

**OFFICE OF THE DIRECTOR OF FINANCE
FISCAL YEAR 2024 BUDGET TESTIMONY
MARCH 29, 2023**

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Rob Dubow, Finance Director. Joining me today are Cat Lamb, First Deputy Finance Director and Elizabeth Hanley, Director of Administration, Development, and Training. I am pleased to provide testimony on the Office of the Director of Finance's Fiscal Year 2024 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: Finance strives to ensure that the City maintains long-term fiscal stability while meeting its policy goals and working to advance racial equity. It does so by overseeing the City's financial, accounting, and budgetary functions, including establishing fiscal policy guidelines, overseeing the City's budget and financial management programs, adding financial capacity throughout the government, and recording and accounting for all City financial activities. Finance administers the City's payroll activities and risk management functions, issues financial reports, and oversees expenditures and reports on all grants.

Plans for Fiscal Year 2024:

The various divisions of Finance will undertake the following in FY24:

- Through the Grants Office, continue to balance various funding streams to maximize the amount the City receives in FY24. The Grants Office has coordinated the management of over \$4.5 billion in recovery grants since the beginning of the COVID-19 pandemic, including the City's \$276 million Coronavirus Relief Fund allocation from the CARES Act in 2020 and the City's \$1.4 billion allocation from the American Rescue Plan Act (ARPA) in 2021, among other grants.
- Work with the Mayor's Office and City Council to maintain City funding for the School District of Philadelphia and increase support to the Community College of Philadelphia (CCP) including through the continued expansion of the Octavius Catto Scholarship in order to boost college graduation and transfer rates among CCP students.
- Work with colleagues in the Treasurer's Office and within Finance to maintain at least the City's "A" category ratings for its General Obligation (GO) debt from all three major rating agencies (rated A2 by Moody's, A by Standard & Poor's, and A by Fitch).
- Improve residents' understanding of City budgets and continue to monitor revenues and expenditures carefully with the long-term goal of achieving a healthier fund balance while being responsive to planned and unplanned funding needs. Ensuring that budget information is more accessible to residents, particularly marginalized communities, will continue to be a priority.
- Continue to strive for excellence in financial reporting, including receipt of the GFOA Certificate of Achievement for Excellence in Financing Reporting for the 43rd year; implement reporting practices in the City's 2023 financial statements in compliance with Governmental Accounting Standards Board (GASB) requirements; update the City's Standard Accounting Procedures (SAPs); and increase the number of vendors receiving payment through electronic means.
- Keep Project OPAL on track to replace the City's existing accounting, contracting, and procurement systems and make core processes more efficient to administer and easier for end users, all while ensuring that the appropriate fiscal controls and risk mitigation strategies are in use.

- Continue efforts to reduce the number and severity of worker injuries through improved worker safety while managing cost and returning employees to normal or light duty work as soon as possible. Continue efforts to recover costs from insured losses, property damage or worker injury caused by others, as well as reduce the City's exposure to liability claims and lawsuits arising from activities and operations of independent contractors and vendors.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

| Staff Demographics Summary (as of December 2022) | | | | |
|---|-----------|-----------|-----------|-----------|
| | Total | Minority | White | Female |
| Number of Full-Time Staff | 119 | 84 | 35 | 84 |
| Number of Exempt Staff | 43 | 28 | 15 | 32 |
| Number of Executive Staff (deputy level and above) | 14 | 8 | 6 | 10 |
| Average Salary, Full-Time Staff | \$84,506 | \$81,735 | \$91,155 | \$80,398 |
| Average Salary, Exempt Staff | \$105,789 | \$105,836 | \$105,702 | \$102,415 |
| Average Salary, Executive Staff | \$143,260 | \$139,338 | \$148,490 | \$142,776 |
| Median Salary, Full-Time Staff | \$80,000 | \$78,745 | \$80,879 | \$72,282 |
| Median Salary, Exempt Staff | \$100,800 | \$110,760 | \$95,713 | \$97,658 |
| Median Salary, Executive Staff | \$143,350 | \$140,555 | \$156,900 | \$143,350 |

Office of the Director of Finance

| Employment Levels (as of December 2022) | | |
|---|----------|----------|
| | Budgeted | Filled |
| Number of Full-Time Positions | 134 | 119 |
| Number of Exempt Positions | 53 | 43 |
| Number of Executive Positions (deputy level and above) | 14 | 14 |
| Average Salary of All Full-Time Positions | \$81,749 | \$84,506 |
| Median Salary of All Full-Time Positions | \$72,893 | \$80,000 |

| General Fund Financial Summary by Class | | | | | | |
|---|------------------------------|-------------------------|------------------------------|----------------------------|------------------------------|-----------------------|
| | FY22 Original Appropriations | FY22 Actual Obligations | FY23 Original Appropriations | FY23 Estimated Obligations | FY24 Proposed Appropriations | Difference: FY24-FY23 |
| Class 100 - Employee Compensation | \$10,185,891 | \$9,986,109 | \$10,863,735 | \$10,901,967 | \$11,795,202 | \$893,235 |
| Class 200 - Purchase of Services | \$3,475,113 | \$3,002,622 | \$4,002,420 | \$4,452,420 | \$4,630,326 | \$177,906 |
| Class 300/400 - Materials, Supplies & Equipment | \$35,616 | \$33,162 | \$38,616 | \$38,616 | \$37,396 | (\$1,220) |
| | \$13,696,620 | \$13,021,893 | \$14,904,771 | \$15,393,003 | \$16,462,924 | \$1,069,921 |

| Contracts Summary (Professional Services only) | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------------|----------------|
| | FY20 | FY21 | FY22 | FY23 | FY23 YTD (Q1 & Q2) | FY24 Projected |
| Total amount of contracts | \$18,047,367 | \$20,610,198 | \$21,184,085 | \$26,913,963 | \$20,438,963 | \$23,000,000 |
| Total amount to M/W/DSBE | \$6,657,272 | \$6,090,000 | \$6,052,967 | \$6,780,043 | \$4,365,043 | \$6,900,000 |
| Participation Rate | 37% | 30% | 29% | 25% | 21% | 30% |

**For FY21 and FY22 actuals: excluding the PeopleShare contract, which is a City Commissioners contract, Finance's participation rate was higher (33% and 30% respectively).

** For FY23 year-end: we expect our percentage to increase during the second half of FY23. As of March 10, we are at 25%.

| Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined) | | | |
|--|------|------|----------------|
| | FY22 | FY23 | FY24 Projected |
| M/W/DSBE Contract Participation Goal | 30% | 30% | 30% |

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2024 General Fund budget totals \$16,462,924, an increase of \$1,069,921 over Fiscal Year 2023 estimated obligation levels. This increase is due primarily to the addition of funds to support contracted and non-represented and exempt wage increases; increased insurance costs as the insurance market continues to harden; and added positions to build up the City's financial management capacity.

The proposed budget includes:

- \$11,795,202 in Class 100, a \$893,235 increase over the budgeted level in FY23. This increase is driven primarily by employee wage increases and the addition of new positions to build financial management capacity.
- \$4,630,326 in Class 200, \$117,906 increase over the budgeted level in FY23. This increase will support increased contract costs resulting from inflation.
- \$37,396 in Class 300/400, a \$1,220 decrease from the budgeted level in FY23.

STAFFING LEVELS

The department is requesting 139 budgeted positions for FY24, a net increase of 5 positions over the budgeted level in FY23.






The increase is attributed to the addition of full-time positions for Executive Direction, Accounting and Payroll.

NEW HIRES

| New Hires (from 7/1/2022 to December 2022) | |
|--|---------------------------|
| | Total Number of New Hires |
| Black or African American | 1 |
| White | 1 |
| Total | 2 |

PERFORMANCE, CHALLENGES, AND INITIATIVES







EXECUTIVE DIRECTION

| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|------------------------------------|---|---|---|---|
| Maintain or improve credit ratings | A2, A, A- | "A" category rating | A2, A, A |  |

FY24 Strategic Goals

- Keep Project OPAL on track by contracting for implementation support to set the City up to enter the design phase in FY24.
- Continue promoting a fairer tax structure for residents and businesses through additional Wage Tax and BIRT reductions in FY24. The new rate for the resident wage tax, 3.765%, would be the lowest rate in 40 years and the BIRT rate, 5.83%, would be the lowest in 35 years. Additionally, Finance will explore opportunities to adopt a market-based sourcing methodology for the Business Income and Receipts Tax. This change would shift the tax burden to businesses outside of Philadelphia by sourcing receipts so that the taxpayers’ customers benefit from the taxpayers’ services.











ACCOUNTING

| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|--|---|---|---|---|
| Percentage of new GASB pronouncements implemented by required date | 100% | 100% | 100% |  |
| Percentage of paid vendors enrolled in ACH automatic payments | 66% | 75% | 75% |  |

FY24 Strategic Goals

- Produce an Annual Comprehensive Financial Report (ACFR) that meets the standards required to receive the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the 43rd consecutive year.
- To improve the City’s financial management systems and processes, continue to fully engage in Project OPAL, working with the OPAL team on the design of the new system.
- Continue to participate in regular meetings with departmental staff to train and update them on proper internal controls and standard accounting procedures.

BUDGET OFFICE






| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|---|---|---|---|--|
| Percent change in the total dollar amount of General Fund revenue (actual) compared to budget (adopted) | 9.7% | 0 to 1% | 0 to 1% |  |
| Percent change in the total dollar amount of General Fund expenditures (actual) compared to budget (adopted) | 1.3% | -1 to 0% | -1 to 0% |  |
| Ratio of actual unreserved General Fund fund-balance to actual General Fund revenue | 13.5% | 6 to 8% | ≤ 6 to 8% |  |
| Number and percentage of participants who are of low (Socioeconomic status) SES and/or people of color; and relative to demographics in jurisdiction and latest census data | New measure prior year data not available | Set baseline | 45% |  |
| Percent of capital dollars unspent after 6 years (General Obligation only) | 6.5% | <10% | <10% |  |
| Grants: Total competitive grant dollars awarded to the City of Philadelphia and | \$108.8M | ≥ FY22 Actual | ≥ FY23 Actual |  |


| | | | | |
|--|--|--|--|--|
| to partner agencies (where supported by the Grants Office) | | | | |
|--|--|--|--|--|

FY24 Strategic Goals

- Facilitate efficient, effective, and equitable delivery of City services by developing and monitoring operating and capital budgets that convert available resources into positive outcomes for all Philadelphians. The Budget Office will continue efforts to produce, monitor, and adjust the Operating and Capital Budgets in accordance with legal requirements and best practices to ensure that budgeted resources turn into improved outcomes for Philadelphia.
- Strengthen the City’s long-term fiscal stability. With a potential economic slowdown on the horizon as well as persistent inflationary stresses on the budget, it is a challenging task to manage the General Fund budget to meet or exceed the internal goal of a six to eight percent fund balance and make strategic decisions and investments related to the Pension Fund, recession reserves, education, and City infrastructure.
- Improve the City’s short-term fiscal resilience, bond ratings, and fiscal flexibility.
- Improve residents’ understanding of the City budget. Ensuring that budget information is accessible to residents, particularly marginalized communities, remains a priority for FY24 and will include improved design and expanded distribution of budget information with a focus on equity, digital access, disability access, and language access. The Budget Office will continue to produce infographics, videos, and blog posts.
- Pursue additional grant funding to assist the City in responding to disaster recovery operations; support key City stakeholders in maximizing the City’s share of funds from federal funding like the Bipartisan Infrastructure Law (BIL) and the Community Development Block Grant Disaster Recovery (CDBG-DR); work to ensure compliance with all grants and funding sources while also optimizing the programmatic use of funds; and maximize the City’s reimbursements from the Federal Emergency Management Agency (FEMA).

FINANCE PROGRAM MANAGEMENT OFFICE








| Measure |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|--|--|--|--|---|
| Percent complete of CAMA implementation schedule | CAMA Project Phase 2 and Phase 3 not yet complete | Complete CAMA Project Phase 2 and Phase 3 (100%) | Complete CAMA Project Phase 2 and Phase 3 (100%) |  |

| | | | | |
|--|--|--|--|---|
| <p>Major projects for which FPMO delivers on a solution that meets or exceeds business owners' needs</p> | <p>Substantially completed development of Fiscal Staff Training Series</p> | <p>Complete additional OPA data quality projects</p> | <p>Complete projects for Finance Family Departments as directed.</p> |  |
|--|--|--|--|---|

FY24 Strategic Goals

- In FY24, the FPMO will continue to work with OPA to further implement post-launch CAMA functionality and processes to support modernizing ongoing operations and establishing release management cycles for any new functionality released by the vendor for the CAMA system.

RISK MANAGEMENT

| <p>Measure</p> |  FY22 ACTUAL |  FY23 TARGET |  FY24 TARGET |  MAYORAL PRIORITY |
|---|--|--|--|---|
| <p>Average number of police and firefighters on no duty</p> | <p>732</p> | <p>761</p> | <p>650</p> |  |
| <p>Number of all employee injuries</p> | <p>2,417</p> | <p>A reduction from FY22</p> | <p>A reduction from FY23</p> |  |
| <p>Settlement cost for closed claims (in millions of dollars)</p> | <p>\$0.405</p> | <p>\$0.70</p> | <p>\$0.70</p> |  |

FY24 Strategic Goals

Office of the Director of Finance

- Continue to improve how Risk handles third-party claims against the City by continuing to collaborate with tort litigation partners. This includes documenting and training to best practice guidelines and ensuring that there is oversight of claims where Risk receives limited loss information.
- Risk will continue to work with the Tort Litigation unit of the Law Department, with the goal of reducing the number of claim notices that proceed to suit.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

We have received over \$4.5 billion in federal, state and local recovery funding to assist with new costs and lost revenues arising from the pandemic. This funding includes \$1.4 billion in American Rescue Plan (ARP) funding that has been built into the Five-Year Plan to help cover some of the City's revenue losses related to the pandemic.

Finance also works with colleagues across the City to ensure that we can maximize the infrastructure dollars that come to Philadelphia in the coming years, following the adoption of the Infrastructure Investment and Jobs Act.

Lastly, in August 2021, Philadelphia was affected by Hurricane Ida. This resulted in substantial property damage and extensive flooding. The City was granted roughly \$160M in Community Development Block Grant Disaster Recovery (CDBG-DR) funds to support Philadelphia's recovery from the storm. CDBG-DR funds from the U.S. Department of Housing and Urban Development (HUD) help cities, counties, and states to recover from Presidentially declared disasters like Hurricane Ida. Finance is working with colleagues in the Division of Housing and Community Development to deploy these funds over the next six years.

CONTRACTING EXPERIENCE

| M/W/DSBE Participation on Large Professional Services Contracts | | | | | | | | | | | |
|---|----------------------------------|---------------------------|----------------|---------------------|-------------------------|--------------------------------------|------------------------------------|-----------------------------------|--|--|---|
| Top Five Largest Contracts, FY23 | | | | | | | | | | | |
| Vendor Name | Service Provided | Dollar Amount of Contract | RFP Issue Date | Contract Start Date | Ranges in RFP | % of M/W/DSBE Participation Achieved | \$ Value of M/W/DSBE Participation | Total % Participation - All DSBEs | Total \$ Value Participation - All DSBEs | Local Business (principal place of business located within City limits) [yes / no] | Waiver for Living Wage Compliance? [yes / no] |
| PMA Management | Employee Disability Program | \$7,529,439 | 11/20/2017 | 7/1/2022 | MBE: 15-20% | 12% | \$903,533 | 26% | \$1,957,654 | | |
| | | | | | WBE: 10-15% | 14% | \$1,054,121 | | | | |
| | | | | | DSBE: Best effort | 0% | \$0 | | | | |
| Tetra Tech | Consulting and Grants Management | \$7,165,201 | N/A | 6/1/2020 | MBE: Best effort | 20% | \$1,433,040 | 20% | \$1,433,040 | | |
| | | | | | WBE: Best effort | 0% | \$0 | | | | |
| | | | | | DSBE: Best effort | 0% | \$0 | | | | |
| Bio – Care | Medical Examination Program | \$1,632,438 | 10/6/2017 | 7/1/2022 | MBE: Best effort | 0% | \$0 | 0% | \$0 | | |
| | | | | | WBE: Best effort | 0% | \$0 | | | | |
| | | | | | DSBE: Best effort | 0% | \$0 | | | | |
| Lawton Associates | Risk Management Services | \$950,000 | 3/12/2018 | 7/1/2022 | MBE: 25-30% | 100% | \$950,000 | 100% | \$950,000 | | |
| | | | | | WBE: 25-30% | 0% | \$0 | | | | |
| | | | | | DSBE: Best effort | 0% | \$0 | | | | |
| Various (9 vendors) | Legal services related to City's | \$6,750,000 | Various | Various | MBE: 15-20% | 24% | \$1,620,000 | 35% | \$2,362,500 | Yes | No |

Office of the Director of Finance

Employee
Disability/Worker's
Compensation
Program

| | | |
|--------------------|-----|-----------|
| WBE: 15-20% | 11% | \$742,500 |
| DSBE: Best effort | 0% | \$0 |

Non-Profit Vendor Demographics:

N/A

EMPLOYEE DATA

| Staff Demographics (as of December 2022) | | | | |
|--|------------------|------------------|-----------------------|------------------|
| Full-Time Staff | | | Executive Staff | |
| | Male | Female | Male | Female |
| | African-American | African-American | African-American | African-American |
| <i>Total</i> | 8 | 48 | <i>Total</i> | 3 |
| <i>% of Total</i> | 7% | 40% | <i>% of Total</i> | 21% |
| <i>Average Salary</i> | \$98,677 | \$75,958 | <i>Average Salary</i> | \$137,381 |
| <i>Median Salary</i> | \$88,705 | \$70,467 | <i>Median Salary</i> | \$137,759 |
| | White | White | White | White |
| <i>Total</i> | 15 | 20 | <i>Total</i> | 1 |
| <i>% of Total</i> | 13% | 17% | <i>% of Total</i> | 7% |
| <i>Average Salary</i> | \$97,370 | \$86,493 | <i>Average Salary</i> | \$165,741 |
| <i>Median Salary</i> | \$95,624 | \$71,399 | <i>Median Salary</i> | \$165,741 |
| | Hispanic | Hispanic | Hispanic | Hispanic |
| <i>Total</i> | 1 | 6 | <i>Total</i> | 0 |
| <i>% of Total</i> | 1% | 5% | <i>% of Total</i> | 0% |
| <i>Average Salary</i> | \$33,403 | \$83,087 | <i>Average Salary</i> | n/a |
| <i>Median Salary</i> | \$33,403 | \$88,547 | <i>Median Salary</i> | n/a |
| | Asian | Asian | Asian | Asian |
| <i>Total</i> | 10 | 9 | <i>Total</i> | 0 |
| <i>% of Total</i> | 8% | 8% | <i>% of Total</i> | 0% |
| <i>Average Salary</i> | \$92,726 | \$87,435 | <i>Average Salary</i> | n/a |
| <i>Median Salary</i> | \$87,726 | \$70,000 | <i>Median Salary</i> | n/a |
| | Other | Other | Other | Other |
| <i>Total</i> | 1 | 1 | <i>Total</i> | 0 |
| <i>% of Total</i> | 1% | 1% | <i>% of Total</i> | 0% |
| <i>Average Salary</i> | \$92,141 | \$92,141 | <i>Average Salary</i> | n/a |
| <i>Median Salary</i> | \$92,141 | \$92,141 | <i>Median Salary</i> | n/a |
| | Bilingual | Bilingual | Bilingual | Bilingual |
| <i>Total</i> | 6 | 11 | <i>Total</i> | 0 |
| <i>% of Total</i> | 5% | 9% | <i>% of Total</i> | 0% |
| <i>Average Salary</i> | \$84,709 | \$72,523 | <i>Average Salary</i> | n/a |
| <i>Median Salary</i> | \$80,051 | \$62,867 | <i>Median Salary</i> | n/a |
| | Male | Female | Male | Female |
| <i>Total</i> | 35 | 84 | <i>Total</i> | 4 |
| <i>% of Total</i> | 29% | 71% | <i>% of Total</i> | 29% |
| <i>Average Salary</i> | \$94,365 | \$80,398 | <i>Average Salary</i> | \$144,471 |
| <i>Median Salary</i> | \$92,012 | \$72,282 | <i>Median Salary</i> | \$148,872 |

LANGUAGE ACCESS

- 1. Provide the name of your language access coordinator, the date of your last department training, and a link to the posting of your language access plan.**

The Language Access Coordinator for the Office of the Director of Finance is Dung Nguyen.

The last training held for public-facing staff in Finance was in February of 2021. Finance is working with the Office of Immigrant Affairs to identify and address any additional training needs this year.

Finance’s language access plan can be found [here](#).

- 2. Breakdown new hires and existing staff by race and language. Breakdown how many front-line personnel are trained to provide language access services.**

Finance employees speak the following languages:

| | American Sign Language | Cambodian | Cantonese | Chinese Cantonese (Includes Yueh), Mandarin | Gujrati, Hindi | Hindi, Kanarese Also Canarese (Includes Kannada), Tulu | Hindi, Malayalam, Urdu | Hindi, Telugu | Malayalam | Spanish | Tagalog | Vietnamese | Yoruba |
|------------------------|------------------------|-----------|-----------|---|----------------|--|------------------------|---------------|-----------|----------|----------|------------|--------|
| Asian | | 1 | 1 | 1 | 1 | 1 | 1 | 2 | | 1 | 1 | | |
| Black/African American | | | | | | | | | | | | | 1 |
| Hispanic/Latino | | | | | | | | | 5 | | | | |
| White | 1 | | | | | | | | | | | | |
| Total | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 5 | 1 | 1 | 1 | |

Data includes active employees in Finance as of March 2023.

In February 2021, the Office of Immigrant Affairs held a language access training for 16 front-line staffers in Risk Management.

3. How many requests for language access services did your department receive in the past year? How many language access services were delivered by staff? Breakdown language access services provided, by language, including but not limited to the language line, translation of public notices and documents, website language services, and advertisement/publication services.

From July 1, 2022, through the end of February 2023, Finance requested and obtained telephonic interpretation for 1 phone call in Spanish, totaling 9 minutes.

This does not count any calls that came through 311, as those calls would be counted under 311’s telephonic interpretation figures.

Below is a table outlining usage by service for Finance:

| Service | Usage (7/1/22-2/28/23) | Arabic | Chinese (simplified) | French | Haitian Creole | Portuguese | Russian | Spanish | Swahili | Vietnamese |
|------------------------------------|---------------------------|--------|-------------------------|--------|-------------------|------------|---------|---------|---------|------------|
| In-person interpretation | 2 sessions | | | | | | | 2 | | |
| Telephone interpretation | 1 call | | | | | | | 1 | | |
| Video remote interpretation | 1 session | | 1 | | | | | | | |
| Document translation* | 13 documents/projects | 6 | 12 | 5 | 5 | 11 | 5 | 12 | 5 | 11 |

**There were 13 different original documents/projects total; each one was translated into more than one language, depending on the specific needs of each document.*

4. Explain what your department has done to improve language access services over the past year.

Over the last year, Budget has taken steps to improve the content of and access to documents for internal and external stakeholders. These documents include infographics and videos to help residents learn more about the City’s budget and how it works. For the FY24 Proposed Budget, documents were made available in Haitian Creole, Arabic, Spanish, Swahili, Russian, French, Simplified Chinese, Portuguese, Vietnamese.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

The potential impact of climate change is largely responsible for projected increases in City insurance premiums, as the insurance market has hardened in this uncertainty. Beyond that, other services provided by Finance have been largely unaffected.

2. How might worsening climate change increase costs and demands for your department?

The Department anticipates that worsening climate change would cause insurance premiums to continue to rise. Finance may also need to consider how to make more funding available for capital improvements, both within the City's building portfolio and for larger infrastructure assets that will need to be adapted to withstand more frequent and severe extreme weather events.

3. How does your department intend to mitigate and adapt to climate change?

Finance will continue to work with departments to make sure the City has the appropriate insurance in place to help weather the storm and ensure that the City is making necessary investments to adapt and respond to the changing climate.

In addition, worsening climate change would necessitate planning for reserves to help mitigate other impacts. Credit rating agencies have also begun asking about climate change and its impacts on municipal finances. Finance will continue to monitor and respond to these types of inquiries.