



REPORT FOR ACTION

2021 Tax Supported Interim Operating and Capital Budget Estimates

Date: November 26, 2020

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

The 2021 Tax Supported Operating and Capital Budgets are scheduled for Council approval in mid- February of 2021. The purpose of this report is to establish the 2021 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 2021 Operating and Capital Budgets are approved by City Council.

The 2021 Tax Supported Interim Operating Estimates are \$3.573 billion gross and require cash outflow funding of \$3.074 billion. The 2021 Tax Supported Interim Capital Estimates total \$1.149 billion and require debenture financing of \$0.381 billion.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. Council approve the 2021 Tax Supported Interim Operating Budget Estimates totalling \$3.573 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 2021 Tax Supported Interim Operating Estimates total \$3.573 billion in gross spending authority requiring estimated cash outflows of \$3.074 billion. Cash outflows for City Operations total \$1.868 billion, for City Agencies \$0.737 billion and \$0.469 billion for Corporate Accounts. Agencies are partially funded by the City and are able to cover a portion of expenditures through own source revenues, however, for 2021 Interim Budget Estimates, own source revenues for Agencies have been adjusted from prior year totals to reflect ongoing COVID-19 impacts.

Table 1: 2021 Tax Supported Interim Operating Estimates

Service Areas	2020 Interim Budget Gross	2020 Interim Budget Cash Out-Flow
Community and Social Services	1,282	1,282
Infrastructure and Development Services	361	361
Finance and Treasury Services	29	29
Corporate Services	129	129
City Manager	19	19
Other City Programs	44	44
Accountability Offices	3	3
Total - City Operation	1.868	1.868
Agencies	1,236	737
Corporate Accounts	469	469
Total - Tax Supported Programs	3,573	3,074

Capital:

The 2021 Tax Supported Interim Capital Estimates recognise spending authority approved by Council in 2020 and previous years to continue work on previously approved capital projects. Cash flow funding for 2021 commitments and carry forward funding required to complete capital work undelivered in 2020 total \$1.149 billion including \$0.381 billion in debt funding.

2021 Tax Supported Interim Capital Estimates are summarized in Table 2 below and detailed in Appendix 2.

Table 2: 2021 Interim Tax Supported Capital Estimates

Service Areas	Gross	Debt
Community and Social Services	172	68
Infrastructure and Development Services	341	174
Corporate Services	146	66
Finance and Treasury Services	5	2
Other City Programs	5	3
Total - City Operation	668	314
Agencies	480	67
Total Tax Supported Programs	1.149	381

DECISION HISTORY

City Council is required to establish Interim Operating and Capital Budget Estimates by December 31, 2020 to ensure that the City has spending authority to deliver current services and meet existing contractual commitments from January 1, 2021 to the date when the 2021 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

2021 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 2021 Interim Operating Estimates are based on a portion of 2020 Approved Operating Budget as amended during the year as of the October month-end closing. The estimates were subsequently adjusted based on actual spending needs by program, taking into account COVID-19 related financial impacts.

The resulting Interim Estimates for City Operations and Corporate Accounts overall represent about 30 percent of the gross expenditure budget, while Interim Estimates for Agencies represent about 30 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 a portion of their expenditures through its own receipts. For 2021, a number of Programs and Agencies are requesting augmented interim funding to reflect increased expenditures and revenue loss due to COVID-19 pandemic. Spending needs have been assessed and the interim estimates have been adjusted and are considered to be sufficient to address expenditure requirements.

2021 Tax Supported Interim Capital Estimates

2021 Interim Capital Estimates re-confirm spending authority and cash flow funding to continue work on previously approved capital projects until the 2021-2030 Capital Budget and Plan are approved and established in the City's financial system.

2021 Interim Capital Budget Estimates identify capital funding requirements until 2021 - 2030 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 2021 committed cashflow funding and requested 2020 carry forward funding that comprise the 2021 Interim Capital Estimates for each City Program and Agency.

The 2021 Interim Capital Budget Estimates for City Programs and Agencies represent 34% of the 2020 Approved Capital Budget and gross expenditure for Tax Supported Programs and Agencies.

It should be noted that no funding for new/enhanced services or new capital projects is included in the recommended 2021 Interim Estimates, as consideration for new funding is subject to the 2021 Budget process.

It should also be noted that due to the uncertainty of the ongoing financial impact arising from COVID-19 and the amount of financial assistance from other levels of government, capital projects funded by Capital from Current (CFC) have been slowed to enable potential offsets to COVID-19 financial impacts. Impacted capital projects will be reassessed either as part of the 2021 budget process or following confirmation of adequate COVID support funding.

CONTACT

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

ATTACHMENTS

- Appendix 1 - 2021 Tax Supported Interim Operating Budget Estimates
- Appendix 2 - 2021 Tax Supported Interim Capital Budget Estimates

Appendix 1:

CITY OF TORONTO 2021 Tax Supported Interim Operating Budget Estimates (\$000's)

Programs / Agencies	2020 Council Approved Gross Budget	2020 Council Approved Net Budget	2021 Interim Budget Gross	2021 Interim Budget Cash Out-Flow
Community and Social Services				
Housing Secretariat	15,733.54	1,186.15	4,720.06	4,720.06
Children's Services	635,547.71	91,983.67	190,664.31	190,664.31
Court Services	35,940.02	(39,867.49)	10,782.01	10,782.01
Economic Development & Culture	92,058.46	76,731.24	30,367.54	30,367.54
Toronto Paramedic Services	251,700.31	88,933.42	75,510.09	75,510.09
Seniors Services and Long-Term Care	293,328.89	69,189.01	87,998.67	87,998.67
Parks, Forestry & Recreation	461,851.00	325,518.24	138,555.32	138,555.32
Shelter, Support & Housing Administration	1,026,819.65	507,163.33	391,045.90	391,045.90
Social Development, Finance & Administration	79,355.22	59,088.36	23,806.57	23,806.57
Toronto Employment & Social Services	1,094,372.61	91,220.20	328,311.79	328,311.79
Sub-Total Community and Social Services	3,986,707.41	1,271,146.12	1,281,762.25	1,281,762.25
Infrastructure and Development Services				
City Planning	54,517.28	13,550.50	16,355.18	16,355.18
Fire Services	497,372.60	476,630.69	149,211.78	149,211.78
Office of Emergency Management	3,267.46	2,607.46	980.24	980.24
Municipal Licensing & Standards	67,218.10	12,320.00	20,165.43	20,165.43
Policy, Planning, Finance & Administration	17,034.60	5,438.74	5,110.38	5,110.38
Transit Expansion	8,672.08	0.60	2,601.62	2,601.62
Engineering & Construction Services	73,095.37	1,886.10	22,480.31	22,480.31
Toronto Building	61,334.78	(16,146.89)	18,400.44	18,400.44
Transportation Services	417,298.01	227,063.13	125,986.46	125,986.46
Sub-Total Infrastructure and Development Services	1,199,810.27	723,350.34	361,291.84	361,291.84
Finance and Treasury Services				
Office of the Chief Financial Officer	17,143.24	13,327.01	5,142.97	5,142.97
Office of the Controller	80,804.05	40,019.59	24,241.22	24,241.22
Sub-Total Finance and Treasury Services	97,947.28	53,346.60	29,384.19	29,384.19
Corporate Services				
Corporate Real Estate Management	194,109.21	104,438.32	58,232.76	58,232.76
Environment & Energy	17,124.69	13,031.09	5,137.41	5,137.41
Fleet Services	62,695.69	27,384.64	18,808.71	18,808.71
311 Toronto	19,175.02	10,277.78	5,752.51	5,752.51
The Office of Chief Info. Security Officer (CISO)	11,278.47	10,775.31	3,383.54	3,383.54
Technology Services	126,768.04	89,578.06	38,030.41	38,030.41
Sub-Total Corporate Services	431,151.12	255,485.20	129,345.33	129,345.33
City Manager				
City Manager's Office	63,536.57	58,133.98	19,060.97	19,060.97
Sub-Total City Manager	63,536.57	58,133.98	19,060.97	19,060.97
Other City Programs				
City Clerk's Office	52,774.08	38,927.69	16,382.22	16,382.22
Legal Services	67,336.78	41,649.05	20,201.03	20,201.03
Mayor's Office	2,567.00	2,567.00	770.10	770.10
City Council	21,888.74	21,781.24	6,566.62	6,566.62
Sub-Total Other City Programs	144,566.61	104,924.99	43,919.98	43,919.98

Appendix 1:

CITY OF TORONTO 2021 Tax Supported Interim Operating Budget Estimates (\$000's)

Programs / Agencies	2020 Council Approved Gross Budget	2020 Council Approved Net Budget	2021 Interim Budget Gross	2021 Interim Budget Cash Out-Flow
Other Accountability Offices				
Auditor General's Office	7,375.80	7,375.80	2,212.74	2,212.74
Integrity Commissioner's Office	762.41	762.41	228.72	228.72
Office of the Lobbyist Registrar	1,251.96	1,251.96	375.59	375.59
Office of the Ombudsman	2,195.73	2,195.73	658.72	658.72
Sub-Total Other Accountability Offices	11,585.90	11,585.90	3,475.77	3,475.77
TOTAL - CITY OPERATION	5,935,305.15	2,477,973.14	1,868,240.33	1,868,240.33
Agencies				
Toronto Public Health	275,650.98	70,829.15	99,515.92	99,515.92
Toronto Public Library	217,334.41	196,694.71	65,200.32	59,008.41
Association of Community Centres	8,978.98	8,660.75	2,693.69	2,598.23
Exhibition Place	57,053.80	(500.00)	17,116.14	2,001.00
Heritage Toronto	1,117.28	431.08	335.18	129.32
TO Live	38,698.59	5,599.15	11,609.58	3,600.00
Toronto Zoo	52,134.42	12,772.30	15,640.33	7,000.00
Arena Boards of Management	9,998.76	(107.95)	2,999.63	800.00
Yonge-Dundas Square	3,933.61	(0.00)	1,180.08	402.00
CreateTO	14,409.00	0.00	4,322.70	0.00
Toronto & Region Conservation Authority	9,470.41	4,267.61	2,841.12	1,280.28
Toronto Transit Commission - Conventional	1,987,170.80	642,581.80	596,151.24	192,774.54
Toronto Transit Commission - Wheel Trans	156,482.90	147,246.40	46,944.87	44,173.92
Toronto Police Service	1,221,215.73	1,076,194.73	366,364.72	322,858.42
Toronto Police Services Board	5,342.40	1,930.40	1,602.72	579.12
Toronto Atmospheric Fund	5,630.00	0.00	1,689.00	0.00
SUB-TOTAL - AGENCIES	4,064,622.07	2,166,600.14	1,236,207.25	736,721.17
Corporate Accounts				
Capital & Corporate Financing	1,026,796.83	947,095.85	308,039.05	308,039.05
Non-Program Expenditures				
Tax Deficiencies	65,422.42	65,422.42	19,626.72	19,626.72
Funding Of Liabilities Employee Related	70,832.90	70,832.90	21,249.87	21,249.87
Other Corporate Expenditures	21,868.78	(13,313.70)	7,560.63	7,560.63
Tax Rebates For Registered Charities	4,615.96	0.00	1,384.79	1,384.79
Downloading-Assessment	45,892.91	45,892.91	13,767.87	13,767.87
Heritage Property Tax Rebate Program	2,329.07	2,329.07	698.72	698.72
Parking Tag Enforcement & Operations	62,112.30	62,112.30	18,633.69	18,633.69
Solid Waste Management Rebate Program	85,371.02	75,371.02	25,611.31	25,611.31
Programs Funded From Reserve Funds	143,777.62	(0.00)	43,133.29	43,133.29
Tax Increment	29,287.09	29,287.09	8,786.13	8,786.13
Tax Increment Funding (TIF)	1,813.70	1,813.70	544.11	544.11
Non-Program Expenditures	533,323.76	339,747.70	160,997.13	160,997.13
TOTAL - CORPORATE ACCOUNTS	1,560,120.59	1,286,843.55	469,036.18	469,036.18
TOTAL - TAX SUPPORTED PROGRAMS	11,560,047.82	5,931,416.83	3,573,483.76	3,073,997.68

Appendix 2:

CITY OF TORONTO 2021 Tax Supported Interim Capital Budget Estimates (\$'000's)

Program / Agency	Carry Forwards Gross	Carry Forwards Debt	Previously Approved 2021 Comm. Gross	Previously Approved 2021 Comm. Debt	2021 Interim Estimates Gross	2021 Interim Estimates Debt
Community and Social Services						
Children's Services	7,215	1,267	5,195	208	8,774	1,329
Economic Development and Culture	7,993	100	14,185	5,485	11,569	1,746
Parks, Forestry & Recreation	23,057	3	173,549	64,761	75,122	19,431
Seniors Services and Long-Term Care	14,016		6,846	0	16,070	0
Shelter, Support & Housing Administration	18,280	15,357	104,244	77,388	49,553	38,573
Toronto Employment & Social Services	6,102	4,640	5,324	3,855	7,699	5,797
Toronto Housing Corporation	680		0	0	680	0
Toronto Paramedic Services	1,905	900	1,727	1,449	2,423	1,335
Sub-Total Community and Social Services	79,248	22,267	311,070	153,146	171,890	68,211
Infrastructure and Development Services						
City Planning	843		4,129	2,096	2,082	629
Fire Services	9,017	2,400	16,733	1,535	14,037	2,861
Transportation Services	19,688	11,670	467,521	384,616	159,944	127,055
Waterfront Revitalization Initiative	113,856	21,185	66,813	5,910	133,900	22,958
Transit Expansion Office	25,076	16,053	20,562	17,762	31,245	21,382
Sub-Total Infrastructure and Development Services	168,480	51,308	575,758	411,919	341,207	174,884
Finance and Treasury Services						
Office of the CFO and Treasurer	1,904	0	2,555	2,166	2,671	650
Office of the Controller	0	0	7,712	5,621	2,314	1,686
Sub-Total Finance and Treasury Services	1,904	0	10,267	7,787	4,984	2,336
Corporate Services						
311 Toronto	2,311		1,744	1,744	2,834	523
Corporate Real Estate Management	44,427	11,095	188,373	153,532	102,030	58,992
Environment and Energy	2,390		25,273	0	9,972	0
Fleet Services	10,055		46,294	0	23,943	0
Technology Services	1,096	394	18,916	18,687	6,771	6,000
Sub-Total Corporate Services	60,279	11,489	280,601	173,963	145,550	65,515
Other City Programs						
City Clerk's Office	885		2,915	1,350	1,760	405
Corporate Initiatives	2,946	2,247	400	400	3,066	2,367
Sub-Total Other City Programs	3,831	2,247	3,315	1,750	4,826	2,772
TOTAL - CITY OPERATION	313,742	87,311	1,181,011	748,565	668,457	313,717
Agencies						
Exhibition Place	6,123	6,123	730	730	6,342	6,342
GO Transit	60,000				60,000	0
Toronto Police Service	27,227	13,430	12,507	5,039	30,979	14,942
Toronto Public Health	4,274	1,785	1,020	630	3,269	1,974
Toronto Public Library	5,826	3,622	33,477	26,514	15,869	11,576
Toronto Zoo	2,811	324	2,000	1,437	4,811	1,761
TO Live	4,274	2,925	3,008	3,008	5,177	3,827
Sub-Total Agencies - no TTC	110,535	28,209	52,742	37,358	126,447	40,422
TTC						
Scarborough Subway Extension	0	0	19,644	0	5,893	0
Toronto Transit Commission	0	0	1,084,015	33,083	325,205	9,925
Spadina Subway Extension	0	0	56,656	56,656	16,997	16,997
Transit Studies	0	0	19,644	0	5,893	0
Sub-Total TTC	0	0	1,179,959	89,739	353,988	26,922
SUB-TOTAL - AGENCIES	110,535	28,209	1,232,701	127,097	480,434	67,344
TOTAL - TAX SUPPORTED PROGRAMS	424,277	115,520	2,413,712	875,662	1,148,891	381,061