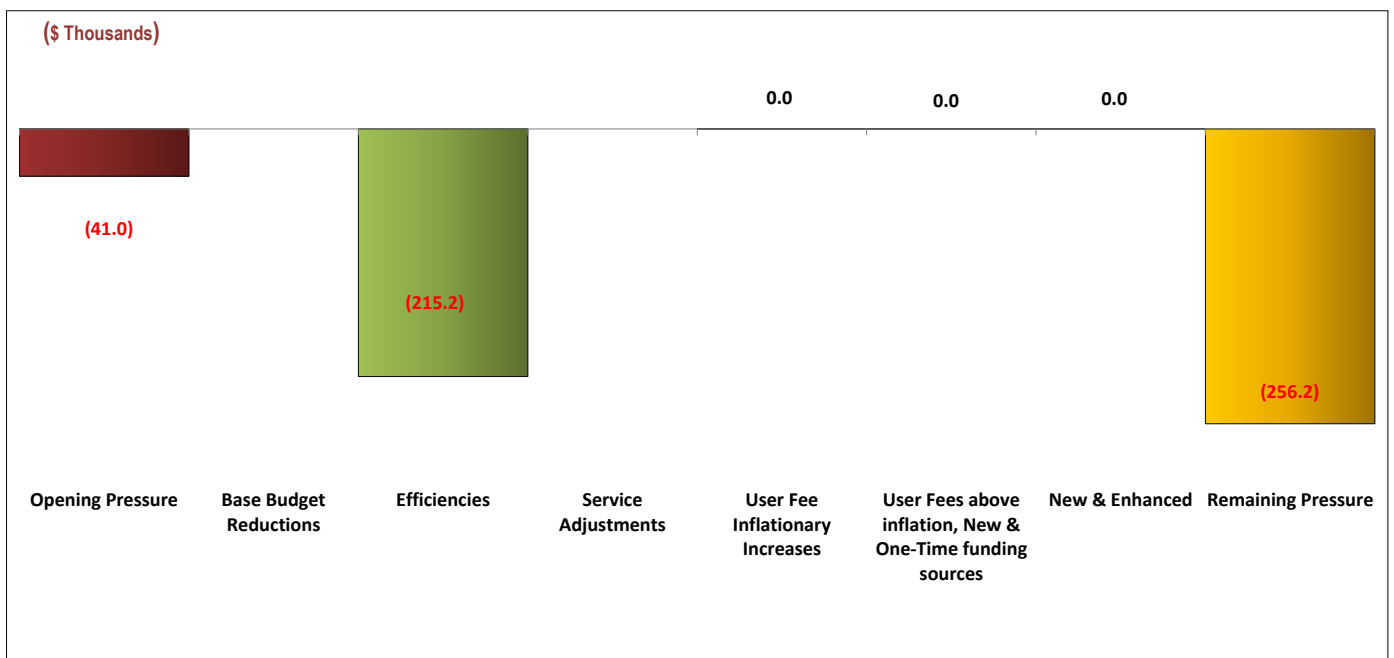
- Base pressures are mainly attributable to inflationary salary increases common across all services.
- To help mitigate the above pressures, the Program was able to achieve service efficiency savings by streamlining and consolidating two policy/strategic units into one to support the increased demand for services, eliminate staff complement as well as eliminate production of 100 budget binders beginning with the 2018 budget cycle.
- New funding and staff resources, which will be fully funded by the Province and from the Insurance Reserve with no net impact to the City will support increased financial planning management and control for the increasingly demanding Housing portfolio; as well as in an anticipated reduction in the frequency and severity of liability claims.
- Approval of the 2017 Preliminary Operating Budget will result in the Office of the Chief Financial Officer increasing its total staff complement by 1 position from 115 to 116.
- The 2018 and 2019 Plan increases are attributable to known inflationary cost increases for COLA, progression pay, step and fringe benefit across all services.

The following graphs summarize the operating budget pressures for this Program and the measures/actions taken to offset these pressures 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	
	Finance & Administration		Corporate Finance		Financial Planning			
	\$	Position	\$	Position	\$	Position	\$	Position
Gross Expenditure Changes								
Prior Year Impacts								
Annualization of Position Changes in 2016			(31.4)					(31.4)
Reversal of Non-Recurring items (Delay in Hiring)					29.7			29.7
Salaries and Benefits								
COLA, Progression Pay & Step Increases	45.7		0.3		94.6			140.6
Other Base Changes								
Increase in Inter-divisional Charges	3.6							3.6
Total Gross Expenditure Changes	49.3		(31.1)		124.3			142.5
Revenue Changes								
Adjustments to Recovery from Rate Programs and Non Program					(221.0)			(221.0)
Eliminate Recovery from TTC for work on Toronto York Spadina Subway Extension (TYSSE)			37.5					37.5
Total Revenue Changes			37.5		(221.0)			(183.5)
Net Expenditure Changes	49.3		6.4		(96.7)			(41.0)

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

- Prior Year Impacts:
 - The annualization of a permanent position reduced in 2016 in Corporate Finance through restructuring of positions will provide additional net savings of \$0.031 million in 2017.
 - The reversal of one time savings of \$0.030 million gross and net as a result of a planned delay in filling a vacant position in 2016 in Financial Planning results in a pressure of equal value.
- Salaries and Benefits
 - An increase for staff salaries and benefits associated with a cost of living allowance, union step increases and non-union progression pay common across all services requires \$0.141 million.
- Other Base Changes:
 - An increase in internal audit charges and the cost for Shared Services total \$0.004 million.
- Revenue Changes:
 - Recoveries of \$0.221 million from the Non Program Budget, Toronto Water and Solid Waste Management that are to offset increased salary and benefit costs of Financial Planning staff assigned to these Programs, to provide the same level of service provided in 2016.
 - Decrease in recoveries from TTC of \$0.038 million reflecting the level of support required in 2017 from Corporate Finance.

In order to offset these pressures and to achieve the -2.6% budget reduction target, service changes for the Office of the Chief Financial Officer consist of service efficiency savings of \$0.215 million net as detailed below.

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

Description (\$000s)	Service Changes						Total Service Changes			Incremental Change			
	Finance & Administration		Corporate Finance		Financial Planning		\$	\$	#	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Service Efficiencies													
Deletion of a Vacant Position	(121.1)	(121.1)					(121.1)	(121.1)	(1.0)	(5.5)		(5.2)	
Consolidation of Policy and Strategic Analysis Units			(69.1)	(69.1)			(69.1)	(69.1)		47.1		(1.9)	
Transition from Budget Binders to On-Line Materials					(25.0)	(25.0)	(25.0)	(25.0)					
Sub-Total	(121.1)	(121.1)	(69.1)	(69.1)	(25.0)	(25.0)	(215.2)	(215.2)	(1.0)	41.6		(7.1)	
Total Changes	(121.1)	(121.1)	(69.1)	(69.1)	(25.0)	(25.0)	(215.2)	(215.2)	(1.0)	41.6		(7.1)	

Service Efficiencies (Savings of \$0.215 million gross & net)

Deletion of a Vacant Position

- The 2017 Preliminary Operating Budget include the deletion of a vacant permanent analyst position within Finance & Administration that will reduce salaries and benefits by \$0.121 million with no impact to service levels.

Consolidation of Policy and Strategic Analysis Units

- Corporate Finance will streamline its operations through the deletion of two manager and a senior analyst position. The position changes will result in the consolidation of two policy/strategic units into one unit reporting to a new Director position and the creation of a strategic special advisor reporting directly to the Executive Director. This consolidation will support an organizational structure and level of management involvement necessary to respond to an increase in new and emerging complex projects.

Transition from Budget Binders to On-line Materials

- Beginning as part of the 2018 budget cycle, Financial Planning is proposing to no longer print and physically distribute 100 budget binders annually.
- Budget notes and materials will continue to be developed and made available on the City's budget site, which has been updated over the last two years for ease of use and with enhanced materials and information. This change also has the benefit of keeping pace with the City's green initiative, enabling Financial Planning Division move towards a more environmentally friendly option of providing budget materials.

Table 4
2017 Preliminary New & Enhanced Service Priorities

Description (\$000s)	New/Enhanced				Total			Incremental Change			
	Corporate Finance		Financial Planning		\$		Position	2018 Plan		2019 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities											
Staff Initiated											
<i>New Risk & Insurance Mgmt Position Dedicated to Transportation</i>	78.7				78.7		1.0				
Sub-Total	78.7				78.7		1.0				
New Service Priorities											
Staff Initiated											
<i>Sr. Financial Planning Analyst position Supporting Social Housing</i>			99.7		99.7		1.0				
Sub-Total			99.7		99.7		1.0				
Total	78.7		99.7		178.4		2.0				

Enhanced Service Priorities (\$0.079 million gross & net)

New Risk & Insurance Mgmt. Position Dedicated to Transportation Services

- To align with the City's strategic objective of good governance, a new permanent Risk Coordinator position in the Insurance & Risk Management unit (IRM) is required to support Transportation Services' efforts to reduce the frequency and severity of the liability claims.
- The new position will ensure effective and ongoing implementation of recommendations from the Ombudsman's review.
- The cost of Transportation liability claims has averaged \$25 million per year. It is expected that a reduction of 1% to 5% (\$0.250 million to \$1.250 million) of Transportation services claims will be achieved.
- Funding in the amount of \$0.079 million in 2017 is required to support this initiative with these costs offset through an additional recovery from the Insurance Reserve Fund.

New Service Priorities (\$0.100 million gross & net)

Sr. Financial Planning Analyst position Supporting Social Housing

- The 2017 Preliminary Operating Budget includes funding for one permanent Senior Financial Planning Analyst position to support increased financial planning analyses, management and control services required for the Housing Portfolio arising from the implementation of the Open Door Program and the Implementation Plan for Toronto Community Housing Corporation (TCHC).
- This position will provide increased oversight to the City's portfolio of housing programs, especially TCHC as it transitions to closer integration with the City's financial planning processes and policies.
- Additional funding in the amount of \$0.100 million is included in the 2017 Preliminary Operating budget to support this initiative with these costs recovered from Provincial funding by way of a recovery from Shelter, Support & Housing Administration.

Approval of the 2017 Preliminary Operating Budget for Office of the Chief Financial Officer will result in a 2018 incremental net cost of \$0.939 million and a 2019 incremental net cost of \$0.441 million to maintain the 2017 service levels, as discussed in the following section.

Table 5
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:										
Prior Year Impact										
Annualizations of Positions	135.2	93.6	41.6			4.0	11.1	(7.1)		
Completion of Capital Projects - FPARS	(1,515.5)	(1,515.5)			(11.0)					
Operating Impact of Capital										
2 positions to Sustain Analytics Reporting & Data Visualization	290.5		290.5		2.0	11.8		11.8		
Salaries and Benefits										
COLA	22.1		22.1			25.4		25.4		
Progression Pay & Step Increases and benefits	590.0		590.0			558.4		558.4		
Other Base Changes										
Convert Permanent Capital Position to Operating		(146.7)	146.7				(5.9)	5.9		
Revenue										
Adjustments to Recovery from Rate Programs and Non Program		151.6	(151.6)				153.2	(153.2)		
Sub-Total	(477.7)	(1,417.0)	939.3		(9.0)	599.6	158.4	441.2		
Total Incremental Impact	(477.7)	(1,417.0)	939.3		(9.0)	599.6	158.4	441.2		

Future year incremental costs are primarily attributable to the following:

Known Impacts:

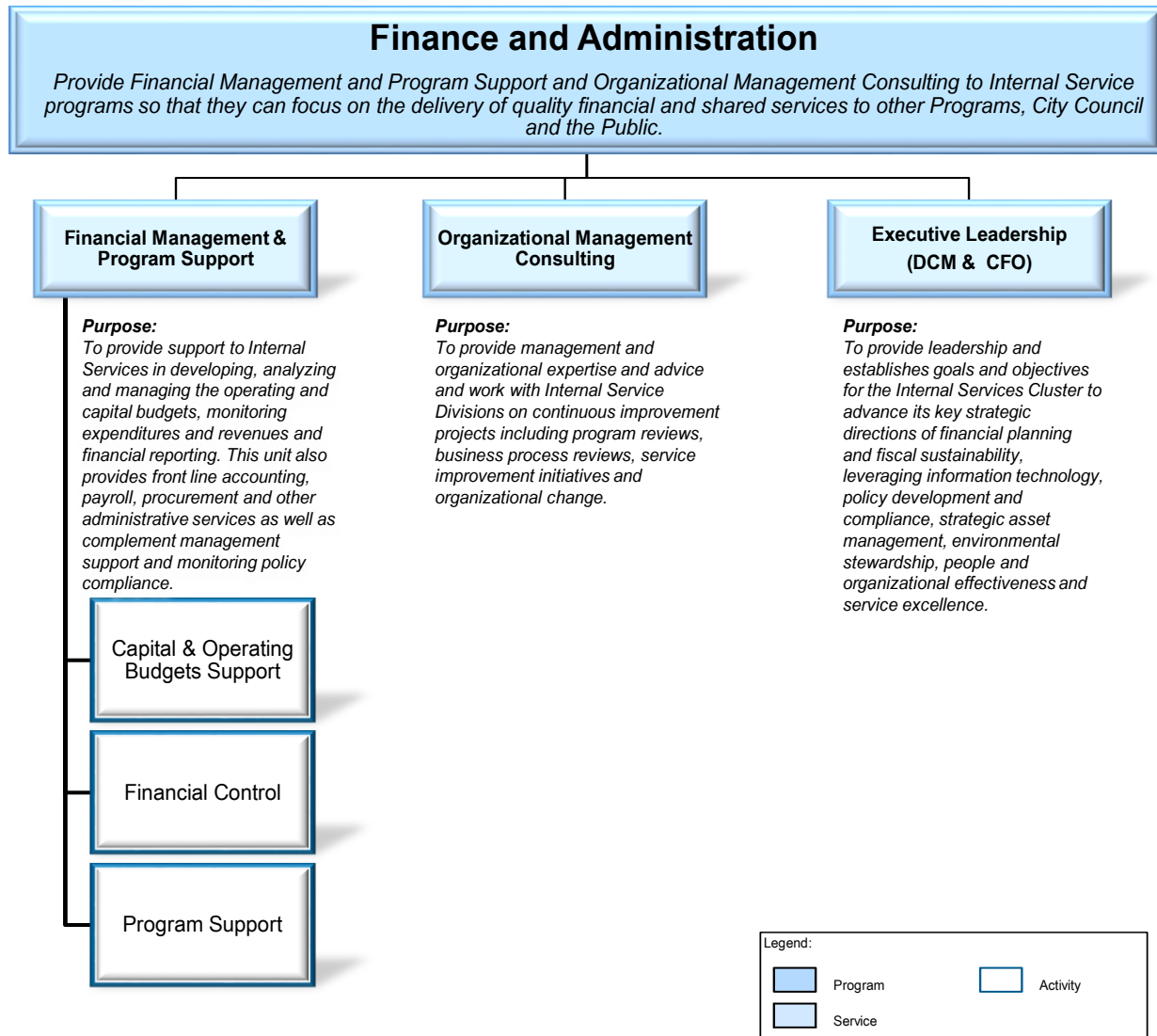
- Annualization of new positions starting later in 2017 and included in the 2017 Preliminary Operating Budget will increase salaries and benefits by \$0.042 million in 2018 and (\$0.007) million in 2019.
- Adjustments to salaries and benefits with the reduction of 11 temporary positions supporting the delivery of the Financial Planning Analysis Reporting System (FPARS) capital project will result in a decrease in gross expenditures of \$1.516 million and resulting in net \$0.0 in 2018 from associated capital recoveries.
- 2 permanent Senior Financial Planning Analysts (Analytics & Data Visualization) positions will be added in 2018 at a total cost of \$0.291 million with incremental increase of \$0.020 million in 2019 to support forecasting, predictive modelling, trend analysis, consolidation, reporting and dashboards/scorecards for long term financial planning, capabilities that the City currently does not have.
- The 2018 and 2019 Plan increases reflect future year net incremental costs for salaries, progression pay, and step increases of \$0.612 million in 2018 and \$0.584 million in 2019.
- The permanent capital position working in FPARS that will no longer be recovered from the capital project when FPARS is expected to be completed will increase cost for salaries and benefits by \$0.147 million in 2018 with incremental increase of \$0.006 million in 2019.



Part 2:

2017 Preliminary Operating Budget by Service

Finance & Administration



Service Customer

Financial Management & Program Support

- City Manager
- Budget Committee
- DCM & CFO
- Staff - City Divisions
- Staff - Agencies and Corporations

Indirect (Beneficial)

- Residents
- Businesses
- Visitors

Organizational Management Consulting

- DCM & CFO
- Staff - City Divisions

Indirect (Beneficial)

- Residents
- Businesses
- Property Owners & Taxpayers

Executive Leadership (DCM & CFO)

- City Council and Committees
- Mayor and Councillors
- City Manager & DCMs
- Staff - City Divisions
- Staff - Agencies and Corporations

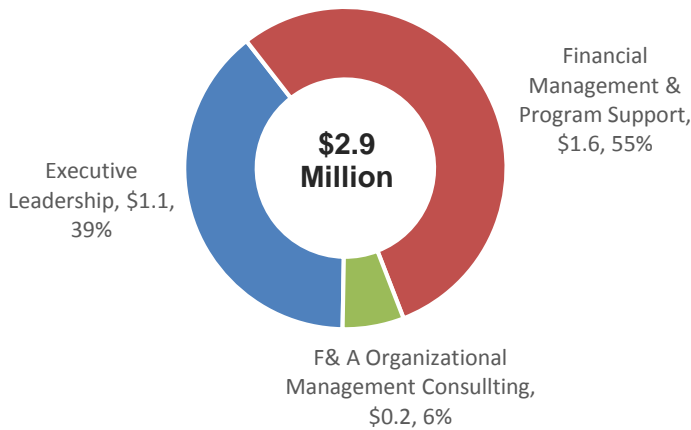
Indirect (Beneficial)

- Residents
- Businesses
- Property Owners & Taxpayers

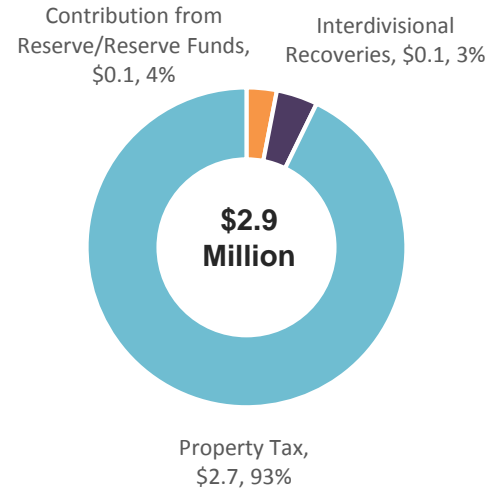
What We Do

- To 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.

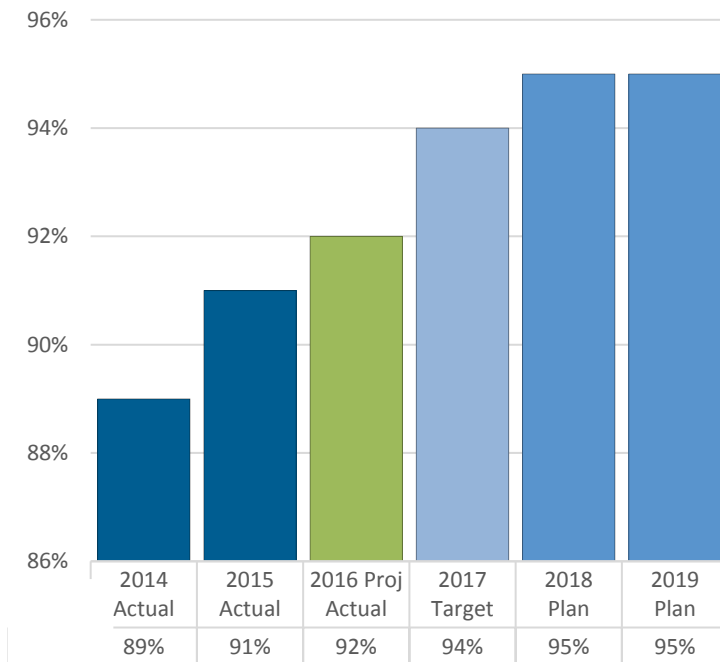
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



% of Financial Analysis Reports Issued within set Time lines



- Tracking of actual data for issuing of financial and analysis reports began in 2014.
- In 2015, Finance & Administration issued 91% of financial and analysis reports within set timelines.
- Finance & Administration staff is expecting to achieve 92% in 2016.
- The service area will strive for a 94% and 95% achievement in 2017 and 2018, respectively.

**2017 Service Levels
Finance & Administration**

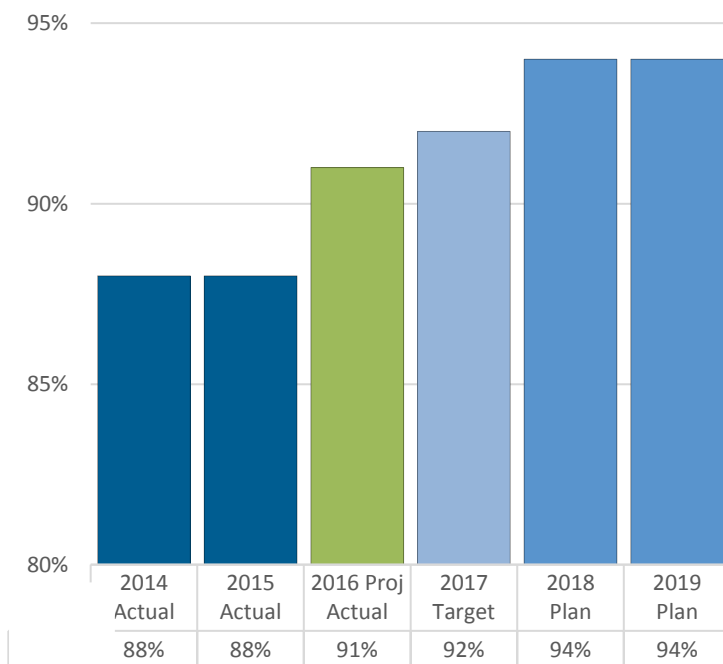
Activity	Type	Sub-Type	Status	Approved Service Levels			2017	
				2014	2015	2016		
Executive Leadership			Approved					
Financial Management & Program Support (FA)	Capital & Operating Budget Support	Capital Budget	Approved	Capital Budget and 10 Year Plan of Capital Works prepared annually			Capital Budget and 10 Year Plan of Capital Works prepared annually	
		Operating Budget	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	
	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	
	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	

Activity	Type	Sub-Type	Status	Approved Service Levels			2017
				2014	2015	2016	
Financial Management & Program Support (FA)	Program Support	Organizational Support	Approved	Organizational charts are revised as required			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, 2017 Service Levels are consistent with approved 2016 Service Levels for Finance & Administration.

Service Performance Measures

% of Account Analysis/ Reconciliation Completed Monthly



- Tracking of actual data for completed accounts analysis/reconciliation began in 2014.
- In 2015, Finance & Administration completed 88% of accounts analysis/reconciliation monthly.
- Finance & Administration staff is expecting to achieve 91% in 2016.
- The service area will strive for a 92% and 94% in 2017 and 2018, respectively.

Table 6

2017 Preliminary Service Budget by Activity

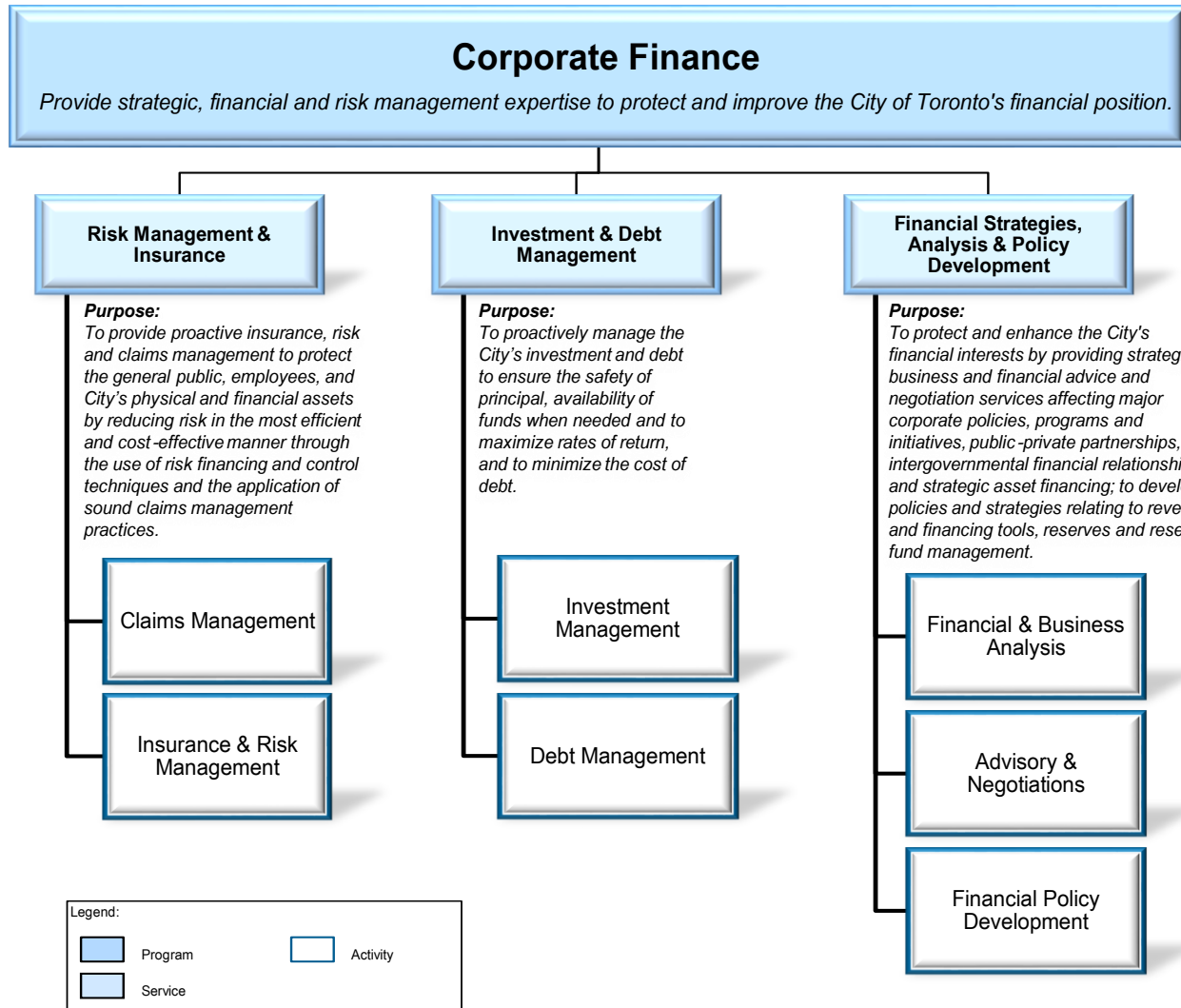
(\$000s)	2016	2017 Preliminary Operating Budget								Incremental Change				
	Budget	Base Budget	Service Changes	Preliminary Base	Prelim. Base Budget vs. 2016 Budget		New/Enhanced	Prelim. Budget	2017 Prelim. Budget vs. 2016 Budget		2018 Plan		2019 Plan	
					\$	%			\$	%	\$	%	\$	%
GROSS EXP.														
Financial Management & Program Support	1,541.4	1,560.9	(121.1)	1,439.8	(101.6)	(6.6%)		1,439.8	(101.6)	(6.6%)	54.5	3.8%	50.0	3.3%
Organizational Management Consulting	295.1	296.9		296.9	1.8	0.6%		296.9	1.8	0.6%	14.0	4.7%	12.8	4.1%
Executive Leadership	1,087.7	1,120.2		1,120.2	32.5	3.0%		1,120.2	32.5	3.0%	49.4	4.4%	43.1	3.7%
Total Gross Exp.	2,924.2	2,978.0	(121.1)	2,856.9	(67.3)	(2.3%)		2,856.9	(67.3)	(2.3%)	117.9	4.1%	105.9	3.4%
REVENUE														
Financial Management & Program Support						-				-				-
Organizational Management Consulting						-				-				-
Executive Leadership	202.1	206.6		206.6	4.5	2.2%		206.6	4.5	2.2%				
Total Revenues	202.1	206.6		206.6	4.5	2.2%		206.6	4.5	2.2%				
NET EXP.														
Financial Management & Program Support	1,541.4	1,560.9	(121.1)	1,439.8	(101.6)	(6.6%)		1,439.8	(101.6)	(6.6%)	54.5	3.8%	50.0	3.3%
Organizational Management Consulting	295.1	296.9		296.9	1.8	0.6%		296.9	1.8	0.6%	14.0	4.7%	12.8	4.1%
Executive Leadership	885.6	913.6		913.6	28.0	3.2%		913.6	28.0	3.2%	49.4	5.4%	43.1	4.5%
Total Net Exp.	2,722.1	2,771.4	(121.1)	2,650.3	(71.8)	(2.6%)		2,650.3	(71.8)	(2.6%)	117.9	4.4%	105.9	3.7%
Approved Positions	20.0	20.0	(1.0)	19.0	(1.0)	(5.0%)		19.0	(1.0)	(5.0%)		0.0%		

Finance & Administration provides 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.

The Finance & Administration's 2017 Preliminary Operating Budget of \$2.856 million gross and \$2.650 million net is \$0.072 million or 2.6% under the 2016 Approved Net Budget.

- In addition to the base budget pressures common to all services, Finance and Administration offset these pressures with the reduction of 1 budget & operations analyst position that became vacant in 2016 while maintaining service levels as the workload (development of annual budget, monitoring of operating and revenues and complement management) has been reassigned to current staff.

Corporate Finance



Service Customer

Risk Management & Insurance

- Claimants
- Insured Employees & Councillors
- Staff - City Divisions
- Staff - Agencies and Corporations

Indirect (Beneficial)

- Residents
- Businesses

Investment & Debt Management

- Staff - City Divisions
- Staff - Agencies and Corporations
- Owned Subsidiaries
- Pension Funds
- Investment Advisory Committee

Indirect (Beneficial)

- Residents
- Businesses

Financial Strategies, Analysis & Policy Development

- City Council
- Mayor and DCMS
- Staff - City Divisions
- Staff - Agencies and Corporations
- City affiliated Organizations

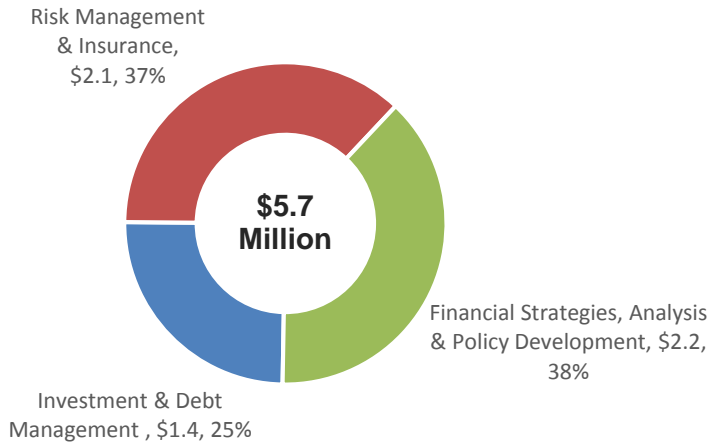
Indirect (Beneficial)

- Residents
- Businesses
- Other Orders of Government

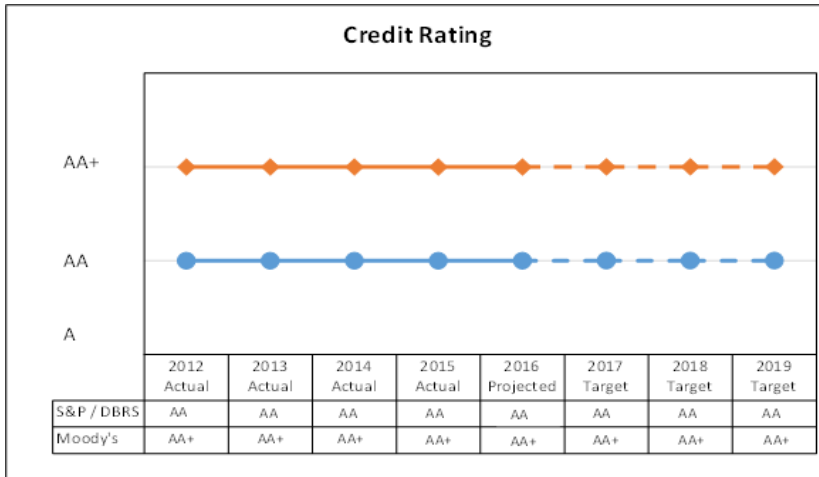
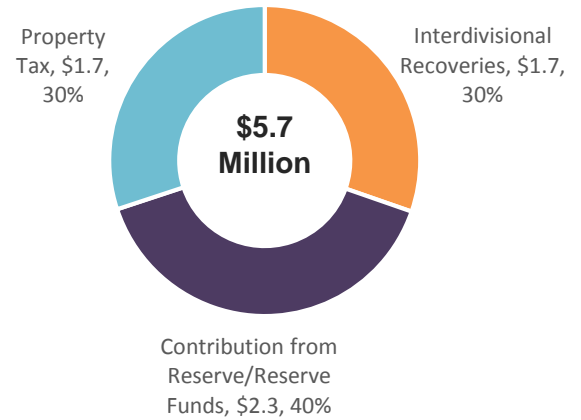
What We Do

- To provide corporate strategic, financial and risk management expertise to protect and improve the City of Toronto's financial position.

2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



- The City's credit rating has maintained 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.

2017 Service Levels Corporate Finance

Service Level	Activity	Type	Sub-Type	Service Levels			2017
				2014	2015	2016	
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 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		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		Provide corporate oversight			Provide corporate oversight
		Debt strategy for owned subsidiaries		Provide CFO input into updating of shareholder directions for THC and TCHC; develop and get Council approval of dividend policies for BT and TPLC.	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	
		Third Party Obligations - Letters of Credit		In accordance with each security being reviewed			In accordance with each security being reviewed
Risk Management and Insurance	Claims Management	Claims Management – General Liability		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 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

Service Level	Activity	Type	Sub-Type	Service Levels			
				2014	2015	2016	2017
Risk Management and Insurance	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 contract being reviewed	
		Risk Management ~ Consultation and Advice		In accordance with each issue being reviewed		In accordance with each contract being reviewed	
		Risk Management ~ Strategies and Policies		In accordance with each issue being reviewed		In accordance with each contract being reviewed	
Financial Strategies, Analysis and Policy Development	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	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	
		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	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	

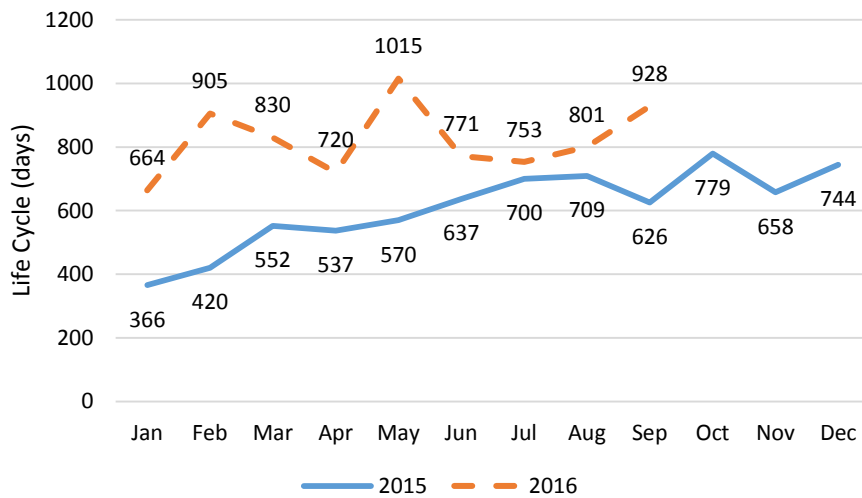
Service Level	Activity	Type	Sub-Type	Service Levels			
				2014	2015	2016	2017
Financial Strategies, Analysis and Policy Development	Advisory and Negotiation	Financial Advisory /Strategy ~ Long Term financial planning	Funding programs	Reports and presentations prepared in accordance with Council Committee 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	Monitor and provide support for funding arrangements for social housing funding and transit.
		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		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, Build Toronto regulations, social housing funding and Transportation/ Transit funding	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 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			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		
		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	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	

Service Level	Activity	Type	Sub-Type	Service Levels			
				2014	2015	2016	2017
Financial Strategies, Analysis and Policy Development	Financial Policy Development	Financial Policy ~ Water rate	Investment financial oversight	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.	
		Financial Policy ~ Garbage Rate	Public private partnerships	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	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		Meeting agenda closing deadlines 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 Financing			Delivered within negotiated timelines 100% of the time		Delivered within negotiated timelines 100% of the time
		Development Charge By-law	Background Study & By-law	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	Undertake DC Background Study Review process
			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 2017 Service Levels are consistent with the approved 2016 Service Levels for Corporate Finance.

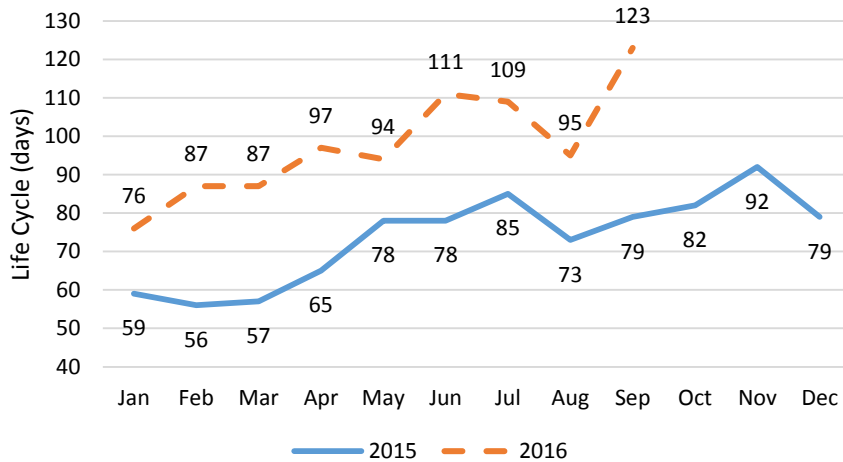
Service Performance Measures

Life Cycle - Time & Expense Claims



- Overall, the number of elapsed days between "Date Opened" and "Date Closed" is higher in 2016 over 2015.
- Claims handled under T&E adjuster fee schedule include litigated claim files which tend to take longer to resolve.
- Greater life cycle days in 2016 is a reflection of an increase in the number of litigated claims. In addition, since the data is captured at the time the claim file is closed, a greater number of older files were settled in 2016 compared to 2015.

Life Cycle - Desktop Claims



- The City's service standard for its third party adjusters is to resolve desktop claim files within 90 days.
- Desktop claim cycle time is trending in excess of the established service standard due to outstanding Transportation reports which require files to remain open longer.
- IRM has established an exception report process which is reviewed with Transportation Services on a monthly basis to identify and address report requests outstanding greater than the service level standard.
- Rigorous application of the exception report process will correct the excessive service level trend and keep the life cycle below the 90 day standard.

Table 6
2017 Preliminary Service Budget by Activity

(\$000s)	2016	2017 Preliminary Operating Budget								Incremental Change				
	Budget	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.														
Investment & Debt Management	1,361.7	1,416.6	5.2	1,421.8	60.1	4.4%		1,421.8	60.1	4.4%	43.0	3.0%	39.1	2.7%
Risk Management & Insurance	1,882.4	2,017.4		2,017.4	135.0	7.2%	78.7	2,096.1	213.7	11.4%	116.5	5.6%	67.8	3.1%
Financial Strategies, Analysis & Policy Development	2,323.2	2,254.6	(74.3)	2,180.3	(142.9)	(6.2%)		2,180.3	(142.9)	(6.2%)	137.4	6.3%	90.5	3.9%
Total Gross Exp.	5,567.3	5,688.6	(69.1)	5,619.5	52.2	0.9%	78.7	5,698.2	130.9	2.4%	296.9	5.2%	197.4	3.2%
REVENUE														
Investment & Debt Management	1,336.3	1,354.4		1,354.4	18.1	1.4%		1,354.4	18.1	1.4%	36.7	2.7%	36.4	2.6%
Risk Management & Insurance	1,936.7	2,081.7		2,081.7	145.0	7.5%	78.7	2,160.4	223.7	11.6%	117.4	5.4%	69.9	3.1%
Financial Strategies, Analysis & Policy Development	518.1	469.9		469.9	(48.2)	(9.3%)		469.9	(48.2)	(9.3%)	15.2	3.2%	16.4	3.4%
Total Revenues	3,791.1	3,906.0		3,906.0	114.9	3.0%	78.7	3,984.7	193.6	5.1%	169.3	4.3%	122.7	2.9%
NET EXP.														
Investment & Debt Management	25.4	62.2	5.2	67.4	42.0	165.4%		67.4	42.0	165.4%	6.3	9.3%	2.7	3.7%
Risk Management & Insurance	(54.3)	(64.3)		(64.3)	(10.0)	18.4%		(64.3)	(10.0)	18.4%	(0.9)	1.4%	(2.1)	3%
Financial Strategies, Analysis & Policy Development	1,805.1	1,784.7	(74.3)	1,710.4	(94.7)	(5.2%)		1,710.4	(94.7)	(5.2%)	122.2	7.1%	74.1	4.0%
Total Net Exp.	1,776.2	1,782.6	(69.1)	1,713.5	(62.7)	(3.5%)		1,713.5	(62.7)	(3.5%)	127.6	7.4%	74.7	5.2%
Approved Positions	37.0	37.0		37.0			1.0	38.0	1.0	2.7%				

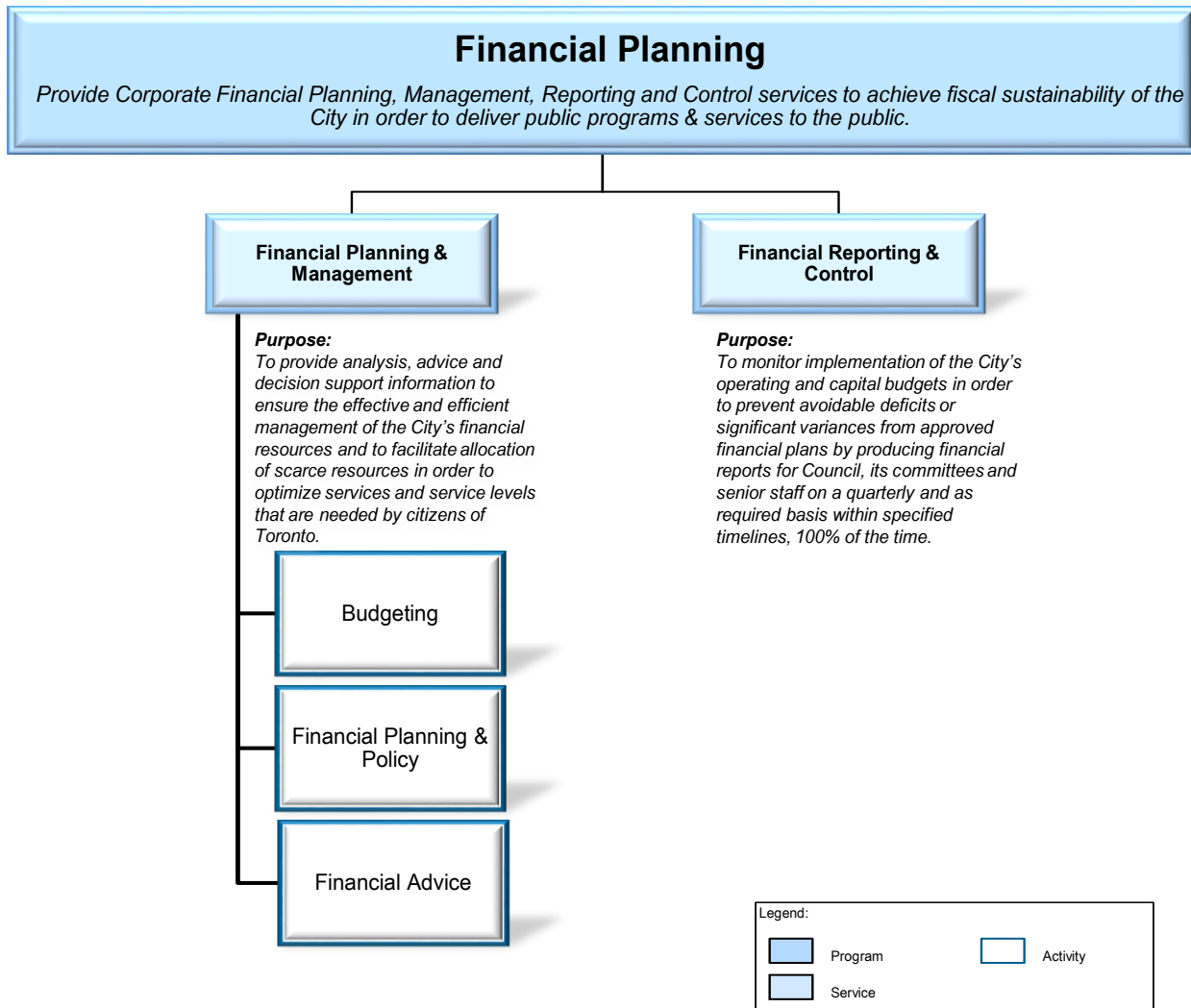
Corporate Finance provides corporate strategic, financial and risk management expertise to protect and improve the City of Toronto's financial position.

The Corporate Finance's 2017 Preliminary Operating Budget of \$5.698 million gross and \$1.714 million net is \$0.063 million or 3.5% under the 2016 Approved Net Budget.

- Base budget pressures in Corporate Finance are primarily due to the reduction of capital recoveries \$0.038 million from TTC reflecting the reduced level of support required on the Toronto York Spadina Subway extension projects, offset by annualized savings of \$0.031 million arising from a position deleted in 2016.
- In order to offset these pressures, the 2017 Preliminary Operating Budget includes \$0.069 million in efficiency savings resulting from the consolidation of two policy/strategic units into one unit that will support the increase in service demands and the increasing complexity of projects that require a higher level of management involvement and expertise.

The 2017 Preliminary Operating Budget includes new funding of \$0.079 million gross and \$0.0 net to fund 1 new permanent staff complement dedicated to reduce the frequency and severity of liability claims. This dedicated Risk Co-ordinator position is expected to achieve a 1 to 5 % (\$0.250 to \$1.250 million) reduction in the annual \$25 million cost of Transportation Services claims.

Financial Planning



Service Customer

Financial Planning & Management

- Staff - City Divisions
- Staff - Agencies and Corporations
- Taxpayers / Stakeholders (Bond Rating Agencies, etc.)

Indirect (Beneficial)

- Residents
- Businesses
- Visitors

Financial Reporting & Control

- Staff - City Divisions
- Staff - Agencies and Corporations
- Taxpayers / Stakeholders (Bond Rating Agencies, etc.)

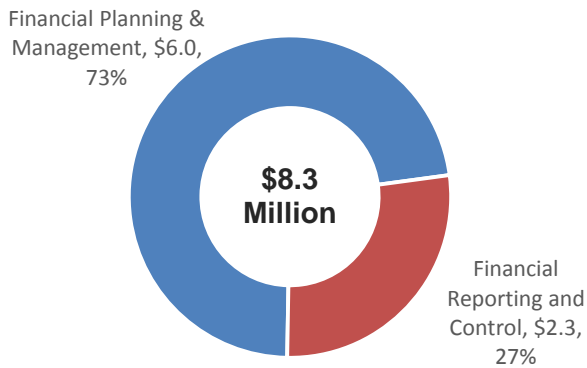
Indirect (Beneficial)

- Residents
- Businesses
- Visitors

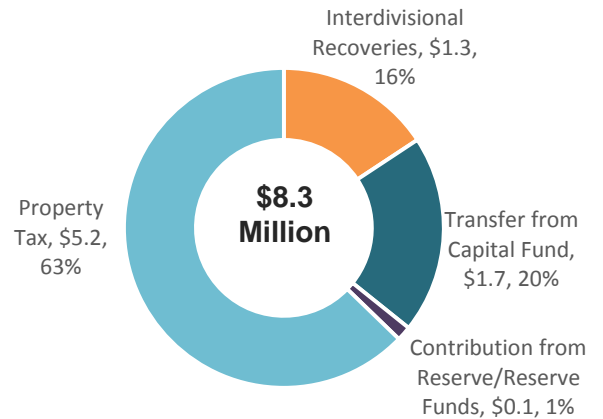
What We Do

- 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.

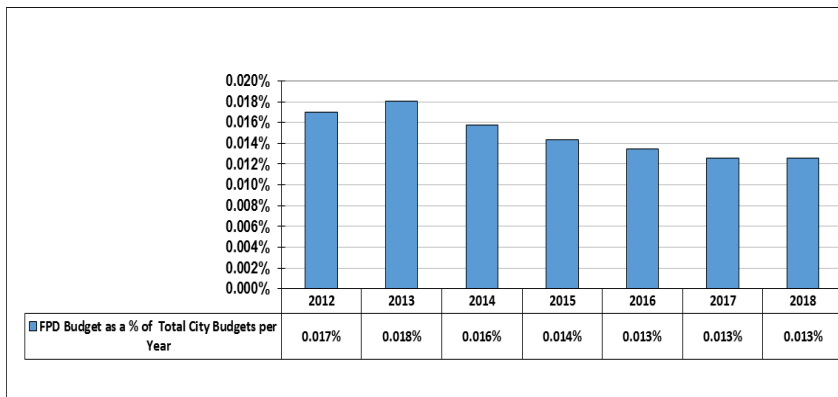
2017 Service Budget by Activity (\$Ms)



Service by Funding Source (\$Ms)



Financial Planning Division Operating Budget as a % of Total City Operating and Capital Budget & Plan



- In 2016, Financial Planning Division's Net Operating Budget was 0.0135% of the City's Total Operating and Capital Budgets while in 2017 is 0.0126%.
- The forecast is that FPD's Net Operating Budget as a percentage of the City's Total Operating and Capital Plan will continue to decrease in 2018 and 2019.

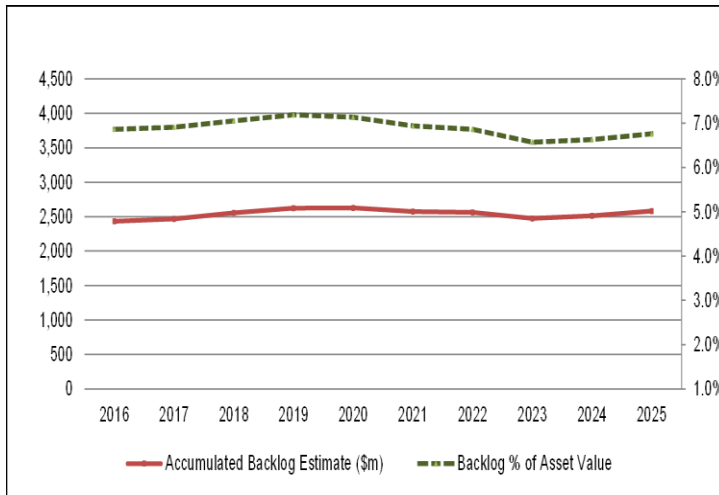
2017 Service Levels Financial Planning

Activity	Type	Sub-Type	Service Levels			
			2014	2015	2016	
Budgeting	Operating	Analysis/ Recommendation provided	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 within the first month of the fiscal year			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 Affairs	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 Org. Mgtment eRequests for Financial Implications within 7 days upon receipt from Divisions 75% of the time	Reviewing submitted Human Resources Org. Mgtment eRequests for Financial Implications within 7 days upon receipt from Divisions 75% of the time	

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

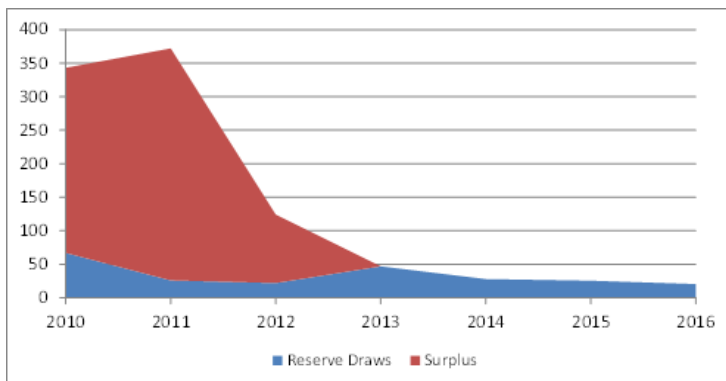
Service Performance Measures

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



- The primary programs with SOGR backlog are: Transportation Services, Facilities, Real Estate and Environment & 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.

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 \$20.6 million in 2016.

Table 6
2017 Preliminary Service Budget by Activity

(\$000s)	2016	2017 Preliminary Operating Budget								Incremental Change				
	Budget	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.														
Financial Planning and Management	5,997.6	5,964.2	(19.3)	5,944.9	(52.7)	(0.9%)	76.8	6,021.7	24.1	0.4%	(830.3)	(13.8%)	207.8	4.0%
Financial Reporting and Control	2,242.4	2,257.6	(5.7)	2,251.9	9.5	0.4%	22.9	2,274.8	32.4	1.4%	(62.2)	(2.7%)	88.5	4.0%
Total Gross Exp.	8,240.0	8,221.8	(25.0)	8,196.8	(43.2)	(0.5%)	99.7	8,296.5	56.5	0.7%	(892.5)	(10.8%)	296.3	3.8%
REVENUE														
Financial Planning and Management	2,388.2	2,434.6		2,434.6	46.4	1.9%	76.8	2,511.4	123.2	5.2%	(1,354.4)	(53.9%)	27.5	2.4%
Financial Reporting and Control	522.5	554.6		554.6	32.1	6.1%	22.9	577.5	55.0	10.5%	(231.9)	(40.2%)	8.2	2.4%
Total Revenues	2,910.7	2,989.2		2,989.2	78.5	2.7%	99.7	3,088.9	178.2	6.1%	(1,586.3)	(51.4%)	35.7	2.3%
NET EXP.														
Financial Planning and Management	3,609.4	3,529.6	(19.3)	3,510.3	(99.1)	(2.7%)		3,510.3	(99.1)	(2.7%)	524.1	14.9%	180.3	4.5%
Financial Reporting and Control	1,719.9	1,703.0	(5.7)	1,697.3	(22.6)	(1.3%)		1,697.3	(22.6)	(1.3%)	169.7	10.0%	80.3	4.3%
Total Net Exp.	5,329.3	5,232.6	(25.0)	5,207.6	(121.7)	(2.3%)		5,207.6	(121.7)	(2.3%)	693.8	13.3%	260.6	4.2%
Approved Positions	58.0	58.0		58.0			1.0	59.0	1.0	1.7%	(9.0)	(15.3%)		

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 2017 Preliminary Operating Budget of \$8.297 million gross and \$5.208 million net is \$0.122 million or 2.3% under the 2016 Approved Net Budget.

- In addition to base budget pressures common to all services such as inflationary labour increases, \$0.030 million in pressures result from the reversal of the one-time planned delay in filling a vacant Financial Planning position in 2016. This is offset by increased recoveries from rate based programs and Non Program for inflationary salary increases related to staff assigned to these programs.
- In order to further offset these pressures, the 2017 Preliminary Operating Budget includes \$0.025 million savings by eliminating the printing and distribution of 100 budget binders for the annual budget process.
- The 2017 Preliminary Operating Budget includes funding of \$0.100 million gross and \$0 net for 1 new staff position to provide support to Shelter and Housing to handle the increased activity in the housing sector. This position will be funded with Provincial funding through interdivisional recoveries from Support, Shelter and Housing Administration's Operating Budget.



Part 3:

Issues for Discussion

Issues Impacting the 2017 Budget

Budget Reduction Target

- The Office of the Chief Financial Officer's 2017 Preliminary Operating Budget is \$16.852 million gross and \$9.571 million net, representing a 2.6% decrease to the 2016 Approved net Operating Budget and meets budget reduction target as set out in the 2017 Operating Budget Directions approved by Council for all City Programs, Agencies and Accountability Offices.
- The Program submitted sustainable and viable service reductions that result in service efficiency savings of \$0.215 million gross and net.
- Efficiency savings arise from consolidation of Policy and Strategic Analysis units, reduction of a vacant staff position and transitioning to on line services that will not have an impact on service levels delivered by the Program.

Issues Impacting Future Years

Shared Services

- The goal of the Shared Services Project is for the City and its Agencies to work collaboratively to reduce duplication and realize cost savings and service improvements.

Background

- In 2012, the City Manager retained KPMG to undertake a review of shared services between the City, Exhibition Place, the Toronto Parking Authority, the Toronto Police Service, Toronto Public Health, Toronto Public Library, and the Toronto Transit Commission. Based on the results of this study, the Shared Services Project was launched in 2014.
- Since 2014, the scope of the project has been expanded to include five additional opportunities and two additional agencies – Toronto Zoo and Toronto Community Housing Corporation.

Financial Benefits

- It is estimated that the project has achieved approximately \$37 million in efficiencies since 2014. The majority of these efficiencies have been realized in the functional areas of fleet management (\$8 million in cost avoidance from joint fuel purchases and \$18 million related to fuel hedging) and information technology (\$7.5 million in cost avoidance for the TTC by leveraging the City's contract to purchase SAP licences). These efficiencies have been incorporated into the budgets of the City and the affected Agencies.
- There have been many non-quantifiable benefits achieved including a substantial culture shift towards increased collaboration across all organizations and viewing of City Programs and Agencies as one organization.

Current Status

- By the end of 2016, the Executive Steering Committee expects work to be complete on 17 (77%) of the 22 Shared Services recommendations. The remaining five opportunities are expected to be complete before 2020.
- Of the 17 opportunities, work will be complete on:
 - 100% (8 of 8) of the short-term opportunities,
 - 50% (4 of 8) of the long-term opportunities, and
 - 83% (5 of 6) of the opportunities added by the Executive Steering Committee.

Roadmap for Moving Forward

- In 2017, work will continue on the long-term opportunities and the Executive Steering Committee will examine how to best analyse and prioritize opportunities to expand the project scope into areas not considered in the KPMG Shared Services Study.

- A staff report on an update of the Shared Services Project will be on the January 19, 2017 Executive Committee agenda.

Review of the City's 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".
- The bylaw needs to expand to reflect the best practice in financial management and control based on four principles of Accountability, Agility, Control, and Transparency.
- Financial Planning and the Office of Treasurer began a detailed review of the existing bylaw in 2015. A joint working group has been established to perform all aspects of the review including stakeholder consultation, jurisdiction review, research, analysis and the formulation of options and proposals in developing the Financial Management and Control Bylaw which will provide the City with capacity to strengthen financial management and governance.
- The working group has completed a comprehensive stakeholder engagement process to solicit input from City Programs and Corporate Partners, to assess and identify issues, challenges and limitations of the existing bylaw, focusing on the key changes in phase 1. In phase 2, the project will incorporate Long Term Financial Direction Strategies as well as key impact from other corporate initiatives.
- It is anticipated that the Deputy City Manager & Chief Financial Officer will prepare a policy report updating the existing Financial Management and Control Bylaw for City Council's consideration and approval in 2017.

Long Term Financial Plan (LTFP)

- The City's Long Term Financial Plan is currently under development and will provide scenarios for a sustainable financial framework for municipal services and city-building investments, involving both expense and revenue measures.
- An update on the development of the Plan will be considered by City Council at its meeting of December 13 and 14, 2016 through report *EX20.1 City of Toronto Long-Term Financial Direction Update*.
- This report also presents a brief summary of the key financial challenges facing the City in order to provide a basis for integrated decision making in 2017 and beyond, a link to this report is provided below:
<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-98744.pdf>
- As noted in the *City of Toronto Long-Term Financial Direction Update* report, the primary fiscal challenges that must be addressed include:
 - 2017 preliminary operating budget pressures and resolution of a balanced budget;
 - 2017-2026 preliminary capital plan and pressures;
 - Continued unfunded capital projects;
 - Improving performance of City assets;
 - Long-term expense management, particularly with regard to City agencies; and
 - Long-term revenue management.
- The Long Term Financial Plan builds on *EX15.1 The City of Toronto's Long-Term Financial Direction* report, which was considered by City Council during the meeting of June 7, 2016 and presented the long-term financial outlook for the City of Toronto.
 - This report explored the underlying conditions of City finances by reviewing the expense and revenue patterns of recent budgets, with the focus on the past six years.
- A link to *EX15.1 The City of Toronto's Long-Term Financial Direction* report is provided below:
<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-92968.pdf>

- In approving this report on June 7, 2016, City Council provided the following key directions:
 - Report on a framework for the City's multi-year financial and budget process.
 - Report on strategies and processes to strengthen the City's strategic decision-making and financial oversight that will:
 - a. Support Council in setting priorities and outcomes in order to deliver its strategic agenda;
 - b. Have a multi-year focus;
 - c. Incorporate the use of data-analytics to improve outcome measurement;
 - d. Integrate program planning for City services and the infrastructure delivered by City programs, through divisions and agencies, with the City's financial planning and budgeting to achieve the strategic allocation of resources to meet intended outcomes; and
 - e. Strengthen the City's financial management and oversight of City programs and agencies.
 - Report on the framework for a multi-year Expenditure Management Plan, which should include short-term and long-term strategies to deliver a business transformation program that:
 - a. Modernizes processes, improves productivity, embeds efficiencies to achieve excellence in service delivery and maximizes value for residents; and
 - b. Strategically manages assets to maximize their use in supporting service delivery.
 - Report in the fall of 2016 on a multi-year revenue strategy that:
 - a. Examines ways the City can optimize revenue generation from existing and new sources;
 - b. Identifies implementation costs, timing, and the sustainability of revenue options;
 - c. Establishes principles to guide the selection of potential revenues; and
 - d. Establishes a framework for the further application of both existing and new revenues.
 - Undertake an asset optimization study, including consideration of how possible proceeds could be used to address the City's capital deficit through the City Building Fund.
- In response to the above direction, the following reports were submitted to the December 1, 2016 meeting of the Executive Committee for Council's consideration on December 13 and 14, 2016:
 - EX20.2 The City of Toronto's Immediate and Longer-term Revenue Strategy Direction
<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-98518.pdf>
 - This report provides a framework for the application of existing and new revenues, principles for the selection of potential revenues, a discussion on social and economic impacts, and implementation considerations.
 - EX20.3 Asset Optimization Review - Toronto Hydro Corporation and Toronto Parking Authority
<http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-98516.pdf>
 - This report provides the results of the asset optimization study undertaken by the City Manager and the Deputy City Manager & Chief Financial Officer in relation to the City's investments in Toronto Hydro Corporation and Toronto Parking Authority.
- City Council's consideration of a consolidated set of governance, decision-making expense and revenue strategies under the Long-Term Financial Plan is expected in the second quarter 2017 in advance of the 2018 Budget Process.



Appendices

Appendix 1

2016 Service Performance

Key Service Accomplishments

In 2016, the Office of the Chief Financial Officer accomplished the following:

- ✓ Completed the implementation of the Multi-year service based planning and budgeting system that enables service view reporting, service based budgeting and actuals, service levels performance measures.
 - Ongoing salary and benefits savings of \$13.5 million has been realized in the operating budget to date through the use of the new budgeting system and an additional \$4.128 million in savings will be realized in 2017, bringing the total to \$17.6 million.
- ✓ Supported the Long Term Financial Direction and Plan: (a) completed Revenue Options assessment update, managing consultant and reporting findings to Executive Committee, and developed design and implementation strategies regarding parking tax and vehicle tax options; (b) an optimization review led by an external consultant for major strategic City assets (Toronto Housing Corporation, Toronto Parking Authority, etc.) and reported the results to Council, (c) provided support regarding Alternative Service Delivery protocol development, (d) developed expenditures budget forecasts; and (e) completed historical spending analysis.
- ✓ Helped organize, promote and participate in the international conference of the Government Finance Officers Association (GFOA) that took place in Toronto in May 2016, as the City representative. Over 6,000 international attendees came to Toronto to learn about best and leading practices in government finance and related management topics, with 86 City of Toronto staff attendees.
- ✓ Issued \$700 million worth of debentures and managed principal and interest payments to support the City's capital works program.
- ✓ Negotiated with the Province to acquire expanded investment powers.
- ✓ Developed comprehensive presentations to the three credit rating agencies in support of the City's credit Rating.
- ✓ Renewed corporate insurance program at reduced premium over expiring, identified uninsured exposures and undertook review of Cyber insurance.
- ✓ Developed and implemented a Municipal Land Transfer Tax service fee to offset approximately \$6 million in annual administration Costs.
- ✓ Negotiated a positive settlement outcome for the statutory appeal of the development charges by-law amendment for the Scarborough Subway Extension project.
- ✓ 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.
- ✓ Completed Shared Services Project work on 77% (17 of 21) of the original Shared Services opportunities. In addition to service improvements, approximately \$35 million in cost avoidance has been generated for the City & the Agencies through work related to Shared Services.
- ✓ Reviewed updated dividend policies for Build Toronto and Toronto Port Lands Company.
- ✓ Worked with the Ontario Ministry of Finance to amend an Order-In-Council to be able to apply to Financial Services Commission of Ontario (FSCO) to insure COT vehicles through the TTC Insurance Company Limited.
- ✓ Developed policies under the Mayor's "Open Door" initiative in response to requests for development charge exemptions and deferrals related to affordable housing, purpose built rental, and strong neighbourhoods.
- ✓ Provided project analysis, advisory, negotiation and research services for major corporate initiatives and multilateral projects – Toronto-York Spadina Subway Extension, Waterfront Revitalization, Port Lands Acceleration Initiative, Scarborough Subway, Eglinton Crosstown, George Street Revitalization, St. Lawrence Market North, and Toronto Community Housing, Commodity Price Hedging Program, Financial Control By Law, and Financial Annual Report and Long-Term Financial Direction.

Appendix 2

2017 Preliminary Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2014	2015	2016	2016	2017	2017 Change		Plan	
	Actual	Actual	Budget	Projected	Preliminary	from 2016		2018	2019
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	13,944.3	14,368.5	15,720.3	14,520.0	15,856.8	136.5	0.9%	15,379.0	15,978.5
Materials and Supplies	22.6	32.5	44.6	44.6	38.6	(6.0)	(13.5%)	38.6	38.6
Equipment	4.4	25.8	6.7	6.7	6.7			6.7	6.7
Services & Rents	406.1	554.3	650.1	650.1	650.1			650.1	650.1
Contributions to Reserve/Res Funds	72.6	77.4	77.4	77.4	77.4			77.4	77.4
Other Expenditures	5.1		0.5	10.0	0.5			0.5	0.5
Interdivisional Charges	171.3	145.4	231.9	231.8	221.5	(10.4)	(4.5%)	221.6	221.7
Total Gross Expenditures	14,626.4	15,203.9	16,731.5	15,540.6	16,851.6	120.1	0.7%	16,373.9	16,973.5
Interdivisional Recoveries	2,068.0	2,567.4	2,807.7	2,701.7	3,119.8	312.1	11.1%	3,231.6	3,308.4
Transfers from Capital Fund	2,312.0	1,711.8	1,837.1	1,427.0	1,662.2	(174.9)	(9.5%)		
Contribution from Reserve/Reserve Funds	1,528.4	1,926.0	2,221.6	2,108.1	2,498.2	276.6	12.5%	2,631.6	2,713.2
Sundry Revenues	31.5	48.7	37.5	37.5		(37.5)	(100%)		
Total Revenues	5,939.9	6,253.9	6,903.9	6,274.3	7,280.2	376.3	5.5%	5,863.2	6,021.6
Total Net Expenditures	8,686.5	8,950.0	9,827.6	9,266.3	9,571.4	(256.2)	(2.6%)	10,510.7	10,951.9
Approved Positions	100.0	106.0	115.0	107.0	116.0	1.0	0.9%	107.0	107.0

* Based on the 2016 9-month Operating Variance Report

The Office of the Chief Financial Officer's year-end favourable variance is projected to be \$0.561 million or 5.7% below the 2016 Approved Operating Budget of \$9.828 million net.

- The favourable variance is mainly due to under-expenditures in salaries and benefits for vacant positions.

For additional information regarding the 2016 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, 2016" considered by City Council at its meeting on December 13, 2016.

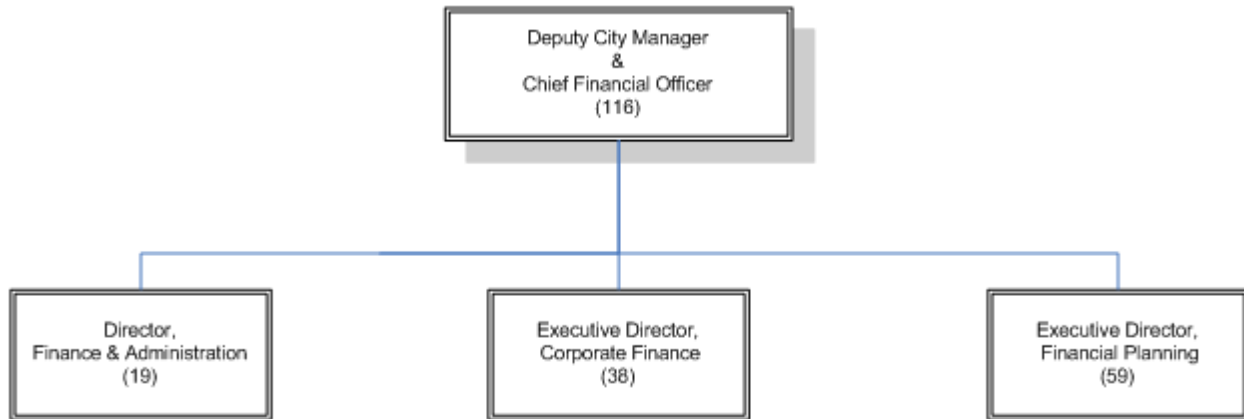
<http://app.toronto.ca/tmmis/decisionBodyProfile.do?function=doPrepare&meetingId=11065>

Impact of 2016 Operating Variance on the 2017 Preliminary Operating Budget

- The projected savings in 2016 are primarily non-recurring due to delays in filling vacant positions. Therefore, the Program has deleted a vacant position, and revised expenditures based on actual expenditures, while considering anticipated future requirements.

Appendix 3

2017 Organization Chart



2017 Total Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	4.0	17.0	68.0	15.0	104.0
Temporary		1.0	11.0		12.0
Total	4.0	18.0	79.0	15.0	116.0

Appendix 4

Summary of 2017 Service Changes

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

Form ID		Internal Focused Services Program - Office of the Chief Financial Officer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
2017 Preliminary Base Budget Before Service Changes:			16,888.4	7,101.8	9,786.6	115.00	897.6	448.4

10799	Consolidation of Policy and Strategic Analysis Units	
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51	0	Description:
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In streamlining its operations, Corporate Finance will delete two vacant Manager positions and one vacant Senior Analyst position, and create one Director, one Senior Strategic Advisor and one Financial Analyst positions. The position changes will result in the consolidation of the two Policy and Strategic Analysis units into one unit reporting to the new Director position, and the creation of a strategic special advisor position reporting directly to the Executive Director.

Service Level Impact:

Service: CPF-Financial Strategies, Analysis & Policy Development

Preliminary Service Changes	(74.3)	0.0	(74.3)	(0.07)	44.8	(2.1)
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Service: CPF-Investment & Debt Management

Preliminary Service Changes	5.2	0.0	5.2	0.07	2.3	0.2
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Total Preliminary Service Changes:	(69.1)	0.0	(69.1)	(0.00)	47.1	(1.9)
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10802	Deletion of a Vacant Position	
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51	0	Description:
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Deletion of a vacant permanent Budget & Operations Analyst position within Finance and Administration. Responsibilities for development of annual operating budget, monitoring of expenditures and revenues and complement management has been reassigned within the Division.

Service Level Impact:

There is no service level impact.

Service: F&A-Financial Management & Program Support

Preliminary Service Changes	(121.1)	0.0	(121.1)	(1.00)	(5.5)	(5.2)
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Total Preliminary Service Changes:	(121.1)	0.0	(121.1)	(1.00)	(5.5)	(5.2)
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2017 Operating Budget - Preliminary Service Changes Summary by Service (\$000's)

Form ID		Internal Focused Services Program - Office of the Chief Financial Officer	Adjustments				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
11217		Transition from Budget Binders to On-Line Materials						
51	0	Description:						
<p>Beginning with the 2018 Budget cycle, Financial Planning will no longer print and physically distribute 100 budget binders annually. Budget notes and materials will continue to be developed and made available on the City's budget website, which has been updated over the last two years for ease of use and with enhanced materials and information. This change also has the benefit of keeping pace with the City's green initiative, enabling the Financial Planning Division to move towards a more environmentally friendly option of providing budget materials information for decision-making .</p>								
Service Level Impact:								
Currently, support staff in FPD produces on average 100 binders every year at budget launch. With this proposal, binders will no longer be provided. Instead, the information will be posted on-line.								
Service: FPD-Financial Planning & Management								
Preliminary Service Changes			(19.3)	0.0	(19.3)	0.00	0.0	0.0
Service: FPD-Financial Reporting & Control								
Preliminary Service Changes			(5.8)	0.0	(5.8)	0.00	0.0	0.0
Total Preliminary Service Changes:			(25.0)	0.0	(25.0)	0.00	0.0	0.0
<hr/>								
Summary:								
Total Preliminary Service Changes			(215.2)	0.0	(215.2)	(1.00)	41.7	(7.1)
Total Preliminary Base Budget:			16,673.2	7,101.8	9,571.4	114.00	939.3	441.2

Appendix 5

Summary of 2017 New / Enhanced Service Priorities

2017 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				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
10797		New Risk & Insurance Mgmt Position Dedicated to Transportation Services						
72	0	Description:						
<p>The creation of a new permanent Risk Coordinator position in the Insurance Risk Management unit (IRM) in support of Transportation Services will reduce the frequency and severity of their liability claims. The new position will ensure effective and ongoing implementation of recommendations arising from the Ombudsman's review of claims under \$10,000 to maintain service delivery. The cost of Transportation liability claims over the past six years averaged \$25 million per year. It is expected that a reduction of 1% to 5% (\$0.250 million to \$1.250 million) of Transportation services claims will be achieved. This position will work with Transportation Services to fine tune the risk management claims database to enhance the capturing of loss data more relevant to Transportation operations thereby improving their ability to find opportunities to streamline process, create useful analytics, undertake cost benefit analysis related to service levels and focus on reducing claim costs. Additional funding in the amount of \$0.079 million in 2017 is required to support this initiative with these costs recovered from the Insurance Reserve.</p>								
Service Level Impact:								
<p>Recommendations from the Accountability Reviews (Auditor General in 2010, Ombudsman in 2012) will be implemented with the creation of a dedicated Risk Coordinator position. Future service levels would enhance efficiency, compliance, improve customer service and generate cost savings.</p>								
Service: CPF-Risk Management & Insurance								
Preliminary New / Enhanced Services:			78.7	78.7	0.0	1.00	0.0	0.0
Total Preliminary New / Enhanced Services:			78.7	78.7	0.0	1.00	0.0	0.0

11735		Sr Financial Planning Analyst pos. Supporting Social Housing					
74	0	Description:					
<p>The creation of a permanent Senior Financial Analyst position will provide support due to increased financial planning and analysis, management and control services required for the Housing Portfolio. Additional funding in the amount of \$0.100 million in 2017 is required to support this initiative with these costs recovered from Provincial funding by way of recovery from Shelter, Support & Housing Administration's Operating Budget.</p>							
Service Level Impact:							
<p>With the Mayor's Task Force recommendations tabled at Executive Committee in January 2016, City staff will be more extensively involved in Toronto Community Housing Corporation (TCHC) budget with a formal process expected to be tabled with the TCHC Implementation Plan in the 1st quarter of 2017.</p>							
Service: FPD-Financial Planning & Management							

Category:

71 - Operating Impact of New Capital Projects

74 - New Services

72 - Enhanced Services-Service Expansion

75 - New Revenues

**2017 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				2018 Plan Net Change	2019 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary New / Enhanced Services:	76.8	76.8	0.0	0.77	(0.0)	0.0
		Service: FPD-Financial Reporting & Control						
		Preliminary New / Enhanced Services:	22.9	22.9	(0.0)	0.23	0.0	(0.0)
		Total Preliminary New / Enhanced Services:	99.7	99.7	0.0	1.00	(0.0)	(0.0)
Summary:								
		Total Preliminary New / Enhanced Services	178.4	178.4	0.0	2.00	(0.0)	(0.0)

Category:

71 - Operating Impact of New Capital Projects

74 - New Services

72 - Enhanced Services-Service Expansion

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 Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		7,475.0	7,475.0	7,213.7	6,940.7
Development Charges	XR2120				
<i>Proposed Withdrawals (-)</i>			(261.3)	(273.0)	(284.1)
Total Reserve / Reserve Fund Draws / Contributions		7,475.0	7,213.7	6,940.7	6,656.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		7,475.0	7,213.7	6,940.7	6,656.6

* Based on 9-month 2016 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 *	Withdrawals (-) / Contributions (+)		
			2017	2018	2019
		\$	\$	\$	\$
Projected Beginning Balance		2,273.7	2,273.7	2,271.2	2,268.7
Development Charges	XR2121				
<i>Proposed Withdrawals (-)</i>			(2.5)	(2.5)	(2.5)
Total Reserve / Reserve Fund Draws / Contributions		2,273.7	2,271.2	2,268.7	2,266.2
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		2,273.7	2,271.2	2,268.7	2,266.2

* 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 Dec. 31, 2016 \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		19,645.5	19,645.5	17,727.3	15,692.8
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>			(1,995.6)	(2,111.9)	(2,177.2)
<i>Contributions (+)</i>			77.4	77.4	77.4
Total Reserve / Reserve Fund Draws / Contributions		19,645.5	17,727.3	15,692.8	13,593.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		19,645.5	17,727.3	15,692.8	13,593.0

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		7,980.8	7,980.8	7,861.5	7,742.2
Innovation Reserve Fund	XR1713				
<i>Proposed Withdrawals (-)</i>			(119.3)	(119.3)	(119.3)
Total Reserve / Reserve Fund Draws / Contributions		7,980.8	7,861.5	7,742.2	7,622.9
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		7,980.8	7,861.5	7,742.2	7,622.9

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2016 \$	Withdrawals (-) / Contributions (+)		
			2017 \$	2018 \$	2019 \$
Projected Beginning Balance		160,484.4	160,484.4	160,362.4	160,235.0
Section 37 Reserve Fund	XR3026				
<i>Proposed Withdrawals (-)</i>			(122.0)	(127.4)	(132.6)
Total Reserve / Reserve Fund Draws / Contributions		160,484.4	160,362.4	160,235.0	160,102.4
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		160,484.4	160,362.4	160,235.0	160,102.4

* Based on 9-month 2016 Reserve Fund Variance Report