

# BudgetTO

## Corporate Services

2024 Operating Budget and  
2024-2033 Capital Budget & Plan  
Briefing to Budget Committee

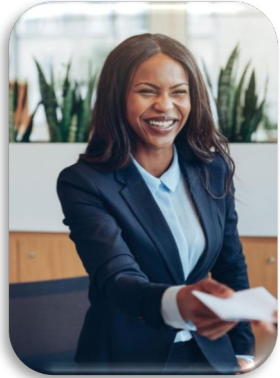
January 18, 2024

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Enabling City Divisions, Agencies, Corporations and external partners to deliver the programs and services that residents and businesses rely on, through enterprise-wide leadership that improves service experiences, modernizes, sustains and protects critical technology and real estate assets, and drives climate action, in an effective and efficient manner.

# Corporate Services



## Customer Experience

Single point of access to City services & modernizing customer experience across service channels (digital, phone, in-person)



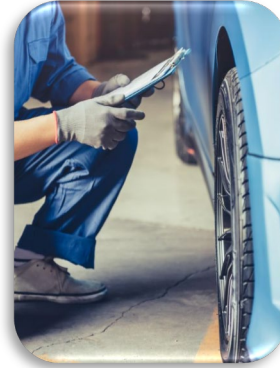
## Corporate Real Estate Management

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



## Environment & Climate

Lead and support the development and implementation of community and corporate-wide policies and programs to advance the City's overall sustainability outcomes



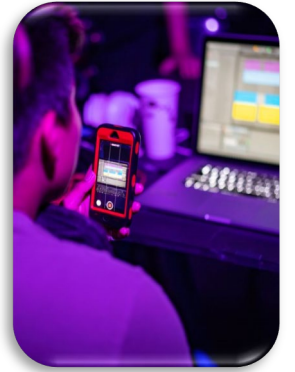
## Fleet Services

Ensure the City has safe, available, reliable & environmentally sustainable fleet assets to meet service delivery requirements



## Office of the Chief Information Security Officer

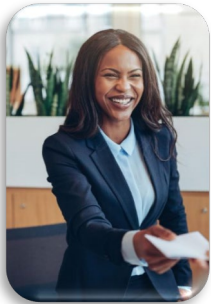
Strengthen the City's cyber security posture, build a cyber smart workforce and minimize the impact of cyber incidents for the City



## Technology Services

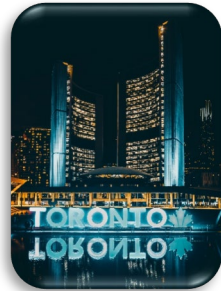
Effectively enable the delivery of City services by ensuring the City's technology environment is resilient, robust and agile

# Scope of Service Delivery



## Customer Experience

- Access to non-emergency City services, programs & information
- Over 495,000 service requests in 2023
- Strategic evolution of customer experience standards



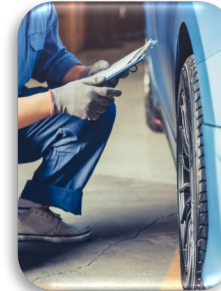
## Corporate Real Estate Management

- Life cycle asset management of over 474 facilities
- Project management & operational services across City portfolio
- Manage over 1,000 leases & provide property management services & support City-wide



## Environment & Climate

- Leads and coordinates, across City Divisions, Agencies & Corporations, actions to reduce emissions and enhance resilience to climate change
- Collaborates on issues of corporate and community resiliency



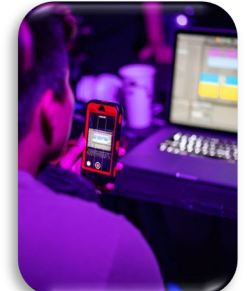
## Fleet Services

- Stewardship over 8,000 fleet assets
- Network of fuel & electric charging sites
- Largest municipal fleet in Canada & one of the most specialized & diverse in North America



## Office of the Chief Information Security Officer

- Enhances cyber resiliency & intelligence capabilities
- Provide cyber awareness training to staff
- Provides 24/7 cyber threat monitoring, management, and cyber incident response services



## Technology Services

- 1,463 enterprise & business solutions / applications
- 22,000+ mobile devices
- 24,000+ computers
- 3 data centres, 1,900 servers, 7x24x365
- 780+ facilities networked / 84,000+ switches, routers, hubs & ports

## 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.**

### Economy

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.

# 2024 Budget Overview

## Operating Budget

\$ Millions	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Budget	Chg from 2023 Budget excl COVID		OUTLOOK	
					\$	%	2025	2026
Revenues	\$192.1	\$187.6	\$192.5	\$200.9	\$8.4	4.4%	\$198.5	\$200.5
Gross Expenditures	\$511.1	\$506.9	\$505.0	\$547.4	\$42.4	8.4%	\$572.2	\$588.2
Net Expenditures	\$319.1	\$319.2	\$312.5	\$346.5	\$33.9	10.9%	\$373.7	\$387.7
Approved Positions**	2,401.0		2,401.0	2,458.0	57.0	2.4%	2,459.0	2,455.0

\*Projection based on 9 Month Variance

\*\*YoY comparison based on approved positions

## 10 Year Capital Budget & Plan

\$ Millions	2024	2025-2033	Total
Gross Expenditures	\$496.9	\$3,048.6	\$3,545.5
Debt	\$210.0	\$1,011.0	\$1,221.0

Note: Includes 2023 carry forward funding



## TALENT

- Ability to attract and retain staff for necessary skilled positions in a competitive labour market and global labour shortage
- Adequate succession planning with an aging workforce to support internal operations and safeguard City assets & information



## CLIMATE ACTION

- Achieving Council-approved target of net-zero emissions by 2040 requires dedicated financial support and policy leadership from all orders of government.
- Community-wide actions and behavioural change is needed, along with policy and investments from all levels of government and business communities, to achieve community-wide goals.



## ASSET LIFECYCLE MANAGEMENT

- Balancing client needs while modernizing and optimizing the City's asset base to realize the best use and value from our assets
- Modernizing the technology environment and leveraging common technology platforms to ensure continued business operations and support efficiencies
- Managing impacts of continued inflationary pressures and price volatility on capital and operating programs



## RESILIENCE

- Aging building stock and asset base increases the risk of failure and unreliability of the City's corporate assets supporting program and service delivery. This drives the need for continued investment to maintain stable operations while incorporating resiliency efforts
- Increased levels and sophistication of cyber attacks as we continue to digitize



## MODERNIZING GOVERNMENT

- Organizational readiness for modernization, transformation and new technologies
- Transformational services & priorities to optimize corporate functions and meet City priorities, competing with finite fiscal and staffing resources
- Delays in modernization initiatives will delay the benefits to be realized, impacting both financial and service delivery



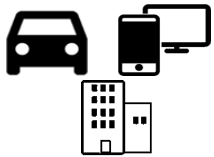
## TALENT

- Invest in staff through training and development with emphasis on complementing enterprise level diversity, equity and inclusion initiatives
- Fully operationalize newly designed skilled trades apprenticeship program to have a pipeline of well-trained, licensed, and competent technicians
- Recruit critical positions that align with the City's strategic priorities



## CLIMATE ACTION

- Establish Emissions Performance Standards to improve energy performance of existing buildings, providing the greatest opportunity to decarbonize the building sector.
- Accelerate the electric vehicle charging station network and the conversion of light duty vehicles to electric vehicles under the Sustainable Fleets Plan
- Advance implementation and evolution of the Climate Lens and Carbon Budget to identify emission reduction and resiliency efforts across the City
- Continue to leverage public assets for climate action, including SolarTO, Wastewater Renewable Energy program, and exploring new programs



## ASSET LIFECYCLE MANAGEMENT

- Reducing the total cost of ownership across corporate assets through improvements to life cycle asset management for City facilities, investment in SOGR and continued optimization of Fleet assets to comply with legislative / health & safety requirements and prioritize investments to align with modernization strategies, including Telematics
- 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
- Enhance cyber foundation to strengthen the City's overall cyber posture by continuing to invest and improve essential measures based on evolving cyber threats

## MODERNIZING GOVERNMENT



- Accelerate digital transformation to enhance City services. Unified and standardized customer experience (i.e., payments, service requests, permits/licenses, complaints, etc.)
- Continue to implement customer service operating model to improve customer experience including setting corporate standards, developing digital capabilities, and optimizing service channels
- Workplace Modernization Program - continue to collapse leases and modernize City office space to reallocate real estate to other needs, e.g., housing

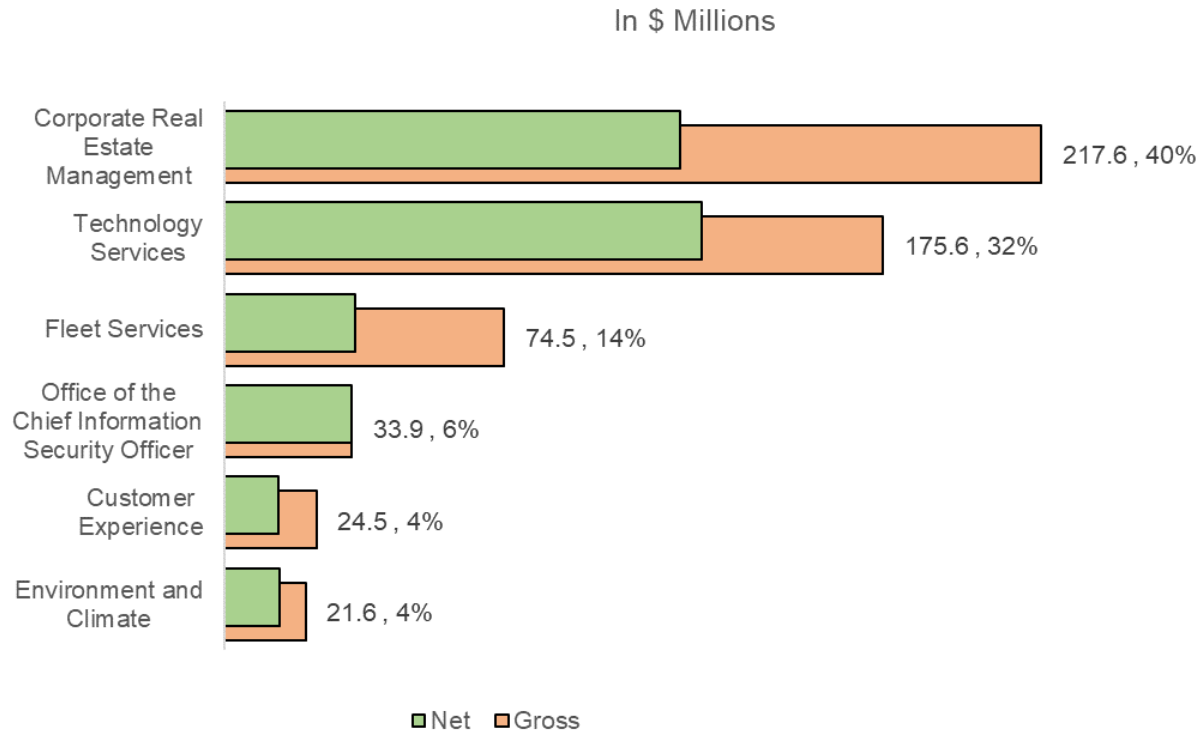


# 2024 Operating Budget Submission

Corporate Services

# 2024 Operating Budget - \$547.4 million Gross (\$346.5 million Net)

## 2024 Operating Expenditures



### Key Points

#### The 2024 Operating Budget:

- Supports legislative and health & safety requirements through **life-cycle asset management services** across over 474 City-owned facilities and 8,000 vehicles
- Provides **Climate Action** leadership and support through development and implementation of strategic community and corporate-wide environment, climate and energy policies and programs to advance the City's overall sustainability outcomes and net zero goals.
- Addresses **resiliency** through cyber resiliency and cyber intelligence, investments in technology and people to mitigate enterprise risk, maintain business continuity, and access to non-emergency City services, programs and information 24 hours a day, seven days a week.
- Enables the **modernization of government** through digitization of City services, a new customer service operating model and operationally effective use of City real estate.

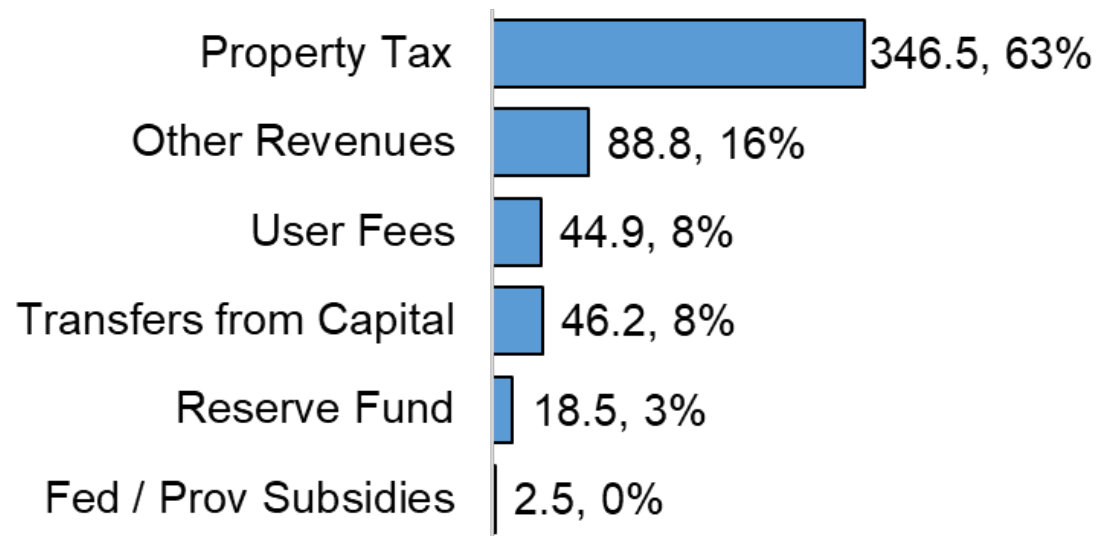
# How the Budget is Funded & Where the Money Goes

## Where the Money Comes From

2024 Operating Budget

**\$547.4 million**

In \$ Millions

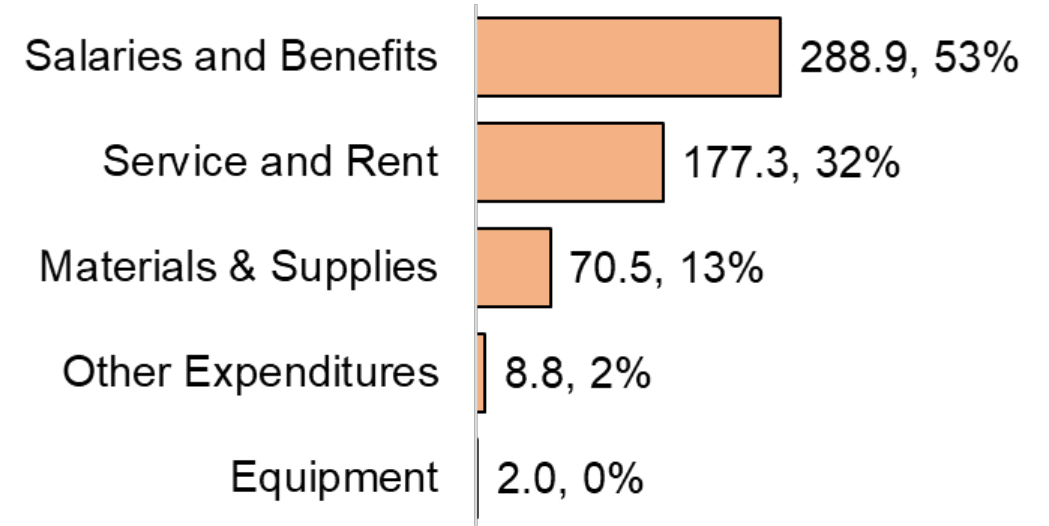


## Where the Money Goes

2024 Operating Budget

**\$547.4 million**

In \$ Millions



# 2024 Net Operating Budget

(In \$Millions)	2023 Budget	2023 Projection *	2023 Budget excl COVID	2024		2024 Budget	Change v. 2023 Budget excl COVID	
				Base Budget	New / Enhanced		\$	%
<b>By Program</b>	\$	\$	\$	\$	\$	\$	\$	%
<b>Net Expenditures</b>								
Corporate Real Estate Management	111.7	114.0	107.7	121.5		121.5	13.8	12.8%
Technology Services	111.0	110.9	108.6	127.2		127.2	18.6	17.1%
Fleet Services	32.9	34.2	32.7	35.0		35.0	2.2	6.9%
Office of the Chief Information Security Officer	35.7	30.9	35.7	33.9		33.9	(1.8)	(5.1%)
Customer Experience	13.9	13.9	13.9	14.5		14.5	0.6	4.3%
Environment and Climate	13.9	15.4	13.9	14.4		14.4	0.5	3.8%
<b>Total Net Expenditures</b>	<b>319.1</b>	<b>319.2</b>	<b>312.5</b>	<b>346.5</b>		<b>346.5</b>	<b>33.9</b>	<b>10.9%</b>

\*Projection based on 9 Month Variance

# 2024 – 2033 Capital Budget & Plan Submission

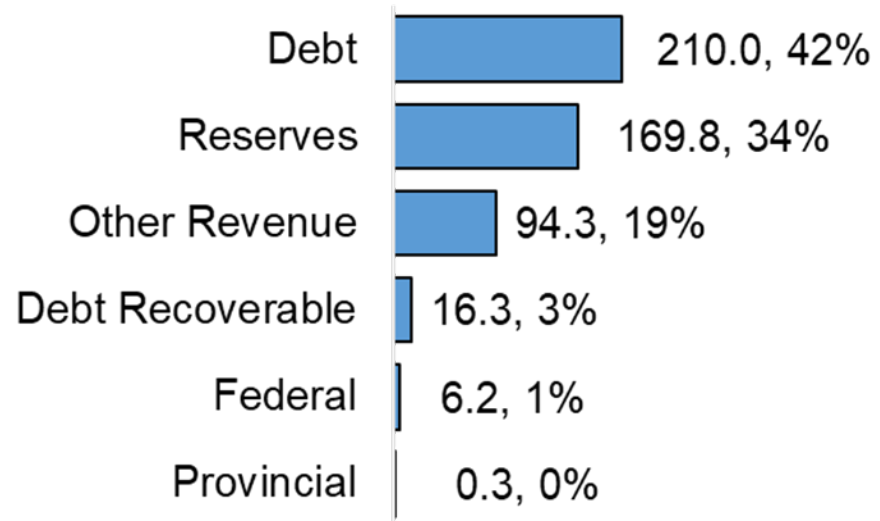
Corporate Services

# 2024 Capital Budget Breakdown

## Where the Money Comes From

2024 Capital Budget  
**\$496.9 million**

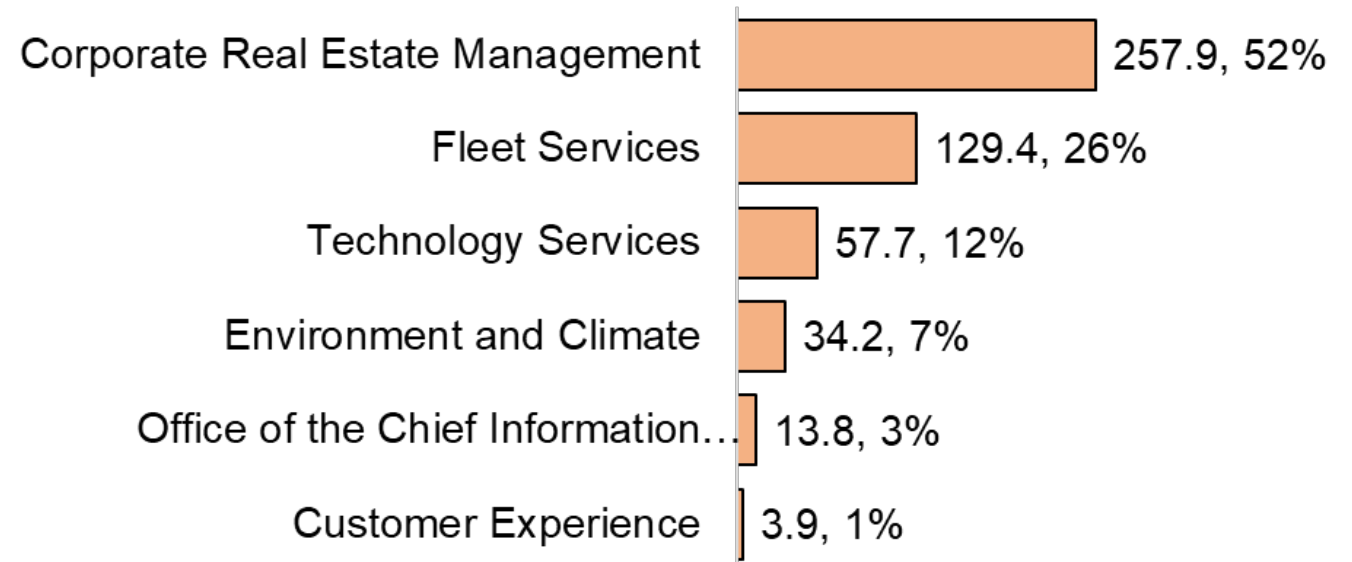
In \$ Millions








## Where the Money Goes

2024 Capital Budget  
**\$496.9 million**

In \$ Millions



# \$3.5 Billion 10-Year Gross Capital Program

				
<b>Life Cycle Asset Management</b>	<b>Strategic Real Estate Development</b>	<b>Climate Action</b>	<b>Tools &amp; Technology</b>	<b>Resilience</b>
<p>\$2,240.2 M 63.2%</p>	<p>\$692.4 M 19.5%</p>	<p>\$293.6 M 8.3%</p>	<p>\$272.8 M 7.7%</p>	<p>\$46.5 M 1.3%</p>
<p>Facility State of Good Repair <input checked="" type="checkbox"/></p> <p>Fleet Replacement <input checked="" type="checkbox"/></p> <p>Technology Life Cycle Asset Management</p> <p>Accessibility for Ontarians with Disabilities Act (AODA)</p>	<p>St. Lawrence Market North <input checked="" type="checkbox"/></p> <p>New Etobicoke CC <input checked="" type="checkbox"/> <input checked="" type="checkbox"/></p> <p>Old City Hall</p> <p>Workplace Modernization Program <input checked="" type="checkbox"/></p> <p>Property Acquisition for Strategic City Building</p>	<p>TransformTO <input checked="" type="checkbox"/></p> <p>Net-Zero Implementation <input checked="" type="checkbox"/></p> <p>Sustainable Energy Plan Financing <input checked="" type="checkbox"/></p> <p>Climate Resiliency <input checked="" type="checkbox"/></p> <p>Sustainable Fleet Plans <input checked="" type="checkbox"/></p>	<p>Software development &amp; purchases</p> <p>Customer Experience Improvements</p> <p>Facility Security Infrastructure</p> <p>Cyber Investments</p> <p>Enterprise Capabilities</p>	<p>Energy Conservation &amp; Demand Management <input checked="" type="checkbox"/></p> <p>Building Automation System <input checked="" type="checkbox"/></p> <p>Energy Audits <input checked="" type="checkbox"/></p> <p>Electrical Resiliency <input checked="" type="checkbox"/></p>

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction

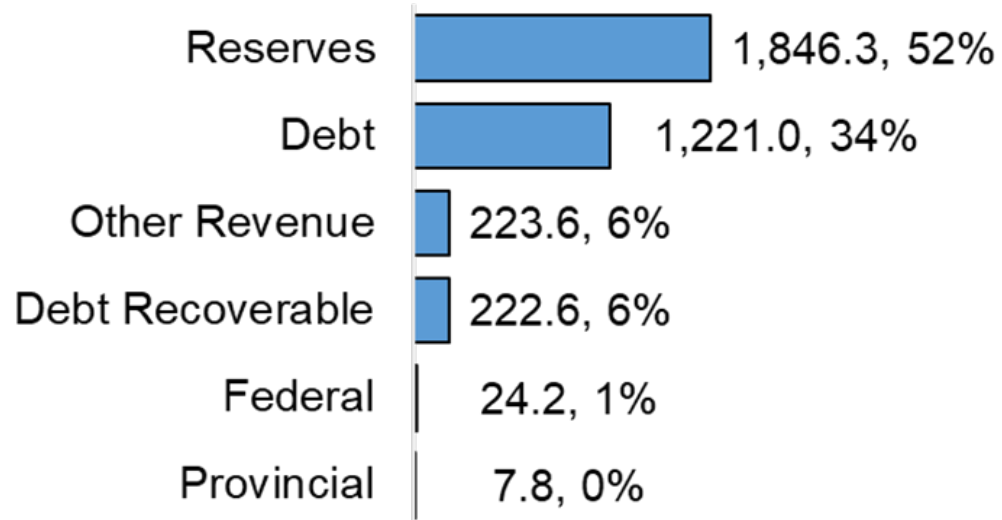
- Project includes workforce development requirements as outlined in the City's Social Procurement Program

# 2024 – 2033 Capital Program Breakdown

## Where the Money Comes From

2024-2033 Capital Budget and Plan  
\$3,545.5 million

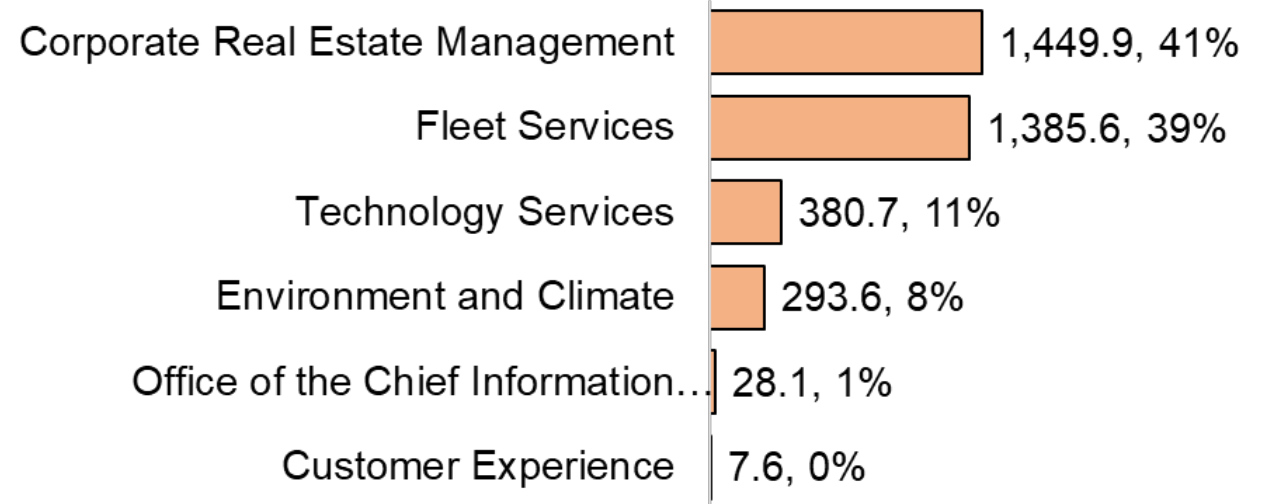
In \$ Millions



## Where the Money Goes

2024-2033 Capital Budget and Plan  
\$3,545.5 million

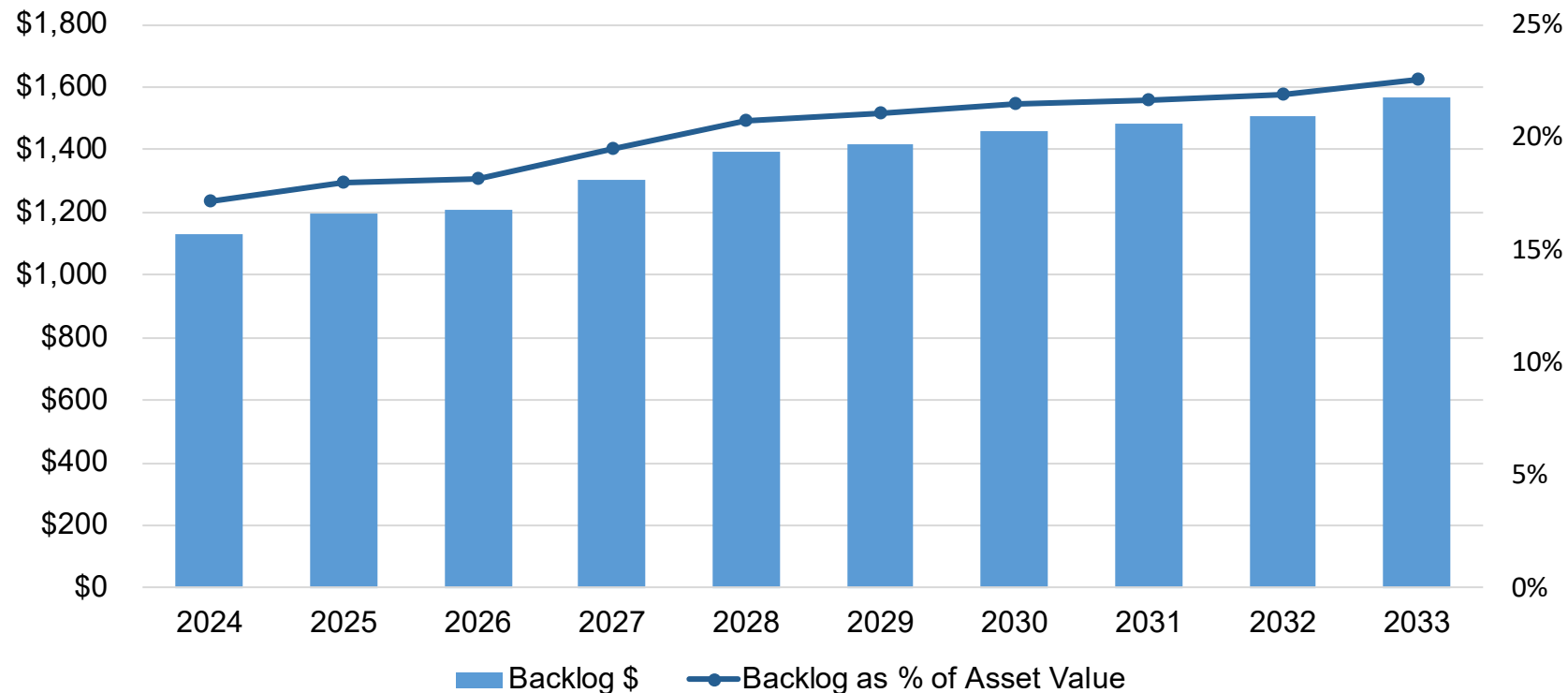
In \$ Millions





# State of Good Repair (SOGR) Backlog

Accumulated SOGR Backlog \$ and as % of Asset Value  
(\$ Million)



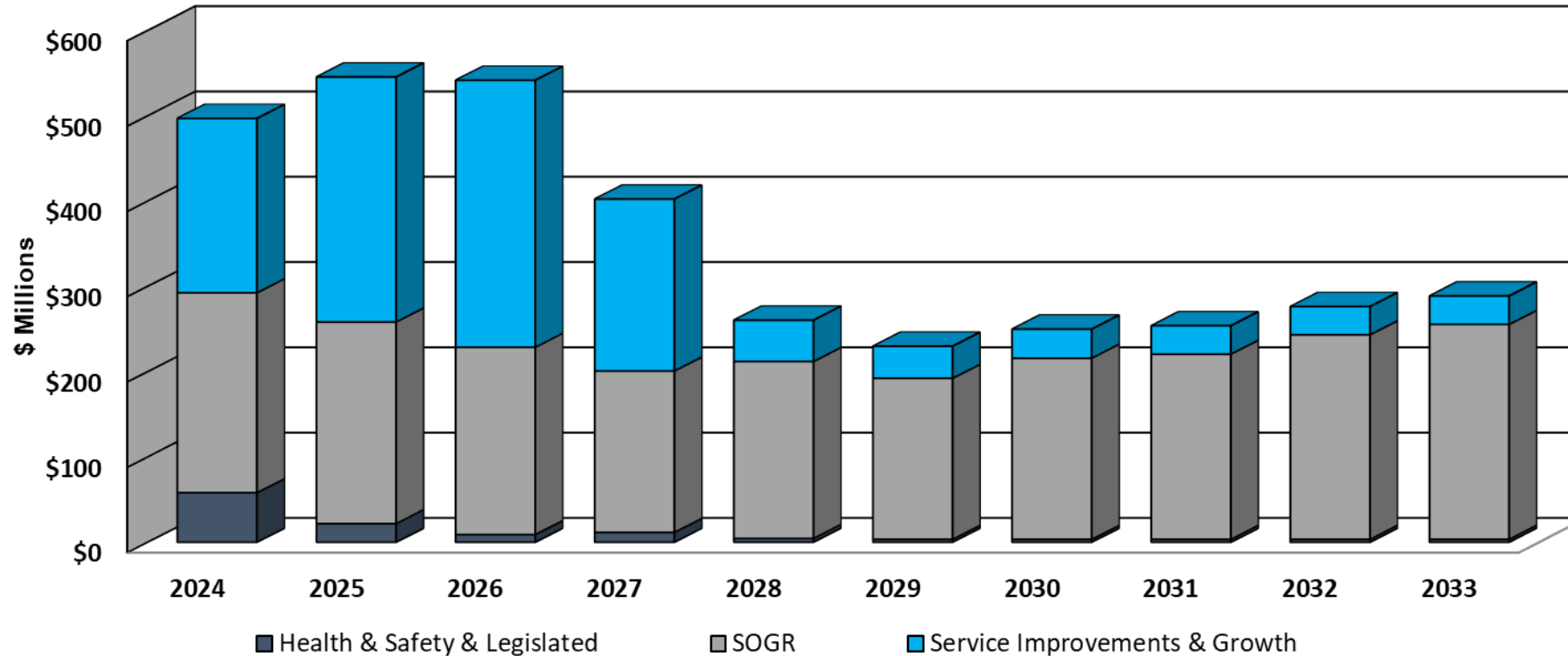
\$Millions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Backlog \$	\$1,131	\$1,194	\$1,209	\$1,304	\$1,395	\$1,420	\$1,460	\$1,483	\$1,510	\$1,564
Backlog as % of Asset Value	17.2%	18.0%	18.1%	19.5%	20.7%	21.1%	21.5%	21.7%	21.9%	22.5%

# Thank you

[toronto.ca/budget](https://toronto.ca/budget)

# Appendices

# 2024 – 2033 Capital Budget & Plan by Project Category



2024 - 2033 Tabled Capital Budget and Plan by Category											
\$ Millions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Health & Safety & Legislated	58.1	21.8	9.0	11.6	4.5	3.4	3.4	3.5	3.4	3.4	122.2
SOGR	234.4	236.3	219.6	189.1	207.4	188.8	212.3	216.9	239.8	251.9	2,196.7
Service Improvements & Growth	204.4	287.3	313.1	201.6	48.4	37.7	34.2	33.5	33.2	33.4	1,226.6
<b>Total</b>	<b>496.9</b>	<b>545.5</b>	<b>541.6</b>	<b>402.3</b>	<b>260.3</b>	<b>229.9</b>	<b>249.9</b>	<b>253.9</b>	<b>276.3</b>	<b>288.8</b>	<b>3,545.5</b>

# Capital Needs Constraint - \$2.2 Billion

Project Description	Total Project	Debt Required	Cash Flow (In \$ Millions)									
			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<i>ZEV - Energy Storage &amp; Other System Support</i>	101.2	101.2		7.8	15.8	21.4	14.8	12.2	12.2	6.5	5.3	5.3
<i>ZEV Accelerated Infrastructure</i>	49.2	49.2		4.0	6.6	5.6	5.6	5.6	5.6	5.6	5.3	5.3
<i>Fuel Site Infrastructure</i>	17.1	17.1						2.6	3.4	3.5	3.7	3.9
<i>Network Segmentation and Segregation Project (NSSP)</i>	8.8	8.8			3.7	1.7	1.7	1.7				
<i>Enterprise-Wide Expansion of Online Grants Mgmt</i>	2.2	2.2		0.4	0.9	0.8	0.1					
<i>DonateTO Phase 3</i>	0.5	0.5		0.4	0.0							
<i>New Etobicoke Civic Center</i>	117.5	117.5		34.4	60.4	22.7						
<i>Net Zero Retrofits - 5 Key Civic Facilities</i>	48.0	48.0	2.7	9.0	12.1	14.2	6.5	3.3	0.2			
<i>Net Zero Retrofits - future years</i>	312.4	312.4		2.7	11.7	23.8	38.0	44.5	47.8	48.0	48.0	48.0
<i>Union Station - Hostile Vehicle Mitigation</i>	24.5	24.5	16.0	8.5								
<i>Nathan Phillips Square Waterproofing &amp; Preservation</i>	65.3	65.3	0.5	4.6	16.6	23.1	20.5					
<i>SOGR Backlog</i>	1,469.2	1,469.2	86.4	163.5	168.0	177.9	203.0	206.5	209.7	52.1	67.2	135.0
<b>Total Needs Constraints (Not Included)</b>	<b>2,216.0</b>	<b>2,216.0</b>	<b>105.6</b>	<b>235.4</b>	<b>295.8</b>	<b>291.2</b>	<b>290.2</b>	<b>276.5</b>	<b>278.8</b>	<b>115.7</b>	<b>129.4</b>	<b>197.4</b>