

November 13, 2007

To: Executive Committee

From: Budget Committee

Subject: 2008 Interim Operating Budget Estimates
(All Wards)

Recommendations:**The Budget Committee recommended to the Executive Committee that City Council:**

- 1. approve the 2008 Interim Operating Budget Estimates totalling \$3.146 billion as detailed by City Program, Agency, Board and Commission attached in Appendix 1 of the report;**
- 2. approve an Interim Operating Budget Estimate of \$0.284 million for the Office of the Lobbyist Registrar which was determined by adjusting the 2007 Base Budget to \$0.711 million to ensure that the Office of the Lobbyist Registrar is functional; and**
- 3. authorize the Deputy City Manager and Chief Financial Officer to make net disbursements of \$2.610 billion to fund expenditures during the period January 1, to April 30, 2008, including cash transfers up to \$541.543 million to Agencies, Boards and Commissions as detailed in the attached Appendix 1 of the report.**

Financial Impact:

| 2008 Interim Operating Budget Estimates For Period January 1 to April 30, 2008 \$000s | | |
|---|-------------|-------------|
| | Gross | Net |
| City Operations | 1,787,018.2 | 1,724,470.4 |
| Agencies, Boards and Commissions | 1,014,962.3 | 541,542.9 |
| Corporate Accounts | 321,035.6 | 321,035.6 |
| Levy Operations | 3,123,016.0 | 2,587,048.9 |
| Parking Authority | 23,121.9 | 23,121.9 |
| Total City | 3,146,137.9 | 2,610,170.8 |

The 2008 Interim Operating Budget Estimates of \$3.146 billion recommended in this report will establish spending authority for City Programs and Agencies, Boards and Commissions during the period January 1, to April 30, 2008 as detailed in Appendix 1 attached and summarized in the Table above. For City Programs (including Toronto Parking Authority) and Agencies, Boards and Commissions (ABCs), the 2008 Interim Operating Budget is estimated at 40% of the 2007 Council Approved Gross Operating Budget.

Actual funding of the 2008 Interim Operating Budget Estimates totals \$2.610 billion (see Appendix 1 and Table 1 above). Funding for City Operations will approximate \$1.724 billion and \$321.036 million for Corporate Accounts. Toronto Parking Authority will require net funding of approximately \$23.122 million. Most ABCs are only partially funded by the City. These include the Toronto Transit Commission (TTC) for which approximately 71% of expenditures are funded from its own receipts. As detailed in Appendix 1, transfers to ABCs to enable them to meet their cash obligations are estimated at \$541.543 million.

Decision Advice and Other Information:

The Budget Committee received the report (November 7, 2007) from the Deputy City Manager and Chief Financial Officer advising that the 2008 Interim Operating Budget Estimates report will be on the Supplementary Agenda.

Background:

The Budget Committee on November 13, 2007, considered the following reports:

- a. (November 7, 2007) from the Deputy City Manager and Chief Financial Officer advising that the 2008 Interim Operating Budget Estimates report will be on the Supplementary Agenda; and
- b. (November 7, 2007) from the City Manager and Deputy City Manager and Chief Financial Officer, requesting Council's approval of the 2008 Interim Operating Budget Estimates in order to enable City Programs and Agencies, Boards and Commissions to carry out their ongoing (base) operations during the period January 1 to April 30, 2008.

for City Clerk

Merle MacDonald/acf
Item BU20-4



**STAFF REPORT
ACTION REQUIRED**

2008 Interim Operating Budget Estimates

| | |
|--------------------------|---|
| Date: | November 7, 2007 |
| To: | Budget Committee |
| From: | Deputy City Manager and Chief Financial Officer |
| Wards: | All |
| Reference Number: | |

SUMMARY

This is to advise that the 2008 Interim Operating Budget Estimates report will be on the Supplementary Agenda for the Budget Committee meeting of November 13, 2007.

SIGNATURE

Joseph P. Pennachetti
Deputy City Manager and Chief Financial Officer



STAFF REPORT ACTION REQUIRED

2008 Interim Operating Budget Estimates

| | |
|--------------------------|---|
| Date: | November 7, 2007 |
| To: | Budget Committee |
| From: | City Manager Deputy City Manager and Chief Financial Officer |
| Wards: | All |
| Reference Number: | P:\2007\Internal Services\FP\Bc07027Fp (AFS#6262) |

SUMMARY

The purpose of this report is to request Council's approval of the 2008 Interim Operating Budget Estimates in order to enable City Programs and Agencies, Boards and Commissions to carry out their ongoing (base) operations during the period January 1 to April 30, 2008.

In accordance with the Financial Control By-Law, an Interim Operating Budget must be approved prior to January 1, 2008 to ensure that appropriate Council approval is granted to fund the continuance of the City's business during the period January 1st to April 30th, 2008. The 2008 Interim Operating Budget Estimates total \$3.146 billion; and require cash outflows of \$2.610 billion.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that Council:

1. approve the 2008 Interim Operating Budget Estimates totalling \$3.146 billion as detailed by City Program, Agency, Board and Commission attached in Appendix 1;
2. approve an Interim Operating Budget Estimate of \$0.284 million for the Office of the Lobbyist Registrar which was determined by adjusting the 2007 Base Budget to \$0.711 million to ensure that the Office of the Lobbyist Registrar is functional; and
3. authorize the Deputy City Manager and Chief Financial Officer to make net disbursements of \$2.610 billion to fund expenditures during the period January 1, to April 30, 2008, including cash transfers up to \$541.543 million to Agencies, Boards and Commissions as detailed in the attached Appendix 1.

FINANCIAL IMPACT

| 2008 Interim Operating Budget Estimates For Period January 1 to April 30, 2008 \$000s | | |
|--|--------------------|--------------------|
| | Gross | Net |
| City Operations | 1,787,018.2 | 1,724,470.4 |
| Agencies, Boards and Commissions | 1,014,962.3 | 541,542.9 |
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The 2008 Interim Operating Budget Estimates of \$3.146 billion recommended in this report will establish spending authority for City Programs and Agencies, Boards and Commissions during the period January 1, to April 30, 2008 as detailed in Appendix 1 attached and summarized in the Table above. For City Programs (including Toronto Parking Authority) and Agencies, Boards and Commissions (ABCs), the 2008 Interim Operating Budget is estimated at 40% of the 2007 Council Approved Gross Operating Budget.

Actual funding of the 2008 Interim Operating Budget Estimates totals \$2.610 billion (see Appendix 1 and Table 1 above). Funding for City Operations will approximate \$1.724 billion and \$321.036 million for Corporate Accounts. Toronto Parking Authority will require net funding of approximately \$23.122 million. Most ABCs are only partially funded by the City. These include the Toronto Transit Commission (TTC) for which approximately 71% of expenditures are funded from its own receipts. As detailed in Appendix 1, transfers to ABCs to enable them to meet their cash obligations are estimated at \$541.543 million.

DECISION BACKGROUND

The recommended 2008 Interim Operating Budget Estimates are established in accordance with the Financial Control By-law, which stipulates that “Council shall, before the adoption of the final operating budget for a year, adopt an interim operating budget ... prior to the 1st day of January of the year in which the operating budget will be adopted” (Toronto Municipal Code, Article II, subsection 71-5).

ISSUE BACKGROUND

Traditionally, Operating Budgets are not approved prior to January 1, of the budget year. Since Council provides expenditure and funding authority on an annual basis, the Interim Operating Budget must be established to ensure that the City continues to offer services without interruption, until such time as the City approves the Operating Budget for that particular fiscal year. In effect, it is through the Interim Operating Budget Estimates that Programs and ABCs are granted the authority to incur expenditures for base operations during the period from January 1, to the date on which the Operating Budget is approved by Council.

COMMENTS

The 2008 Operating Budget will be considered by City Council at its special meeting tentatively scheduled for March 31 and April 1, 2008. In order to enable City Programs, Agencies, Boards and Commissions to carry out base operations during the first part of the year, it is estimated that most programs will require authority to spend approximately 40% of their 2007 Council Approved Gross Operating Expenditures Budget. For Transportation Services, Heritage Toronto and Toronto Zoo, the estimates have been adjusted to include the full funding of contractual commitments for existing operations that must be met in early 2008.

At its meeting of July 16, 17, 18 and 19, City Council considered the report from the Lobbyist Registrar entitled 'Office of the Lobbyist Registrar 2007 Operating Budget', which was reviewed and recommended by Budget Committee at \$0.711 million. City Council adopted a motion which adjusted the full-year budget for the Office of the Lobbyist Registrar to \$0.366 million. The budget was prorated to nine months, resulting in a 2007 Approved Operating Budget of \$0.275 million. This amount is insufficient to enable the Lobbyist Registrar to implement the Registry as required under the *City of Toronto Act*, 2006 and in accordance with the Lobbying Bylaw which Council approved in February 2007.

Communication materials are ready to go to print. The internet and the intranet sites are developed and ready to be launched. However, for the Office of the Lobbyist Registrar to be functional, the 2008 interim operating budget allocation will need to reflect the base budget requirements for this office. The interim operating funding request of \$0.285 million represents 40% of a base budget \$0.711 million. The full-year 2008 operating budget request for the Lobbyist Registrar will be considered as part of the 2008 operating budget process.

This interim funding allocation will allow for proper funding for the printing of the communication and education materials to proceed and for core staff including the Registry Manager and the hiring and training of two Lobbyist Advisors. The interim funding will allow the Lobbyist Registrar to bring the Bylaw into force and launch the Registry as soon as possible in 2008.

The regulatory requirements as approved by City Council will be phased giving public office holders and registrants time to become familiar with the requirements and function of the Registry. In the meantime, complaints or breaches of the Registry by law that come to the attention of the Office of the Lobbyist Registrar will be handled in an administrative manner with information being provided from the Lobbyist Registrar regarding the requirements of the by law.

Appendix 1 attached details the Interim Operating Budget Estimates by City Program and ABC. The recommended Interim Gross Operating Budget totals \$3.146 billion and is comprised of: \$1.787 billion for City Operations; \$1,014.962 million for ABCs; \$321.036 million for Corporate Accounts and \$23.122 million for Toronto Parking Authority.

CONTACT

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SIGNATURE

Shirley Hoy
City Manager

Joseph P. Pennachetti
Deputy City Manager
and Chief Financial Officer

ATTACHMENTS

Appendix 1 – 2008 Interim Operating Budget Estimates

