



REPORT FOR ACTION

2020 Tax Supported Interim Operating and Capital Budget Estimates

Date: November 27, 2019

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

The 2020 Tax Supported Operating and Capital Budgets are scheduled for Council approval in mid- February of 2020. The purpose of this report is to establish the 2020 Tax Supported Interim Operating and Capital Estimates in order to enable Tax Supported City Programs and Agencies to have the necessary spending authority to deliver current services, meet existing contractual commitments and to continue work on previously approved capital projects until the 2020 Operating and Capital Budgets are approved by City Council.

The 2020 Tax Supported Interim Operating Estimates are \$5.742 billion gross and require cash outflow funding of \$4.808 billion. The 2020 Tax Supported Interim Capital Estimates total \$3.391 billion and require debenture financing of \$1.491 billion.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. Council approve the 2020 Tax Supported Interim Operating Budget Estimates totalling \$5.742 billion as detailed by City Program and Agency in Appendix 1 attached.

FINANCIAL IMPACT

The Interim Budget Estimates provide an interim budget to ensure that adequate spending authority is in place for all Programs and Agencies until such time that Council approves the annual budget.

Operating:

As shown in Table 1, the 2020 Tax Supported Interim Operating Estimates total \$5.742 billion in gross spending authority requiring estimated cash outflows of \$4.808 billion. Cash outflows for City Operations total \$2.963 billion, for City Agencies \$1.050 billion and \$797 million for Corporate Accounts. Agencies are partially funded by the City and are able to cover a portion of expenditures through own source revenues.

Table 1: 2020 Tax Supported Interim Operating Estimates

Service Areas	2020 Interim Budget Gross	2020 Interim Budget Cash Out-Flow
Community and Social Services	2,008	2,008
Infrastructure and Development Services	590	590
Finance and Treasury Services	51	51
Corporate Services	209	209
City Manager	29	29
Other City Programs	71	71
Accountability Offices	5	5
Total - City Operation	2,963	2,963
Agencies	1,984	1,050
Corporate Accounts	795	795
Total - Tax Supported Programs	5,742	4,808

Capital:

The 2020 Tax Supported Interim Capital Estimates recognise spending authority approved by Council in 2019 and previous years to continue work on previously approved capital projects. Cash flow funding for 2020 commitments and carry forward funding required to complete capital work undelivered in 2019 total \$3.390 billion including \$1.492 billion in debt funding. 2020 Tax Supported Interim Capital Estimates are summarized in Table 2 below and detailed in Appendix 2.

Table 2: 2020 Interim Tax Supported Capital Estimates

Service Areas	Gross	Debt
Community and Social Services	418	174
Infrastructure and Development Services	671	377
Corporate Services	485	164
Finance and Treasury Services	12	9
Other City Programs	47	3
Total - City Operation	1,633	727
Agencies	1,757	764
Total Tax Supported Programs	3,390	1,491

DECISION HISTORY

City Council is required by December 31, 2019 to establish Interim Operating and Capital Budget Estimates to ensure that the City has spending authority to deliver current services and meet existing contractual commitments from January 1, 2020 to the date when the 2020 Operating and Capital Budgets are entered into the City's financial system.

The City of Toronto Act, 2006 requires that the City annually adopt a budget including estimates of all sums required during the year for the purpose of continuing its business. The City's Financial Control By-Law specifies that Council must adopt an interim operating budget prior to the 1st day of January of the year in which the operating budget will be adopted.

COMMENTS

2020 Tax Supported Interim Operating Estimates

The interim spending authority grants funding to maintain on-going, existing operations and does not include funds for any new requests. The 2020 Interim Operating Estimates are based on 2019 Approved Operating Budget as amended during the year and reported on October 25, 2019 and provide funding to maintain City's services and service levels.

Interim Estimates for City Operations and Corporate Accounts are based on 50 percent of the gross expenditure budget, while Interim Estimates for Agencies are calculated at 50 percent of the net budget to provide necessary cashflow funding to these entities. Agencies are only partially funded by the City and are able to cover the majority of their expenditures through its own receipts.

2020 Tax Supported Interim Capital Estimates

2020 Interim Capital Estimates re-confirm spending authority and cashflow funding to continue work on previously approved capital projects until the 2020-2029 Capital Budget and Plan are approved and established in the City's financial system.

This will enable staff to take full advantage of time-driven benefits, remove/mitigate health and safety risks and to proceed with capital activities for projects that must continue during the first months of 2020.

2020 Interim Capital Budget Estimates identifies capital funding requirements until 2020 - 2029 Capital Budget and Plan are approved by Council to permit the following:

- To continue work on previously approved urgent capital projects,
- To fulfill previously established contractual commitments, and
- To provide carry-forward funding for projects that are underway.

Appendix 2 details capital budget spending authority for previously approved 2020 committed cashflow funding and requested 2019 carry forward funding that comprise the 2020 Interim Capital Estimates for each City Program and Agency.

The 2020 Interim Capital Budget Estimates for City Programs and Agencies represent 74% of the 2019 Approved Capital Budget and gross expenditure.

It should be noted that no funding for new/enhanced services or new capital projects is included in the recommended 2020 Interim Estimates, as consideration for new funding is subject to the 2020 Budget process.

CONTACT

Stephen Conforti, Executive Director, Financial Planning, 416-397-4229,
Stephen.Conforti@toronto.ca

Andy Cui, Manager, Financial Planning, 416-397-4207, Andy.Cui@toronto.ca

SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix 1 - 2020 Tax Supported Interim Operating Budget Estimates
Appendix 2 - 2020 Tax Supported Interim Capital Budget Estimates

Appendix 1:

CITY OF TORONTO
2020 TAX SUPPORTED INTERIM OPERATING BUDGET ESTIMATES
(\$000's)

Programs / Agencies	2019 Council Approved Gross Budget	2019 Council Approved Net Budget	2020 Interim Budget Gross	2020 Interim Budget Cash Out- Flow
Community and Social Services				
Housing Secretariat	11,086.95	1,180.10	5,543.47	5,543.47
Children's Services	656,515.06	85,877.16	328,257.53	328,257.53
Court Services	52,177.95	(6,624.61)	26,088.98	26,088.98
Economic Development & Culture	85,541.95	73,275.18	42,770.98	42,770.98
Toronto Paramedic Services	238,234.38	85,879.62	119,117.19	119,117.19
Seniors Services and Long-Term Care	265,811.58	46,740.79	132,905.79	132,905.79
Parks, Forestry & Recreation	478,149.85	326,559.74	239,074.99	239,074.99
Shelter, Support & Housing Administration	1,005,896.51	463,258.28	502,948.26	502,948.26
Social Development, Finance & Administration	73,822.53	47,750.17	36,911.27	36,911.27
Toronto Employment & Social Services	1,147,941.31	91,361.69	573,970.66	573,970.66
Sub-Total Community and Social Services	4,015,178.05	1,215,258.12	2,007,589.12	2,007,589.12
Infrastructure and Development Services				
City Planning	54,911.39	15,424.75	27,455.70	27,455.70
Fire Services	493,950.96	475,664.75	246,975.48	246,975.48
Office of Emergency Management	3,253.87	2,877.20	1,626.93	1,626.93
Municipal Licensing & Standards	67,410.07	19,177.13	33,705.04	33,705.04
Policy, Planning, Finance & Administration	17,261.79	6,132.00	8,630.90	8,630.90
Transit Expansion	4,372.88	(17.03)	2,186.44	2,186.44
Engineering & Construction Services	77,607.08	4,147.55	38,803.54	38,803.54
Toronto Building	58,803.90	(16,891.42)	29,401.95	29,401.95
Transportation Services	401,566.05	230,477.81	200,783.03	200,783.03
Sub-Total Infrastructure and Development Services	1,179,138.00	736,992.74	589,569.02	589,569.02
Finance and Treasury Services				
Office of the Chief Financial Officer	20,953.43	11,452.93	10,476.72	10,476.72
Office of the Controller	80,596.50	28,368.73	40,298.26	40,298.26
Sub-Total Finance and Treasury Services	101,549.93	39,821.66	50,774.97	50,774.97
Corporate Services				
Corporate Real Estate Management	190,239.77	60,275.45	95,119.89	95,119.89
Environment & Energy	17,659.38	12,635.50	8,829.69	8,829.69
Fleet Services	58,727.08	312.68	29,363.54	29,363.54
311 Toronto	19,328.98	10,148.4	9,664.49	9,664.49
Information & Technology	132,677.64	78,587.99	66,338.82	66,338.82
Sub-Total Corporate Services	418,632.85	161,960.02	209,316.43	209,316.43
City Manager				
City Manager's Office	58,828.60	49,873.49	29,414.30	29,414.30
Sub-Total City Manager	58,828.60	49,873.49	29,414.30	29,414.30
Other City Programs				
City Clerk's Office	52,236.93	32,265.46	26,118.47	26,118.47
Legal Services	65,693.54	19,626.80	32,846.77	32,846.77
Mayor's Office	2,567.00	2,567.00	1,283.50	1,283.50
City Council	22,156.90	21,571.75	11,078.45	11,078.45
Sub-Total Other City Programs	142,654.38	76,031.01	71,327.19	71,327.19

Appendix 1:

CITY OF TORONTO
2020 TAX SUPPORTED INTERIM OPERATING BUDGET ESTIMATES
(\$000's)

Programs / Agencies	2019 Council Approved Gross Budget	2019 Council Approved Net Budget	2020 Interim Budget Gross	2020 Interim Budget Cash Out- Flow
Other Accountability Offices				
Auditor General's Office	6,641.09	6,641.09	3,320.54	3,320.54
Integrity Commissioner's Office	572.67	572.67	286.33	286.33
Office of the Lobbyist Registrar	1,235.15	1,235.15	617.57	617.57
Office of the Ombudsman	1,998.52	1,998.52	999.26	999.26
Sub-Total Other Accountability Offices	10,447.42	10,447.42	5,223.71	5,223.71
TOTAL - CITY OPERATION	5,926,429.23	2,290,384.45	2,963,214.74	2,963,214.74
Agencies				
Toronto Public Health	256,729.30	63,876.70	128,364.66	31,938.35
Toronto Public Library	207,314.42	188,093.34	103,657.21	94,046.67
Association of Community Centres	8,981.48	8,265.34	4,490.74	4,132.67
Exhibition Place	56,582.08	(172.57)	28,291.04	(86.28)
Heritage Toronto	1,145.62	401.46	572.81	200.73
TO Live	41,908.13	5,599.15	20,954.07	2,799.58
Toronto Zoo	53,092.34	12,461.75	26,546.17	7,000.00
Arena Boards of Management	9,782.44	(17.67)	4,891.22	(8.84)
Yonge-Dundas Square	3,465.08	22.65	1,732.54	11.32
CreateTO	12,939.58	0.00	6,469.79	0.00
Toronto & Region Conservation Authority	51,364.74	3,832.81	25,682.37	1,916.41
Toronto Transit Commission - Conventional	1,910,540.40	621,957.80	955,270.20	310,978.90
Toronto Transit Commission - Wheel Trans	149,018.90	140,908.20	74,509.45	70,454.10
Toronto Police Service	1,196,585.00	1,050,608.20	598,292.50	525,304.10
Toronto Police Services Board	4,761.00	2,461.00	2,380.50	1,230.50
Toronto Atmospheric Fund	4,665.00	0.00	2,332.50	0.00
SUB-TOTAL - AGENCIES	3,968,875.51	2,098,298.16	1,984,437.77	1,049,918.20
Corporate Accounts				
Capital & Corporate Financing	995,430.67	928,773.55	497,715.33	497,715.33
Non-Program Expenditures				
Tax Deficiencies	78,529.21	68,529.21	39,264.60	39,264.60
Funding Of Liabilities Employee Related	70,832.90	70,832.90	35,416.45	35,416.45
Other Corporate Expenditures	26,722.97	18,520.66	13,361.49	13,361.49
Insurance Premiums/Claims	300.00	300.00	150.00	150.00
Tax Rebates For Registered Charities	4,615.96	0.00	2,307.98	2,307.98
Dow nloading-Assessment	44,993.05	44,993.05	22,496.53	22,496.53
Heritage Property Tax Rebate Program	2,076.20	2,076.20	1,038.10	1,038.10
Parking Tag Enforcement & Operations	71,728.83	71,728.83	35,864.42	35,864.42
New Vacancy Rebate Program	2,466.36	2,466.36	1,233.18	1,233.18
Solid Waste Management Rebate Program	109,680.24	109,680.24	54,840.12	54,840.12
Programs Funded From Reserve Funds	149,790.94	0.00	74,895.47	74,895.47
Tax Increment	31,184.36	31,184.36	15,592.18	15,592.18
Tax Increment Funding (TIF)	935.00	935.00	467.50	467.50
Non-Program Expenditures	593,856.02	421,246.81	296,928.01	296,928.01
TOTAL - CORPORATE ACCOUNTS	1,589,286.68	1,350,020.36	794,643.34	794,643.34
TOTAL - TAX SUPPORTED PROGRAMS	11,484,591.43	5,738,702.97	5,742,295.85	4,807,776.29

Appendix 2:

CITY OF TORONTO
2020 TAX SUPPORTED INTERIM CAPITAL BUDGET ESTIMATES
(\$000's)

Program / Agency	Carry Forwards Gross	Carry Forwards Debt	Previously Approved 2020 Commitment	Previously Approved 2020 Commitments Debt	2020 Interim Estimates Gross	2020 Interim Estimates Debt
Community and Social Services						
Children's Services	7,114.00	0.00	7,724.00	50.00	14,838.00	50.00
Economic Development and Culture	13,590.00	2,289.00	5,430.00	2,680.00	19,020.00	4,969.00
Parks, Forestry & Recreation	41,889.00	2,631.00	132,468.00	53,951.00	174,357.00	56,582.00
Seniors Services and Long-Term Care	3,925.00	2,825.00	3,808.00	3,074.00	7,733.00	5,899.00
Shelter, Support & Housing Administration	46,603.00	43,405.00	41,150.00	31,853.00	87,753.00	75,258.00
Toronto Employment & Social Services	925.00	0.00	2,389.21	0.00	3,314.21	0.00
Toronto Housing Corporation	109,311.00	31,300.00	0.00	0.00	109,311.00	31,300.00
Toronto Paramedic Services	700.00	485.00	564.00	0.00	1,264.00	485.00
Sub-Total Community and Social Services	224,057.00	82,935.00	193,533.21	91,608.00	417,590.21	174,543.00
Infrastructure and Development Services						
City Planning	2,881.00	2,441.00	3,035.00	1,379.00	5,916.00	3,820.00
Fire Services	3,284.00	1,099.00	15,155.00	2,633.00	18,439.00	3,732.00
Transportation Services	92,152.00	60,800.00	686,727.00	495,241.00	464,472.00	340,454.00
Waterfront Revitalization Initiative	12,815.00	4,055.00	169,639.00	24,550.00	182,454.00	28,605.00
Sub-Total Infrastructure and Development	111,132.00	68,395.00	874,556.00	523,803.00	671,281.00	376,611.00
Finance and Treasury Services						
Financial Services	5,372.00	3,534.00	6,387.00	5,466.00	11,759.00	9,000.00
Sub-Total Finance and Treasury Services	5,372.00	3,534.00	6,387.00	5,466.00	11,759.00	9,000.00
Corporate Services						
311 Toronto	270.00	270.00	150.00	150.00	420.00	420.00
Corporate Real Estate Management	105,774.94	33,757.29	269,547.59	103,820.18	375,322.53	137,577.47
Environment and Energy	4,080.00	0.00	28,317.00	0.00	32,397.00	0.00
Fleet Services	3,767.00	0.00	40,999.00	0.00	44,766.00	0.00
Information & Technology	14,016.00	10,741.00	18,530.00	15,017.00	32,546.00	25,758.00
Sub-Total Corporate Services	127,907.94	44,768.29	357,543.59	118,987.18	485,451.53	163,755.47
Other City Programs						
City Clerk's Office	725.00		3,355.00	650.00	4,080.00	650.00
Corporate Initiatives	0.00		43,574.00	2,826.00	43,574.00	2,826.00
Sub-Total Other City Programs	725.00	0.00	46,929.00	3,476.00	47,654.00	3,476.00
TOTAL - CITY OPERATION	469,193.94	199,632.29	1,478,948.80	743,340.18	1,633,735.74	727,385.47
Agencies						
Exhibition Place	1,530.00	1,471.00	2,530.00	2,530.00	4,060.00	4,001.00
TO Live	5,840.00	3,908.00	800.00	800.00	6,640.00	4,708.00
Toronto Police Service	30,028.30	10,181.00	1,500.00	500.00	31,528.30	10,681.00
Toronto Public Health	781.00	0.00	1,628.00	1,628.00	2,409.00	1,628.00
Toronto Public Library	1,209.00	0.00	26,220.00	9,608.00	27,429.00	9,608.00
Toronto Zoo	5,914.00	1,779.00	0.00	0.00	5,914.00	1,779.00
Yonge-Dundas Square	50.00	50.00	35.00	35.00	85.00	85.00
Sub-Total Agencies - no TTC	45,352.30	17,389.00	32,713.00	15,101.00	78,065.30	32,490.00
TTC						
Scarborough Subw ay Extension			243,898.00	0.00	243,898.00	0.00
Spadina Subw ay Extention			63,172.00	63,172.00	63,172.00	63,172.00
Toronto Transit Commission	219,863.65	170,486.65	877,341.56	372,611.26	1,097,205.21	543,097.91
Transit Studies	24,659.00	0.00	250,150.00	125,125.00	274,809.00	125,125.00
Sub-Total TTC	244,522.65	170,486.65	1,434,561.56	560,908.26	1,679,084.21	731,394.91
SUB-TOTAL - AGENCIES	289,874.95	187,875.65	1,467,274.56	576,009.26	1,757,149.51	763,884.91
TOTAL - TAX SUPPORTED PROGRAMS	759,068.89	387,507.94	2,946,223.36	1,319,349.44	3,390,885.25	1,491,270.38