

Toronto 2018 BUDGET



OPERATING PROGRAM SUMMARY



Facilities, Real Estate, Environment & Energy

2018 OPERATING BUDGET OVERVIEW

Facilities, Real Estate, Environment & Energy (FREEE) work across the City with clients and stakeholders to deliver a comprehensive range of facility management, real estate services and sustainability programs in an efficient and effective manner that maximizes the City's property assets and delivers service excellence.

2018 Budget Summary

The total cost to deliver these services to Toronto residents is \$197.622 million gross and \$71.699 million net as shown below:

(in \$000's)	2017 Budget	2018 Preliminary Budget	Change	
			\$	%
Gross Expenditures	195,315.4	197,621.5	2,306.05	1.2%
Revenues	125,712.8	125,922.1	209.23	0.2%
Net Expenditures	69,602.6	71,699.4	2,096.8	3.0%

Through operational efficiencies and increased leasing revenues, the Program is able to fully offset \$1.271 million in operating budget pressures arising mainly from inflation in utilities and increases for staff salaries and benefits while maintaining the 2017 service levels.

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FAST FACTS

- Manage over 9.7 million square feet of City-owned and operated facilities.
- Facilities Management completes approximately 45,000 building maintenance work orders annually for City-owned facilities.
- Real Estate Services manages over 5,800 properties and 26.5 million square feet of building space in an Asset Portfolio worth \$14 billion and manage 1,000+ leases in the portfolio generating over \$48 million in annual lease revenues.
- Environment & Energy manages all aspects of energy supply and consumption on behalf of City divisions, monitoring 3,500 energy accounts with a total utilities budget in excess of \$33 million.

TRENDS

- Facilities Management strives to operate efficiently to maintain a square foot cost allocation that reflects good value for money in a municipal setting.
- The cost/square foot includes custodial, building repairs & maintenance, security and utilities costs. Costs have stabilized from the use of a mixed service model for custodial and maintenance services, emphasizing a preventive maintenance plan and realizing energy efficiencies.
- Although the division has experienced cost pressures, a number of efficiency measures have been identified which will allow the division to maintain a cost/square foot at the rate of inflation.

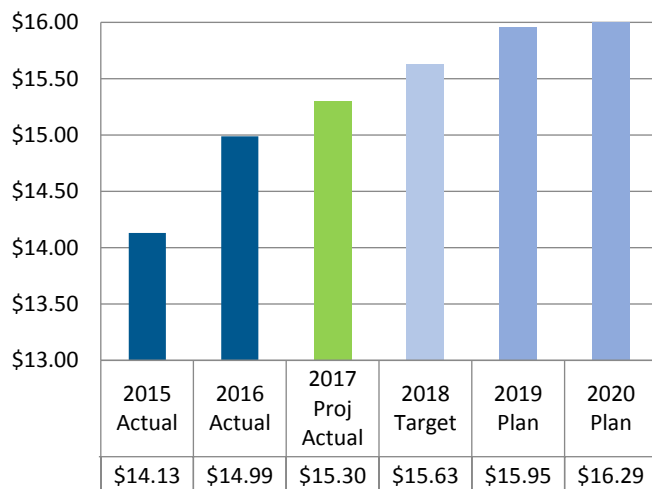
KEY SERVICE DELIVERABLES FOR 2018

Facilities, Real Estate, Environment & Energy protects, maintains and maximizes the City's investment in its public buildings and real property.

The 2018 Operating Budget will enable FREEE to continue to:

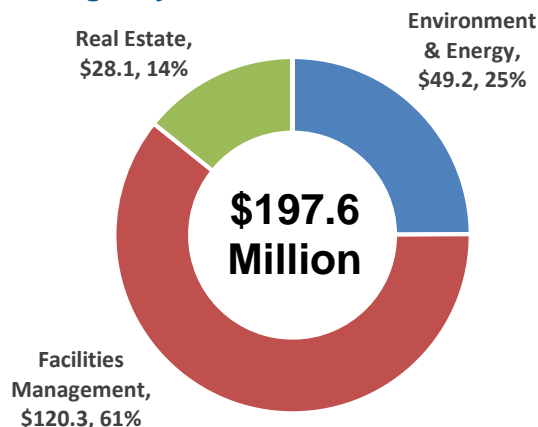
- Maintain City facilities in a clean, safe, and accessible manner as per Council approved maintenance standards.
- Ensure the City's property portfolio is optimal and meets program requirements.
- Develop an organizational structure that optimizes preventative and demand maintenance with state-of-good-repair plans and project delivery.
- Reduce energy demand and greenhouse gases and increase use of renewable energy technologies and clean energy generation.
- Invest in the growth and development of staff through talent management, leadership development, succession planning, mentorship programs, and creating a healthy and positive work space.
- Maximize lease revenues by negotiating optimal leasing arrangements.
- Coordinate with the CreateTO (formerly known as Toronto Realty Agency) as a key component on the new real estate services delivery model.

**Building Operations & Maintenance Cost
per rentable sq.ft.**

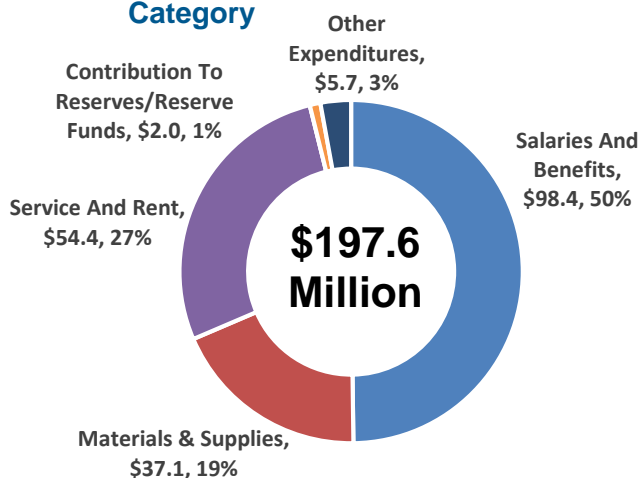


Where the money goes:

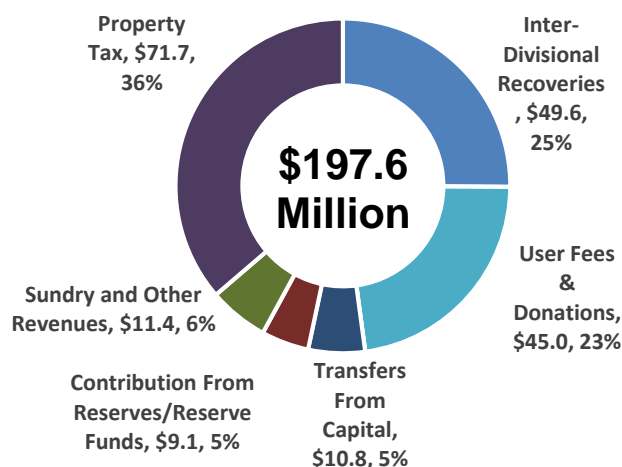
2018 Budget by Service



2018 Budget by Expenditure Category



Where the money comes from:



OUR KEY ISSUES & PRIORITY ACTIONS

- **TransformTO** has a long-term goal of transitioning to a low-carbon Toronto and the achievement of City Council's target of 80% reduction in greenhouse gas (GHG) emissions against 1990 levels by the year 2050.
 - ✓ Lead cross-corporate implementation of strategies in a way that maximizes public benefit and minimizes harms when designing and delivering climate actions.
- **Unlocking the Value** of the City's real estate portfolio and maximizing the use of City-owned space while meeting client program requirements.
 - ✓ Act on opportunities through detailed review, market research and analysis by qualified staff to ensure City's Real Estate portfolio meets the needs of City Programs and Agencies.
- **Coordination of preventative maintenance, SOGR and energy retrofit projects.**
 - ✓ Ensure proper coordination of work and service delivery to utilize funding in an efficient manner, minimize impact to staff and public users of facilities, and provide safe and operational City buildings

2018 OPERATING BUDGET HIGHLIGHTS

- The 2018 Operating Budget for FREEE is \$197.622 million gross and \$71.699 million net representing an increase of 3.0% to the 2017 Approved Operating Budget, with the below measures:
 - ✓ Line-by-line review savings of \$0.358 million.
 - ✓ Inflationary user fee increases of \$0.031 million.
 - ✓ Efficiency savings of \$0.883 million.
 - ✓ New and enhanced services of \$2.098 million.
- Staff complement will increase by 26.6 from 2017 to 2018.
- 2017 Service Levels will be maintained.

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2018 Operating Budget for Facilities, Real Estate, Environment & Energy of \$197.622 million gross, \$71.699 million net for the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Facilities Management:	120,284.1	73,268.7
Real Estate:	28,099.3	(32,917.8)
Environment & Energy:	<u>49,238.1</u>	<u>31,348.5</u>
Total Program Budget	<u>197,621.5</u>	<u>71,699.4</u>

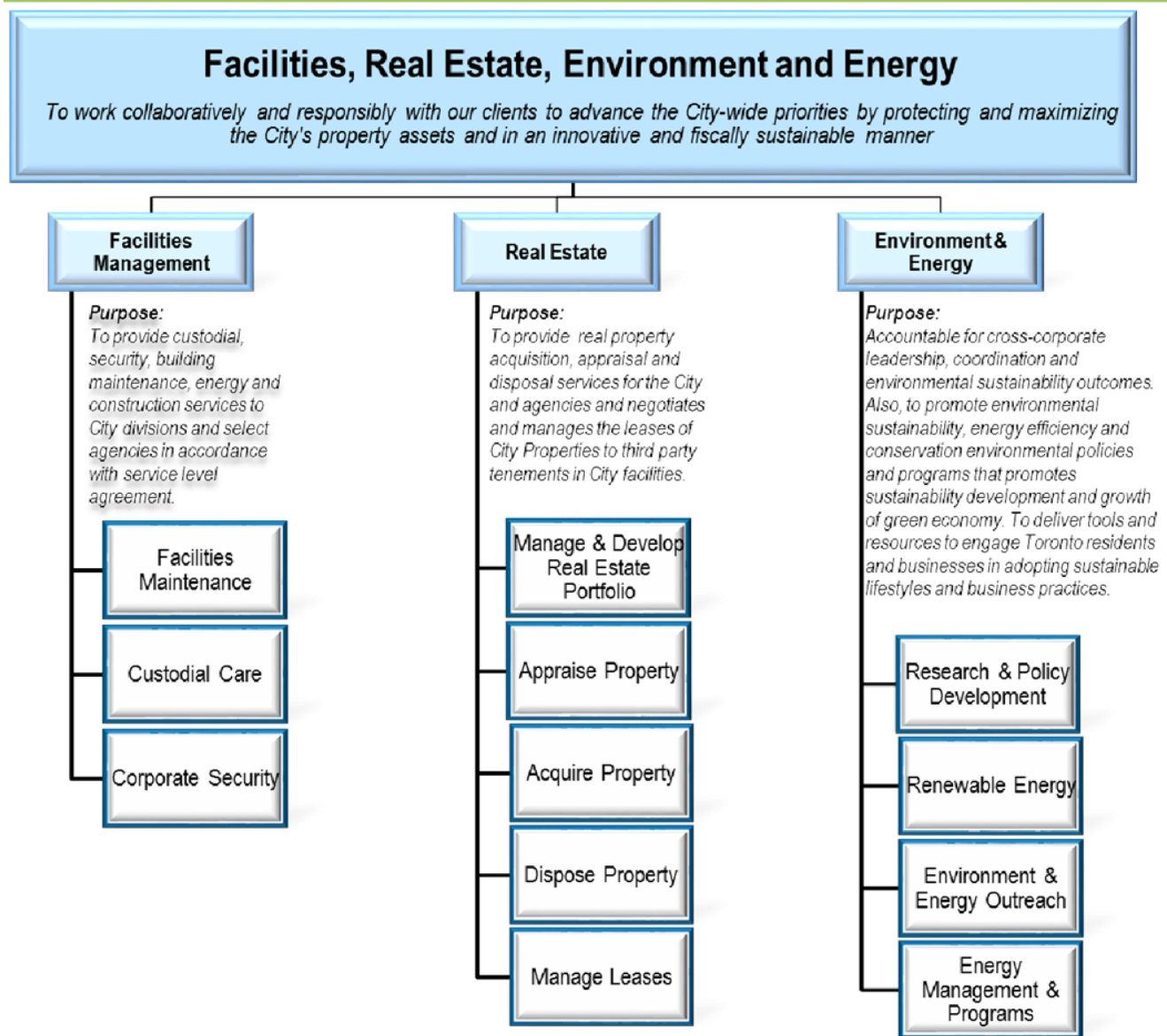
2. City Council approve the 2018 service levels for Facilities, Real Estate, Environment & Energy as outlined on pages 17, 21, 24 of this report, and associated staff complement of 1,032.6 positions, comprising 89.0 capital project delivery positions and 943.6 operating service delivery positions.
3. City Council direct the information contained in the Confidential Attachment to Facilities, Real Estate, Environment & Energy's 2018 Operating Budget Notes, remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.



Part 1

2018-2020 Service Overview and Plan

Program Map



Program Map

Service Customer

Facilities Management

- Residential / Commercial Tenants
- Staff - City Divisions
- Staff - Agencies and Boards
- Community Groups

Indirect (Beneficial)

- Residents
- Provincial & Federal Agencies
- Visitors

Real Estate

- Residential / Commercial Tenants
- Staff - City Divisions
- Staff - Agencies and Boards
- Community Groups

Indirect (Beneficial)

- Residents
- Provincial & Federal Agencies
- Visitors

Environment & Energy

- Residents
- Toronto Building Owners
- Residential / Commercial Tenants
- Staff - City Divisions
- Staff - Agencies and Boards

Indirect (Beneficial)

- Provincial & Federal Agencies
- Visitors

Table 1
2018 Operating Budget and Plan by Service

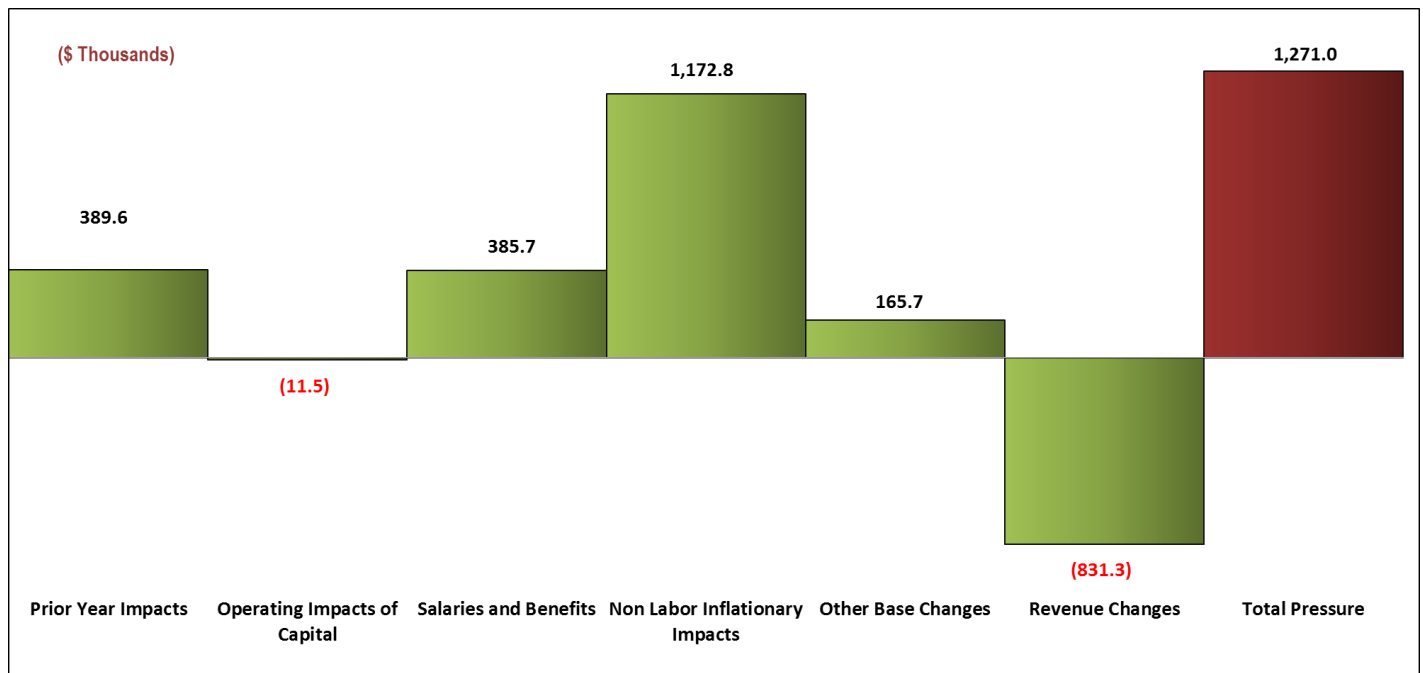
(In \$000s)	2017		2018 Operating Budget			2018 vs. 2017		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget	Budget Change		2019 Plan		2020 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Environment & Energy											
Gross Expenditures	46,424.7	41,001.2	46,863.6	2,374.5	49,238.1	2,813.4	6.1%	3,292.7	6.7%	1,040.8	2.0%
Revenue	18,530.0	14,336.6	17,612.8	276.8	17,889.6	(640.4)	(3.5%)	129.4	0.7%	134.6	0.7%
Net Expenditures	27,894.7	26,664.6	29,250.8	2,097.8	31,348.5	3,453.8	12.4%	3,163.2	10.1%	906.2	2.6%
Facilities Management											
Gross Expenditures	119,985.6	122,034.9	120,064.1	220.0	120,284.1	298.5	0.2%	1,988.6	1.7%	1,224.5	1.0%
Revenue	45,759.1	47,386.6	46,795.4	220.0	47,015.4	1,256.3	2.7%	154.6	0.3%	(24.9)	(0.1%)
Net Expenditures	74,226.5	74,648.3	73,268.7	0.0	73,268.7	(957.8)	(1.3%)	1,834.0	2.5%	1,249.4	1.7%
Real Estate											
Gross Expenditures	28,905.1	26,054.3	28,099.3	0.0	28,099.3	(805.8)	(2.8%)	150.9	0.5%	204.4	0.7%
Revenue	61,423.8	58,148.2	61,017.1	0.0	61,017.1	(406.6)	(0.7%)	(395.0)	(0.6%)	31.0	0.1%
Net Expenditures	(32,518.6)	(32,093.8)	(32,917.8)	0.0	(32,917.8)	(399.2)	1.2%	545.8	(1.7%)	173.5	(0.5%)
Total											
Gross Expenditures	195,315.4	189,090.5	195,027.0	2,594.5	197,621.5	2,306.0	1.2%	5,432.1	2.7%	2,469.8	1.2%
Revenue	125,712.8	119,871.4	125,425.3	496.8	125,922.1	209.2	0.2%	(111.0)	(0.1%)	140.7	0.1%
Total Net Expenditures	69,602.6	69,219.1	69,601.7	2,097.8	71,699.4	2,096.8	3.0%	5,543.1	7.7%	2,329.1	3.0%
Approved Positions	1,006.0	904.0	1,007.6	25.0	1,032.6	26.6	2.6%	10.0	1.0%	(1.0)	(0.1%)

FREEE's 2018 Operating Budget is \$197.402 million gross and \$71.699 million net, representing a 3.0% increase from the 2017 Approved Net Operating Budget.

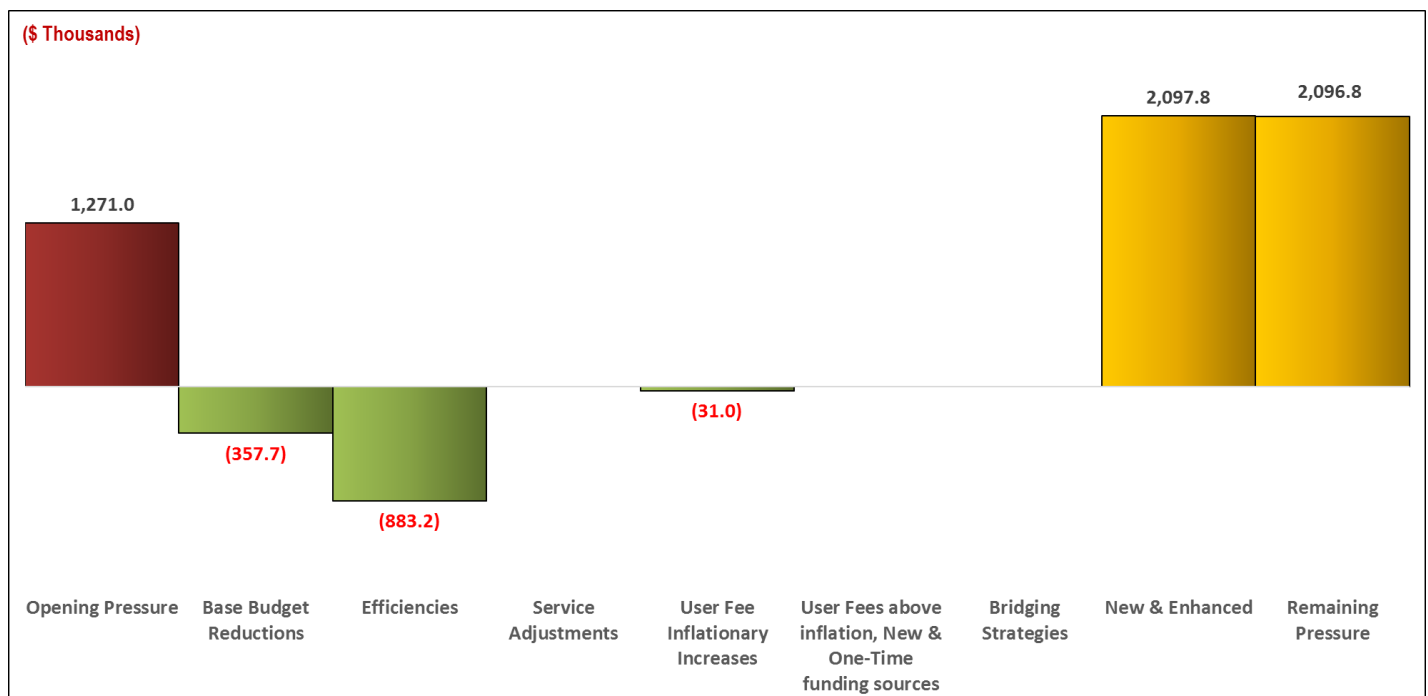
- Base pressures are mainly attributable to the cost of inflation in utilities in the Environment & Energy Service and in contractual agreements for maintenance and custodial services, as well as increases for staff salaries and benefits common across all services.
- To help mitigate the above pressures, the Program was able to achieve service efficiency savings through streamlining stand-by requirements for maintenance supervisors and managers; rationalizing the fleet portfolio; standardizing custodial service levels; and restructuring aspects of its organization to eliminate 4.6 positions, with minimal to no service level impacts.
- New and enhanced addition of \$2.595 million gross and \$2.098 million net relates to addition of 25.0 positions to implement the next stages of TransformTO and custodial and maintenance services provided to 1300 Wilson.
- Approval of the 2018 Operating Budget will result in FREEE increasing its total staff complement by 26.6 positions from 1,006.0 to 1,032.6 positions.
- The 2019 and 2020 Plan increases are mainly attributable to progression pay, step and associated benefit increases.

The following graphs summarize the operating budget pressures for FREEE and the actions taken to offset/reduce these pressures to meet the budget reduction target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target



**Table 2
Key Cost Drivers**

(In \$000s)	2018 Base Operating Budget			Total	
	Facilities Management	Real Estate	Environment & Energy		
	\$	\$	\$	\$	Position
Gross Expenditure Changes					
Prior Year Impacts					
Annualization of TransformTO			389.6	389.6	
NW Path Project Manager					
Delivery of Capital Projects					
Reduction of 1 Temporary Capital Funded Position for the SAP Asset Management Project		(0.6)		(0.6)	(1.0)
Request for 1 Temporary Project Manager Position Funded by Shelter, Support & Housing Administration (SSHA)					1.0
Reduction in Debt Repayment for the Etobicoke Civic Centre (ECC) Boiler Replacement			(11.5)	(11.5)	
Request for 1 Temporary Capital Funded Project Manager Position for the Customer Service Centre of Excellence Initiative					1.0
Request for 1 Temporary Capital Funded Security Guard Position for Toronto Water capital project					1.0
Reduction of 1 Temporary Capital Funded Position for the Project Tracking Portal (PTP) Project	0.5			0.5	(1.0)
Addition of 1 Temporary Capital Funded Position for the Accessibility for Ontarians Act (AODA) Project					1.0
Economic Factors					
Corporate Economic Factors (Utilities)			889.8	889.8	
Divisional Economic Factors	283.0			283.0	
Salary & Benefit Changes					
Progression Pay and Step Increases	268.1	71.8	19.5	359.4	
Gapping (Maintain the 2017 Approved level)	21.1	(2.7)	7.9	26.3	
Other Base Expenditures Changes					
Union Station Utilities & Operations Reconciliations		396.7	136.6	533.3	
City-Wide Insurance Deductible Budget		50.1		50.1	
Reduction of 2 Temporary Positions Funded by Home Energy Assistance Toronto Reserve Fund			(13.7)	(13.7)	(2.0)
Business Performance Management (BPM) Reduction of 1 Vacant Project Coordinator Position	(122.7)			(122.7)	(1.0)
Reduction in Custodial Services for St. Lawrence Centre for the Arts	(31.3)			(31.3)	(3.8)
Reduction in Budgeted Contribution to Land Acquisition Reserve Fund (LARF) for 819 Sheppard		(266.6)		(266.6)	
Interdivisional Cost & Recoveries (IDC/IDR)	(18.4)	40.7	(19.4)	2.9	6.0
Other Base Changes		8.7	5.0	13.7	
Total Gross Expenditure Changes	400.2	298.1	1,404.0	2,102.4	1.2
Base Revenue Changes					
Leasing Revenues		283.9		283.9	
Solar Photovoltaic (PV) Revenue Increases			76.1	76.1	
Toronto Green Standards Revenue Share			200.0	200.0	
Recoveries from Capital Funded Positions	271.3			271.3	
Total Revenue Changes	271.3	283.9	276.1	831.3	
Net Expenditure Changes	128.9	14.2	1,127.9	1,271.0	1.2

Key cost drivers for FREEE are discussed below:

Gross Expenditure Changes

- Prior Year Impacts:
 - Annualized cost of \$0.390 million for TransformTO is attributable to 6.0 positions to accelerate the initiation of climate action plan strategies approved by Council in 2017. This funding was provided to deliver key priorities that will enhance the City of Toronto's efforts to reduce greenhouse gas emissions, as well as, include innovative financing, promoting smart commuting, and enhancing better building partnerships.
- Operating Impacts of Capital:
 - The below summarizes additions and reductions of capital funded positions as a result of needs to support ongoing capital initiatives or completion of projects:
 - Reduction of 1.0 temporary capital funded position for the SAP Asset Management Project.
 - Reduction of 1.0 temporary capital funded position for the Project Tracking Portal (PTP) Project.
 - Addition of 1.0 temporary Project Manager position funded by Shelter, Support & Housing Administration (SSHA).
 - Addition of 1.0 temporary capital funded Project Manager position for the Customer Service Centre of Excellence Initiative.
 - Addition of 1.0 temporary capital funded Security Guard position for Toronto Water capital project.
 - Addition of 1.0 temporary capital funded Senior Project Manager for Accessibility for Ontarians Act (AODA) capital project.
 - A reduction of \$0.012 is attributable to debt repayment for the Etobicoke Civic Centre (ECC) boiler replacement.
- Economic Factors:
 - The increase in utilities of \$0.890 million represents an increase of 7.8% over the 2017 Council Approved Operating Budget and 9.5% over 2016 actuals. This increase is attributed to inflationary factor increases from rising utility rates, specifically electricity, natural gas and water, in addition to adjustments made to align the budget with historical actual spending.
 - The inflationary increases of \$0.283 million are subject to the multi-year contractual agreements with vendors for the procurement of goods and services in support of the mixed delivery model across the program.
- Salaries and Benefits
 - Annual increases for progression pay for union and management staff, and associated fringe benefit adjustments result in an increase in staff salary and benefit costs of \$0.386 million.

Other Base Changes

- Union Station Utilities & Contracts – Additional costs are expected due to utility consumption as well as increases to specific maintenance and security guard contracts for the new concourse and retail areas in Union Station.
 - As the Union Station Revitalization project is expected to end in 2018, revenues related to leasing and retail space at the Station are expected to increase from 2018 onwards and as such a decrease in the

withdrawal from the Union Station reserve is expected. The expectation is for revenues to continue to ramp up through 2019 and 2020 once the project is completed and retail outlets are fully operational, which will replenish the reserve.

- The impact of the above on the 2018 Operating Budget is \$0.533 million net and represents the prior year adjustments to ensure Union Station is at a net zero position and the reduction in recoveries from the US reserve fund for the RES Strategic Projects unit.
 - This unit was previously solely dedicated to supporting Union Station revitalization, but since the project is now approaching its end, the team is engaged in other key initiatives and recoveries will be adjusted accordingly.
- Business Performance Management (BPM) reduction of 1.0 temporary, vacant Project Coordinator position of \$0.123 million, as the position is no longer required within the BPM team.
 - A contribution of \$0.267 million to the Land Acquisition Reserve Fund (LARF) was planned as part of the repayment for the purchase of 819 Sheppard Ave. 819 Sheppard Ave has been sold and the LARF has been fully replenished, therefore this contribution is no longer required.
 - Utility Base Increases - budget adjustments to ensure budget levels reflect actual usage at facilities.

Revenue Changes

- Leasing revenues increases reflect increases in general leasing portfolio revenues of \$0.055 million and in leasing revenues related to St. Lawrence Market of \$0.229 million in order to align the budget with lease contracts.
- Re-assessment of Solar Photovoltaic (PV) revenue is to be in line with historical data, creating an increase in revenue of \$0.076 million, which will be used to repay the cost of the installation projects.
- Toronto Green Standards revenue of \$0.200 million represents Environment & Energy's share transferred from City Planning, which is used to partially offset associated costs in developing the Toronto Green Standard and for ongoing support.

In order to achieve the budget target, FREEE's 2018 Operating Budget includes base expenditure savings of \$0.357 million net, base revenue changes of \$0.031 million net, and service efficiency savings of \$0.883 million net, for a total of \$1.272 million net as detailed on the following page.

Table 3
Actions to Achieve Budget Reduction Target
2018 Service Change Summary

Description (\$000s)	Service Changes						Total Service Changes			Incremental Change			
	Facilities Management		Real Estate		Environment & Energy		\$	\$	#	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	# Pos.	Net	Pos.	Net	Pos.
Base Changes:													
Base Expenditure Changes													
Line-by-Line Review	(421.5)	(257.7)			(100.0)	(100.0)	(521.5)	(357.7)					
Base Expenditure Change	(421.5)	(257.7)			(100.0)	(100.0)	(521.5)	(357.7)					
Base Revenue Changes													
User fees Due to Inflationary Increases		(12.4)		(13.7)		(4.9)		(31.0)		(0.7)		(0.7)	
Base Revenue Change		(12.4)		(13.7)		(4.9)		(31.0)		(0.7)		(0.7)	
Sub-Total	(421.5)	(270.1)		(13.7)	(100.0)	(104.9)	(521.5)	(388.7)		(0.7)		(0.7)	
Service Efficiencies													
Fleet Reduction of 2 Vehicles	(12.4)	(12.4)					(12.4)	(12.4)		(0.0)		(0.0)	
Reduction to Fleet Reserve	(150.6)	(150.6)					(150.6)	(150.6)					
Reduction of Casual Budget Related to Summer Students	(66.9)	(66.9)					(66.9)	(66.9)					
Operational and efficiency savings #1	(150.6)	(150.6)					(150.6)	(150.6)	(2.0)	(2.3)		(0.8)	
Reduction of Custodial Contracted Services in Facilities Management	(325.0)	(300.5)					(325.0)	(300.5)					
Reduction of Supervisor Stand-by Pay	(96.7)	(96.7)					(96.7)	(96.7)					
Reduction of Custodial Contracted Services with Toronto Police	(150.0)						(150.0)						
Reduction of Internal Hours for Custodial Work within the Toronto Police Portfolio	(114.0)						(114.0)		(1.6)	1.5		(2.9)	
Operational and efficiency savings #2	(105.5)	(105.5)					(105.5)	(105.5)	(1.0)	(1.6)		(0.5)	
Sub-Total	(1,171.7)	(883.2)					(1,171.7)	(883.2)	(4.6)	(2.3)		(4.2)	
Total Changes	(1,593.2)	(1,153.3)		(13.7)	(100.0)	(104.9)	(1,693.2)	(1,272.0)	(4.6)	(3.0)		(4.9)	

Base Expenditure Changes (Savings of \$0.522 million gross & \$0.358 million net)

- Savings of \$0.358 million net will be realized through a line-by-line review of the Program's budget for electrical, equipment and supplies expenditure.

Base Revenue Changes (Savings of \$0.031 million net)

User Fees

- Inflationary increase of 2.0% on user fees such as Smart Commute Partner Fee, Film Shoots, Appraisal fees, etc.

Service Efficiencies (Savings of \$1.172 million gross & \$0.883 million net)

Fleet Reduction

- Rationalization of Facilities Management Service's fleet of City vehicles by eliminating 2 vehicles from its portfolio.
- There is no impact to service level associated with this efficiency measure.

Reduction to Fleet Reserve

- Reduction of 2 fleet vehicles in place of utilizing the car sharing program will result in a reduction in the Fleet reserve contribution as the program will no longer have to plan for future replacement of these vehicles.

Reduction in Casual Budget

- Reduction in casual budget equivalent to 4 summer student positions which were previously used to support administrative functions within the Divisions. These functions will be absorbed by the existing administrative staff in the division.

- There is no change to service level associated with the reduction of the casual budget.

Operational and Efficiency Savings #1

- Operational and efficiency savings of \$0.151 million identified due to realignment of workload.
- There is no change to service level associated with the elimination of these positions.
- Please refer to Confidential Attachment 1 under separate cover.

Reduction of Custodial Contracted Services

- Reduction in custodial contracted services costs is driven by plans to consolidate several custodial contracts into one contract and standardize service levels across Facilities Management locations.

Reduction of Supervisor Standby Pay

- Reduction in the number of Supervisors and/or Managers covering various stand by locations which have historically had a lower level of off-hour emergency calls.
- There is no impact on current service levels.

Reduction of Internal Hours for Custodial Work within the Toronto Police Portfolio

- Savings of \$0.114 million gross in custodial costs is due to alignment of all Police locations with the standard level of custodial services provided across City divisions. This will result in a corresponding savings for the Toronto Police Services as the interdepartmental charge from Facilities to TPS will be reduced.
- The service level will be standardized across the portfolio.

Operational and Efficiency Savings #2

- Operational and efficiency savings of \$0.106 million net within the program.
- There is no change to service level associated with this elimination.
- Please refer to Confidential Attachment 1 under separate cover.

Approval of the 2018 Operating Budget for FREEE will result in a 2019 incremental net cost of \$2.850 million and a 2020 incremental net cost of \$1.615 million to maintain the 2018 service levels, as discussed in the following section.

Table 4
2018 New & Enhanced Service Priorities

Description (\$000s)	New and Enhanced						Total New and Enhanced			Incremental Change			
	Environment & Energy		Facilities Management		Real Estate		\$		Position	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities													
Council Approved:													
TransformTO - Acc. Work Plan - Leading by Example	330.0	96.2					330.0	96.2	4.0	100.3	3.0	4.3	(0.0)
TransformTO - Community Energy Planning & Low-Carbon Thermal	555.0	555.0					555.0	555.0	8.0	510.9	1.0	122.9	(0.0)
TransformTO Coordination	353.3	353.3					353.3	353.3	3.0	431.6	(0.0)	(70.6)	
TransformTO - Better Buildings Programs	1,136.2	1,093.2					1,136.2	1,093.2	10.0	1,652.2	6.0	661.4	(0.0)
Sub-Total Council Approved	2,374.5	2,097.8					2,374.5	2,097.8	25.0	2,694.9	10.0	717.9	(0.0)
Total Enhanced Services	2,374.5	2,097.8					2,374.5	2,097.8	25.0	2,694.9	10.0	717.9	(0.0)
New Service Priorities													
Council Approved:													
New Paramedics Custodial & Op. Maintenance-1300 Wilson Ave			220.0				220.0						
Sub-Total Council Approved			220.0				220.0						
Total New Service Priorities			220.0				220.0						
Total New / Enhanced Services	2,374.5	2,097.8	220.0				2,594.5	2,097.8	25.0	2,694.9	10.0	717.9	(0.0)

TransformTO (\$2.375 million gross and \$2.098 million net)

- In July 2007, Toronto City Council recognized the far reaching impacts of climate change and unanimously made a commitment to see community-wide greenhouse gas emissions reduced by 80% against 1990 levels by the year 2050.

In 2017, City Council adopted the recommendations associated with the "TransformTO: Climate Action for a Healthy, Equitable and Prosperous Toronto – Report 2 – The Pathway to a Low Carbon Future" (PE19.4).
- As part of the 2017 Budget development process, City Council requested a summary of the investment and resource requirements needed to implement the TransformTO short term strategies starting in 2017. A briefing note was provided through the 2017 Budget process outlining the budget implications for the four years of 2017 to 2020 (<http://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-100688.pdf>).
- Recognizing that time would be required to bring on resources in 2017, the requested operating budget for 2017 was for six months. The requested half year total operating budget for 2017 was \$1.55 million. Starting in January 2018, the total full year budget was estimated to increase by \$5.15 million, totaling \$6.7 million for 2018. In 2019, it was estimated that the operating budget would increase by an additional \$1.13 million bringing the total annual budget to \$7.83 million. The report did not identify, due to time constraints, sources of funding for the total estimated budget.
- In February 2017, through the 2017 budget process, City Council approved \$0.333 million in funding for 6 positions to initiate work on three of the short term strategies. That funding, which has an annual gross operating cost of \$0.723 million in 2018, is being utilized as all 6 positions are filled and are activity working on implementation plans for the related strategies.
- The Environment and Energy Division had to revise its plans and funding needs for 2018 and beyond due to the partial approval of funding in 2017. The revised incremental funding approved for 2018 is \$2.375 million gross (\$2.096 million net with recoveries from capital of \$0.279 million). This is different than what was originally proposed for the following reasons:
 - The \$6.7 million is inclusive of the 2018 annualized amount for 6 positions already approved by Council as part of the 2017 budget.

- In the original plan it was assumed that new staff in 2018 would be starting in January 2018. The revised plan, assumes a staggered hiring of 35 net new staff where 10 staff will start in April 2018, 15 staff will start in July 2018 and 10 staff will start in April 2019.
 - Adjustments in the approach to be taken in some actions, such as converting proposed staff positions to hiring external consultants (strategies 2.4 and 3.5), utilizing capital funds to support development of short term strategy 3.4 and accessing external funding in support of short term strategy 5.2.
 - Modifications to the resource requirements because of the provision of external funding from the Province of Ontario that will be applied to the short term strategy 1.4 (Improve Energy Efficiency of Social Housing), reducing the need for City resources for this strategy.
 - In addition to the operating budget request of the Environment and Energy Division, the Fleet Services Division is requesting 2 net new positions to implement Short Term Strategy 4.4. The net operating budget request by Fleet Services is less than what was estimated in December 2016 and is not included in the Environment & Energy Division operating budget request.
 - The implementation plan is one that scales up and builds upon early resources, meaning some of the estimated original funding request for 2018 was dependent upon the full approval of the 2017 accelerated plan. The timeline for these planned actions needed to be revised based on a partial approval of those strategies in 2017.
- With these revisions, the Operating Budget for 2018 in support of implementing the TransformTO short term strategies is \$2.375 million gross (\$2.097 million net) for the Environment and Energy Division and \$0.172 million for the Fleet Services Division. This is in addition to \$0.723 million included in the base 2018 budget. By the end of 2018 there will be 31 new positions in place in the Environment and Energy Division and 2 new positions in Fleet Services working on the implementation of the TransformTO short term strategies. An additional 10 positions in the Environment and Energy Division will be included in the 2019 Budget to commence in April 2019.
 - By 2020, the full year operating budget for implementation of TransformTO by the Environment & Energy Division will be \$7.046 million gross (\$6.258 million net) and in Fleet Services it will be \$0.413 million gross. The table below summarizes by short term strategy the requested staffing and gross operating budget for the short term strategies to be led the Environment and Energy Division (EED).

TABLE B: GROSS OPERATING BUDGET REQUEST BY YEAR FOR TRANSFORMTO					
Short Term Strategy	Gross Operating Budget by Year, 2017 to 2020 (\$000s)				Total Staff Complement by April 2019
	2017	2018	2019	2020	
Environment and Energy Division					
1.1 Enhance Better Buildings Partnership	\$233	\$1,074	\$2,027	\$2,421	13
2.1 Advance Leading-Edge New Construction Standard	--	\$127	\$253	\$304	2
4.2 Scale Renewable Energy installations	--	\$169	\$359	\$406	3
4.1 Expand energy retrofits at City Facilities	--	\$161	\$453	\$540	4
1.3 Dedicate Funding for Community- Based Climate Action	--	\$0	\$100	\$138	1
2.3 Advance Low-Carbon/Thermal Energy Networks	--	\$122	\$318	\$394	3
1.5 Continue support for residential property owners through Home Energy Loan Program (HELP)	--	\$260	\$443	\$526	3
5.3 Leverage Live Green Toronto	--	\$270	\$633	\$789	2
5.2 Use building energy disclosure as an engagement tool	--	\$49	\$103	\$106	1
5.1 Continue TransformTO Coordination & Long Term Strategy development	--	\$353	\$635	\$564	3
2.2 Advance Community energy planning	--	\$281	\$445	\$491	4
2.4 Create a Renewable Energy Strategy	--	\$25	\$50	--	0
4.5 Smart Commute for the Toronto Public Service	\$40	\$91	\$95	\$97	1
1.2 Innovative Financing and Funding	\$60	\$114	\$117	\$120	1
3.5 Electric Vehicle Strategy	--	\$0	\$150	\$150	0
3.4 Freight & Goods Movement Strategy		Revised approach. The initiative will be led by Transportation Services, who will seek as part of the 2018-27 capital budget \$700,000 to implement this initiative. See report PW24.8 at http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017_PW24.8			
5.4 Align programming with Utilities		As identified in the December 2018 TransformTO staff report no funding is required for this action.			
Sub-Total	\$333	\$3,098 ¹	\$6,181	\$7,046	41
Other Divisions					
4.4 Improve City owned fleet fuel efficiency (led by Fleet Services)	--	\$172	\$469	\$413	2
4.3 Utilize landfill gas and biogas (led by Solid Waste Management)	--	No net operating impact. Included in SWM's 2018-2027 Capital Plan.			
1.4 Improve energy efficiency of social housing (led by Shelter, Support & Housing)	--	There is no net impact on the operating budget for this action as it is supported by Provincial funding.			
3.1 Explore Road Pricing (led by Transportation Services)	--	This item is on hold following the Province's decision not to proceed, at this time, with legislative changes necessary to allow for the tolling of roads under the jurisdiction of the City.			
3.2 Support Safe Cycling and Walking (led by Transportation Services)	--	Request for resources will occur within the context of the Cycle Network Capital Plan adopted by City Council.			
3.3 Enhanced Transit Service (led by TTC)	--	Request for resources will occur within the context of the Transit Network Plan Update and Financial Strategy adopted by Council			
Sub-Total	--	\$172	\$469	\$413	2
TOTAL TransformTO	\$333	\$3,270	\$6,650	\$7,459	43

¹ The enhanced gross operating budget for TransformTO in the Environment & Energy Division in 2018 is \$2,375 (\$3,098 minus the \$723 annualized cost for approvals made in 2017).

- The 2018 budget for TransformTO groups the short-term strategies into four business cases. The strategies are according to the relative interdependency of the short term strategy with other strategies included in the group. If a decision is made to proceed with only one of the proposed strategies in that group, the ability to achieve the forecast full benefit may be hindered by not proceeding with the other strategies in the group.
- *Leading by Example* is critical to set the pace and demonstrate commitment by the City of Toronto towards achieving its community-wide emission reduction goal (80% by 2050). It includes the scale-up of existing corporate plans covering building operations, real estate and employee commuter options programming. The proposal addresses the following TransformTO Short-Term Strategies:

- 4.1 Expand Energy Retrofits at City Facilities; and
- 4.2 Scale-up Renewable Energy Installations.
- *Community Energy Planning & Low-Carbon Thermal Energy Networks* with the objective to undertake the necessary research to support integration of more progressive energy efficiency requirements into the Toronto Green Standard, maximize the potential for low-carbon development through the preparation and implementation of community energy plans for all new major developments and revitalization areas, reduce emissions from existing district energy systems by 3% to 30% by 2020, and create a renewable energy strategy to advance emerging clean technologies, such as solar PV, wind, biogas, geo-exchange and energy storage. The proposal addresses the following TransformTO Short-Term Strategies:
 - 2.1 Advance leading-edge new construction standard;
 - 2.2 Advance Community Energy Planning;
 - 2.3 Advance low-carbon/renewable thermal energy networks; and
 - 2.4 Create Renewable Energy Strategy.
- *TransformTO Coordination* oversees the implementation of all TransformTO short-term strategies, designs and manages collective impact process and engagements for three approved acceleration campaigns, and ongoing research including the development of low-carbon freight and renewable energy strategies. This will ensure the needed oversight and coordination is in place to leverage financing, manage the multiple internal and external stakeholders, and create a sustainable program with appropriate governance, reporting and funding to achieve Council's GHG reduction goals. The proposal addresses the following TransformTO Short-Term Strategies:
 - 5.1 Continue TransformTO Community Engagement;
 - 3.4 Develop a low-carbon freight strategy; and
 - 3.5 Enable electric vehicles.
- *Better Buildings Programs* supports expanding existing programs to accelerate energy efficiency in existing buildings through the Better Buildings Partnership, Home Energy Loan Program, and not-for-profit sector. It will also leverage Live Green Toronto to cultivate neighborhood-based low-carbon projects and challenge residents and businesses to undertake deep energy retrofits and other climate actions. The proposal addresses the following TransformTO Short-Term Strategies:
 - 1.1 Enhance the Better Buildings Partnership;
 - 1.3 Dedicate Funding for Community-Based Climate Action;
 - 1.5 Continue Support for Residential Property Owners;
 - 5.2 Building Energy Benchmarking Program; and
 - 5.3 Leverage Live Green Toronto

New Paramedic Custodial & Operating Maintenance - 1300 Wilson Avenue (\$0.220 million gross and \$0 million net)

- FREEE currently holds the custodial and operating budget for all multi-function ambulance stations. 1300 Wilson is a new location that has become operational requiring ongoing custodial and maintenance services.
- It has been agreed between the Divisions that Toronto Paramedic Services will fund the operating and custodial costs related to this new multi-function ambulance station, resulting in a \$0 net impact on FREEE's budget.

Table 5
2019 and 2020 Plan by Program

Description (\$000s)	2019 - Incremental Increase					2020 - Incremental Increase				
	Gross	Revenue	Net	% Change	Position	Gross	Revenue	Net	% Change	Position
Known Impacts:										
Prior Year Impact										
Addition of 4 FTEs for Transit Projects funded by Metrolinx	15.6	15.6	(0.0)	0.0%		13.2	13.2	(0.0)	0.0%	
City-Wide Real Estate (CWRE) Transition Continuation	(194.2)	(461.5)	267.3	0.4%		0.0	0.0	0.0	0.0%	
Operating Impact of Capital	288.3	292.8	(4.5)	0.0%	1.0	(40.8)	(36.9)	(3.9)	0.0%	(1.0)
Economic Factors	62.5	0.0	62.5	0.1%		0.3	0.0	0.3	0.0%	
Salaries and Benefits	2,067.7	0.0	2,067.7	2.9%	(1.0)	1,634.4	0.0	1,634.4	2.3%	
Other Base Changes (specify)			0.0	0.0%				0.0	0.0%	
Interdivisional Cost and Recoveries (IDC/IDR)	129.9	36.9	93.0	0.1%		25.5	3.4	22.0	0.0%	
Elimination of Sustainable Energy Fund (SEF) Funding within the Renewable Energy Office for Non-Salary Operating Expenditures	0.0	(257.1)	257.1	0.4%		0.0	0.0	0.0	0.0%	
Elimination of 2 Positions Funded by Home Energy Assistance Toronto Reserve Fund	(4.6)	0.0	(4.6)	0.0%		(0.9)	0.0	(0.9)	0.0%	
Elimination of Custodial Services at St. Lawrence Centre for the Arts	(4.1)	0.0	(4.1)	0.0%		(1.5)	0.0	(1.5)	0.0%	
Elimination of 1 Vacant Project Coordinator Position within Facilities Management (FM)	(3.2)	0.0	(3.2)	0.0%		(3.7)	0.0	(3.7)	0.0%	
Revenue			0.0	0.0%				0.0	0.0%	
User Fees	0.0	30.8	(30.8)	0.0%		0.0	31.5	(31.5)	0.0%	
Adjustment to Recoveries for City Wide Strategic Initiatives	0.0	(150.0)	150.0	0.2%		0.0	0.0	0.0	0.0%	
Sub-Total	2,357.9	(492.5)	2,850.4	4.0%	(0.0)	1,626.6	11.3	1,615.3	2.3%	(1.0)
Other (specify)										
TransformTO - Acc. Work Plan - Leading by Example	481.9	381.5	100.3	0.1%	3.0	133.7	129.4	4.3	0.0%	(0.0)
TransformTO - Community Energy Planning & Low-Carbon Ther	510.9	0.0	510.9	0.7%	1.0	122.9	0.0	122.9	0.2%	(0.0)
TransformTO Coordination	431.6	0.0	431.6	0.6%	(0.0)	(70.6)	0.0	(70.6)	(0.1%)	
TransformTO - Better Buildings Programs	1,652.2	0.0	1,652.2	2.4%	6.0	661.4	0.0	661.4	1.0%	(0.0)
New Paramedics Custodial & Op. Maintenance-1300 Wilson Ave	0.0	0.0	0.0	0.0%		0.0	0.0	0.0		
Sub-Total	3,076.5	381.5	2,694.9	3.9%	10.0	847.4	129.4	717.9	1.0%	(0.0)
Total Incremental Impact	5,434.4	(111.0)	5,545.4	8.0%	10.0	2,473.9	140.7	2,333.3	3.4%	(1.0)

Future year incremental costs are primarily attributable to the following:

Known Impacts:

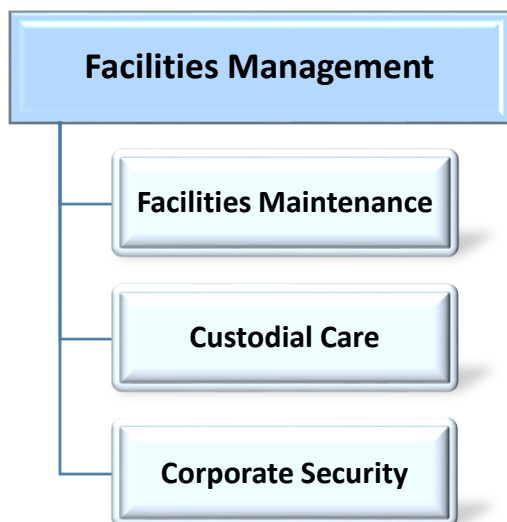
- Increase of \$0.267 million net in 2019 represents management consulting expenditures in support of the City Wide Real Estate Review.
- Incremental increases are mainly driven by progression pay and step increases for staff salaries and benefits.
- These costs will be partially offset in FREEE's Operating Budget by:
 - Incremental interdivisional recoveries for maintenance, custodial and security services provided to other City Divisions / Agencies;
 - User fee revenue increases based on annual inflation of 2.0%.



Part 2

2018 Operating Budget by Service

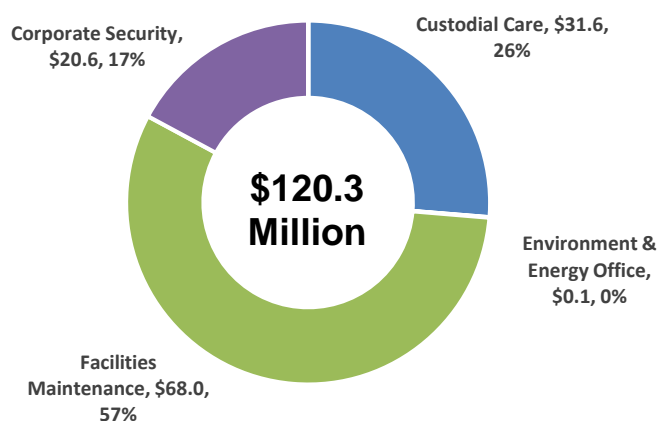
Facilities Management



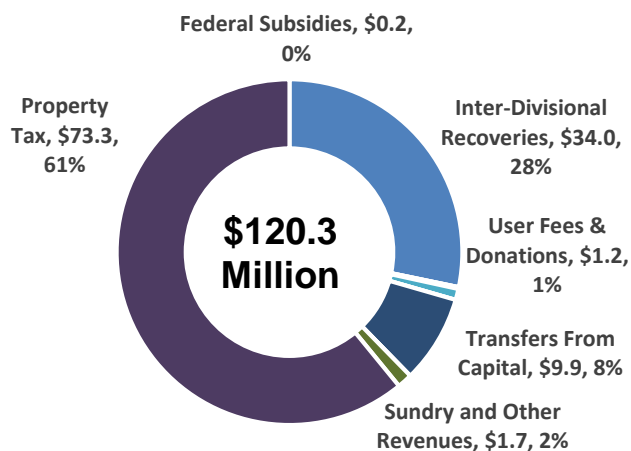
What We Do

- Provide leadership and stewardship of the City's facilities with a commitment to best practices incorporating environmental, social and economic principles.
- Provide routine maintenance, custodial care, security, and construction activities for City Programs and Agencies in accordance with service level agreements.
- Ensure facilities are safe, accessible and available to deliver programs and services by employing facility maintenance standards, life cycle planning and building condition assessments.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



2018 Service Levels Facilities Management

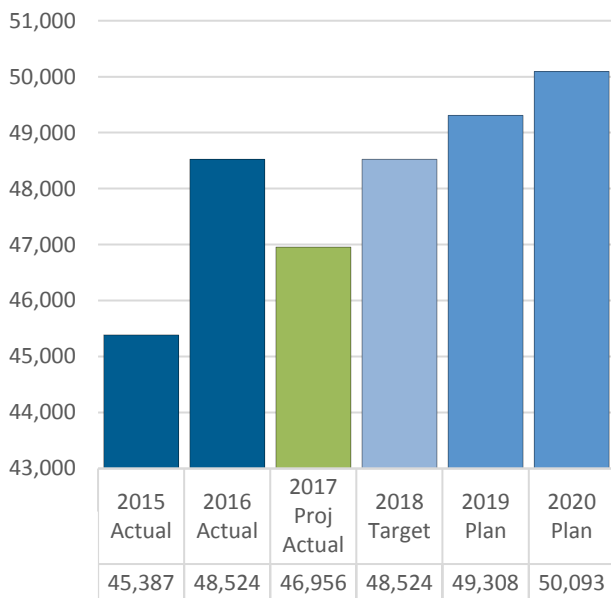
Activity	Type	Service Level Description	Status	2015	2016	2017	2018	Footnotes	
Facilities Maintenance	Scheduled Maintenance - Preventative	% of Preventative maintenance work orders completed on schedule in a pilot of three locations	Approved	80% of Compliance with preventative maintenance work orders completed on schedule			80% of Compliance with preventative maintenance work orders completed on schedule		
			Actual	98.4%	93.0%	95.0%			
		Scheduled Maintenance - Preventative	Approved Actual	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016		
	Unscheduled Maintenance - On-Demand	% of Response times to On-Demand Requests for Facilities Maintenance:	Approved	80% of Compliance with response times to Level 1 / 2 / 3 On-Demand requests within designated timelines			80% of Compliance with response times to Level 1 / 2 / 3 On-Demand requests within designated timelines		
		- to Level 1 (Emergency) requests within 2 Hours	Actual	N/A	50.0%	52.5%			
		- to Level 2 (Urgent Service) requests within 48 Hours	Actual	58.8%	69.5%	70.9%			
		- to Level 3 (Necessary Service) requests within 5 Days	Actual	70.9%	73.4%	75.9%			
		% Demand maintenance work completed within standards given availability of parts	Approved	N/A	Under Development	Under Development	80% of Compliance with demand maintenance work completed		
			Actual						
		Scheduled Maintenance - On-Demand	Approved Actual	90% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016		
		Asset Facility Management / Preservation	% of Completed construction projects which meet total cost, schedule, and quality defined within their project charters	Approved	80% of Compliance with completed construction projects meeting three criteria			80% of Compliance with completed construction projects meeting three criteria	
				Actual	93.6%	96.9%	95.3%		
	Completion rate (%) of SOGR capital projects - excluding major projects		Approved	Target: 80% Compliance			Target: 80% Compliance	1	
			Actual	51.0%	48.4%	68.8%			
	Completion rate (%) of SOGR capital projects - including major & strategic projects		Approved	Target: 80% Compliance			Target: 80% Compliance	2	
			Actual	47.8%	53.5%	65.5%			
	Completion rate (%) of Client delivered SOGR capital projects		Approved	Target: 80% Compliance			Target: 80% Compliance	3	
			Actual	78.5%	48.0%	43.0%			
	Completion rate (%) of Blended Capital Projects		Approved	Target: 80% Compliance			Target: 80% Compliance	4	
			Actual	55.9%	48.3%	66.4%			
		Approved Actual	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016			
	Environmental Assessments	Environmental Assessments	Approved Actual	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016		
	Regulatory Compliance	Regulatory Compliance	Approved Actual	100% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016		
	Custodial Care	Cleaning Services for City Run Programs	% of Compliance with client SLAs for daily routine cleaning	Approved Actual	80% of Compliance with client SLAs for daily routine cleaning			80%	
Cleaning Services for Non City Run Programs		Cleaning Services for Non City Run Programs	Approved	Compliance with client SLAs for daily routine cleaning	Discontinued	Discontinued in 2016	Discontinued in 2016		
			Actual						
Corporate Security	Divisional Security Plans – Assessments	% increase / decrease in "non-routine" security occurrences Year Over Year (YOY)	Approved Actual	-3.0%	Target: -2% -2.0%	-2.5%	Target: -2%		
		Average security system equipment downtime in hours per year	Approved Actual	100.0% 99.9%	Discontinued	Discontinued in 2016	Discontinued in 2016		
		% of Security system downtime per year	Approved	Target: <= 1.0% Compliance			Target: <= 1.0% Compliance		
			Actual	1.0%	0.9%	0.9%			
	Divisional Security Plans – Implementation of Security Plans	% of Security system corrective maintenance completed on time	Approved	Target: Under Development (90.0%)			Target: <= 90.0% Service Standard Compliance		
			Actual	85.0%	87.0%	90.0%			
		% of Corporate Security Projects Completed on Budget/Time	Approved Actual	80.0%	Discontinued	Discontinued in 2016	Discontinued in 2016		
		Resolve Security Threats	# of security issues / defects resolved within the standard period	Approved Actual	80.0%	Discontinued	Discontinued in 2016	Discontinued in 2016	

Footnotes:

- 1 Language change in 2017
- 2 Language change in 2017
- 3 Language change in 2017
- 4 Language change in 2017

Service Performance Measures

Volume of Facilities Maintenance Work Orders Completed



- This chart shows number of maintenance work orders completed annually since 2015.
- Facilities Management continues to invest in tools and technology to improve the efficiency and effectiveness of the management of work order requests. This has allowed staff to address an increasing amount of work orders annually. An aging building stock has also increased the need for greater repair and maintenance work year over year.

Table 6
2018 Service Budget by Activity

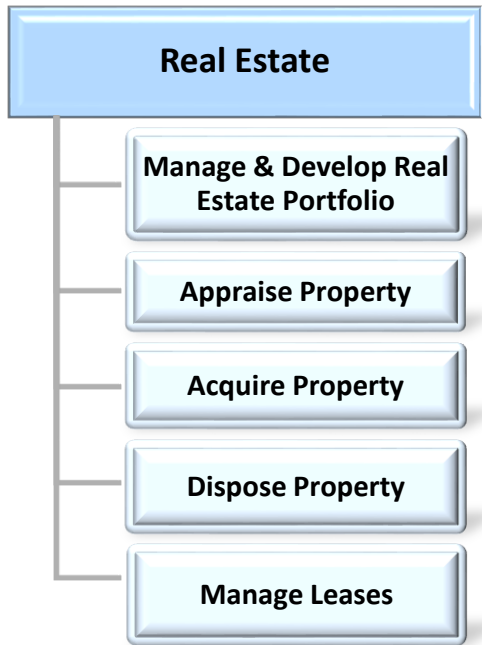
(\$000s)	2017	2018 Operating Budget							Incremental Change					
	Approved Budget	Base Budget	Service Changes	Base Budget	Base Budget vs. 2017 Budget	% Change	New/Enhanced	Budget	2018 Budget vs. 2017 Budget		2019 Plan		2020 Plan	
	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Custodial Care	32,313.7	32,381.9	(770.1)	31,611.8	(701.9)	(2.2%)	60.0	31,671.8	(641.9)	(2.0%)	317.0	1.0%	164.9	0.5%
Facilities Maintenance	67,874.9	68,240.0	(401.6)	67,838.4	(36.5)	(0.1%)	160.0	67,998.4	123.5	0.2%	1,127.6	1.7%	676.6	1.0%
Corporate Security	19,797.0	20,613.8		20,613.8	816.9	4.1%		20,613.8	816.9	4.1%	489.8	2.4%	381.9	1.8%
Total Gross Exp.	119,985.6	121,235.8	(1,171.7)	120,064.1	78.5	0.1%	220.0	120,284.1	298.5	0.2%	1,934.4	1.6%	1,223.4	1.0%
REVENUE														
Custodial Care	9,877.6	9,656.7	(288.5)	9,368.2	(509.4)	(5.2%)	60.0	9,428.2	(449.4)	(4.5%)	0.6	0.0%	0.6	0.0%
Facilities Maintenance	28,972.7	29,720.0		29,720.0	747.3	2.6%	160.0	29,880.0	907.3	3.1%	123.4	0.4%	28.2	0.1%
Corporate Security	6,908.8	7,707.2		7,707.2	798.4	11.6%		7,707.2	798.4	11.6%	30.5	0.4%	(53.6)	(0.7%)
Total Revenues	45,759.1	47,083.9	(288.5)	46,795.4	1,036.3	2.3%	220.0	47,015.4	1,256.3	2.7%	154.6	0.3%	(24.9)	(0.1%)
NET EXP.														
Custodial Care	22,436.1	22,725.3	(481.6)	22,243.6	(192.5)	(0.9%)		22,243.6	(192.5)	(0.9%)	316.4	1.4%	164.3	0.7%
Facilities Maintenance	38,902.2	38,520.0	(401.6)	38,118.4	(783.8)	(2.0%)		38,118.4	(783.8)	(2.0%)	1,004.2	2.6%	648.4	1.7%
Corporate Security	12,888.2	12,906.6		12,906.6	18.5	0.1%		12,906.6	18.5	0.1%	459.3	3.6%	435.5	3.3%
Total Net Exp.	74,226.5	74,151.9	(883.2)	73,268.7	(957.8)	(1.3%)		73,268.7	(957.8)	(1.3%)	1,779.9	2.4%	1,248.3	1.6%
Approved Positions	841.7	845.9	(4.6)	841.3	(0.4)	(0.0%)		841.3	(0.4)	(0.0%)	1.0	0.1%	(1.0)	(0.1%)

The **Facilities Management** Service provides routine maintenance, custodial care, security, and construction activities for City Programs and Agencies.

The Facilities Management Service's 2018 Operating Budget of \$120.284 million gross and \$73.269 million net is \$0.958 million or 1.3% under the 2017 Approved Net Budget.

- Base budget pressures in the Facilities Management Service are primarily due to increases in progression pay for union and management staff, and associated fringe benefit adjustments common among all activities resulting in an increase of \$0.289 million in salaries and benefits.
- Inflationary increases of \$0.283 million reflect the multi-year contractual agreements with vendors for the procurement of goods and services for Custodial Care and Facilities Maintenance.
- In order to offset these pressures, the 2018 Operating Budget includes service efficiency savings of \$1.153 million net for fleet rationalization, standardizing custodial services across Facilities Management, and the elimination of 4.6 positions within the Service.
- New and enhanced addition of \$0.220 million gross and \$0 million net represents custodial and maintenance services for 1300 Wilson Ave.
- The total reduction of 4.6 positions within the Service related to the elimination of 1.0 vacant Project Coordinator position in the Business Performance Management (BPM); and 3.6 custodial positions at St. Lawrence Centre for the Arts. Reductions in complement in BPM and St. Lawrence Centre for the Arts has generated savings of \$0.123 million net and \$0.031 million net, respectively.

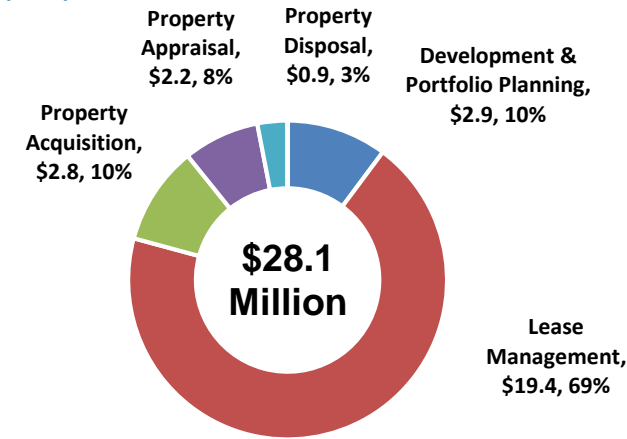
Real Estate



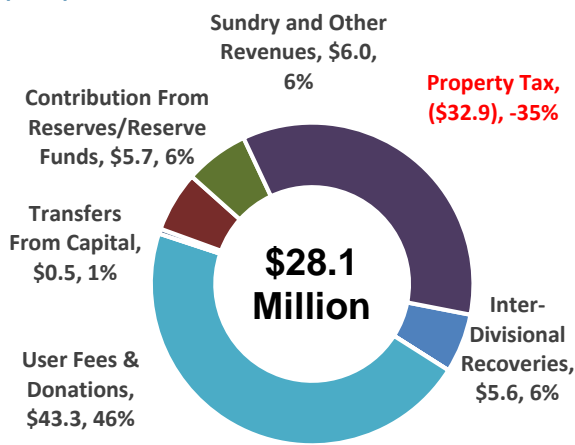
What We Do

- Provide property appraisal, negotiation, acquisition and disposal services for City Programs and Agencies to ensure the City's Real Estate portfolio represents a strategic asset mix that reflects program and stakeholders needs.
- Provide routine lease administration and manage leases of City properties with third party tenants
- Maximize lease revenues by regularly reviewing the City's building portfolio and current market rates, negotiating optimal leasing arrangements and identifying target properties for acquisition or disposal to ensure the City's building portfolio is optimal.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)

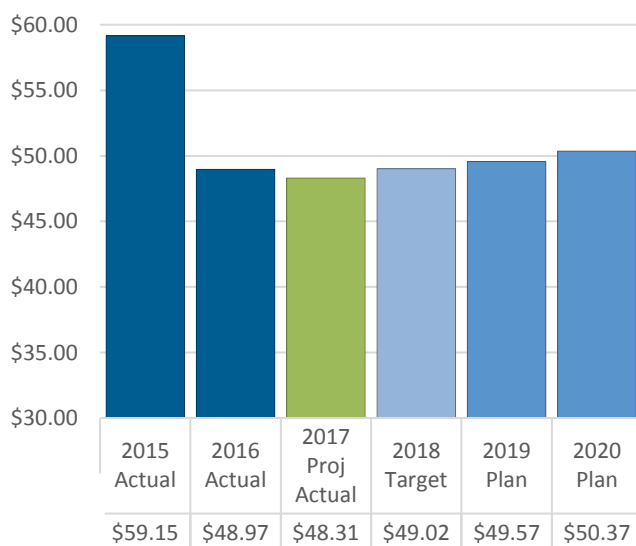


2018 Service Levels Real Estate

Activity	Type	Service Level Description	Status	2015	2016	2017	2018
Manage & Develop Real Estate Portfolio	Planning and Development - Review Property Portfolio	Review Property Portfolio	Approved	100% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
Appraise Property	Properties Appraised	% of Appraisals completed within 6 weeks after client requests	Approved	90.0%	90.0%	90.0%	90.0%
			Actual	85.6%	82.7%	87.4%	
Acquire Property	Real Estate Acquisitions and Expropriations	% Compliance to acquire properties within client timeframes	Approved	80% Compliance		Discontinued	Discontinued in 2017
			Actual	80%	N.A.		
		% of Acquisition price to appraised value	Approved	100% Compliance			100% Compliance
			Actual	103.0%	101.3%	100.0%	
Dispose Property	Real estate Disposal – Market Rates	% Compliance with disposing of properties at 100% or better of appraised value	Approved	100.0%	100.0%	100.0%	100.0%
			Actual	100.4%	100.3%	100.0%	
Manage Leases	Property Leasing	Property Leasing	Approved	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Negotiate New Leases	Negotiate New Leases	Approved	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Renew Leases	Renew Leases	Approved	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Terminate Leases	Terminate Leases	Approved	100% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Lease Payments	Lease Payments	Approved	100% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Receive Lease Revenue	Receive Lease Revenue	Approved	95% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Property Assessment - Property Assessment Review	Property Assessment - Property Assessment Review	Approved	100% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016
			Actual				
	Property Assessment - Savings & Revenues	Property Assessment - Savings & Revenues	Approved	100% Compliance	Discontinued	Discontinued in 2016	Discontinued in 2016

Service Performance Measure

Lease Revenue Maximization (\$M)



- Significantly higher lease revenues in 2015 as a result of the arbitration ruling related to 2 Bloor Street East that triggered payment of prior year rents totalling \$14.5M.
- Ongoing construction as part of the Union Station Revitalization project has had an impact on lease revenues since 2015 as a result of space that was previously leased out has been vacated for renovations.
- The Lease revenues are expected to increase in 2018 and continue through to 2020 as renovated retail space at Union Station is becomes operational and new leases are signed.

Table 6
2018 Service Budget by Activity

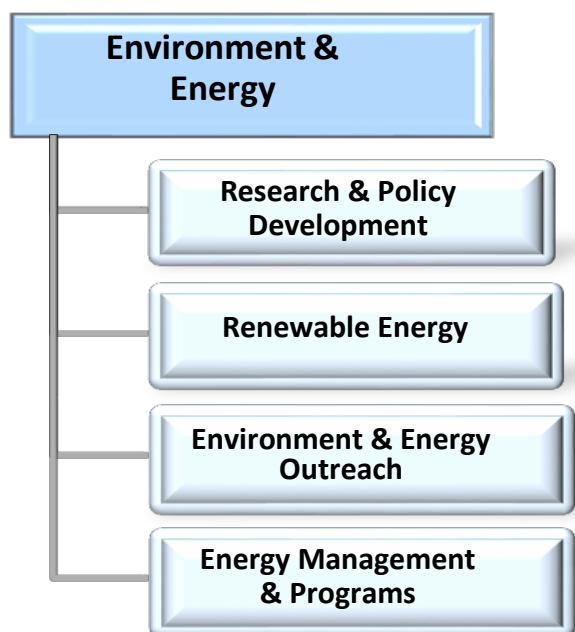
(\$000s)	2017	2018 Operating Budget							2018 Budget vs. 2017		Incremental Change			
	Approved Budget	Base Budget	Service Changes	Base Budget vs. 2017 Budget	% Change	New/Enhanced	Budget				2019 Plan		2020 Plan	
	\$	\$	\$	\$	%	\$	\$				\$	%	\$	%
GROSS EXP.														
Development & Portfolio Planning	3,631.7	2,862.6		2,862.6	(769.1)	(21.2%)	2,862.6	(769.1)	(21.2%)		(133.1)	(4.6%)	47.8	1.8%
Lease Management	19,687.3	19,395.8		19,395.8	(291.5)	(1.5%)	19,395.8	(291.5)	(1.5%)		116.2	0.6%	54.5	0.3%
Property Acquisition	2,373.4	2,810.4		2,810.4	437.0	18.4%	2,810.4	437.0	18.4%		100.3	3.6%	48.4	1.7%
Property Appraisal	2,446.7	2,172.5		2,172.5	(274.2)	(11.2%)	2,172.5	(274.2)	(11.2%)		46.7	2.1%	39.9	1.8%
Property Disposal	766.1	858.1		858.1	92.0	12.0%	858.1	92.0	12.0%		20.8	2.4%	13.8	1.6%
Total Gross Exp.	28,905.1	28,099.3		28,099.3	(805.8)	(2.8%)	28,099.3	(805.8)	(2.8%)		150.9	0.5%	204.4	0.7%
REVENUE														
Development & Portfolio Planning	1,406.6	461.5		461.5	(945.1)	(67.2%)	461.5	(945.1)	(67.2%)		(461.5)	(100.0%)		#DIV/0!
Lease Management	57,642.1	57,836.8		57,836.8	194.7	0.3%	57,836.8	194.7	0.3%					
Property Acquisition	1,157.3	1,487.4		1,487.4	330.1	28.5%	1,487.4	330.1	28.5%		52.6	3.5%	16.7	1.1%
Property Appraisal	672.7	686.4		686.4	13.7	2.0%	686.4	13.7	2.0%		14.0	2.0%	14.3	2.0%
Property Disposal	545.0	545.0		545.0			545.0							
Total Revenues	61,423.8	61,017.1		61,017.1	(406.6)	(0.7%)	61,017.1	(406.6)	(0.7%)		(395.0)	(0.6%)	31.0	0.1%
NET EXP.														
Development & Portfolio Planning	2,225.1	2,401.1		2,401.1	176.0	7.9%	2,401.1	176.0	7.9%		328.4	13.7%	47.8	1.8%
Lease Management	(37,954.9)	(38,441.0)		(38,441.0)	(486.2)	1.3%	(38,441.0)	(486.2)	1.3%		116.2	(0.3%)	54.5	(0.1%)
Property Acquisition	1,216.0	1,323.0		1,323.0	106.9	8.8%	1,323.0	106.9	8.8%		47.8	3.6%	31.7	2.3%
Property Appraisal	1,774.0	1,486.1		1,486.1	(287.9)	(16.2%)	1,486.1	(287.9)	(16.2%)		32.7	2.2%	25.6	1.7%
Property Disposal	221.1	313.1		313.1	92.0	41.6%	313.1	92.0	41.6%		20.8	6.6%	13.8	4.1%
Total Net Exp.	(32,518.6)	(32,917.8)		(32,917.8)	(399.2)	1.2%	(32,917.8)	(399.2)	1.2%		545.8	(1.7%)	173.5	(0.5%)
Approved Positions	94.0	98.0		98.0	4.0	4.3%	98.0	4.0	4.3%		(1.0)	(1.0%)		

The **Real Estate** Service focuses on the provision of routine lease administration, acquisitions, disposals, property negotiations and appraisals to ensure the City's real estate assets represent a strategic portfolio mix reflecting City's Programs and Agencies and stakeholder needs.

The Real Estate Service's 2018 Operating Budget of \$28.099 million gross and \$32.918 million net revenues is \$0.399 million or 1.2% under the 2017 Approved Net Budget.

- The year-over-year net decrease is mainly driven by an increase in leasing revenues of \$0.284 million and inflationary increases to user fees of \$0.031 million.
- These reductions are partially offset by incremental increases to step, progression pay and associated fringe benefits for staff.

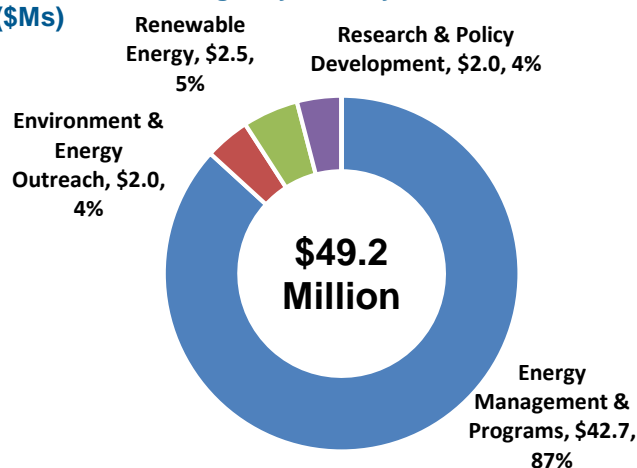
Environment & Energy



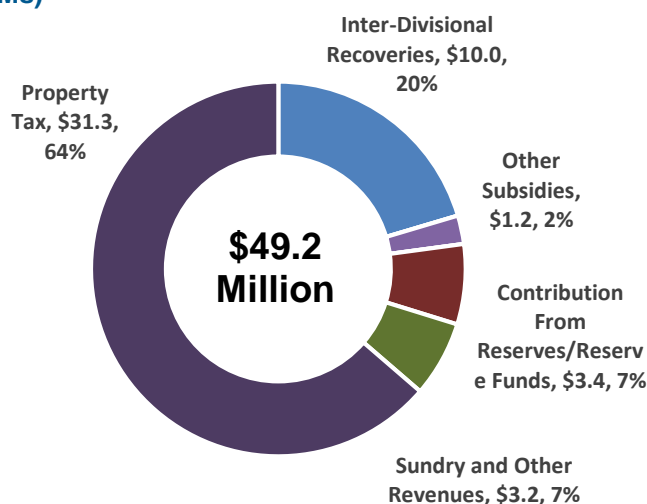
What We Do

- Provide cross-corporate leadership and coordination of activities to achieve sustainable environment and energy outcomes.
- Lead the development and implementation of innovative environmental and energy policies and programs to help reduce greenhouse gas emissions, facilitate energy conservation and demand management and ensure security of the energy supply.
- Inspire citizens, businesses, and other stakeholders to make Toronto North America's most environmentally sustainable city.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)

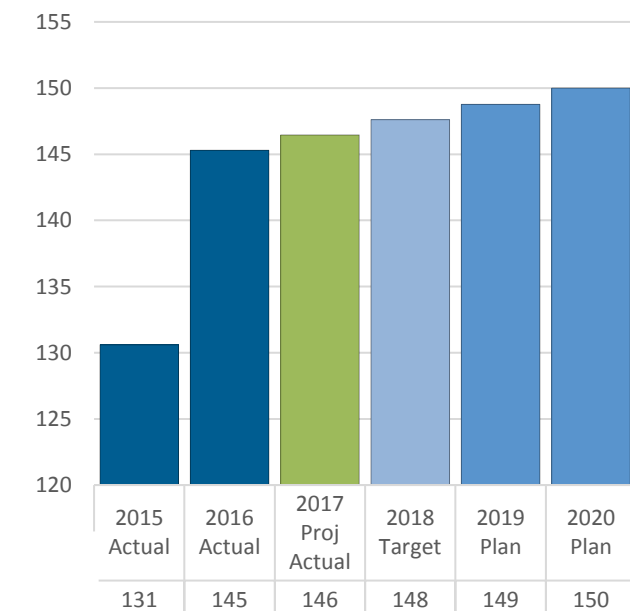


2018 Service Levels Environment and Energy

Activity	Service Level Description	Status	2015	2016	2017	2018	Footnotes
Research & Policy Development	Energy Supply Agreements	Approved	Uninterrupted utility service as a result of contracting 100% of the time	Discontinued	Discontinued	Discontinued in 2016	
		Actual					
	Energy Retrofits	Approved	Savings of up to 25% of building energy use	Discontinued	Discontinued	Discontinued in 2016	
		Actual					
Renewable Energy	Revenue (\$) generated from renewable energy projects per year		Meet or exceed target revenue			Meet or exceed target revenue	
		Approved	\$599.4K	\$875.0K	\$1,043K	\$2,473K	
		Actual	\$599.4K	\$1,095K	\$997.9K		
Environment & Energy Outreach	Administer Loan Program	Approved	100% loan repayments are received on time with no defaults	Discontinued	Discontinued	Discontinued in 2016	
		Actual					
	Funding Agreements	Approved	Average 22 Megawatt per year	Discontinued	Discontinued	Discontinued in 2016	
		Actual					
Energy Management & Programs	Normalized energy consumption (eKWH) per sq. ft. for corporate buildings per year	Approved	30.00	29.00	28.19	28.19	
		Actual	28.63	29.42	29.99		
	Achieve or surpass 90% waste diversion per year on a corporate level	Approved	Beyond 80%	Beyond 90%		Beyond 90%	
		Actual	89%	90%	91%		
	% of Reduction in eCO2 emissions to environment relative to 1990 level*	Status	2013	2014	2015	2016	
		Approved	30% Reduction by 2020 vs. 1990 level			30% Reduction by 2020 vs. 1990 level	*Years reported because of a two year lag in data collection
		Actual (tonne)	20,589,001	20,040,000	17,070,000		
		Reduction	23.89%	25.92%	36.90%		

Service Performance Measure

Electricity Demand Reduction (MW)



- Since 2011, there has been a reduction in electricity demand every year.
- A goal of the Environment and Energy Division is to reduce electricity demand in Toronto by 150 megawatts by 2020, focusing on energy inefficient buildings and infrastructure and encouraging stakeholders to reduce energy consumption through planned efficiencies and effective communication strategies.
- Every 5 megawatt reduction in demand is equivalent to the demand of a new 40-story condominium tower

Table 6
2018 Service Budget by Activity

	2017	2018 Operating Budget							2018 Budget vs. 2017 Budget		Incremental Change				
	Approved Budget	Base Budget	Service Changes	Base	Base Budget vs. 2017 Budget	% Change	New/Enhanced	Budget			2019 Plan	2020 Plan			
	(\$000s)	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.															
Energy Management & Programs	40,876.1	40,900.3		40,900.3	24.1	0.1%	1,832.1	42,732.4	1,856.2	4.5%	2,543.0	6.0%	1,031.6	2.3%	
Environment & Energy Outreach	1,582.2	1,659.1		1,659.1	76.8	4.9%	353.3	2,012.3	430.1	27.2%	461.4	22.9%	(48.8)	(2.0%)	
Renewable Energy	1,658.8	2,308.3		2,308.3	649.5	39.2%	189.1	2,497.5	838.7	50.6%	246.2	9.9%	22.7	0.8%	
Research & Policy Development	2,307.5	1,995.9		1,995.9	(311.6)	(13.5%)		1,995.9	(311.6)	(13.5%)	42.1	2.1%	35.3	1.7%	
Total Gross Exp.	46,424.7	46,863.6		46,863.6	438.8	0.9%	2,374.5	49,238.1	2,813.4	6.1%	3,292.7	6.7%	1,040.8	1.9%	
REVENUE															
Energy Management & Programs	16,260.6	15,024.2		15,024.2	(1,236.4)	(7.6%)	159.9	15,184.0	(1,076.5)	(6.6%)	(211.0)	(1.4%)	85.1	0.6%	
Environment & Energy Outreach	576.7	561.6		561.6	(15.1)	(2.6%)		561.6	(15.1)	(2.6%)	5.0	0.9%	5.2	0.9%	
Renewable Energy	1,281.5	2,027.0		2,027.0	745.5	58.2%	116.9	2,143.9	862.3	67.3%	335.3	15.6%	44.4	1.8%	
Research & Policy Development	411.2	0.0		0.0	(411.2)	(100.0%)		0.0	(411.2)	(100.0%)					
Total Revenues	18,530.0	17,612.8		17,612.8	(917.2)	(4.9%)	276.8	17,889.6	(640.4)	(3.5%)	129.4	0.7%	134.6	0.7%	
NET EXP.															
Energy Management & Programs	24,615.6	25,876.1		25,876.1	1,260.5	5.1%	1,672.2	27,548.3	2,932.8	11.9%	2,753.9	10.0%	946.6	3.1%	
Environment & Energy Outreach	1,005.5	1,097.5		1,097.5	91.9	9.1%	353.3	1,450.7	445.2	44.3%	456.4	31.5%	(53.9)	(2.8%)	
Renewable Energy	377.3	281.3		281.3	(95.9)	(25.4%)	72.3	353.6	(23.7)	(6.3%)	(89.2)	(25.2%)	(21.7)	(8.2%)	
Research & Policy Development	1,896.4	1,995.9		1,995.9	99.6	5.2%		1,995.9	99.6	5.2%	42.1	2.1%	35.3	1.7%	
Total Net Exp.	27,894.7	29,250.8		29,250.8	1,356.1	4.9%	2,097.8	31,348.5	3,453.8	12.4%	3,163.2	10.1%	906.2	2.6%	
Approved Positions	70.3	68.3		68.3	(2.0)	(2.8%)	25.0	93.3	23.0	32.7%	10.0	10.7%	(0.0)	(0.0%)	

The **Environment & Energy** Service works with residents, businesses and City Programs and Agencies to reduce greenhouse gas emissions, build a resilient city, facilitate energy conservation and demand management and ensure energy security and supply.

The Environment & Energy Service's 2018 Operating Budget of \$49.238 million gross and \$31.349 million net is \$3.454 million or 12.4% over the 2017 Approved Net Budget.

- Base budget pressures in Environment & Energy Service are primarily due to inflationary increases of \$0.890 million due to rising utility rates, specifically electricity, natural gas and water rates, under Energy Management & Programs.
- The annualized cost of 6.0 TransformTO positions approved by Council in 2017 to accelerate the initiation of climate action plan strategies and deliver key priorities to enhance the City's efforts to reduce greenhouse gas emissions, translates to an impact of \$0.390 million in the 2018 Operating Budget.
- Increases in progression pay for union and management staff, and associated fringe benefit adjustments common among all activities resulting in an increase of \$0.028 million in salaries and benefits.
- Additional costs related to Union Station of \$0.137 million due to an expected increase in utilities usage as the new concourse and retail areas in Union Station that are expected to be fully operational by 2020.
- Re-assessment of revenue from Solar Photovoltaic (PV) initiative to be in line with historical data generated resulting in an increase in revenue of \$0.076 million.
- Environment & Energy's share of Toronto Green Standards revenue of \$0.200 million will be transferred from City Planning to be partially offset associated costs with this project.
- New and enhanced addition of \$2.374 million gross and \$2.098 million net relates to addition of 25.0 positions to implement the next stages of TransformTO.



Part 3

Issues for Discussion

Issues Impacting Future Years

Utilities Energy Efficiency, Consumption Benchmarking and Forecasted Pressures

Energy Efficiency

- Over the last 5 years, savings (including costs avoided) in utilities has been realized through ongoing energy efficiency improvements in City facilities, strategic utility utilization and purchases, and building automation upgrades allowing for better control and scheduling of energy consumption and equipment.
- The savings from 2013 to 2017 has totaled \$2.6 million, enabling the Program to mitigate budget pressures and/or meet the budget targets. The table below summarizes the annual year-in savings from 2013 to 2017.

Year	Net Savings (\$ millions)
2017	0.420
2016	0.290
2015	0.501
2014	0.655
2013	0.701

- Annual avoided costs from LED lighting retrofits in various City facilities (e.g. Corporate buildings and Parks, Forestry and Recreation facilities) in 2017 are estimated at \$0.420 million. The 2018 Operating Budget reflects projected avoided costs of \$0.5 million.

Consumption Benchmarking

- When comparing the City of Toronto to other municipalities, it is important to note some operational differences. Larger municipalities have unique operational needs when compared to smaller municipalities. Other factors, such as climatic zone and availability of natural gas, also have an impact.
- Beginning in 2018, corporate facilities will be benchmarked on three primary factors:
 - Energy Use Intensity (EUI),
 - Greenhouse Gas Emissions Intensity (GHGI), and
 - Utility Cost Intensity (UCI).
- These benchmarks will serve to prioritize buildings for a more granular analysis including State of Good Repair (SOGR) plans, interval data analysis, and building operating conditions. Benchmarking will serve as the basis for the Energy Conservation and Demand Management Plan in 2019 as a tool in achieving TransformTO objectives.

Utilities Cost Pressure

- The table below illustrates how energy demand and consumption has shifted from Electricity and Water to more cost effective utilities, which has contributed to managing utilities costs despite the escalating electricity rates in Ontario.

Utility	Consumption - Change from 2013 to 2017 Proj	Unit Rates (\$/unit) - Change 2013 to 2016 Proj
Electricity	(0.9%)	48.9%
Natural Gas	45.2%	16.2%
Water	(3.0%)	(5.7%)
Steam	(18.2%)	40.6%
Chilled Water	51.8%	11.4%

- The 2018 Operating Budget includes \$33.1 million for utility costs, reflecting a \$2.5 million increase over the 2017 budgeted amount. A portion of this increase (\$0.45M) is attributed to a correction in billing by Toronto Hydro for 2018 related to electricity consumption at 70 Birmingham Street.
- Energy and fuel costs will continue to increase as the Province of Ontario implements the Cap and Trade program to lower the Province's carbon cap from the 2017 level of 142 megatons to 125 megatons by 2020 (a total 12% over 3 years). An additional decrease in the Provincial carbon cap is expected in the amount of 37% by 2030 and 80% by 2050. The impact on energy and fuel costs is expected to increase as the emission targets are tightened, carbon credit allowances for large emitters are reduced, and the price of carbon continues to increase.
- The Environment & Energy Division has implemented various initiatives and programs to manage these cost increases, both for the FREEE program and the corporation as a whole, including:
 - Through the Sustainable Energy Plan capital program, the Conservation and Demand Management Program outlines capital and operational improvements to City facilities.
 - Building Automation System (BAS) installations to centralize and integrate various building controls, including environmental controls, scheduled activities during off peak hours and limiting certain activities during peak hours where possible in order to reduce energy and maintenance costs and optimize building operating efficiencies.
 - Renewable energy installations for all new City-owned buildings as part of Toronto Green Standard. This is one component of an overall plan to increase renewable energy usage in City's facilities through new buildings or retrofitting and renovating existing facilities.
 - Strategic energy purchasing and hedging to mitigate the impact of energy price fluctuations on the utilities budget and spending.
- The Environment & Energy Division will continue to deliver on these programs in an effort to manage utility usage and costs in an environment of rising energy prices.

Union Station

- In June 2017, the Auditor General (AG) conducted an audit of the leasing activities at Union Station. The report, Real Estate Services Division – Restoring Focus on Union Station Leasing, presented 21 recommendations for implementation to address the collection of leasing revenue, contract compliance, and development of effective internal controls to contain costs and monitor future commercial revenue streams.
- Since the release of the AG's report, staff have made progress in working towards addressing the recommendations presented, including:
 - Settlement of annual lease reconciliations – Staff have engaged the tenants of Union Station and are in active discussions on settling prior year reconciliations of lease revenue and operating costs.
 - Working to establish and implement internal controls around record retention, tracking and monitoring of costs at Union Station

- Continued development and documentation of processes in compliance with the leasing agreements
- In conjunction with the Head Lessee, undergoing financial analysis and modeling of future leasing revenue, operating costs, and potential use of areas at Union station.
- Settlements on outstanding lease reconciliations with tenants will be recorded in the FREEE financials, and future year budgets will be adjusted to reflect the most up to date leasing data upon completion of the reconciliations.
- This will be an annual process across the leasing portfolio, which will result in year over year adjustments to the leasing revenues budgeted in the FREEE program.

Leasing Administration

- Real Estate Services is developing a process to undergo annual reviews of the lease portfolio in order to ensure the Division is adequately managing the lease administration process during the lease term, maintaining an updated status of accounts and ensuring tenants and landlords are in compliance with their obligations as outlined in the lease agreements. This exercise includes a gap analysis of the Real Estate Service's business process with an objective to identify responsibilities and implement necessary controls, and processes to address lease administration issues.

City-Wide Real Estate Review

- The City of Toronto, including all its divisions, corporations and agencies, has one of the most significant real estate portfolios in the country, with holdings conservatively valued at \$27 billion including: 6,976 buildings; 106.3 million square feet (9.87 million square metres); and 28,882 acres of leased and owned land.
- At its meeting on July 12, 2016, the "City-Wide Real Estate Review" staff report (EX16.4) was submitted for consideration and adopted by City Council regarding the direction to move to a centralized real estate operating model, and the development of a transition strategy and implementation plan for a new real estate entity.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.4>
- The City Manager retained third-party expertise from Deloitte LLP (Deloitte) to conduct a review of city-wide real estate management and operations. Key findings by Deloitte were:
 - There is an opportunity for the City to align its real estate operations by creating a new leading edge centralized real estate entity that consolidates all core real estate and facilities management functions.
 - A comprehensive plan is required to co-ordinate all City-owned real estate assets and ensure value for money.
 - The status quo will not provide the appropriate framework to unlock land value potential and ensure the strategic use of land and building assets.
- The City Manager appointed a Transition team to develop a strategy and a detailed implementation plan, including new policies and practices. Funding for the transition team until mid-2018, was previously approved and is included in the 2018 FREEE Recommended Operating Budget.
- At its meeting on May 24, 25 and 26, 2017, City Council adopted a new real estate service delivery model for the City government that centralizes all real estate activities City-wide, including all real estate strategy and portfolio planning, major building projects, developments, real estate transactions and facilities management.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.9>
- Council approved real estate delivery model led to the establishment of a new realty agency (the "Toronto Realty Agency") to manage the City's real estate portfolio, develop City buildings and lands for municipal purposes and deliver client-focused real estate solutions to City divisions, agencies and corporations. In

addition, the Toronto Realty Agency will leverage a real estate holding corporation with necessary real estate tools and instruments (e.g., to deliver joint ventures, manage environmentally sensitive properties, etc.).

- The Toronto Realty Agency will become operational on January 1, 2018. The key benefits of which, will be:
 - Coordinated stewardship of the City's real estate assets, and the ability to execute a mandate focused on supporting programs and enabling city-building (e.g., affordable housing);
 - A strong accountability and governance structure with the necessary Council oversight, and built in flexibility to operate in the changing marketplace;
 - Real estate expertise to modernize and harmonize operations, and to drive service delivery to programs while maintaining a presence at the local / community levels;
 - The capacity to maximize real estate value in pursuit of social, economic, environmental, and program benefits, while achieving new revenue and cost savings; and
 - The ability to evolve over time and adjust as required to meet the City's changing and complex needs.
- The Real Estate Services and Facilities Management Divisions are two of the components of the new real estate service model. Work is ongoing with the CWRE transition team, and will continue with the new TRA into 2018. Any value created, or efficiencies realized, as a result of the new service delivery model, will be reported through future year budgets for the Divisions within the FREEE program.

Development of Low Carbon Thermal Energy Networks

- The City will lead the negotiation for a business arrangement with Enwave Energy Corporation for the development of Low-Carbon Thermal Energy Networks. The development of low-carbon thermal energy networks is a fundamental strategy, outlined in TransformTO, to meet climate change targets adopted by City Council, while attracting significant investments to the benefit of the local economy, generating revenue, ensuring energy does not become a limiting factor for growth, and improving energy resilience. The City must move forward with a strategy to develop these networks as the province formulates the rules regarding the dissemination of funds created by the cap and trades program.
- The City is considering several potential organizational and governance models. The initial step is to negotiate the terms of a joint develop agreement with Enwave and then undertake a business case study that will determine an appropriate governance and operational framework to be implemented. Negotiations with Enwave are ongoing and we will report back to Council in Q1 of 2018.
- Staff report is considered by Executive Committee on November 28, 2017.

Issues Referred to the 2018 Operating Budget Process

New & Enhanced Not Included in the 2018 Operating Budget

The following initiatives have not been included in the 2018 Operating Budget. It was included for Council's consideration as part of the 2018 Budget Process.

Description (\$000s)	New and Enhanced						Total New and Enhanced			Incremental Change			
	Environment & Energy		Facilities Management		Real Estate		\$		Position	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities													
Staff Initiated:													
Enhanced Security Measures at Toronto City Hall			778.6	778.6			778.6	778.6	10.0	19.7		19.8	
Sub-Total Staff Initiated			778.6	778.6			778.6	778.6	10.0	19.7		19.8	
Total Enhanced Services			778.6	778.6			778.6	778.6	10.0	19.7		19.8	

Enhanced Security Measures at Toronto City Hall (\$0.779 million gross and \$0.779 million net)

- Corporate Security prepared a report to Council to enhance the level of security at Toronto City Hall and Nathan Phillip Square. The proposed enhancements are being recommended to help maintain an accessible, safe, and secure City Hall for staff and the public while providing a reasonable level of protection from foreseeable threats. These proposals are based on assessments from the Toronto Police Services, Public Safety Canada, best practices, and benchmarking.
- If these proposed enhancements were approved by Council, Corporate Security would have developed implementation procedures to provide appropriate regulations for patron screening, review vehicle mitigation measures and the installation of physical security measure at various locations at City Hall and Nathan Phillip Square.
- Staff report on enhanced security measure was considered by Executive Committee on November 28, 2017.



Appendices

Appendix 1

2017 Service Performance

Key Service Accomplishments

In 2017, FREEE accomplished the following:

- **Environment and Energy**
 - ✓ *TransformTO* - Submission of 29 proposals with a total project value of \$250 Million to the Ontario Municipal Challenge Fund
 - ✓ *Climate change leadership* - City Council approved the Transform TO plan to reduce emissions by 80% by 2050, and approved 6 new positions for 2017.
 - ✓ *Live Green and Partnership & Innovations* - Raised approximately \$480,000 in-kind and cash sponsorships. The Volunteer Program organized over 150 events, had over 1500 volunteers representing 110 languages and contributed more than 5000 hours.
 - ✓ *Clean Toronto Together* - 195,000 community participants in Clean Toronto Together, over 8 tonnes of waste collected, 200% increase in traffic of EED website during the campaign and approximately 5,000,000 social media impressions.
 - ✓ In June 2017, the City began the 100 Resilient Cities strategy development process and hired its Chief Resilience Officer.
- **Facilities Management**
 - ✓ Continue to implement new business model including a review of organizational structure to best align with the City Wide Real Estate Review.
 - ✓ Building a robust preventive maintenance program to maximize up time for buildings and reduce reactive work. A pilot preventive maintenance program has been implemented at Police Headquarters.
 - ✓ Development of a Facilities Management Office to provide strategic and ongoing business support to the Facilities Management Division.
 - ✓ Creation of a pilot Job Shadowing program for FM employees
 - ✓ Implemented a new custodial contract to achieve budget reduction requirement for Toronto Police Services
- **Business Performance Management**
 - ✓ *People Initiative* - Roll-out of the Internal Corporate Services Mentorship program to all ICS staff launched ICSCONnects which will host all corporate learning, ICS and divisional initiatives including onboarding, recognition, career paths, training & development, and divisional newsletters, and other relevant employee information.
 - ✓ *PMP Certification Pilot Program* - The Internal Corporate Services launched the pilot with the objective to support employees in their ongoing development as Project Managers, achieve their PMP certification and bring industry standards to our business practices.
 - ✓ *Project Tracking Portal* - Launched portal that provides up-to-date project information on scope, schedule, budget, expenditures and milestones, as well operational and executive reports to manage the FREEE capital program.
 - ✓ *Management Dashboards* – Development of dashboard reports launching a total of 42 reporting elements for the Facilities Management (FMD) and Real Estate Services (RES) Divisions. The senior management team now has real-time access to key performance metrics, facilitating better decision-making and saving significant staff time in report preparation.
- **Corporate Security**
 - ✓ Security Magazine's Top 500 Security Ranking - City of Toronto recognized for the 7th straight year as one of the top 500 security enterprises; not only rated as the highest Canadian City, but also the highest government entity in Canada.
 - ✓ Provision of a safe atmosphere to hundreds of events, demonstrations, and celebrations at various City facilities and squares.

Real Estate Services

- ✓ Developed report to Council that recommends a new model which will centralize real estate activities across the City government with an expanded city-wide scope and mandate to execute and coordinate day-to-day real estate transactions and facilities management. A new realty agency (the "Toronto Realty Agency") is set up to manage the City's real estate portfolio, develop City buildings and lands for municipal purposes and deliver client-focused real estate solutions to City divisions, agencies and corporations.
- ✓ *St. Lawrence Market* - Continued operations of the farmers market at temporary location while the north market building is redeveloped.
- ✓ *Union Station* - Continued development of the future retail plans at Union Station, with plans to make the Station a destination for commuters and the local community, post-revitalization.
- ✓ Negotiated the major terms of an agreement for the City to acquire a community space in fee simple and \$1.000 million cash payment from the Owner of the Honest Ed's and Mirvish Village in exchange for the sale of the public lane known as Honest Ed's Alley.

Appendix 2

2018 Operating Budget by Expenditure Category

Program Summary by Expenditure Category

Category of Expense (\$000's)	2015 Actual	2016 Actual	2017 Budget	2017 Projected Actual *	2018 Preliminary Budget	2018 Change from 2017 Approved Budget		Plan	
	\$	\$	\$	\$	\$	\$	%	2019 \$	2020 \$
Salaries And Benefits	88,127.6	89,488.7	95,975.2	91,493.3	98,390.0	2,414.8	2.5%	102,307.4	104,320.3
Materials & Supplies	31,144.1	34,142.9	34,745.1	34,823.5	37,128.6	2,383.5	6.9%	37,172.9	37,167.9
Equipment	423.3	580.3	636.1	514.2	534.1	(101.9)	(16.0%)	544.1	544.1
Service And Rent	56,540.4	54,885.9	54,149.4	55,878.6	54,436.7	287.3	0.5%	55,867.2	56,317.5
Contribution To Reserves/Reserve Funds	2,096.5	2,118.0	2,397.0	2,082.4	1,979.8	(417.2)	(17.4%)	1,979.8	1,979.8
Other Expenditures	3,353.2	3,588.8	5,400.5	1,730.3	2,671.3	(2,729.2)	(50.5%)	2,671.3	2,671.3
Inter-Divisional Charges	1,932.7	2,370.0	2,012.1	2,568.2	2,480.8	468.7	23.3%	2,510.7	2,522.2
Total Gross Expenditures	183,617.8	187,174.6	195,315.4	189,090.5	197,621.5	2,306.0	1.2%	203,053.6	205,523.4
Inter-Divisional Recoveries	52,985.7	50,982.6	47,601.2	49,563.7	49,600.9	1,999.7	4.2%	49,637.8	49,641.2
Provincial Subsidies	257.9	238.7	250.0	363.8	293.0	43.0	17.2%	293.0	293.0
Federal Subsidies			206.0		206.0			206.0	206.0
User Fees & Donations	56,258.2	41,977.8	44,360.0	47,225.0	44,992.9	632.8	1.4%	45,023.7	45,055.2
Transfers From Capital	10,114.5	9,715.7	9,907.8	9,782.1	10,818.4	910.7	9.2%	11,383.4	11,489.1
Contribution From Reserves/Reserve Funds	3,788.3	8,810.1	16,033.3	1,905.0	9,083.4	(6,949.9)	(43.3%)	8,364.7	8,364.7
Sundry and Other Revenues	8,794.3	10,379.1	7,354.6	11,031.7	10,927.6	3,573.0	48.6%	10,902.6	10,902.6
Total Revenues	132,198.9	122,104.0	125,712.8	119,871.4	125,922.1	209.2	0.2%	125,811.1	125,951.8
Total Net Expenditures	51,418.8	65,070.6	69,602.6	69,219.1	71,699.4	2,096.8	3.0%	77,242.5	79,571.6
Approved Positions	1,016.3	937.8	1,006.0	904.0	1,032.6	26.6	2.6%	1,042.6	1,041.6

* Based on the 9-month Operating Variance Report

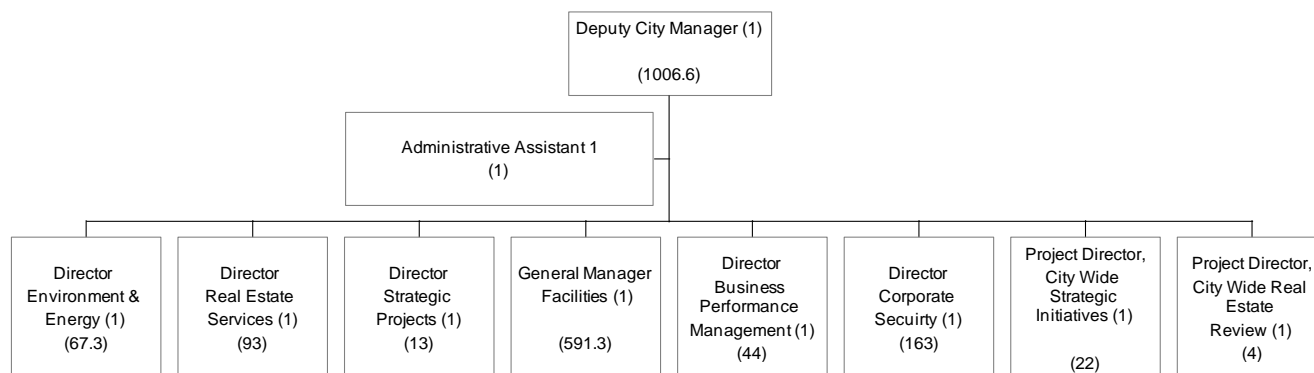
Projections to year-end indicate that the minor net favourable variance is mainly driven by underspending in salaries and benefits due to vacant positions across all Services. This under-spending will be partially offset by over-expenditures in contracted services due to demand maintenance requests and the use of external service providers to deliver services in the absence of internal resources.

For additional information regarding the 2017 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2017" considered by City Council at its meeting on November 27th, 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

Appendix 3

2018 Organization Chart



2018 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	3.0	104.0	193.0	585.3	885.3
	Temporary		0.7	37.0	18.6	56.3
	Total Operating	3.0	104.7	230.0	603.9	941.6
Capital	Permanent		7.0	32.0	16.0	55.0
	Temporary		6.0	24.0	6.0	36.0
	Total Capital	-	13.0	56.0	22.0	91.0
Grand Total		3.0	117.7	286.0	625.9	1,032.6

Appendix 4

Summary of 2018 Service Changes

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
2018 Council Approved Base Budget Before Service Change:			196,198.7	125,713.8	70,484.9	1,012.20	2,850.4	1,615.3

14397	Fleet Reduction - 2 vehicles
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51	No Impact	Description:
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Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(12.4)	0.0	(12.4)	0.00	(0.0)	(0.0)
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(12.4)	0.0	(12.4)	0.00	(0.0)	(0.0)
Total Preliminary Service Changes:	(12.4)	0.0	(12.4)	0.00	(0.0)	(0.0)
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(12.4)	0.0	(12.4)	0.00	(0.0)	(0.0)

14427	Reduction of Casual Budget related to Summer Students
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51	No Impact	Description:
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2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(66.9)	0.0	(66.9)	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(66.9)	0.0	(66.9)	0.00	0.0	0.0
Total Preliminary Service Changes:	(66.9)	0.0	(66.9)	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(66.9)	0.0	(66.9)	0.00	0.0	0.0

14428	Operational and Efficiency Savings #1
51	No Impact

Description:

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes:	(150.6)	0.0	(150.6)	(2.00)	(2.3)	(0.8)
		BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Recommended:	(150.6)	0.0	(150.6)	(2.00)	(2.3)	(0.8)
		Total Preliminary Service Changes:	(150.6)	0.0	(150.6)	(2.00)	(2.3)	(0.8)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(150.6)	0.0	(150.6)	(2.00)	(2.3)	(0.8)

14479	Custodial Contracted Services in Facilities Management	
51	No Impact	Description:

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(325.0)	(24.5)	(300.5)	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(325.0)	(24.5)	(300.5)	0.00	0.0	0.0

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Total Preliminary Service Changes:	(325.0)	(24.5)	(300.5)	0.00	0.0	0.0
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(325.0)	(24.5)	(300.5)	0.00	0.0	0.0

14526	Reduction of Supervisor Stand by Pay
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51	No Impact	Description:
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Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(96.7)	0.0	(96.7)	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(96.7)	0.0	(96.7)	0.00	0.0	0.0
Total Preliminary Service Changes:	(96.7)	0.0	(96.7)	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(96.7)	0.0	(96.7)	0.00	0.0	0.0

Category:

51 - Efficiency Change 52 - Revenue Change 59 - Service Change

2018 Operating Budget - Council Approved Service Changes

Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
14527		Reduction of custodial contracted services within the Police						
51	No Impact	Description:						

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(150.0)	(150.0)	0.0	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(150.0)	(150.0)	0.0	0.00	0.0	0.0
Total Preliminary Service Changes:	(150.0)	(150.0)	0.0	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(150.0)	(150.0)	0.0	0.00	0.0	0.0

14538		Fleet Reduction Reserve						
51	No Impact	Description:						

Service Level Impact:

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(150.6)	0.0	(150.6)	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(150.6)	0.0	(150.6)	0.00	0.0	0.0
Total Preliminary Service Changes:	(150.6)	0.0	(150.6)	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(150.6)	0.0	(150.6)	0.00	0.0	0.0

14539	Reduction of custodial internal hours within the Police port
51	No Impact

Description:

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes:	(114.0)	(114.0)	0.0	(1.60)	1.5	(2.9)
		BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Recommended:	(114.0)	(114.0)	0.0	(1.60)	1.5	(2.9)
		Total Preliminary Service Changes:	(114.0)	(114.0)	0.0	(1.60)	1.5	(2.9)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(114.0)	(114.0)	0.0	(1.60)	1.5	(2.9)

14571	Operational and Efficiency Savings #2
51	No Impact

Description:

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary Service Changes:	(105.5)	0.0	(105.5)	(1.00)	(1.6)	(0.5)
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(105.5)	0.0	(105.5)	(1.00)	(1.6)	(0.5)

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Total Preliminary Service Changes:	(105.5)	0.0	(105.5)	(1.00)	(1.6)	(0.5)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(105.5)	0.0	(105.5)	(1.00)	(1.6)	(0.5)
Summary:								
		Preliminary Service Changes:	(1,171.7)	(288.5)	(883.2)	(4.60)	(2.3)	(4.2)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Council Approved Service Changes:	(1,171.7)	(288.5)	(883.2)	(4.60)	(2.3)	(4.2)
		Total Council Approved Base Budget:	195,027.0	125,425.3	69,601.7	1,007.60	2,848.1	1,611.1

Appendix 5

Summary of 2018 New / Enhanced Service Priorities

2018 Operating Budget - Council Approved New and Enhanced Services

Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
14837		TransformTO - Acc. Work Plan - Leading by Example						
72	Positive	Description:						

Service Level Impact:

Equity Statement:

Service: CA-Environment & Energy

Preliminary:	0.0	0.0	0.0	0.00	0.0	(0.0)
BC Recommended Changes:	330.0	233.8	96.2	4.00	100.3	4.3
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved:	330.0	233.8	96.2	4.00	100.3	4.3
Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	(0.0)
Budget Committee Recommended:	330.0	233.8	96.2	4.00	100.3	4.3
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved New / Enhanced Services:	330.0	233.8	96.2	4.00	100.3	4.3

14838	TransformTO - Community Energy Planning & Low-Carbon Thermal						
72	Positive	Description:					

Service Level Impact:

Category:

71 - Operating Impact of New Capital Projects
72 - Enhanced Services-Service Expansion

74 - New Services
75 - New Revenues

2018 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Corporate Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Facilities, Real Estate, Environment & Energy						
Equity Statement:								
Service: CA-Environment & Energy								
		Preliminary:	0.0	0.0	0.0	0.00	0.0	0.0
		BC Recommended Changes:	555.0	0.0	555.0	8.00	510.9	122.9
		EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	(0.0)
		CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved:	555.0	0.0	555.0	8.00	510.9	122.9
		Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
		Budget Committee Recommended:	555.0	0.0	555.0	8.00	510.9	122.9
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	(0.0)
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved New / Enhanced Services:	555.0	0.0	555.0	8.00	510.9	122.9

14839	TransformTO Coordination
72	Positive

Description:

Service Level Impact:

Equity Statement:

Service: CA-Environment & Energy

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2018 Operating Budget - Council Approved New and Enhanced Services

Summary by Service (\$000's)

Form ID		Internal Corporate Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Facilities, Real Estate, Environment & Energy						
		Preliminary:	0.0	0.0	0.0	0.00	0.0	0.0
		BC Recommended Changes:	353.3	0.0	353.3	3.00	431.6	(70.6)
		EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved:	353.3	0.0	353.3	3.00	431.6	(70.6)
		Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
		Budget Committee Recommended:	353.3	0.0	353.3	3.00	431.6	(70.6)
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved New / Enhanced Services:	353.3	0.0	353.3	3.00	431.6	(70.6)

14843	TransformTO - Better Buildings Programs	
72	Positive	Description:

Service Level Impact:

Equity Statement:

Service: CA-Environment & Energy

Preliminary:	0.0	0.0	0.0	0.00	0.0	0.0
BC Recommended Changes:	1,136.2	43.0	1,093.2	10.00	1,652.2	661.4
EC Recommended Changes:	(0.0)	0.0	(0.0)	0.00	0.0	(0.0)
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved:	1,136.2	43.0	1,093.2	10.00	1,652.2	661.4

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2018 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
		Budget Committee Recommended:	1,136.2	43.0	1,093.2	10.00	1,652.2	661.4
		Executive Committee Recommended:	(0.0)	0.0	(0.0)	0.00	0.0	(0.0)
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved New / Enhanced Services:	1,136.2	43.0	1,093.2	10.00	1,652.2	661.4

14396	New Paramedics Custodial & Op. Maintenance-1300 Wilson Ave	
74	No Impact	Description:

Service Level Impact:

Equity Statement:

Service: CA-Facilities Management

Preliminary:	0.0	0.0	0.0	0.00	0.0	0.0
BC Recommended Changes:	220.0	220.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved:	220.0	220.0	0.0	0.00	0.0	0.0
Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
Budget Committee Recommended:	220.0	220.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0

Category:

71 - Operating Impact of New Capital Projects 74 - New Services
72 - Enhanced Services-Service Expansion 75 - New Revenues

2018 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Facilities, Real Estate, Environment & Energy	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
Total Council Approved New / Enhanced Services:			220.0	220.0	0.0	0.00	0.0	0.0

Summary:

Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	(0.0)
Budget Committee Recommended:	2,594.5	496.8	2,097.8	25.00	2,694.9	717.9
Executive Committee Recommended:	0.0	0.0	0.0	0.00	(0.0)	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Council Approved New/Enhanced Services:	2,594.5	496.8	2,097.8	25.00	2,694.9	717.9

Category:

71 - Operating Impact of New Capital Projects
72 - Enhanced Services-Service Expansion

74 - New Services
75 - New Revenues

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		1,711.0	1,711.0	1,453.9	1,453.9
Energy Conservation	XR1715				
<i>Proposed Withdrawals (-)</i>			(257.1)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		1,711.0	1,453.9	1,453.9	1,453.9
Balance at Year-End		1,711.0	1,453.9	1,453.9	1,453.9

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		61,473.7	61,473.7	61,888.3	62,302.8
Strategic Infrastructure Partnership	XR1714				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			414.5	414.5	414.5
Total Reserve / Reserve Fund Draws / Contributions		61,473.7	61,888.3	62,302.8	62,717.3
Balance at Year-End		61,473.7	61,888.3	62,302.8	62,717.3

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		4,943.0	4,943.0	323.2	(4,296.5)
Union Station	XR2501				
<i>Proposed Withdrawals (-)</i>			(4,619.8)	(4,619.8)	(4,619.8)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		4,943.0	323.2	(4,296.5)	(8,916.3)
Balance at Year-End		4,943.0	323.2	(4,296.5)	(8,916.3)

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		697.5	697.5	(408.0)	(1,513.4)
Conservation Management	XR3029				
<i>Proposed Withdrawals (-)</i>			(1,105.5)	(1,105.5)	(1,105.5)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		697.5	(408.0)	(1,513.4)	(2,618.9)
Balance at Year-End		697.5	(408.0)	(1,513.4)	(2,618.9)

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		1,468.0	1,468.0	648.8	(170.3)
Eco-Roof Financial Assistance	XR1723				
<i>Proposed Withdrawals (-)</i>			(819.1)	(819.1)	(819.1)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		1,468.0	648.8	(170.3)	(989.4)
Balance at Year-End		1,468.0	648.8	(170.3)	(989.4)

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		8,302.4	8,302.4	8,077.1	7,851.8
Local Improvement Charge Energy Works	XR1724				
<i>Proposed Withdrawals (-)</i>			(225.3)	(225.3)	(225.3)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		8,302.4	8,077.1	7,851.8	7,626.5
Balance at Year-End		8,302.4	8,077.1	7,851.8	7,626.5

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		0.5	0.5	0.5	0.5
Home Energy Assistance Toronto	XR1719				
<i>Proposed Withdrawals (-)</i>			-	-	-
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		0.5	0.5	0.5	0.5
Balance at Year-End		0.5	0.5	0.5	0.5

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		7,469.7	7,469.7	6,469.7	5,469.7
Better Bldg Partnership	XR1052				
<i>Proposed Withdrawals (-)</i>			(1,000.0)	(1,000.0)	(1,000.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		7,469.7	6,469.7	5,469.7	4,469.7
Balance at Year-End		7,469.7	6,469.7	5,469.7	4,469.7

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
			\$	\$	\$
Projected Beginning Balance		6,757.6	6,757.6	6,296.1	6,296.1
Innovation	XR1713				
<i>Proposed Withdrawals (-)</i>			(461.5)	0.0	0.0
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		6,757.6	6,296.1	6,296.1	6,296.1
Balance at Year-End		6,757.6	6,296.1	6,296.1	6,296.1

* Based on 9-month 2017 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
			\$	\$	\$
Projected Beginning Balance		2,057.1	2,057.1	2,202.8	2,348.4
Vehicle Reserve - Facilities & Real Estate	XQ1502				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			145.7	145.7	145.7
Total Reserve / Reserve Fund Draws / Contributions		2,057.1	2,202.8	2,348.4	2,494.1
Balance at Year-End		2,057.1	2,202.8	2,348.4	2,494.1

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
			\$	\$	\$
Projected Beginning Balance		89,264.6	89,264.6	88,669.6	88,074.6
Land Acquisition	XR1012				
<i>Proposed Withdrawals (-)</i>			(595.0)	(595.0)	(595.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		89,264.6	88,669.6	88,074.6	87,479.6
Balance at Year-End		89,264.6	88,669.6	88,074.6	87,479.6

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
			\$	\$	\$
Projected Beginning Balance		25,981.1	25,981.1	27,400.7	28,820.3
Insurance	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			1,419.6	1,419.6	1,419.6
Total Reserve / Reserve Fund Draws / Contributions		25,981.1	27,400.7	28,820.3	30,239.9
Balance at Year-End		25,981.1	27,400.7	28,820.3	30,239.9

* Based on 9-month 2017 Reserve Fund Variance Report

Appendix 7a

User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2017	2018			2019	2020
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Rental rate for Memorial Hall Burgundy Room A and B (social)	Facilities Management	Market Based	Hour	\$135.56	\$2.98		\$138.54	\$141.59	\$144.70
Rental rate for Memorial Hall Burgundy Room A and B (meeting)	Facilities Management	Market Based	Hour	\$94.25	\$2.07		\$96.32	\$98.44	\$100.61
Rental rate for Memorial Hall Burgundy Room A or B (meeting)	Facilities Management	Market Based	Hour	\$47.02	\$1.03		\$48.05	\$49.11	\$50.19
Rental rate for Memorial Hall Gold Room A and B (social rate)	Facilities Management	Market Based	Hour	\$108.44	\$2.39		\$110.83	\$113.27	\$115.76
Rental rate for Memorial Hall Gold Room A and B (meeting rat	Facilities Management	Market Based	Hour	\$68.14	\$1.50		\$69.64	\$71.17	\$72.74
Rental rate for Memorial Hall Gold Room A and B (meeting rat	Facilities Management	Market Based	Hour	\$34.09	\$0.75		\$34.84	\$35.61	\$36.39
St. Lawrence Market - Use of Market Cart.	Facilities Management	Market Based	Day	\$60.00	\$0.00		\$60.00	\$60.00	\$60.00
Appraisal Fee for Parks Levy Calculation - Base Fee	Facilities Management	Full Cost Recovery	Property	\$255.00	\$5.61		\$260.61	\$266.34	\$272.20
Appraisal Fee for Parks Levy Calculation - Variable; Note -	Facilities Management	Full Cost Recovery	Property	\$1.02	\$0.02		\$1.04	\$1.06	\$1.08
Metro Hall Farmers Market - Weekly Rental Rate for booth May	Facilities Management	Market Based	Weekly	\$191.18	\$4.21		\$195.39	\$199.69	\$204.08
Metro Hall Farmers Market - Weekly Rental Rate for booth Jun	Facilities Management	Market Based	Weekly	\$140.57	\$3.09		\$143.66	\$146.82	\$150.05
Scarborough Civic Centre Farmers Market - Rental Rate for bo	Facilities Management	Market Based	Season	\$459.00	\$10.10		\$469.10	\$479.42	\$489.97
Scarborough Civic Centre Farmers Market - Weekly rate for bo	Facilities Management	Market Based	Weekly	\$53.55	\$1.18		\$54.73	\$55.93	\$57.16
Co-ordination Services for film shoots/events	Facilities Management	City Policy	Hour	\$63.24	\$1.39		\$64.63	\$66.05	\$67.50
Security for Film Shoots/events	Facilities Management	City Policy	Hour	\$66.30	\$1.76		\$68.06	\$69.86	\$71.71
Building Operator costs for Film Shoots/Events	Facilities Management	City Policy	Hour	\$51.00	\$1.12		\$52.12	\$53.27	\$54.44
Custodial Services for film shoots/events	Facilities Management	City Policy	Hour	\$45.90	\$1.01		\$46.91	\$47.94	\$48.99
Foreperson for film shoots/events.	Facilities Management	City Policy	Hour	\$76.50	\$1.68		\$78.18	\$79.90	\$81.66
Electrician for Film Shoots/events	Facilities Management	City Policy	Hour	\$153.00	\$3.37		\$156.37	\$159.81	\$163.33
Audio Visual Services for film shoots/events	Facilities Management	City Policy	Hour	\$86.70	\$1.91		\$88.61	\$90.56	\$92.55
Live Green Toronto Program - Vendors at the festival pay a festival pay a fee to participate	Environment & Energy	Full Cost Recovery	10 X 10 Booth for One Day	\$178.50	\$3.93		\$182.43	\$186.44	\$190.54
Environmental Initiative - Assistance in the design & implementation of programs that encourage the clients' workers to utilize alternative low polluting modes of transportation	Environment & Energy	Market Based	Case	\$2,550.00	\$56.10		\$2,606.10	\$2,663.43	\$2,722.03
Transportation Demand Management (cost centre WE0048) - One time charge for conducting a survey of the work site employees about their current modes of commuting and willingness to consider alternative low polluting modes	Environment & Energy	Market Based	Cost of Conducting the Survey.	\$2,550.00	\$56.10		\$2,606.10	\$2,663.43	\$2,722.03