

# 2021 Budget Notes

## City Council

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### What we do

Toronto City Council is the governing body for the City and is comprised of 26 members: the Mayor, elected City-wide, and 25 Councillors who are elected in each of the City's wards.

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### Why we do it

Under the City of Toronto Act (COTA), section 131, it is the role of City Council to:

- represent the public and to consider the well-being and interests of the City;
  - develop and evaluate the policies and programs of the City;
  - determine which services the City provides;
  - ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council;
  - ensure the accountability and transparency of the operations of the City, including the activities of the senior management of the City;
  - maintain the financial integrity of the City; and
  - carry out the duties of council under this or any other Act.
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## Budget at a Glance

2021 OPERATING BUDGET				2021 - 2030 10-YEAR CAPITAL PLAN			
\$Million	2021	2022	2023	\$Million	2021	2022-2030	Total
Revenues	\$0.1	\$2.5	\$0.1	City Council has no capital budget.			
Gross Expenditures	\$21.8	\$24.1	\$21.7				
Net Expenditures	\$21.8	\$21.6	\$21.7				
Approved Positions	25.0	25.0	25.0				

## RECOMMENDATIONS

1. City Council approve the 2021 Operating Budget for City Council of \$21.837 million gross and \$21.781 million net:

	Gross (\$000s)	Revenue (\$000s)	Net (\$000s)
<b>Total Budget</b>	<b>21,837.2</b>	<b>56.0</b>	<b>21,781.2</b>

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# 2021 OPERATING BUDGET

## 2021 OPERATING BUDGET OVERVIEW

**Table 1: 2021 Operating Budget**

(In \$000s)	2019 Actual	2020 Budget	2020 Projection*	2021 Base Budget	2021 New / Enhanced Requests	2021 Budget	Change v. 2020 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
City Council	251.2	107.5	41.7	56.0		56.0	14.3	34.3%
<b>Total Revenues</b>	<b>251.2</b>	<b>107.5</b>	<b>41.7</b>	<b>56.0</b>		<b>56.0</b>	<b>14.3</b>	<b>34.3%</b>
<b>Expenditures</b>								
City Council	18,541.7	21,888.7	20,432.7	21,837.2		21,837.2	1,404.5	6.9%
<b>Total Gross Expenditures</b>	<b>18,541.7</b>	<b>21,888.7</b>	<b>20,432.7</b>	<b>21,837.2</b>		<b>21,837.2</b>	<b>1,404.5</b>	<b>6.9%</b>
<b>Net Expenditures</b>	<b>18,290.5</b>	<b>21,781.2</b>	<b>20,391.0</b>	<b>21,781.2</b>		<b>21,781.2</b>	<b>1,390.2</b>	<b>6.8%</b>
<b>Approved Positions</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>		<b>25.0</b>		

\*2020 Projection based on Q3 Variance Report

### COSTS TO MAINTAIN EXISTING SERVICES

**Total 2021 Base Budget** of \$21.837 million gross reflecting an increase of \$1.405 million in spending above 2020 projected year-end actuals, predominantly arising from:

- Budget increase in salaries and benefits to reflect the required Councillor staffing budget envelope in accordance with Council policy.
- Budget increase in materials and supplies to reflect the required office budget envelope in accordance with Council policy.

Given the financial impacts of COVID-19 on 2020 actuals, a further comparison of the 2021 Recommended Budget to the 2020 Council approved Budget is provided below:

- **2021 Base Budget totalling \$21.781 million in net expenditures reflects a \$0 net increase above the 2020 Council approved Budget.**

**2021 OPERATING BUDGET KEY DRIVERS**

The 2021 Operating Budget for City Council is \$21.8 million gross or 6.9% higher than the 2020 Projected Actuals. However, compared to the 2020 budget, the 2021 Operating budget is \$0.052 million or 0.2% lower. Table 2 below summarizes the key cost drivers for the base budget.

**Table 2: 2021 Key Drivers – Base Budget**

Key Cost Drivers	2019 Actuals	2020 Budget	2020 Projection*	2021 Base Budget	Change Vs. 2020 Projection	
					\$	%
<b>Expenditures</b>						
1 Salaries and Benefits	16,689.2	19,151.3	18,475.5	19,198.5	723.0	3.9%
2 Materials and Supplies	120.4	822.3	114.3	822.3	708.1	619.7%
3 Equipment	154.3	137.5	59.0	56.0	(3.0)	-5.0%
4 Service and Rent	1,175.1	1,478.5	1,411.0	1,412.0	1.1	0.1%
5 Contribution To Capital						
6 Contribution To Reserves	81.6	84.8	84.8	85.5	0.7	0.8%
7 Other expenses	321.0	214.3	288.3	262.9	(25.4)	-8.8%
<b>Total Expenditures</b>	<b>18,541.7</b>	<b>21,888.7</b>	<b>20,432.7</b>	<b>21,837.2</b>	<b>1,404.5</b>	<b>6.9%</b>
<b>Revenues</b>						
1 Provincial Subsidies						
2 User Fees & Donations	4.5					
3 Draw from Reserve Funds	148.9	107.5	41.7	56.0	14.3	34.3%
4 Other Revenues (Inc. IDR's)	97.7					
<b>Total Revenues</b>	<b>251.2</b>	<b>107.5</b>	<b>41.7</b>	<b>56.0</b>	<b>14.3</b>	<b>34.3%</b>
<b>Net Expenditures</b>	<b>18,290.5</b>	<b>21,781.2</b>	<b>20,391.0</b>	<b>21,781.2</b>	<b>1,390.2</b>	<b>6.8%</b>
<b>Approved Positions</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>		

\*2020 Projection based on Q3 Variance Report

**Salaries & Benefits:**

- Budget increase of \$0.723 million is largely to reflect the required Councillor staffing budget envelope in accordance with Council policy.

**Materials and Supplies:**

- Budget increase of \$0.708 million is largely to reflect the required office budget envelope in accordance with Council policy.

**Revenues:**

- Higher revenue of \$0.014 million is due to higher funding from Council Equipment and Furniture Reserve.

**Note:**

- For additional information on 2021 key cost drivers refer to [Appendix 2](#) for a more detailed listing and descriptions of the 2021 Changes.

**2022 & 2023 OUTLOOKS****Table 3: 2022 and 2023 Outlooks**

(\$000s)	2020 Projection*	2021 Budget	2022 Outlook	2023 Outlook
Revenues	41.7	56.0	2,465.0	65.0
Gross Expenditures	20,432.7	21,837.2	24,109.0	21,722.5
<b>Net Expenditures</b>	<b>20,391.0</b>	<b>21,781.2</b>	<b>21,644.0</b>	<b>21,657.5</b>
<b>Approved Positions</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>

\*2020 Projection based on Q3 Variance Report

**Key 2022 drivers****Council Transition Costs**

- Provision for Council transition costs of \$2.400 million gross and \$0 net related to the 2022 municipal election to be funded from the Council Transition Reserve. This includes severance requirements for Councillors who are not re-elected and their staff.

**Salaries and Benefits**

- Adjustments for salaries and benefits.

**Revenue Impact**

- A one-time funding from the Council Transition Reserve for Council transition costs related to the 2022 municipal election.

**Key 2023 drivers****Council Transition Costs**

- Reversal of Council transition costs of \$2.400 million and \$0 net related to the 2022 municipal election.

**Salaries and Benefits**

- Adjustments for salaries and benefits.

**Revenue Impact**

- Reversal of one-time funding from the Council Transition Reserve for Council transition costs related to the 2022 municipal election.

# APPENDICES

## Appendix 1

### COVID-19 Financial Impact – Operating

N/A

## Appendix 2

### 2021 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2018	2019	2020	2020	2021	2021 Change from	
	Actual**	Actual**	Budget	Projection*	Total Budget	2020 Projected	Actual
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations	5.0	4.5					
Licences & Permits Revenue							
Transfers From Capital	0.5						
Contribution From Reserves/Reserve Funds	2,644.5	148.9	107.5	41.7	56.0	14.3	34.3%
Sundry and Other Revenues	89.8	97.7					
Inter-Divisional Recoveries	7.3						
<b>Total Revenues</b>	<b>2,747.0</b>	<b>251.2</b>	<b>107.5</b>	<b>41.7</b>	<b>56.0</b>	<b>14.3</b>	<b>34.3%</b>
Salaries and Benefits	22,842.7	16,689.2	19,151.3	18,475.5	19,198.5	723.0	3.9%
Materials & Supplies	92.2	120.4	822.3	114.3	822.3	708.1	619.7%
Equipment	123.6	154.3	137.5	59.0	56.0	(3.0)	(5.0%)
Service and Rent	1,240.1	1,175.1	1,478.5	1,411.0	1,412.0	1.1	0.1%
Contribution To Capital							
Contribution To Reserves/Reserve Funds	105.4	81.6	84.8	84.8	85.5	0.7	0.8%
Other Expenditures	3.4	1.6		1.2		(1.2)	(100.0%)
Inter-Divisional Charges	323.0	319.4	214.3	287.1	262.9	(24.2)	(8.4%)
<b>Total Gross Expenditures</b>	<b>24,730.3</b>	<b>18,541.7</b>	<b>21,888.7</b>	<b>20,432.7</b>	<b>21,837.2</b>	<b>1,404.5</b>	<b>6.9%</b>
<b>Net Expenditures</b>	<b>21,983.3</b>	<b>18,290.5</b>	<b>21,781.2</b>	<b>20,391.0</b>	<b>21,781.2</b>	<b>1,390.2</b>	<b>6.8%</b>
<b>Approved Positions</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>		

\* Year-End Projection Based on Q3 2020 Variance Report

\*\* Prior Year Actuals adjusted retroactively to remove interdepartmental charges and recoveries



**Appendix 3**

**Summary of 2021 Service Changes**

N/A

**Appendix 4**

**Summary of 2021 New / Enhanced Service Priorities Included in Budget**

N/A

**Appendix 5**

**Summary of 2021 New / Enhanced Service Priorities Not Included in Budget**

N/A

**Appendix 6**

**2021 Capital Budget; 2022 - 2030 Capital Plan Including Carry Forward Funding**

N/A

**Appendix 6a**

**2021 Cash Flow and Future Year Commitments Including Carry Forward Funding**

N/A

**Appendix 6b**

**2022 - 2030 Capital Plan**

N/A

**Appendix 7**

**Reporting on Major Capital Projects: Status Update**

N/A

**Appendix 8**

**Summary of Capital Needs Constraints**

N/A

**Appendix 9**

**2021 User Fee Changes**

N/A

## Appendix 10

### Inflows and Outflows to/from Reserves and Reserve Funds 2021 Operating Budget

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
<b>Beginning Balance</b>		2,050.7	5,050.7	5,050.7	2,650.7
Council Transition Reserve	XQ0010				
<i>Withdrawals (-)</i>				(2,400.0)	
<i>Contributions (+)</i>		3,000.0			
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>5,050.7</b>	<b>5,050.7</b>	<b>2,650.7</b>	<b>2,650.7</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>5,050.7</b>	<b>5,050.7</b>	<b>2,650.7</b>	<b>2,650.7</b>

\* Based on 9-month 2020 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
<b>Beginning Balance</b>		174.8	415.1	359.1	294.1
Council Furniture and Equipment Reserve	XQ0009				
<i>Withdrawals (-)</i>		(41.7)	(56.0)	(65.0)	(65.0)
<i>Contributions (+)</i>		282.0			
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>415.1</b>	<b>359.1</b>	<b>294.1</b>	<b>229.1</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>415.1</b>	<b>359.1</b>	<b>294.1</b>	<b>229.1</b>

\* Based on 9-month 2020 Reserve Fund Variance Report

#### Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2020 *	Withdrawals (-) / Contributions (+)		
			2021	2022	2023
		\$	\$	\$	\$
<b>Beginning Balance</b>			30,142.0	14,677.8	(2,550.5)
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>					
City Council					
Other Division/Agency			(78,134.0)	(79,851.0)	(82,069.0)
<i>Contributions (+)</i>					
City Council			85.5	85.5	85.5
Other Division/Agency			62,584.3	62,537.3	62,537.3
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>14,677.8</b>	<b>(2,550.5)</b>	<b>(21,996.7)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(15,549.7)</b>	<b>(17,313.7)</b>	<b>(19,531.7)</b>
<b>Balance at Year-End</b>			<b>14,677.8</b>	<b>(2,550.5)</b>	<b>(21,996.7)</b>

\* Based on 9-month 2020 Reserve Fund Variance Report

## Appendix 11

### Glossary

**Approved Position:** Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

**Actuals:** An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

**Complement:** Positions that support the delivery of City services and service levels as approved by Council.

**Operating Budget:** An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

**Recommended Operating Budget:** An operating budget recommended to City Council for consideration and approval.