

2024 Budget Notes

City Council

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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.

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Budget at a Glance

2024 OPERATING BUDGET			
\$Million	2024	2025	2026
Revenues	\$0.4	\$0.4	\$0.4
Gross Expenditures	\$25.8	\$25.9	\$26.2
Net Expenditures	\$25.4	\$25.5	\$25.8
Approved Positions	25.0	25.0	25.0

2024 - 2033 10-YEAR CAPITAL PLAN			
\$Million	2024	2025-2033	Total
City Council has no capital budget.			

CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for City Council of \$25.789 million gross, \$0.422 million revenue and \$25.368 million net:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
City Council	25,789.2	421.5	25,367.7

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
City Council	2,300.5	1,212.8	1,212.8	1,212.8	421.5		421.5	(791.3)	(65.2%)
Total Revenues	2,300.5	1,212.8	1,212.8	1,212.8	421.5		421.5	(791.3)	(65.2%)
Expenditures									
City Council	24,052.6	26,049.2	25,864.2	26,049.2	25,789.2		25,789.2	(260.0)	(1.0%)
Total Gross Expenditures	24,052.6	26,049.2	25,864.2	26,049.2	25,789.2		25,789.2	(260.0)	(1.0%)
Net Expenditures	21,752.0	24,836.3	24,651.3	24,836.3	25,367.7		25,367.7	531.3	2.1%
Approved Positions**	25.0	25.0	N/A	25.0	25.0		25.0	N/A	N/A

*2023 Projection based on 9 Month Variance

**YoY comparison based on approved positions

The proposed 2024 City Council budget comprises of the following budget envelopes:

Budget Envelopes	Gross (in \$000s)	Revenue (in \$000s)	Net (in \$000s)
Councillors' salaries and benefits	4,041.5		4,041.5
Councillors' Staff Budget and Member Staff Benefits	17,640.8		17,640.8
Councillors' Constituency Services and Office Budget	1,450.1		1,450.1
Council Business Travel Budget	60.0		60.0
Council General Expense Budget	2,596.9	421.5	2,175.3
Total	25,789.2	421.5	25,367.7

Based on the budgeted CPI adjustment of 3.5%, the per Councillor or ward budgets in 2024 include:

- Councillor salary of \$0.134 million in 2024 based on 262 working days;
- Councillors' Staff Budget of \$0.526 million per ward based on 262 working days; and
- Councillors' Constituency Services and Office Budget of \$0.058 million per ward.

KEY DRIVERS

Total 2024 Budget expenditures of \$25.789 million gross reflecting a decrease of \$0.260 million in spending below 2023 budget, predominantly from the net impact of the following:

- Decrease in Council General Expense budget of \$0.563 million due to the reversal of provision for Mayoral transition of \$0.850 million gross and \$0 net fully funded from the Council Transition Reserve, offset by increase in anticipated requirements for constituency office space, Newsletter Entitlement, furniture and equipment, and health & safety.
- Budget increase of \$0.034 million in Members' salaries and benefits to reflect a budgeted CPI adjustment of 3.5% to the salary of Members in accordance with the Municipal Code Chapter 223-Remuneration of Council Members, and two additional working days in 2024 as compared to 2023.
- Budget increase of \$0.222 million in Members' Staff Salary envelope for two additional working days in 2024 as compared to 2023, and related benefit rate changes for Members' staff. As per corporate budget guidelines, proposed cost of living adjustments (COLA) for non-union staff which include Members' staff is budgeted in Non-Program.
- Budget increase of \$0.047 million to reflect an anticipated budgeted CPI adjustment of 3.5% to the office budget envelope in accordance with Members of Council Operations Policy.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in City Council's 2024 Operating Budget do not have any significant equity impacts.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for City Council of \$25.368 million is \$0.531 million or 2.1% greater than the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025
	Revenues	Gross	Net	Positions**	Annualized impact (Net)
2023 Budget	1,212.8	26,049.2	24,836.3	25.0	N/A
2023 Projection*	1,212.8	25,864.2	24,651.3	N/A	N/A
2023 Budget (excl. COVID)	1,212.8	26,049.2	24,836.3	25.0	N/A
Key Cost Drivers:					
Prior Year Impacts					
Reversal of provision for 2023 Mayoral transition	(850.0)	(850.0)			
Salary & Benefits					
Members' Salary & Benefits					
<i>Members' salary CPI adjustment</i>		113.2	113.2		76.7
<i>Benefits and working day adjustments</i>		(78.8)	(78.8)		10.1
Councillors' staff salary envelope - working day adjustment		100.3	100.3		(50.1)
Members' staff benefits adjustments		121.3	121.3		100.8
Non-Salary Inflation					
Councillors' Constituency Services & Office Budget CPI adjustment		46.5	46.5		43.3
Councillors' Newsletter Entitlement CPI adjustment		7.0	7.0		
Other Changes					
Council General Expense Budget adjustments	58.7	280.5	221.9		
Sub-Total - Key Cost Drivers	(791.3)	(260.0)	531.3		180.9
Affordability Measures:					
Sub-Total - Affordability Measures					
Total 2024 Budget	421.5	25,789.2	25,367.7	25.0	180.9
Change from 2023 Budget (excl. COVID) (\$)	(791.3)	(260.0)	531.3	N/A	N/A
Change from 2023 Budget (excl. COVID) (%)	-65.2%	-1.0%	2.1%	N/A	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Prior Year Impacts:

- Reversal of provision for Mayoral transition of \$0.850 million gross and \$0 net, funded from the Council Transition Reserve. This included costs relating to staff severance, technology requirements, and furniture and facilities-related expenses as a result of the Mayoral vacancy and the subsequent election of a new Mayor in 2023.

Salaries & Benefits:

- Adjustment of \$0.113 million to reflect budgeted CPI of 3.5% for Members' salary to comply with the Municipal Code Chapter 223 – Remuneration of Council Members. Actual adjustment will be based on the actual 2023 CPI rate for Toronto as published by Statistics Canada.
- Adjustment of \$0.079 million to reflect Members' benefit requirements based on actual experience which fully offsets the increase in Members' salary provision for two additional working days in 2024 as compared to 2023.
- Adjustment of \$0.100 million to reflect Councillors' staff salary provision for two additional working days in 2024 as compared to 2023.
- Adjustment of \$0.121 million for Members' staff benefits requirements.

Non-Salary Inflation:

- Increase of \$0.054 million to reflect a budgeted CPI adjustment of 3.5% to the office budget envelope and newsletter entitlement in accordance with the Members of Council Operations Policy. Actual adjustment will be based on the actual 2023 CPI rate for Toronto as published by Statistics Canada.

Other Changes:

- Increase of \$0.281 million gross and \$0.222 net is largely to reflect anticipated requirements for constituency office space, newsletter entitlement for Councillors, furniture and equipment, and health & safety.

2025 & 2026 OUTLOOKS

Table 5: 2025 and 2026 Outlooks

(\$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Contribution from Reserve		(30.0)	
Total Revenues	421.5	(30.0)	
Gross Expenditures			
Members' salary CPI adjustment		76.7	68.1
Benefit and working day adjustments		10.1	11.7
Councillors' staff salary envelop - working day adjustment		(50.1)	
Members' staff benefit adjustments		100.8	121.0
Councillors' Constituency Services & Office Budget CPI adjustment		43.3	38.5
Council General Expense Budget adjustment		(30.0)	
Total Gross Expenditures	25,789.2	150.9	239.4
Net Expenditures	25,367.7	180.9	239.4
Approved Positions	25.0		

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$25.940 million reflects an anticipated \$0.151 million or 0.58% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlooks expects a further increase of \$0.239 million or 0.92% above 2025 gross expenditures.

These changes arise from the following:

- **Salaries and Benefits:** Adjustment to reflect budgeted CPI of 2.3% in 2025 and 2.0% in 2026 to Members' salaries, and related benefits adjustments in 2025 and 2026, respectively. Salary adjustments to reflect one less working day in 2025 and in 2026 compared to 2024 for Members' salaries and Councillors' staffing budget envelope. Benefit adjustments for Members' staff in 2025 and 2026, respectively.
- **Inflationary Impacts:** Adjustment for budgeted CPI of 2.3% in 2025 and 2.0% in 2026 to the office budget envelope and newsletter entitlement in accordance with Council policy.
- **Equipment:** Decrease in anticipated requirements for equipment and furniture.
- **Revenues:** Decrease in contributions from Council Furniture & Equipment Reserve to fund replacement of furniture and equipment.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021	2022	2023	2023	2024	2024 Change from		2024 Change from 2023	
	Actual	Actual	Budget	Projection*	Budget	2023 Budget	%	Projection	%
	\$	\$	\$	\$	\$	\$		\$	%
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Licences & Permits Revenue									
Transfers From Capital									
Contribution From Reserves/Reserve Funds	222.3	2,232.9	1,212.8	1,212.8	421.5	(791.3)	(65.2%)	(791.3)	(65.2%)
Sundry and Other Revenues									
Inter-Divisional Recoveries	2.8	67.6							
Total Revenues	225.1	2,300.5	1,212.8	1,212.8	421.5	(791.3)	(65.2%)	(791.3)	(65.2%)
Salaries and Benefits	17,775.9	22,291.2	23,132.1	22,947.1	22,738.8	(393.4)	(1.7%)	(208.4)	(0.9%)
Materials & Supplies	88.2	166.0	832.3	832.3	822.3	(10.0)	(1.2%)	(10.0)	(1.2%)
Equipment	87.0	153.9	188.0	188.0	140.0	(48.0)	(25.5%)	(48.0)	(25.5%)
Service and Rent	1,083.6	1,175.1	1,636.6	1,636.6	1,828.0	191.4	11.7%	191.4	11.7%
Contribution To Capital									
Contribution To Reserves/Reserve Funds									
Other Expenditures	0.6	1.6							
Inter-Divisional Charges	308.3	264.8	260.1	260.1	260.1	0.0	0.0%	0.0	0.0%
Total Gross Expenditures	19,343.5	24,052.6	26,049.2	25,864.2	25,789.2	(260.0)	(1.0%)	(75.0)	(0.3%)
Net Expenditures	19,118.4	21,752.0	24,836.3	24,651.3	25,367.7	531.3	2.1%	716.3	2.9%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

**2024 Capital Budget;
2025 - 2033 Capital Plan Including Carry Forward Funding**

N/A

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2025 - 2033 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Capacity to Spend Review

N/A

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		4,923.2	4,636.7	4,350.2
Council Transition Reserve	XQ0010			
<i>Withdrawals (-)</i>		(286.5)	(286.5)	(286.5)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		4,636.7	4,350.2	4,063.6
Balance at Year-End		4,636.7	4,350.2	4,063.6

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		355	220	115
<i>Council Furniture and Equipment</i>	XQ0009			
<i>Withdrawals (-)</i>		(135)	(105)	(105)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		220	115	10
Other Program / Agency Net Withdrawals & Contributions				
Balance at Year-End		220	115	10

*Per Council direction in its meeting on July 11, 2012 (EX21.9 Policy Changes to Facilitate Councillor Office Operations), contributions are to be made to the Council Transition Reserve and Council Furniture & Equipment Reserve from the annual surplus of the City Council operating budget at a level to be determined by the Deputy City Manager and Chief Financial Officer.

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).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced Service Priorities: New and enhanced service changes resulting in an increase in service levels from what was previously 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.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).