

2025 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*, 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.

For further information about City Council, please visit: <https://www.toronto.ca/city-government/council/>

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Budget at a Glance

2025 OPERATING BUDGET				2025 - 2034 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>\$Million</u>	<u>2025</u>	<u>2026-2034</u>	<u>Total</u>
Revenues	\$0.4	\$2.6	\$0.4	City Council does not have a 10-Year Capital Budget and Plan.			
Gross Expenditures	\$26.3	\$28.7	\$26.7				
Net Expenditures	\$25.9	\$26.1	\$26.3				
Approved Positions	25.0	25.0	25.0				

CITY STAFF PREPARED BUDGET

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

1. The 2025 Operating Budget for City Council of \$26.322 million gross, \$0.395 million revenue and \$25.927 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
City Council	26,321.8	395.1	25,926.7

2025 OPERATING BUDGET

2025 OPERATING BUDGET OVERVIEW

Table 1: 2025 Operating Budget by Service

(In \$000s)	2023 Actual	2024 Budget	2024 Projection*	2025 Base Budget	2025 New / Enhanced	2025 Budget	Change v. 2024 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
City Council	1,480.1	421.5	423.5	395.1		395.1	(26.4)	(6.3%)
Total Revenues	1,480.1	421.5	423.5	395.1		395.1	(26.4)	(6.3%)
Expenditures								
City Council	22,825.4	26,071.0	24,871.0	26,321.8		26,321.8	250.8	1.0%
Total Gross Expenditures	22,825.4	26,071.0	24,871.0	26,321.8		26,321.8	250.8	1.0%
Net Expenditures	21,345.2	25,649.5	24,447.5	25,926.7		25,926.7	277.2	1.1%
Approved Positions**	25.0	25.0	N/A	25.0		25.0		

*2024 Projection based on 9 Month Variance
 **YoY comparison based on approved positions

The proposed 2025 City Council budget comprises of the following budget envelopes:

Budget Envelopes	Gross (in \$000s)	Revenue (in \$000s)	Net (in \$000s)
Councillors' salaries and benefits	4,139.0		4,139.0
Councillors' Staff Budget and Member Staff Benefits	17,862.5		17,862.5
Councillors' Constituency Services and Office Budget	1,496.8		1,496.8
Council Business Travel Budget	60.0		60.0
Council General Expense Budget	2,763.6	395.1	2,368.5
Total	26,321.8	395.1	25,926.7

The per Councillor or ward budgets in 2025 include:

- Councillor salary of \$0.138 million based on 261 working days includes the budgeted Consumer Price Index (CPI) adjustment of 2.5%;
- Councillors' Constituency Services and Office Budget of \$0.060 million per ward includes the budgeted CPI adjustment of 2.5%; and
- Councillors' Staff Budget of \$0.533 million per ward based on 261 working days. Proposed cost of living adjustments (COLA) for non-union staff is budgeted corporately in Non-Program.

KEY DRIVERS

Total 2025 Budget expenditures of \$26.322 million gross reflects an increase of \$0.251 million gross in spending above 2024 budget, predominantly arising from:

- Budget increase of \$0.167 million in Council General Expense budget mainly arising from increased requirements for membership fee, and inflationary adjustments for Newsletter Entitlement, and constituency office and related expenses.
- Budget increase of \$0.098 million in Members' salaries and benefits to reflect a budgeted CPI adjustment of 2.5% to the salary of Members in accordance with the *Municipal Code Chapter 223-Remuneration of Council Members*, partially offset by one less working day in 2025 as compared to 2024.
- Budget increase of \$0.047 million to reflect an anticipated budgeted CPI adjustment of 2.5% 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 2025 Operating Budget do not have any significant equity impacts.

2025 OPERATING BUDGET KEY COST DRIVERS

The 2025 Net Operating Budget for City Council of \$25.927 million is \$0.277 million or 1.1% greater than the 2024 Net Budget. Table 2 below summarizes the key cost drivers for the 2025 Budget.

Table 2: 2025 Key Cost Drivers

(In \$000s)	2025				2026 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2024 Projection*	423.5	24,871.0	24,447.5	25.0	N/A
2024 Budget	421.5	26,071.0	25,649.5	25.0	N/A
Key Cost Drivers:					
Salary & Benefits					
Members' Salary & Benefits					
Members' salary CPI adjustment		84.0	84.0		69.0
Benefits and working day adjustments		13.4	13.4		18.8
Councillors' staff salary envelope - working day adjustment		(51.0)	(51.0)		
Members' staff benefits adjustments		(9.1)	(9.1)		68.9
Non-Salary Inflation					
Councillors' Constituency Services & Office Budget CPI adj.		46.7	46.7		29.9
Councillors' Newsletter Entitlement CPI adjustment		37.7	37.7		9.4
Other Changes					
Council General Expense Budget adjustments	(26.4)	129.0	155.4		1.7
Sub Total Key Cost Drivers	(26.4)	250.8	277.2		197.6
Total 2025 Base Budget	395.1	26,321.8	25,926.7	25.0	197.6
2025 Budget	395.1	26,321.8	25,926.7	25.0	197.6
Change from 2024 Budget (\$)	(26.4)	250.8	277.2		N/A
Change from 2024 Budget (%)	(6.3%)	1.0%	1.1%		N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:

Salary and Benefits:

- Adjustment of \$0.084 million to reflect budgeted Consumer Price Index (CPI) of 2.5% for Members' salary to comply with the *Municipal Code Chapter 223 – Remuneration of Council Members*. Actual adjustment will be based on the actual 2024 CPI rate for Toronto as published by Statistics Canada.
- Adjustment of \$0.013 million to reflect Members' benefit requirements based on actual experience and adjustment for one less working day in 2025 compared to 2024.
- Adjustment of \$0.051 million to reflect Councillors' staff salary provision for one less working day in 2025 compared to 2024.
- Adjustment of \$0.009 million for Members' staff benefits requirements.

Non-Salary Inflation:

- Increase of \$0.084 million to reflect a budgeted CPI adjustment of 2.5% 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 2024 CPI rate for Toronto as published by Statistics Canada.

Other Changes:

- Increase of \$0.129 million gross and \$0.155 million net is primarily for membership fees of \$0.160 million for Toronto to re-join the Association of Municipalities of Ontario (AMO) as per Council Approved [EX19.7 - Toronto Membership in the Association of Municipalities of Ontario](#).

2026 AND 2027 OUTLOOKS

Table 5: 2026 and 2027 Outlooks

(In \$000s)	2025 Budget	2026 Incremental Outlook	2027 Incremental Outlook
Revenues			
Contribution from Reserve		2,164.7	(2,204.7)
Total Revenues	395.1	2,164.7	(2,204.7)
Gross Expenditures			
One time Council Transition Costs		2,204.7	(2,204.7)
Members' Salary and Benefit adjustment		87.8	89.7
Councillors' Staff Salary and Benefits adjustments		68.9	79.9
Councillors' Constituency Services and Office Budget CPI Adjustment		29.9	30.5
Councillors' Newsletter Entitlement Budget CPI Adjustment		9.4	9.6
Other Council General Expense Budget Adjustments		(38.4)	1.7
Total Gross Expenditures	26,321.8	2,362.3	(1,993.2)
Net Expenditures	25,926.7	197.6	211.5
Approved Positions	25.0		

**YoY comparison based on approved positions

Key Outlook Drivers

The 2026 Outlook with total gross expenditures of \$28.684 million gross reflects an anticipated \$2.362 million or 8.97% increase in gross expenditures above the 2025 Operating Budget. The 2027 Outlooks expects a decrease of \$1.993 million or 6.95% below the 2026 Outlook.

These changes arise mainly from the following:

- **Salary and Benefits:** Adjustments to reflect budgeted Consumer Price Index (CPI) of 2.0% in 2026 and 2027 to Members' salaries and related benefits adjustments, and adjustment for Members staff benefits in 2026 and 2027 respectively.
- **Inflationary Impacts:** Adjustment for budgeted CPI of 2.0% in 2026 and 2027 to the office budget envelope and newsletter entitlement in accordance with Council policy.
- **Other Changes:** Provision for one-time Council transition costs of \$2.204 million gross and \$0 net related to the 2026 Municipal Election to be funded from the Council Transition Reserve (XQ0010). This includes severance requirements for Councillors who are not re-elected, and their staff.

APPENDICES

Appendix 1

2025 Operating Budget by Category

Category (In \$000s)	2022	2023	2024	2024	2025	2025 Change from 2024	
	Actual	Actual	Budget	Projection*	Budget	\$	%
Contribution From Reserves/Reserve Funds	2,143.5	1,179.0	421.5	423.5	390.3	(31.2)	(7.4%)
Transfer from Capital		109.2					
Sundry and Other Revenues	89.4	120.4			4.8	4.8	
Inter-Divisional Recoveries	67.6	67.1					
Donations		4.5					
Total Revenues	2,300.5	1,480.1	421.5	423.5	395.1	(26.4)	(6.3%)
Salaries and Benefits	22,291.2	20,397.8	23,020.6	21,960.6	23,066.7	46.2	0.2%
Materials & Supplies	166.0	175.2	822.3	822.3	165.0	(657.3)	(79.9%)
Equipment	153.9	325.8	140.0	140.0	100.0	(40.0)	(28.6%)
Service and Rent	1,175.1	1,623.8	1,828.0	1,688.0	2,732.9	905.0	49.5%
Other Expenditures	1.6	3.9					
Inter-Divisional Charges	264.8	298.8	260.1	260.1	257.1	(3.0)	(1.1%)
Total Gross Expenditures	24,052.6	22,825.4	26,071.0	24,871.0	26,321.8	250.8	1.0%
Net Expenditures	21,752.0	21,345.2	25,649.5	24,447.5	25,926.7	277.2	1.1%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2025 Service Changes

N/A

Appendix 3

Summary of 2025 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 4

Operating Program Provincial/Federal Funding Streams by Program

N/A

Appendix 5

2025 Capital Budget; 2026 - 2034 Capital Plan Including Carry Forward Funding

N/A

Appendix 5a

2025 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 5b

2026 - 2034 Capital Plan

N/A

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

Capacity to Deliver Review

N/A

Appendix 8

Summary of Capital Delivery 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

2025 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals () / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		6,087.4	5,792.1	3,292.1
Council Transition Reserve	XQ0010			
<i>Withdrawals (-)</i>				
<i>Operating Withdrawals - City Council</i>		(295.3)	(2,500.0)	(295.3)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		5,792.1	3,292.1	2,996.8
Balance at Year End		5,792.1	3,292.1	2,996.8

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals () / Contributions (+)		
		2025	2026	2027
		\$	\$	\$
Beginning Balance		662.9	567.9	512.9
Council Furniture and Equipment Reserve	XQ0009			
<i>Withdrawals (-)</i>		(95.0)	(55.0)	(55.0)
<i>Operating Withdrawals - City Council</i>				
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		567.9	512.9	457.9
Balance at Year End		567.9	512.9	457.9

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels in annual budget.

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

Capital Budget and Plan: A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

Capital Delivery 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 provide services.

Operating Impact of Completed Capital Projects: The Operating Budget Impact of Capital is the change in operating expenditure and / or revenue, which is projected to occur during the implementation of a capital project and / or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

Salary and Benefits Adjustment: General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

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

Tax Supported Budget: Budget funded by property taxes.

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