

Budget Committee

Meeting No.	35	Contact	Matthew Green, Committee Administrator
Meeting Date	Friday, November 19, 2021	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Video Conference	Chair	Councillor Gary Crawford

BU35.5	ACTION	Adopted		Ward: All
---------------	---------------	---------	--	-----------

Capital Variance Report for the Nine Months Ended September 30, 2021

Committee Decision

The Budget Committee recommends that:

1. City Council approve in-year budget adjustments to the 2021-2030 Approved Capital Budget and Plan as detailed in Appendix 4 to the report (November 19, 2021) from the Chief Financial Officer and Treasurer.

Origin

(November 3, 2021) Report from the Chief Financial Officer and Treasurer

Summary

This is to advise that prior to Budget Committee on November 19, 2021, a Capital Variance Report for the nine months ended September 30, 2021, with additional analysis and recommendations will be submitted for consideration. Due to accelerating the agenda to ensure 2022 rate budget materials are publicly shared and to the additional complexity associated with analyzing financial implications of COVID-19, additional time is required to provide detailed review and analysis for the variance reports, in advance of the Budget Committee meeting.

The Capital Variance Report will contain capital spending results for the nine months ended September 30, 2021 as well as projected expenditures to December 31, 2021. The report will also request City Council's approval for in-year budget adjustments to the 2021 Approved 2021-2030 Capital Budget and Plan.

Background Information

(November 3, 2021) Report from the Chief Financial Officer and Treasurer on Capital Variance Report for the Nine Months Ended September 30, 2021
<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-172815.pdf>

5a Capital Variance Report for the Nine Months Ended September 30, 2021

Origin

(November 19, 2021) 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, 2021, as well as projected expenditures to December 31, 2021. Furthermore, this report seeks Council's approval for in-year budget adjustments to the 2021 Approved Capital Budget and Plan.

As illustrated in Table 1 below, City's 2021 capital expenditure was \$1.917 billion or 36.4 percent of the 2021 capital budget of \$5.267 billion for the period ended September 30, 2021 and is projecting to expend \$4.076 billion or 77.4 percent by December 31, 2021.

Table 1 - Capital Variance Summary

Table 1 Corporate Capital Variance Summary for the Period Ended September 30, 2021					
	2021 Approved Budget	2021 Third Quarter Actual Expenditures		2021 Projected Year End Expenditures	
	\$Million	\$Million	Percent	\$Million	Percent
City Operations	2,162	719	33.3 percent	1,439	66.6 percent
Agencies	1,641	471	28.7 percent	1,357	82.7 percent
Tax Supported	3,802	1,190	31.3 percent	2,796	73.5 percent
Rate Supported Programs:	1,465	728	49.7 percent	1,280	87.4 percent
TOTAL	5,267	1,917	36.4 percent	4,076	77.4 percent

*Note: Includes 2020 carry forward funding

The Capital spending pattern for the first nine months typically ranges between 32 percent and 48 percent of the total Council Approved Capital Budget, with the 2021 experience of 36.4

percent. The total City projected spend of 77.4 percent by year-end is comprised of a Tax Supported Programs spending rate of 73.5 percent and a Rate Supported Programs spending rate of 87.4 percent.

Moving forward, the City will continue to plan annual capital projects in line with both affordability and achievability, based on the historical actual capacity. The strategy is expected to build on improvements experienced to date and also improve capital spend rate in future years; fully utilizing approved funding and enabling any excess funding capacity to support additional capital priorities.

Background Information

(November 19, 2021) Report from the Chief Financial Officer and Treasurer on Capital Variance Report for the Nine Months Ended September 30, 2021

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173277.pdf>)

Appendix 1 - 2021 Capital Variance and Projection Summary for the Nine Months Ended September 30, 2021

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173278.pdf>)

Appendix 2A - 2021 Third Quarter Capital Projects Recommended for Full Closure

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173296.pdf>)

Appendix 2B - 2021 Third Quarter Capital Projects Recommended for Partial Closure

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173279.pdf>)

Appendix 3 - 2021 Third Quarter Major Capital Projects

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173297.pdf>)

Appendix 4 - In-Year Adjustments for the Nine Months Ended September 30, 2021

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173280.pdf>)

Appendix 5 - 2021 Third Quarter Capital Variance Dashboard by Program and Agency

(<http://www.toronto.ca/legdocs/mmis/2021/bu/bgrd/backgroundfile-173298.pdf>)