

# 2023 Budget Notes

## City Manager's Office

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### Description

The City Manager's Office leads the municipal administration and ensures accountability through effective governance, public service, oversight and liaison of City Agencies and Corporations, public engagement, public and private sector and philanthropic partnerships and intergovernmental relations that support strategic investments that advance City policies and programs that achieve Council's priorities. The City Manager's Office plays a leadership role in supporting equity in the City's workforce and in the community and advancing truth, justice and reconciliation with First Nations, Inuit and Métis.

The City Manager's Office delivers the following services:

- Office of the Chief of Staff (Executive Administration, Concept 2 Keys Project, Governance and Corporate Strategy, Intergovernmental and Agency Relations, Strategic Partnerships)
- Strategic Public and Employee Communications
- People and Equity
- Indigenous Affairs Office

### Why We Do It

The City Manager Office's (CMO) outcome is for the City of Toronto to deliver services that advance prosperity for all Toronto residents, and public and private sectors, achieving Council priorities through effective, transparent, accountable government. To advance prosperity for all, the CMO provides advice and supports the Mayor, City Council and senior leadership to ensure fair and equitable services and outcomes for all residents, public and private sector groups including First Nations, Inuit and Métis. As a result, Toronto's residents, public and private sector groups and elected officials have trust and confidence in the administration of their municipal government.

The divisions in the CMO are focused on achieving the following outcomes:

- Corporate strategies, policies, and priorities and strategic direction for City divisions aligned with Council's vision.
- Governance systems and structures designed and implemented to ensure effective, accountable service delivery and decision-making and achieve Council and Corporate priorities.
- Innovative, collaborative, transparent and user-friendly development review processes.
- Securing timely and appropriate intergovernmental funding to achieve its legislative and policy priorities.
- Strategic, innovative public, institutional, private and not-for-profit partnerships to support City priorities.
- Stewardship of the City's policies and engagement.
- Strategic data analysis, coordination and insights to support informed decisions, policies, programs and services.
- Access for Toronto residents, public, institutional, private and not-for-profit groups, visitors and the Toronto Public Service to easy-to-understand, timely, accurate information via multiple communications channels on City governance, services, programs and policies.
- The City provides purposeful, equitable and accessible opportunities for public input and participation in decision-making, particularly for Black, Indigenous and equity-deserving communities.
- Truth, justice, reconciliation, decolonization, anti-racism and equity are advanced through collaboration and partnerships between the City and communities.
- A qualified, diverse and engaged City workforce to meet current and future service delivery requirements.

- Fair, equitable employment practices. Residents see themselves represented at all levels of the Public Service.
- Physically and mentally safe work environments for City employees with high quality, accessible learning resources.
- A City Manager's Office that addresses barriers faced by Indigenous, Black and equity-deserving people.

*The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.*

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## What Service We Provide

### **Office of the Chief of Staff (Executive Administration, Concept 2 Keys Project, Governance & Corporate Strategy, Intergovernmental & Agency Relations, Strategic Partnerships)**

**Who We Serve:** City Manager & Deputy City Managers (DCMs), Mayor, City Council, City divisions, Agencies/Corporations, other orders of government, non-government organizations, charitable organizations, philanthropists, business, and the public.

**What We Deliver:**

**Executive Administration:** Coordinate corporate agenda forecast activities, corporate issues management, accountability processes.

**Concept 2 Keys (C2K):** Lead transformation and innovation initiatives to improve how the City delivers effective and coordinated development review services; Reimagine organizational structures, processes and technology, and foster better collaboration between City divisions and between development applicants and City staff.

**Governance and Corporate Strategy:** Lead City's policy and legislative priorities, strategic advice, planning and oversight, municipal governance, public service ethics and accountability, corporate policies and strategies, corporate performance management, corporate public engagement.

**Intergovernmental and Agency Relations:** City's intergovernmental funding, policy and legislative priorities, strong intergovernmental relationships and strategic alliances, infrastructure funding coordination and oversight, City Agencies and Corporations governance, oversight, and alignment with the City's strategic priorities.

**Strategic Partnerships:** Strategic alliances, partnerships and collaborations with public and private sector groups and institutions to advance City priorities; Strategic advice, policy compliance and oversight of corporate partnerships policies; Management of philanthropic funding and investment to the City; Support and develop a culture of innovation and collaboration; Management and stewardship of strategic philanthropy and revenue generation.

**How Much Resources (gross 2023 operating budget):**

- Executive Administration - \$1.7 million
- Concept 2 Keys - \$10.2 million
- Governance and Corporate Strategy/Intergovernmental and Agency Relations - \$4.9 million
- Strategic Partnerships - \$1.9 million

### **Strategic Public & Employee Communications (SPEC)**

**Who We Serve:** City Manager & DCMs, Mayor, Media, City Council, the public, City/Agency and Corporation staff

**What We Deliver:** Strategy and execution of public and employee communications, social media, digital communications, including toronto.ca, and advertising and media buying; Media relations, issues management, and communications advice and counsel; Informed decision making via research and data analytics; Design and creative services; Corporate identity management and accountability.

**How Much Resources (gross 2023 operating budget):** \$8.8 million

### **Indigenous Affairs Office (IAO)**

**Who We Serve:** Urban Indigenous (First Nations, Inuit and Métis) communities in Toronto, as well as Indigenous treaty and territorial partners.

**What We Deliver:** Advice, policies, initiatives that help to fulfill the City's commitments to Indigenous peoples, advancing truth, justice and reconciliation.

The IAO:

- Strives to enhance the City's relationship with Indigenous communities, working closely with Indigenous partners across the City.
- Provides leadership and guidance to the Toronto Public Service to ensure that policies are responsive to the needs of Toronto's diverse Indigenous communities.
- One-stop shop for information, advice, programs and policies that support the City of Toronto's Reconciliation Action Plan.

**How Much Resources (gross 2023 operating budget):** \$2.7 million

**People & Equity (P&E)**

**Who We Serve:** City Manager & DCMs, Mayor, City Council, City/Agency staff, the public, and Unions & Associations

**What We Deliver:** Provide corporate leadership and strategic Human Resources (HR) advisory services and customized solutions to complex workforce priorities and challenges; Manage the employee relations environment; Support divisions in embedding equity and reconciliation into all policies and services; Create a work environment that is equitable, legislatively compliant and free of discrimination and harassment; Provide managers and employees with single point of contact for timely HR support and information; Manage people process-related technology, data, information, training and support; Attract and retain a highly skilled diverse workforce; Ensure compliance with health & safety legislation; Reduce the impact of injuries, illnesses and absences; Build capacity and a positive workplace culture through learning and leadership development and initiatives that support an ethical, inclusive, and effective Toronto Public Service that builds trust and confidence with the public and staff.

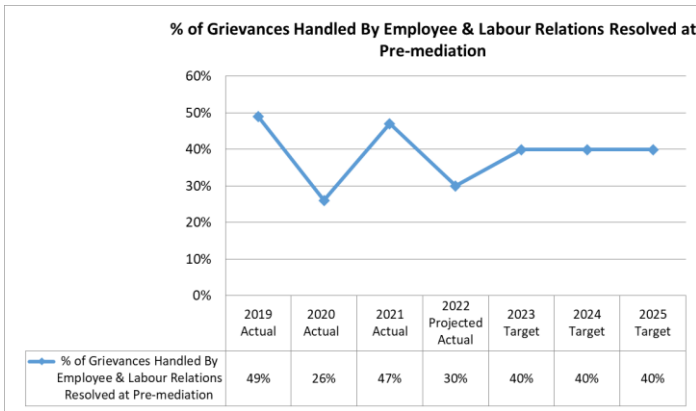
**How Much Resources (gross 2023 operating budget):** \$49.5 million

**Budget at a Glance\***

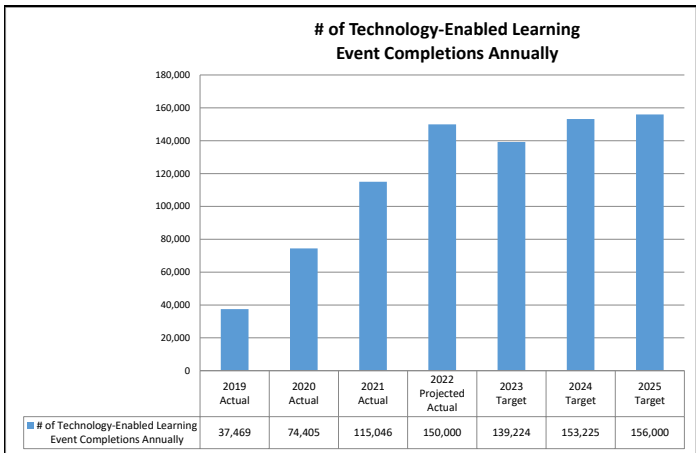
2023 OPERATING BUDGET			
<u>\$Million</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues	\$20.1	\$16.9	\$16.2
Gross Expenditures	\$79.6	\$78.1	\$77.4
Net Expenditures	\$59.5	\$61.2	\$61.2
Approved Positions	533.0	533.0	533.0

2023 - 2032 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2023</u>	<u>2024-2032</u>	<u>Total</u>
City Manager's Office has no capital budget.			

## How Well We Are Doing – Behind the Numbers



- In 2021, the increase in the percentage of grievances handled by Employee Relations and resolved pre-mediation reflects the surge of individual and policy grievances that were filed in response to the implementation of the Mandatory Vaccination Policy. This surge is expected to normalize in future years.



- The acquisition of an external content library has provided increased opportunity for Toronto Public Service (TPS) staff to access and complete technology-enabled learning and continue skills development for a highly qualified and supported workforce.
- 2022 projected actuals are significantly higher than expected due to several mandatory/required modules that were released in 2022. 2024 and 2025 targets are increased due to new programs/refresher modules.

## How Well We Are Doing

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
<b>Outcome Measures</b>								
Concept 2 Keys	# process and technology improvements implemented	N/A	N/A	13	13	●	C2K is developing a new KPI framework and future reporting measures may change	
Concept 2 Keys	% of districts operationalized with new C2K model	N/A	N/A	100%	100%	●		
Concept 2 Keys	# of development review terms of reference documents updated	N/A	N/A	24	18	●		
Concept 2 Keys	% C2K vacancy rate (annually)	N/A	N/A	5%	5%	●		
People & Equity	% Grievances Resolved at Mediation	66%	96%	79%	79%	●	79%	79%
People & Equity	% Change in the Number of Workplace Injuries	10%	22%	-6%	39%	●	0%	0%
Strategic Communications	Growth in Followers Across Corporate Platforms (Twitter, Facebook, Instagram)	23%	10%	15%	10%	●	N/A - this measure to be discontinued	
Strategic Communications	Growth in User Visits/Sessions on toronto.ca	16%	15%	15%	-5%	●	1%	1%
Strategic Public & Employee Communications	Growth in engagement rate across Corporate Social Media Platforms (Twitter, Facebook, Instagram)	N/A - new measure		1%	1%	●	1%	1%
<b>Service Level Measures</b>								
People & Equity	# Technology-Enabled Learning Events Completions Annually	74,405	115,046	126,559	150,000	●	139,224	153,225
Strategic Public & Employee Communications	% Respond to Media Inquiries by the End of Business Day	99%	99%	95%	99%	●	96%	96%
Strategic Public & Employee Communications	Communications Tactics Created and Distributed Within Planned Timing (New releases, advertising, social media content)	99%	97%	95%	97%	●	92%	92%
Strategic Public & Employee Communications	Communications Tactics Created and Distributed Within Planned Timing (Employee content - intranet, ELI, staff messages)	98%	100%	95%	98%	●	95%	95%
<b>Other Measures</b>								
People & Equity	# Employees Receiving Health and Safety Training Annually	1,534	2,803	14,000	4,522	●	2,400	2,400

### 2022 Projection to 2022 Target Comparison

● 80% - 100%      ● 64% - 79%      ● 63% and Under

**COVID-19 IMPACT AND RECOVERY****2023 Impact and Recovery****Operating Budget Impact**

- \$2.473 million gross and net in salaries and benefits for P&E positions to address and manage specialized services allowing for standardization of processes, re-engineering and efficiencies in recruitment and internal movements.

**Service Level Changes**

- The funding in P&E resourcing will enable the team to address gaps in workload, assign and address cyclical activities and still have the ability to participate in and support transformational activities and also see the introduction of the standardization of processes for a consistent service delivery.

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

The City Manager's Office delivers services that provide prosperity for all. Successes for Toronto and its residents included:

- Collaborating with federal and provincial governments on City funding, legislation and policy priorities in response to COVID-19 and recovery. Advanced City priorities under the Toronto-Ontario Cooperation and Consultation Agreement, convened tables for dialogue and collaboration with Canada and Ontario big cities/regions, and co-chaired Provincial-Municipal Technical Working Group on Emergent Municipal Needs with the Province and the Association of Municipalities of Ontario.
- Leading internal and external communications on all City priorities including COVID-19 pandemic response and reopening efforts, 2022 municipal election, housing and homelessness initiatives, major infrastructure construction projects, winter response and Council transition. Strategic Public and Employee Communications was able to inform both mainstream and hard-to-reach audiences by ensuring timely, accurate and essential information was shared in innovative, creative and culturally appropriate ways.
- Maintaining [Toronto.ca/RecoveryTO](https://toronto.ca/RecoveryTO) on City's COVID-19 recovery and rebuilding activities.
- Launching [www.toronto.ca/SuccessTO](https://www.toronto.ca/SuccessTO) Toronto Public Service's 2018-2022 term achievements.
- Overseeing donated goods, funds, space and services to support COVID-19 response and recovery and DonateTO web-portal.
- Transforming development review services (Concept2Keys): expediting 31 affordable housing projects; procuring File Circulation Tool for rollout in early 2023; rolled out new operating model citywide; completed fee review with new fee structure effective September 2022.

Corporately, achievements of the City Manager's Office covered:

- Providing organization-wide support, consultation and advice on corporate initiatives, i.e. Vaccination Policy (implementation, associated processes and subsequent policy updates), 90 Day Action Plan – Workforce Stabilization, 2022 Salary Adjustments/Cost of Living Adjustments, Temporary to Permanent conversions, and promotion of employee engagement programs (i.e. Count Yourself In survey).
- Completing the Human Capital Dashboard tool for People & Equity Leadership and client-facing sections (Service Hub and Relationship Management) with data-informed service delivery and decision making.
- Completing 40 new Equity, Diversity & Inclusion (EDI) Trends Divisional Reports and one-on-one Leadership meetings to pilot new executive reporting model regarding Count Yourself In (CYI) survey uptake.
- Supporting corporate initiatives on designing accessible environments, including advising on potential design barriers for CafeTO, High Park Movement Study, accessible Shelter Design guidelines, ModernTO, and creating an interim exception process for the Toronto Accessibility Design Guidelines.
- Implementing and actively supporting enterprise-wide talent management programs including the online 2022 Performance Management Planners.
- Leading and providing strategic advice and briefing materials to support transition to 2022-2026 Council term.
- Managing the City's United Way Employee Campaign securing over \$1.4 million for community services.
- Completing review of the role and functions of the Housing Commissioner with report to City Council.
- Overseeing recruitment process and appointment of a new City Auditor General.
- Coordinating City's Public Engagement Review, divisional knowledge exchange and strategic advice, Corporate Policy Excellence and Coordinated Applied Data and Research Strategy.



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### Key Challenges and Risks

- Full realization of the benefits of the HR Business Partner model requires additional resourcing to ensure the capacity for in-depth service delivery resulting in client engagement, which is also critical to retention and engagement of staff to ensure success of the model.
- Coordinating intergovernmental relations to ensure City funding, legislation and policy alignment continue.
- Challenges in shifting SPEC's operating model to a centralized and centres of excellence approach by deploying change management best practices while ensuring continued best-in-class communications leadership.
- Resource limitations may impact progress to improve public engagement, training & policy development, gain insights and build trust, particularly with Indigenous, Black and equity-deserving communities.
- Challenges in supporting effective, accountable, transparent decision-making under the potential impact of provincial legislative changes, e.g. Bill 3, Bill 39, Bill 109 and Bill 23, on City Agency and Corporation governance structures, appointments and priorities, e.g. the development review process, and potential impact on application fee revenue.

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### Priority Actions

- Provide strategic policy and governance advice to the City Manager, Mayor and Council to address legislative changes; Council structures including advisory bodies; Accountability Officers; City service, policy and strategy reviews; and to support evidence-based advice from the public service to Council through data coordination, policy excellence and public engagement.
  - Advocate and advance City priorities with federal and provincial governments through the Federal and Ontario Government budgets, legislative agendas, and support to the City Manager, Mayor and Council in intergovernmental discussions, and support good governance at City Agencies and Corporations through the development of governance frameworks and the ongoing provision of oversight and support.
  - Continue to optimize People & Equity's organizational structure to meet the needs of the organization through enhanced service, policy and program delivery.
  - Lead City's implementation of the Reconciliation Action Plan focusing on establishing processes, relationships and priorities (e.g. engagement, policy/guidance, accountability framework).
  - Focus communications efforts to align with corporate and Council priorities. Use data-informed decision-making and insights to guide communications strategy, approaches, tactics and messages.
  - Build and foster strategic partnerships with organizations spanning the public and private sector (e.g. hospitals, academic institutions, foundations, and businesses) to achieve mutually beneficial objectives, and to secure investments, donations, and sponsorships that support City programs focused on vulnerable populations, particularly Black, Indigenous, and equity deserving communities.
  - Support implementation of the new Development and Growth Division including right-sizing staff complement to ensure the development review team is adequately resourced to respond to new legislation and developing a Fee Management Strategy.
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**TABLED BUDGET**

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. The 2023 Operating Budget for City Manager's Office of \$79.563 million gross, \$20.076 million revenue and \$59.487 million net for the following services:

**Service:**

	<b>Gross Expenditures (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Executive Administration	11,859.4	12,270.0	-410.7
Governance and Corporate Strategy/Intergovernmental & Agency Relations	4,904.3	1,405.8	3,498.5
Strategic Partnerships	1,896.4	1,000.0	896.4
Strategic Public and Employee Communications	8,764.4	1,393.5	7,370.8
Indigenous Affairs Office	2,662.2	0.0	2,662.2
People & Equity	49,476.3	4,007.0	45,469.3
<b>Total City Manager's Office Budget</b>	<b>79,562.9</b>	<b>20,076.4</b>	<b>59,486.5</b>

- The above includes a 2023 budgeted staff complement for City Manager's Office of 533.0 positions comprised entirely of 533.0 operating positions.
2. The information contained in Confidential Attachment remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.

# **2023 OPERATING BUDGET**

## 2023 OPERATING BUDGET OVERVIEW

**Table 1: 2023 Operating Budget by Service**

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 New / Enhanced	2023 Budget	Change v. 2022 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
Governance & Corporate Strategy/Intergovernmental & Agency Relations	3.1	174.7	174.7	1,405.8		1,405.8	1,231.1	704.5%
Executive Management	3,389.5	13,714.9	7,436.9	12,270.0		12,270.0	4,833.2	65.0%
Strategic Partnership	100.8		111.2		1,000.0	1,000.0	888.8	799.0%
Strategic Public & Employee Communications	1,456.3	1,375.7	1,548.5	1,393.5		1,393.5	(154.9)	(10.0%)
People Equity & Human Rights	3,231.5	6,191.3	5,323.8	4,007.0		4,007.0	(1,316.8)	(24.7%)
Indigenous Affairs	7.5							N/A
<b>Total Revenues</b>	<b>8,188.7</b>	<b>21,456.7</b>	<b>14,595.2</b>	<b>19,076.4</b>	<b>1,000.0</b>	<b>20,076.4</b>	<b>5,481.2</b>	<b>37.6%</b>
<b>Expenditures</b>								
Governance & Corporate Strategy/Intergovernmental & Agency Relations	3,160.8	4,174.3	4,136.7	4,904.3		4,904.3	767.6	18.6%
Executive Management	4,759.9	13,122.1	8,141.4	11,859.4		11,859.4	3,718.0	45.7%
Strategic Partnership	1,134.0	920.7	1,271.9	896.4	1,000.0	1,896.4	624.5	49.1%
Strategic Public & Employee Communications	8,343.2	8,808.7	9,098.1	8,764.4		8,764.4	(333.8)	(3.7%)
People Equity & Human Rights	43,297.8	55,639.7	50,880.1	49,476.3		49,476.3	(1,403.8)	(2.8%)
Indigenous Affairs	764.8	2,491.7	2,371.9	2,662.2		2,662.2	290.3	12.2%
<b>Total Gross Expenditures</b>	<b>61,460.4</b>	<b>85,157.3</b>	<b>75,900.1</b>	<b>78,562.9</b>	<b>1,000.0</b>	<b>79,562.9</b>	<b>3,662.7</b>	<b>4.8%</b>
<b>Net Expenditures (including COVID-19)</b>	<b>53,271.7</b>	<b>63,700.7</b>	<b>61,305.0</b>	<b>59,486.5</b>		<b>59,486.5</b>	<b>(1,818.5)</b>	<b>(3.0%)</b>
<b>Required COVID-19 Support</b>	<b>663.0</b>	<b>3,714.0</b>	<b>2,951.5</b>	<b>2,472.8</b>		<b>2,472.8</b>	<b>(478.7)</b>	<b>(16.2%)</b>
<b>Net Budget (excluding COVID-19 supports)</b>	<b>52,608.7</b>	<b>59,986.7</b>	<b>58,353.5</b>	<b>57,013.6</b>		<b>57,013.6</b>	<b>(1,339.8)</b>	<b>(2.3%)</b>
<b>Approved Positions**</b>	<b>494.0</b>	<b>565.0</b>	<b>N/A</b>	<b>533.0</b>		<b>533.0</b>	<b>N/A</b>	<b>N/A</b>

\* 2022 Projection based on 9 Month Variance

\*\*YoY comparison based on approved positions

The 2023 Budget of \$59.487 million in net expenditures reflects a \$1.819 million or 3.0% decrease from 2022 projections comprised of:

- \$0.479 million or 16.2% net decrease in COVID-19 impacts expected in 2023 compared to 2022 projections, and
- \$1.340 million or 2.3% net decrease in the 2023 Net Budget (excluding COVID) compared to 2022 projections.

### KEY COST DRIVERS – FUNDING PRIORITIES

**Total 2023 Budget** expenditures of \$79.563 million gross reflect an increase of \$3.663 million in spending above 2022 projected year-end actuals, predominantly arising from:

- Investing in training & development and computers to pre-pandemic spending levels in 2023 (\$1.840 million).
- Increase in grants for the Climate Action & Resiliency Research Fund (\$1.000 million).
- Annualized salaries & benefits for positions filled late in 2022 (\$0.726 million).

## EQUITY IMPACTS OF BUDGET CHANGES

The City Manager's Office 2023 Operating Budget includes \$1.000 million gross and \$0 net investment in the Climate Action & Resiliency Research Fund. This is part of the CivicLabTO program, which aims to create and strengthen academic research collaborations, knowledge-sharing opportunities and experience learning experiences guided by a commitment to equity, inclusion and reconciliation.

The Climate Action & Resiliency Research Fund will encourage research projects that work with Indigenous, Black, and equity-deserving communities around climate action initiatives, programs, and policies. This is imperative and ensures that future decisions around climate issues are not made in silos but through conversations with the people and communities directly impacted by the City's policies, services, and programs. This budget proposal's overall equity impact is medium positive.

## 2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for City Manager's Office of \$79.563 in gross expenditures is \$3.663 or 4.8% higher than the 2022 Projected Actuals, with an overall net decrease of 3.0% from 2022 projections. Table 2 below summarizes the key cost drivers for the 2023 Budget.

**Table 2: 2023 Operating Budget by Revenue / Expenditure Category**

Category (In \$000s)	2020 Actual	2021 Actual	2022 Budget	2022 Projection*	2023 Budget	2023 Change from 2022 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
User Fees & Donations		7.5			4,757.8	4,757.8	
Transfers From Capital	1,911.6	548.1	582.1	277.8	82.3	(195.5)	(70.4%)
Contribution From Reserves/Reserve Funds	682.6	3,660.5	17,576.7	10,448.6	11,488.0	1,039.4	9.9%
Sundry and Other Revenues	114.5	1.6		(3.0)	400.0	403.0	(13264.2%)
Inter-Divisional Recoveries	3,790.3	3,971.0	3,297.9	3,871.8	3,348.3	(523.5)	(13.5%)
<b>Total Revenues</b>	<b>6,499.1</b>	<b>8,188.7</b>	<b>21,456.7</b>	<b>14,595.2</b>	<b>20,076.4</b>	<b>5,481.2</b>	<b>37.6%</b>
Salaries and Benefits	57,275.4	56,936.8	72,624.2	66,928.5	67,654.7	726.2	1.1%
Materials & Supplies	76.7	30.1	129.9	33.6	129.9	96.3	286.8%
Equipment	96.7	406.0	1,923.1	1,185.3	1,447.3	262.0	22.1%
Service and Rent	4,774.3	3,908.9	9,520.7	6,793.2	8,371.5	1,578.3	23.2%
Contribution To Reserves/Reserve Funds	101.0	(0.0)					
Other Expenditures		158.5	959.4	959.5	1,959.4	999.9	104.2%
Inter-Divisional Charges	2.7	20.1					
<b>Total Gross Expenditures</b>	<b>62,326.7</b>	<b>61,460.4</b>	<b>85,157.3</b>	<b>75,900.1</b>	<b>79,562.9</b>	<b>3,662.7</b>	<b>4.8%</b>
<b>Net Expenditures</b>	<b>55,827.7</b>	<b>53,271.7</b>	<b>63,700.7</b>	<b>61,305.0</b>	<b>59,486.5</b>	<b>(1,818.5)</b>	<b>(3.0%)</b>

\*Projection based on 9 Month Variance

### Key Base Drivers:

#### Salaries & Benefits:

Mainly due to annualized salaries & benefits for positions filled late in 2022.

#### Services and Rents:

Increase is mainly due to lower projections in 2022 of spending in various line items which are anticipated to be back up to pre-pandemic spending levels in 2023.

#### Other Expenditures:

Increase is due to grants for the Climate Action & Resiliency Research Fund.

#### User Fees & Donations:

Increase is due to adjustment in recoveries for C2K from Development Application Review Reserve funds to Development Application User Fees.

#### Other Revenue Changes:

Increase is due to external sponsorship for 2023 Federation of Canadian Municipalities (FCM) Conference.

**Offsets and Efficiencies:**

The 2023 Operating Budget for City Manager's Office includes \$2.638 million gross and net in reductions attributed to:

- Reduction in Training and Development expenses (\$0.500 million gross and net as the City explores less expensive remote training opportunities, reducing in-person training);
- Reduction in Business Meeting expenses (\$0.100 million gross and net for fewer in-person meetings within the City and with external stakeholders); and
- Organizational changes (\$2.038 million gross and net).

**New and Enhanced Service Priorities:****Climate Action & Resiliency Research Fund (\$1.000 million gross and \$0 net):**

- To support transformational changes in achieving its climate action goals, the City will benefit from accessing important knowledge and expertise through collaborative structured research projects in key areas with academia. Strategic Partnership is therefore seeking access to \$1 million in unused 2021 funds from the Environment Reserve Fund to support the implementation of the Climate Action and Resiliency Research Fund (CARRF), which facilitates, administers and assists the implementation of academic research projects with Toronto's eight higher education institutions as well as the purchase of research services.
- The budget proposal supports the City in finding innovative solutions to climate challenges and facilitates data and knowledge-sharing opportunities with academic and industry leaders to meet the goals set out in the TransformTO strategy. It also aligns with Council's decision to advance a culture of innovation and collaboration with post-secondary institutions ([EX12.5](#), [EX32.7](#)).

**Note:**

1. For additional information on 2023 key cost drivers please refer to [Appendix 2](#) for a summary of Affordability Measures, [Appendix 3](#) for a more detailed listing and descriptions of the 2023 Service Changes and [Appendix 4](#) for the 2023 New and Enhanced Service Priorities, respectively.

## 2024 &amp; 2025 OUTLOOKS

Table 3: 2024 and 2025 Outlooks

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
<b>Revenues</b>			
Reversal of one-time funding for FCM Conference		(1,231.1)	
Reversal of one-time funding for Climate Action & Resiliency Research Fund (CARRF)		(1,000.0)	
Reversal of funding for P&E Recruitment Support for temp positions		(917.2)	(743.0)
Other revenue changes		10.2	11.2
<b>Total Revenues</b>	<b>20,076.4</b>	<b>(3,138.1)</b>	<b>(731.8)</b>
<b>Gross Expenditures</b>			
Reversal of one-time expenditures for FCM Conference		(1,152.1)	
Reversal of one-time funding for Climate Action & Resiliency Research Fund (CARRF)		(1,000.0)	
Reversal of funding for P&E Recruitment Support for temp positions		(917.2)	(743.0)
Reversal of one-time vacancy backlog		1,315.6	
Salaries and Benefits		309.4	(17.9)
<b>Total Gross Expenditures</b>	<b>79,562.9</b>	<b>(1,444.4)</b>	<b>(760.9)</b>
<b>Net Expenditures</b>	<b>59,486.5</b>	<b>1,693.7</b>	<b>(29.1)</b>
<b>Approved Positions</b>	<b>533.0</b>	<b>0.0</b>	<b>0.0</b>

## Key drivers

The 2024 Outlook with total gross expenditures of \$78.118 million reflects an anticipated \$1.444 million or 1.8% decrease in gross expenditures below the 2023 Operating Budget. The 2025 Outlook expects a further decrease of \$0.761 million or 1.0% below 2024 gross expenditures.

These changes arise from the following:

- 2024 reversals of one-time expenditures for FCM Conference, one-time grant for Climate Action & Resiliency Research Fund (CARRF), and reduced P&E temporary positions to support recruitment; and
- 2025 reduced P&E temporary positions to support recruitment.

# APPENDICES



## Appendix 1

### COVID-19 Impact and Recovery

COVID-19 Impacts	In \$ Thousands				
	2022		Revenues	2023	
	Budget	Projection*		Gross	Net
<b>Expenditure Increase</b>					
Salaries & Benefits to address and manage workload gaps within TEAM Central	2,462.1	1,903.2		2,472.8	2,472.8
Salaries & Benefits for 9 temporary positions to support Return to Office (RTO) and ModernTO (MTO)	852.5				
Grants to support crisis-related needs of Indigenous community	400.0	530.0			
COVID Advertising		500.0			
COVID PPE Supplies		10.0			
COVID Translation Expenses		8.3			
<b>Sub-Total</b>	<b>3,714.6</b>	<b>2,951.5</b>		<b>2,472.8</b>	<b>2,472.8</b>
<b>Total COVID-19 Impact</b>	<b>3,714.6</b>	<b>2,951.5</b>		<b>2,472.8</b>	<b>2,472.8</b>

\* 2022 Projection based on 9 month variance

- 2022 projection of \$2.952 million includes salaries and benefits for P&E to manage workload gaps, grants to support crisis-related needs of Indigenous community, COVID-19 advertising/translation and health and safety supplies.
- 2023 COVID-19 impacts and recovery for City Manager's Office is \$2.473 million gross and net in salaries and benefits for P&E positions to address and manage specialized services allowing for standardization of processes, re-engineering and efficiencies in recruitment and internal movements.

## Appendix 2

### 2023 Affordability Measures

Recommendation	Savings Type	Equity Impact	(\$000s)							
			2023				2024 (Incremental)			
			Revenue	Gross	Net	Positions	Gross	Net	Positions	
\$1.6M Reduction to P&E's Operating Budget	Service Changes	Undetermined		(1,600.0)	(1,600.0)	(13.0)		(6.4)	(6.4)	
P&E reduction to Training & Development Expense	Base Savings	None		(500.0)	(500.0)					
CMO Reorganization	Service Changes	None		(438.1)	(438.1)	(4.0)	(143.1)	(143.1)		0.0
P&E reduction to Business Meeting Expense	Base Savings	None		(100.0)	(100.0)					
<b>Total Affordability Measures</b>				<b>(2,638.1)</b>	<b>(2,638.1)</b>	<b>(17.0)</b>	<b>(149.5)</b>	<b>(149.5)</b>		<b>0.0</b>

## Appendix 3

### Summary of 2023 Service Changes

Form ID		City Manager  Program - City Manager's Office	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		<b>2023 Tabled Budget Before Service Changes:</b>	<b>80,601.0</b>	<b>19,076.4</b>	<b>61,524.6</b>	<b>550.00</b>	<b>1,843.2</b>	<b>(20.7)</b>
28414		\$1.6M Reduction to P&E's Operating Budget						
59	No Impact	<b>Description:</b>						
Please refer to confidential narrative for more details.								
A savings of \$1.600 million in order to address affordability challenges.								
<b>Service Level Impact:</b>								
While service level impacts are expected, every effort will be made to minimize them.								
<b>Equity Statement:</b>								
At this time equity impacts are undetermined. Depending on where these reductions are allocated, this could affect equity work done by People & Equity resulting in negative equity impacts.								
<b>Service:</b> People Equity & Human Rights								
Tabled Budget Changes:			(1,600.0) <sup>█</sup>	0.0	(1,600.0)	(13.00)	(6.4)	(6.9)
<b>Tabled Budget Service Changes:</b>			<b>(1,600.0) <sup>█</sup></b>	<b>0.0</b>	<b>(1,600.0)</b>	<b>(13.00)</b>	<b>(6.4)</b>	<b>(6.9)</b>
28408		CMO Reorganization						
59	NA	<b>Description:</b>						
Please refer to confidential narrative for more details.								
A savings of \$0.438 million in order to address affordability challenges.								
<b>Service Level Impact:</b>								
Service levels may be impacted but every effort will be made to minimize them.								
<b>Equity Statement:</b>								
No impact.								
<b>Service:</b> Strategic & Corporate Policy								
Tabled Budget Changes:			(299.0) <sup>█</sup>	0.0	(299.0)	(3.00)	(98.0)	(1.1)
<b>Service:</b> Strategic Partnership								
Tabled Budget Changes:			(139.1) <sup>█</sup>	0.0	(139.1)	(1.00)	(45.1)	(0.4)
<b>Tabled Budget Service Changes:</b>			<b>(438.1) <sup>█</sup></b>	<b>0.0</b>	<b>(438.1)</b>	<b>(4.00)</b>	<b>(143.1)</b>	<b>(1.5)</b>
<b>Summary:</b>								
<b>Tabled Budget Service Changes:</b>			<b>(2,038.1) <sup>█</sup></b>	<b>0.0</b>	<b>(2,038.1)</b>	<b>(17.00)</b>	<b>(149.5)</b>	<b>(8.4)</b>
<b>Tabled Base Budget:</b>			<b>78,562.9</b>	<b>19,076.4</b>	<b>59,486.5</b>	<b>533.00</b>	<b>1,693.7</b>	<b>(29.1)</b>

## Appendix 4

### Summary of 2023 New / Enhanced Service Priorities Included in Budget

Form ID		City Manager  Program - City Manager's Office	Adjustments				2024 Plan Net Change	2025 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
28205		Climate Action & Resiliency Research Fund (CARRF)						
74	Positive	<b>Description:</b>						

With growing requests from city divisions and the academic community to partner on multidisciplinary climate-focused research that informs policy and practice, the CARRF will help advance Toronto's net zero goals. Strategic Partnerships requests access to unused funds from the Environment Reserve Fund, which the Environment and Climate Division transferred to Strategic Partnerships in 2021 to administer CARRF under the CivicLabTO program.

It is anticipated that the CARRF funds will be matched by Mitacs and other non-profit partners for a total of \$2 million over the next two years to fund 15 to 20 small to mid-sized strategic research projects in support of TransformTO, the City's climate change strategy.

To this end, the budget amendment being proposed here will support city division in the following:

- (1) A coordinated cross-divisional, cross-corporate research to identify and organize ECD's research needs to avoid duplication, assess research gaps and identify resources needed from the Division.
- (2) Building new and strengthening existing relationships with academic experts, creating more student learning opportunities and advancing the City's CivicLabTO agenda.
- (3) The creation of a climate action research hub through which cross-Divisional and cross-corporate research activities can:
  - a. Be documented,
  - b. Be reviewed for their contribution and alignment with TransformTO Net Zero Strategy targets and goals,
  - c. Be reviewed for alignment with climate resiliency goals as per Toronto's Resilience Strategy,
  - d. Be identified for appropriate project funding and/or in-kind support

**Service Level Impact:**

**Current State:** Program has not started

**Future State:** The CARRF will be in place for the next two years and is intended to support 15-20 small-midsized research and program development projects each year. By bringing together the City and academic partners CARRF will be a core program of the CivicLabTO program developed and managed by Strategic Partnerships.

**Equity Statement:**

There is a medium positive equity impact.

For example, the Climate Action & Resiliency Research Fund, as part of the CivicLabTO program, aims to create and strengthen academic research collaborations, knowledge-sharing opportunities, and experiential learning experiences guided by a commitment to equity, inclusion and reconciliation. Strategic Partnerships will continually assess the potential impacts of all initiatives onequity-deserving groups and engage these communities in all program components. This engagement is critical as it encourages and promotes new ways of thinking and offers creative solutions to complex issues.

The Climate Action & Resiliency Research Fund will encourage research projects that work with Indigenous, Black, and equity-deserving communities around climate action initiatives, programs, and policies. This is imperative and ensures that future decisions around climate issues are not made in silos but through conversations with the people and communities directly impacted by the City's policies, services, and programs.

**Service:** Strategic Partnership

Total Tabled Budget Changes:	1,000.0	1,000.0	0.0	0.00	0.0	0.0
<b>Tabled New/Enhanced Service Priorities:</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>

**Summary:**

<b>Tabled New/Enhanced Service Priorities:</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>
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## **Appendix 5**

**Summary of 2023 New / Enhanced Service Priorities Not Included in Budget**

**N/A**

## **Appendix 6**

**2023 Capital Budget;  
2024 - 2032 Capital Plan Including Carry Forward Funding**

**N/A**

## **Appendix 6a**

**2023 Cash Flow and Future Year Commitments Including Carry Forward Funding**

**N/A**

## **Appendix 6b**

**2024 - 2032 Capital Plan**

**N/A**

## **Appendix 7**

**Reporting on Major Capital Projects: Status Update**

**N/A**

## **Appendix 8**

**Capacity to Spend Review**

**N/A**

## **Appendix 9**

**Summary of Capital Needs Constraints**

**N/A**

## Appendix 10

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2023 Operating Budget

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
<b>Beginning Balance</b>		<b>1,458.7</b>	<b>502.9</b>	<b>378.1</b>
Corporate Conference Reserve	XQ0012			
<i>Withdrawals (-)</i>		(1,005.8)	(174.7)	(174.7)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>(1,005.8)</b>	<b>(174.7)</b>	<b>(174.7)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>		<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
<b>Balance at Year-End</b>		<b>502.9</b>	<b>378.1</b>	<b>253.4</b>

#### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
<b>Beginning Balance</b>		<b>211,274.4</b>	<b>193,727.1</b>	<b>171,032.6</b>
Building Code Act Service Improvement Reserve Fund	XR1305			
<i>Withdrawals (-)</i>		(1,809.7)	(1,809.7)	(1,809.7)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>(1,809.7)</b>	<b>(1,809.7)</b>	<b>(1,809.7)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>		<b>(15,737.6)</b>	<b>(20,884.7)</b>	<b>(24,370.6)</b>
<b>Balance at Year-End</b>		<b>193,727.1</b>	<b>171,032.6</b>	<b>144,852.3</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
<b>Beginning Balance</b>		<b>47,299.9</b>	<b>26,585.4</b>	<b>19,731.5</b>
Development Application Review Reserve Fund	XR1307			
<i>Withdrawals (-)</i>		(6,012.2)	(6,022.4)	(6,033.6)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>(6,012.2)</b>	<b>(6,022.4)</b>	<b>(6,033.6)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>		<b>(14,702.3)</b>	<b>(831.5)</b>	<b>(971.3)</b>
<b>Balance at Year-End</b>		<b>26,585.4</b>	<b>19,731.5</b>	<b>12,726.6</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
<b>Beginning Balance</b>		<b>1,005.4</b>	<b>15.3</b>	<b>15.6</b>
Environment Protection Reserve Fund	XR1718			
<i>Withdrawals (-)</i>		(1,000.0)	-	-
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>(1,000.0)</b>	<b>-</b>	<b>-</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>		<b>9.9</b>	<b>0.3</b>	<b>0.3</b>
<b>Balance at Year-End</b>		<b>15.3</b>	<b>15.6</b>	<b>15.9</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
<b>Beginning Balance</b>		<b>1,161,063.3</b>	<b>1,176,957.1</b>	<b>1,201,766.6</b>
Tax Rate Stabilization Reserve	XQ0703			
<i>Withdrawals (-)</i>		(1,660.3)	(743.0)	(0.0)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>(1,660.3)</b>	<b>(743.0)</b>	<b>(0.0)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>		<b>17,554.0</b>	<b>25,552.5</b>	<b>26,021.9</b>
<b>Balance at Year-End</b>		<b>1,176,957.1</b>	<b>1,201,766.6</b>	<b>1,227,788.4</b>

## Appendix 11

### Glossary

**Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

**Actuals:** An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

**Capacity to Spend:** Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget:** A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

**Capital Needs Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

**Complement:** Positions that support the delivery of City services and service levels as approved by Council.

**Efficiencies:** Reductions in the cost of delivering a service without a reduction in service level.

**New / Enhanced Service Priorities:** New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

**Operating Budget:** An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

**Operating Impact of Completed Capital Projects:** The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

**Rate Supported Budget:** Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

**State of Good Repair (SOGR):** The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes

**Tax Supported Budget:** Budget funded by property taxes.

**User Fees:** City Manager's Office generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).