

## **Status Update: Capital Prioritization Framework**

**Date:** March 22, 2024

**To:** Executive Committee

**From:** Chief Financial Officer and Treasurer

**Wards:** All

### **SUMMARY**

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At its meeting on September 6, 2023, City Council considered the Updated Long-Term Financial Plan. As part of the report, staff committed to developing a capital prioritization framework for the 2025 budget planning process. The framework is intended to provide the City with an objective tool and approach for prioritizing capital projects based on a set of weighted criteria - according to capital project categories, spend rates, availability and eligibility of funding, risk assessment, environmental, social and governance contributions, and strategic alignment with the City's priorities.

Item EX7.1: <https://secure.toronto.ca/council/agenda-item.do?item=2023.EX7.1>

The Chief Financial Officer and Treasurer will be submitting a report to Executive Committee before its meeting on April 9, 2024, that provides a status update on the development of a capital prioritization framework, including key considerations and next steps.

### **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer recommends that:

1. Executive Committee receive this report for information.

### **FINANCIAL IMPACT**

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Development of a capital prioritization framework is expected to positively contribute to the City's long-term financial sustainability and to advance the strategic directions and goals of City Council. A formalized City-wide prioritization framework can enhance existing prioritization processes and be used to make strategic decisions regarding the 10-Year Capital Plan, including both the funded and unfunded portions, during the annual budget process. A new framework will allow Council to set strategic direction in the allocation of available capital funds using a consistent set of guiding principles, while

considering overall affordability and capacity to deliver capital investments. Further comments will be included in the forthcoming supplementary report.

## **DECISION HISTORY**

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At its meeting on September 6, 2023, City Council considered the Updated Long-Term Financial Plan. As part of the report, staff committed to developing a prioritization framework for the 2025 budget planning process. It was noted that the framework would consider prioritization according to capital project categories, spend rates, availability and eligibility of funding, risk assessment, environmental, social and governance contributions, and strategic alignment with the City's priorities.

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## **COMMENTS**

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A supplementary report will be submitted to Executive Committee before its meeting on April 9, 2024, to provide a status update on the development of a capital prioritization framework.

## **CONTACT**

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## **SIGNATURE**

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Stephen Conforti  
Chief Financial Officer & Treasurer