



STAFF REPORT ACTION REQUIRED

2010 Interim Operating Budget Estimates

Date:	October 13, 2009
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2009\Internal Services\FP\Ec09018Fp – AFS #10357

SUMMARY

The purpose of this report is to request Council's approval of the 2010 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, 2010.

In accordance with the Financial Control By-Law, an Interim Operating Budget must be approved prior to January 1, 2010 to ensure that appropriate Council approval is granted to fund the continuance of the City's business during the period January 1 to April 30, 2010. The 2010 Interim Operating Budget Estimates total \$3.407 billion gross; and require cash outflows of \$2.822 billion net.

RECOMMENDATIONS

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

1. Approve the 2010 Interim Operating Gross Budget Estimates totalling \$3.407 billion as detailed by City Program, Agency, Board and Commission in the attached Appendix 1.
2. Authorize the Deputy City Manager and Chief Financial Officer to make net disbursements of \$2.822 billion during the period January 1, to April 30, 2010, including cash transfers of \$588 million to Agencies, Boards and Commissions as detailed in the attached Appendix 1.
3. Authorize and direct the appropriate City Officials to take the necessary action to give effect thereto.

FINANCIAL IMPACT

2010 Interim Operating Budget Estimates For Period January 1 to April 30, 2010 \$000s		
	Gross	Net
City Operations	1,877,693.0	1,877,693.0
Agencies, Boards and Commissions	1,146,137.8	588,048.4
Corporate Accounts	356,745.4	356,745.4
Levy Operations	3,380,576.3	2,822,486.9
Toronto Parking Authority	26,264.5	0.0
Total City	3,406,840.8	2,822,486.9

The 2010 Interim Operating Gross Budget Estimates of \$3.407 billion recommended in this report will establish spending authority for City Programs, Agencies, Boards and Commissions during the period January 1, to April 30, 2010 as detailed in the attached Appendix 1 and summarized in the Table above. For City Programs and Agencies, Boards and Commissions (ABCs), the 2010 Interim Operating Budget is estimated at 40% of the 2009 Council Approved Gross Operating Budget.

Estimated cash outflows required from January 1 to April 30, 2010 total \$2.822 billion (see Appendix 1 and Table 1 above). Funding for City Operations will approximate \$1.878 billion and \$356.745 million for Corporate Accounts. Most ABCs are only partially funded by the City. These include the Toronto Transit Commission (TTC) for which approximately 73% 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 \$588.048 million.

DECISION BACKGROUND

The recommended 2010 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, sub-section 71-5).

ISSUE BACKGROUND

Traditionally, Operating Budgets are not approved prior to January 1, of a fiscal (budget) year. Since Council provides expenditure and funding authority on an annual basis, the Interim Operating Budget Estimates 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 City 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 2010 Operating Budget will be considered by City Council at its special meeting tentatively scheduled for April 15 and 16, 2010. 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 2009 Council Approved Gross Operating Expenditures Budget. For Transportation Services and Toronto Zoo, the estimates have been adjusted to include full funding of contractual commitments for existing operations that must be met in early 2010.

Appendix 1 attached details the Interim Operating Gross Budget Estimates by City Program and ABC. The recommended Interim Gross Operating Budget totals \$3.407 billion and is comprised of: \$1.878 billion for City Operations; \$1,146.138 million for ABCs; \$356.745 million for Corporate Accounts and \$26.265 million for Toronto Parking Authority.

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SIGNATURE

Cam Weldon
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Appendix 1 – 2010 Interim Operating Gross Budget Estimates