

2022 Budget Notes

City Council

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at FPD@toronto.ca.

Description

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.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

City Clerk's Office:

Grace Young

Acting Deputy City Clerk

Tel: (416) 392-9903

Email: grace.young@toronto.ca

Corporate:

Marie Barcellos

Manager, Financial Planning

Tel: (416) 392-8393

Email: marie.barcellos@toronto.ca

Budget at a Glance

2022 OPERATING BUDGET			
<u>\$Million</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues	\$2.3	\$0.1	\$0.0
Gross Expenditures	\$24.2	\$22.3	\$22.5
Net Expenditures	\$21.9	\$22.2	\$22.5
Approved Positions	25.0	25.0	25.0

2022 - 2031 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2022</u>	<u>2023-2031</u>	<u>Total</u>
City Council has no capital budget.			

RECOMMENDATIONS

1. City Council approve the 2022 Operating Budget for City Council of \$24.202 million gross and \$21.862 million net:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Total City Council Budget	\$24,202.2	\$2,340.0	\$21,862.2

2022 OPERATING BUDGET

2022 OPERATING BUDGET OVERVIEW

Table 1: 2022 Operating Budget

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
City Council	176.9	56.0	56.0	2,340.0		2,340.0	2,284.0	4078.6%
Total Revenues	176.9	56.0	56.0	2,340.0		2,340.0	2,284.0	4078.6%
Expenditures								
City Council	19,032.4	21,751.8	20,251.8	24,202.2		24,202.2	3,950.5	19.5%
Total Gross Expenditures	19,032.4	21,751.8	20,251.8	24,202.2		24,202.2	3,950.5	19.5%
Net Expenditures	18,855.5	21,695.8	20,195.8	21,862.2		21,862.2	1,666.5	8.3%
Approved Positions**	25.0	25.0	25.0	25.0		25.0		

*2021 Projection based on Q3 Variance Report

**YoY comparison based on approved positions

COSTS TO MAINTAIN EXISTING SERVICES

Total 2022 Base Budget expenditures of \$24.202 million gross reflecting an increase of \$3.951 million in spending above 2021 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.
 - Anticipated CPI adjustment to the salary of Members of Council in accordance with Section 1.1 of the Municipal Code Chapter 223, Remuneration of Council Members.
- Budget increase in office budget envelope in accordance with Council policy.
- Provision for Council transition costs of \$2.300 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.

2022 OPERATING BUDGET KEY DRIVERS

The 2022 Operating Budget for City Council is \$3.951 million gross or 19.5% higher than the 2021 Projected Actuals. Table 2a below summarizes the Operating Budget by revenue and expenditure category.

Table 2a: 2022 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2019 Actual	2020 Actual	2021 Budget	2021 Projection*	2022 Budget	2022 Change from 2021 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations	4.5						
Licences & Permits Revenue							
Transfers From Capital							
Contribution From Reserves/Reserve Funds	148.9	79.2	56.0	55.7	2,340.0	2,284.3	4100.9%
Sundry and Other Revenues	97.7	97.7		0.1		(0.1)	(100.0%)
Inter-Divisional Recoveries				0.2		(0.2)	(100.0%)
Total Revenues	251.2	176.9	56.0	56.0	2,340.0	2,284.0	4078.6%
Salaries and Benefits	16,689.2	17,510.8	19,198.5	18,398.5	21,649.0	3,250.5	17.7%
Materials & Supplies	120.4	65.9	822.3	822.3	822.3	(0.0)	(0.0%)
Equipment	154.3	114.0	56.0	56.0	40.0	(16.0)	(28.6%)
Service and Rent	1,175.1	1,041.6	1,412.0	711.8	1,430.8	719.0	101.0%
Contribution To Capital							
Contribution To Reserves/Reserve Funds	81.6	84.8					
Other Expenditures	1.6	1.9		0.2		(0.2)	(100.0%)
Inter-Divisional Charges	319.4	213.2	262.9	262.9	260.1	(2.8)	(1.1%)
Total Gross Expenditures	18,541.7	19,032.4	21,751.8	20,251.8	24,202.2	3,950.5	19.5%
Net Expenditures	18,290.5	18,855.5	21,695.8	20,195.8	21,862.2	1,666.5	8.3%

*2021 Projection based on Q3 Variance Report

Key Base Drivers:**Salaries & Benefits:**

- Budget increase of \$3.251 million is to reflect the required Councillor staffing budget envelope in accordance with Council policy, the CPI-related increase to Members salary to comply with the Municipal Code Chapter 223, Remuneration of Council Members, and severance requirements related to the 2022 municipal election for Councillors who are not re-elected and their staff.

Service and Rent:

- Budget increase of \$0.719 million is largely to reflect the required office budget envelope in accordance with Council policy.

Revenues:

- Budget increase of \$2.284 million is largely due to higher contributions from Council Transition Reserve to fund 2022 council transition costs.

2023 & 2024 OUTLOOKS**Table 3: 2023 and 2024 Outlooks**

(\$000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	56.0	2,340.0	70.0	40.0
Gross Expenditures	20,251.8	24,202.2	22,276.3	22,542.2
Net Expenditures	20,195.8	21,862.2	22,206.3	22,502.2
Approved Positions	25.0	25.0	25.0	25.0

Key drivers

The 2023 Outlook with total gross expenditures of \$22.276 million reflects an anticipated \$1.926 million or 8% decrease in gross expenditures from the 2022 Operating Budget. The 2024 Outlook reflects an increase of \$0.266 million or 1.2% above 2023 gross expenditures.

These changes arise from the following:

Reversal of Council Transition Costs

- Reversal of budget provision for Council transition costs of \$2.300 million gross and \$0 net related to the 2022 municipal election.

Salaries and Benefits

- Adjustments for salaries and benefits in 2023 and 2024.

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 Impact and Recovery

N/A

Appendix 2

2022 Balancing Actions

N/A

Appendix 3

Summary of 2022 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2022 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

**2022 Capital Budget;
2023 - 2031 Capital Plan Including Carry Forward Funding**

N/A

Appendix 6a

2022 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 6b

2023 - 2031 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

2022 User Fee Changes

(Excludes User Fees Adjusted for Inflation)

Table 9a - New User Fees

N/A

Table 9b – Fees Above Inflation

N/A

Table 9c - User Fees for Discontinuation

N/A

Table 9d - User Fees for Technical Adjustments

N/A

Table 9e - User Fees for Transfers

N/A

Table 9f - User Fees for Rationalization

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds 2022 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 * \$	Withdrawals (-) / Contributions (+)		
			2022 \$	2023 \$	2024 \$
Beginning Balance			5,008.2	2,708.2	2,708.2
Council Transition Reserve	XQ0010				
<i>Withdrawals (-)</i>			(2,300.0)		
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		-	2,708.2	2,708.2	2,708.2
Balance at Year-End		5,008.2	2,708.2	2,708.2	2,708.2

* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 * \$	Withdrawals (-) / Contributions (+)		
			2022 \$	2023 \$	2024 \$
Beginning Balance			364.1	324.1	254.1
Council Furniture and Equipment Reserve	XQ0009				
<i>Withdrawals (-)</i>			(40.0)	(70.0)	(40.0)
<i>Contributions (+)</i>					
Total Reserve / Reserve Fund Draws / Contributions		-	324.1	254.1	214.1
Balance at Year-End		364.1	324.1	254.1	214.1

* Based on 9-month 2021 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.