

2025 Budget Notes

Policy, Planning, Finance and Administration

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Description

Policy, Planning, Finance and Administration (PPFA) provides centralized financial and administrative shared services to Infrastructure Services (IS) and Development and Growth Services (DGS) divisions and Deputy City Managers. Policy, Planning, Finance and Administration delivers Corporate Leadership, Organizational Effectiveness, Financial Management and Program Support services to the following:

IS Divisions		DGS Divisions
<ul style="list-style-type: none"> Deputy City Manager's Office Engineering and Construction Services Municipal Licensing and Standards Solid Waste Management Services 	<ul style="list-style-type: none"> Toronto Water Toronto Emergency Management Transit Expansion Transportation Services 	<ul style="list-style-type: none"> Deputy City Manager's Office City Planning Development Review Housing Secretariat Toronto Building

Why We Do It

Policy, Planning, Finance and Administration provides centralized financial and administrative shared services and corporate leadership support to IS and DGS divisions and Deputy City Managers so they can focus on providing services to Toronto's residents and businesses. In so doing, PPFA strives to achieve the following outcomes:

- Infrastructure Services and Development and Growth Services 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.

For further information about PPFA, please visit: <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/staff-directory-divisions-and-customer-service/policy-planning-finance-administration/>

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What Service We Provide

Corporate Leadership and Organizational Effectiveness

Who We Serve: Deputy City Managers – Infrastructure Services (IS) and Development and Growth Services (DGS), City Staff/Divisions.

What We Deliver: Strategic advice, planning, coordination and reporting to the IS and DGS divisions to improve organizational effectiveness, and service delivery.

How Much Resources (gross 2025 operating budget): \$9.2 million

Financial Management

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

What We Deliver: Financial planning, reporting, analysis and advice, revenue/receivable management, purchasing, contract management and coordination of payables for IS and DGS divisions to ensure compliance with corporate policies, guidelines, and bylaws and support service delivery.

How Much Resources (gross 2025 operating budget): \$10.1 million

Program Support

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

What We Deliver: Public consultation, complement management, payroll and administrative services to IS and DGS divisions to ensure compliance with corporate policies and support service delivery.

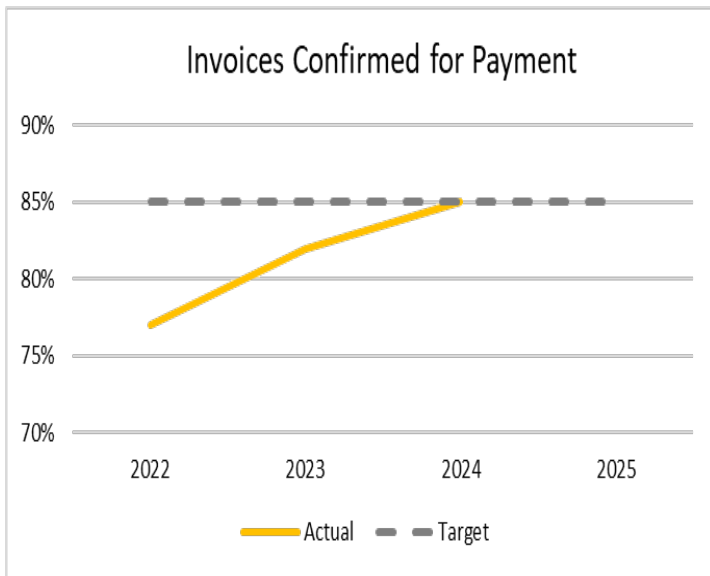
How Much Resources (gross 2025 operating budget): \$8.5 million

Budget at a Glance

2025 OPERATING BUDGET			
\$Million	2025	2026	2027
Revenues	\$21.8	\$22.1	\$21.7
Gross Expenditures	\$27.7	\$29.0	\$28.4
Net Expenditures	\$5.9	\$6.9	\$6.7
Approved Positions	210.1	202.1	199.1

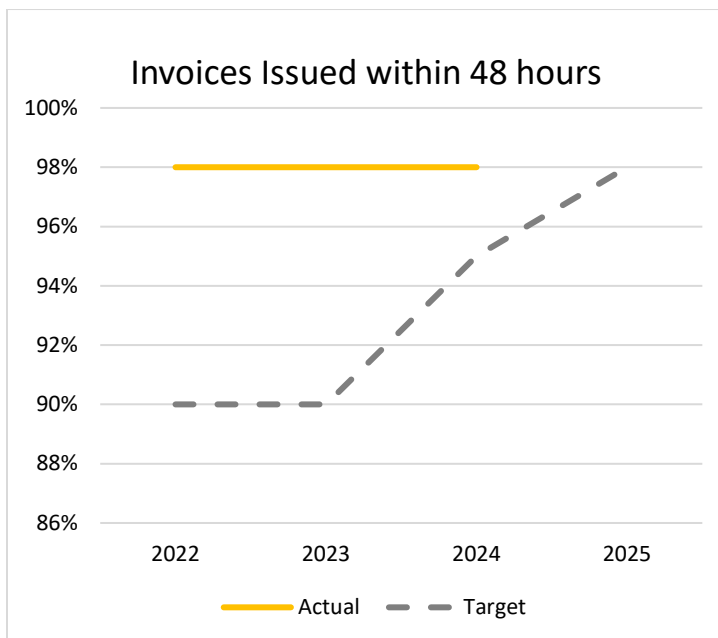
2025 - 2034 10-YEAR CAPITAL PLAN			
\$Million	2025	2026-2034	Total
Policy, Planning, Finance and Administration does not have a 10-Year Capital Budget and Plan.			

How Well We Are Doing – Behind the Numbers



Invoices Confirmed for Payment

- Policy, Planning, Finance and Administration ensures IS and DGS divisions are in compliance with corporate policies and contractual obligations and that vendor invoices are reviewed to confirm that goods and services have been received before payment. Policy, Planning, Finance and Administration has a target of 85% of invoices to be reviewed and confirmed within 60 days of the invoice date.
- The 2022 and 2023 actuals reflect processing delays due to COVID-19 and changes in operational procedures. The Division is anticipating meeting target in 2024 and beyond.



Invoices Issued within 48 Hours

- Policy, Planning, Finance and Administration manages the Accounts Receivable process end-to-end for IS and DGS Divisions, including billing, collections, payment processing, banking and analysis, and reporting.
- Policy, Planning, Finance and Administration has a target of issuing 95% of debtor invoices (created and mailed) within 48 hours of receipt of an invoice request.
- Efficiencies gained through streamlining of processes and automating manual tasks has resulted in the Division exceeding its target of 95%. In keeping with experience, target has been adjusted for 2025 and beyond to 98%.

How Well We Are Doing

Service	Measure	2022 Actual	2023 Actual	2024 Target	2024 Projection	Status	2025 Target	2026 Target
Outcome Measures								
Financial Management	% of Infrastructure and Development Services divisional budgets supported and coordinated within deadlines	100%	100%	100%	100%	●	100%	100%
	% of invoices confirmed for payment within 60 days	77%	85%	85%	85%	●	85%	85%
	% of debtor invoices issued (created and mailed) within 48 hours of receipt or notification of completed request	98%	98%	95%	98%	●	98%	98%
	% of undisputed accounts receivable collected within agreed upon payment terms	64%	63%	70%	68%	●	70%	70%
	Total # of undisputed accounts receivable collected	5,369	6,248	6,000	6,434	●	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%

2024 Projection to 2024 Target Comparison

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

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Implemented the first phase of a new Strategic Capital Coordination Office to provide senior level oversight and accountability for the integration of the current capital delivery coordination program for infrastructure projects across the city.
- Continued to lead and support IS and DGS divisions with Financial System Transformation Project (FSTP) activities, including undertaking end-to-end current-state business process mapping and updating all standard operating procedures within the Financial Management portfolio in support of enhanced quality assurance and service delivery efficiency.
- Advanced key priorities identified in the IS and DGS Confronting Anti-Black Racism (CABR) Framework of Enduring Action; including the development of an evaluation framework and held the inaugural PPFA CABR Champion Awards.
- Completed a review of vendor payment processes and launched the Parked Document and Vendor Resolution Unit, focusing on the timely payment of vendor invoices through early resolution of parked documents.
- Supported city building/capital delivery by hosting both in-person and virtual public consultation events for over 100 active projects, including the Strategic Parking Framework, Micromobility Strategy, RapidTO: Surface Transit Network Plan; launched the Long-Term Waste Management Strategy update and completed the last remaining seven basement flooding studies with Toronto Water.
- Engaged neighbourhoods in the development of various cycling and neighbourhood streets plans taking place across the city; and supported community engagement efforts for many large-scale construction projects, including those taking place along Adelaide Street, Bloor Street, King Street West, and Port Union Road.
- Continued implementation of Development and Growth Services organizational realignment.

Key Challenges and Risks

- Maintaining current service levels, while simultaneously implementing new enterprise-wide technology improvements and modernization initiatives such as FSTP.
- Increased complexity and growing demand for service in support of IS and DGS 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 shared services.

Priority Actions

- Continued focus to expand and strengthen the role of the Strategic Capital Coordination Office and enhance overall capital coordination.
- Lead and support IS and DGS divisions with FSTP implementation and enterprise-wide payroll and human resource transformation projects.
- Continue to advance implementation of the IS and DGS Confronting Anti-Black Racism Framework of Action and Employee Engagement Strategy.
- Provide reliable and timely financial management reporting to IS and DGS divisions to support data-driven decision-making and promote compliance.
- Modernize and transform service delivery and continue to build workforce capacity to meet service demands.
- Invest in a knowledgeable and engaged workforce by advancing succession planning and enhancing employee training and development programs.

CITY STAFF PREPARED BUDGET

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

1. The 2025 Operating Budget for Policy, Planning, Finance and Administration of \$27.739 million gross, \$21.752 million revenue and \$5.987 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Corporate Leadership	8,561.7	7,151.1	1,410.6
Organizational Effectiveness	597.5	30.0	567.5
Financial Management	10,109.6	7,800.9	2,308.7
Program Support	8,470.3	6,770.2	1,700.1
Total Program Budget	27,739.1	21,752.2	5,986.9

- The 2025 staff complement for Policy, Planning, Finance and Administration of 210.1 positions comprised of 37 capital positions and 173.1 operating positions.

2025 OPERATING BUDGET

2025 OPERATING BUDGET OVERVIEW

Table 1: 2025 Operating Budget by Service

(In \$000s)	2023 Actual	2024 Budget	2024 Projection*	2025 Base Budget	2025 New / Enhanced	2025 Budget	Change v. 2024 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Organizational Effectiveness	96.4	29.4	28.9	30.0		30.0	0.6	2.2%
Financial Management	5,490.9	7,509.5	7,527.4	7,800.9		7,800.9	291.4	3.9%
Corporate Leadership	337.3	3,090.4	2,610.5	7,151.1		7,151.1	4,060.7	131.4%
Program Support	6,730.8	6,623.9	6,868.9	6,770.2		6,770.2	146.3	2.2%
Total Revenues	12,655.5	17,253.2	17,035.7	21,752.2		21,752.2	4,499.0	26.1%
Expenditures								
Organizational Effectiveness	384.8	559.5	531.9	597.5		597.5	38.0	6.8%
Financial Management	8,285.7	9,813.2	9,909.0	10,109.6		10,109.6	296.4	3.0%
Corporate Leadership	2,113.4	4,591.2	3,938.3	8,561.7		8,561.7	3,970.6	86.5%
Program Support	6,558.8	8,276.3	8,406.3	8,470.3		8,470.3	194.0	2.3%
Total Gross Expenditures	17,342.8	23,240.1	22,785.5	27,739.1		27,739.1	4,499.0	19.4%
Net Expenditures	4,687.3	5,986.9	5,749.8	5,986.9		5,986.9	(0.0)	0.0%
Approved Positions**	177.1	203.1	N/A	210.1		210.1	N/A	N/A

* 2024 Projection based on 9 Month Variance

**YoY comparison based on approved positions

KEY DRIVERS

Total 2025 Budget expenditures of \$21.752 million gross reflects an increase of \$4.499 million in spending above 2024 budget, predominantly arising from:

- Salary and benefits adjustments, as well as annualized salary and benefits costs related to implementation of the new Strategic Capital Coordination Office (SCCO) as per City Council direction ([IE16.2](#)); fully offset by
- Increased contributions from capital, and inter-divisional recoveries from rate-based programs and reserves.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts. There are no proposed changes in the Policy, Planning, Finance and Administration Division's 2025 Operating Budget which would result in any equity impacts.

2025 OPERATING BUDGET KEY COST DRIVERS

The 2025 Net Operating Budget for Policy, Planning, Finance and Administration of \$5.987 million is unchanged from the 2024 Net Budget. Table 2 below summarizes the key cost drivers for the 2025 Budget.

Table 2: 2025 Key Cost Drivers

(In \$000s)	2025				2026 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2024 Projection*	17,035.7	22,785.5	5,749.8	203.1	N/A
2024 Budget	17,253.2	23,240.1	5,986.9	203.1	N/A
Key Cost Drivers:					
Prior Year Impacts					
Annualization of positions changes in 2024	1,740.2	1,691.3	(48.9)		7.7
Salary & Benefits					
Salary and Benefits adjustments	1,046.6	1,095.4	48.9		891.5
Strategic Capital Coordination Office (SCCO) improvements	1,712.3	1,712.3		7.0	
Sub-Total - Key Cost Drivers	4,499.0	4,499.0	(0.0)	7.0	899.2
Sub-Total - Base Budget	21,752.2	27,739.1	5,986.9	210.1	899.2
2025 Budget	21,752.2	27,739.1	5,986.9	210.1	899.2
Change from 2024 Budget (\$)	4,499.0	4,499.0	0.0	7.0	N/A
Change from 2024 Budget (%)	26.1%	19.4%	0.0%	3.4%	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Prior Year Impacts:

- Annualized salary and benefits costs primarily related to eight positions to support the initial implementation of the new Strategic Capital Coordination Office (SCCO) in 2024, as per City Council direction ([EX16.13](#)) and ([IE16.2](#)), fully funded by capital.

Salary and Benefits:

- Salary and benefits adjustments including an increase of seven additional capital funded positions for the further implementation Strategic Capital Coordination Office (SCCO) in 2025 as per City Council direction ([IE16.2](#)); fully offset by
- Increased contributions from capital, and inter-divisional recoveries from rate-based programs and reserves.

2026 AND 2027 OUTLOOKS

Table 5: 2026 and 2027 Outlooks

(In \$000s)	2025 Budget	2026 Incremental Outlook	2027 Incremental Outlook
Revenues			
Revenue Changes		230.1	237.9
Contribution from Reserve		0.9	0.9
Transfers from Capital		149.6	(653.3)
Total Revenues	21,752.2	380.6	(414.5)
Gross Expenditures			
Salary and Benefits		1,279.7	(633.0)
Total Gross Expenditures	27,739.1	1,279.7	(633.0)
Net Expenditures	5,986.9	899.2	(218.4)
Approved Positions			
	210.1	(8.0)	(3.0)

Key Outlook Drivers

The 2026 Outlook with total gross expenditures of \$28.998 million reflects an anticipated \$1.280 million or 4.61% increase in gross expenditures above the 2025 Operating Budget. The 2027 Outlook expects a decrease of \$0.633 million or 2.18% below the 2026 Outlook.

These changes arise from the following:

- Increases for salary and benefits adjustments which are partially offset by increased inter-divisional recoveries.
- Anticipated reduction of temporary capital funded positions with corresponding reduction in capital recoveries.

APPENDICES

Appendix 1

2025 Operating Budget by Category

Category (In \$000s)	2022	2023	2024	2024	2025	2025 Change from 2024 Budget	
	Actual	Actual	Budget	Projection*	Budget	\$	%
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations		1.8					
Transfers From Capital	2,909.9	3,172.8	5,153.5	5,077.3	8,890.1	3,736.6	72.5%
Contribution From Reserves/Reserve Funds		215.2	1,862.9	1,835.4	2,236.1	373.2	20.0%
Sundry and Other Revenues	100.0	222.2	147.6	183.2	290.5	142.9	96.8%
Inter-Divisional Recoveries	8,809.8	9,043.5	10,089.2	9,939.9	10,335.4	246.3	2.4%
Total Revenues	11,819.6	12,655.5	17,253.2	17,035.7	21,752.2	4,499.0	26.1%
Salaries and Benefits	16,407.0	17,161.4	22,801.1	22,306.5	26,275.7	3,474.7	15.2%
Materials & Supplies	15.4	14.7	30.3	16.1	41.8	11.5	38.0%
Equipment	60.9	59.1	101.6	65.4	141.2	39.6	39.0%
Service and Rent	156.7	106.0	307.2	397.5	1,280.3	973.2	316.8%
Inter-Divisional Charges		1.5					
Total Gross Expenditures	16,640.0	17,342.8	23,240.1	22,785.5	27,739.1	4,499.0	19.4%
Net Expenditures	4,820.4	4,687.3	5,986.9	5,749.8	5,986.9	(0.0)	(0.0%)

*Projection based on 9 Month Variance

Appendix 2

Summary of 2025 Service Changes

N/A

Appendix 3

Summary of 2025 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 5

2025 Capital Budget 2026 - 2034 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2025 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2026 - 2034 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Capacity to Deliver Review

N/A

Appendix 8

Summary of Capital Delivery 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

2025 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		200,331	179,888	159,242
Building Code Act Service Improvement	XR1305			
<i>Withdrawals (-)</i>				
<i>Policy, Planning, Finance & Administration</i>		(250)	(250)	(250)
<i>Other Program / Agency Net Withdrawals & Contributions</i>		(22,084)	(22,084)	(22,084)
Total Reserve / Reserve Fund Draws / Contributions		(22,334)	(22,334)	(22,334)
<i>Interest Income</i>		1,892	1,687	1,481
Balance at Year-End		179,888	159,242	138,388

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		39,296	9,044	(20,990)
Development Application Review	XR1307			
<i>Withdrawals (-)</i>				
<i>Policy, Planning, Finance & Administration</i>		(1,986)	(1,987)	(1,988)
<i>Other Program / Agency Net Withdrawals & Contributions</i>		(28,506)	(28,047)	(28,231)
Total Reserve / Reserve Fund Draws / Contributions		(30,492)	(30,034)	(30,219)
<i>Interest Income</i>		241		
Balance at Year-End		9,044	(20,990)	(51,209)

The division's reliance on this reserve fund in future years is anticipated to be reduced through a combination of corporate financial strategies and the implementation of the new Development Review Fee model to recover costs of providing planning and development review services.

Appendix 11

Glossary

- Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels in annual budget.
- 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 Deliver:** Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.
- Capital Budget and Plan:** A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.
- Capital Delivery 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 provide services.
- Operating Impact of Completed Capital Projects:** The Operating Budget Impact of Capital is the change in operating expenditure and / or revenue, which is projected to occur during the implementation of a capital project and / or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.
- Rate Supported Budget:** Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.
- Salary and Benefits Adjustment:** General increases related to contractual obligations, such as cost of living, step increases, performance for pay and progression pay.
- State of Good Repair (SOGR):** The cost of maintaining assets to ensure that they can support the delivery of City services and meet service outcomes.
- Tax Supported Budget:** Budget funded by property taxes.
- User Fees:** Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).