

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.

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)
Total Budget	21,837.2	56.0	21,781.2

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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	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
City Council	251.2	107.5	41.7	56.0		56.0	14.3	34.3%
Total Revenues	251.2	107.5	41.7	56.0		56.0	14.3	34.3%
Expenditures								
City Council	18,541.7	21,888.7	20,432.7	21,837.2		21,837.2	1,404.5	6.9%
Total Gross Expenditures	18,541.7	21,888.7	20,432.7	21,837.2		21,837.2	1,404.5	6.9%
Net Expenditures	18,290.5	21,781.2	20,391.0	21,781.2		21,781.2	1,390.2	6.8%
Approved Positions	25.0	25.0	25.0	25.0		25.0		

*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	
					\$	%
Expenditures						
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%
Total Expenditures	18,541.7	21,888.7	20,432.7	21,837.2	1,404.5	6.9%
Revenues						
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					
Total Revenues	251.2	107.5	41.7	56.0	14.3	34.3%
Net Expenditures	18,290.5	21,781.2	20,391.0	21,781.2	1,390.2	6.8%
Approved Positions	25.0	25.0	25.0	25.0		

*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
Net Expenditures	20,391.0	21,781.2	21,644.0	21,657.5
Approved Positions	25.0	25.0	25.0	25.0

*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						
Total Revenues	2,747.0	251.2	107.5	41.7	56.0	14.3	34.3%
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%)
Total Gross Expenditures	24,730.3	18,541.7	21,888.7	20,432.7	21,837.2	1,404.5	6.9%
Net Expenditures	21,983.3	18,290.5	21,781.2	20,391.0	21,781.2	1,390.2	6.8%
Approved Positions	25.0	25.0	25.0	25.0	25.0		

* 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
		\$	\$	\$	\$
Beginning Balance		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			
Total Reserve / Reserve Fund Draws / Contributions		5,050.7	5,050.7	2,650.7	2,650.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		5,050.7	5,050.7	2,650.7	2,650.7

* 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
		\$	\$	\$	\$
Beginning Balance		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			
Total Reserve / Reserve Fund Draws / Contributions		415.1	359.1	294.1	229.1
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		415.1	359.1	294.1	229.1

* 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
		\$	\$	\$	\$
Beginning Balance			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
Total Reserve / Reserve Fund Draws / Contributions			14,677.8	(2,550.5)	(21,996.7)
Other Program / Agency Net Withdrawals & Contributions			(15,549.7)	(17,313.7)	(19,531.7)
Balance at Year-End			14,677.8	(2,550.5)	(21,996.7)

* 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.