

# 2026 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"><li>Deputy City Manager's Office</li><li>Engineering and Construction Services</li><li>Municipal Licensing and Standards</li><li>Solid Waste Management Services</li></ul> <ul style="list-style-type: none"><li>Toronto Water</li><li>Transit Expansion</li><li>Transportation Services</li></ul>	<ul style="list-style-type: none"><li>Deputy City Manager's Office</li><li>City Planning</li><li>Development Review</li><li>Housing Secretariat</li><li>Toronto Building</li></ul>

### 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 2026 operating budget):** \$4.1 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 2026 operating budget):** \$10.5 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.

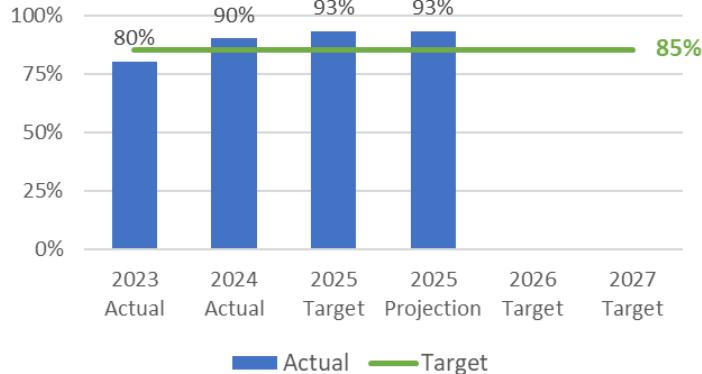
**How Much Resources (gross 2025 operating budget):** \$6.3 million

## Budget at a Glance\*

2026 OPERATING BUDGET				2026-2035 10-YEAR CAPITAL PLAN		
In \$ Millions	2026	2027	2028	In \$ Millions	2026	2027-2035
Revenues	\$13.7	\$14.0	\$14.5			
Gross Expenditures	\$20.9	\$21.9	\$22.6			
Net Expenditures	\$7.2	\$7.9	\$8.1			
Approved Positions	216.1	216.1	216.1	Policy, Planning, Finance and Administration does not have a 10-Year Capital Budget and Plan.		

## How Well We Are Doing – Behind the Numbers

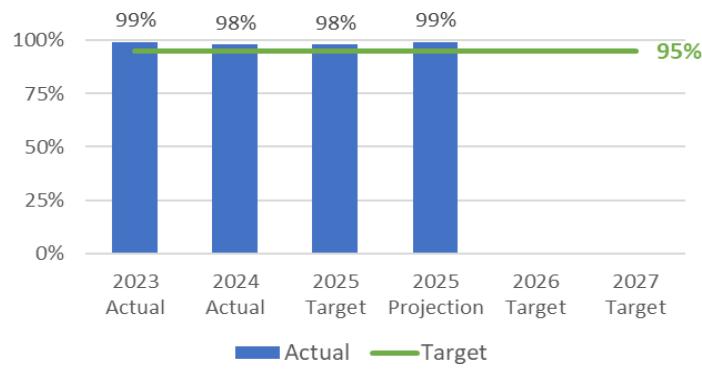
### Invoices Confirmed for Payment



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- PPFA ensures that IS & DGS divisions remain in compliance with corporate policies and contractual obligations by verifying that vendor invoices are reviewed, and that goods and services have been received prior to payment. PPFA has a target of reviewing and confirming 85% of invoices within 60 days of the invoice date.
- Efficiencies gained through streamlining of processes has resulted in improved timelines with the 2024 actuals and 2025 projections exceeding the above stated target. The Division anticipates continuing to meet this target in 2026 and in subsequent years.

### Invoices Issued within 48 hours



### Invoices Issued within 48 hours

- PPF&A manages the Accounts Receivable process end-to-end for IS & DGS Divisions, including billing, collections, payment processing, banking and analysis, and reporting.
- PPF&A has a target of issuing 95% of debtor invoices (created and mailed) within 48 hours of receipt of an invoice request.
- The Division has consistently met its target of 95% with a similar trend expected in 2026 and subsequent years.

## How Well We Are Doing

Service	Measure	2023 Actual	2024 Actual	2025 Target	2025 Projection	Status	2026 Target	2027 Target
<b>Outcome Measures</b>								
<b>Financial Management</b>	% 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	80%	89%	85%	93%	●	85%	85%
	% of debtor invoices issued (created and mailed) within 48 hours of receipt or notification of completed request	100%	99%	98%	99%	●	98%	98%
	% parked Accounts Payable documents over 60 days	45.4%	29.5%	20%	20%	●	20%	20%
	% of process payment requisitions in SAP in compliance with Corporate Policies within 3	85.3%	80.3%	90%	90%	●	90%	90%
	% of undisputed accounts receivable collected within agreed upon payment terms	63%	67%	70%	64%	●	60%	60%
	Total # of undisputed accounts receivable collected	6,248	5,833	6,000	5,628	●	6,000	6,000
<b>Program Support</b>	% 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%

### 2025 Projection to 2025 Target Comparison

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

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- Continued to lead and support IS and DGS divisions with Financial System Transformation Project (FSTP) activities, including undertaking end-to-end current-state business readiness assessment in collaboration with IS and DGS program areas, in support of FSTP's goals to automate, streamline and standardize business processes.
- Advanced key priorities identified in the IS and DGS Confronting Anti-Black Racism (CABR) Framework of Enduring Action; including the completion of an evaluation framework and held the 2<sup>nd</sup> annual PPFA CABR Champion Awards.
- In collaboration with Transportation Services, successfully launched new Road Disruption Activity Reporting System (RoDARS) fee invoicing, collection and payment processing in support of temporary street occupation permits.
- Optimized vendor payment processes through the Parked Document and Vendor Resolution Unit, focusing on the timely payment of vendor invoices, streamlined processes and 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 RapidTO Dufferin and RapidTO Bathurst, Neighbourhood Streets Plans, Micromobility Strategy, Downsview Major Streets Environmental Assessment and several large-scale construction projects along King Street, Scarborough Golf Club Road and Port Union Road.
- Continued implementation of Development and Growth organizational realignment.
- The Strategic Capital Coordination Office (SCCO) continues to advance goals of better managing congestion by strengthening the coordination of capital programming and construction through strategic alignment with partners, streamlined interdivisional processes, and establishment of a foundation for long-term improvements to infrastructure planning in Toronto's right-of-way.

### Key Challenges and Risks

- Maintaining current service levels, while simultaneously implementing new enterprise-wide technology improvements and modernization initiatives such as Financial System Transformation Project (FSTP), Budget Tool Modernization, and Payroll Transformation.
- Responding to increased complexity and growing demand for service in support of Development & Growth Services and Infrastructure Services programs.
- Continuing to build a versatile team to adjust to changing service delivery models and ensure seamless provision of financial and administrative shared services.

### Priority Actions

- 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.
- Continue to lead and support implementation of organizational realignments within the Development & Growth Services programs.
- Modernize and transform service delivery and continue to focus on staff training and cross-training 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.
- Establishment of the City's first Chief Congestion Officer and Executive Director of Strategic Capital Coordination to lead the City's congestion related efforts by working collaboratively across City divisions and agencies as well as with industry and government partners to develop strategies aimed at managing traffic congestion, with an initial focus on review and presentation of the Congestion Management Plan, providing leadership to the Strategic Capital Coordination Office in enhancing overall coordination of capital projects across the city, and taking a leadership role in the transportation plan for the FIFA World Cup 2026.

**CITY STAFF PREPARED BUDGET**

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

1. The 2026 Operating Budget for Policy, Planning, Finance and Administration of \$20.9 million gross, \$13.7 million revenue and \$7.2 million net for the following services:

Service:	Gross Expenditures (\$000s)	Revenues (\$000s)	Net Expenditures (\$000s)
Corporate Leadership	3,404.5	1,998.1	1,406.3
Organizational Effectiveness	635.2	31.5	603.7
Financial Management	10,496.7	7,573.0	2,923.8
Program Support	6,340.0	4,064.8	2,275.2
<b>Total Program Budget</b>	<b>20,876.4</b>	<b>13,667.4</b>	<b>7,209.0</b>

- The 2026 staff complement for Policy, Planning, Finance and Administration of 216.1 positions comprised of 37.0 capital positions and 179.1 operating positions.

# **2026**

# **OPERATING BUDGET**

## 2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/ Enhanced	2026 Budget	Change vs. 2025 Budget
<b>By Service</b>	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Corporate Leadership	88	299		311		311	12 4.0%
DG – Corporate Leadership	1,113	1,486	1,446	1,687		1,687	201 13.5%
Financial Management	5,430	7,136	5,939	7,573		7,573	437 6.1%
Organizational Effectiveness	101	30		31		31	2 5.0%
Program Support	4,802	3,911	5,024	4,065		4,065	153 3.9%
<b>Total Revenues</b>	<b>11,535</b>	<b>12,862</b>	<b>12,408</b>	<b>13,667</b>		<b>13,667</b>	<b>805 6.3%</b>
<b>Gross Expenditures</b>							
Corporate Leadership	2,275	1,534	251	1,492		1,492	(42) (2.7%)
DG – Corporate Leadership	1,591	1,620	3,054	1,912		1,912	292 18.0%
Financial Management	7,811	9,727	8,875	10,497		10,497	770 7.9%
Organizational Effectiveness	539	617	1,093	635		635	18 2.9%
Program Support	4,838	5,818	5,465	6,340		6,340	522 9.0%
<b>Total Gross Expenditures</b>	<b>17,054</b>	<b>19,316</b>	<b>18,738</b>	<b>20,876</b>		<b>20,876</b>	<b>1,560 8.1%</b>
<b>Net Expenditures</b>	<b>5,519</b>	<b>6,454</b>	<b>6,330</b>	<b>7,209</b>		<b>7,209</b>	<b>755 11.7%</b>
<b>Approved Positions**</b>	<b>203.1</b>	<b>210.1</b>	<b>N/A</b>	<b>216.1</b>		<b>216.1</b>	<b>6.0 2.9%</b>

\*2025 Projection based on 9-Month Variance

\*\*Year-over-year comparison based on approved positions

## KEY DRIVERS

**Total 2026 Budget** expenditures of \$20.876 million gross reflect an increase of \$1.560 million in spending above the 2025 Budget, predominantly arising from:

- Salaries and benefits increase for cost-of-living adjustment for existing positions.
- Offset by increased inter-divisional recoveries from Rate-based programs, capital recoveries and reserves.

## EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: There are no proposed changes in the Policy, Planning, Finance & Administration Divisions' 2026 Operating Budget which would result in any equity impacts.

## 2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Policy, Planning, Finance and Administration of \$7.209 million is \$0.755 million, 11.7% greater than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

**Table 2: 2026 Key Cost Drivers**

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	12,408.3	18,738.1	6,329.8	N/A	N/A
2025 Budget	12,862.1	19,316.3	6,454.2	210.1	N/A
<b>Key Cost Drivers:</b>					
<b>Salaries and Benefits</b>					
Salaries and Benefits adjustments		1,611.4	1,611.4	7.0	985.6
<b>Non-Salary</b>					
Other Expenditures		22.5	22.5		
<b>Revenue Changes</b>					
Interdivisional recoveries and other revenues	805.3		(805.3)		(341.1)
<b>Sub Total Key Cost Drivers</b>	<b>805.3</b>	<b>1,633.9</b>	<b>828.6</b>	<b>7.0</b>	<b>644.5</b>
<b>Affordability Measures</b>		(73.8)	(73.8)	(1.0)	
<b>Total 2026 Base Budget</b>	<b>13,667.4</b>	<b>20,876.4</b>	<b>7,209.0</b>	<b>216.1</b>	<b>644.5</b>
<b>2026 New/Enhanced</b>					
<b>2026 Budget</b>	<b>13,667.4</b>	<b>20,876.4</b>	<b>7,209.0</b>	<b>216.1</b>	<b>644.5</b>
<b>Change from 2025 Budget (\$)</b>	<b>805.3</b>	<b>1,560.1</b>	<b>754.8</b>	<b>6.0</b>	<b>N/A</b>
<b>Change from 2025 Budget (%)</b>	<b>6.3%</b>	<b>8.1%</b>	<b>11.7%</b>	<b>2.9%</b>	<b>N/A</b>

\*Based on 9-Month Variance

\*\*Year-over-year comparison based on approved positions

## Key Base Drivers:

### Salaries and Benefits:

- Salaries and benefits adjustments related to cost-of-living for existing positions, including positions supporting the newly created Housing Development Office.

### Revenues:

- Increased inter-divisional recoveries from Rate-based programs, capital recoveries and reserves.

## Affordability Measures

**Table 3: Affordability Measures**

Recommendation	Savings Type	Equity Impact	2026			2027 (Incremental)		
			Revenues	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures
Delete 1 Mail Clerk Position	Efficiency Savings	No Impact		(74)	(74)	(1.0)	(5)	(5)
<b>Total Affordability Measures</b>				(74)	(74)	(1.0)	(5)	(5)

- Workforce optimization - through deletion of 1 permanent vacant position effective January 1, 2026 to implement the final phase of discontinuing IS/DGS mail handling and distribution at Metro Hall and City Hall based on significant decline in volume in a post-COVID and hybrid work environment. Through this adjustment PPFA will meet its 2026 efficiency target.

### **Note:**

For additional information, please refer to [Appendix 2](#) for details on 2026 Service Changes; [Appendix 3](#) for the 2026 New and Enhanced Service Priorities and [Appendix 4a](#) for Operating Program Provincial/Federal Funding Streams by Funding Source, respectively.

## 2027 AND 2028 OUTLOOK

**Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
<b>Revenues</b>			
Recoveries and Other Revenues		341.1	470.4
<b>Total Revenues</b>	<b>13,667.4</b>	<b>341.1</b>	<b>470.4</b>
<b>Gross Expenditures</b>			
Salaries and Benefits Changes		985.6	719.7
<b>Total Gross Expenditures</b>	<b>20,876.4</b>	<b>985.6</b>	<b>719.7</b>
<b>Net Expenditures</b>	<b>7,209.0</b>	<b>644.5</b>	<b>249.3</b>
<b>Approved Positions</b>	<b>216.1</b>		

## Key Outlook Drivers

The 2027 Outlook with total gross expenditures of \$21.862 million reflects an anticipated \$0.985 million or 4.72% increase in gross expenditures above the 2026 Operating Budget. The 2028 Outlook expects a further increase of \$0.720 million or 3.29% below the 2027 Outlook.

These changes arise from the following:

- Increases for salaries and benefits adjustments which are partially offset by increased inter-divisional and capital recoveries.

## APPENDICES

## Appendix 1

### 2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
User Fees and Donations				634	634	N/A
Contribution From Reserves/Reserve Funds	1,863	2,236	2,196	1,500	(736)	(32.9%)
Sundry and Other Revenue	188	290	259	289	(1)	(0.3%)
Inter-Divisional Recoveries	9,483	10,335	9,953	11,244	908	8.8%
<b>Total Revenues</b>	<b>11,535</b>	<b>12,862</b>	<b>12,408</b>	<b>13,667</b>	<b>805</b>	<b>6.3%</b>
Salaries and Benefits	21,009	18,897	18,306	20,435	1,538	8.1%
Materials and Supplies	11	42	20	42		0.0%
Equipment	79	136	109	189	53	38.5%
Service And Rent	369	241	302	211	(30)	(12.5%)
<b>Total Gross Expenditures</b>	<b>21,467</b>	<b>19,316</b>	<b>18,738</b>	<b>20,876</b>	<b>1,560</b>	<b>8.1%</b>
<b>Net Expenditures</b>	<b>9,933</b>	<b>6,454</b>	<b>6,330</b>	<b>7,209</b>	<b>755</b>	<b>11.7%</b>

\*2025 Projection based on 9-Month Variance

## **Appendix 2**

### **Summary of 2026 Service Changes**

**N/A**

## **Appendix 3**

### **Summary of 2026 New/Enhanced Requests Included in Budget**

**N/A**

## **Appendix 4a**

### **Operating Program Provincial/Federal Funding Streams by Program**

**N/A**

## **Appendix 4b**

### **Capital Program Provincial/Federal Funding Streams by Project**

**N/A**

## **Appendix 5**

### **2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward**

**N/A**

## **Appendix 5a**

### **2026 Cash Flow and Future Year Commitments Including Carry Forward**

**N/A**

## **Appendix 5b**

### **2027-2035 Capital Plan Including Carry Forward**

**N/A**

## **Appendix 6**

### **Capacity to Deliver Review**

**N/A**

## **Appendix 7**

### **Summary of Capital Delivery Constraints**

**N/A**

## Appendix 8

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

#### 2026 Operating Budget

#### Program Specific Reserve/Reserve Funds

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XR1305	Building Code Act RF (\$000)	Opening Balance	228,611.9	198,619.5	166,896.1
		*Contributions (+)			
		Total Contributions	0.0	0.0	0.0
		*Withdrawals (-)			
		Operating Budget			
		Policy, Planning, Finance & Administration	-250.0	-250.0	-250.0
		Technology Services	0.0	0.0	0.0
		Toronto Building	-29,421.9	-31,021.9	-31,166.6
		Sub-Total Operating Withdrawals	-29,671.9	-31,271.9	-31,416.6
		Capital Budget and Plan			
		Technology Services	-2,446.0	-2,270.0	0.0
		Sub-Total Capital Budget and Plan Withdrawals	-2,446.0	-2,270.0	0.0
		Total Withdrawals	-32,117.9	-33,541.9	-31,416.6
		Interest Income	2,125.5	1,818.5	1,511.9
		Closing Balance	198,619.5	166,896.1	136,991.4

Reserve Account	Reserve/Reserve Fund Name	Inflow/Outflow/Balance	2026	2027	2028
XR1307	Development Application Review (\$000)	Opening Balance	26,916.5	13,109.1	2,033.5
		*Contributions (+)			
		Total Contributions	0.0	0.0	0.0
		*Withdrawals (-)			
		Operating Budget			
		City Clerk's Office	(130.0)	(130.0)	(130.0)
		City Manager Services	(83.1)	(83.1)	(83.1)
		City Planning	(3,337.0)	0.0	0.0
		Development Review	(8,776.8)	(9,687.5)	(10,339.0)
		Legal Services	0.0	0.0	0.0
		Policy, Planning, Finance & Administration	(1,250.4)	(1,250.4)	(1,250.4)
		Toronto Cyber Security	(429.3)	0.0	0.0
		Sub-Total Operating Withdrawals	(14,006.6)	(11,150.9)	(11,802.4)
		Capital Budget and Plan			
		Sub-Total Capital Budget and Plan Withdrawals	0.0	0.0	0.0
		Total Withdrawals	(14,006.6)	(11,150.9)	(11,802.4)
		Interest Income	199.1	75.3	0.0
		Closing Balance	13,109.1	2,033.5	(9,768.9)

## Appendix 9

### Glossary

**Approved Position:** Permanent or temporary position 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 has 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 Benefit Adjustments:** 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).