

2024 Tax and Rate Supported Interim Operating and Capital Spending Authorities

Date: November 17, 2023

To: Executive Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

The purpose of this report is to establish interim spending authorities for City Programs and Agencies before final municipal approval of the 2024 Operating and Capital Budgets. This will provide the required authority to continue to deliver current services, meet existing contractual commitments, and continue work on previously approved capital projects prior to 2024 budgets approval.

The 2024 Tax and Rate Supported Operating and Capital Budgets are expected to be approved in mid-February of 2024. The budgets will then be uploaded to the City's financial system by the end of March for City programs and Agencies, providing full authority to spend or commit against 2024 approved budgets.

It should be noted that no funding for new/enhanced services or new capital projects, which are subject to budget approval, are included in the recommended 2024 Interim Spending Authorities contained in this report. New funding requests will be considered as part of the 2024 Budget process.

The 2024 Tax and Rate Supported Interim Operating Spending Authorities total \$4.430 billion. The 2024 Tax and Rate Supported Interim Capital Spending Authorities total \$2.307 billion, including previously approved debenture financing of \$0.450 billion.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve the 2024 Tax and Rate Supported Interim Operating Spending Authorities totalling \$4.430 billion as detailed by City Program and Agency in Appendix 1 attached.

FINANCIAL IMPACT

Approving the recommendation in this report will ensure that adequate spending authority is in place for all Programs and Agencies until such time that the 2024 operating and capital budgets are approved.

Operating:

As shown in Table 1, the 2024 Tax and Rate Supported Interim Operating Spending Authorities total \$4.430 billion. The funding requirements for City Operations total \$2.262 billion, for City Agencies \$0.945 billion, and \$0.654 billion for Corporate Accounts. Agencies are partially funded by the City and are able to cover a portion of expenditures through their own source revenues.

Table 1: 2024 Tax and Rate Supported Interim Operating Spending Authorities

Service Areas (\$Millions)	2024 Interim Spending Authorities
Community and Social Services	1,755
Infrastructure and Development Services	238
Corporate Services	153
Finance and Treasury Services	36
City Manager	27
Other City Programs	49
Accountability Offices	4
Total - City Operation	2,262
Agencies	945
Corporate Accounts	654
Total - Tax Supported Programs	3,861
Rate Supported Programs	569
TOTAL	4,430

Capital:

The 2024 Tax and Rate Supported Interim Capital Spending Authorities recognize spending authority approved by the Council in 2023 and prior years to continue work on previously approved capital projects. Cash flow funding for 2024 commitments and funding carried forward from 2023 to 2024 are required to complete capital work total \$2.307 billion including \$0.450 billion in debt funding.

2024 Tax and Rate Supported Interim Capital Spending Authorities are summarized in Table 2 below and detailed in Appendix 2.

Table 2: 2024 Tax and Rate Supported Interim Capital Spending Authorities

Service Area (Millions)	2024 Interim Spending Authorities Gross	2024 Interim Spending Authorities Debt
Community and Social Services	446	101
Infrastructure and Development Services	382	113
Finance and Treasury Services	73	71
Corporate Services	289	81
Other City Programs	2	0
Total - City Operation	1,192	365
Agencies	561	84
Total - Tax Supported Programs	1,753	450
Rate Programs	555	
Total	2,307	450

DECISION HISTORY

The City of Toronto Act, 2006 requires that the City annually adopt a budget including estimates of all sums required during the year for the purpose of continuing its business. The City's Financial Control By-Law specifies that the Council must adopt an interim operating budget prior to the 1st day of January of the year in which the operating budget will be adopted.

COMMENTS

2024 Tax and Rate Supported Interim Operating Spending Authorities

The interim spending authorities grant funding to maintain ongoing, existing operations and do not include funds for any new requests. They are based on a portion of the 2023 Approved Operating Budget including year-to-date in year adjustments at the time of the reporting.

The resulting Interim Spending Authorities represent approximately 30 percent of the annual gross expenditure budget for City Operations and Corporate *Expenditures* overall *and* represent approximately 30 percent of the annual net budget for Agencies, adjusted for seasonality, to provide necessary cash flow funding to these entities.

Agencies are only partially funded by the City and are able to cover a portion of their expenditures through their own revenue sources.

2024 Tax and Rate Supported Interim Capital Spending Authorities

2024 Interim Capital Spending Authorities reflect cash flow funding required to continue work on previously approved capital projects until the 2024-2033 Capital Budget and Plan are approved and established in the City's financial system.

Capital funding requirements for this purpose permit the following:

- To continue work on previously approved urgent capital projects,
- To fulfill previously established contractual commitments, and
- To provide carry-forward funding from 2023 to 2024 for projects that are underway.

Appendix 2 details capital budget spending authority for previously approved 2024 committed cash flow funding and preliminary 2023 carry-forward funding estimates for each City Program and Agency.

The 2024 Interim Capital Budget Spending Authorities for City Programs and Agencies represent 39% of the 2023 Approved Capital Budget and gross expenditure for Tax and Rate Supported Programs and Agencies.

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SIGNATURE

Stephen Conforti
Chief Financial Officer and Treasurer

ATTACHMENTS

- Appendix 1 - 2024 Tax and Rate Supported Interim Operating Spending Authorities
- Appendix 2 - 2024 Tax and Rate Supported Interim Capital Spending Authorities

Appendix 1: 2024 Tax and Rate Supported Interim Operating Spending Authorities (\$K)

Programs / Agencies	2023 Council Approved Gross Budget	2023 Council Approved Net Budget	2024 Interim Spending Authorities
Community and Social Services			
Housing Secretariat (Incl TCHC)	850,318	421,624	255,095
Children's Services	1,109,491	91,421	332,847
Court Services	36,246	-54,645	10,874
Economic Development & Culture	107,303	81,136	32,191
Fire Services	524,440	503,563	157,332
Toronto Paramedic Services	319,853	109,738	95,956
Seniors Services and Long-Term Care	375,495	94,605	112,648
Parks, Forestry & Recreation	493,235	341,185	147,971
Shelter, Support & Housing Administration	772,964	492,893	231,889
Social Development, Finance & Administration	104,969	84,920	31,491
Toronto Employment & Social Services	1,155,023	79,048	346,507
Sub-Total Community and Social Services	5,849,336	2,245,490	1,754,801
Infrastructure and Development Services			
City Planning	69,252	9,951	20,776
Toronto Emergency Management	5,959	4,720	1,788
Municipal Licensing & Standards	68,085	23,507	20,425
Policy, Planning, Finance & Administration	19,092	5,495	5,728
Transit Expansion	10,632	2,426	3,190
Engineering & Construction Services	80,931	1,224	24,279
Toronto Building	81,594	-16,147	24,478
Transportation Services	459,094	233,595	137,728
Sub-Total Infrastructure and Development Services	794,639	264,771	238,392
Finance and Treasury Services			
Office of the Chief Financial Officer and Treasurer	19,354	13,715	5,806
Office of the Controller	100,846	43,725	30,254
Sub-Total Finance and Treasury Services	120,200	57,440	36,060
Corporate Services			
Corporate Real Estate Management	207,028	110,646	62,109
Environment & Climate	18,469	13,864	5,541
Fleet Services	73,733	32,899	22,120
Technology Services	148,232	111,033	44,470
Office of the Chief Information Security Officer	38,704	35,704	11,611
Customer Experience	23,981	13,917	7,194
Sub-Total Corporate Services	510,148	318,064	153,044
City Manager			
City Manager's Office	89,852	64,165	26,956
Sub-Total City Manager	89,852	64,165	26,956
Other City Programs			
City Clerk's Office	66,237	36,123	19,871
Legal Services	66,771	39,419	20,031
Mayor's Office	2,979	2,979	894
City Council	26,049	24,836	7,815
Sub-Total Other City Programs	162,036	103,358	48,611

Appendix 1: 2024 Tax and Rate Supported Interim Operating Spending Authorities
(Cont'd)

Programs / Agencies	2023 Council Approved Gross Budget	2023 Council Approved Net Budget	2024 Interim Spending Authorities
Other Accountability Offices			
Auditor General's Office	7,619	7,619	2,286
Integrity Commissioner's Office	991	681	297
Office of the Lobbyist Registrar	1,313	1,313	394
Office of the Ombudsman	3,651	3,651	1,095
Sub-Total Other Accountability Offices	13,574	13,264	4,072
TOTAL - CITY OPERATION	7,539,786	3,066,552	2,261,936
Agencies			
Toronto Public Health	372,456	161,005	111,737
Toronto Public Library	234,610	213,559	64,068
Exhibition Place	62,535	2,200	660
Heritage Toronto	1,435	575	172
TO Live	44,160	6,172	1,680
Toronto Zoo	58,713	14,665	8,000
Yonge-Dundas Square	3,248	1,298	390
CreateTO	17,947	0	0
Toronto & Region Conservation Authority	11,148	5,545	1,664
Toronto Transit Commission - Conventional	2,254,544	1,189,272	365,082
Toronto Transit Commission - Wheel Trans	143,409	136,323	40,897
Toronto Police Service	1,330,626	1,166,526	349,958
Toronto Police Services Board	3,252	2,177	653
SUB-TOTAL - AGENCIES	4,538,084	2,899,317	944,960
Corporate Accounts			
Capital & Corporate Financing & Non-Programs	2,169,300	-1,067,504	650,790
Association of Community Centres	10,189	9,793	2,938
Arenas Board of Management	10,228	-66	307
Sub-TOTAL - ACC & ABC	20,417	9,727	3,245
TOTAL - CORPORATE ACCOUNTS	2,189,717	-1,057,778	654,035
TOTAL - TAX SUPPORTED PROGRAMS	14,267,587	4,908,091	3,860,930
Rate Supported Programs			
Solid Waste Management Services	410,251	0	123,075
Toronto Parking Authority	142,129	0	0
Toronto Water	1,486,076	0	445,823
TOTAL - RATE SUPPORTED PROGRAMS	2,038,456	0	568,898
TOTAL - TAX & RATE SUPPORTED OPERATIO	16,306,043	4,908,091	4,429,828

Appendix 2: 2024 Tax and Rate Supported Interim Capital Spending Authorities (\$K)

Program / Agency	Carry Forwards Gross*	Carry Forwards Debt	30% Previously Approved 2024 Commit. Gross	30% Previously Approved 2024 Commit. Debt	2024 Interim Spending Authorities Gross	2024 Interim Spending Authorities Debt
Community and Social Services						
Children's Services	7,430	1,440	2,185		9,615	1,440
Court Services	0	0				
Economic Development & Culture	11,673	5,055	4,900	2,331	16,572	7,386
Fire Services	3,687	2,239	2,352	1,359	6,039	3,598
Housing Secretariat	158,622	38,053	6,714	101	165,336	38,154
Parks, Forestry & Recreation	66,883	3,414	73,744	20,707	140,627	24,121
Seniors Services and Long-Term Care	7,164	0	2,067		9,231	
Shelter, Support & Housing Administration	10,203	8,203	10,396	5,633	20,599	13,836
Toronto Employment & Social Services	0	0				
Toronto Housing Corporation	0	0	51,767	3,767	51,767	3,767
Toronto Paramedic Services	24,900	7,400	1,065	1,065	25,965	8,465
Sub-Total Community and Social Services	290,562	65,804	155,189	34,963	445,751	100,767
Infrastructure and Development Services						
City Planning	1,188	1,188	1,260	504	2,448	1,692
Transit Expansion	27,872	2,508	73,130	448	101,002	2,956
Transportation Services	-14,511	-14,184	232,442	115,647	217,931	101,463
Waterfront Revitalization Initiative	26,521	5,826	34,443	572	60,964	6,398
Sub-Total Infrastructure and Development S	41,070	-4,662	341,276	117,170	382,346	112,508
Finance and Treasury Services						
Office of the Chief Financial Officer and Treasurer	1,096	1,096	14	14	1,111	1,111
Office of the Controller	57,270	56,020	14,446	13,409	71,716	69,429
Sub-Total Finance and Treasury Services	58,366	57,116	14,461	13,423	72,827	70,539
Corporate Services						
Customer Experience	3,500	0	-168	-168	3,332	-168
Office of the Chief Information Security Officer	3,203	715	3,043	3,043	6,246	3,758
Corporate Real Estate Management	134,625	48,684	37,752	17,153	172,377	65,837
Environment & Climate	6,252	0	6,075		12,327	
Fleet Services	56,392	0	21,524		77,916	
Technology Services	9,153	3,949	7,793	7,573	16,946	11,522
Sub-Total Corporate Services	213,125	53,348	76,020	27,601	289,144	80,949
Other City Programs						
City Clerk's Office	1,313	0	324	149	1,637	149
Corporate Initiatives	204	204	133	112	337	316
Sub-Total Other City Programs	1,517	204	457	260	1,974	464
TOTAL - CITY OPERATION	604,639	171,810	587,402	193,418	1,192,042	365,228
Agencies						
Exhibition Place	6,626	2,400	870	870	7,496	3,270
TO Live	7,711	5,256	3,562	3,562	11,273	8,818
Toronto & Region Conservation Authority	0	0	278		278	
Toronto Police Service	29,745	19,844	9,560	7,405	39,306	27,249
Toronto Public Health	1,609	1,607	634	557	2,243	2,163
Toronto Public Library	13,363	8,710	6,843	5,233	20,206	13,943
Toronto Zoo	19,707	16,519	7,666	6,166	27,373	22,685
Yonge-Dundas Square	100	100		2	100	102
Sub-Total Agencies - no TTC	78,861	54,436	29,414	23,793	108,275	78,230
TTC						
Scarborough Subway Extension	3,894	0	2,047		5,941	
Toronto Transit Commission	55,309		378,188	6,133	433,497	6,133
Transit Studies		0	197		197	
Spadina Subway Extension	0	0	12,704		12,704	
Sub-Total TTC	59,203		393,136	6,133	452,339	6,133
SUB-TOTAL - AGENCIES	138,064	54,436	422,549	29,926	560,614	84,362
TOTAL - TAX SUPPORTED PROGRAMS	742,704	226,246	1,009,952	223,344	1,752,655	449,590
RATE PROGRAMS						
Solid Waste Management Services	18,942	0	22,553		41,496	
Toronto Parking Authority	0	0	18,539		18,539	
Wastewater Program	108,258	0	205,127		313,385	
Water Program	62,350	0	118,959		181,309	
TOTAL RATE PROGRAMS	189,550		365,178		554,728	
TOTAL CITY	932,254	226,246	1,375,130	223,344	2,307,384	449,590

*Carry Forward number might be changed during the 2024 Budget Process