

Budget Committee

Meeting No.	19	Contact	Matthew Green, Committee Administrator
Meeting Date	Monday, November 23, 2020	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Video Conference	Chair	Councillor Gary Crawford

BU19.8	ACTION	Adopted		Ward: All
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Capital Variance Report for the Nine Months Ended September 30, 2020

Committee Decision

The Budget Committee recommends to the Executive Committee that:

1. City Council approve in-year budget adjustments to the 2020-2029 Approved Capital Budget and Plan as detailed in Appendix 4 to the report (November 10, 2020) from the Chief Financial Officer and Treasurer that result in no incremental impact on debt financing.

Origin

(November 10, 2020) Report from the Chief Financial Officer and Treasurer

Summary

The purpose of this report is to provide City Council with the City of Toronto capital spending for the nine month period ended September 30, 2020, as well as projected expenditures to December 31, 2020. Furthermore, this report seeks Council's approval for in-year budget adjustments to the 2020 Approved Capital Budget and Plan that have no impact on 2020 approved debt.

As illustrated in Table 1 below, City's 2020 capital expenditure was \$2.261 billion or 47.6 percent of the 2020 capital budget of \$4.749 billion for the period ended September 30, 2020 and is projecting to expend \$3.832 billion or 80.7 percent by December 31, 2020.

Table 1 - Capital Variance Summary

	2020 Approved Budget*	Actual Expenditures - January to September		Projected Expenditures - January to December	
	\$M	\$M	Percent	\$M	Percent
City Operations	2,027	862	42.5 percent	1,509	74.4 percent
Agencies	1,354	705	52.1 percent	1,177	87.0 percent

	2020 Approved Budget*	Actual Expenditures - January to September		Projected Expenditures - January to December	
Tax Supported	3,381	1,567	46.3 percent	2,686	79.4 percent
Rate Supported Programs:	1,368	694	50.8 percent	1,146	83.8 percent
TOTAL	4,749	2,261	47.6 percent	3,832	80.7 percent

*Note: Includes 2019 carry forward funding and 2020 in-year adjustments

The Capital spending pattern for the first nine month typically ranges between 32 percent and 37 percent of the total Council Approved Capital Budget, with the 2020 experience of 47.6 percent comparing favourably to past experience. Total City projected spend of 80.7 percent by year-end is comprised of a Tax Supported Programs spending rate of 79.4 percent and a Rate Supported Programs spending rate of 83.8 percent.

Projected underspending by year-end totals \$917.2 million or 19.3 percent of the 2020 Capital Budget. Part of the reason is due to COVID-19 continues to have an impact on the 2020 capital budget spending.

- At the onset of COVID-19, due to the uncertainty of the financial impact and the amount of financial assistance from other levels of government, capital projects funded by Capital from Current were slowed to enable potential offsets to COVID-19 financial impacts.
- Given the continued uncertainty regarding the allocation that Toronto will receive of future phase Safe Restart Agreement funding, Capital from Current funded capital projects will continued to be slowed to the end of the year. Impacted capital projects will be reassessed as part of the 2021 budget process.

The projected year-end spending rates presented in this report are based on the submissions from each Program and Agency, and as such, the preparation of this report has been based on this information.

Background Information

(November 10, 2020) Report from the Chief Financial Officer and Treasurer on Capital Variance Report for the Nine Months Ended September 30, 2020

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158370.pdf>

Appendix 1 - 2020 Capital Variance and Projection Summary for the Nine Months Ended September 30, 2020

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158371.pdf>

Appendix 2 - Major Capital Projects

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158372.pdf>

Appendix 3 - In-Year Adjustments for the Nine Months Ended September 30, 2020

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158373.pdf>

Appendix 4 - Capital Variance Dashboard by Program and Agency

<http://www.toronto.ca/legdocs/mmis/2020/bu/bgrd/backgroundfile-158374.pdf>