

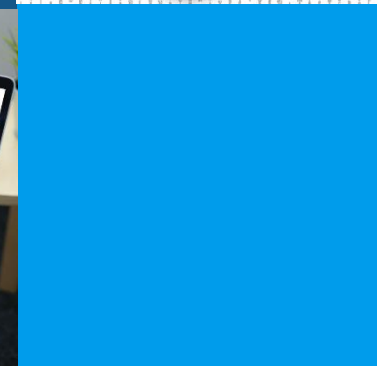
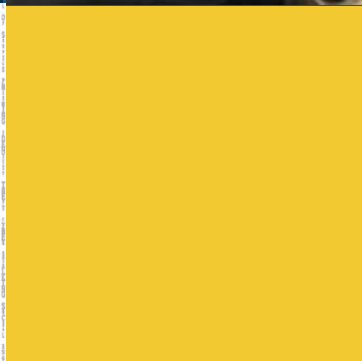
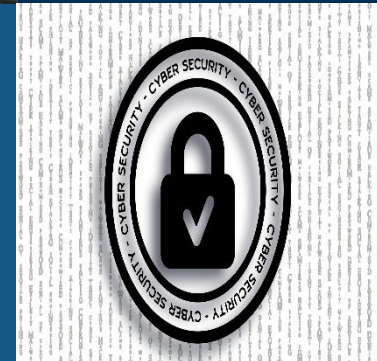
BUDGET TO

Corporate Services

2022 Operating Budget and
2022-2031 Capital Budget & Plan
Briefing to Budget Committee

January 20, 2022

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at marco.cuoco@toronto.ca.



Outcomes

Strategic Outcomes



Housing

All Torontonians have access to **housing that is safe, affordable and suitable to their needs.**



Mobility

Toronto's **transportation network is accessible, resilient and reliable**, where residents and businesses are **connected** to vibrant communities.



Climate Action

Toronto's **climate action initiatives mitigate the impact of climate events** on the well being and prosperity of residents and businesses.



People & Neighbourhoods

All Torontonians **feel safe and secure**, and **live in healthy, inclusive and culturally rich neighbourhoods.**

Toronto's **economy is resilient and prosperous** with opportunities for residents and businesses.



Equity

All Torontonians have **equitable access to City services** and **poverty is mitigated**, especially for Indigenous, Black and equity-seeking groups.

Corporate Outcomes



A Well-Run City

Toronto's **municipal operations are effective, efficient and resilient** in order to support service delivery.

Toronto's **residents and businesses can conveniently transact and interact with their municipal government** where, when and how they want.



Financial Sustainability

Toronto's **funding for services is adequate and sustainable** to meet the needs of Toronto residents and businesses in the near and long term.

Toronto's **tax dollars are invested in services with the highest value** for residents and businesses.

Corporate Services – Enabler to Achieve Strategic & Corporate Outcomes

311 Toronto



Single point of access to real time, accurate and reliable information on City services **anytime and anywhere**

Environment & Energy



Ensure residents, businesses and City Divisions have reliable, timely and implementable information and tools to understand what actions they can take to **minimize their environmental impact** so that people in Toronto live, work, build and commute in a city where **GHG emissions are minimized**

Office of the Chief Information Security Officer



Minimize the impact of **cyber incidents** that negatively impact the City, **build resilience**, and promote financial sustainability through efficient and/or **streamlined processes**

Fleet Services



Ensure City Divisions, Agencies and Corporations **have safe, available, reliable and environmentally sustainable fleet assets** to meet their service delivery requirements

Corporate Real Estate Management



Provide access to **safe, clean and operational City facilities** and ensure they are **economically and environmentally sustainable**

Technology Services



Leads **innovative technology services** and solutions that effectively supports the delivery of City services by ensuring the City's technology environment is **resilient, robust and agile** so that City divisions, residents and businesses experience **reliable business continuity** that meets their service delivery requirements

Corporate Services - Scope of Service Delivery

311 Toronto



Provide access to non-emergency City services, programs and information 24 hours a day, seven days a week in over 180 languages. Over 400,000 service requests in 2021

Office of the Chief Information Security Officer



Builds cyber resiliency and cyber intelligence capabilities into the City of Toronto to be able to predict, prevent and respond to emerging cyber threats

Corporate Real Estate Management



Life cycle asset management at over 485 facilities with project management and operational support services across the City portfolio



Manage over 1,000 leases of City space and provide property management services and support City-wide

Environment & Energy



Leads, fosters, coordinates and supports city action towards achieving Toronto's greenhouse gas reduction targets outlined in TransformTO, the City of Toronto's climate change action strategy

Fleet Services



Stewardship over 8,000 fleet assets and a network of fuel sites and electric vehicle charging points – The largest municipal fleet in Canada and one of the most specialized and diverse in North America

Technology Services



> 850 enterprise and business solutions/applications



24,000+ computers



22,000+ Mobile Devices



3 data centres
1,900 servers
7x24x365



780+ City facilities networked
84,000+ switches, routers, hubs & ports

Corporate Services Priority Areas



Modernizing Government

- **Customer Experience** - Deliver accessible, simplified & enhanced City services to the public and businesses across multiple channels (i.e. online, phone, in-person). Future focused with accelerating digital services & processes (i.e. payments, service requests, appt booking).
- **Workplace Modernization Program** - Enable the delivery of City priorities through effective use of real estate, modern office space, and flexible work culture
- **Digital Equity** - address structural barriers and improve digital access for all customers and households; ensure City residents are connected – not divided – by technology
- **Corporate Standardization & Centralization** – Centralizing & integrating key corporate services to create greater value, efficiencies, & standards processes across the City (i.e., City-wide Real Estate, Fleet, Technology and Cybersecurity)

A Well – Run City

Financial Sustainability

Housing

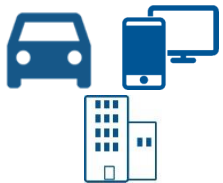
People & Neighbourhoods



Climate Action

- Lead the implementation of **TransformTO** to support a net zero city by 2040
- Support climate-informed decision-making and the implementation of carbon reduction projects cross-corporately and community-wide
- Implement the Net Zero Carbon Plan for City-owned buildings, reduce GHGs and build resilience in City facilities

Climate Action



Asset Lifecycle Management

- Safe, compliant and accessible assets to deliver City services
- Optimize use of City assets to achieve greatest value and to serve a growing city
- Accelerate data analysis and data sharing capabilities for City programs

Financial Sustainability

A Well – Run City



Resilience

- Invest in and strengthen the City's technology infrastructure to allow for a more resilient and agile workforce
- Enhance the City's **cyber resilience** to minimize impacts of cyber attacks

A Well – Run City

2021 Experience and Success



Modernizing Government

- **Delivered new customer experience and digital service options for the public:**
 - Digitized 311 Toronto service experience (600 service requests), est. 311 overhead cost reductions up to 90% per call
 - Digitizing payments starting with property tax and utilities
 - New online appointment booking system for in-person services
 - Introduced the COVID-19 chatbot pilot, over 61K questions from Torontonians and freed up 311 and Public health phone lines
- **Implementation of ModernTO Workplace Modernization Program:**
 - Supporting CreateTO to unlock ~\$450 million in land value to be leveraged to support City building priorities
 - Draft Plan completed to reduce City office area by 1 million sf generating ~\$26 million in annual operating cost savings once fully implemented
 - Deploying Microsoft 365 - collaboration platform, initiated a limited product release for 200+ staff
- **Scaled the City's digital service delivery and telework capacity:**
 - Enabled 11,000 users to work remotely, supporting 192 hybrid legislative meetings, including council and committee meetings, 18 days of virtual Council meetings, and 78 press conferences



Climate Action

- **Provided leadership and support on the implementation of TransformTO:**
 - Support initiatives across City Agencies, Corporations, and Divisions
 - Approval of the Net Zero Existing Building Strategy
 - Expanded Green Will initiative to 22 building portfolios
- **Developed the TransformTO Net Zero Strategy** outlining the path to a net zero city by 2040 and the Net Zero Carbon Plan which provides a roadmap to achieve net zero emissions in City buildings in support of TransformTO goals
- **Implementing a major expansion of the City's corporate electric vehicle charging infrastructure** that will enable and support an accelerated transition of City Fleets to electric vehicles

2021 Experience and Success



Asset Lifecycle Management

- **Completed critical State of Good Repair (SOGR) projects at approx. 20% of 485 City-owned properties** under management, with numerous other SOGR projects active and ongoing to ensure safe and operational facilities for City staff and the public
- **Kept City facilities clean, safe, and secure** to protect the health and safety of staff providing critical response and recovery support and services. Fire life safety compliance city wide improved by 17%.
- **Secured additional rental vehicles to ensure health and safety of City staff** and support the increased need for vehicles for vaccination programs response such as outreach, mobile vaccination and clinics
- **Provided strategic planning and execution of the City's Return-to-Office Program** to plan for an eventual safe transition back into the office for City of Toronto office staff



Resilience

- **Deployed new tools for remote meetings and collaboration** to over 22,000 users
- **Built the Cyber practice**, following the creation of the Office of the CISO division in 2020 and conducted over 190 cyber assessments to minimize the risk and enhanced City's cyber defence and protection of digital assets
- **Set up technology and provided on-site support for the nine Mass Immunization Clinics** with up to 40 stations per location.
- Sourced and secured sites in support of the City's **shelter system** and **Rapid Housing Initiative** program and provided project management support services to accelerate **Modular Housing** in an effort to protect the City's most vulnerable and minimize the spread of COVID-19
- **311 Toronto: 279,000 COVID-19 contacts handled in 2021** (phone, email, web) and **30,000 enforcement requests** initiated

2022 Budget Overview

Operating Budget							
\$ Thousands	2021 Budget	2021 Projection*	2022 Budget	Chg from 2021 Proj.		OUTLOOKS	
				\$	%	2023	2024
Revenues	\$178,144	\$157,473	\$180,019	\$22,546	14.3%	\$168,394	\$168,845
Gross Expenditures	\$461,343	\$427,339	\$495,035	\$67,696	15.8%	\$513,122	\$518,914
Net Expenditures	\$283,199	\$269,867	\$315,017	\$45,150	16.7%	\$344,727	\$350,069

*Projection based on 9 Month Variance

10 Year Capital Budget & Plan

\$ Thousands	2022	2023-2031	Total
Gross Expenditures	499,040	2,854,128	3,353,168
Debt	238,752	754,147	992,899

Note: Includes 2021 carry forward funding to 2022

2022 Priority Actions



Modernizing Government

- Accelerate **Digital Transformation** of City services to build additional business resiliency & meet public expectations. Examples include ConnectTO, Concept to Keys (C2K), unified and standardized customer experience (i.e., payments, service requests). Advance innovative initiatives and partnerships to accelerate digital services including payments, appointment bookings, permits/licenses, complaints, etc.
- Development & implementation of a new customer service operating model structure
- **Standardization & centralization** of critical corporate functions including the City's real estate, fleet, technology and cybersecurity functions to create greater value, efficiencies and common standards through these services
- Implementation of the **Workplace Modernization Program** and Return to Office Program



Climate Action

- Implementation of the Council approved **TransformTO strategies including net zero workplan**
- Implement and accelerate the Sustainable Fleets Plan, Net Zero Strategy for Existing Buildings, and the Net Zero Carbon Plan for City-owned buildings to meet GHG emission reduction targets and service levels by 2040
- Implementation of carbon reduction projects cross-corporately and community-wide



Asset Lifecycle Management

- Life Cycle Asset Management Program for **City facilities, investment in SOGR** and continued optimization of Fleet assets
- Continue implementation of the **City-wide fire and life safety** Master Fire Program working towards achieving at least 95 per cent compliance with the Ontario Fire Code
- Continued investment in optimizing and modernizing the City's technology assets to meet business and resident needs



Resilience

- On-going, proactive **investment in technology** and people to mitigate enterprise risk, and maintain business continuity
- Enhanced **Cybersecurity controls** and processes for ongoing threat monitoring and threat intelligence to address increasing volume of cyber threats
- **Enable the delivery of housing and shelter initiatives**, increased and accelerated due to the pandemic, through corporate real estate expertise and resources
- Ensure business continuity of **critical services in support of response efforts while supporting the City's restart and safe reopening plans**, including the opening of civic centres and counter services

2022 Key Risks and Challenges



Modernizing Government

- Ability to **accelerate modernization & re-design of service delivery** in a more agile way leveraging innovative partnerships (greater ecosystem of partners)
- **Organizational readiness** for modernization and transformation including ModernTO Workplace Modernization, Office 365, Customer Experience and service delivery, etc.
- Impacts to, and reprioritization of, planned centralization of services (Real Estate, Technology, Fleet, Cybersecurity) and priorities (climate action) as resources are prioritized to address COVID-19 response and recovery efforts



Climate Action

- Ability to achieve TransformTO and Council goals of net-zero by 2040 will require actions from all levels of government, including the City of Toronto defining the ways Toronto builds, travels and consumes. Actions and behaviours must be transformed across all governments and Toronto's residential, institutional, and business communities.



Asset Lifecycle Management

- Balancing client needs while optimizing the City's asset base to realize the best use and value from our assets
- Modernizing the technology environment to centralized shared technology platforms while ensuring continued business operations
- Managing pandemic impacts on the **global supply chain**, ability to procure and receive technology assets, vehicles and cost increases and price volatility of construction materials impacting construction projects across the City



Resilience

- Aging building stock and asset base and the need for continued investment to maintain operations while incorporating resiliency efforts
- Increased levels and sophistication of **cyber attacks as we continue to digitize**
- Balancing City-wide priorities, resources and funding to address impacts and demands from COVID-19 response and recovery efforts while planning for a **safe return to office and public access** to Committees, Council and in-person services (i.e., service counters)

Climate Lens

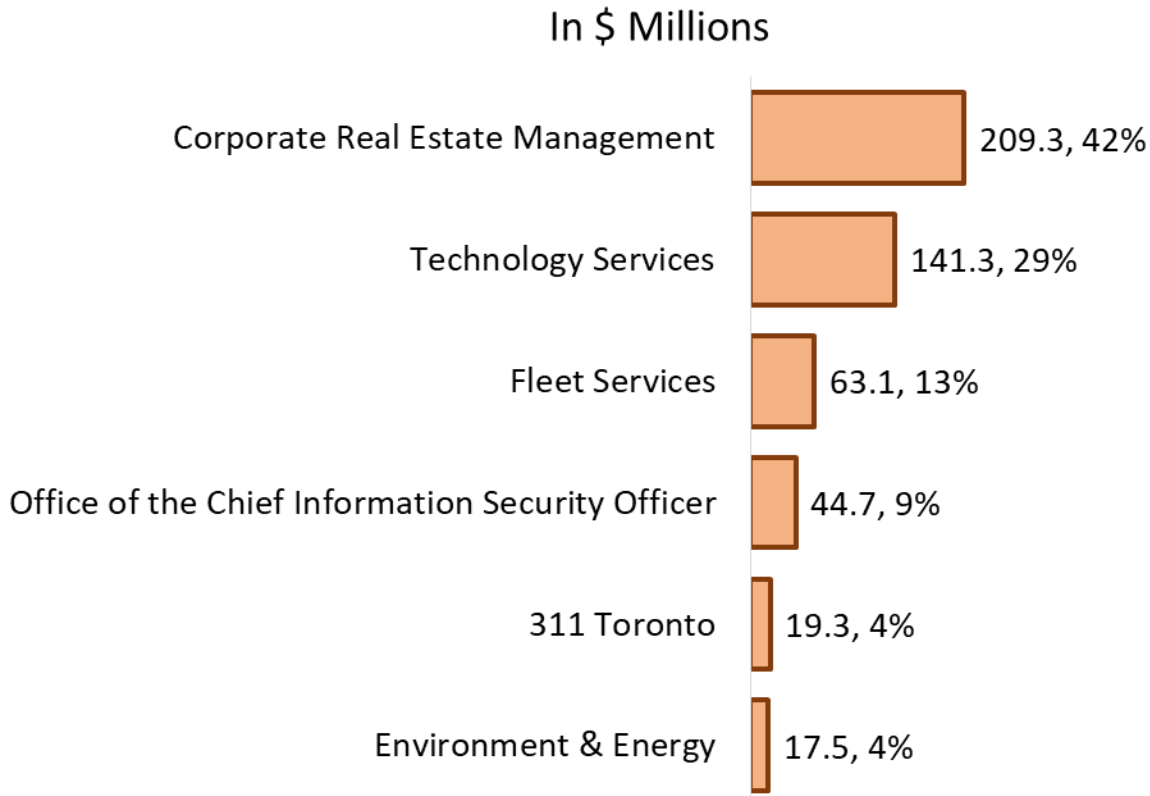
Initiatives proposed in the 2022 Capital Budget	Supports		(\$000s)	
	Reduces GHG Emissions	Improves Climate Resiliency	2022 Budget	2023-2031 Capital Plan
Corporate Real Estate Management			105,833	747,724
New Etobicoke Civic Centre	Yes	Yes	18,433	396,560
ModernTO Workplace Modernization Program	Yes	Yes	25,721	192,107
Wellington Destructor - Construction	Yes	Yes	264	32,000
St. Lawrence Market North Redevelopment	Yes	Yes	37,479	19,000
1050 Ellesmere Building Enhancements	Yes	Yes	12,242	36,080
Net Zero Carbon Plan Program	Yes	Yes	500	10,300
Energy Conservation & Demand Management	Yes	Yes	3,564	31,800
Building Automation System (BAS)	Yes	Yes	1,974	19,000
Mechanical and Electrical	Yes	Yes		10,377
Structural / Building Envelope	Yes	Yes	5,656	500
Environment & Energy			42,736	307,483
New Development Sustainable Energy Plan Financing	Yes	Yes	5,000	115,000
Community Initiatives - Existing Building Retrofits	Yes	Yes	10,000	90,000
Renewable Thermal Energy Program	Yes	Yes	20,285	45,000
Combined Heat & Power (CHP)		Yes		27,000
District Energy Systems	Yes	Yes		18,000
Residential Energy Retrofit Program (HELP)	Yes	Yes	5,576	7,983
Renewable Energy Program - Geoexchange	Yes	Yes		4,500
Community Energy Planning	Yes	Yes	1,875	
Fleet Services			21,743	785,173
Fleet Replacement	Yes	Yes	20,115	775,684
ZEV Charging Infrastructure	Yes	Yes	1,305	7,000
Green Fleet Plan	Yes	Yes	305	1,800
FleetShare Program	Yes		18	689
Corporate Services Total			170,312	1,840,380

*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows. Does not break out the climate component costs separately

2022 Operating Budget Submission

2022 Operating Budget - \$495.0 Million

2022 Gross Operating Expenditures



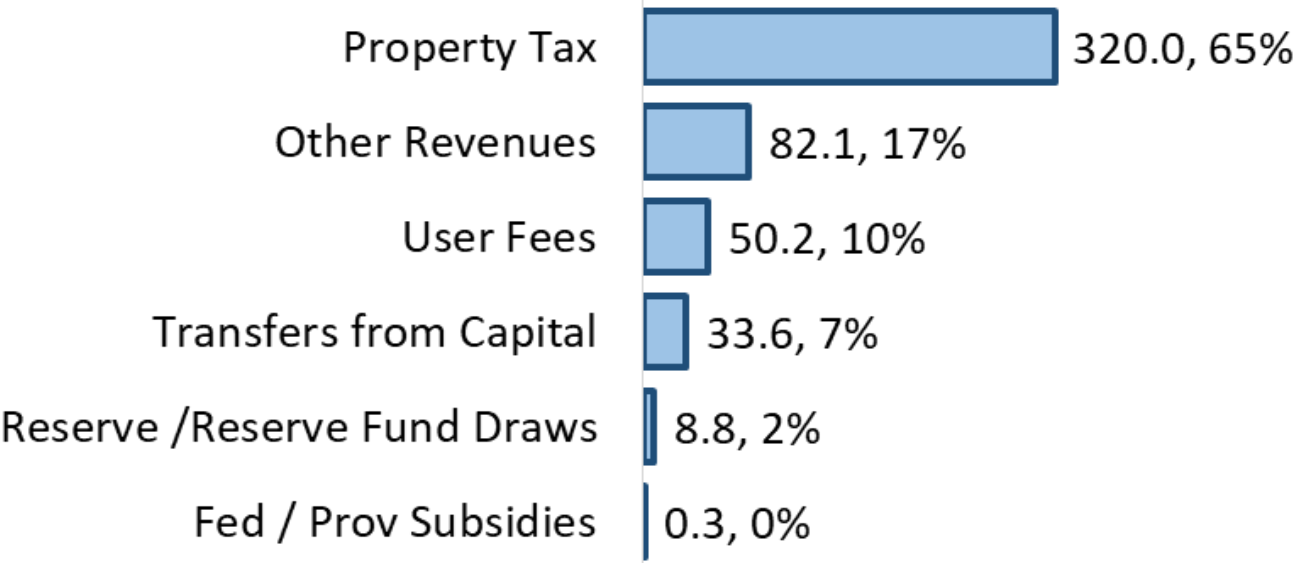
Key Points

- **Corporate Real Estate Management** provides project management and operational support across 485 City-owned facilities with an approximate replacement value of \$5.2 billion, covering more than 12.4 million square feet.
- **Technology Services** manages over 850 applications, 22,000+ mobile devices, 24,000+ computers, across over 780 networked facilities.
- **Fleet Services** provides comprehensive fuel and fleet management services through stewardship of 8,000 fleet assets and a network of fuel sites and electric vehicle charging ports.
- **Office of the Chief Information Security Officer** builds cyber resiliency and cyber intelligence capabilities into the City of Toronto to be able to predict, prevent and respond to emerging cyber threats.
- **311 Toronto** provides access to non-emergency City services, programs and information 24 hours a day, seven days a week.
- **Environment & Energy** leads, fosters, coordinates and supports city action towards achieving Toronto's greenhouse gas reduction targets outlined in TransformTO, the City of Toronto's climate change action strategy.

How the Budget is Funded and Where the Money Goes

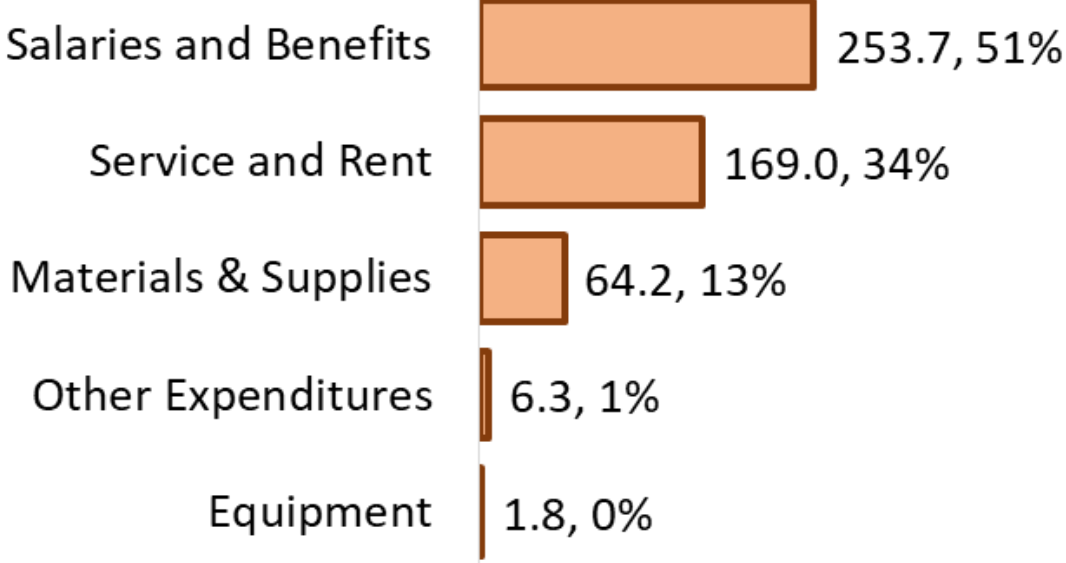
Where the Money Comes From

In \$ Millions



Where the Money Goes

In \$ Millions



2022 Net Operating Budget

(In \$000s)	2020 Actual	2021 Budget	2021 Projection	2022			2022 Budget	Change v. 2021 Projection	
				Base Budget	COVID-19 Impact	New / Enhanced		\$	%
By Program	\$	\$	\$	\$		\$	\$	\$	%
Net Expenditures									
311 Toronto	9,570.2	10,515.2	10,505.1	10,661.5			10,661.5	156.4	1.5%
Corporate Real Estate Management	104,786.1	103,887.5	103,803.9	105,718.7	6,068.6	663.5	112,450.8	8,646.8	8.3%
Environment & Energy	9,828.7	11,818.5	10,573.6	13,722.9			13,722.9	3,149.3	29.8%
Fleet Services	22,283.3	24,074.9	25,022.7	26,280.0	2,922.7		29,202.7	4,179.9	16.7%
Office of the Chief Information Security Officer		28,055.2	17,138.6	26,732.0		12,930.5	39,662.5	22,523.8	131.4%
Technology Services	94,468.7	104,847.6	102,822.5	106,847.4	2,468.9		109,316.3	6,493.8	6.3%
Total Net Expenditures	240,937.0	283,198.9	269,866.5	289,962.5	11,460.1	13,594.0	315,016.6	45,150.1	16.7%

The \$45.2 million increase in the 2022 budget compared to the 2021 projection is due to:

- \$20.1 million in the base budget for ongoing efforts to increase staffing levels in support of key City priorities, including TransformTO targets, as well as inflationary impacts from external contracts, utilities and fuel to support base operations
- \$11.5 million for COVID-19 operational requirements and recovery efforts to address remote and digital technology capabilities, additional rental vehicles, and enhanced cleaning aligned with Occupational Health & Safety guidance and other operational requirements
- \$13.6 million in new / enhanced investments that will enable increased City visibility into cyber threats, meet business needs for cyber modernization, business resilience and digitization of support services, and increase the City's cyber maturity level

New / Enhanced



**COVID-19 IMPACT &
Recovery – Safe
return to office
\$0.7 M**



**INFORMATION SECURITY
& TECHNOLOGY – Cyber
Investments
\$17.9 M**

\$18.6M

TOTAL NEW / ENHANCED INVESTMENTS TO ADDRESS KEY PRIORITIES

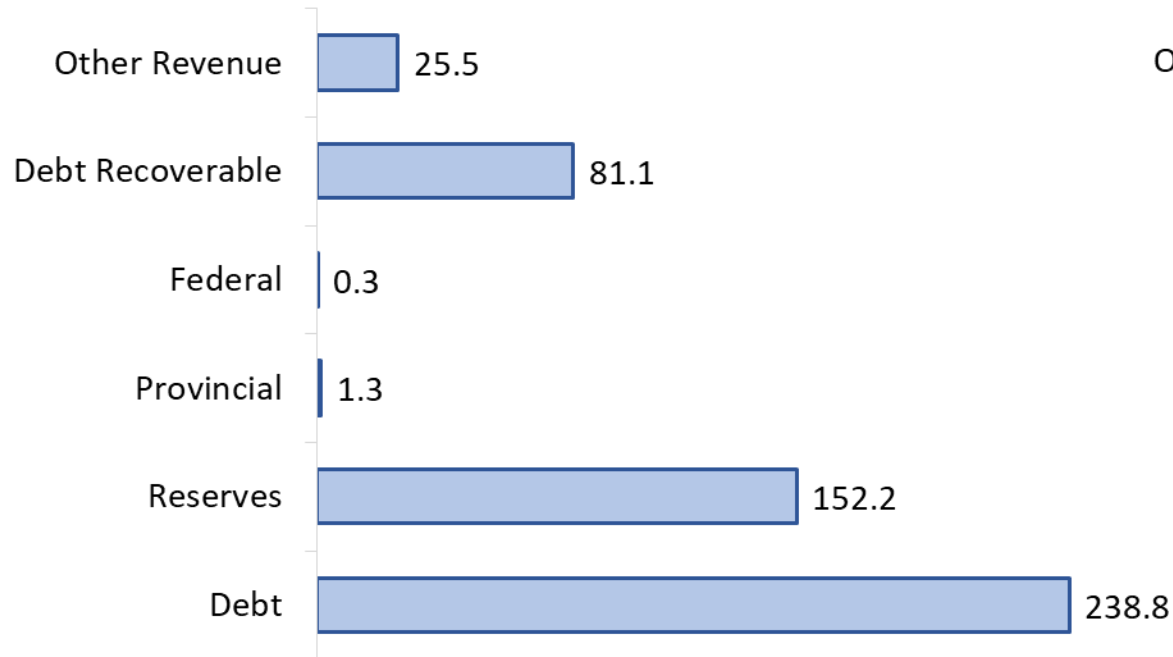
2022-2031 Capital Budget & Plan Submission

2022 Capital Program Breakdown - \$499.0 Million

Where the Money Comes From

2022 Capital Budget

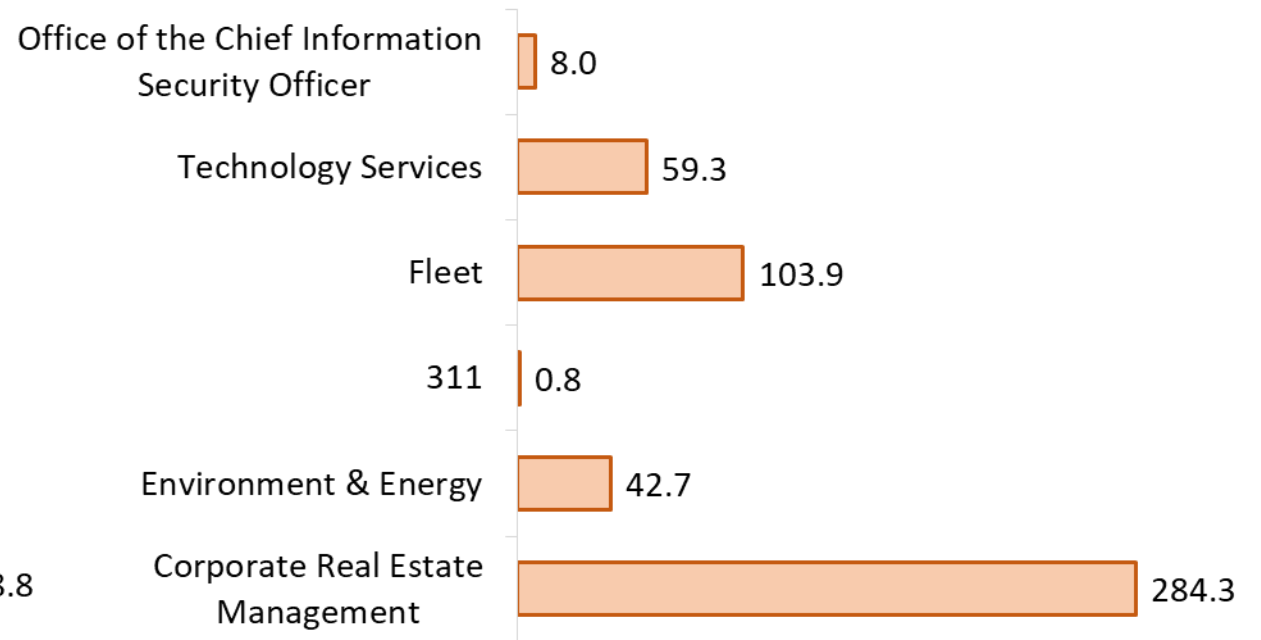
In \$ Millions








Where the Money Goes

2022 Capital Budget

In \$ Millions



\$3.353 Billion 10-Year Gross Capital Program

				
Life Cycle Asset Management	Strategic Real Estate Development	Tools & Technology	Climate Action	Resilience
<p>\$1,858 M 55%</p>	<p>\$874M 26%</p>	<p>\$180M 6%</p>	<p>\$378M 11%</p>	<p>\$63M 2%</p>
<ul style="list-style-type: none"> ▪ Facility State of Good Repair ▪ Fleet Replacement ▪ Technology Life Cycle Asset Management ▪ Accessibility for Ontarians with Disabilities Act (AODA) 	<ul style="list-style-type: none"> ▪ St. Lawrence Market North ▪ New Etobicoke CC ▪ Old City Hall ▪ Wellington Destructor ▪ Workplace Modernization Program ▪ Property Acquisition for Strategic City Building 	<ul style="list-style-type: none"> ▪ Software development & purchases ▪ Customer Experience Improvements ▪ Facility Security Infrastructure ▪ Cyber Investments 	<ul style="list-style-type: none"> ▪ TransformTO ▪ Net-Zero Implementation ▪ Sustainable Energy Plan Financing ▪ Climate Resiliency ▪ Green Fleet Plan 	<ul style="list-style-type: none"> ▪ Energy Conservation & Demand Management ▪ Building Automation System ▪ Energy Audits ▪ Electrical Resiliency

How the 10-Year Capital Program is Funded

City of Toronto		Provincial Funding		Federal Funding	
\$ 3,326.7M 99.2%		\$11.2M 0.3%		\$15.3M 0.5%	
Debt	\$ 992.9 M	Other	\$ 11.2 M	Other	\$ 15.3 M
Reserve Draws	\$ 1,282.7 M				
Recoverable Debt	\$ 642.1 M				
Other	\$ 409.0 M				

Thank You



Appendices

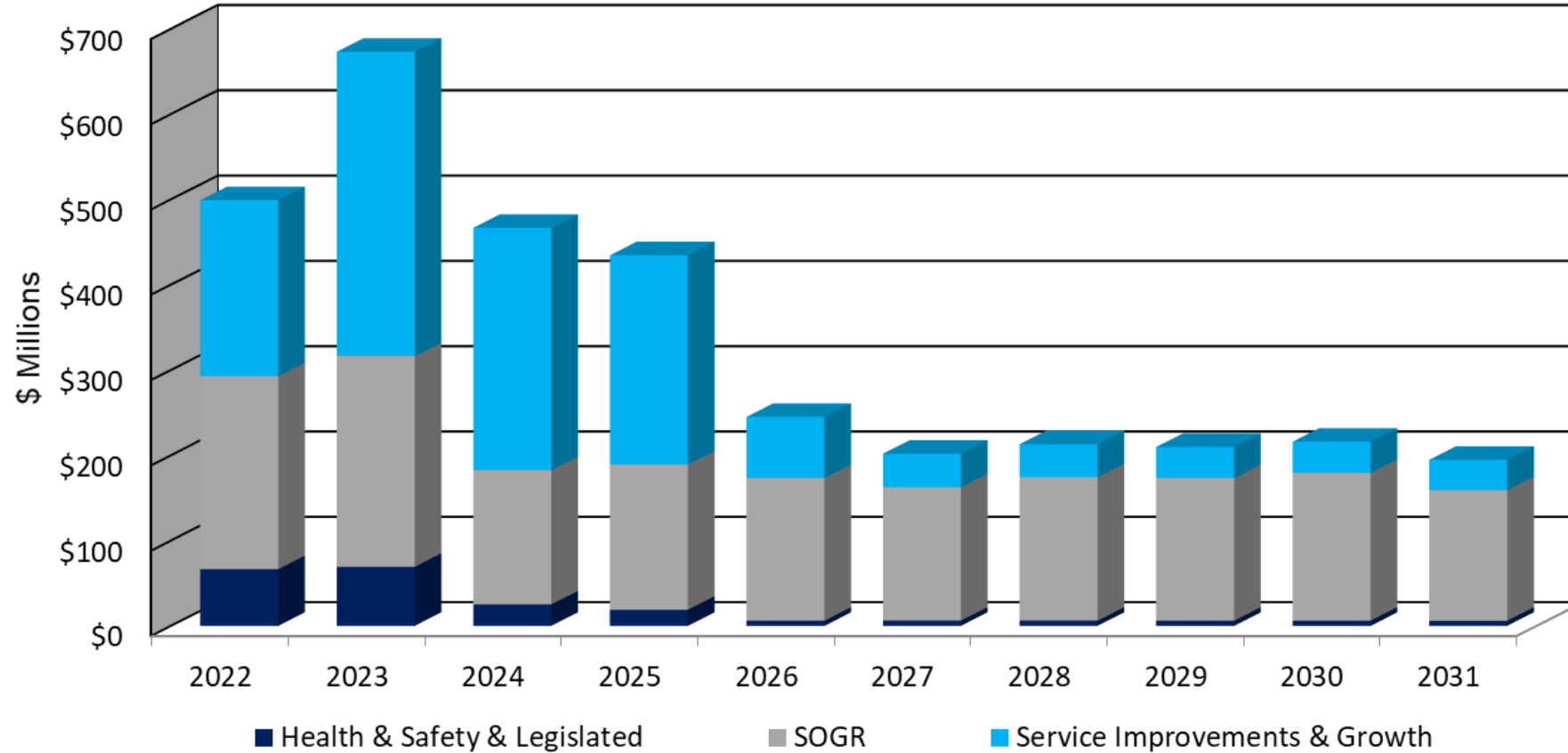
- COVID-19 Financial Impact – Operating Slide 23
- 2022 – 2031 Capital Budget & Plan by Project Category Slide 24
- Capacity to Spend Slide 25
- State of Good Repair (SOGR) Funding and Backlog Slide 26
- Capacity Needs Constraints Slide 27

COVID-19 Financial Impact - Operating

COVID-19 Impacts	In \$ Thousands			
	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
Leasing revenue	1,708.8	(556.6)		556.6
Sub-Total	1,708.8	(556.6)		556.6
Expenditure Increase				
Fuel Volume	372.8		431.7	431.7
Fleet Services and Rents	2,814.0		2,491.0	2,491.0
Enhanced cleaning services	2,647.6	757.2	2,890.0	2,132.8
Enhanced security services	1,590.0		3,379.1	3,379.1
Provision for tenant bad debts	1,000.0			
Return to office costs	1,250.0		663.5	663.5
Seucity, Capability and equipment in support of remote working and digital service delivery	2,367.0		2,468.9	2,468.9
Sub-Total	12,041.3	757.2	12,324.2	11,567.0
Total COVID-19 Impact	13,750.2	200.6	12,324.2	12,123.6

Impacts
<p>Corporate Real Estate Management</p> <ul style="list-style-type: none"> Enhanced cleaning requirements for City facilities Increase in security requirements to support immunization centers and City Parks Resource requirements for Return to Office activities and to ensure Occupational Health & Safety standards are adhered to
<p>Fleet Services</p> <ul style="list-style-type: none"> Additional rental vehicles to ensure health and safety of City staff and support of vaccination programs Increased fuel volume demands due to additional rental vehicles
<p>Technology Services</p> <ul style="list-style-type: none"> Technology requirements to support the expanding remote and digital capabilities for mobile work, virtual council and remote teams

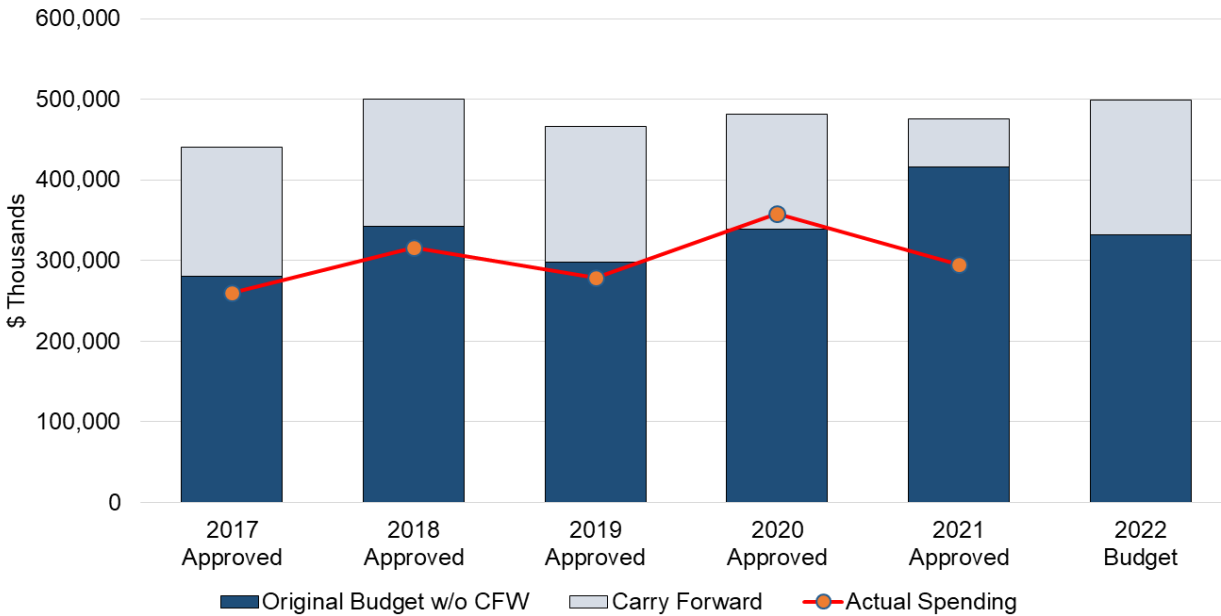
2022 – 2031 Capital Budget & Plan by Project Category



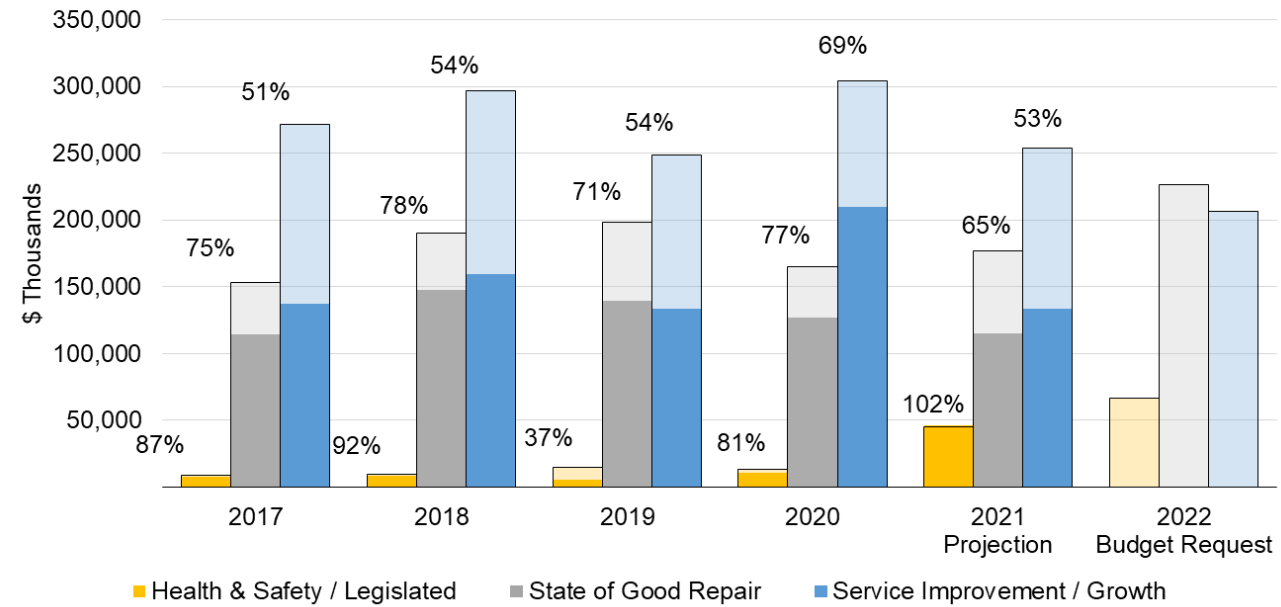
2022 - 2031 Staff Recommended Capital Budget and Plan by Category											
\$ Millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Health & Safety & Legislated	66.4	69.2	25.2	18.8	6.0	6.1	6.1	6.1	6.1	5.9	215.9
SOGR	226.3	246.9	157.4	170.4	167.5	156.4	168.2	167.2	173.4	153.1	1,786.8
Service Improvements & Growth	206.4	356.8	284.0	245.3	71.5	39.2	38.7	36.4	36.4	35.7	1,350.4
Total	499.0	673.0	466.6	434.5	245.0	201.8	213.0	209.7	215.8	194.7	3,353.2

Capacity to Spend

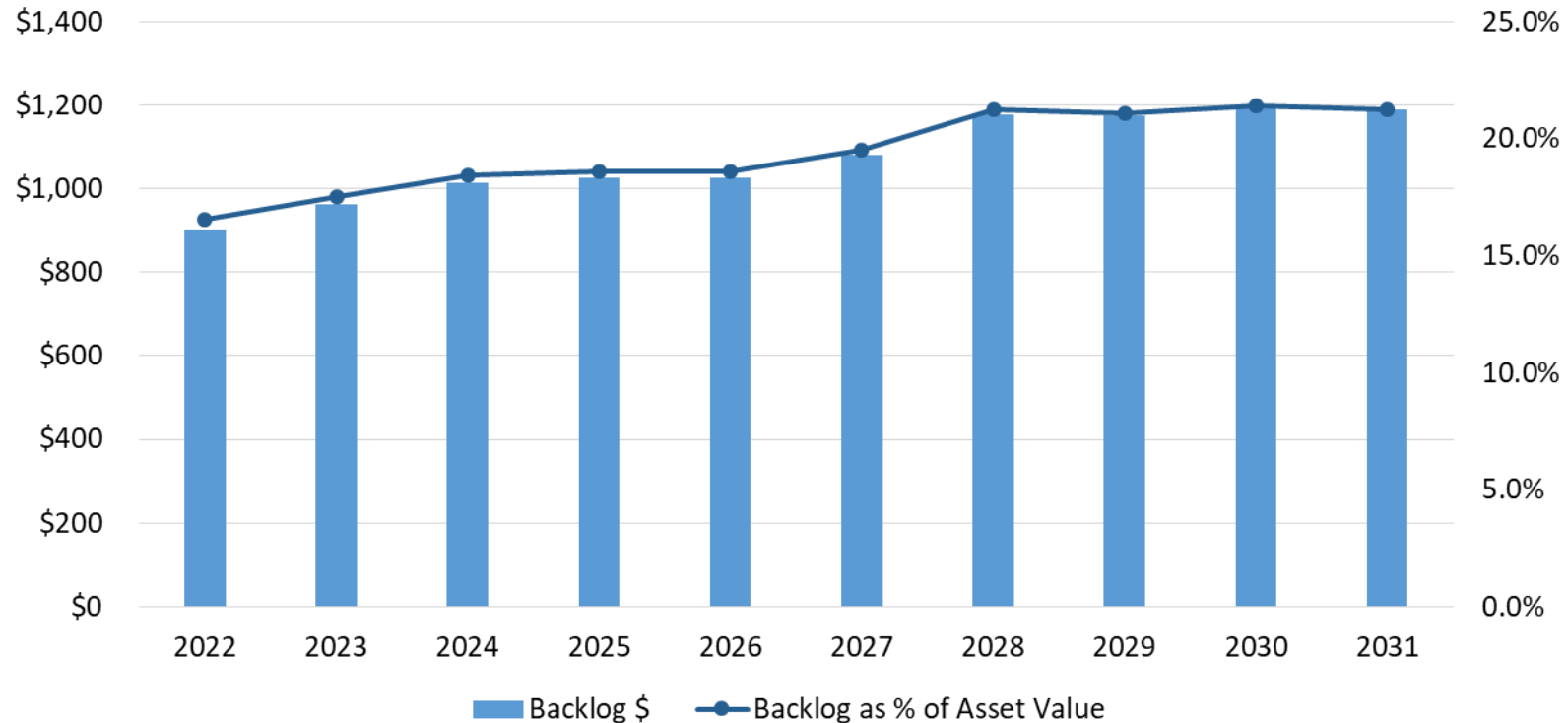
Carry Forward Impact Vs. Capacity to Spend



Budget Vs. Actual Spending by Category



State of Good Repair (SOGR) Funding and Backlog



\$Millions	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Backlog \$	\$902	\$962	\$1,014	\$1,026	\$1,025	\$1,080	\$1,178	\$1,173	\$1,196	\$1,190
Backlog as % of Asset Value	16.5%	17.5%	18.4%	18.6%	18.6%	19.5%	21.2%	21.0%	21.4%	21.2%

- Backlog will increase from \$902 million or 16.5% of replacement asset value in 2022 to \$1,190 million or 21.2% by 2031
 - Aging City facilities and infrastructure that continues to service a growing city
 - Investments in SOGR at a rate of approximately 1 percent of the replacement value vs 2-4% industry standard
 - Revisions to capital plan to match historical spending

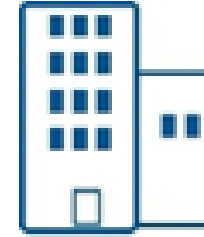
Capital Needs Constraints



\$204.4M

Strategic Real Estate Investments

- Old City Hall Redevelopment (\$190.4M)
- St. Lawrence Market South Lower Level Re-design (\$10.6M)
- Booth Yards site development (\$3.4M)



\$1,104.7M

Facilities Backlog

- Represents state of good repair across CREM facilities not included in the 10 year capital plan