

2024 Budget Notes

Policy, Planning, Finance & Administration

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Description

Policy, Planning, Finance & Administration (PPFA) provides centralized financial and administrative support to the Deputy City Managers, Infrastructure Services (IS) and Development & Growth Services (D&GS). PPFA delivers the following services:

- Corporate Leadership
- Organizational Effectiveness
- Financial Management
- Program Support

Why We Do It

PPF&A provides centralized financial and administrative services and corporate leadership support to IS and D&GS Deputy City Managers and divisions so they can focus on providing services to Toronto's residents and businesses. In so doing, PPF&A strives to achieve the following outcomes:

- IS and D&GS Divisions are able to make informed financial decisions and provide services that are financially sustainable through timely and accurate financial management.
- Public consultation on IS infrastructure projects is timely, accessible, and convenient, and the input from residents and businesses contributes to informed decision-making.

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.

Program / Agency:**Annalisa Mignardi**

Executive Director

Tel: (416) 397-4669

Email: annalisa.mignardi@toronto.ca**Corporate:****Cindy Williamson**

Manager, Financial Planning

Tel: (416) 397-4531

Email: cindy.williamson@toronto.ca

What Service We Provide

Corporate Leadership & Organizational Effectiveness

Who We Serve: Deputy City Managers – IS and D&GS, City Staff/Divisions

What We Deliver: Provide strategic advice, planning, coordination and reporting to the IS and D&GS divisions to improve organizational effectiveness, and service delivery.

How Much Resources (gross 2024 operating budget): \$3.7 million

Financial Management

Who We Serve: Deputy City Managers - IS and D&GS, City Staff/Divisions, and Division Suppliers/Service Providers.

What We Deliver: Provide financial planning, reporting, analysis and advice, revenue/receivable management, purchasing, contract management and coordination of payables for IS and D&GS divisions to ensure compliance with corporate policies, guidelines, and by-laws and support service delivery.

How Much Resources (gross 2024 operating budget): \$9.6 million

Program Support

Who We Serve: Deputy City Managers – IS and D&GS, City Staff/Divisions, Residents and Businesses.

What We Deliver: Administrative, public consultation, complement management and payroll time entry services to IS and D&GS divisions to ensure compliance with corporate policies and support service delivery.

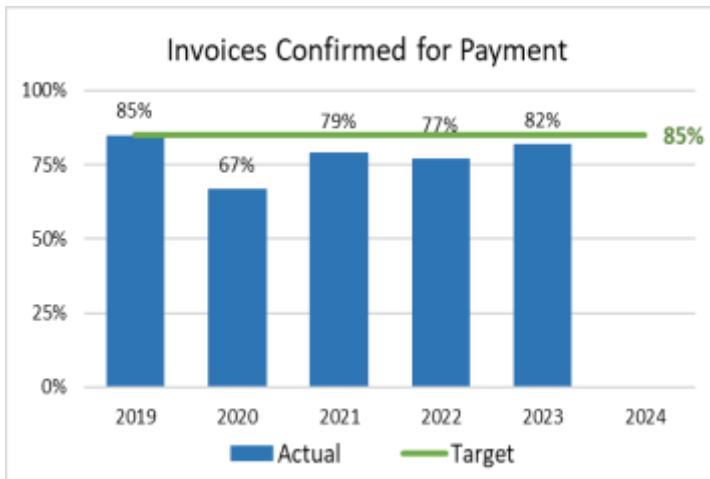
How Much Resources (gross 2024 operating budget): \$8.0 million

Budget at a Glance

2024 OPERATING BUDGET			
<u>\$Million</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues	\$15.8	\$15.9	\$16.0
Gross Expenditures	\$21.3	\$21.5	\$21.7
Net Expenditures	\$5.5	\$5.6	\$5.7
Approved Positions	181.1	181.1	181.1

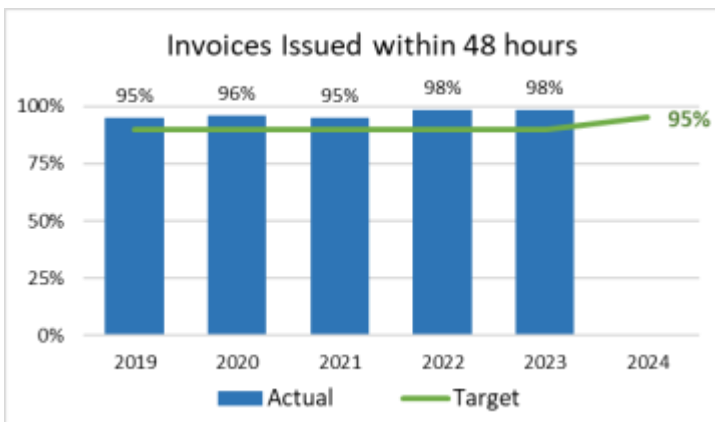
2024 - 2033 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2024</u>	<u>2025-2033</u>	<u>Total</u>
This program does not have a capital budget.			

How Well We Are Doing – Behind the Numbers



Invoices Confirmed for Payment

- Vendor invoices are reviewed to confirm that goods and services have been received before payment and IS and D&GS divisions are in compliance with corporate policies and contractual obligations.
- The 2021 & 2022 actuals reflect processing delays and changes in operational procedures resulting from the impacts of COVID-19. 2024 service levels are anticipated to be in keeping with previous years' experience.



Invoices Issued within 48 hours.

- PPF&A manages the Accounts Receivable process end-to-end for IS and D&GS divisions, including billing, collections, payment processing, banking, and analysis and reporting.
- PPF&A has a target of issuing 90% of debtor invoices (created and mailed) within 48 hours of receipt of an invoice request. As a result of efficiencies gained through streamlining and automating of business process, the 2024 target has been amended to 95% to reflect actual experience.

How Well We Are Doing

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures								
Financial Management	% of IS and D&GS divisional budgets supported and coordinated within deadlines	100%	100%	100%	100%	●	100%	100%
	% of invoices confirmed for payment within 60 days	79%	77%	85%	82%	●	85%	85%
	% of debtor invoices issued (created and mailed) within 48 hours of receipt or notification of completed request	95%	98%	90%	99%	●	95%	95%
	% of undisputed accounts receivable paid by customer * within agreed upon payment terms	62%	64%	70%	65%	●	70%	70%
	Total # of undisputed accounts paid by customer * collected	6,437	5,369	6,000	5,700	●	6,000	6,000
Program Support	% of time sheets entered	100%	100%	100%	100%	●	100%	100%
	% of compliance to meet notification guidelines, legislated requirements, and client and program needs	100%	100%	100%	100%	●	100%	100%

2023 Projection to 2023 Target Comparison

● 80% and above (MET TARGET) ● 70 - 79% (LOW RISK) ● 69% and Under (REQUIRES ATTENTION)

* The description has been modified to better reflect the service levels being monitored.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Led and supported IS & DG&S programs with continued implementation of enterprise-wide corporate initiatives including Financial System Transformation Project and Payroll Transformation.
- Continued to lead and support the delivery of key priorities identified in the IS & DGS Confronting Anti-Black Racism Framework of Enduring Action and Employee Engagement Strategy.
- Supported city building/capital delivery by hosting both in-person and virtual public consultation events using WebEx and on-line tools.
- Delivered public consultation activities for the Avenue Road Study, Bloor Street West Complete Street and various other cycling and transportation projects taking place across the City. Completed a number of basement flooding studies and undertook consultation for several geomorphic studies. Supported community engagement efforts for large-scale construction projects taking place along Broadview Avenue, Bloor Street West and Adelaide Street.
- Led and supported implementing the organizational realignment of Infrastructure & Development Services to Infrastructure Services and Development and Growth Services

Key Challenges and Risks

- Maintaining current service levels, while simultaneously implementing new enterprise-wide technology improvements and modernization initiatives, including Financial System Transformation Project.
- Increased complexity and growing demand for service in support of Development & Growth Services and Infrastructure Services programs.
- Building a versatile team that is equipped to adjust to the City's changing service delivery models to ensure seamless provision of financial and administrative support services.

Priority Actions

- Continue to transform service delivery through leveraging automation and realign resources to respond to changing requirements.
- Advance implementation of the organizational realignment of Infrastructure & Development Services area to Development & Growth Services and Infrastructure Services.
- Continue to lead and support IS & D&GS divisions with implementing the Financial System Transformation Project, and various payroll and human resource transformation projects.
- Advance implementation of the IS & D&GS Confronting Anti-Black Racism Framework of Action and Employee Engagement Strategy.
- Continue to lead and support the development and delivery of new online engagement tools for virtual public engagement.
- Collaborate with the Indigenous Affairs Office, and other City Divisions, on the development of an approach for engaging First Nations in archaeological assessments for City building/capital delivery projects.
- Provide reliable and timely financial management reporting to IS & D&GS divisions to support data-driven decision-making and promote compliance.
- Continue to focus on staff training/cross-training to build workforce capacity and enhance skill sets.

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for Policy, Planning, Finance and Administration of \$21.310 million gross, \$15.815 million revenue and \$5.495 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Corporate Leadership	3,217.8	1,905.4	1,312.4
Organizational Effectiveness	515.1	29.4	485.8
Financial Management	9,560.9	7,461.9	2,099.0
Program Support	8,016.1	6,417.9	1,598.1
Total Program Budget	21,309.9	15,814.6	5,495.3

- The 2024 staff complement for Policy, Planning, Finance and Administration of 181.1 positions comprised of 10.0 capital positions and 171.1 operating positions.

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Organizational Effectiveness	95.8	27.5	28.5	27.5	29.4		29.4	1.9	6.8%
Financial Management	5,459.2	6,681.1	6,497.7	6,681.1	7,461.9		7,461.9	780.8	11.7%
Program Support	6,264.6	5,818.1	5,695.6	5,818.1	6,417.9		6,417.9	599.8	10.3%
Corporate Leadership	1,769.0	1,069.8	555.3	1,069.8	1,905.4		1,905.4	835.6	78.1%
Total Revenues	11,819.6	13,596.5	12,777.1	13,596.5	15,814.6		15,814.6	2,218.1	16.3%
Expenditures									
Organizational Effectiveness	330.6	285.5	268.7	285.5	515.1		515.1	229.6	80.4%
Financial Management	7,848.9	8,854.7	8,293.0	8,854.7	9,560.9		9,560.9	706.2	8.0%
Program Support	6,691.5	7,669.4	7,338.1	7,669.4	8,016.1		8,016.1	346.6	4.5%
Corporate Leadership	1,769.0	2,282.1	2,160.9	2,282.1	3,217.8		3,217.8	935.6	41.0%
Total Gross Expenditures	16,640.0	19,091.8	18,060.8	19,091.8	21,309.9		21,309.9	2,218.1	11.6%
Net Expenditures	4,820.4	5,495.4	5,283.7	5,495.4	5,495.4		5,495.4	0.0	0.0%
Approved Positions**	167.1	180.1	N/A	180.1	181.1		181.1	N/A	N/A

* 2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$21.309 million gross reflecting an increase of \$2.218 million in spending above 2023 budget, predominantly arising from:

- Salaries and benefits increase for cost-of-living adjustments for existing positions.
- Offset by increased inter-divisional recovery from rate-based programs and reserves for services provided on their behalf.

EQUITY IMPACTS OF BUDGET CHANGES

The Policy, Planning, Finance & Administration Division's 2024 Operating Budget includes funding of \$0.118 million for a Public Consultation resource to enhance the accessibility and inclusivity of the consultation activities that will inform the direction of many Solid Waste Management initiatives in Toronto.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for Policy, Planning, Finance and Administration of \$5.495 million which has no net change compared to the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	13,596.5	19,091.8	5,495.4	180.1	N/A
2023 Projection*	12,777.1	18,060.8	5,283.7	N/A	N/A
Key Cost Drivers:					
<i>Prior Year Impacts</i>					
Annualization of positions added in 2023	816.3	816.3			
<i>Salary & Benefits</i>					
Salary & Benefit adjustments also includes one (1) capital funded position for public consultation initiatives		1,401.8	1,401.8	1.0	199.3
<i>Revenue Changes</i>	1,401.8		(1,401.8)		(99.2)
Sub-Total - Key Cost Drivers	2,218.1	2,218.1	0.0	1.0	100.1
Total 2024 Budget	15,814.6	21,309.9	5,495.4	181.1	100.1
Change from 2023 Budget (\$)	2,218.1	2,218.1	0.0	1.0	N/A
Change from 2023 Budget (%)	16.3%	11.6%	0.0%	0.6%	N/A

*2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Prior Year Impacts:

- Annualized impacts of eight (8) new Development and Growth Service Area positions added in 2023.

Salaries & Benefits:

- Inflationary increases to existing salaries and benefits.
- One (1) new capital funded position supporting Solid Waste Management's public consultation initiatives.

Revenue Changes:

- Recoveries from rate-based programs (Toronto Water and Solid Waste Management Services) and reserves for services provided on behalf of other program areas to offset the above increases in salaries & benefits.

Affordability Measures:

Table 3: Offsets and Efficiencies (N/A)

New and Enhanced Service Priorities:

Table 4: New / Enhanced Requests (N/A)

2025 & 2026 OUTLOOKS**Table 5: 2025 and 2026 Outlooks**

(\$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Revenue Changes		90.8	91.6
Contribution from Reserve		5.2	5.6
Transfers from Capital		3.3	13.1
Total Revenues	15,814.6	99.2	110.3
Gross Expenditures			
Salaries and Benefits		199.3	214.6
Total Gross Expenditures	21,309.9	199.3	214.6
Net Expenditures	5,495.4	100.1	104.3
Approved Positions	181.1	0.0	0.0

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$21.509 million reflects an anticipated \$0.199 million or 0.94% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$0.215 million or 1.0% above 2025 gross expenditures.

These changes arise from the following:

- The increases for salaries and benefits which is partially offset by increased Inter-Divisional and reserve fund recoveries.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (\$000s)	2021 Actual	2022 Actual	2023 Budget	2023 Projection*	2024 Budget	2024 Change from 2023 Budget		2024 Change from 2023 Projection	
	\$	\$	\$	\$	\$	\$	%	\$	%
Transfers From Capital	2,800.8	2,909.9	3,260.7	2,721.3	3,260.7			539.4	19.8%
Contribution From Reserves/Reserve Funds			798.4	798.4	2,364.7	1,566.3	196.2%	1,566.3	196.2%
Sundry and Other Revenues	100.0	100.0	100.0	100.0	100.0				
Inter-Divisional Recoveries	7,600.1	8,809.8	9,437.4	9,157.5	10,089.2	651.8	6.9%	931.7	10.2%
Total Revenues	10,500.9	11,819.6	13,596.5	12,777.1	15,814.6	2,218.1	16.3%	3,037.4	23.8%
Salaries and Benefits	14,628.5	16,407.0	18,628.2	17,744.6	20,846.3	2,218.1	11.9%	3,101.8	17.5%
Materials & Supplies	10.2	15.4	47.5	19.5	47.5			28.1	144.3%
Equipment	41.6	60.9	96.8	98.7	96.8			(1.9)	(1.9%)
Service and Rent	106.1	156.7	319.2	198.1	319.2			121.2	61.2%
Inter-Divisional Charges	97.6								
Total Gross Expenditures	14,884.0	16,640.0	19,091.8	18,060.8	21,309.9	2,218.1	11.6%	3,249.1	18.0%
Net Expenditures	4,383.1	4,820.4	5,495.4	5,283.7	5,495.4	0.0	0.0%	211.7	4.0%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2025 - 2033 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Capacity to Spend Review

N/A

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		557.4	557.4	557.4
Vehicle Reserve - PPFA	XQ1401			
<i>Withdrawals (-)</i>				
<i>Policy Planning Finance and Administration</i>				
<i>Contributions (+)</i>				
<i>Interest Income</i>				
Total Reserve / Reserve Fund Draws / Contributions		557.4	557.4	557.4
Other Program / Agency Net Withdrawals & Contributions				
Balance at Year-End		557.4	557.4	557.4

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		225,612.5	195,495.3	165,152.2
Building Code Act Service Improvement RF	XR1305			
<i>Withdrawals (-)</i>				
<i>Policy Planning Finance and Administration</i>		(250.0)	(250.0)	(250.0)
<i>Contributions (+)</i>				
<i>Interest Income</i>		1,573.3	1,347.4	1,119.8
Total Reserve / Reserve Fund Draws / Contributions		226,935.7	196,592.7	166,022.0
Other Program / Agency Net Withdrawals & Contributions		(31,440.5)	(31,440.5)	(31,440.5)
Balance at Year-End		195,495.3	165,152.2	134,581.5

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		73,857.6	41,766.9	9,525.9
Development Application Review	XR1307			
<i>Withdrawals (-)</i>				
<i>Policy Planning Finance and Administration</i>		(2,114.7)	(2,119.9)	(2,125.5)
<i>Contributions (+)</i>				
<i>Interest Income (+)</i>		432.0	191.6	-
Total Reserve / Reserve Fund Draws / Contributions		72,174.9	39,838.7	7,400.4
Other Program / Agency Net Withdrawals & Contributions (*)		(30,408.0)	(30,312.8)	(29,798.8)
Balance at Year-End		41,766.9	9,525.9	(22,398.4)

(*) City Planning is undertaking a follow-on development application fee review and will report back to Council with recommendations by the fourth quarter of 2024. Once approved by Council, this will move eligible costs funded by this reserve fund to user fees. The table above reflects the current funding sources pending the Council approval.

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: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).