



STAFF REPORT ACTION REQUIRED

2007 Interim Operating Budget Estimates

Date:	November 23, 2006
To:	City Council
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	

CITY CLERK'S OFFICE
 SECRETARIAT SECTION
 2006 NOV 27 P 2 16

SUMMARY

The purpose of this report is to request Council's approval of the 2007 Interim Operating Budget Estimates in order to enable City Programs and Agencies, Boards and Commissions to carry out their ongoing (base) operations during the period January 1 to April 30, 2007.

In accordance with the Financial Control By-Law, an Interim Operating Budget must be approved prior to January 1, 2007 to ensure that appropriate Council approval is granted to fund the continuance of the City's business during the period January 1st to April 30th, 2007. The 2007 Interim Operating Gross Budget Estimates total \$3.507 billion; and require cash outflows of \$2.956 billion.

RECOMMENDATIONS

It is recommended that:

1. the 2007 Interim Operating Gross Budget Estimates totalling \$3.507 billion as detailed by City Program, Agency, Board and Commission attached in Appendix 1 be approved;
2. the Deputy City Manager and Chief Financial Officer be authorized to make cash disbursements up to \$2.956 billion net to fund expenditures during the period January 1, to April 30, 2007, including cash transfers up to \$482.910 million to Agencies, Boards and Commissions as detailed in the attached Appendix 1 and,
3. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

2007 Interim Operating Budget For Period January 1 to April 15, 2007 \$000s		
	Gross	Net
City Operations	1,808,093.6	1,746,009.3
Agencies, Boards and Commissions	972,536.0	482,910.1
Corporate Accounts	289,089.2	289,089.2
Levy Operations	3,069,718.8	2,518,008.6
Rate Supported Programs	437,679.1	437,497.6
Total City	3,507,398.0	2,955,506.3

The 2007 Interim Operating Budget of \$3.507 billion requested in this report will establish spending authority for City Programs and Agencies, Boards and Commissions during the period January 1, to April 30, 2007 as detailed in Appendix 1 attached and summarized in the Table above. For City Programs (including Rate Supported Programs) and Agencies, Boards and Commissions (ABCs), the 2007 Interim Operating Budget is estimated at 40% of the 2006 Council Approved Gross Operating Expenditure budget.

Net funding for the 2007 Interim Operating Budget totals \$2.956 billion (see Appendix 1 and Table 1 above). Funding for City Operations will approximate \$1.746 billion and \$289.089 million for Corporate Accounts. Rate Supported Programs will require net funding of approximately \$437.498 million. Most ABCs are only partially funded by the City. These include the Toronto Transit Commission (TTC) for which approximately 72% of expenditures are funded from its own receipts. As detailed in Appendix 1, transfers to ABCs to enable them to meet their cash obligations are estimated at \$482.910 million.

DECISION BACKGROUND

This request is made pursuant to the Financial Control By-law, which stipulates that "Council shall, before the adoption of the final operating budget for a year, adopt an interim operating budget ... prior to the 1st day of January of the year in which the operating budget will be adopted" (Toronto Municipal Code, Article II, sub-section 71-5).

ISSUE BACKGROUND

Traditionally, Operating Budgets are not approved prior to January 1, of the budget year. Since Council provides expenditure and funding authority on an annual basis, the Interim Operating Budget must be established to ensure that the City continues to offer services without interruption, until such time as the City approves the Operating Budget for that particular fiscal year. In effect, it is through the Interim Operating Budget that Programs

and ABCs granted the authority to incur expenditures during the period from January 1, to the date on which the Operating Budget is approved by Council.

COMMENTS

The 2007 Operating Budget will be considered by City Council at its special meeting tentatively scheduled for April 2007. In order to enable City Programs, Agencies, Boards and Commissions to carry out base operations during the first part of the year, it is estimated that most programs will require authority to spend approximately 40% of their 2006 Council Approved Gross Operating Expenditures Budget. These estimates have been adjusted to include the full funding of contractual commitments that must be met in early 2007.

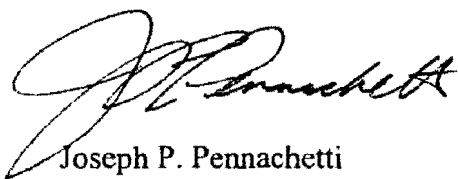
Appendix 1 attached details the Interim Operating Budget Estimates by City Program and ABC. The recommended Interim Gross Operating Budget totals \$3.507 billion comprised: \$1.808 billion for City Operations; \$972.536 million for ABCs; \$289.089 million for Corporate Accounts and \$437.498 million for Rate Supported Programs. After own source revenues, net funding required for the period January 1, 2007 to April 30, 2007 totals \$2.956 billion or 84% of the total gross expenditures (as detailed in Appendix 1). For City Operations, Corporate Accounts, and Rate Supported Programs, cash requirements are \$1.746 billion, \$289.089 million and \$437.498 million, respectively. Cash transfers to ABCs are estimated to be \$482.910 million. Several ABCs have their own revenue sources and are only partially funded by the City. Overall, funding requirements for ABCs approximate 50% of their gross expenditure needs.

CONTACT

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SIGNATURE



Joseph P. Pennachetti
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Appendix 1 – 2007 Interim Operating Budget Estimates

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CITY OF TORONTO
2007 INTERIM OPERATING BUDGET ESTIMATES
For the Period Jan 1 to April 30, 2007
(\$000s)

Program/ABC	2007 Interim Budget		2006 Council Approved Gross
	Gross	Net Cash Flow	Gross
Citizen Centred Services "A"			
Affordable Housing Office	1,207.2	1,207.2	3,018.1
Children's Services	188,540.3	188,540.3	379,350.7
Court Services	12,983.7	12,983.7	32,459.3
Economic Development, Culture and Tourism	13,932.2	13,932.2	34,830.4
Emergency Medical Services	56,945.2	56,945.2	142,363.1
Homes for the Aged	74,402.2	74,402.2	186,005.4
Parks, Forestry & Recreation	113,840.2	113,840.2	284,600.6
Shelter Support & Housing Administration	286,778.7	286,778.7	716,946.8
Social Development, Finance & Administration	13,111.0	13,111.0	32,777.6
Social Services	414,747.6	414,747.6	1,036,869.1
3-1-1 Project Management Office	1,811.8	1,811.8	4,529.6
Sub-Total Citizen Centred Services "A"	1,178,300.3	1,178,300.3	2,853,750.7
Citizen Centred Services "B"			
Buildings	15,541.4	15,541.4	38,853.6
City Planning	12,894.9	12,894.9	32,237.2
Clean and Beautiful City Secretariat	126.9	126.9	317.3
Fire Services	134,141.1	134,141.1	335,352.7
Municipal Licensing & Standards	13,444.1	13,444.1	33,610.3
Policy, Planning, finance & Admin.	4,468.0	4,468.0	11,170.1
Solid Waste Management Services	90,451.4	90,451.4	226,128.4
Transportation Services*	162,656.1	100,571.8	285,714.3
Waterfront Secretariat	397.4	397.4	993.5
WES - Technical Services	24,391.6	24,391.6	60,979.1
Sub-Total Citizen Centred Services "B"	458,513.0	396,428.7	1,025,356.5
Internal Services			
Office of the DCM and Chief Financial Officer	5,286.2	5,286.2	13,215.5
Office of the Treasurer	25,263.1	25,263.1	63,157.7
Public Information Creative Services	1,923.4	1,923.4	4,808.5
Facilities & Real Estate	47,018.5	47,018.5	117,546.2
Fleet Services	13,875.3	13,875.3	34,688.2
Information & Technology	21,064.6	21,064.6	52,661.6
Sub-Total Internal Services	114,431.1	114,431.1	286,077.7
City Manager			
City Manager's Office	15,807.4	15,807.4	39,518.5
Sub-Total City Manager	15,807.4	15,807.4	39,518.5
Other City Programs			
City Clerk's Office	19,462.1	19,462.1	48,655.3
Legal Services	11,768.2	11,768.2	29,420.4
Auditor General's Office	1,552.5	1,552.5	3,881.3
Office of the Mayor	754.5	754.5	1,886.2
Council	7,504.6	7,504.6	18,761.5
Sub-Total Other City Programs	41,041.9	41,041.9	102,604.7
TOTAL - CITY OPERATIONS	1,808,093.6	1,746,009.3	4,307,308.1

CITY OF TORONTO
2007 INTERIM OPERATING BUDGET ESTIMATES
For the Period Jan 1 to April 30, 2007
(\$000s)

Program/ABC	2007 Interim Budget		2006 Council Approved Gross
	Gross	Net Cash Flow	
Agencies, Boards and Commissions			
Toronto Public Health	84,533.0	25,531.1	211,332.4
Toronto Public Library	63,246.2	57,791.2	158,115.6
Association of Community Centers	2,521.9	2,340.4	6,304.8
Exhibition Place	18,892.2	21.6	47,230.6
Heritage Toronto	268.5	136.1	671.3
Theatres	11,934.8	1,770.0	29,836.9
Toronto Zoo	14,969.2	4,668.0	37,423.1
Arena Boards of Management	2,272.3	50.6	5,680.8
Yonge/Dundas Square	429.3	233.3	1,073.2
Toronto & Region Conservation Authority	13,591.7	1,203.9	33,979.3
Toronto Transit Commission	440,400.4	87,500.0	1,101,001.0
Toronto Police Service	318,762.6	300,950.0	796,906.5
Toronto Police Service Board	713.8	713.8	1,784.6
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	972,536.0	482,910.1	2,431,340.1
Corporate Accounts			
Community Partnership and Investment Program	16,177.6	16,177.6	40,443.9
Capital & Corporate Financing	190,976.9	190,976.9	477,442.3
Non-Program Expenditures			
- Tax Deficiencies/Write-offs	36,245.2	36,245.2	90,613.1
- Assessment Function (MPAC)	12,880.0	12,880.0	32,200.0
- Other Corporate Expenditures	3,776.0	3,776.0	9,440.3
- Parking Tag Enforcement & Oper.	16,993.4	16,993.4	42,483.6
- Vacancy Rebate Program	6,600.0	6,600.0	16,500.0
- Street & Expressway	5,440.0	5,440.0	13,600.0
Non-Program Expenditures	81,934.7	81,934.7	204,836.9
TOTAL - CORPORATE ACCOUNTS	289,089.1	289,089.1	722,723.1
TOTAL - LEVY OPERATIONS	3,069,718.8	2,518,008.5	7,461,371.3
Rate Supported Programs			
Toronto Water	244,180.3	244,180.3	610,450.7
Parking Authority	38,073.8	38,073.8	95,184.6
TOTAL - NON-LEVY OPERATIONS	437,679.1	437,497.6	1,094,197.8
TOTAL - LEVY & INON-LEVY OPERATIONS	3,507,397.9	2,955,506.2	8,555,569.1

* Transportation interim based on contracted rates.