

budget

—2019—



BUDGET NOTES

Office of the Chief Financial Officer & Treasurer

What We Do

We provide quality financial services; corporate strategic advice; financial and risk management expertise; and corporate financial planning, management, reporting and control services to Divisions, Agencies, City Council and the public. We deliver the following services:

- Finance & Administration
- Corporate Finance
- Financial Planning
- Internal Audit

Why We Do It

We ensure the effective use of the Corporation's financial resources by providing sound financial planning management and advice; maintaining financial control and developing and implementing effective financial strategies to ensure the fiscal sustainability of the City in delivering programs and services to the public.

Our Experience & Success

- Led the creation of a new Development Charges By-law which when fully implemented will double the City's revenue stream to almost \$500 million per year
- Established the Toronto Investment Board and developed Council approved Investment Policies for the management and governance of the city's \$6.5 billion investment portfolio
- Issued Canada's largest municipal green bond
- Completed the Long-Term Financial Plan: Roadmap to Financial Sustainability report.
- Led the formation of an Enterprise Risk Assurance Committee which provides governance and oversight over Internal Audit, strategic guidance and advice related to City's risk management framework
- Drafted the City's Financial Control By-law to provide framework for managing City resources, codification of current practice and expansion to reflect best practices in financial management and control based on four principles of Accountability, Agility, Control and Transparency.

Key Challenges

- Support and lead process changes resulting from business transformation
- Review tax and revenue policies to improve City revenue growth
- Develop strategies to address capital funding challenges from rising state-of-good repair needs and growth demands
- Develop strategies to address the funding gap on the City's operating budget resulting from growing demands for service expansion and escalating costs to deliver current service levels
- Assist in negotiations with Province in the key areas of social housing, transportation and transit
- Aging workforce – significant number of senior staff eligible to retire over the next 5 years

Priority Actions

- Modernize budget process
- Continue implementation of Long-Term Financial Plan
- Enhance trust, transparency and accountability over financial processes
- Prioritize State of Good Repair investments through the City's ten-year Capital Plan
- Develop immediate and long-term financing and funding strategies for key city-building priorities such as Transit Expansion; Rail Deck Park; Port Lands Servicing; TOcore Project
- Support City Manager in discussions with Province on realignment of transit responsibilities
- Lead the financial sustainability modernization initiative

Budget At A Glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2019	2020	2021
Gross Expenditures	\$20.9	\$22.0	\$22.5
Revenues	\$9.5	\$10.3	\$10.4
Net Expenditures	\$11.4	\$11.7	\$12.1
Approved Positions	147.0	147.0	147.0

Our Key Service Levels



Manages the City's short-term funds and trusts totalling **\$2.3 billion**



Provides financial oversight of the City's Operating Budget of over **\$13.0 billion**



Provides financial oversight on a 10-year Capital Budget and Plan of over **\$40.0 billion**



Insures **\$16.7 billion** worth of property



Assess risk exposure and help strengthen risk management and controls in program areas

Source of Images: www.icons8.com

Key Service Deliverables

Deliver budget process for City's Tax & Rate Supported Operating Budgets and 10-Year Capital Plans

Project analysis, advisory, negotiation and project management services for major corporate initiatives such as Smart Track, Scarborough Subway, Waterfront Revitalization, Metrolinx projects

Establish annual municipal tax policies and rates to support the development of the Property Tax Levy

Provide objective assurance and advice to mitigate business risks, improve operations, and promote accountability

Maintain positive relations with the City's credit rating agencies

Oversight and quality assurance of financial/administrative controls to promote compliance with corporate policies

Who We Serve

Finance & Administration

- City Council and Committees
- City Manager & DCMs
- Staff - City Divisions
- Staff – Agencies & Boards

Beneficiaries

- Residents/Taxpayers
- Businesses

Corporate Finance

- City Council and Committees
- City Manager & DCMs
- Staff – City Divisions
- Staff – Agencies & Boards
- Toronto Investment Board

Beneficiaries

- Residents / Taxpayers
- Businesses

Financial Planning

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

Beneficiaries

- Residents / Taxpayers
- Businesses

Internal Audit

- City and Agency Staff
- Enterprise Risk Assurance Committee

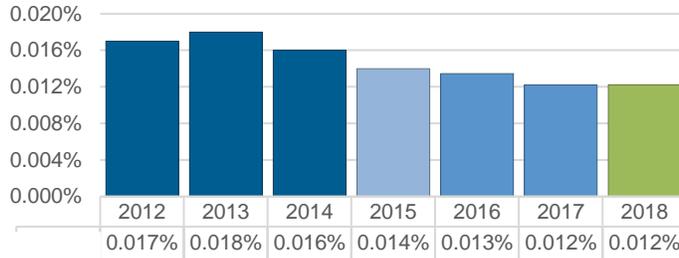
Beneficiaries

- Residents / Taxpayers
- Businesses

How Well We Are Doing

Performance Measures

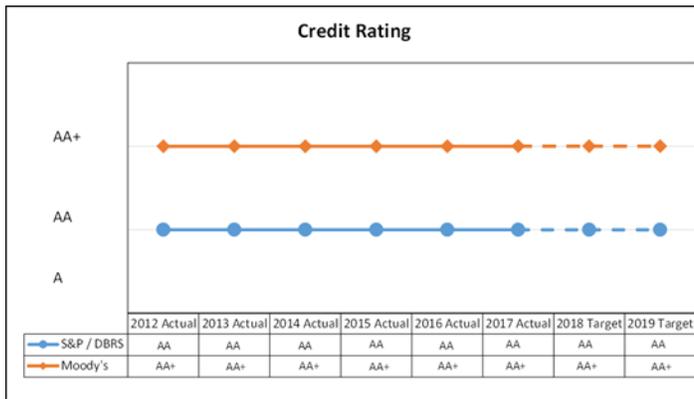
FPD Budget as a % of Total City Operating & Capital Budget and Plan



Behind the Numbers

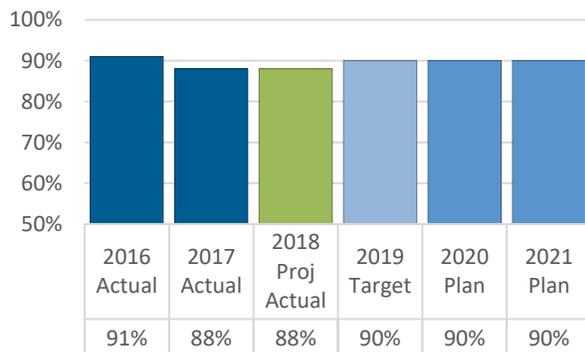
Financial Planning's Budget as a percentage of Total City Budget has trended downward and the division will strive to maintain or continue the trend, demonstrating ongoing efficiency given the size, scope and complexity of service, financial and capital issues, analyzed, managed, monitored and supported, as reflected in the combined City's Operating Budget and 10 Year Capital Plan.

Credit Rating



The City's credit rating has remained stable due to Toronto's strong and diversified economy, low debt burden, positive liquidity and prudent fiscal management.

% of Financial Analysis Reports Issued Within Set Timelines



Tracking of actuals for issuance of Financial Analysis Reports is consistent with the prior years' actuals. Finance & Administration is expecting to achieve 88% in 2018 and will strive for 90% in 2019 and in Outlook years.

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RECOMMENDATIONS

2019 STAFF RECOMMENDED OPERATING BUDGET

2019 - 2028 STAFF RECOMMENDED CAPITAL BUDGET & PLAN

ISSUES FOR DISCUSSION

APPENDICES

1. 2019 Organization Chart
2. 2019 Operating Budget by Service
3. 2019 Service Levels
4. Summary of 2019 Recommended Service Changes
5. Summary of 2019 Recommended New & Enhanced Service Priorities
6. 2019 User Fee Rate Changes
7. 2019 Capital Budget; 2020 - 2028 Capital Plan
8. 2019 Cash Flow & Future Year Commitments
9. 2019 Capital Budget with Financing Detail
10. Reserve and Reserve Fund Review

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RECOMMENDATIONS

RECOMMENDATIONS

The City Manager recommends that:

1. City Council approve the 2019 Staff Recommended Operating Budget for Office of the Chief Financial Officer & Treasurer of \$20.884 million gross, \$11.383 million net for the following services:

Service:	Gross (\$000s)	Net (\$000s)
Finance & Administration	2,490.7	2,378.4
Corporate Finance	6,194.9	1,763.4
Financial Planning	10,506.7	6,219.4
Internal Audit	1,691.2	1,021.9
Total Program Budget	20,883.5	11,383.0

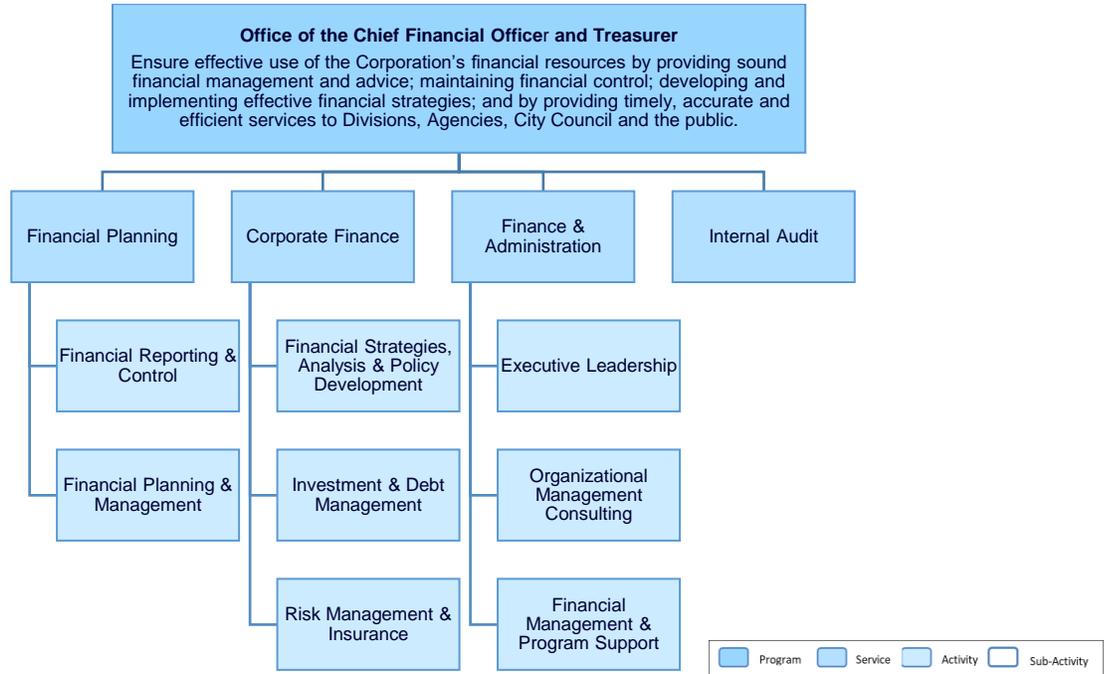
2. City Council approve the 2019 service levels for the Office of the Chief Financial Officer & Treasurer as outlined in Appendix 3 of this report, and associated staff complement of 147.0 positions, comprising of 23.0 capital positions and 124.0 operating positions.

3. City Council approve the 15 new temporary capital positions for the delivery of 2019 capital projects and that the duration for each temporary position not exceed the life and funding of its respective projects / sub-projects.



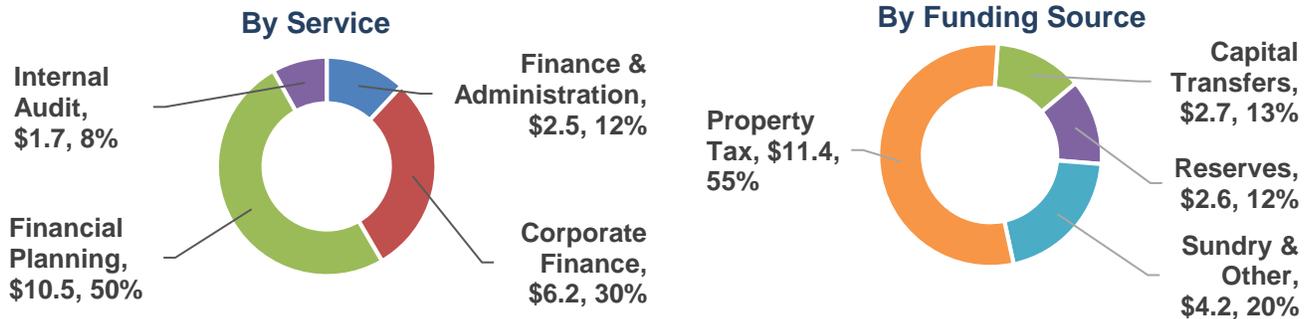
2019 STAFF RECOMMENDED OPERATING BUDGET

PROGRAM MAP



2019 OPERATING BUDGET HIGHLIGHTS

2019 Staff Recommended Operating Budget \$20.9M



- **0.2%** Budget reduction over the 2018 Approved Net Operating Budget to maintain existing service levels and providing funding for additional service demands.
- **\$0.103M** Increased recoveries from Rate Programs and corporate accounts for inflationary increases for direct support to these functions.
- **2020/2021** Increases primarily for known adjustments for salaries and benefits (progression pay/step increases, annualizations).

2019 OPERATING BUDGET OVERVIEW

Table 1: 2019 Staff Recommended Operating Budget and Plan by Service

(In \$000s)	2018		2019			Changes		Incremental Change	
	Budget	Projected Actual*	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	\$	%	\$	\$
Finance & Administration									
Gross Expenditures	2,490.6	2,259.6	2,490.7		2,490.7	0.0	0.0%	60.9	45.7
Revenue	112.3	112.3	112.3		112.3	0.0		0.0	0.0
Net Expenditures	2,378.3	2,147.3	2,378.4		2,378.4	0.0	0.0%	60.9	45.7
Corporate Finance									
Gross Expenditures	5,966.6	5,066.2	5,995.9	199.0	6,194.9	228.3	3.8%	211.6	114.2
Revenue	4,203.2	3,681.5	4,232.5	199.0	4,431.5	228.3	5.4%	157.5	72.0
Net Expenditures	1,763.4	1,384.7	1,763.4		1,763.4	(0.0)	(0.0%)	54.1	42.2
Financial Planning									
Gross Expenditures	9,328.8	7,648.0	10,506.7		10,506.7	1,178.0	12.6%	834.6	262.8
Revenue	3,109.4	2,202.0	4,287.4		4,287.4	1,178.0	37.9%	596.2	81.8
Net Expenditures	6,219.4	5,446.0	6,219.4		6,219.4	0.0	0.0%	238.4	181.0
Internal Audit									
Gross Expenditures	1,703.7	1,703.7	1,691.2		1,691.2	(12.6)	(0.7%)	17.8	38.2
Revenue	663.7	663.7	669.3		669.3	5.6	0.8%	0.0	0.0
Net Expenditures	1,040.1		1,021.9		1,021.9	(18.2)	(1.7%)	17.8	38.2
Total									
Gross Expenditures	19,489.8	16,677.5	20,684.5	199.0	20,883.5	1,393.7	7.2%	1,124.8	460.9
Revenue	8,088.6	6,659.5	9,301.5	199.0	9,500.5	1,411.9	17.5%	753.7	153.8
Total Net Expenditures	11,401.2	10,018.0	11,383.0		11,383.0	(18.2)	(0.2%)	371.2	307.1
Approved Positions	133.0	117.0	145.0	2.0	147.0	14.0	10.5%	(0.0)	0.0

* Year-End Projection Based on Q3 2018 Variance Report

Base Changes

(\$0.018M Net)

- Inflationary adjustments for salaries and benefits \$0.08M
- Increased recoveries from Rate Programs and corporate accounts for direct support to these functions (\$0.103M)
- 15 new capital delivery positions to support the Integrated Asset Planning and Management project which will be fully funded by the Capital Project.

New/Enhanced Service Priorities

(\$0.199M Gross / \$0 Net)

- 2 new positions to support development finance activities, including review of development funding requests, policy development and fulfilling requests for information and reports fully funded by Development Charges for zero net expenditure

Future Year Plan

- Increases in salaries and benefits mainly due to annualizations and progression pay/step increases

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in the Office of the Chief Financial Officer & Treasurer's 2019 Staff Recommended Operating Budget do not have any significant equity impacts.

2019 Staff Recommended Operating Budget Changes by Service

The 2019 Staff Recommended Operating Budget for the Office of the Chief Financial Officer & Treasurer is \$11.383 million net or 0.2% lower than the 2018 Council Approved Operating Budget. Table 2 below summarizes the key cost drivers to maintain current service levels, as well as recommended new and enhanced service priorities to meet outcomes.

Table 2: 2019 Staff Recommended Operating Budget Changes by Service

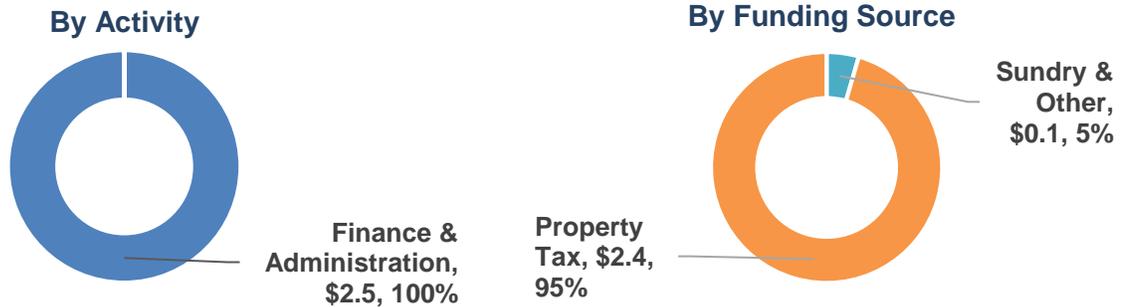
(In \$000s)	Services				Total	
	Finance & Administration	Corporate Finance	Financial Planning	Internal Audit	\$	Positions
	\$	\$	\$	\$		
2018 Council Approved Operating Budget (Net)	2,378.3	1,763.4	6,219.4	1,040.1	11,401.2	133.0
Base Expenditure Changes						
Prior Year Impacts						
Annualized costs for 2018 positions changes		11.2			11.2	
Delivery of Capital Projects						
Elimination of temporary positions for FPARS project (-\$0.406M Gross)						(3.0)
New temporary positions for IAPM project (\$1.475M Gross)						15.0
Salaries and Benefits						
Inflationary Increases in Salaries & Benefits	0.8	33.0	65.1	(12.3)	86.6	
Adjustments to Maintaining 2018 Gapping Rate	(0.8)	(2.4)	(4.5)	(0.3)	(8.0)	
Other Base Expenditure Changes						
Recoveries from Client Programs		0.1		(5.5)	(5.4)	
Sub-Total Base Expenditure Changes		41.9	60.6	(18.1)	84.4	12.0
Base Revenue Changes						
Recoveries from Rate Programs and corporate accounts		(41.9)	(60.6)		(102.5)	
Sub-Total Base Revenue Changes		(41.9)	(60.6)		(102.5)	
New & Enhanced Services						
Enhanced Service Priorities						
Additional Staff to Support Development Charge Services (\$0.199M Gross)						2.0
Sub-Total New & Enhanced Services¹						2.0
Total 2019 Staff Recommended Operating Budget (Net)	2,378.3	1,763.4	6,219.4	1,022.0	11,383.1	147.0

Note:

- For additional information, refer to [Appendix 5](#) (page 31) for the 2019 Staff Recommended New and Enhanced Service Priorities.

Finance and Administration provides financial management, program support and organizational management consulting to Finance & Treasury Services' programs so that they can focus on the strategic financial management of the City

2019 Staff Recommended Operating Budget \$2.5M



Refer to [Appendix 2](#) (page 22) for the 2019 Staff Recommended Operating Budget by Service.

Key Service Levels

Variance reports and performance statistics are prepared and consolidated quarterly

Cheque requisitions and goods receipts are processed within **3-5** business days

Purchase requisitions are processed within **5-10** business days

Time and attendance reporting and payroll are completed bi-weekly

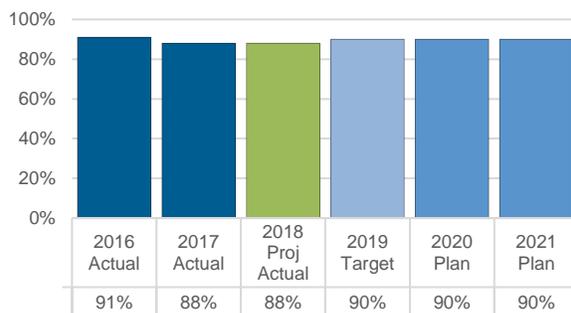
HR Organizational Management eRequest are reviewed and processed within **10** business days

Source of Image: www.icons8.com

Refer to [Appendix 3](#) (page 24) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

Service Performance Measures

% of Financial Analysis Reports Issued Within Set Timelines



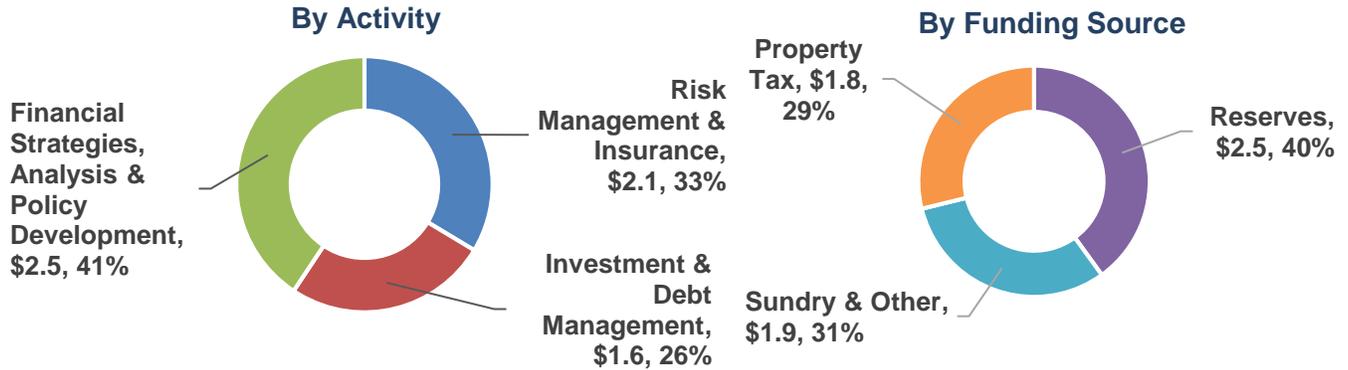
% of Account Analyses/Reconciliations Completed within Set Timelines



- Tracking of actuals for issuance of Financial Analysis Reports is consistent with the prior years' actuals.
- Finance & Administration is expecting to achieve 88% in 2018 and will strive for 90% in 2019 and in Outlook years.
- Tracking of actuals for Account Analyses/Reconciliations is consistent with the prior years' actuals.
- Finance & Administration is expecting to achieve 90% in 2018 and will continue for 90% in 2019 and in Outlook years.

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

2019 Staff Recommended Operating Budget \$6.2M



Refer to [Appendix 2](#) (page 22) for the 2019 Staff Recommended Operating Budget by Service.

Key Service Levels

- Return claim reports for City divisions to adjuster within **30** days of receipt of request
- Comments provided within **48** hours for most major procurement and contract reviews
- Review and prepare financial policy analysis meeting agenda closing deadline **100%** of the time

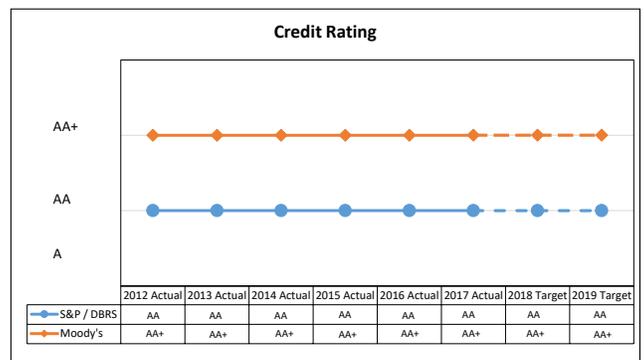
Source of Image: www.icons8.com

Refer to [Appendix 3](#) (page 24) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

Service Performance Measures

City of Toronto General Funds Investment Book Returns 2017 (\$millions)

Portfolio	Average Fund Balance	Earned Income	Earned Return on Capital
Bond	\$ 2,724.60	\$ 92.78	3.4%
Money Market & Cash	\$ 2,394.50	\$ 38.12	1.6%
Total General Funds	\$ 5,119.10	\$ 130.90	2.6%

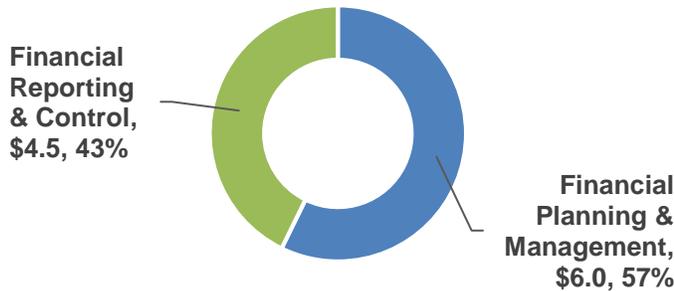


- The overall earned return on capital of 2.6% in 2017 was similar to the 2.6% and 2.7% returns realized in 2016 and 2015 respectively.
- The City's credit rating has remained stable due to Toronto's strong and diversified economy, low debt burden, positive liquidity and prudent fiscal management.

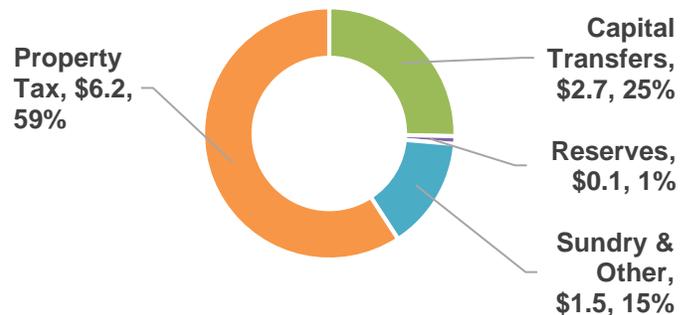
Financial Planning provides corporate financial planning, management, reporting and control services to achieve fiscal sustainability of the City in order to deliver programs & services to the public.

2019 Staff Recommended Operating Budget \$10.5M

By Activity



By Funding Source



Refer to [Appendix 2](#) (page 22) for the 2019 Staff Recommended Operating Budget by Service.

Key Service Levels

Notes released minimum **24** hours and Reports 7 days, prior to council/committee meeting

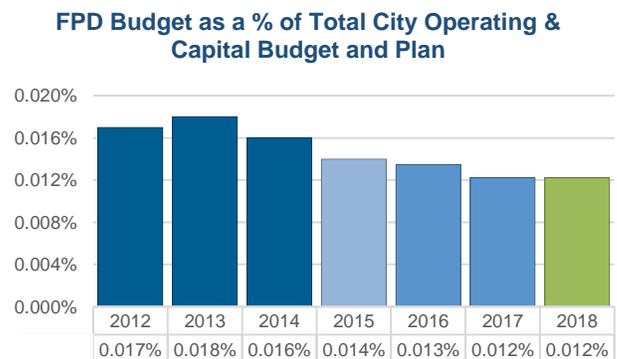
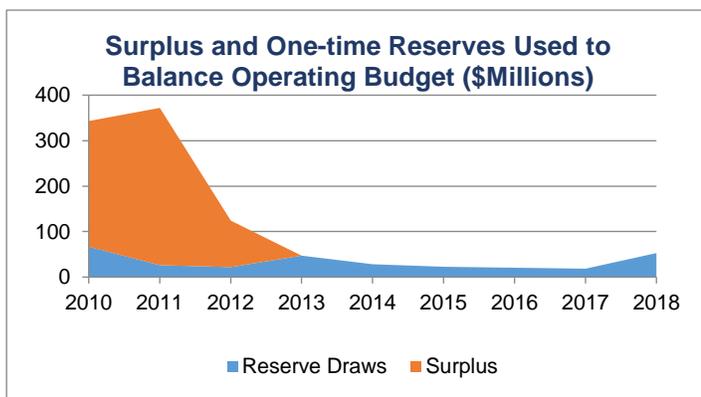
Provide decision support documentation in time to meet agenda closing deadlines

Provide variance reports to Budget Committee after **45** days of the reporting period closing

Source of Image: www.icons8.com

Refer to [Appendix 3](#) (page 24) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

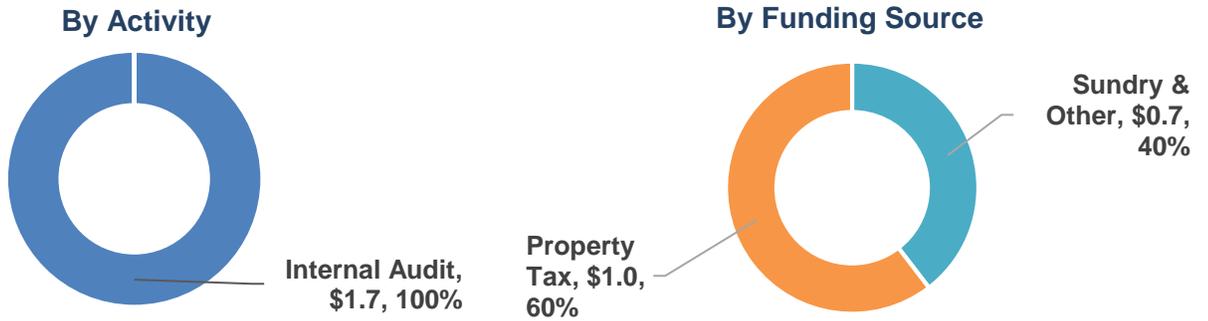
Service Performance Measures



- 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 \$53 million in 2018.
- Financial Planning's Budget as a percentage of Total City Budget has trended downward and the division will strive to maintain or continue the trend, demonstrating ongoing efficiency given the size, scope and complexity of service, financial and capital issues, analyzed, managed, monitored and supported, as reflected in the combined City's Operating Budget and 10 Year Capital Plan.

Internal Audit provides objective assurance and advice to help mitigate business risks, improve operations, as well as promote/assure fiscal responsibility, accountability and compliance with applicable policies and procedures.

2019 Staff Recommended Operating Budget \$1.7M



Refer to [Appendix 2](#) (page 22) for the 2019 Staff Recommended Operating Budget by Service.

Key Service Levels



Prioritize requests for review/audit based on assessment of risk



Respond to requests for advice within 2 business days



Obtain an average score of 4 out of 5 in the client satisfaction surveys pertaining to all audit completed

Source of Image: www.icons8.com

Refer to [Appendix 3](#) (page 24) for a complete list of the 2019 Staff Recommended Service Levels for this Service.

2018 OPERATING PERFORMANCE

2018 Service Performance

Key Service Accomplishments:

- Supported Chief Financial Officer & Treasurer in providing financial and administrative oversight for Financial and Treasury Services Division.
- Coordinated the development of 2019 Operating Budgets in accordance with divisional priorities and corporate guidelines and timelines.
- Coordinated the development of 2019 Capital Budget and 2020 to 2028 Capital Plans in accordance with corporate debt targets.
- Provided oversight of 2018 Operating (totaling \$94.3M gross and \$38.6M net) and Capital Budgets (totaling \$32.1M) for Finance and Treasury Services through monitoring, corrective action and variance reporting.
- Coordinated and managed organizational and complement changes for Finance and Treasury Services through oversight, tracking and reporting.
- Timely preparation and distribution of financial and management reports to Finance and Treasury Services divisions.
- Provision of accounting, payroll and purchasing services to support divisional operations. Ensured compliance with Legislation and Council approved policies and procedures.
- Produced Quarterly Management Information Dashboard for Chief Financial Officer & Treasurer and senior management.
- Continued the implementation of the Excellence Toronto initiative in Financial and Treasury Services to continue to build a culture of organizational excellence and systematically measure and continually improve in key organizational categories.
- Delivered 2019 Budget process and City's 2019 Tax & Rate Staff Recommended Operating Budgets and 10-Year Capital Plans for Council's approval.
- Completed comprehensive in-depth review (Phase 1) of the current Financial Control By-Law to provide framework for managing City finances, codification of current policies and practice and expansion to reflect the best practice in financial management and control based on four principles of Accountability, Agility, Control and Transparency.
- Completed Long-Term Financial Plan Model Report and including providing:
 - Deep-dive analysis on historical trend and drivers.
 - Predictive analysis on future opportunities and risks.
 - Leadership and support on the City's long term financial strategies with comprehensive financial analysis.
- Reviewed and provided analysis on Financial Implications for 1831 reports in 2018.
- Provided interim capital funding to TCHC in 2018 and 2019 preventing the closure of future units and bringing 143 units back into service.
- Toronto Police Service Transformation - managed oversight of 3rd Party review of alternative service delivery of Parking Tags Enforcement and Courts Security Operations.
- Transit Expansion – provided analysis to support the creation of the new Transit Expansion Office for the City of Toronto.
- CreateTO –working with CreateTO's to establish financial governance for the new City Agency.
- Project lead for all aspects of the City's development charges by-law review, including successful adoption of a by-law that came into effect on May 1, 2018

- Provided project analysis, advisory, negotiation and research services for major corporate initiatives - Toronto-York Spadina Subway Extension, SmartTrack, Waterfront Revitalization, Port Lands Acceleration Initiative, Scarborough Subway Extension, George Street Revitalization, St. Lawrence Market North, Rail Deck Park and Metrolinx
- Supported Toronto Investment Board with management of \$5 Billion investment and sinking fund portfolios
- Led inter-division team and industry stakeholders to recommended design, administration parameters, by-law features and obtain authorities to implement a new Municipal Accommodation Tax (MAT)
- Coordinated the development of Finance & Treasury Services' 2019 Operating and Capital Budgets and 2020 - 2028 Capital Plans in accordance with divisional priorities, corporate debt targets and corporate guidelines and timelines
- Led the formation of the Enterprise Risk Assurance Committee (ERAC), to enhance governance over the Internal Audit division. The Committee will recommend to the City Manager the annual risk-based Audit Plan of the Internal Audit Division; as well as provide strategic guidance and advice for the establishment of a City-wide enterprise risk management framework.
- Analyzed results from recent individual contract management reviews performed across the City to identify systemic issues to enable better contract management practices enterprise wide.
- Provided audit services to agencies without Internal Audit functions, including Exhibition Place, and Toronto Parking Authority.
- Provided ongoing support to ensure that issues experienced from the implementation of the new Workforce Management System (Kronos) at Toronto Paramedic Services are resolved, and risks are mitigated to an acceptable level.
- Developed a formalized protocol to inform City staff of their responsibilities when subject to an Auditor General Review.
- Assessed the risks to the City of proceeding with different courses of action to ensure the legacy email archive system, SilverDane is PCI compliant.

Status Update on 2018 Council Approved New & Enhanced Services

During the 2018 Budget process, City Council approved \$0.130 million gross and \$0 net for the new and enhanced services in the 2018 Operating Budget for Office of the Chief Financial Officer. A status on the implementation and results to-date are highlighted below:

Senior Investment Analyst to Support Investment Board

- The Senior Investment Analyst was hired in 2018 to provide support to Toronto Investment Board and respond to various requests for reports and other materials to ensure operation in an efficient and transparent manner.

2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2017 Actual	2018 Budget	2018 Projected Actual *	2019 Total Staff Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	14,895.4	18,553.4	15,611.7	19,940.0	1,386.6	7.5%
Materials & Supplies	14.1	39.2	39.2	40.2	1.0	2.5%
Equipment	15.8	42.1	52.9	48.1	6.0	14.3%
Service and Rent	649.7	709.8	785.8	709.8	0.0	0.0%
Contribution To Capital						
Contribution To Reserves/Reserve Funds	80.1	80.1	80.1	80.1		
Other Expenditures	0.0	0.5	0.5	0.5		
Inter-Divisional Charges	97.8	64.7	107.2	64.8	0.1	0.2%
Total Gross Expenditures	15,752.9	19,489.8	16,677.5	20,883.5	1,393.7	7.2%
Inter-Divisional Recoveries	3,436.5	4,100.1	3,677.8	4,203.3	103.3	2.5%
Provincial Subsidies						
Federal Subsidies						
Other Subsidies						
User Fees & Donations						
Licences & Permits Revenue						
Transfers From Capital	1,077.7	1,546.6	875.2	2,664.0	1,117.4	72.2%
Contribution From Reserves/Reserve Funds	1,852.4	2,399.9	2,064.5	2,591.1	191.2	8.0%
Sundry and Other Revenues	94.6	42.1	42.1	42.1		
Total Revenues	6,461.2	8,088.6	6,659.5	9,500.5	1,411.9	17.5%
Total Net Expenditures	9,291.7	11,401.2	10,018.0	11,383.0	(18.2)	(0.2%)
Approved Positions	104.0	133.0	117.0	147.0	14.0	10.5%

* Year-End Projection Based on Q3 2018 Variance Report

The Office of the Chief Financial Officer & Treasurer is projecting to be underspent by \$1.383 million at year-end, primarily due to vacancies.

For additional information regarding the 2018 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, 2018", adopted by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>

Impact of 2018 Operating Variance on the 2019 Staff Recommended Operating Budget

- As projected underspending in 2018 is driven by vacant positions and recruitment is underway to fill these vacancies, no impact is reflected in the 2019 Staff Recommended Operating Budget.



ISSUES FOR DISCUSSION

ISSUES IMPACTING THE 2019 BUDGET

2019 Budget Overview

2019 Operating Budget:

- The 2019 Staff Recommended Operating Budget for the Office of the Chief Financial Officer & Treasurer is \$20.884 million gross and \$11.383 million net representing a reduction of 0.2% from the 2018 Approved Operating Budget.
- The inflationary adjustments for salaries and benefits of \$0.086 million is fully offset by the increased recoveries from client programs and corporate accounts.
- The Staff complement will increase by a total of 14.0 from 2019 to 2018: a net increase of 12 temporary capital project delivery position and 2 new positions to support the New/Enhanced priorities.
- 15 new temporary capital delivery positions are required to support the Integrated Asset Planning and Management project which will be fully funded from the Capital Project; which will be partially offset by the elimination of 3 temporary positions for delivery of the *Financial Planning, Analysis & Reporting System (FPARS)* project that are no longer required.
- New and enhanced funding of \$0.199 million gross, \$0 net is recommended for the addition of two new positions that will provide support for development finance activities, including review of development funding requests, policy development and fulfilling requests for information and reports, and will be funded by Development Charge reserve funds for zero net expenditure.
- The 2019 Operating Budget provides funding for:
 - Provision of accounting, payroll, purchasing services to support the Office of CFO
 - Financial oversight of 2019 Operating Budget and 10-Year Capital Budget and Plan process
 - Provision of project analysis, advisory, negotiation and research services for major corporate initiatives and multi-lateral projects
 - Provision of financial planning and management analysis and advice, review of all Committee reports with financial implications
 - Provision of objective assurance and advice to help mitigate business risks, improve operations, as well as promote/assure fiscal responsibility, accountability and compliance with applicable policies and procedures.

OTHER ISSUES IMPACTING THE 2019 BUDGET

Transfer of Internal Audit from City Manager's Office (CMO) to Office of Chief Financial Officer & Treasurer

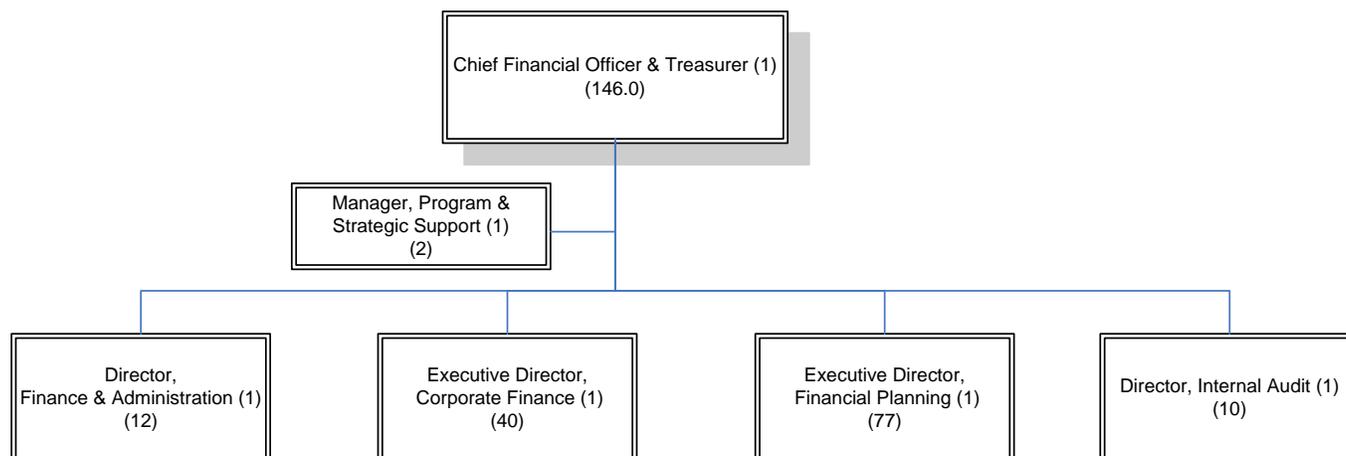
- On October 23, 2018, the City Manager issued a Reorganization Memorandum to align the administrative structure and related accountabilities with the goal of increasing the City's overall organization effectiveness. As a result, Internal Audit was transferred to the Office of the CFO & Treasurer from City Manager's Office to provide further focus on organizational compliance, performance and accountability.
- This resulted in the transfer of the Operating Budget (Gross \$1.704 million, Net \$1.040 million) and 11 permanent full-time positions to the Office of the CFO & Treasurer.



APPENDICES

Appendix 1

2019 Organization Chart



The 2019 total staff complement includes the Chief of Financial Officer & Treasurer and staff for a total of 147.0 positions, comprising 23.0 capital positions and 124.0 operating positions as summarized in the table below.

2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	5.0	20.0	83.0	16.0	124.0
	Temporary					-
	Total Operating	5.0	20.0	83.0	16.0	124.0
Capital	Permanent					-
	Temporary		1.0	22.0		23.0
	Total Capital	-	1.0	22.0	-	23.0
Grand Total		5.0	21.0	105.0	16.0	147.0

Appendix 2

2019 Operating Budget by Service

Finance and Administration

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
Organizational Management Consulting								
Gross Expenditures	299.2	302.8	0.0	302.8	3.7	1.2%	9.0	7.1
Revenue	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
Net Expenditures	299.2	302.8	0.0	302.8	3.7	1.2%	9.0	7.1
Executive Leadership								
Gross Expenditures	761.4	747.9	0.0	747.9	(13.5)	(1.8%)	19.5	14.9
Revenue	112.3	112.3	0.0	112.3	0.0		0.0	0.0
Net Expenditures	649.1	635.6	0.0	635.6	(13.5)	(2.1%)	19.5	14.9
Financial Management & Program Support								
Gross Expenditures	1,430.0	1,439.9	0.0	1,439.9	9.9	0.7%	32.4	23.8
Revenue	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
Net Expenditures	1,430.0	1,439.9	0.0	1,439.9	9.9	0.7%	32.4	23.8
Total								
Gross Expenditures	2,490.6	2,490.7	0.0	2,490.7	0.0	0.0%	60.9	45.7
Revenue	112.3	112.3	0.0	112.3	0.0		0.0	0.0
Total Net Expenditures	2,378.3	2,378.4	0.0	2,378.4	0.0	0.0%	60.9	45.7
Approved Positions	17.0	17.0	0.0	17.0	(0.0)	(0.0%)	0.0	0.0

Corporate Finance

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
Risk Management & Insurance								
Gross Expenditures	2,103.3	2,082.5	0.0	2,082.5	(20.8)	(1.0%)	56.7	35.9
Revenue	2,160.1	2,154.4	0.0	2,154.4	(5.7)	(0.3%)	64.7	42.7
Net Expenditures	(56.9)	(71.9)	0.0	(71.9)	(15.1)	26.5%	(8.0)	(6.9)
Investment & Debt Management								
Gross Expenditures	1,590.6	1,592.8	0.0	1,592.8	2.2	0.1%	32.2	24.4
Revenue	1,520.6	1,529.0	0.0	1,529.0	8.4	0.6%	28.6	21.1
Net Expenditures	70.0	63.7	0.0	63.7	(6.2)	(8.9%)	3.6	3.4
Financial Strategies, Analysis & Policy Development								
Gross Expenditures	2,272.8	2,320.7	199.0	2,519.6	246.9	10.9%	122.7	53.9
Revenue	522.5	549.1	199.0	748.0	225.6	43.2%	64.2	8.2
Net Expenditures	1,750.3	1,771.6	0.0	1,771.6	21.3	1.2%	58.5	45.7
Total								
Gross Expenditures	5,966.6	5,995.9	199.0	6,194.9	228.3	3.8%	211.6	114.2
Revenue	4,203.2	4,232.5	199.0	4,431.5	228.3	5.4%	157.5	72.0
Total Net Expenditures	1,763.4	1,763.4	0.0	1,763.4	(0.0)	(0.0%)	54.1	42.2
Approved Positions	39.0	39.0	2.0	41.0	2.0	5.1%	(0.0)	0.0

Financial Planning

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
Financial Reporting & Control								
Gross Expenditures	2,628.4	2,888.6	0.0	2,888.6	260.2	9.9%	166.0	70.7
Revenue	591.4	773.0	0.0	773.0	181.5	30.7%	90.9	4.1
Net Expenditures	2,037.0	2,115.6	0.0	2,115.6	78.7	3.9%	75.1	66.7
Financial Planning & Management								
Gross Expenditures	6,700.4	7,618.1	0.0	7,618.1	917.8	13.7%	668.6	192.1
Revenue	2,518.0	3,514.4	0.0	3,514.4	996.4	39.6%	505.3	77.8
Net Expenditures	4,182.4	4,103.7	0.0	4,103.7	(78.7)	(1.9%)	163.3	114.3
Total								
Gross Expenditures	9,328.8	10,506.7	0.0	10,506.7	1,178.0	12.6%	834.6	262.8
Revenue	3,109.4	4,287.4	0.0	4,287.4	1,178.0	37.9%	596.2	81.8
Total Net Expenditures	6,219.4	6,219.4	0.0	6,219.4	0.0	0.0%	238.4	181.0
Approved Positions	66.0	78.0	0.0	78.0	12.0	18.2%	(0.0)	0.0

Internal Audit

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
Internal Audit								
Gross Expenditures	1,703.7	1,691.2	0.0	1,691.2	(12.6)	(0.7%)	17.8	38.2
Revenue	663.7	669.3	0.0	669.3	5.6	0.8%	0.0	0.0
Net Expenditures	1,040.1	1,021.9	0.0	1,021.9	(18.2)	(1.7%)	17.8	38.2
Total								
Gross Expenditures	1,703.7	1,691.2	0.0	1,691.2	(12.6)	(0.7%)	17.8	38.2
Revenue	663.7	669.3	0.0	669.3	5.6	0.8%	0.0	0.0
Total Net Expenditures	1,040.1	1,021.9	0.0	1,021.9	(18.2)	(1.7%)	17.8	38.2
Approved Positions	11.0	0.0	0.0	11.0	0.0		(11.0)	0.0

Appendix 3

2019 Service Levels Finance & Administration

Financial Management & Program Support

Activity	Type	Status	2015	2016	2017	2018	2019
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, Overtime Reports and detailed payroll 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			
Approved			Pcard transactions are reviewed and approved monthly				Pcard transactions are reviewed and approved monthly
Purchasing		Approved	Contract release orders (CRO), divisional purchase orders (DPO), material stores requisitions are processed within 3-5 business days				Contract release orders (CRO), 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

Financial Management & Program Support - continued

Activity	Type	Status	2015	2016	2017	2018	2019
Program Support	Organizational Support	Approved	Organizational charts are revised as required				Organizational charts are revised as required
		Approved	HR Organizational Management eRequests (HOMeR) 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 CFO approval within 5-8 days of receipt				Staff requisition requests are reviewed and sent for CFO approval within 5-8 days of receipt
		Approved	Cluster summary of Conferences/seminars is compiled annually for CFO's approval				Cluster summary of Conferences/seminars is compiled annually for CFO's approval

The 2019 Service Levels are consistent with the approved 2018 Service Levels for Finance & Administration.

Corporate Finance**Investment and Debt Management**

Activity	Type	2016	2017	2018	2019
Investment Management	Short Term fund (formerly known as Money Market Funds prior to 2018)	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.	Transition to Toronto Investment Board administration.		Support the Toronto Investment Board with the management of the Sinking Fund.
	Long Term fund (formerly known as Bond Fund prior to 2018)	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.	Transition to Toronto Investment Board administration.		Support the Toronto Investment Board with the management of the Long Term Fund.
	City Owned Subsidiaries	Upon request, Shareholder oversight review of City's investment in Government Business Enterprises. Regular analysis of 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 periodically.			
Debt Management	City's Divisions and Corporations, and third party	Upon request, provide financial assessment, oversight, advice and reports on their financing or investment programs.			
	Debt strategy for owned subsidiaries	Develop and get Council approval of dividend policies for THC, TCH, CreateTO.			
	Credit 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	Attend 4 investor conferences, give presentations and meet upon		
	Third Party	In accordance with each security being reviewed			
	Debentures	Interest rates and issuing spreads change on a daily basis based on capital market conditions. Credit ratings are generally assessed and issued once per year.			

Risk Management and Insurance

Activity	Type	2016	2017	2018	2019
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.			
	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.			
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.			
	Insurance ~ Insurance Consulting	In accordance with each contract being reviewed.			
	Insurance ~ Performance Bonds	In accordance with each issue being reviewed.			
	Risk Management ~ Consultation and Advice	In accordance with each issue being reviewed.			
	Risk Management ~ Strategies and Policies	In accordance with each issue being reviewed.			

Financial Strategies, Analysis and Policy Development

Activity	Type	Sub-Type	2016	2017	2018	2019
Financial and Business Analysis	Business Analysis ~ Major project procurement and contract review	Cost sharing, fiscal arrangements	Initial 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 taxes, fees and charges.			
	Business Analysis ~ RFP/RFQ evaluation		In accordance with each bid being reviewed.			
	Major City-Building Initiatives		Reports and presentations prepared in accordance with Council Committee deadlines and the timing of the budget process.			
	Public-Private partnerships and other infrastructure procurements		Lead/support P3 screening for major capital upon request and for Federal P3 funding on time minimizing capital costs and optimizing cost vs. risk, and Federal contributions potentially related to solid waste, transportation infrastructure, housing and water (including storm and sanitary systems).			
	Asset Optimizing and Financing		Delivered within negotiated timelines.			
	Real Estate/ Land Development Transactions		Responses are concluded as quickly as possible taking into consideration the nature of the request and time involved, along with the consideration of other priorities.			
Advisory and Negotiation	Financial Advisory /Strategy ~ Long Term financial planning	Funding programs	Monitor and provide support for funding arrangements for social housing funding and transit. Lead identified aspects of the City's Long Term Financial Plan within City Manager timelines.			
	Financial Advisory /Strategy ~ Project Management and Capital Financing		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.			
	Financial Advisory/Strategy ~ Negotiating Intergovernmental financing agreements		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		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 and adapting to legislative changes such as social housing funding, Metrolinx allocation of revenues, development charges, etc.			

Financial Strategies, Analysis and Policy Development - continued

Activity	Type	Sub-Type	2016	2017	2018	2019
Financial Policy Development	Financial Policy ~ City of Toronto Act Taxes		Provide advice in regard to application of Part X tax authorities 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.			
	Financial Policy ~ Property tax	Service agreement negotiations	As required for each new reserve fund and in accordance with Committee schedules and deadlines.			
	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.			
	Financial Policy ~ Capital financing	Right of way contributions	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		Meeting agenda closing deadlines 100% of the time.			
	Intergovernmental funding, cost allocation and legislative frameworks		Meeting agenda closing deadlines 100% of the time.			
Development Financing	Development Financing		Delivered within negotiated timelines 100% of the time. On-going discussion and negotiations with Province regarding legislative reform.			
	Development Charge By-law	Background Study & By-law	Bring forward area specific background study and revised by-law for port lands area.	Undertake DC Background Study and Bylaw Review process.		
		Administration & Implementation	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.			
		Reporting	Delivered within negotiated timelines 100% of the time.			
Capital Financing Tools		Delivered within negotiated timelines 100% of the time.				

Financial Planning

Financial Planning & Management

Activity	Type	Sub-Type	Service Level Description	Status	2015	2016	2017	2018	2019	
Budgeting	Operating	Analysis/ Recommendation provided	Balanced Operating Budget approved annually in accordance with Council's mandates	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Decision Support	Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting	Approved	100%	100%	100%	100%	100%	100%
				Actual	100%	100%	100%	100%		
		Process Management	Guidelines-updated and released 6 weeks in advance of submission deadlines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
	Capital	Analysis/ Recommendation provided	A recommended Capital budget and plan, annually, in accordance with council's mandates	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Decision Support	Released at least 24 hours for notes and 7 days for Reports, prior to council / committee meeting	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Process Management	Guidelines-updated and released 6 weeks in advance of submission deadlines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
Financial Advice	Decision Support	Reports	Meeting agenda closing deadlines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Council Support	Meeting agenda closing deadlines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Initiatives	Meeting agenda closing deadlines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Issues Management	Responses released within prescribed timelines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
	State of Financial Affairs	Issues Management	Responses released within prescribed timelines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Intergovernmental	Provided necessary information to support negotiated stance,	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Stakeholder Relations (Media/ Council/ Public)	Responses released within prescribed timelines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
Financial Planning and Policy	Program/ Service Review	Analysis/Recomm endation/Decision Support	Analysis provided and Inquiries addressed within prescribed timelines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
		Process Management	Guidelines-updated and released 6 weeks in advance of submission deadlines	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		
	Policy Development and Review		Review policies once per year,	Approved	100%	100%	100%	100%	100%	
				Actual	100%	100%	100%	100%		

Financial Reporting & Control

Type	Sub-Type	Service Level Description	Status	2015	2016	2017	2018	2019
Budget Monitoring & Control	Operating - Variance	At the first scheduled Budget Committee meeting after 45 days of the reporting period closing	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
	Capital - Variance	At the first scheduled Budget Committee meeting after 45 days of the reporting period closing	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
	Ad hoc (request)	Responses released within prescribed timelines	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
	Active Monitoring	Once per quarter	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
	In-Year Adjustments	Operating/ Capital budget adjustment requests reviewed in advance of Agenda closing deadlines	Approved	100%	100%	100%	100%	100%
			Actual	100%	100%	100%	100%	
	Reports Drafted/Reviewed	Number of Reports and NOM Drafted or Reviewed	Approved	N/A	N/A	N/A	N/A	N/A
			Actual	1940	1721	1951	1094 (end of Aug 2018)	
Complement Management Control	Reviewing submitted Human Resources Org. Mgtment eRequests for Financial Implications within 7 days	Approved	100%	100%	100%	100%	100%	
		Actual	100%	100%	100%	100%		

Internal Audit

Type	Status	2015	2016	2017	2018	2019
Business & Risk Consulting		Prioritize requests for review/audit based on assessment of risk			Prioritize requests for review/audit based on assessment of risk	Prioritize requests for review/audit based on assessment of risk
	Approved			100%		
	Actual			100%		
		Respond to requests for advice within two business days			Respond to requests for advice within two business days	Respond to requests for advice within two business days
Audit Reporting	Approved			100%		
	Actual			100%		
Audit Reporting		Obtain an average score of 4 out of 5 in the client satisfaction surveys pertaining to all audit completed.			Obtain an average score of 4 out of 5 in the client satisfaction surveys pertaining to all audit completed.	Obtain an average score of 4 out of 5 in the client satisfaction surveys pertaining to all audit completed.
	Approved			4		
	Actual			4.5		

Appendix 5

Summary of 2019 New / Enhanced Service Priorities

New / Enhanced Service Description (in \$000s)	New and Enhanced Services Priorities								Total			Incremental Change				
	Finance & Administration		Corporate Finance		Financial Planning		Internal Audit		\$	\$	Position	2020 Plan		2021 Plan		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.	
Enhanced Service Priorities																
Staff Initiated:																
Additional Staff to Support Development Charge Services			199.0						199.0		2.0					
Sub-Total Staff Initiated			199.0						199.0		2.0					
Total Enhanced Services			199.0						199.0		2.0					
New Service Priorities																
Total 2019 New / Enhanced Services			199.0						199.0		2.0					

2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Finance and Treasury Services Program - Office of the Chief Financial Officer	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
18116		Additional Staff to Support Development Charge Services						
72	No Impact	Description:						

The Strategic Initiatives and Intergovernmental (SII) Finance Section does not currently have the staff resources to adequately support the increased volume and complexity of land development and related funding strategies. SII Section needs to provide timely advice to support budget submissions, forecasts and corporate priorities. Funding of \$0.199 million gross and \$0 net is recommended for two new positions, one Senior Financial Analyst and one Financial Analyst, who will have the main responsibility of supporting development finance activities, such as the review of development funding requests, developing policies and fulfilling requests for information and reports and other duties that may be required to support development finance activities.

Service Level Impact:

The amount of land development activity in Toronto has increased significantly and development charges revenues have increased from \$65 million in 2007 to and forecast \$500 million annually by 2021. The additional staff will be supporting the City's \$39 billion 10-year tax and rate supported capital budget and plan, assist with policies and analysis to allocate the City's approximate \$5 billion development charges revenues over 10-years, preparing or supporting staff reporting, analysis, motions, development funding strategies. In addition, staff will support: a) New approved service levels for section 20 development charges complaints investigations, b) Development charges credit proposals, ensuring they meet CFD requirements and are tracked against revenue projections, c) Research and development of development charges policies such as affordable housing support, non-residential exemption policies, geographic disparities, etc., d) Budget advice respecting funding policies and expectations, e) Current and new policies and programs, business intelligence, modelling and analytics related to exemptions, rebates, deferrals etc.

Equity Statement:

The proposal is unlikely to have an equity impact.

Service: CPF-Financial Strategies, Analysis & Policy Development

Total Staff Recommended Changes:	199.0	199.0	0.0	2.00	0.0	0.0
Staff Recommended New/Enhanced Services:	199.0	199.0	0.0	2.00	0.0	0.0

Summary:

Staff Recommended New / Enhanced Services:	199.0	199.0	0.0	2.00	0.0	0.0
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Category:

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2019 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			5,784.8	5,474.5	5,163.7
DC RF - Development Studies	XR2120				
<i>Withdrawals (-)</i>			(310.3)	(310.8)	(311.3)
Total Reserve / Reserve Fund Draws / Contributions		5,784.8	5,474.5	5,163.7	4,852.4
Balance at Year-End		5,784.8	5,474.5	5,163.7	4,852.4

* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			3,274.7	3,272.2	3,269.7
DC RF - Civic Improvements	XR2121				
<i>Withdrawals (-)</i>			(2.5)	(2.5)	(2.5)
Total Reserve / Reserve Fund Draws / Contributions		3,274.7	3,272.2	3,269.7	3,267.1
Balance at Year-End		3,274.7	3,272.2	3,269.7	3,267.1

* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			10,607.6	10,541.3	10,453.7
Dev Chgs RF - Transit	XR2109				
<i>Withdrawals (-)</i>			(66.3)	(87.6)	(90.1)
Total Reserve / Reserve Fund Draws / Contributions		-	10,541.3	10,453.7	10,363.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		10,607.6	10,541.3	10,453.7	10,363.6

* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			56,746.8	56,680.5	56,592.9
Dev Chgs RF - Roads & Related	XR2110				
<i>Withdrawals (-)</i>			(66.3)	(87.6)	(90.1)
Total Reserve / Reserve Fund Draws / Contributions		-	56,680.5	56,592.9	56,502.8
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		56,746.8	56,680.5	56,592.9	56,502.8

* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			66,939.4	66,873.1	66,785.6
Dev Chgs RF - Water	XR2111				
<i>Withdrawals (-)</i>			(66.3)	(87.6)	(90.1)
Total Reserve / Reserve Fund Draws / Contributions		-	66,873.1	66,785.6	66,695.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		66,939.4	66,873.1	66,785.6	66,695.5

* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			31,921.8	30,027.2	28,076.8
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>			(1,974.7)	(2,030.6)	(2,066.4)
<i>Contributions (+)</i>			80.1	80.1	80.1
Total Reserve / Reserve Fund Draws / Contributions		-	30,027.2	28,076.8	26,090.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		31,921.8	30,027.2	28,076.8	26,090.5

* Based on 9-month 2018 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2018 *	Withdrawals (-) / Contributions (+)		
			2019	2020	2021
		\$	\$	\$	\$
Beginning Balance			167,940.5	167,835.9	167,731.3
Section 37 Reserve Fund	XR3026				
<i>Withdrawals (-)</i>			(104.6)	(104.6)	(104.6)
Total Reserve / Reserve Fund Draws / Contributions		-	167,835.9	167,731.3	167,626.8
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		167,940.5	167,835.9	167,731.3	167,626.8

* Based on 9-month 2018 Reserve Fund Variance Report