

2023 Program Summary

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.

Budget at a Glance

2023 OPERATING BUDGET				2023 - 2032 10-YEAR CAPITAL PLAN			
<u>\$Million</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>\$Million</u>	<u>2023</u>	<u>2024-2032</u>	<u>Total</u>
Revenues	\$0.4	\$0.1	\$0.1				
Gross Expenditures	\$25.0	\$25.3	\$25.7				
Net Expenditures	\$24.6	\$25.2	\$25.6				
Approved Positions	25.0	25.0	25.0				
City Council has no capital budget.							

RECOMMENDATION

City Council adopted the following recommendations:

1. The 2023 Operating Budget for City Council is \$24.955 million gross, \$0.363 million revenue and \$24.592 million net:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Total City Council Budget	\$24,954.9	\$362.8	\$24,592.1

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 New / Enhanced	2023 Budget	Change v. 2022 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
City Council	225.1	2,340.0	2,341.7	362.8		362.8	(1,978.9)	(84.5%)
Total Revenues	225.1	2,340.0	2,341.7	362.8		362.8	(1,978.9)	(84.5%)
Expenditures								
City Council	19,675.8	24,633.4	24,633.4	24,954.9		24,954.9	321.6	1.3%
Total Gross Expenditures	19,675.8	24,633.4	24,633.4	24,954.9		24,954.9	321.6	1.3%
Net Expenditures (including COVID-19)	19,450.7	22,293.4	22,291.6	24,592.1		24,592.1	2,300.5	10.3%
Required COVID-19 Support								N/A
Net Budget (excluding COVID-19 supports)	19,450.7	22,293.4	22,291.6	24,592.1		24,592.1	2,300.5	10.3%
Approved Positions**	25.0	25.0	25.0	25.0		25.0	N/A	N/A

* 2022 budget includes adjustment to align the Mayor's Office with the current practice adopted for Councillors' offices where benefits budget and costs for staff are charged to a general benefits budget rather than the Councillor Staff salary envelope. As such, 2022 projected actual and prior year actual have been adjusted accordingly.

**YoY comparison based on approved positions

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Budget expenditures of \$24.955 million gross reflect an increase of \$0.322 million in spending over 2022 projected year-end actuals, predominantly arising from:

- Increase of \$0.800 million to Councillor Offices' staff salary and benefits budget envelope, equally allocated across the 25 wards following the amendment of the Mayor's Proposed budget (2023.MPB4.1) by City Council in its special meeting on February 15, 2023
- Reversal of provision for Council transition costs of \$2.300 million gross and \$0 net related to the 2022 municipal election funded from the Council Transition Reserve. This includes severance requirements for Councillors who were not re-elected and their staff.
- Budget increase in salaries and benefits to reflect increase in OMERS pension contributions for all Council Members' staff as a result of Council direction of EX33.7 (Updates to Members' Staff Contracts in the New Term of Council) adopted by City Council at its meeting on June 15-16 2022, increase related to the 2022 Councillor staffing budget envelope, and anticipated CPI adjustment to the salary of Members 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.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for City Council is \$24.955 million in gross expenditures and \$23.592 million net. Table 2 below summarizes the key cost drivers for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2020 Actual	2021 Actual	2022 Budget	2022 Projection*	2023 Budget	2023 Change from 2022 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations							
Licences & Permits Revenue							
Transfers From Capital							
Contribution From Reserves/Reserve Funds	79.2	50.9	2,340.0	2,340.0	362.8	(1,977.2)	(84.5%)
Sundry and Other Revenues	97.7	171.4		1.7		(1.7)	(100.0%)
Inter-Divisional Recoveries		2.8					
Total Revenues	176.9	225.1	2,340.0	2,341.7	362.8	(1,978.9)	(84.5%)
Salaries and Benefits	17,806.7	18,108.2	22,080.1	22,080.1	22,237.9	157.8	0.7%
Materials & Supplies	65.9	88.2	822.3	822.3	822.3		
Equipment	114.0	87.0	40.0	40.0	77.0	37.0	92.5%
Service and Rent	1,041.6	1,083.6	1,430.8	1,430.8	1,557.6	126.8	8.9%
Contribution To Capital							
Contribution To Reserves/Reserve Funds	84.8						
Other Expenditures	1.9	0.6					
Inter-Divisional Charges	213.2	308.3	260.1	260.1	260.1		
Total Gross Expenditures	19,328.3	19,675.8	24,633.4	24,633.4	24,954.9	321.6	1.3%
Net Expenditures	19,151.4	19,450.7	22,293.4	22,291.6	24,592.1	2,300.5	10.3%

* 2022 budget includes adjustment to align the Mayor's Office with the current practice adopted for Councillors' offices where benefits budget and costs for staff are charged to a general benefits budget rather than the Councillor staff salary envelope. As such, 2022 projected actual and prior year actual have been adjusted accordingly.

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

Increase in salaries and benefits of \$0.158 million is due largely to the net impact of the following:

- Increase of \$0.800 million to Councillor Offices' staff salary and benefits budget envelope, equally allocated across the 25 wards following the amendment of the Mayor's Proposed budget (2023.MPB4.1) by City Council in its special meeting on February 15, 2023
- Reversal of severance requirements related to the 2022 municipal election for Councillors who were not re-elected and their staff, partially offset by provision for accrual of Members' severance pay.
- Increase to OMERS pension contribution as a result of EX33.7 (Updates to Members' Staff Contracts in the New Term of Council) adopted by City Council at its meeting on June 15-16 2022 which makes OMERS enrolment automatic for staff hired on indefinite term contracts starting the new term November 15, 2022.
- Increase to reflect CPI adjustment of 6.7% to Members' salaries to comply with the Municipal Code Chapter 223-Remuneration of Council Members.
- Increase for the 2022 Councillor staffing budget envelope with offsetting funding in Corporate account.

Service and Rent:

Budget increase of \$0.127 million is largely to reflect the required office budget envelope in accordance with Council policy.

Revenues:

Decrease of \$1.979 million is largely due to reversal of contributions from Council Transition Reserve to fund 2022 council transition costs.

2024 & 2025 OUTLOOKS

Table 3: 2024 and 2025 Outlooks

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
Revenues			
Revenue Changes		(255.8)	(30.0)
Total Revenues	362.8	(255.8)	(30.0)
Gross Expenditures			
Salaries and Benefits		182.6	266.4
Inflationary Impacts		122.5	130.7
Equipment		30.0	(30.0)
Total Gross Expenditures	24,954.9	335.1	367.0
Net Expenditures	24,592.1	590.9	397.0
Approved Positions	25.0		

Key drivers

The 2024 Outlook with total gross expenditures of \$25.290 million reflects an anticipated \$0.335 million or 1.3% increase in gross expenditures above the 2023 Operating Budget. The 2025 Outlook expects a further increase of \$0.367 million or 1.5% above 2024 gross expenditures.

These changes arise from the following:

Salaries and Benefits

- Adjustments for salaries and benefits to reflect budgeted CPI adjustment to Members' salaries, and Councillor staffing budget envelope adjustments related to two additional working days in 2024 and one additional working day in 2025 compared to 2023.

Inflationary Impacts

- Anticipated CPI adjustment to office budget envelope in accordance with Council policy.

Equipment

- Anticipated requirements for equipment.

Revenues

- Reversal of contributions from Council Transition Reserve related to accrual of Members' severance pay.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

N/A

Appendix 2

2023 Affordability Measures

N/A

Appendix 3

Summary of 2023 Service Changes

N/A

Appendix 4

Summary of 2023 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

**2023 Capital Budget;
2024 - 2032 Capital Plan Including Carry Forward Funding**

N/A

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

N/A

Appendix 6b

2024 - 2032 Capital Plan

N/A

Appendix 7

Reporting on Major Capital Projects: Status Update

N/A

Appendix 8

Capacity to Spend Review

N/A

Appendix 9

Summary of Capital Needs Constraints

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds 2023 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2023	2024	2025
XQ0009 Council Furniture and Equipment	Beginning Balance	341	264	157
	<i>Withdrawals (-)</i>			
	City Council ~ Withdrawals - Operating	-77	-107	-77
	Total Withdrawals	-77	-107	-77
	<i>Contributions (+)</i>			
	Total Contributions	0	0	0
	Net Contributions	-77	-107	-77
	Balance at Year-End	264	157	80

Reserve / Reserve Fund Name		Contributions / (Withdrawals)		
		2023	2024	2025
XQ0010 Council Transition	Beginning Balance	5,273	4,987	4,987
	<i>Withdrawals (-)</i>			
	City Council ~ Withdrawals - Operating	-286	0	0
	Total Withdrawals	-286	0	0
	<i>Contributions (+)</i>			
	Total Contributions	0	0	0
	Net Contributions	-286	0	0
	Balance at Year-End	4,987	4,987	4,987

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.

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

Tax Supported Budget: Budget funded by property taxes.