



## STAFF REPORT ACTION REQUIRED

### 2016 Interim Estimates

<b>Date:</b>	October 29, 2015
<b>To:</b>	Budget Committee
<b>From:</b>	Deputy City Manager & Chief Financial Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2015\Internal Services\Fp\Bc15026Fp

### SUMMARY

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In accordance with the Financial Control By-Law, Interim Operating Estimates must be approved prior to January 1, 2016 to ensure that appropriate Council approval is granted to fund the continuance of the City's business until 2016 Operating and Capital Budgets are approved by City Council.

The 2016 Tax supported Operating and Capital Budgets are scheduled to be approved by City Council on February 17 and 18, 2016. The purpose of this report is to establish the 2016 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 until the 2016 Operating and Capital Budgets are approved by City Council and uploaded in the City financial system.

The 2016 Tax Supported Interim Operating Estimates are \$4.967 billion gross and requires cash outflow funding of \$3.959 billion. The 2016 Tax Supported Interim Capital Estimates total \$1.311 billion gross and requires debenture financing of \$647.853 million.

### RECOMMENDATIONS

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The Deputy City Manager & Chief Financial Officer recommends that City Council:

1. Approve the 2016 Interim Operating Estimates totalling \$4.967 billion as detailed by City Program and Agency in Appendix 1 attached.

2. Approve the 2016 Interim Capital Estimates totalled \$1.311 billion in gross expenditures and financing of \$647.853 million in debt funding; \$332.744 million in Provincial and Federal funding; \$159.077 million in Reserve/Reserve Funds funding; \$42.149 million in Development Charges and \$128.879 million in Third Party and Other funding as detailed by City Program and Agency in Appendix 2 attached.

## Financial Impact

As shown in Table 1, the 2016 Interim Operating Estimates total \$4.967 billion gross requiring estimated cash outflows of \$3.959 billion. Cash outflows for City Operations total \$2.474 billion; for Corporate Accounts \$488.824 million. Transfers to City Agencies to make their cash payments total \$995.999 million as most Agencies are only partially funded by the City, which includes the Toronto Transit Commission (TTC) for which approximately 70% of expenditures are funded from its own receipts.

<b>Table 1 City of Toronto 2016 Interim Operating Estimates (\$000's)</b>		
	<b>Gross</b>	<b>Cash Flow</b>
Citizen Centred Services "A"	1,636,503	1,636,503
Citizen Centred Services "B"	508,523	508,523
Internal Services	236,416	236,416
Other City Programs	93,011	93,011
<b>Total - City Operation</b>	<b>2,474,454</b>	<b>2,474,454</b>
Agencies	1,789,102	995,999
Corporate Accounts	703,461	488,824
<b>Total - Tax Supported Programs</b>	<b>4,967,018</b>	<b>3,959,276</b>

The 2016 Interim Capital Estimates for previously approved capital projects, approved cash flow funding commitments and carry forward funding required to complete capital work undelivered totals \$1.311 billion and is summarized in Table 2. These expenditures will be funded as follows:

- \$647.853 million in debt funding,
- \$332.744 million in Provincial/Federal funding,
- \$159.077 million in Reserve/Reserve funding,
- \$42.149 million in Development Charges funding, and
- \$128.879 million in Third Party and Other funding

Please refer to Appendix 2 for further details.

<p style="text-align: center;"><b>Table 2</b>  <b>City of Toronto</b>  <b>2016 Interim Capital Estimates</b>  <b>(\$000's)</b></p>		
	<b>Gross</b>	<b>Debt</b>
Citizen Centred Services "A"	95,293	22,193
Citizen Centred Services "B"	126,085	85,315
Internal Services	227,760	62,274
Other City Programs	17,520	1,042
<b>Total - City Operation</b>	<b>466,658</b>	<b>170,824</b>
Agencies	844,043	477,030
<b>Total - Tax Supported Programs</b>	<b>1,310,701</b>	<b>647,853</b>

## 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 1<sup>st</sup> day of January of the year in which the operating budget will be adopted" (Toronto Municipal Code, Article II, sub-section 71-5).

## COMMENTS

### 2016 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, appropriating funds to ensure that services will continue to be provided without interruption.

The 2016 Operating Budget will be considered by City Council at its special meeting of February 17 and 18, 2016. In order to enable City Programs and Agencies to carry out base operations during the first part of the year, it is recommended that Council authorize funding to City Programs and Agencies the authority to spend no more than 50% of the 2015 Council Approved budget, as permitted by legislation.

## **2016 Interim Capital Estimates**

City Council's approval of the 2016 Interim Capital Estimates is required in order to continue work on previously approved capital projects until the 2016 -2025 Capital Budget and Plan is approved and established in the City's financial system. 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 three months of 2016.

2016 Interim Capital Budget Estimates for City Programs and Agencies represent 46% of the 2015 Council Approved Capital Budget. Spending authority is requested to complete capital work already approved and under way in the first quarter of 2016 and/or to fulfill contractual obligations.

It should be noted that no funding for *new/enhanced services or new capital projects* is included in the recommended 2016 Interim Estimates, as consideration for new funding is subject to the 2016 Budget process.

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### **SIGNATURE**

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Roberto Rossini  
Deputy City Manager & Chief Financial Officer

### **ATTACHMENTS**

Appendix 1 - 2016 Interim Operating Estimates  
Appendix 2 - 2016 Interim Capital Estimates

**CITY OF TORONTO  
2016 INTERIM BUDGET ESTIMATES  
(\$000's)**

Programs/Agencies	2016 Interim Budget			
	2015 Gross Expenditures as at Sept 25	2015 Net Expenditures as at Sept 25	Gross	Cash Out-Flow
<b>Citizen Centred Services "A"</b>				
Affordable Housing Office	2,765.2	1,195.7	1,382.6	1,382.6
Children's Services	452,536.4	76,818.2	226,268.2	226,268.2
Court Services	49,540.5	(5,043.2)	24,770.3	24,770.3
Economic Development, Culture and Tourism	77,645.3	53,901.0	38,822.7	38,822.7
Toronto Paramedic Services	197,879.1	74,778.0	98,939.6	98,939.6
Long Term Care Homes & Services	242,193.6	46,251.0	121,096.8	121,096.8
Parks, Forestry & Recreation	438,417.7	308,501.9	219,208.9	219,208.9
Shelter Support & Housing Administration	651,255.5	283,572.2	325,627.8	325,627.8
Social Development, Finance & Administration	47,399.9	30,979.3	23,700.0	23,700.0
Toronto Employment & Social Services	1,113,372.6	151,549.0	556,686.3	556,686.3
Sub-Total Citizen Centred Services "A"	3,273,005.8	1,022,503.1	1,636,502.9	1,636,502.9
<b>Citizen Centred Services "B"</b>				
City Planning	43,102.7	15,625.5	21,551.4	21,551.4
Fire Services	433,003.2	416,003.0	216,501.6	216,501.6
Municipal Licensing & Standards	50,898.3	21,079.1	25,449.2	25,449.2
Policy, Planning, Finance & Administration	22,116.4	9,764.3	11,058.2	11,058.2
Engineering & Construction Services	66,904.3	7,610.3	33,452.2	33,452.2
Toronto Building	50,471.0	(10,728.9)	25,235.5	25,235.5
Transportation Services	350,551.0	207,711.4	175,275.5	175,275.5
Sub-Total Citizen Centred Services "B"	1,017,046.9	667,064.7	508,523.5	508,523.5
<b>Internal Services</b>				
Office of the Chief Financial Officer	16,231.3	9,450.6	8,115.7	8,115.7
Office of the Treasurer	77,300.0	30,390.0	38,650.0	38,650.0
<b>Facilities Management &amp; Real Estate</b>	189,647.0	65,555.7	94,823.5	94,823.5
Fleet Services	50,721.1	(431.0)	25,360.6	25,360.6
Information & Technology	120,008.8	70,766.5	60,004.4	60,004.4
<b>3-1-1 Project Management Office</b>	18,923.7	10,593.8	9,461.9	9,461.9
Sub-Total Internal Services	472,831.9	186,325.6	236,416.0	236,416.0
<b>City Manager</b>				
City Manager's Office	55,072.5	46,933.1	27,536.3	27,536.3
Sub-Total City Manager	55,072.5	46,933.1	27,536.3	27,536.3
<b>Other City Programs</b>				
City Clerk's Office	50,186.5	32,771.3	25,093.3	25,093.3
Legal Services	49,619.6	20,358.4	24,809.8	24,809.8
Mayor's Office	2,297.1	2,297.1	1,148.6	1,148.6
City Council	20,822.6	20,692.6	10,411.3	10,411.3
Auditor General's Office	4,717.3	4,717.3	2,358.7	2,358.7
Office of the Integrity Commissioner	427.8	427.8	213.9	213.9
Office of the Lobbyist Registrar	1,124.1	1,124.1	562.1	562.1
Office of the Ombudsman	1,755.4	1,755.4	877.7	877.7
Sub-Total Other City Programs	130,950.4	84,144.0	65,475.2	65,475.2
<b>TOTAL - CITY OPERATION</b>	<b>4,948,907.5</b>	<b>2,006,970.5</b>	<b>2,474,453.8</b>	<b>2,474,453.8</b>

**CITY OF TORONTO**  
**2016 INTERIM BUDGET ESTIMATES**  
 (\$000's)

Programs/Agencies	2016 Interim Budget			
	2015 Gross Expenditures as at Sept 25	2015 Net Expenditures as at Sept 25	Gross	Cash Out-Flow
<b>Agencies</b>				
Toronto Public Health	252,325.8	57,019.3	126,162.9	126,162.9
Toronto Public Library	188,719.1	172,203.0	94,359.6	86,101.5
Association of Community Centers	7,900.1	7,476.9	3,950.1	3,738.5
Exhibition Place	38,178.6	(252.3)	19,089.3	0.0
Heritage Toronto	761.5	312.0	380.8	156.0
<b>Theatres</b>				
Toronto Zoo	50,594.2	11,739.1	25,297.1	5,869.6
Arena Boards of Management	8,400.4	(6.8)	4,200.2	0.0
Yonge/Dundas Square	2,265.9	393.3	1,133.0	196.7
Toronto Region Conservation Authority	40,187.0	3,456.0	20,093.5	1,728.0
Toronto Atmospheric Fund	2,575.0	0.0	1,287.5	0.0
Toronto Transit Commission	1,809,133.4	582,529.6	904,566.7	291,264.8
Toronto Police Service	1,150,934.2	954,061.0	575,467.1	477,030.5
Toronto Police Services Board	3,065.8	2,315.8	1,532.9	1,157.9
<b>SUB-TOTAL - AGENCIES</b>	<b>3,578,204.7</b>	<b>1,796,432.2</b>	<b>1,789,102.4</b>	<b>995,998.9</b>
<b>Corporate Accounts</b>				
Capital & Corporate Financing	701,532.0	643,126.1	350,766.0	350,766.0
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	87,575.3	49,000.0	43,787.7	43,787.7
- Other Corporate Expenditures	61,868.1	58,585.0	30,934.1	30,934.1
- Assessment Function (MPAC)	40,210.4	40,210.4	20,105.2	20,105.2
- Parking Tag Enforcement & Oper.	63,461.2	63,461.2	31,730.6	31,730.6
- Vacancy Rebate Program	23,000.0	23,000.0	11,500.0	11,500.0
- Other	429,275.9	(832,149.9)	214,638.0	0.0
Non-Program Expenditures	705,390.9	(597,893.3)	352,695.5	138,057.5
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>1,406,922.9</b>	<b>45,232.8</b>	<b>703,461.5</b>	<b>488,823.5</b>
<b>TOTAL - TAX SUPPORTED PROGRAMS</b>	<b>9,934,035.1</b>	<b>3,848,635.5</b>	<b>4,967,017.6</b>	<b>3,959,276.2</b>

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



City of Toronto  
2016 Interim Capital Estimates

(\$000's)

City Programs/Agencies	Recommended Interim Estimates	
	Gross	Debt
<b>Citizen Centred Services "A"</b>		
Children's Services	2,754	1,386
Economic Development and Culture	6,966	3,342
Toronto Paramedic Services	14,348	7,107
Long Term Care Homes Services	10,675	9,500
Parks, Forestry & Recreation	50,655	858
Shelter, Support & Housing Administration	9,895	
Toronto Employment & Social Services		
Sub-Total - Citizen Centred A	95,293	22,193
<b>Citizen Centred Services "B"</b>		
City Planning	1,831	1,450
Fire Services	10,016	1,788
Transportation Services	99,207	81,806
Waterfront Revitalization Initiative	15,031	271
Sub-Total - Citizen Centred B	126,085	85,315
<b>Internal Services</b>		
311 Toronto	1,564	1,564
Facilities Management and Real Estate	202,554	54,843
Financial Services	5,783	4,470
Fleet Services	12,899	
Information & Technology	4,960	1,397
Sub-Total - Internal Services	227,760	62,274
<b>Other City Programs</b>		
City Clerk's Office	1,360	300
Accountability Offices	742	742
Sustainable Energy Plan	15,418	
Sub-Total - Other City Programs	17,520	1,042
<b>Total - City Operation</b>	<b>466,658</b>	<b>170,824</b>
<b>Agencies</b>		
Exhibition Place	1,773	1,773
Theatres - SONY	1,522	297
Toronto Police Service	8,157	5,419
Toronto Public Health	828	803
Toronto Public Library	5,372	3,516
Toronto Zoo	2,500	2,500
Toronto Transit Commission (incl Spadina Subway)	823,891	462,722
Sub-Total - Agencies	844,043	477,030
<b>Total - Tax Supported Programs</b>	<b>1,310,701</b>	<b>647,853</b>