

2013 Interim Estimates

Date:	October 18, 2012
To:	Executive Committee
From:	Acting Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2012\Internal Services\Fp\Ec12026Fp (AFS #16440)

SUMMARY

The 2013 Operating and Capital Budgets are scheduled to be approved by City Council in January 2013. The purpose of this report is to request Council's approval for the 2013 Interim Operating and Capital Estimates in order to enable City Programs and Agencies to carry out their ongoing (base) operations and to continue work on previously approved urgent capital projects during the period January 1 to February 28, 2013.

In accordance with the Financial Control By-Law, Interim Operating Estimates must be approved prior to January 1, 2013 to ensure that appropriate Council approval is granted to fund the continuance of the City's business during the period January 1 to February 28, 2013. The 2013 Interim Operating Estimates are \$1.908 billion gross; and requires cash outflow funding of \$1.604 billion. The 2013 Interim Capital Estimates total \$184.822 million gross and requires debenture financing of \$74.704 million.

RECOMMENDATIONS

The Acting Deputy City Manager and Chief Financial Officer recommends that City Council:

1. Approve the 2013 Interim Operating Estimates totalling \$1.908 billion as detailed by City Program and Agency in Appendix 1 attached.
2. Authorize the Acting Deputy City Manager and Chief Financial Officer to make net disbursement of \$1.604 billion during the period January 1 to February 28, 2013,

including cash transfer of \$333.194 million to Agencies as detailed in the attached Appendix 1.

3. Approve the 2013 Interim Capital Estimates totalling \$184.822 million as detailed by City Program and Agency in Appendix 2 attached.
4. Approve debenture financing of no more than \$74.704 million with terms not to exceed the useful life of the capital assets.
5. Authorize and direct the appropriate City Officials to take the necessary action to give effect thereto.

FINANCIAL IMPACT

As shown in Table 1, the 2013 Interim Operating Estimates total \$1.908 billion gross. Estimated cash outflows total \$1.604 billion. Cash outflows for City Operations total \$1.002 billion; for Corporate Accounts \$268.840 million. Most Agencies are only partially funded by the City. These include the Toronto Transit Commission (TTC) for which approximately 70% of expenditures are funded from its own receipts. As detailed in Appendix 1, transfers to City Agencies to enable them to make their cash payments during the period January 1 to February 28, 2013 total \$333.194 million.

Table 1 City of Toronto 2013 INTERIM OPERATING ESTIMATES For the Period Jan 1 to February 28, 2013 (\$000's)		
	Gross	Cash Outflow
Citizen Centred Services "A"	671,470.5	671,470.5
Citizen Centred Services "B"	212,452.6	212,452.6
Internal Services	85,322.7	85,322.7
City Manager	9,521.6	9,521.6
Other City Programs	23,498.7	23,498.7
Total - City Operations	1,002,266.2	1,002,266.2
Agencies	637,103.2	333,194.2
Corporate Accounts	268,840.5	268,840.5
Total - Tax Supported Programs	1,908,209.9	1,604,300.9

The 2013 Interim Capital Estimates for previously approved capital projects for the two month period ending February 28, 2013 total \$184.822 million requiring debt funding of

\$74.704 million is summarized in Table 2 below and detailed by City Program and Agency in Appendix 2. Interim Capital Estimates for City Operations total \$64.931 million gross and \$28.399 million debt; and \$119.891 million gross and \$46.304 million debt for City Agencies.

Table 2 City of Toronto 2013 Interim Capital Estimates For the Period January 1 to February 28, 2013 (\$000's)		
	Gross	Debt
Citizen Centred Services "A"	7,699.3	1,887.1
Citizen Centred Services "B"	9,661.3	5,392.1
Internal Services	32,433.5	6,283.1
Other City Programs	15,137.2	14,837.6
Total - City Operation	64,931.3	28,399.9
Agencies	119,891.1	46,304.0
Total - Tax Supported Programs	184,822.4	74,703.9

ISSUE BACKGROUND

The City of Toronto Act (CoTA), sub-section 228 (1) states that, "The City shall in each year adopt a budget including estimates of all sums required during the year "for the purpose of continuing its business. The Financial Control By-Law stipulates that, "Council shall, before the adoption of the final operating budget for a year, adopt an interim operating budget... prior to the 1st day of January of the year in which the operating budget will be adopted" (Toronto Municipal Code, Article II, sub-section 71-5).

COMMENTS

2013 Interim Operating Estimates

Traditionally, Operating Budgets are not approved prior to January 1 of a fiscal (budget) year. To ensure that adequate spending authority is in place during the period January 1 and the date on which the budget is adopted (and established in the City's financial system), City Council is required to approve Interim Operating Estimates in accordance with CoTA and the Financial Control By law, thereby, ensuring that services will continue to be provided without interruption.

The 2013 Operating Budget will be considered by City Council at its special meeting scheduled for January 15-17, 2013. In order to enable City Programs and Agencies to carry out base operations during the first part of the year, it is estimated that most City Programs and Agencies will require authority to spend no more than 20% of their 2012

Council Approved Gross Operating Budget. For the Affordable Housing Office, Transportation Services, Fleet Services, City Manager's Office, Toronto Public Health, Toronto Public Library, the Association of Community Centres, Theatres, Toronto Zoo, Yonge/Dundas Square, Toronto Region Conservation and Authority and for Corporate Accounts, the estimates have been adjusted to include full funding authority for contract awards and commitments in excess of the 20% limits expected to be met in early 2013.

2013 Interim Capital Estimates

City Council's approval of the 2013 Interim Capital Estimates is required in order to continue work on previously approved capital projects until the 2013 -2022 Capital Budget and Plan is approved and to ensure compliance with the CoTA and the City's Financial Control By-Law. This will enable staff to take full advantage of time-driven benefits, remove/mitigate health and safety risks and to proceed with capital activities on previously approved projects that must continue during the first two months of 2013.

Analysis indicates that capital spending and commitments during the first two months of each of the years 2009 to 2012, approximated 10% of the annual Council Approved Capital Budget. As such, the 2012 Interim Capital Estimates represent 10% of previously approved capital projects' cash flow commitments. For 311 Toronto, City Planning, Waterfront Revitalisation Initiative, Financial Services, Fleet Services, City Clerk's Office, Radio Replacement Project and Toronto Public Health the estimates have been adjusted to include contractual obligations and commitments in excess of 10%. It is noted that no funding for *new projects* is included in the recommended 2013 Interim Capital Estimates.

CONTACT

Josie La Vita, Director
Financial Planning
Tel: 416 397-4229, Fax: 416 397-4465

Andy Cui, Manager
Financial Planning
Tel: 416 397-4207, Fax: 416 397-4465

SIGNATURE

Giuliana Carbone
Acting Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Appendix 1 - 2013 Interim Operating Estimate
Appendix 2 - 2013 Interim Capital Estimates

CITY OF TORONTO
2013 INTERIM OPERATING ESTIMATES
For the Period Jan 1 to February 28, 2013
(\$000's)

Appendix 1

Programs/Agencies	2012 Council		2013 Interim Budget
	Approved Gross	Gross	Cash Out-Flow
as at Sept 28, 2012			
Citizen Centred Services "A"			
Affordable Housing Office*	2,580.9	530.0	530.0
Children's Services	392,500.4	78,500.1	78,500.1
Court Services	52,263.2	10,452.6	10,452.6
Economic Development, Culture and Tourism	55,913.3	11,182.7	11,182.7
Emergency Medical Services	169,548.6	33,909.7	33,909.7
Long Term Care Homes & Services	226,506.3	45,301.3	45,301.3
Parks, Forestry & Recreation	382,556.8	76,511.4	76,511.4
Shelter Support & Housing Administration	792,121.6	158,424.3	158,424.3
Social Development, Finance & Administration	39,787.3	7,957.5	7,957.5
Toronto Employment & Social Services	1,225,127.9	245,025.6	245,025.6
3-1-1 Project Management Office	18,377.4	3,675.5	3,675.5
Sub-Total Citizen Centred Services "A"	3,357,283.6	671,470.5	671,470.5
Citizen Centred Services "B"			
City Planning	38,679.0	7,735.8	7,735.8
Fire Services	369,771.3	73,954.3	73,954.3
Municipal Licensing & Standards	47,336.9	9,467.4	9,467.4
Policy, Planning, finance & Admin.	21,975.1	4,395.0	4,395.0
Technical Services	70,016.8	14,003.4	14,003.4
Toronto Building	46,735.6	9,347.1	9,347.1
Toronto Environment Office	5,932.7	1,186.5	1,186.5
Transportation Services*	327,347.8	92,363.1	92,363.1
Sub-Total Citizen Centred Services "B"	927,795.3	212,452.6	212,452.6
Internal Services			
Office of the Chief Financial Officer	16,765.8	3,353.2	3,353.2
Office of the Treasurer	73,372.7	14,674.5	14,674.5
Facilities & Real Estate	176,857.7	35,371.5	35,371.5
Fleet Services*	47,653.8	12,503.8	12,503.8
Information & Technology	97,098.4	19,419.7	19,419.7
Sub-Total Internal Services	411,748.5	85,322.7	85,322.7
City Manager			
City Manager's Office*	43,608.1	9,521.6	9,521.6
Sub-Total City Manager	43,608.1	9,521.6	9,521.6
Other City Programs			
City Clerk's Office	47,802.0	9,560.4	9,560.4
Legal Services	41,671.8	8,334.4	8,334.4
Mayor's Office	1,908.3	381.7	381.7
Council	19,146.5	3,829.3	3,829.3
Auditor General's Office	4,271.4	854.3	854.3
Office of the Integrity Commissioner	211.1	42.2	42.2
Office of the Lobbyist Registrar	1,061.4	212.3	212.3
Office of the Ombudman	1,421.1	284.2	284.2
Sub-Total Other City Programs	117,493.7	23,498.7	23,498.7
TOTAL - CITY OPERATION	4,857,929.1	1,002,266.2	1,002,266.2

CITY OF TORONTO
2013 INTERIM OPERATING ESTIMATES
For the Period Jan 1 to February 28, 2013
(\$000's)

Programs/Agencies	2012 Council	2013 Interim Budget	
	Approved Gross as at Sept 28, 2012	Gross	Cash Out- Flow
Agencies			
Toronto Public Health*	238,981.9	49,451.9	9,905.8
Toronto Public Library*	179,414.3	37,397.5	34,412.0
Association of Community Centers*	6,951.6	1,390.3	1,372.5
Exhibition Place	64,772.7	12,954.5	0.5
Heritage Toronto	880.9	176.2	62.4
Theatres*	27,900.8	5,580.2	653.2
Toronto Zoo*	45,663.5	9,132.7	4,000.0
Arena Boards of Management	6,730.7	1,346.1	0.0
Yonge/Dundas Square*	1,965.3	425.8	100.5
Toronto Region Conservation Authority*	37,203.0	7,440.6	1,308.0
Toronto Transit Commission	1,544,254.2	308,850.8	93,796.6
Toronto Police Service	1,012,031.2	202,406.2	187,132.4
Toronto Police Service Board	2,751.6	550.3	450.3
SUB-TOTAL - AGENCIES	3,169,501.8	637,103.2	333,194.2
Corporate Accounts			
Community Partnership and Investment Program	0.0	0.0	0.0
Capital & Corporate Financing	639,127.3	127,825.5	127,825.5
Non-Program Expenditures			
- Tax Deficiencies/Write-offs	72,329.1	14,465.8	14,465.8
- Other Corporate Expenditures*	135,608.6	102,975.9	102,975.9
- Assessment Function (MPAC)	38,174.0	7,634.8	7,634.8
- Parking Tag Enforcement & Oper.	57,692.5	11,538.5	11,538.5
- Vacancy Rebate Program	22,000.0	4,400.0	4,400.0
- Street & Expressway	0.0	0.0	0.0
- Other	406,474.1	0.0	0.0
Non-Program Expenditures	732,278.3	141,015.1	141,015.1
TOTAL - CORPORATE ACCOUNTS	1,371,405.6	268,840.5	268,840.5
TOTAL - TAX SUPPORTED PROGRAMS	9,398,836.5	1,908,209.9	1,604,300.9

* Interim Budget based on contractual commitments for ongoing/existing operations



City of Toronto
2013 Interim Capital Estimates
For the Period January 1 to February 28, 2013

Appendix 2

City Programs/Agencies	(\$000's)	
	Recommended Interim Estimates	
	Gross	Debt
Citizen Centred Services "A"		
311 Toronto*	684.6	684.6
Children's Services	167.2	167.2
Court Services	10.2	0.0
Economic Development and Culture	180.6	150.6
Emergency Medical Services	359.7	332.2
Long Term Care Homes Services	1,416.5	272.5
Parks, Forestry & Recreation	4,730.5	280.0
Shelter, Support & Housing Administration	0.0	0.0
Toronto Employment & Social Services	150.0	0.0
Sub-Total - Citizen Centred A	7,699.3	1,887.1
Citizen Centred Services "B"		
City Planning*	417.0	289.3
Fire Services	822.0	799.2
Transportation Services	2,377.8	2,297.6
Waterfront Revitalization Initiative*	6,044.5	2,006.0
Sub-Total - Citizen Centred B	9,661.3	5,392.1
Internal Services		
Facilities Management and Real Estate	13,922.9	4,617.0
Financial Services*	5,059.5	1,446.1
Fleet Services*	12,105.0	0.0
Information & Technology	1,346.1	220.0
Sub-Total - Internal Services	32,433.5	6,283.1
Other City Programs		
City Clerk's Office*	887.0	595.0
Pan Am Games	2,154.2	2,146.6
Radio Replacement Project*	12,096.0	12,096.0
Sustainable Energy Plan	0.0	0.0
Sub-Total - Other City Programs	15,137.2	14,837.6
Total - City Operation	64,931.3	28,399.9
Agencies		
Exhibition Place	0.0	0.0
GO Transit	2,000.0	2,000.0
Toronto & Region Conservation Authority	1,400.0	1,400.0
Toronto Police Service	1,208.8	1,025.1
Toronto Public Health*	623.2	264.2
Toronto Public Library	3,129.7	1,098.8
Toronto Zoo	268.4	216.8
Toronto Transit Commission (inc. Spadina)	111,261.0	40,299.1
Sub-Total - Agencies	119,891.1	46,304.0
Total - Tax Supported Programs	184,822.4	74,703.9

* Interim budget based on contractual obligations and commitments