

# VOLUME 4

## 2006 BUDGET OVERVIEW & PROGRAM SUMMARIES

### 2006 Corporate Overview

An outline of the City's financial,  
operating and management plan  
for the quality of life



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## 2006 CORPORATE OVERVIEW

### 2006 OPERATING BUDGET SUMMARY

On March 29 and 30, 2006 Toronto City Council approved the 2006 Operating Budget which comprised of gross expenditures of \$7.618 billion and non tax revenues of \$4.486 billion, resulting in property tax levy (or net budget) before assessment growth of \$3.132 billion as shown in Table 1 below. Overall, the gross expenditure budget increased by \$483.0 million or 6.8 per cent. By comparison the net budget increased by \$115.3 million or 3.8 per cent. Of this increase, \$106.5 million is attributed to maintaining base or existing services and \$8.8 million to fund new and enhanced services that meet Council's highest priorities.

Approved City tax policy restricted non-residential property tax increases to no more than one-third of residential tax increases. For fiscal 2006, City Council approved a residential property tax increase of 3 per cent or \$37.2 million, and a non-residential property tax increase of 1 per cent or \$18.4 million for a total increase of \$55.6 million.

**Table 1: 2006 Approved Operating Budget Summary  
(Before Assessment Growth)**

	(\$ Millions)					
			Change from 2005 Approved Budget			
	Gross	Net	Gross		Net	
	\$	\$	\$	%	\$	%
2005 Approved Budget	7,135.0	3,016.5				
2006 Base Budget	7,435.2	3,123.0	300.2	4.2%	106.5	1.5%
2006 New Services	182.8	8.8	182.8	2.6%	8.8	0.3%
2006 Approved Budget	7,618.0	3,131.8	483.0	6.8%	115.3	3.8%

The 2006 Operating Budget generally maintains service levels and focuses on priorities of residents and businesses, with emphasis on community safety and strong neighbourhoods, the Children's Services Best Start program, celebrating the Year of Creativity and continuing the Toronto Clean and Beautiful City Initiative. As has been the case in prior years, on average, more than 60 per cent of property tax revenues is earmarked to pay for police, fire, emergency medical services, the Toronto Transit Commission (TTC), garbage collection and recycling, libraries, parks and roads – services that most impact the quality of life of residents. Thus, despite the very challenging fiscal constraints that prevail, services generally have been maintained and key new investment priorities have been funded.

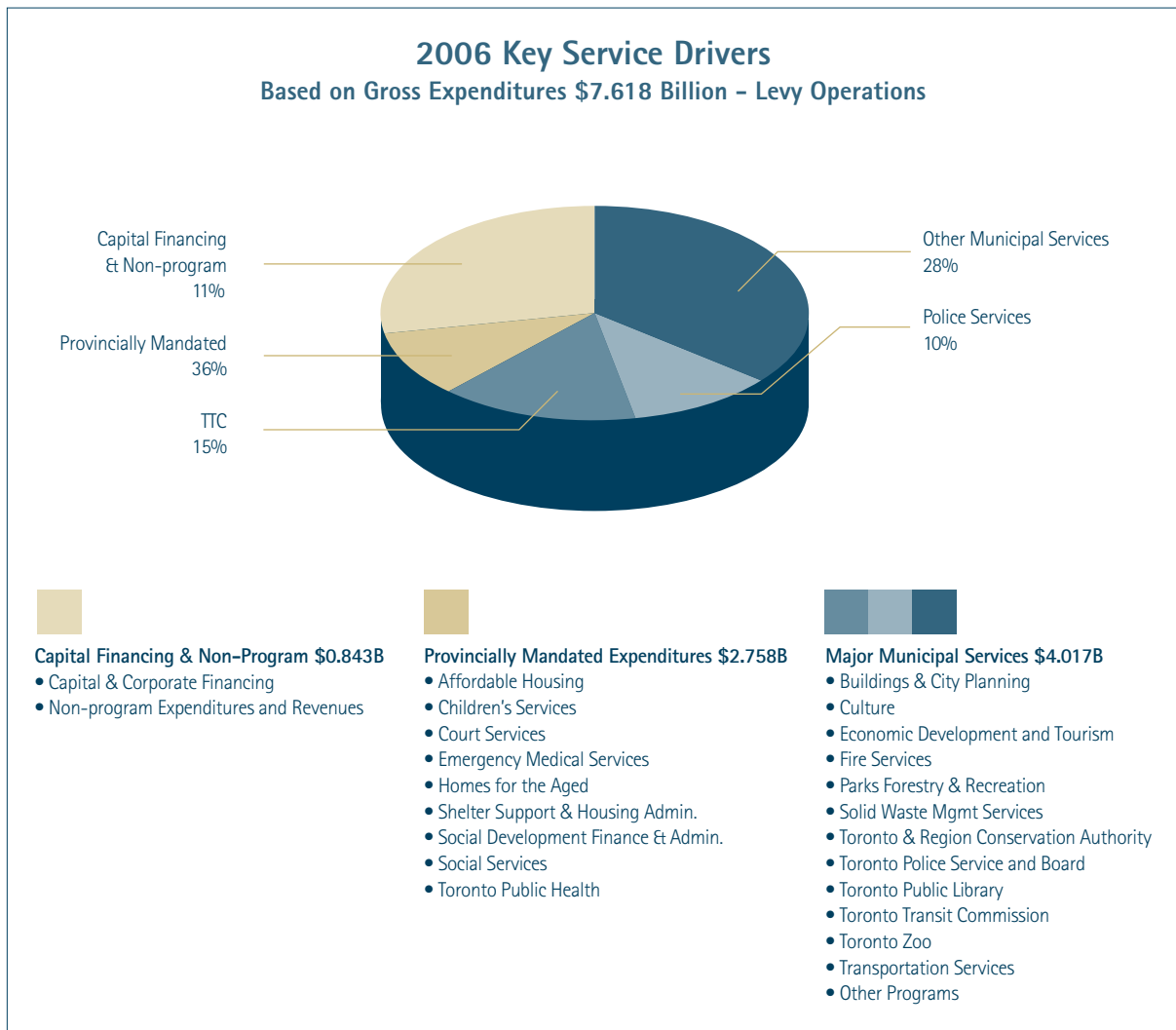
Notwithstanding enhanced provincial assistance in 2006, the City still requires fiscal tools to enable it to continue to be the economic engine of Canada, and the centre of business, culture, entertainment and international activities in the Greater Toronto Area. Therefore, it is imperative that the City permanently resolve its operating budget dilemma with a long term funding plan, in order to alleviate the significant pressures on property tax revenues and to continue to provide the municipal services demanded by its constituents.

The Province's partnership funding in 2006 makes significant progress toward funding up to 50 per cent of the Toronto Transit Commission's 2006/2007 Operating Budget and begins to increase cost-shared (social assistance) program funding. The next step is for the Province to agree on a plan to fully upload the cost-shared social programs over the next four years. These initiatives, when combined with the transfer of revenues that grow

with the economy to the City over the 2007–2010 period, will provide the financial foundation to ensure the City's fiscal sustainability. Downloaded provincial income redistributive programs onto the City and operating pressures of the TTC, were major contributors to escalating structural fiscal problems confronting the City of Toronto. To address this problem, the City has had to rely on non-recurring revenues to balance its operating budget during the past several years. The City is well aware of the need to develop strategies to permanently resolve the fiscal problem in order to ensure that it remains economically viable and continues to realize its role as the economic engine of the province and country. On that front, some progress has been made to get the other orders of government to adequately fund their programs. Despite the fiscal challenges that confront the City, the 2006 Operating Budget fulfils Council's goal of maintaining services and service levels and ensuring that new investment priorities are funded.

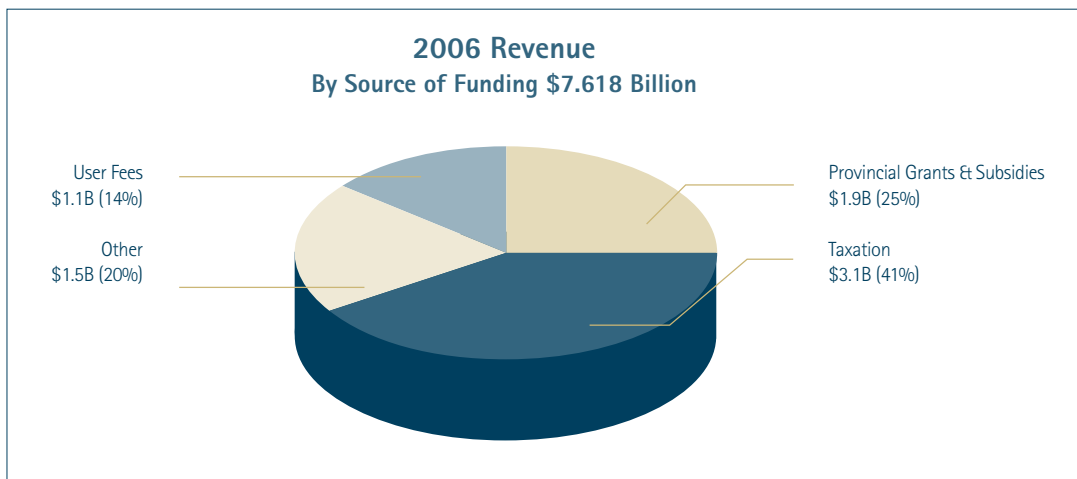
### 2006 Operating Budget in Brief

The chart below provides a breakdown of the 2006 Gross Expenditure Operating Budget by key service driver. Provincially-mandated Programs make up 36 per cent or \$2.758 billion, Municipal Services total 53 per cent or \$4.017 billion, while Capital Financing & Non-Program Accounts comprise 11 per cent or \$0.843 billion of the City's 2006 Operating Budget.



### Sources of Revenue

The chart below shows the City's major revenue sources for 2006. User Fees make up \$1.126 billion or 14 per cent of total revenues, Grants and Subsidies from other orders of government account for \$1.878 billion or 25 per cent of total revenues and Other Revenues total \$1.481 billion or 20 per cent of total revenues. The largest revenue source is Property Taxes which total \$3.132 billion or 41 per cent of total revenues.



### New/Enhanced Services

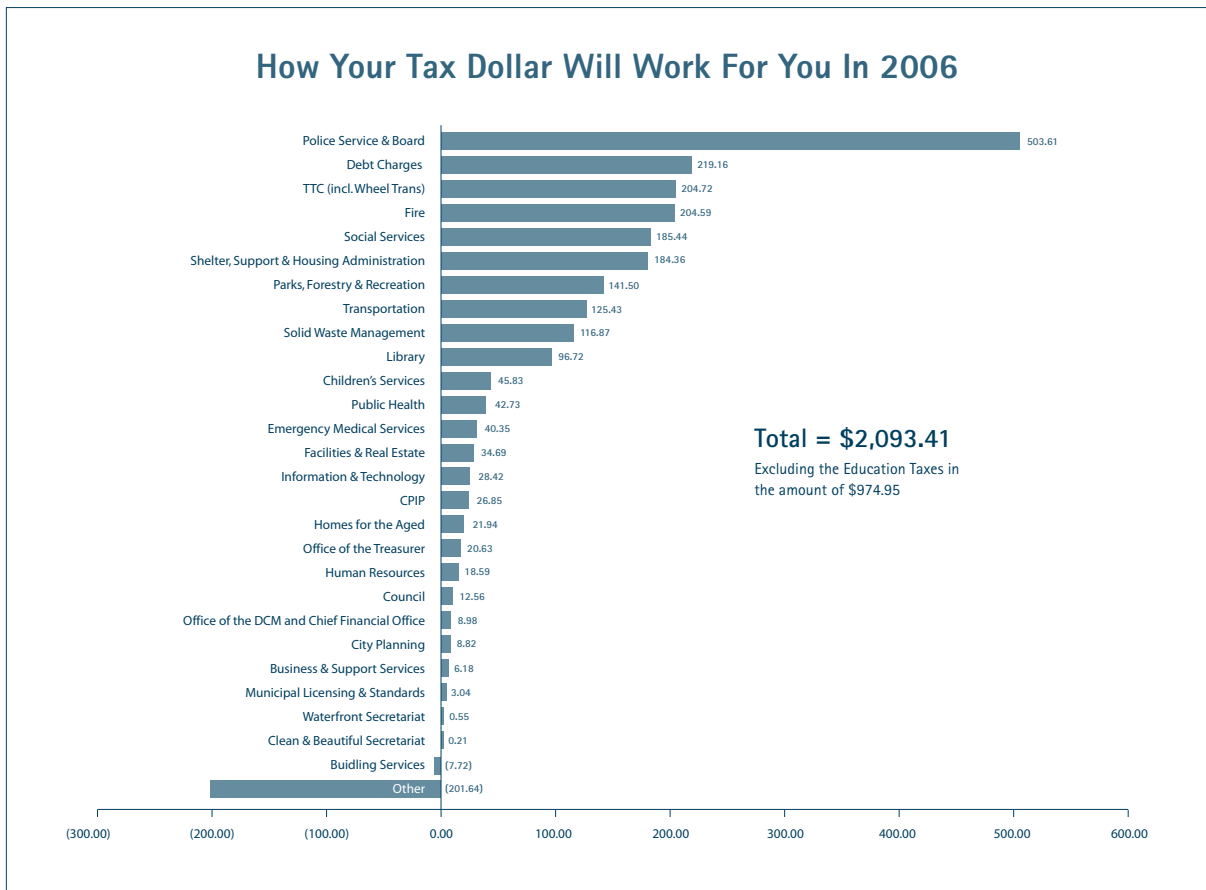
Expenditures on new and enhanced services total \$182.797 million. Every effort was made to fund the new and enhanced expenditures with non-tax revenues. This is evident by the fact that property tax revenues fund only \$8.8 million or five per cent of new and enhanced services. This was achieved by restricting new investments to those initiatives that are critical to achieving Council priorities, and those that leveraged third party funding in order to minimize any incremental financial impact on the 2006 budget shortfall. The table below summarizes the 2006 approved new/enhanced services that achieve Council's highest priorities.

Table 2: 2006 Approved New/Enhanced Services

	\$000s	
	Gross \$	Net \$
Council's Highest Priorities:		
Strong Neighbourhoods	34,365.2	4,858.4
Clean & Beautiful	542.5	542.5
Year of Creativity	3,250.0	1,500.0
Waterfront Initiative	152.0	105.0
<b>Total Council's Highest Priorities</b>	<b>38,309.7</b>	<b>7,005.9</b>
Best Start (Children's Services)	95,608.0	
Housing Initiative(s)	4,036.8	
Courts - Off Duty Police Court Attend.	1,200.0	(300.0)
Other Program New/Enhanced	43,642.7	2,048.8
<b>Total New and Enhanced</b>	<b>182,797.2</b>	<b>8,754.7</b>

### HOW 2006 TAX DOLLARS ARE SPENT

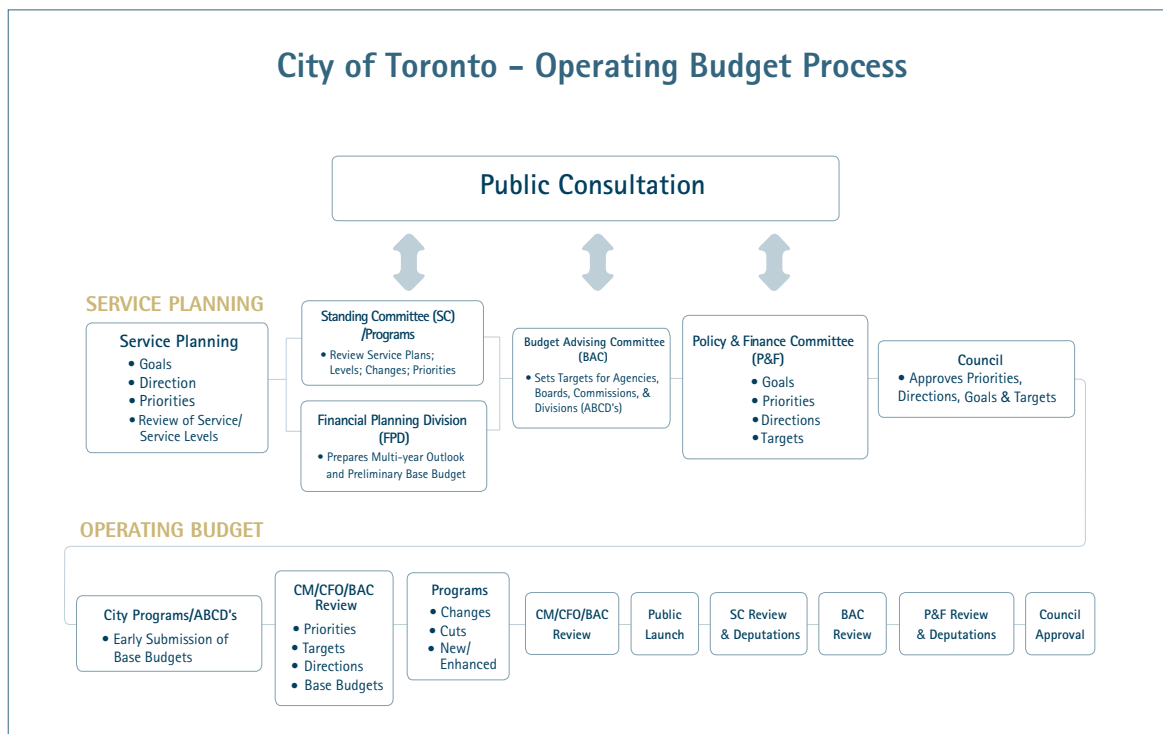
In 2006, an average house with an assessed value of \$369,300 will pay municipal property taxes of \$2,093.41. This represents an increase of \$73.80 over 2005. The following chart shows how the property tax on an average home is spent. For the taxpayer paying an average of \$2,093.41 in property taxes, 24 per cent or \$503.61 will be used to pay for the Toronto Police Service, while \$219.16 or 10 per cent will go toward Debt Charges. TTC including Wheel Trans will be supported by \$204.72 and \$204.59 will be used for Fire Services.



### 2006 OPERATING BUDGET PROCESS

The City's new budget process, which was adopted by Council in 2005, is designed to comply with generally accepted budgeting principles as well as best budgeting practices recommended by the North American-based Government Financial Officers Association (GFOA). It segregates the Base Budget from the Service Expansion Budget for review and decision making purposes. In so doing, the Base Budget is reviewed with a clear understanding of the key service drivers resulting in increases over the prior year. Service Expansion budgets are to be supported by business cases which link to strategic plans and clearly articulate service level impacts, and are presented to Council and Committees as decision packages, clearly distinct from the Base Budget. In the interest of timely approval, this approach enables Council to approve a Base Budget and to deal with the Service Expansion budget as separate decision points.

Performance measures constitute a key element in developing the annual operating budget. In order to assist Council with resource allocation decisions, the focus has shifted to results/outcomes, thus requiring programs to indicate what will be produced or achieved with the resources provided for service delivery. While still evolving, the shift to results-oriented budgeting holds management accountable both for the inputs allocated to their programs and the expected results/outcomes.



Service planning is the starting point, and a very important element of the City's budget process, as illustrated in the diagram above. During this phase service goals, objectives and priorities are established and/or confirmed. Council sets goals for its term of office, which provide context for priority setting and service planning. Service plans and service levels must reflect the needs of all stakeholders, including the public. Thus, public consultation is a key and essential element at this phase of the process.

With well-established corporate goals and objectives established, Standing Committees have a basis for reviewing City Programs and Agency, Board and Commission services plans that have a three to five-year financial forecast horizon. The outcome of this review, which includes confirmation or adjustment of services, service levels and priorities, along with multi-year financial forecasts developed by the Financial Planning Division (FPD), constitute the main inputs to the budget directions and financial target setting exercise. The intent of these process changes is to enable Council to discuss city-wide and local service issues over a longer term horizon early in the process.

The Financial Planning Division provides analysis and support to senior management and the Budget Advisory Committee (BAC) in the target setting exercise. This involves development of a multi-year financial outlook, (inclusive of a revenue forecast) and assessment of the impact of environmental (internal as well as external) factors on the City's financial resources. FPD submits initial proposals on resource allocation options for consideration by senior management and the Budget Advisory Committee (BAC). Development of budget directions

and priorities is an interactive exercise. The new budget process requires staff and BAC to work jointly to develop targets that are conducive to achieving the best results and outcomes.

Standing Committees perform reviews of budget submissions to confirm that the right services and service levels are provided and report on programs within their individual mandates to the Budget Advisory Committee (BAC). The latter Committee has the mandate of reviewing budgets, taking into consideration the recommendations of the Standing Committees, to assure that limited resources are allocated in a manner that fulfills Council priorities and the demands of constituents all within a financial framework. Further, the BAC undertakes detailed reviews of key issues in an effort to more fully understand service issues and cost drivers. In both cases, the increasing use of briefing sessions and issue-specific briefing notes has supported Committee deliberations on the budget.

Another key element of the City's budget process, which has been emphasized during the past two years, is the engagement of the public in the priority setting exercise earlier on. In 2006, the City held several public meetings and discussions to get the public to confirm Council priorities and strategic directions.

In summary, in an effort to make further improvements the following key elements were incorporated into the 2006 budget process:

- up-front dissemination of Council's broad goals, budget directions and targets
- assessment of community needs, priorities, challenges and opportunities and incorporating those into the budget guidelines and policy directions to staff
- introduction of a more structured service planning process
- early Council and public engagement in the budget process to provide up-front budget directions and targets, and later when the budget is being reviewed
- evaluation of new services to ensure that they achieve the planned results

Public launch of the proposed budget marks the beginning of the political review process, commencing with the Standing Committee review. All local issues are addressed at the Standing Committee and deputation review phase, so that the Council budget debate focuses more on city-wide issues. At part of the political review, City Programs and Agencies, Boards and Commissions (ABCs) are required to report on the outcomes of service expansion /new services approved in the following cycle. The budget debate at Council culminates with the approval of the operating budget.

**Inflation/Economic Factors**

Table 3 lists the commodity specific inflation rates utilized to develop the 2006 Operating Budget. Excluding hydro, water, natural gas, salt, TTC diesel, and other contract-driven prices, the economic factors for 2006 were determined based on forecasts of leading private sector organizations (including the Chartered Banks and the Conference Board of Canada). These economic factors will continue to be reviewed and any significant changes that warrant in-year adjustments will be reported in the 2006 quarterly variance reports. In accordance with the City's strategy to closely monitor spending on furniture and consulting costs, these expenditures were zero-based.

**Table 3: 2006 Operating Budget**

Economic Factors (Revised January 2006)	
Expenditure	Economic Factors %
Printing & Paper Products	0.0
Food	2.1
Hydro	1.0
Gas	2.0
Steam Heating	20.0
Diesel	6.0
Natural Gas	10.0
Water	9.0
Postage	2.0
Telephone	0.0
Salt (City Contract)	4.0
Medical Supplies	3.0
<b>General</b>	<b>2.0</b>

Staff from Programs and ABCs prepared their budgets during July through September. These budgets were submitted to the Financial Planning Division for thorough review and analysis as part of the Administrative Review phase. The recommendations from this phase were presented to the BAC at the political budget launch in January 2006. Standing Committees as well as BAC reviewed the staff proposed budget and made recommendations to the Policy & Finance Committee. The Policy and Finance (P&F) Committee then made further recommendations to Council and the 2006 Operating Budget was approved by City Council on March 29 & 30, 2006.

**PUBLIC CONSULTATION**

Public consultation is a key element of the City's mature budget process. As part of the 2006 Operating Budget process, the public was provided several opportunities to depute on the budget, first during Standing Committee meetings of January 5, 9, 11, 12 and 16, 2006 and again at the Policy and Finance Committee meeting of February 16, 2006. In addition, four public consultation sessions were held across the City on February 4, 8 and 9, 2006, for the sole purpose of receiving advice from citizens on the 2006 Operating Budget.

Participants were asked to express their concerns as well as to provide advice and ideas about managing the City's expenses and increasing the City's revenue. The following points highlight common themes at the four public consultation sessions:

**Expenditures**

- Provincial partnership in funding transit operations
- The full cost of Social Housing and Social Services should be uploaded to the Province.
- The federal government should pay for services it has mandated such as policing of foreign embassies.
- The City should be more accountable and should undertake a thorough review of all programs.
- Any duplication of services run by City agencies should be streamlined.
- A strategy to build-up the commercial tax base and attract more businesses and jobs should be created.

**Revenues**

- Non-residents who use/enjoy the services provided by the City must be made to share the cost of these services.
- The City needs a sustainable form of revenue such as a share of hotel, sales tax and/or income tax.
- Progressive taxes that grow with the economy should be reallocated from the provincial and federal levels.

Although there was general agreement on the need to upload costs of social housing and social services to the other orders of government, the time period over which this should be done varied.

**COUNCIL PRIORITIES**

Council set priorities for its 2003 to 2006 term of office as follows: (1) improve public services; (2) make progress on the waterfront; (3) improve the business climate; (4) make Toronto a clean and beautiful city; (5) strengthen our at-risk neighbourhoods; (6) ensure housing is affordable; (7) get the powers and funding needed for Toronto to succeed; (8) improve the planning process and, (9) increase public involvement in civic affairs. As part of the 2005 Operating Budget process, an initiative to align services and resource allocation to Council priorities was started. City Programs and ABCs were required to provide information in a structured fashion and to identify service/activity information and costs according to the nine established priorities. This initiative continued with the 2006 Budget process.

Given the City's fiscal constraints, limited new investment in the 2006 Approved Operating Budget has been restricted to: Clean & Beautiful Initiative; 3-1-1 Customer Service Strategy and the Waterfront Initiative as well as spending priorities to address Community Safety particularly in at-risk neighbourhoods; Year of Creativity – Live with Culture; Transit – Ridership Growth Strategy; and, Waste Diversion Plan – 2010.

**2006 BUDGET OBJECTIVES, PRINCIPLES AND GUIDELINES**

**2006 Budget Directions**

In May of 2005, Council recognized the magnitude of the fiscal challenges it faced and the need for fiscal restraint in developing the 2006 Operating Budget. While a permanent solution to the fiscal imbalance was the ultimate goal, it was evident this would not fully materialize in 2006, thus prompting Council to provide the following 2006 Operating Budget Directions:

- In order to address the significant gap in funding of provincially cost shared programs, the following measures be adopted:
  - » The City request that the provincial government recognize the actual cost of emergency and community services and meet its legislated obligation to fully cost-share those services for 2006.
  - » The City review with the Province opportunities for service efficiencies in the administrative and reporting requirements for cost-shared programs.
  - » Consideration be given to service reductions in the provincial cost shared programs and/or further draws on related reserves to mitigate pressures on the City's property tax base.
- Eligible revenues from the provincial gas tax received in 2006 be used to fund the Toronto Transit Commission's operating budget.
- The City expand its current program of continuous improvement and efficiency initiatives to include service reviews and rationalization.

- Where direct users can be identified, City user fees be set to recover the full cost of the service and be increased by the rate of inflation, while ensuring that the most vulnerable are protected.
- Services aligned to Council's highest priorities for 2006 be protected

Notwithstanding best efforts to contain expenditures and maximize efficiencies, uncontrollable pressures were quite significant and represented a major challenge for 2006. As was the case in 2005, containing the budget pressures associated with the delivery of services by City Programs and ABCs not under the direct control of the City proved to be difficult. In addition, the continuing structural revenue problem increased the challenge of maintaining services and service levels.

**2006 – 2008 OPERATING BUDGET TARGETS (2006 – 2%; 2007 – 0% AND 2008 – 0%)**

The City Manager and the Deputy City Manager & Chief Financial Officer issued to staff the following multi-year budget targets: 2 per cent increase over the 2005 Council Approved Operating Net Expenditure for 2006 and 0 per cent increase for each of 2007 and 2008. The multi-year target approach considered 2006 to be a transition year and recognized that sustainable budget reduction strategies tend to take longer than one year to implement or to fully realize associated cost savings.

**2006 BUDGET PRESSURES**

The 2006 Budget Process, Directions, and Guidelines approved by Council, recognized that the City has a structural fiscal problem which has resulted in the continuing reliance on one-time revenues to balance the Operating Budget. This circumstance culminated in a significant 2006 starting budget pressure of \$759 million, of which \$439 million was attributed to non-recurring one-time funding sources utilized in 2005 (see Table 4 below).

**Table 4: 2006 Operating Budget**

Analysis of Beginning Pressures (\$ Millions)			
<b>Provincial Responsibilities</b>			
Provincial Loan Deferral		20	
Special Provincial Transfer		45	
Gas Tax Revenues for Operating		92	157
<b>City/Toronto Hydro One Time Funding</b>			
Interest Income -- Hydro Note for Operating		67	
Hydro Dividends -- for Operating		38	
Special Dividends -- for Operating		30	
Sale of City Lighting Assets		60	
Reserve Draws		87	282
<b>Total 2005 Unsustainable/One-time Funding</b>			<b>439</b>
<b>2006 Operating Impacts</b>			
Debt Service Cost		44	
Cost of Living allowance		90	
Inflation on Materials, Supplies and Services		81	
Annualizations and Other		105	320
<b>Starting 2006 Pressure</b>			<b>759</b>

## 2006 OPERATING BUDGET SUMMARY

Council's 2006 Operating Budget Directions emphasized fiscal constraint, maximization of efficiencies and cost containment measures. Staff were asked to focus on services that were aligned to Council's highest priorities, increase user fees while protecting access for the most vulnerable, and to consider service reductions. In addition to Council directions, a target of no more than 2 per cent increase over the 2005 Net Expenditure Budget was approved for 2006.

### Key Base Program Pressures

- The City Operations increase of 5.8% was driven largely by the increase in cost-shared programs, emergency services (Fire and Emergency Services) and Solid Waste Management Services.
- The pressures for ABCs were driven by the TTC and Police increases. The capital and corporate financing increase was attributed to the debt service charges arising from the approved 2005 Capital Budget.
- The Non-Program Budget was down mainly due to the utilization of one-time City reserve funding combined with increased provincial funding.

### CITY OF TORONTO ECONOMIC PROFILE – SETTING THE CONTEXT FOR 2006

Despite its fiscal challenges, the City of Toronto continued to implement public policies geared towards ensuring a strong economy and that the City remain an attractive place in which to do business. Toronto is Canada's head office city with the largest concentration of head offices (comprised of a unique diversity of industry sectors) of any city in the country. The Toronto industry sector encompasses major North American industry clusters vital to the new economy. As highlighted by the Toronto Board of Trade, "these clusters are the drivers of innovation and prosperity and are essential to the economic success of the city and country." The indices below confirm that Toronto continues to do very well economically and has outpaced the rest of the Toronto Census Metropolitan Area in many key areas.

### Key Indices

Table 5 compares 2005 key indices between the City of Toronto and the Toronto Census Metropolitan Area (CMA) comprised of the City of Toronto plus 23 surrounding municipalities in the 905 area. Although the City's land area is 10.7 per cent of the CMA, it accommodates 49.0 per cent of the total CMA population. Similarly, 76,000 or 49.7 per cent of businesses in the CMA operate in the City of Toronto. The per capita income in Toronto was slightly lower than that of the CMA; however, the average price of a resale single detached house was higher in Toronto. Of the 41,596 Housing Starts in the Toronto CMA, 15,602 or 37.5 per cent were in the City of Toronto.

**Table 5: Comparison of 2005 Key Indices**

Key Indices	City of Toronto vs. Census Metropolitan Area (CMA)	
	City of Toronto	Census Metropolitan Area (CMA)
Population (inter-censal estimates)	2,607,637	5,304,090
Land Area Km <sup>2</sup>	630	5,903
Labour Force	1,425,330	2,970,630
Number of Businesses	76,000	153,000
Gross Domestic Product (in 2004 \$ B)	\$127	\$262
Per Capita Income \$ (estimate)	33,555	34,648
Average Household Income \$ (2001 Census)	69,125	76,454
Average Price of Resale Single Detached \$	503,018	437,204
Housing Starts	15,602	41,596

Table 6 provides statistics on building permit activity in the City of Toronto and the Toronto CMA. Overall, the total number of building permits issued in the City in 2005 increased by 173 or 1.5 per cent compared to a decrease of 4,502 or (8.6 per cent) in the CMA. Also, the City realized a 4.7 per cent increase in the number of residential permits issued in 2005. While the number of residential permits issued in the Toronto CMA declined by 11.9 per cent.

**Table 6: Comparison of Building Permits: 2005 vs 2004**

	City of Toronto 2005	City of Toronto 2004	Year over Year Change %	CMA 2005	Year Over CMA 2004	Change %
<b>Residential</b> - Value (\$000s)	2,917,053	1,887,608	54.5	7,506,849	7,644,663	(1.80)
- No. of Permits	7,367	7,038	4.7	36,091	40,969	(11.9)
<b>Commercial</b> - Value (\$000s)	962,149	947,455	1.6	2,143,597	2,198,476	(2.50)
- No. of Permits	3,588	3,697	(2.9)	7,458	7,879	(5.34)
<b>Industrial</b> - Value (\$000s)	81,384	181,167	(55.1)	676,638	913,757	(25.9)
- No. of Permits	310	379	(18.21)	2,013	2,139	(5.89)
<b>Institutional</b> - Value (\$000s)	449,163	733,096	(38.73)	1,058,134	1,387,785	(23.75)
- No. of Permits	461	439	5.0	2,013	1,090	84.7
<b>TOTAL</b> - Value (\$000s)	4,409,749	3,749,326	17.6	11,385,218	12,144,681	(6.25)
- No. of Permits	11,726	11,553	1.5	47,575	52,077	(8.6)

#### CITY OF TORONTO – LIMITED REVENUE BASE

Overall, Toronto's economy and outlook continued to be quite favourable and, in general, outpaced the CMA. However, the City has not benefited directly from the success it has generated since its revenues are not tied to the economy (see Table 7). While the City's policies generated economic growth, the real beneficiaries have been the federal and provincial governments whose revenue intake directly correlate to income and the economy (i.e. sales and income tax).

**Table 7: Municipal Fiscal Authority Toronto and U.S.A.**

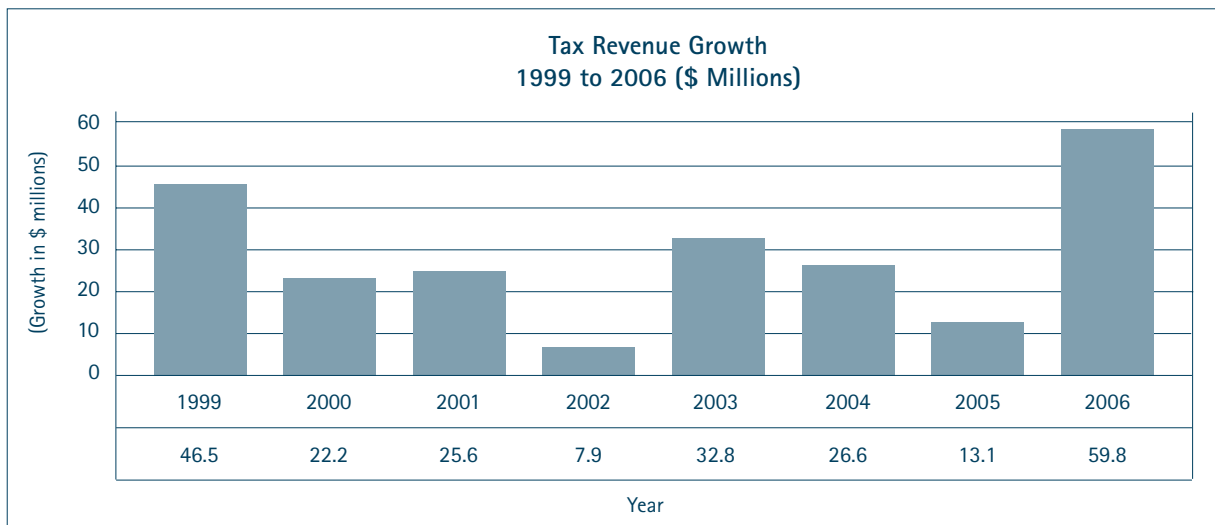
	Toronto	U.S.A.
Property tax	•	•
Sales tax		•
Hotel/Motel tax		•
Fuel tax		•
User Fees and Charges	•	•
Income tax: individual and corporate		•
Development Charges	•	•
Tax-exempt municipal bonds		•
Tax incentives		•
Grants to corporations		•
Borrow money	•	•

Over and above property taxes, user fees and grants from state and federal governments, American cities have authority to implement a wide range of consumption and growth related taxes, to run deficits and to borrow money for their operating budget (see Table 7 above). They have a greater degree of fiscal and policy flexibility.

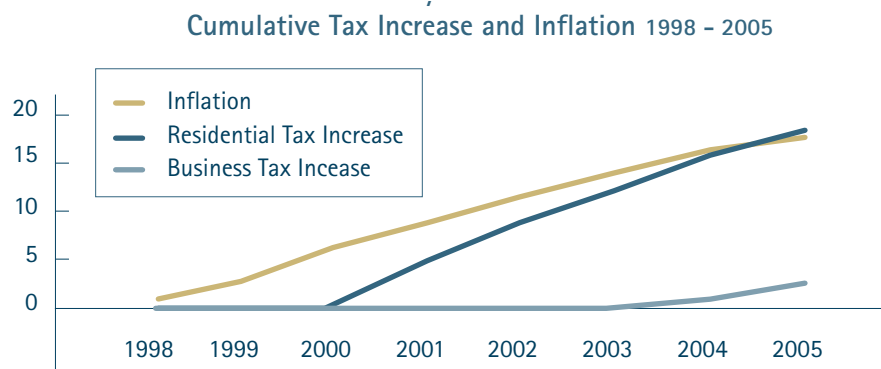
In contrast, a significant proportion of the services provided by the City of Toronto are either mandated by the Province or has been for the emergency services. Further exacerbating the fiscal issue was the fact that the Province had not provided sufficient funds or adequate financial tools to cover the cost of providing downloaded social services. In addition, the demand for several of the downloaded or mandated social services tends to increase with population growth and economic conditions, while the principal revenue source of property tax has been inelastic.

**Assessment**

The chart below shows a history of assessment growth and related changes to 'taxation' revenues from 1999 – 2006. With the exception of 1999, 2003 and 2006, growth averaged less than 1 per cent of the total property tax base (or less than \$30 million).



On average, property taxes represented approximately 43 per cent of the City of Toronto's total revenues. During the period 1998 to 2000 - the first term of Council after amalgamation - a zero tax increase policy was adopted. Subsequently, residential property taxes were increased by 5 per cent in 2001, 4.3 per cent in 2002, and 3 per cent in each of 2003 and 2004. Influenced by provincial constraints, business property taxes remained unchanged until 2004 when a 1.5 per cent increase was imposed. Again in 2005, residential property taxes increased by 3 per cent while non-residential taxes increased by 1.5 per cent. As evident in the chart below, cumulative residential property tax increases finally caught up with inflation in 2005.



## CAUSES OF TORONTO'S FISCAL CHALLENGES

Unlike large cities in the European Union and USA, the City of Toronto has had to rely on three main revenue sources to provide a wide range of services and to meet the uncontrollable increasing cost of inflation and growth. On a \$7 billion expenditure budget, inflation at current rates imposed an approximate \$250 - \$300 million pressure (exclusive of growth) on the City's budget annually. In addition there has been an increasing demand for services associated with population growth and new services to fulfill Council's priorities in order to meet quality of life expectations of the public.

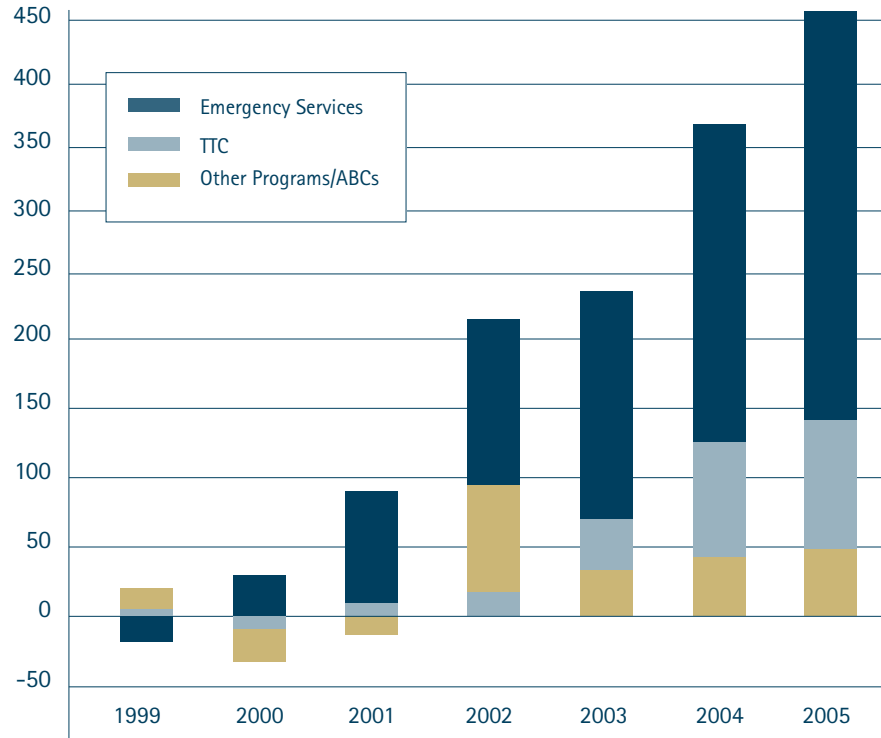
Further compounding the problem was under-funding of services downloaded by the Province. Without revenue sources that grow with the rate of expenditure increases, the City has had to rely primarily on continuous improvements and efficiencies, limited user fee increases, property tax increases, and restricted and unsustainable assistance from the Province to balance its budget. Typically, the Province has offered only one-time assistance (ranging from a low of \$50 million in 2001 to a high of \$90 million in 2004), which did not permanently remedy the fiscal problem that existed. As well, the City has had to rely on its own internal one-time revenue contributions (growing to \$282 million in 2005) to fill the gap in non-recurring revenues since amalgamation (see Table 8 below).

**Table 8: 2001 - 2005 Provincial and City One-time Funding**

	(\$ Millions)				
	2001	2002	2003	2004	2005
<b>Provincial Assistance</b>					
Deferral of Provincial Loan Repayment			10	20	20
Provincial Subsidy	50		64	70	45
<b>Total Provincial Assistance</b>	<b>50</b>	<b>0</b>	<b>74</b>	<b>90</b>	<b>65</b>
<b>Internal Funding Initiatives</b>					
Continuous Improvement/Efficiency	40	45	50	60	60
<b>One Time Internal Funding</b>					
Reserves	41	72	99	69	87
Hydro Revenues				92	195
Other One Time					
<b>Total One Time Internal Funding</b>	<b>41</b>	<b>72</b>	<b>99</b>	<b>161</b>	<b>282</b>
<b>Property Taxes</b>					
Tax Increase	48	44	32	59	62
Assessment Growth/Change	26	8	33	27	13
<b>Total Property Taxes</b>	<b>74</b>	<b>52</b>	<b>65</b>	<b>86</b>	<b>75</b>
<b>Total Internal Funding Initiatives</b>	<b>155</b>	<b>169</b>	<b>214</b>	<b>307</b>	<b>417</b>
<b>Total Provincial and Internal</b>	<b>205</b>	<b>169</b>	<b>288</b>	<b>397</b>	<b>482</b>

The following table confirms that a sizable portion of property tax revenue increases since 1998 have been utilized to pay for the increasing cost of emergency services (police, fire and emergency medical services) and transit. Property taxes in 2005 totalled \$3.016 billion compared to \$2.575 billion in 1998. This represented a \$441 million or 17 per cent increase, of which 90 per cent or \$394 million has been used to pay for increases in transit and emergency services.

How Property Tax Increases  
 Have Been Allocated Since 1998 (\$ Millions)



In effect, only the operating risks associated with these fiscal challenges are significant. It has become critical that sustainable fiscal solutions are needed to enable the City of Toronto to continue to serve its constituents, and to remain economically competitive in the global marketplace. Achievement of the latter would be beneficial to both the Ontario and federal governments evidenced by the fact that the City sends \$11 billion in revenue to other orders of government in excess of what it gets back from them.

**NEW DEAL AND FUNDING PLAN**

In 'Measuring Toronto's Fiscal Capacity: An Executive Summary', the Conference Board of Canada indicated that the City "faces an annual imbalance of \$1.1 billion between the cost of its service responsibilities, and the amount of money it raised to provide those services." Further, the Plan attributed the reason for the imbalance to the City's obligation "to pay for services, such as social programs, when they should be paid for by the Province, as in the rest of Canada" and reinforced the fact that, "the City has no access to growing revenue sources, such as sales or income taxes, unlike many other large North American cities, nor will the new City of Toronto Act provide the means to address the fiscal imbalance."

The 'Five-Year Plan to Put Toronto on Stable, Sustainable Financial Footing' attempted to address the fiscal imbalance referenced above and proposed solutions which required all orders of government to fulfill their responsibilities. Key responsibilities and actions included in the Five-Year Plan, implementation of which began in 2006 were as follows:

### City Actions

- Restrict program-spending growth to 2% in 2006, and 0% in 2007 and 2008, and continued fiscal restraint in 2009 and 2010
- Manage the imbalance created through increased debt, deferred expenditures and use of non-recurring funding sources for the first four years
- Modest increase in City building initiatives
- Use of the new revenue strategy under the new City of Toronto Act in 2007 and 2008

### Provincial Actions

- Implement new City of Toronto Act
- Honor program cost sharing arrangements
- Fund 100% ODSP/ODB administration and mandatory benefits programs
- Forgive transition loan payments
- Increase base gas tax transfer for transit to 1.5 cents in 2006 and 2.0 cents indefinitely
- Increase sales tax transfer to 1/16th of PST (1/2%) and/or comparable GST
- Initiate and continue phase-in to achieve 50:50 City/Provincial funding for TTC operating budget over the five-year period
- Adopt a five-year plan to change the City's structural imbalance in 2006
- Take back GO Transit expansion cost in 2007

### Federal Actions

- Increase gas tax transfer for transit (population based) to 1.5 cents in 2006, 2 cents in 2007, 2.5 cents in 2008 and 5 cents thereafter
- Amend Bill C48 gas tax transfer for transit, ridership based in 2006 and 1 cent of gas tax permanently

The City of Toronto has determined that if these actions were adopted by the three orders of government, its fiscal imbalance will be remedied over a five-year phased-in approach at a declining rate of: \$496 million in 2006, \$445 million in 2007, \$190 million in 2008, \$155 million in 2009 and zero in 2010.

### The City of Toronto Act

On September 17, 2004, the City of Toronto and the Province officially launched a joint Toronto-Ontario review of the City of Toronto Act, 1997 and other private (special) legislation. The purpose of the review was to develop recommendations for a modernized City of Toronto Act that would provide the City with an enabling legislative framework commensurate with its responsibilities, size and significance to the Province. Associated objectives of this review included the following:

- make the City of Toronto more fiscally sustainable, autonomous and accountable
- improve Ontario's quality of life and competitiveness by equipping Toronto with the legislative tools it requires to thrive as a modern, global urban centre
- reduce red tape and improve the efficiency of the government of Ontario and Toronto by eliminating duplicate, unnecessary and time-consuming measures that provide little public benefit

The Task Force established to review the City of Toronto Act and other private (special) legislation suggested that a modernized City of Toronto Act should fundamentally alter the way Ontario empowers Toronto. The Act should start from the premise that Toronto may exercise broad permissive governmental powers within its jurisdiction, subject only to exceptions in the provincial interest. Toronto required a wider mix of revenue sources to better meet

its financial requirements and more effectively achieve public policy objectives. 'Toronto also required broader scope ... to raise revenue and manage its financial and physical assets.' Providing Toronto with expanded financial management and revenue tools will make the City more fiscally sustainable, autonomous and accountable.

The structural fiscal problem faced by the City presented major challenges in producing a balanced budget for 2006. As a starting point, the City had an overwhelming \$759 million pressure mainly due to unsustainable budget balancing solutions. In addition to the one-time revenue problem, the impact of inflation on expenditures continued to be significant, particularly because the City's revenues are not similarly tied to income. Despite the fact that most City programs achieved the assigned 2 per cent net expenditure target, the City again relied on non-recurring revenue solutions. In effect, while the programs and Agencies, Boards, and Commissions (ABCs) demonstrated their commitment to fiscal prudence, once again the City resorted to the use of strategies that were inconsistent with its budgetary and fiscal principles, including approximately \$160 million of reserve funding.

**Actions Taken to Balance the 2006 Budget**

As part of the administrative review process, the Financial Planning Division analyzed program submissions to ensure compliance with Council directions and guidelines and presented findings and recommendations to the City Manager and Deputy City Manager & Chief Financial Officer for consideration. Through detailed reviews that focused on optimizing revenues and minimizing cost increases while maintaining base services, the 2006 Budget Request from City Programs and ABCs was reduced by \$43 million.

Standing Committees reviewed the 2006 Proposed Operating Budget for City programs falling under their respective jurisdictions. The Committees received public deputations and were responsive to ideas provided by deputants. Recommendations of Standing Committees were presented to the BAC for consideration. Altogether, Standing Committees increased the 2006 Proposed Budget by adding \$2.1 million to the base budget and \$4.9 million in funding for New/Enhanced services resulting in a total increase of \$7 million.

At the January 4, 2006 Budget Briefing for the BAC and Policy and Finance Committee, staff presented a 2006 Proposed Net Operating Budget with a \$532 million pressure. After reviewing the proposed budget, Standing Committees recommended additional expenditures which increased the budget pressure by \$7 million to \$539 million. BAC recognized that even with the cost containment measures that have been implemented over the years, there was limited room left to resolve what was now a significant budget gap for the City without cutting services or service levels. BAC committed to look at all options internally and with the Province in order to address the problem and to permanently put Toronto on a stronger financial footing. In pursuit of this objective, BAC set out the following five strategies to address the structural fiscal problems and the more immediate \$539 million operating budget shortfall:

1. Committee and Council find further savings in the budget – that is, beyond the \$43 million already found as part of the Administrative Review
2. The City consider appropriate tax increases and use of reserves and other revenues where necessary
3. The Province pay for the increased cost of provincial programs and continue to defer repayment of the amalgamation loan
4. The Province take back housing and income redistributive programs – funding such programs from the property tax does not work

5. The City be given access to revenues that grow when the economy expands. Revenues from growth may then be reinvested into maintaining city services

In January 2006, the Chair of the BAC emphasized that in order to reduce the substantive pressures in the 2006 BAC Recommended Operating Budget, programs needed to identify further cost savings of at least \$50 million. The Mayor and the Chair of BAC instituted a City-wide cost containment strategy that, for the balance of 2006 until the first quarter of 2007, hiring would be restricted to only essential positions and further, imposed constraints on discretionary spending. It was estimated that the hiring freeze and other spending restraint measures generate savings of \$10 million across the corporation.

By February 14, 2006, the BAC had, through its further review of City programs and detailed review of ABCs, made budget adjustments that resulted in a \$117 million reduction to the base budget with minimal impact on service levels. Any further reduction to the budgets of City Programs and ABCs required service reductions and/or elimination.

To mitigate the remaining pressure of \$415 million, the Province provided increased funding totalling \$165 million comprised of the following:

- \$10.4 million for the Critical Care Strategy which begins to restore the provincial funding share to 50% for Emergency Medical Services by 2008
- \$100 million for TTC operations
- \$35 million from the Ontario Municipal Partnership Fund to address the City's Municipal social service program costs relative to its residents
- \$20 million for provincial loan repayment deferral

As noted above, the recently tabled 2006 provincial budget included a number of provincial revenues to the City for 2006 budget purposes. The provincial funding include the provincially announced increase in EMS funding (\$10.4 million), \$35 million from the Ontario Municipal Partnership Fund for high municipal social program costs relative to its residents' household incomes and a commitment to defer the provincial loan in 2006 (\$20 million). More significantly, the Province is providing \$200 million to the City for transit operational funding which will be utilized for 2006 and 2007 in order to move to a 50 per cent partnership.

In regard to the provincial loan, the Province set up an accounting provision for the remaining balance of the loan. The City will continue to work with the Province to reach a settlement on the outstanding amount of the loan. Most importantly, the Province recognized the City's need for longer term fiscal solutions which will assist the City in moving toward a multi-year sustainable financial plan by committing to increased transit funding and recognizing the social assistance requirements through the commencement of the Ontario Municipal Partnership funding. Thus, the Province indicated it will work with the City in moving towards a multi-year sustainable financial plan including a commitment to enhance partnership funding in 2007 and beyond.

With limited other revenue options, the BAC recommended additional strategies such as: draws from reserves and reserve funds of about \$113 million (note that \$99 million of 2005 surplus was transferred to reserves); recognized additional hydro dividends of \$21 million; assessment growth of \$60 million; and, to increase taxes to balance the budget. After assessment growth of \$59.8 million, the 2006 budget pressure was reduced to \$56 million. In order to present a balanced budget, the BAC recommended a 3 per cent residential property tax increase to generate \$37.2 million, and 1 per cent commercial, industrial and residential property tax increase which will generate \$18.4 million.

After detailed reviews of City Program and ABC budgets, the 2006 Approved Budget has been balanced without any major impact on services. However, after a combination of efficiencies, continuous improvements, user fee revenue increases, service rationalization strategies, and the Province responding favourably to the City's request to funding its responsibilities, it was still necessary to make substantive draws from reserves to address the shortfall and to minimize the increase in property taxes. Table 9 below summarizes the budget balancing strategies taken by the BAC.

**Table 9: 2006 Approved Budget**

	Pressure Reductions Strategies (\$ Millions)	
Starting Pressure		759
Council Approved Adjustments		
Hydro Revenues (Interest \$67M, Dividends \$25M)	(92)	
Gas Tax Revenues	(92)	(184)
		575
Administrative Adjustments		(43)
Proposed Budget Pressure		532
Standing Committee Adjustments		7
Standing Committee Recommended Pressure		539
<b>BAC Adjustments</b>		
Base Budget	(119)	
New and Enhanced	(5)	(124)
		415
<b>Financial Decisions</b>		
Additional Hydro Dividends	(21)	
Assessment Growth	(60)	
Additional Reserves	(113)	(194)
		221
<b>Provincial Responsibilites</b>		
Loan Deferral	(20)	
TTC	(100)	
Ontario Municipal Partnership Fund	(35)	
EMS - increased subsidy	(10)	(165)
<b>Net Budget Shortfall</b>		56
<b>Additional City Policy Options</b>		
Property Tax Increases (each 3% res \$37.1M, 1% non res \$18.5M)		(56)
<b>Net Pressure</b>		0

## 2006 BUDGET HIGHLIGHTS

The 2006 Approved Operating Budget achieved the goal of protecting important and essential services and service levels. As well, it ensured that services are being delivered efficiently. This budget optimized non-tax revenues while ensuring fair access to all residents.

The 2006 Approved Operating Budget is detailed by major expenditure and revenue category. Salaries and Benefits, which total \$3.517 billion or 46 per cent of the gross expenditure, represented the largest expenditure category. Emergency services (Fire, Police and EMS) and TTC alone totalled \$1.932 billion which approximated 55 per cent of the total salary and benefit budget. Property taxes constituted the major source of revenue in the amount of \$3.132 billion or 41 per cent of total revenues.

The 2006 Approved Budget includes increases to user fees and charges which will generate additional revenues in compliance with the City's policies, relevant provincial legislation and the notice requirement prescribed in Part XII, Fees and Charges, of the Municipal Act, 2001 capital funding. Best Start operating funding is directed to increase the number of fee subsidies, provide for increased funding for wage subsidies, improve supports for children with special needs, and maintain the current system through wage improvements, increases to per diem rates and funding for health and safety. Included in the 2006 Operating Budget is \$18.0 million in Best Start funding that will be used to create 1,810 new child care spaces in 41 expansion sites in the priority neighbourhoods.

## 2006 APPROVED POSITIONS

In accordance with the City's Financial Policies, all approved positions to support capital work as well as direct service delivery (Operating) are to be included in the Operating Budget. The 2006 Approved Operating Budget includes a total of 47,287.4 positions for Operating and Capital purposes. This is comprised of 1,400.5 capital positions and 45,886.9 operating positions.

Compared to 2005, operating positions included in the 2006 Approved Budget increased by 843.2 (see Table 10 below). City Operations account for an increase of 124.8 positions of which 108 positions or 87 per cent are in Citizen Focused Services "A". The increase is primarily attributed to cost-shared programs and Parks, Forestry & Recreation. An increase of 18.8 positions in Citizen Focused Services "B" is primarily in Transportation Services.

**Table 10: 2006 Approved Budget**

Program/ABCs	Summary of Approved Positions (Operating)		
	2005 Approved Positions	2006 Approved Positions	Change from 2005
Citizen Focused Services "A"	11,508.5	11,616.5	108.0
Citizen Focused Services "B"	7,491.3	7,510.1	18.8
Internal Services & Other City Programs	3,418.8	3,416.8	(2.0)
Total City Operations	22,418.6	22,543.4	124.8
Agencies, Boards & Commissions	22,625.1	23,343.5	718.4
Total Levy Operations	45,043.7	45,886.9	843.2

**OTHER HIGHLIGHTS**

**Community Safety and Priority Strong Neighbourhoods**

The Community Safety Plan has been established to improve public safety and build on existing strengths in our communities. The plan involves four pillars: Strong Neighbourhoods strategy, Crisis Response, Youth Opportunities and Youth Justice. The Community Safety Secretariat coordinates the various components of the Community Safety Plan which spans across several City programs to improve public safety and build on existing strengths in the community as shown in the table below highlights, by program, new investment included in the 2006 BAC Recommended Operating Budget of \$34.365 million gross and \$4.858 million net as well as an increase of 276.7 approved positions for the continuing work for the Community Safety and Priority Neighbourhoods Plan. Continuation of this Plan in 2007 will require net funding of \$5.670 million.

**Table 11: Initiatives Supporting Community Safety (\$000s)**

Program	2006		2007	
	Gross	Net	Approved Positions	Outlook (Net)
<b>Children's Services</b>	-	-	-	-
Best Start - 1810 new child care spaces	18,000.0	-		
After School Program - 3,600 after-school child care spaces	3,700.0	-		
<b>Social Development, Finance &amp; Administration</b>				
Community Crisis Response Team in 13 Priority neighbourhoods	312.5	312.5	3.0	64.0
Neighbourhood Action Community Development - six additional priority communities	425.6	425.6	-	96.0
Youth Outreach Program for high-risk youths (includes \$150K in CPIP Budget)	175.0	175.0	6.0	125.0
Youth Employment and Local Leadership involving Youths in community development	1,958.0	-	1.0	-
Youth Action, Youth Safety - involving Youths in skill building workshop	124.4	-	-	-
<b>Parks, Forestry &amp; Recreation</b>				
Implementation of Youth Recreation Strategy - "After School Youth" and "Drop-in Social Clubs for Youth with Disabilities"	154.8	154.8	2.9	154.8
<b>Toronto Police Service</b>				
Pathfinders - enhanced court security	934.5	934.5	-	-
Hiring of new police officers	6,300.0	1,900.0	204.0	2,059.0
<b>Toronto Transit Commission</b>				
Hiring of 11 new constables	242.8	242.8	11.0	2,670.8
<b>Toronto Public Health</b>				
Enhanced service to priority neighbourhoods	2,037.6	713.2	48.8	500.8
<b>TOTAL</b>	<b>34,365.2</b>	<b>4,858.4</b>	<b>276.7</b>	<b>5,670.4</b>

### Clean and Beautiful City Initiative

Consistent with Council priorities, 2006 BAC Recommended Budget includes new funding for the City's Clean and Beautiful initiative. In 2005, Phase 1 of the initiative focused on cleaning up the City for which Council allocated \$2.6 million solely for clean city initiatives. Phase 2, for 2006, continues the clean city initiatives and introduces actions to beautify Toronto with the participation and assistance of the public and private sector as shown in the table below. The Five-Point City Action Plan to Make Toronto a Clean and Beautiful City was approved by Council at its meeting on November 30, December 1 and 2, 2004. The five key actions are Sweep it, Design it, Grow it, Build it and Celebrate it which are to be implemented over a 3-year period. The plan represents an ongoing cycle of activities in which the City and its residents are engaged at all times.

**Table 12: City of Toronto Clean & Beautiful Initiative Summary of 2006 Base Budget and New Funding (\$000s)**

Actions	Base Budget Funding	New/Enhanced Services	2006 Proposed Operating Budget
1. SWEEP IT	294.6	406.7	701.3
2. DESIGN IT	(129.5)	15.0	(114.5)
3. GROW IT	1,475.7	-	1,475.7
4. BUILD IT	(185.0)	120.8	(64.2)
5. CELEBRATE IT	(50.0)	-	(50.0)
<b>Total</b>	<b>1,405.8</b>	<b>542.5</b>	<b>1,948.3</b>

The 2006 Operating Budget includes funding in the amount of \$1.948 million for Clean and Beautiful City initiatives of which \$1.406 million is for base funding that provides full funding for initiatives that began in 2005 and \$0.543 million is for new/enhanced activities in 2006 such as: \$0.015 million to implement the Municipal Benefits of Green Roofs Study and the recommendations of the New Official Plan; \$0.407 million to provide maintenance services to orphaned areas like expressway ramps and medians; and \$0.121 million to continue implementing the Neighbourhood Beautification Program in 2006 to identify and deliver beautification projects in each of the City's 44 wards.

### Year of Creativity – Live with Culture

The Culture Plan approved by City Council calls for Toronto to catch the wave created by the completion of an unprecedented number of cultural facilities through a celebration of culture in 2006, the 'Year of Creativity'. This program allows Culture to continue promoting a healthy environment for community arts as well as promote and facilitate a citywide community arts network. Heritage programs will also continue to be revitalized to meet emerging community needs in terms of access to collection, research and community based programs. Culture will also continue to broker partnerships among various sectors including internal and external partners, businesses and agencies, building on the successes achieved.

Within the 2006 Operating Budget for Culture, Council approved \$3.25 million gross and \$1.50 million net for the Year of Creativity subject to the program securing \$1.75 million in revenue from provincial, federal governments and other sources.

### **Waterfront Secretariat**

The purpose of the Toronto Waterfront Secretariat is to lead and direct the City's participation in the Toronto Waterfront Revitalization Initiative as well as to ensure that all City divisions, boards, agencies, commissions and corporations assist in implementing the Waterfront Revitalization Initiative in a coordinated, efficient and cost-effective manner. The Secretariat acts as the liaison between City divisions, agencies, boards, commissions and corporations and the Toronto Waterfront Revitalization Corporation. The roles of the Secretariat include: negotiating with other governments on major issues of governance; funding; legal documentation; and land contributions.

City Council approved the Five-Year Business Plan/Ten-Year Forecast for Waterfront Revitalization Initiative in September 2005. With the cost sharing agreements between the federal, provincial and City governments now in place, the Waterfront Revitalization Initiative is transitioning from a "planning" to an "implementation" phase of the Waterfront project. As a result, it is anticipated that there will be a significant increase in workload in 2006 and beyond to deal with numerous complex issues such as brownfield liabilities, land/asset management, governance, Gardiner/Lakeshore corridor, business attraction and relocation, communications protocol and strategy. In order to address the increase in workload and to ensure that the Initiative Capital Program is delivered on a timely basis, the 2006 BAC Recommended Operating Budget includes additional funding in the amount of \$0.152 million gross and \$0.105 million net for 2 new positions: the conversion of a temporary Project Officer position to permanent, and a new temporary Technical Coordinator position (the latter cost to be funded from the Capital Budget). The 2006 Operating Budget includes funds in the amount of \$0.994 million gross and \$0.827 million net for the operation of the Waterfront Secretariat.

### **3-1-1 – Customer Service Strategy**

The 3-1-1 Customer Service Strategy aims to simplify public access to City services through a single gateway over the telephone and on the City website, using modernized, streamlined service processes, and by implementing an electronic tracking system to monitor all customer service requests from receipt to completion. Included in the 2006 Operating Budget is a net amount of \$0.389 million for the Project Management Office (PMO) for the 3-1-1 project. This will cover the cost of annualization of staff, equipment, administrative and other associated costs of the PMO essentially to ensure strategic planning and implementation of the initiative.

### **Best Start**

In addition to approved new/enhanced services that address Council priorities, Council approved \$95.6 million gross and zero net for the Best Start program. To satisfy the Best Start program, the City must develop a plan to use existing vacant child care spaces to increase licensed spaces and more child care fee subsidies in 2005/2006 with a priority for children in Junior Kindergarten and Senior Kindergarten and a gradual expansion for children 0-4 years of age, and work with the Best Start Network to develop a longer term plan to implement early learning and care hubs. As well, through the Best Start Transitional Infrastructure Plan, the City will identify renovation and new building requirements for the transition year of 2005/2006 and beyond.

The City has received \$73.467 million for the provincial year 2005/2006 and expects to receive \$69.640 million for 2006/2007. The City approved a three year plan from April 2005 to March 2008. The plan creates new licensed child care spaces through renovation and/or construction of current or new facilities using Best Start.

Overall, ABCs' operating positions increased by 718.4 over the 2005 approved positions. This approximated 85 per cent of the total increase of 843.2 positions. The ABC increase was mainly attributed to the following: 263.5 positions to deliver new services in Public Health; and, 203 positions to support expanded TTC service to meet ridership levels. Also, the Toronto Police Service increased their front line service by 204 permanent positions and decreased temporary positions by 5 which resulted in a net increase of 199 positions. In total, the 2006 Approved Positions for direct service delivery for Levy Operations increased from 45,043.7 to 45,886.9.

## 2007 OUTLOOK

Typically, services approved in one year will have an incremental financial impact on future years' budgets due to factors such as the annualized cost of base budget changes; the reversal of one-time expenditures and one-time sources of revenue; and the annualized cost of the introduction of new/enhanced services in the prior year. As indicated in the following table, the 2007 Operating Budget will increase by \$519.7 million, resulting in a Net Operating Budget forecast of \$3.652 billion. For the most part, the increase is attributed to City one-time revenues of \$273.0 million utilized to balance the 2006 Operating Budget. This was based on the commitment by the Province to continue a multi-year plan for TTC's cost-shared program partnership funding. Other significant reasons for the increase include inflation (including cost of living adjustments), annualization costs, debit service costs, etc. that total \$231.7 million.

**Table 13: City of Toronto 2007 Outlook – Incremental Impacts**

	\$Millions	\$Millions
<b>Annualization – Base</b>		
- Revenue Increase		(5.3)
- Expenditures		7.6
Annualized – New and Enhanced Services		7.5
Contribution to Reserves/Reserve Funds		25.6
One-time Grants & Subsidies		5.3
Debt Service Cost		44.0
Cost of Living Allowance		107.0
Inflationary Adjustments		40.0
<b>Total Before 2006 Unsustainable Budget Balancing Strategies</b>		<b>231.7</b>
<b>Unsustainable Budget Balancing Strategies</b>		
<b>Provincial Assistance</b>		
- Ontario Municipal Partnership Fund	35.0	
- EMS Increased Funding	(20.0)	15.0
<b>City One-Time</b>		
- Hydro Note Revenues – Interest and Dividends	113.0	
- Reserve Draws	160.0	273.0
<b>Total Unsustainable 2006 Budget Balancing Revenues</b>		<b>288.0</b>
<b>Total 2007 Outlook – Incremental Impacts</b>		<b>519.7</b>

The 2007 Operating Budget Target is set at 0 per cent change over the 2006 Council Approved Net Expenditure Budget of \$3.132 billion. Given the preliminary 2007 Outlook pressure outlined in Table 13, budget reductions of about \$518 million would be necessary to achieve a 0 per cent target in 2007. This will be a significant challenge which cannot be achieved only through austerity measures. It is, therefore, urgent that the City continue to work to achieve further operating efficiencies while pursuing sustainable revenue solutions with the Province.

## 2006 OPERATING BUDGET SUMMARY BY PROGRAM

Gross Expenditures and Comparison with 2005 & 2004

PROGRAMS	2004	2005	2006	Change from	
	BUDGET	BUDGET	BUDGET	2005 BUDGET	
	(\$000)	(\$000)	(\$000)	Incr/(Dcr)	%
<b>Citizen Focused Services "A"</b>					
Affordable Housing Office	0.0	2,826.7	3,014.0	187.3	6.6%
Children's Services	289,785.2	332,235.7	415,589.0	83,353.3	25.1%
Court Services	27,663.5	29,428.5	32,415.3	2,986.8	10.1%
Culture	11,719.4	12,618.2	15,917.8	3,299.6	26.1%
Economic Development	9,232.3	9,898.4	9,870.5	(27.9)	(0.3%)
Emergency Medical Services	125,932.7	135,089.1	142,384.1	7,295.0	5.4%
Homes for the Aged	168,787.9	179,992.1	186,171.3	6,179.2	3.4%
Parks, Forestry & Recreation	248,573.4	276,580.5	283,643.4	7,062.9	2.6%
Shelter Support & Housing Administration	631,014.2	674,817.5	698,078.3	23,260.8	3.4%
Social Development Finance & Administration	29,457.7	30,432.9	32,832.8	2,399.9	7.9%
Social Services	940,125.1	972,119.2	1,036,471.8	64,352.6	6.6%
Tourism	10,986.6	9,308.5	8,977.5	(331.0)	(3.6%)
3-1-1 Project Management Office	0.0	382.9	615.3	232.4	60.7%
Economic Recovery	200.0	0.0	0.0	0.0	n/a
<b>Sub-Total Citizen Focused Services "A"</b>	<b>2,493,478.0</b>	<b>2,665,730.2</b>	<b>2,865,981.1</b>	<b>200,250.9</b>	<b>7.5%</b>
<b>Citizen Focused Services "B"</b>					
Building Services	30,169.8	36,665.2	39,276.0	2,610.8	7.1%
Business Support Services	9,631.0	9,787.5	10,340.7	553.2	5.7%
City Planning	28,183.2	29,926.3	31,938.6	2,012.3	6.7%
Clean and Beautiful City Secretariat	0.0	326.5	317.2	(9.3)	(2.8%)
Fire Services	302,995.3	309,064.5	317,211.5	8,147.0	2.6%
Municipal Licensing & Standards	24,925.1	27,387.1	28,821.5	1,434.4	5.2%
Solid Waste Management Services	216,116.8	225,219.5	230,076.5	4,856.9	2.2%
Transportation Services	254,548.8	277,507.7	285,520.8	8,013.1	2.9%
Waterfront Secretariat	815.4	829.5	993.5	164.0	19.8%
Support Services	34,927.9	0.0	0.0	0.0	n/a
Technical Services	52,789.0	55,487.9	60,585.4	5,097.5	9.2%
<b>Sub-Total Citizen Focused Services "B"</b>	<b>955,102.3</b>	<b>972,201.7</b>	<b>1,005,081.7</b>	<b>32,880.0</b>	<b>3.4%</b>
<b>Internal Services</b>					
Office of the DCM and Chief Financial Officer	16,191.4	16,687.7	16,885.7	198.0	1.2%
Office of the Treasurer	58,465.5	60,452.2	63,152.3	2,700.1	4.5%
Corporate Communications	6,446.0	6,873.1	7,189.4	316.3	4.6%
Facilities & Real Estate	115,447.5	111,602.6	116,478.4	4,875.8	4.4%
Fleet Services	30,722.6	34,001.1	34,697.5	696.4	2.1%
Information & Technology	45,306.0	52,162.0	51,108.5	(1,053.5)	(2.0%)
<b>Sub-Total Internal Services</b>	<b>272,579.0</b>	<b>281,778.8</b>	<b>289,511.9</b>	<b>7,733.1</b>	<b>2.7%</b>
<b>City Manager</b>					
City Manager's Office	5,639.7	6,189.8	6,532.7	342.9	5.5%
Human Resources	26,216.9	28,188.5	29,644.8	1,456.3	5.2%
<b>Sub-Total City Manager</b>	<b>31,856.6</b>	<b>34,378.3</b>	<b>36,177.5</b>	<b>1,799.2</b>	<b>5.2%</b>

PROGRAMS	2004	2005	2006	Change from	
	BUDGET	BUDGET	BUDGET	2005 BUDGET	
	(\$000)	(\$000)	(\$000)	Incr/(Dcr)	%
<b>Other City Programs</b>					
City Clerk's Office	39,625.9	40,838.2	47,005.3	6,167.1	15.1%
Legal Services	24,404.6	25,963.5	28,584.7	2,621.2	10.1%
Auditor General's Office	3,151.5	3,566.4	3,880.4	314.0	8.8%
Office of the Mayor	1,745.1	1,855.8	1,888.2	32.4	1.7%
Council	17,706.0	18,514.5	18,791.1	276.6	1.5%
<b>Sub-Total Other City Programs</b>	<b>86,633.1</b>	<b>90,738.3</b>	<b>100,149.6</b>	<b>9,411.3</b>	<b>10.4%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>3,839,649.0</b>	<b>4,044,827.3</b>	<b>4,296,901.8</b>	<b>252,074.5</b>	<b>6.2%</b>
<b>Agencies, Boards and Commissions</b>					
Toronto Public Health	184,397.2	193,933.7	210,572.2	16,638.5	8.6%
Toronto Public Library	143,436.3	154,879.6	158,328.7	3,449.1	2.2%
Association of Community Centers	5,430.3	5,951.3	6,008.6	57.3	1.0%
Exhibition Place	42,406.8	46,383.8	47,511.9	1,128.1	2.4%
Heritage Toronto	464.0	519.0	670.4	151.4	29.2%
Theatres	20,005.9	19,879.5	29,798.1	9,918.6	49.9%
Toronto Zoo	34,473.3	35,360.8	37,444.1	2,083.3	5.9%
Arena Boards of Management	5,386.1	5,490.1	5,674.2	184.1	3.4%
Yonge/Dundas Square	910.4	1,008.2	1,072.4	64.2	6.4%
Toronto & Region Conservation Authority	26,650.8	30,048.3	33,979.3	3,931.0	13.1%
Toronto Transit Commission - Conventional	928,636.5	970,666.2	1,037,991.9	67,325.7	6.9%
Toronto Transit Commission - Wheel-Trans	53,221.1	56,545.9	63,009.1	6,463.2	11.4%
Toronto Police Service	706,536.6	748,691.0	796,170.4	47,479.4	6.3%
Toronto Police Services Board	1,265.1	1,296.7	1,784.6	487.9	37.6%
<b>TOTAL AGENCIES, BOARDS AND COMMISSIONS</b>	<b>2,153,220.4</b>	<b>2,270,654.1</b>	<b>2,430,015.8</b>	<b>159,361.8</b>	<b>7.0%</b>
<b>Corporate Accounts</b>					
Community Partnership and Investment Program	41,981.5	44,157.3	47,796.4	3,639.1	8.2%
Capital & Corporate Financing	394,663.9	455,964.7	481,477.8	25,513.1	5.6%
Non-Program Expenditures	225,419.6	319,408.0	361,780.0	42,372.0	13.3%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>662,065.0</b>	<b>819,530.0</b>	<b>891,054.2</b>	<b>71,524.2</b>	<b>8.7%</b>
<b>TOTAL OPERATING BUDGET (GROSS EXPENDITURES)</b>	<b>6,654,934.4</b>	<b>7,135,011.3</b>	<b>7,617,971.8</b>	<b>482,960.4</b>	<b>6.8%</b>
<b>Non Levy Operations</b>					
Toronto Parking Authority	52,322.9	54,281.8	54,801.4	519.6	1.0%
Toronto Water	555,185.5	586,050.3	610,450.7	24,400.4	4.2%
<b>NON LEVY OPERATIONS GROSS EXPENDITURES</b>	<b>607,508.4</b>	<b>640,332.1</b>	<b>665,252.1</b>	<b>24,920.0</b>	<b>3.9%</b>

## 2006 OPERATING BUDGET SUMMARY BY PROGRAM

Revenues and Comparison with 2005 & 2004

PROGRAMS	2004	2005	2006	Change from	
	BUDGET	BUDGET	BUDGET	2005 BUDGET	
	(\$000)	(\$000)	(\$000)	Incr/(Dcr)	%
<b>Citizen Focused Services "A"</b>					
Affordable Housing Office	0.0	1,433.6	1,600.0	166.4	11.6%
Children's Services	224,852.4	264,112.1	347,022.0	82,909.9	31.4%
Court Services	37,300.0	38,462.9	41,959.3	3,496.4	9.1%
Culture	3,736.8	3,666.2	5,251.7	1,585.5	43.2%
Economic Development	1,769.7	1,974.9	2,018.9	44.0	2.2%
Emergency Medical Services	76,924.9	67,570.8	82,021.4	14,450.6	21.4%
Homes for the Aged	140,556.6	147,258.8	153,353.3	6,094.5	4.1%
Parks, Forestry & Recreation	79,583.9	73,072.5	71,957.2	(1,115.3)	(1.5%)
Shelter Support & Housing Administration	360,826.9	404,885.2	422,259.4	17,374.2	4.3%
Social Development Finance & Administration	9,790.8	10,090.5	11,533.5	1,443.0	14.3%
Social Services	720,407.8	751,059.4	759,045.5	7,986.1	1.1%
Tourism	3,471.9	3,871.9	3,741.9	(130.0)	(3.4%)
3-1-1 Project Management Office	0.0	0.0	226.2	226.2	n/a
<b>Sub-Total Citizen Focused Services "A"</b>	<b>1,659,221.7</b>	<b>1,767,458.8</b>	<b>1,901,990.3</b>	<b>134,531.5</b>	<b>7.6%</b>
<b>Citizen Focused Services "B"</b>					
Building Services	47,354.6	48,272.6	50,822.7	2,550.1	5.3%
Business Support Services	860.1	686.8	1,100.1	413.3	60.2%
City Planning	10,246.1	16,617.9	18,743.5	2,125.6	12.8%
Clean and Beautiful City Secretariat	0.0	0.0	0.0	0.0	n/a
Fire Services	4,577.9	6,454.6	11,130.1	4,675.5	72.4%
Municipal Licensing & Standards	19,240.1	22,900.8	24,280.8	1,380.0	6.0%
Solid Waste Management Services	58,041.6	59,931.2	55,235.9	(4,695.3)	(7.8%)
Transportation Services	79,481.8	93,774.7	97,871.7	4,097.0	4.4%
Waterfront Secretariat	120.0	120.0	166.7	46.7	38.9%
WES - Support Services	35,379.4	0.0	0.0	0.0	n/a
Technical Services	47,293.9	51,101.8	55,688.8	4,587.0	9.0%
<b>Sub-Total Citizen Focused Services "B"</b>	<b>302,595.5</b>	<b>299,860.4</b>	<b>315,040.3</b>	<b>15,179.9</b>	<b>5.1%</b>
<b>Internal Services</b>					
Office of the DCM and Chief Financial Officer	3,629.3	3,490.3	3,446.8	(43.5)	(1.2%)
Office of the Treasurer	30,010.3	30,126.7	32,290.0	2,163.3	7.2%
Corporate Communications	109.6	57.0	246.1	189.1	331.8%
Facilities & Real Estate	60,266.4	60,361.0	64,585.4	4,224.4	7.0%
Fleet Services	30,722.6	34,001.1	34,697.5	696.4	2.0%
Information & Technology	4,581.2	10,426.8	8,585.9	(1,840.9)	(17.7%)
<b>Sub-Total Internal Services</b>	<b>129,319.4</b>	<b>138,462.9</b>	<b>143,851.7</b>	<b>5,388.8</b>	<b>3.9%</b>
<b>City Manager</b>					
City Manager's Office	157.4	295.0	531.5	236.5	80.2%
Human Resources	1,796.2	1,810.8	1,834.8	24.0	1.3%
<b>Sub-Total City Manager</b>	<b>1,953.6</b>	<b>2,105.8</b>	<b>2,366.3</b>	<b>260.5</b>	<b>12.4%</b>

PROGRAMS	2004	2005	2006	Change from	
	BUDGET	BUDGET	BUDGET	2005 BUDGET	
	(\$000)	(\$000)	(\$000)	Incr/(Dcr)	%
<b>Other City Programs</b>					
City Clerk's Office	20,339.2	20,931.0	18,050.9	(2,880.1)	(13.8%)
Legal Services	7,687.9	7,946.3	10,261.4	2,315.1	29.1%
Auditor General's Office	0.0	0.0	0.0	0.0	n/a
Office of the Mayor	0.0	0.0	0.0	0.0	n/a
Council	0.0	0.0	0.0	0.0	n/a
<b>Sub-Total Other City Programs</b>	<b>28,027.1</b>	<b>28,877.3</b>	<b>28,312.3</b>	<b>(565.0)</b>	<b>(2.0%)</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>2,121,117.3</b>	<b>2,236,765.2</b>	<b>2,391,560.9</b>	<b>154,795.7</b>	<b>6.9%</b>
<b>Agencies, Boards and Commissions</b>					
Toronto Public Health	111,470.0	123,179.6	146,646.3	23,466.7	19.1%
Toronto Public Library	14,706.0	14,431.0	13,637.6	(793.4)	(5.5%)
Association of Community Centers	166.8	225.3	159.4	(65.9)	(29.2%)
Exhibition Place	42,656.4	46,194.0	47,176.7	982.7	2.1%
Heritage Toronto	166.1	211.1	331.1	120.0	56.8%
Theatres	17,336.8	17,012.0	26,931.2	9,919.2	58.3%
Toronto Zoo	23,833.5	23,795.3	25,753.0	1,957.7	8.2%
Arena Boards of Management	5,242.9	5,228.6	5,554.3	325.7	6.2%
Yonge/Dundas Square	359.4	437.0	489.8	52.8	12.1%
Toronto & Region Conservation Authority	23,906.2	27,032.9	30,969.5	3,936.6	14.6%
Toronto Transit Commission - Conventional	799,052.4	742,186.2	791,685.4	49,499.2	6.7%
Toronto Transit Commission - Wheel-Trans	2,702.6	2,810.4	3,040.8	230.4	8.2%
Toronto Police Service	28,461.7	32,587.8	44,531.7	11,943.9	36.7%
Toronto Police Services Board	0.0	0.0	0.0	0.0	n/a
<b>TOTAL AGENCIES, BOARDS AND COMMISSIONS</b>	<b>1,070,060.8</b>	<b>1,035,331.2</b>	<b>1,136,906.8</b>	<b>101,575.6</b>	<b>9.8%</b>
<b>Corporate Accounts</b>					
Community Partnership and Investment Program	5,208.2	5,295.2	7,621.5	2,326.3	43.9%
Capital & Corporate Financing	8,134.0	23,500.0	4,931.0	(18,569.0)	(79.0%)
Non-Program Expenditures	25,833.8	77,055.0	103,474.6	26,419.6	34.3%
Non-Program Revenues	480,898.5	740,581.7	841,648.7	101,067.0	13.6%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>520,074.5</b>	<b>846,431.9</b>	<b>957,675.8</b>	<b>111,243.9</b>	<b>13.1%</b>
<b>TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH</b>	<b>3,711,252.6</b>	<b>4,118,528.3</b>	<b>4,486,143.5</b>	<b>367,615.2</b>	<b>8.9%</b>
Assessment Growth 2006		0.0	59,761.3	59,761.3	n/a
<b>TOTAL OPERATING BUDGET (GROSS REVENUES)</b>	<b>3,711,252.6</b>	<b>4,118,528.3</b>	<b>4,545,904.8</b>	<b>427,376.5</b>	<b>10.4%</b>
<b>Non Levy Operations</b>					
Toronto Parking Authority	95,335.1	97,169.0	95,184.5	(1,984.5)	(2.0%)
Toronto Water	555,185.5	586,050.3	610,450.7	24,400.4	4.2%
<b>TOTAL NON LEVY OPERATING BUDGET</b>	<b>650,520.6</b>	<b>683,219.3</b>	<b>705,635.2</b>	<b>22,415.9</b>	<b>3.3%</b>

## 2006 OPERATING BUDGET SUMMARY BY PROGRAM

Net Expenditures and Comparison with 2005 & 2004

PROGRAMS	2004	2005	2006	Change from	
	BUDGET	BUDGET	BUDGET	2005 BUDGET	
	(\$000)	(\$000)	(\$000)	Incr/(Dcr)	%
<b>Citizen Focused Services "A"</b>					
Affordable Housing Office	0.0	1,393.1	1,414.0	20.9	1.5%
Children's Services	64,932.8	68,123.6	68,567.0	443.4	0.7%
Court Services	(9,636.5)	(9,034.4)	(9,544.0)	(509.6)	5.6%
Culture	7,982.6	8,952.0	10,666.1	1,714.1	19.1%
Economic Development	7,462.6	7,923.5	7,851.6	(71.9)	(0.9%)
Emergency Medical Services	49,007.8	67,518.3	60,362.7	(7,155.6)	(10.6%)
Homes for the Aged	28,231.3	32,733.3	32,818.0	84.7	0.3%
Parks, Forestry & Recreation	168,989.5	203,508.0	211,686.2	8,178.2	4.0%
Shelter Support & Housing Administration	270,187.3	269,932.3	275,818.9	5,886.6	2.2%
Social Development Finance & Administration	19,666.9	20,342.4	21,299.3	956.9	4.7%
Social Services	219,717.3	221,059.8	277,426.3	56,366.5	25.5%
Tourism	7,514.7	5,436.6	5,235.6	(201.0)	(3.7%)
3-1-1 Project Management Office	0.0	382.9	389.1	6.2	1.6%
Economic Recovery	200.0	0.0	0.0	0.0	n/a
<b>Sub-Total Citizen Focused Services "A"</b>	<b>834,256.3</b>	<b>898,271.4</b>	<b>963,990.8</b>	<b>65,719.4</b>	<b>7.3%</b>
<b>Citizen Focused Services "B"</b>					
Building Services	(17,184.8)	(11,607.3)	(11,546.7)	60.7	(0.5%)
Business Support Services	8,770.9	9,100.7	9,240.6	139.9	1.5%
City Planning	17,937.1	13,308.4	13,195.1	(113.3)	(0.9%)
Clean and Beautiful City Secretariat	0.0	326.5	317.2	(9.3)	(2.8%)
Fire Services	298,417.4	302,609.9	306,081.4	3,471.5	1.1%
Municipal Licensing & Standards	5,685.0	4,486.3	4,540.7	54.4	1.2%
Solid Waste Management Services	158,075.2	165,288.3	174,840.6	9,552.2	5.8%
Transportation Services	175,067.0	183,733.0	187,649.1	3,916.1	2.1%
Waterfront Secretariat	695.4	709.5	826.8	117.3	16.5%
Support Services	(451.5)	0.0	0.0	0.0	n/a
Technical Services	5,495.1	4,386.1	4,896.6	510.5	11.6%
<b>Sub-Total Citizen Focused Services "B"</b>	<b>652,506.8</b>	<b>672,341.3</b>	<b>690,041.4</b>	<b>17,700.1</b>	<b>2.6%</b>
<b>Internal Services</b>					
Office of the DCM and Chief Financial Officer	12,562.1	13,197.4	13,438.9	241.5	1.8%
Office of the Treasurer	28,455.2	30,325.5	30,862.3	536.8	1.8%
Corporate Communications	6,336.4	6,816.1	6,943.3	127.2	1.9%
Facilities & Real Estate	55,181.1	51,241.6	51,893.1	651.4	1.3%
Fleet Services	0.0	0.0	0.0	0.0	0.0%
Information & Technology	40,724.8	41,735.2	42,522.6	787.4	1.9%
<b>Sub-Total Internal Services</b>	<b>143,259.6</b>	<b>143,315.9</b>	<b>145,660.2</b>	<b>2,344.3</b>	<b>1.6%</b>
<b>City Manager</b>					
City Manager's Office	5,482.3	5,894.8	6,001.2	106.4	1.8%
Human Resources	24,420.7	26,377.7	27,810.0	1,432.3	5.4%
<b>Sub-Total City Manager</b>	<b>29,903.0</b>	<b>32,272.5</b>	<b>33,811.2</b>	<b>1,538.7</b>	<b>4.8%</b>

PROGRAMS	2004	2005	2006	Change from	
	BUDGET	BUDGET	BUDGET	2005 BUDGET	
	(\$000)	(\$000)	(\$000)	Incr/(Dcr)	%
<b>Other City Programs</b>					
City Clerk's Office	19,286.7	19,907.2	28,954.4	9,047.2	45.4%
Legal Services	16,716.7	18,017.2	18,323.3	306.1	1.7%
Auditor General's Office	3,151.5	3,566.4	3,880.4	314.0	8.8%
Office of the Mayor	1,745.1	1,855.8	1,888.2	32.4	1.7%
Council	17,706.0	18,514.5	18,791.1	276.6	1.5%
<b>Sub-Total Other City Programs</b>	<b>58,606.0</b>	<b>61,861.0</b>	<b>71,837.3</b>	<b>9,976.3</b>	<b>16.1%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>1,718,531.7</b>	<b>1,808,062.1</b>	<b>1,905,340.8</b>	<b>97,278.8</b>	<b>5.4%</b>
<b>Agencies, Boards and Commissions</b>					
Toronto Public Health	72,927.2	70,754.1	63,925.9	(6,828.2)	(9.7%)
Toronto Public Library	128,730.3	140,448.6	144,691.1	4,242.5	3.0%
Association of Community Centers	5,263.5	5,726.0	5,849.2	123.2	2.2%
Exhibition Place	(249.6)	189.8	335.2	145.4	76.6%
Heritage Toronto	297.9	307.9	339.2	31.4	10.2%
Theatres	2,669.1	2,867.5	2,866.9	(0.6)	(0.0%)
Toronto Zoo	10,639.8	11,565.5	11,691.1	125.6	1.1%
Arena Boards of Management	143.2	261.5	119.9	(141.6)	(54.2%)
Yonge/Dundas Square	551.0	571.2	582.6	11.4	2.0%
Toronto & Region Conservation Authority	2,744.6	3,015.4	3,009.8	(5.6)	(0.2%)
Toronto Transit Commission - Conventional	129,584.1	228,480.0	246,306.5	17,826.5	7.8%
Toronto Transit Commission - Wheel-Trans	50,518.5	53,735.5	59,968.3	6,232.8	11.6%
Toronto Police Service	678,074.9	716,103.2	751,638.7	35,535.5	5.0%
Toronto Police Services Board	1,265.1	1,296.7	1,784.6	487.9	37.6%
<b>TOTAL AGENCIES, BOARDS AND COMMISSIONS</b>	<b>1,083,159.6</b>	<b>1,235,322.9</b>	<b>1,293,109.0</b>	<b>57,786.2</b>	<b>4.7%</b>
<b>Corporate Accounts</b>					
Community Partnership and Investment Program	36,773.3	38,862.1	40,174.9	1,312.8	3.4%
Capital & Corporate Financing	386,529.9	432,464.7	476,546.8	44,082.1	10.2%
Non-Program Expenditures	199,585.8	242,353.0	258,305.4	15,952.4	6.6%
Non-Program Revenues	(480,898.5)	(740,581.7)	(841,648.7)	(101,067.0)	13.6%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>141,990.5</b>	<b>(6,901.9)</b>	<b>(66,621.6)</b>	<b>(59,719.7)</b>	<b>865.3%</b>
<b>TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH</b>	<b>2,943,681.8</b>	<b>3,016,483.0</b>	<b>3,131,828.3</b>	<b>115,345.2</b>	<b>3.8%</b>
Assessment Growth 2006		0.0	(59,761.3)	(59,761.3)	n/a
<b>TOTAL OPERATING BUDGET (NET EXPENDITURES)</b>	<b>2,943,681.8</b>	<b>3,016,483.0</b>	<b>3,072,067.0</b>	<b>55,583.9</b>	<b>1.8%</b>
<b>Non Levy Operations</b>					
Toronto Parking Authority	(43,012.2)	(42,887.2)	(40,383.1)	2,504.1	(5.8%)
Toronto Water	555,185.5	586,050.3	610,450.7	24,400.4	4.2%
<b>TOTAL NON LEVY OPERATING BUDGET</b>	<b>512,173.3</b>	<b>543,163.1</b>	<b>570,067.6</b>	<b>26,904.5</b>	<b>5.0%</b>

**2006 – 2010 CAPITAL BUDGET AND PRELIMINARY PLAN – CORPORATE SUMMARY**

In accordance with Council approved direction and guidelines, the 2006 Capital Budget was prioritized within five categories as shown in Table 1 below. The primary objective of the 2006 Capital Budget and 2007–2010 Preliminary Plan was to ensure that existing infrastructure and capital assets are rehabilitated and maintained in a state of good repair. This was achieved as evident in Table 1 which shows that in 2006, funds allocated to State of Good Repair (SOGR) projects totalled \$833.365 million or 66.6 per cent of the 2006 Council Approved Tax Supported Capital Budget of \$1.250 billion (excluding carry-forward cash flow). When combined with Health and Safety and Legislated projects, State of Good Repair funding totals \$940.2 million or 75.2 per cent of the 2006 Capital Budget. Throughout the five-year term of the Preliminary Capital Plan, State of Good Repair project funding remains the most significant expenditure category with a total allocation of \$4.680 billion or 68.9 per cent of the projected total affordable expenditures of \$6.794 billion.

**Table 1: 2006 Council Approved Tax Supported Capital Budget and 2007 – 2010 Preliminary Plan by Category (in \$Millions)**

Category	2006	% of Total	Preliminary Plan				Total 2006–2010	% of Total
			2007	2008	2009	2010		
Health & Safety	48	3.8%	51	44	46	42	231	3.4%
Legislated/City Policy	59	4.7%	107	97	65	77	405	6.0%
State of Good Repair	833	66.6%	958	886	1,010	992	4,680	68.9%
<b>Sub-total</b>	<b>940</b>	<b>75.2%</b>	<b>1,116</b>	<b>1,027</b>	<b>1,121</b>	<b>1,111</b>	<b>5,316</b>	<b>78.2%</b>
Service Improvement and Enhancement	137	11.0%	139	89	72	75	512	7.5%
Growth Related	173	13.8%	169	254	203	167	966	14.2%
<b>Sub-total</b>	<b>310</b>	<b>24.8%</b>	<b>308</b>	<b>343</b>	<b>275</b>	<b>242</b>	<b>1,478</b>	<b>21.8%</b>
<b>Total – Tax Supported</b>	<b>1,250</b>	<b>100.0%</b>	<b>1,424</b>	<b>1,370</b>	<b>1,396</b>	<b>1,353</b>	<b>6,794</b>	<b>100.0%</b>

In May 2005, Council approved the commencement of five-year plans beginning with the 2006–2010 Capital Budget and Plan. At the same time, Council approved multi-year Debt issuance and Capital from Current (CFC) targets or debt guideline, which reflected the maximum debt issuance without impacting the City’s credit rating. The Preliminary Capital Plan presented to Council in December 2005 was significantly over the debt and CFC target. Council has directed that the Preliminary Plan be urgently revisited and that a Five-Year Capital Plan that meets the approved targets be developed for its consideration in June, 2006.

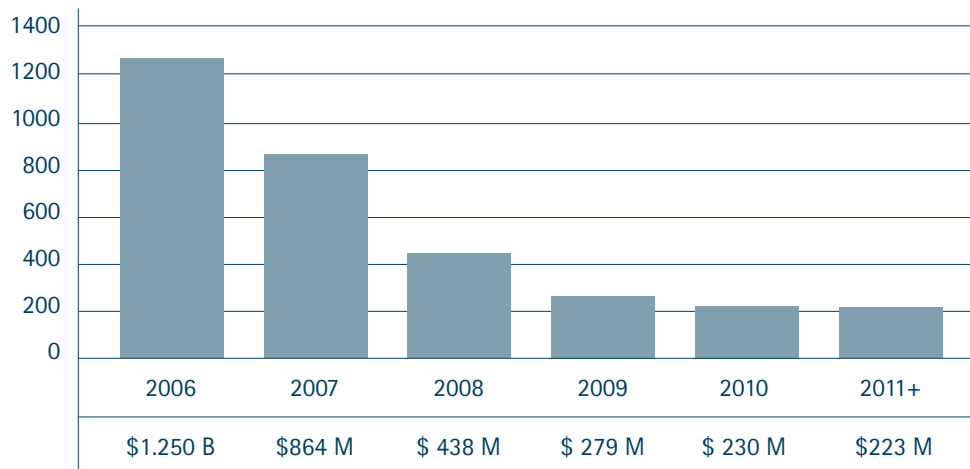
**2006 CAPITAL BUDGET AND FUTURE COMMITMENTS**

The 2006 Tax Supported Capital Budget require the following current and associated future year commitments (see the following chart): \$1.250 billion in 2006; \$864.238 million in 2007; \$437.986 million in 2008; \$279.025 million in 2009; \$230.270 million in 2010 and \$222.981 million in 2011 and beyond, for a total project cost of \$3.285 billion during the period 2006 to 2015. In effect, by approving the 2006 Capital Budget, the City is committing to total cash flows of \$3.285 billion, over the life of those projects approved.

In accordance with the City's Carry-forward Policy, Tax Supported Programs and Toronto Parking Authority have carried-forward funding of \$160.484 million for projects that were not completed in 2005. Including 2005 carry-forward cash flow, the 2006 Council Approved Total Cash Flow budget is \$1.406 billion.

2006 Cash flow and future year commitments for Rate Supported Programs, excluding 2005 carry-forward funding is \$901.673 million. The 2005 carry-forward funding of \$81.387 million brings the total 2006 Council Approved Cash flow to \$432.753 million with a future commitment of \$248.554 million in 2007, \$161.905 million in 2008, \$97.001 million in 2009 and, \$42.847 million in 2010.

**2006 Council Approved Tax Supported Capital Budget  
& Future Year Commitments (Excludes 2005 Carry-forward)  
\$3.285 Billion**



**2006 CAPITAL FINANCING**

Debt constitutes the largest single source of financing for the 2006 Council Approved Tax Supported Capital Budget. As indicated in Table 2 on the following page, debt of \$473.237 million (Debt/CFC of \$597.409 million less CFC of \$124.172 million) or 38 per cent of the total Tax Supported Capital Budget is recommended. The successful negotiation of a New Deal for Cities and Communities with the provincial and federal governments secured funding support for the Toronto Transit Commission (TTC) Capital Program. The Agreement for the Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities, along with infrastructure funding commitments from the federal government will yield \$212.039 million; while the provincial government's Dedicated Gas Tax Funds for Public Transportation Program and other funding from Provincial Infrastructure Programs will yield another \$173.645 million. These capital funds represent real progress toward the 1/3 funding formula for public transit that the City has pursued since 2002.

Furthermore, the assistance from the other orders of government has afforded the City the opportunity to maintain reasonable State of Good Repair spending levels for other City Programs and Agencies, Boards and Commissions (ABCs). Other significant funding sources include Reserves/Reserve Funds of \$133.569 million, Capital from Current funding of \$124.172 million, and Development Charges of \$43.333 million. Including debt service charges, the 2006 Council Approved Tax Supported Capital Budget will have an estimated operating budget impact of \$19.565 million in 2006; \$81.193 million in 2007; \$117.105 million in 2008; \$134.411 million in 2009; and, \$131.472 million in 2010 for a total of \$483.746 million.

**Table 2: 2006 Council Approved Tax Supported Capital Budget by Financing Source (excluding 2005 Carry-forward funding: in \$ Millions)**

Programs/ABCs	2006 Expenditures	Source of Financing					
		Prov. Grant & Subsidies	Federal Grant & Subsidies	Dev. Charges	Reserves/ Reserve Funds	Other Sources	Debt/CFC
City Operations	589	5	4	37	119	59	365
Special Purpose Bodies	86	1	0	1	15	2	67
<b>Total Tax Supported Program Before Transit &amp; TPA</b>	<b>675</b>	<b>6</b>	<b>4</b>	<b>38</b>	<b>134</b>	<b>61</b>	<b>432</b>
Go Transit	20	-	-	-	-	-	20
Toronto Port Authority	3	-	-	-	-	-	3
Toronto Transit Commission	552	173	212	5	-	19	143
<b>Total - Tax Supported Program</b>	<b>1,250</b>	<b>179</b>	<b>216</b>	<b>43</b>	<b>134</b>	<b>80</b>	<b>598</b>

### 2006 DEBT FINANCING

Debt affordability targets were established on assumptions about the condition of the City's infrastructure, availability of non-debt funding, and assessment of how much new debt the City could reasonably afford without significantly increasing the debt service cost burden on the operating budget and impacting the City's credit rating. Since 1998, debt as a funding source has ranged from a low of 31 per cent in 1998 to 59 per cent in 2000; and on average has approximated 45 per cent of the annual capital budget. After critical analysis and forecasts of the City's fiscal position during the period 2006 to 2010, the Deputy City Manager & Chief Financial Officer (DCM & CFO) recommended debt affordability targets as shown in Table 3 below. These debt targets were approved by Council in May of 2005 and represent a significant commitment to move towards implementation of a firm five-year capital plan for the first time in the history of the amalgamated City of Toronto.

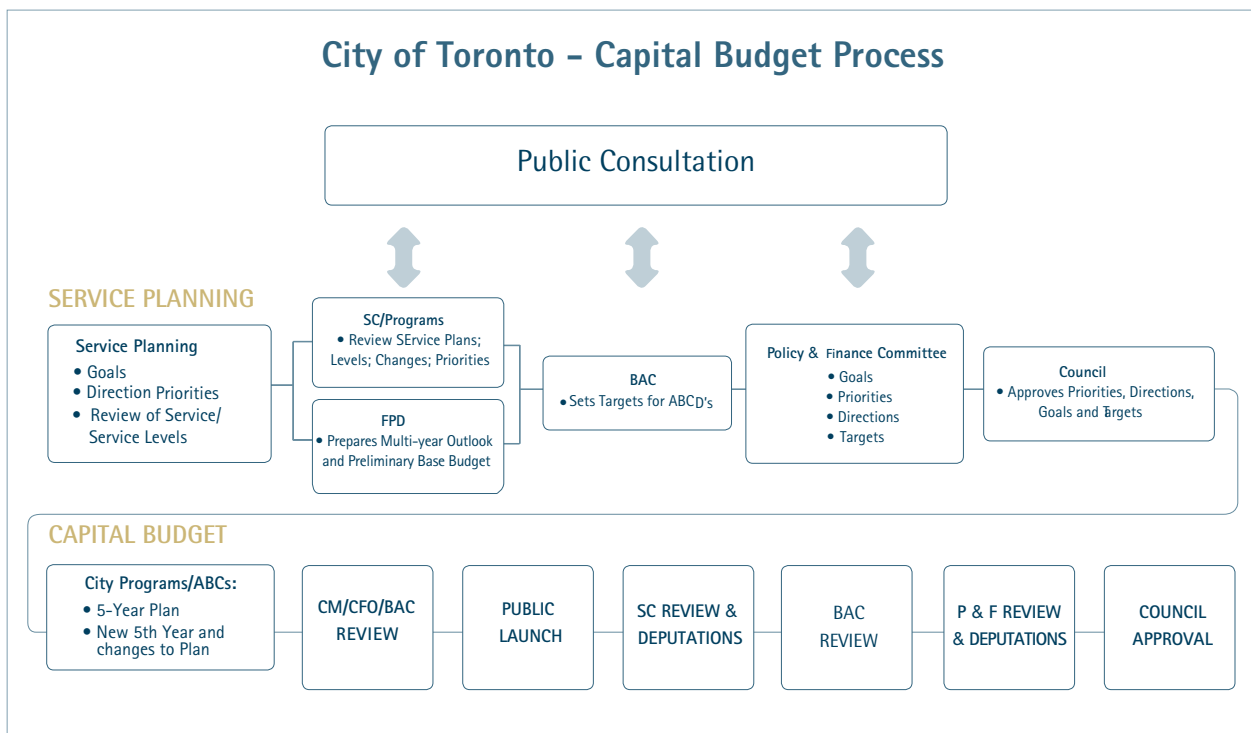
The approved debt target for 2006 is \$485 million. This includes new debt of \$350 million of which \$200 million or 57 per cent was allotted to TTC and \$150 million or 43 per cent allocated to all other City programs. New debt included in the five-year cumulative target totals \$1.606 billion, with \$856 million or 53 per cent allocated to TTC and \$750 million or 47 per cent allocated to City programs and other ABCs.

**Table 3: 2006-2010 Tax Supported Capital Budget and Plan - Debt Targets (in \$ Millions)**

Source of Financing	2005	2006	2007	2008	2009	2010	Total 2006-2010
Baseline Debt (Retire/Reissue)	135	135	135	135	135	135	675
<b>New Debt</b>							
TTC	237	200	200	186	135	135	856
City	155	150	150	150	150	150	750
Total Affordable New Debt	392	350	350	336	285	285	1,606
<b>Total Debt</b>	<b>527</b>	<b>485</b>	<b>485</b>	<b>471</b>	<b>420</b>	<b>420</b>	<b>2,281</b>

### CAPITAL BUDGET PROCESS

At its meeting of May 28, 29 and 30 2005, Council considered a staff report entitled 'City of Toronto 2006 Budget Process, Directions and Guidelines'. This report was built on the foundation set in 2004 and provided a framework for a new budget process that incorporates best budget practices, and specifically, requires Council to approve service plans that clearly detail service goals, objectives and priorities, emphasizes a long-term financial planning perspective, establishes linkages to broad organizational goals, and focuses budget decisions on results and outcomes.



The new Capital Budget Process is illustrated in the chart above. It links the corporate and service planning processes with the budget process, emphasizes the need for budget directions and targets to be established early in the process, and requires engagement of all stakeholders. The new budget process separates the Operating and Capital Budget development and review process thereby enabling the approval of the Capital Budget by year end and ensuring that the full fiscal year is available for completion of approved capital work. Integral to the new budget process is the expectation of up-front Council approval of priorities, directions, goals and targets which form the basis for preparing the Capital Budget and Plan.

Key elements and steps of the capital budget process are as follows:

1. City Programs/ABCs prepare a capital budget and five-year capital plan based on directions and targets approved by Council. In each subsequent year, a new fifth year is added and where warranted, changes to the plan will be made and considered.
2. Initial review of capital budget and plan submissions will be done by a joint team comprised of the City Manager, DCM & CFO and the Budget Advisory Committee. These reviews will confirm that submissions conform with budget targets, directions, and priorities prior to the public launch.

3. Once launched, the Proposed Capital Budget and Plan will be reviewed by Standing Committees to ensure that they address the capacity to deliver services and service levels approved in the service planning phase. They will receive public depositions and examine the linkages between Sectoral and Service plans and Council priorities. Finally, Standing Committees will make recommendations to the BAC on the disposition of capital budgets under their policy purview.
4. After receiving the Standing Committee recommendations, the BAC will undertake an intensive review of the capital budget and plan. If warranted, changes may be made to ensure proper alignment with priorities, to redistribute resources based on public depositions and Standing Committee recommendations in an effort to address the needs and demands within an affordable fiscal framework.
5. BAC then submits its capital budget recommendations to Council through the Policy and Finance Committee (P&F) and is approved by Council.

For the most part, development of the 2006–2010 Capital Budget and Plan complied with the new budget process. While it was intended that a firm five-year Capital Plan be approved for 2006, more time is required to adjust the 2007–2010 Capital Plan so as to remain within the established debt target. The significant gap between capital spending needs and the Council approved debt targets and the accelerated capital budget process for 2006, requires additional time to re-prioritize projects and strategies to meet the overarching goal of rehabilitating and maintaining existing infrastructure in a state of good repair within the funds available. Therefore, staff will report through BAC, P&F and Council by June 2006 on a 2007–2010 Capital Plan within Council approved guidelines.

Guidelines for the 2006 Capital Budget Process mandated City Programs and ABCs to prioritize their requests within the same categories prescribed in fiscal 2005. These include:

- Health and Safety: project alleviates existing health and safety hazard.
- Legislated/Policy: project satisfies legislative requirements or Council Bylaw or Policy mandates.
- State of Good Repair: project is critical to save the structural integrity of existing facility or repair significant structural deterioration.
- Service Improvement and Enhancement: project improves service delivery above the current Council approved standard or provides the introduction of new services.
- Growth Related: project supports growth and development across the City.

City Programs and ABCs prioritized their projects within the above categories to foster the best resource allocation decisions. All new projects including previously approved projects with new commitments underwent thorough reviews based on eligibility criteria established by the City Manager and DCM & CFO, and priorities approved by Council.

In light of the City's continuing fiscal sustainability and affordability challenges, priorities were again given to Health and Safety, Legislated/City Policy and State of Good Repair projects. As indicated earlier, notwithstanding the need to invest in infrastructure expansion to satisfy growing population and service demands, it was necessary to carefully balance expansion needs against the goal of maximizing the utility of existing capital assets.

In accordance with directions issued by the City Manager and the DCM & CFO, a ten-year Capital Program was submitted by City Programs and ABCs. Staff submitted capital project business cases that demonstrated and justified the need for the projects included in their Capital Budget and Capital Plan submissions. The business case justification was critical to the assessment of projects on a corporate basis, in order to ensure that the most effective resource allocation decisions were made.

**2006–2010 CAPITAL BUDGET AND PLAN OBJECTIVES, PRINCIPLES AND GUIDELINES**

The 2006–2010 Capital Budget and Plan was developed based on principles that committed all staff to be responsive to strategies essential to maintaining the existing infrastructure, minimizing health and safety risks, addressing Council priorities while meeting the City’s Long Term Fiscal goals. The 2006 Council Approved Capital Budget achieves prescribed directions, which include:

- ensuring that the Capital Budget remains within an affordable fiscal framework
- allocating available funds first to:
  - » previously approved projects already in progress or within six months of being started; then to,
  - » new Health and Safety, Legislated, and State of Good Repair projects
- considering New Service Improvement and Growth related projects only if they satisfy Council's highest priorities and minimize debt financing
- maximizing partnerships in order to minimize debt
- minimizing the incremental impact of the Capital Budget on the Operating Budget
- using historical trends as part of the analysis and justification of capital project and capital budget requests
- ensuring that all stakeholders are provided with the opportunity to participate in the budget process

Further, capital budgeting guidelines approved by Council required that each capital project contained in the 2006 Capital Budget and 2007–2010 Capital Plan conforms with the following specific principles and policies:

- Useful Life: capital expenditures must relate to items with a useful life that matches or exceeds the standard debenture term of 10 years. The exception being fleet and related equipment covered under a separate policy where the useful life has a threshold of 5 years. Assets consumed or fully depreciated during the fiscal year and costs to maintain an asset in its original state are to be funded from operating sources.
- Physical Characteristics: expenditures must be reasonably related to the acquisition, betterment, or replacement of a physical asset with a multi-year life. Betterment is defined as enhancing the service potential or extending the useful life of the asset.
- Expenditure Thresholds: the gross expenditure threshold for defining a capital item is a sub-project that has a minimum expenditure level of \$50,000.
- Timing: the capital budget must include only those projects that can reasonably be completed during the timeframe proposed in the business case.
- External Funding: capital projects funded by external sources such as donations or grants shall not be started until and unless all external funding sources are received or guaranteed.
- Carry forward Policy: funding approved for two fiscal years after which time any funding required to complete projects must form part of debt affordability targets.

**CARRY FORWARD POLICY**

The 2006 Council Approved Tax Supported Capital Budget includes funds for carry-forward funding for 2005 projects totalling \$155.995 million. The carry-forward adjustments reflect updated projected actual expenditures for: (i) previously approved 2005 projects totalling \$16.135 million gross and \$12.627 debt; and (ii) 2004 and prior years projects totalling \$6.506 million gross with \$0.035 million debt. These projects were carefully evaluated to confirm that the principles prescribed in the carry-forward policy were met.

A capital carry-forward project is a previously approved project for which the desired outcome has not been achieved or capital work was not completed on schedule and the associated cash flow budget was not fully spent and/or committed in the year of approval and the unspent amount, or a portion thereof, is required in future years to complete the project. Key elements of the carry-forward policy include:

- Cash flow funding approval will continue to exist for one fiscal year in addition to the year in which the project/sub-project was approved. In effect, City Programs and ABCs will be allowed to carry-forward unspent funds for capital projects/sub-projects for a period of one year subsequent to the year of original approval.
- Carry-forward funding requests for projects approved in the previous fiscal year will not form part of the budget-year debt affordability targets. However, Council approval to carry-forward the unspent amount must be obtained in order to establish spending authority.
- Where a project is not completed and approved funds are still not fully spent by the end of the second fiscal year, any carry-forward funding request will be treated as new and any further spending/funding request will form part of that year’s debt affordability targets.
- Change in cash flows and/or project costs related to Change in Scope projects will not constitute carry-forward funding, under the premises of the policy. Change in Scope projects are to be considered new capital projects requiring new funding authority.
- During the capital budget process, City Programs and ABCs will conduct a complete review of all previously approved projects to determine their completion status. Projects that will not be completed by the end of the current fiscal year should be identified for carry-forward spending approval in the next fiscal year.
- On a project/sub-project basis, the carry-forward cash flow amount will not exceed the difference between the actual expenditures and the approved cash flow. Carry-forward requests included in the capital budget submissions are initially based on projected actuals. Therefore, during the capital budget review process, and again as part of the First Quarter Capital Variance Report of the budget year, City Programs and ABCs will be permitted to update their carry-forward requirements.

## CAPITAL EXPENDITURE AND FINANCING PRINCIPLES

For the City of Toronto, capital expenditures generally include any expenditure on an asset which has been acquired, constructed or developed with the intention of being used on a continuous basis beyond the current budget year. Capital expenditures also include improvements, the purpose of which is to alter or modernize an asset in order to appreciably prolong its useful life or improve its physical output or service capacity. Capital expenditures are included in the capital budget and are financed from various sources of capital funds.

The City relies on a number of sources to fund its capital expenditures. These include Reserves and Reserve Funds, Provincial and Federal Grants, Development Charges, Capital from Current funding (or pay-as-you-go financing), Debt and Other Funding sources not listed above, such as donations.

Guiding principles influencing the selection of funding sources for specific capital projects include the Equity principle, which is aimed at ensuring that direct beneficiaries or consumers of a capital asset or service pay for it. In effect, if a project provides benefits to a specific group, then that group is made to pay for the development and related capital costs through user fees Development Charges. Projects that benefit the entire community are appropriately funded from property tax revenues such as Capital from Current funding.

The *effective financing* principle focuses on ensuring that sufficient funds are available when needed to proceed with a capital project. This principle recognizes that required funds are not always available from the operating budget to pay for capital projects. Therefore, the City must rely on other funding sources to generate the benefits required by its constituents such as debt and reserve and reserve funds.

In selecting amongst available funding sources, the City imputes the cost of borrowing along with other administrative costs associated with competing funding options. It also examines the impact of funding options on the operating budget with a view toward ensuring, in accordance with the efficiency principle, that the most cost-effective funding source is utilized.

Annually, the City undertakes an affordability analysis to determine the amount of capital funds available for the Capital Budget and Plan. This review assesses the amount of non-debt funds available, and the amount of debt that the City can afford based on its long-term fiscal plan, general state of its assets, and infrastructure expansion requirements to meet growing demands for services. Factors influencing the debt affordability determination include the cost of borrowing, policies on debenture/long term borrowing, the outstanding debt, the impact on credit ratings, and the impact of borrowing on the current account or operating budget.

**ALLOCATION OF COUNCIL APPROVED DEBT AND CAPITAL FROM CURRENT (CFC) TARGETS**

At its meeting of May 17, 18, and 19, 2005 Council approved debt/CFC targets for the years 2006 to 2010 and directed the "Deputy City Manager and Chief Financial Officer to report to Budget Advisory Committee ... on the Capital targets for each of the City's Programs and ABCs, within the affordability debt [and CFC] guidelines." Further, Council prescribed criteria for allocating available capital funds and specifically directed that "in allocating available capital funds in 2006, priority be given first to previously approved projects already in progress or within six months of being started, then to new Legislated, Health and Safety, and State of Good Repair (SOGR) projects."

To ensure the most effective use of available resources, staff added the following criteria:

- consideration be given to new Service Improvement and Growth Projects only if they fulfill Council's Highest Priorities
- programs should be funded based on their ability to spend as evidenced in their actual spending performance during the period 2002–2004 inclusive

The 2006–2010 Capital Forecast submitted with the 2005 Capital Budget formed the basis for allocation of the affordability targets. The forecast debt/CFC for 2006 is below the target by \$12 million however, it exceeded the target for 2007–2010 by \$807 million. For the five years 2006–2010, forecasted debt/CFC exceeded the targets by \$795 million as shown in Table 4.

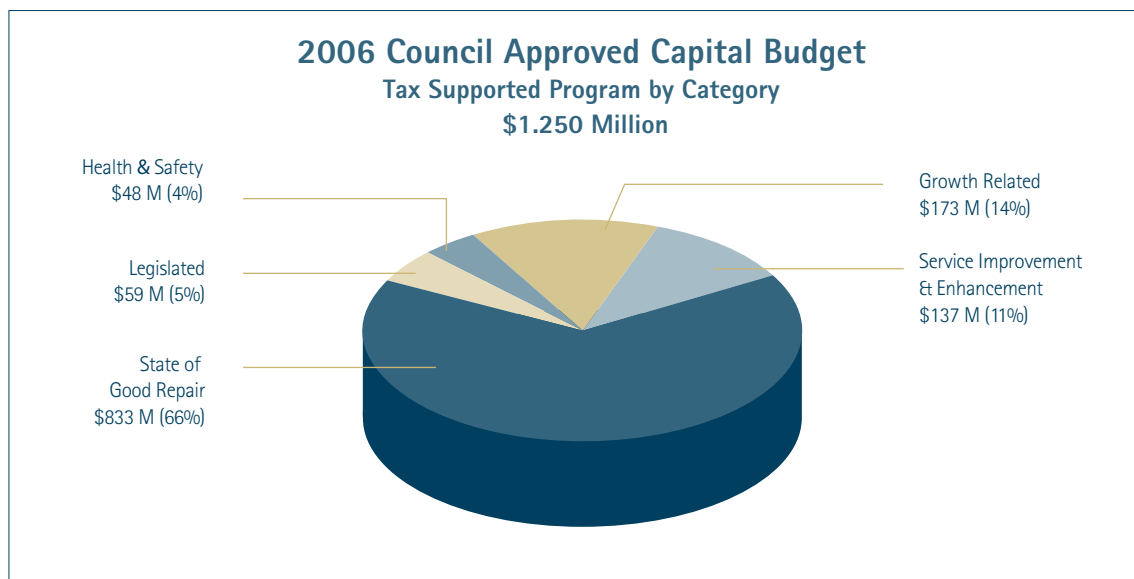
**Table 4: 2006–2010 Capital Forecast Debt/CFC Analysis (in \$ Millions)**

Category	2006			FUTURE YEAR ESTIMATES (2007–2010)			TOTAL 5-YEAR (2006–2010)		
	Prev. Appr'd	New	Total	Prev. Appr'd	New	Total	Prev. Appr'd	New	Total
Health & Safety	23	14	37	10	127	137	33	141	174
Legislated/City Policy	13	18	31	46	187	233	59	205	264
State of Good Repair	160	195	355	161	1,852	2,013	321	2,047	2,368
Sub-total	196	227	423	217	2,166	2,383	413	2,393	2,806
Service Improvement and Enhancement	35	44	79	37	255	292	72	299	371
Growth Related	52	43	95	227	197	424	279	240	519
Sub-total	87	87	174	264	452	716	351	539	890
Total – Tax Supported	283	314	597	481	2,618	3,099	764	2,932	3,696
Debt/CFC Target			609			2,292			2,901
Unfunded debt			12			(807)			(795)

Analysis of the forecast revealed that 2006 Previously Approved projects required debt/CFC funding of \$283 million, leaving \$383 million available for new projects. Therefore, based on prescribed criteria, only new Health and Safety and Legislated projects and 48 per cent of the total 2006 projection for State of Good Repair (SOGR) projects could be funded. In the interest of equity, where it was evident that there were errors and/or omissions in specific Program/ABC forecasts, the City Manager and DCM & CFO made adjustments to the targets derived by applying the criteria detailed above. Every effort was made to ensure projects that satisfied Council's highest priorities were funded.

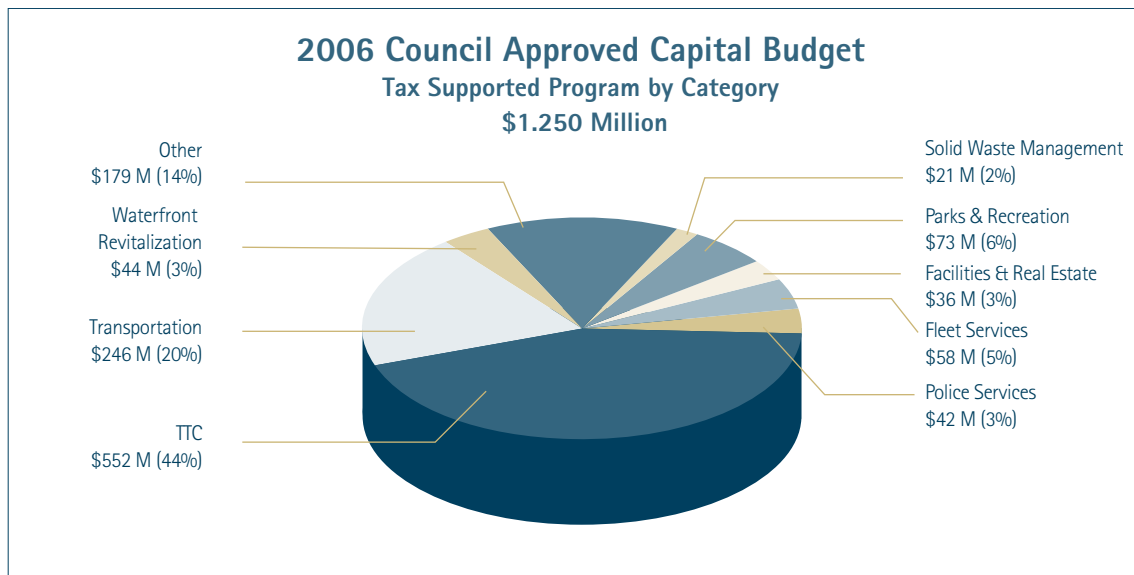
### 2006 Tax Supported Capital Budget by Category

The following chart shows that 66.6 per cent or \$833.365 million of the 2006 Council Approved Capital Budget is allotted to SOGR. This is congruent with Council direction to give the highest priority to rehabilitation and maintenance of existing infrastructure and capital assets.



### 2006 TAX SUPPORTED CAPITAL BUDGET BY MAJOR PROGRAM

The following chart illustrates the 2006 Council Approved Tax Supported Capital Budget of \$1.250 billion net of carry-forward funding, by major Program. TTC and Transportation account for \$798.113 million or 63.8 per cent of the total Tax Supported program. All other City Programs and ABCs combined represent \$452.097 million or 36.2 per cent of the 2006 Council Approved Capital Budget.

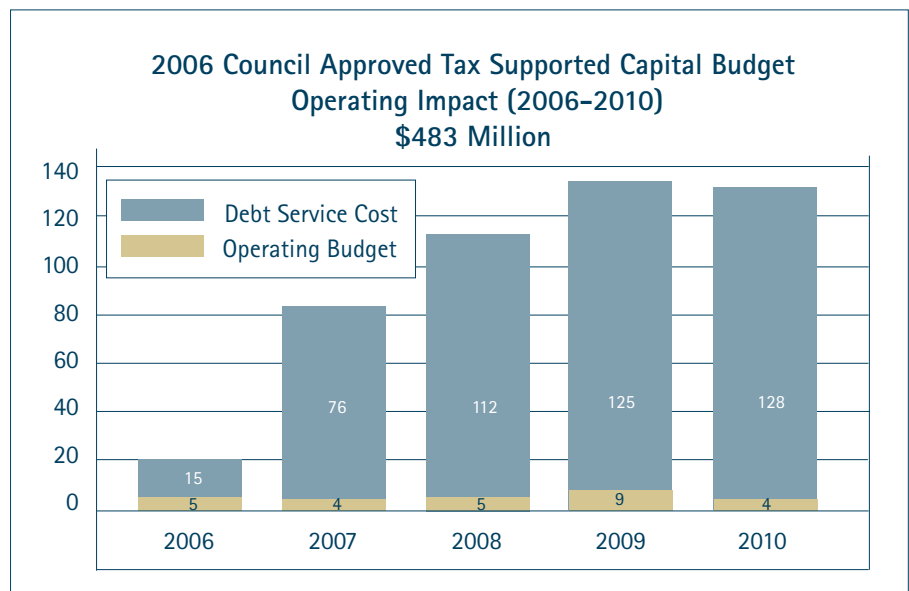


**2006 Council Approved Capital Budget – Incremental Operating Impacts**

Typically, the capital program may impact the operating budget in four areas:

- i. Increased operating costs such as those required for new or expanded facilities
- ii. Efficiency savings from investments that reduce operating costs
- iii. Direct contributions to Capital from the Operating Fund which reduce the annual borrowing requirements
- iv. Principal and interest payments on debt issued for the capital program

The chart below shows the 2006 and future years' impact (including total debt service costs) of the 2006 Council Approved Capital Budget on the Operating Budget.



In summary, the 2006 Council Approved Capital Budget satisfies the immediate objective of maintaining the City's infrastructure and capital assets in a reasonable State of Good Repair. The City has a significant backlog of unmet needs that must be addressed in the near future. Given fiscal realities, it was necessary in 2006 to balance between the strategic objectives of maintaining capital assets in a state of good repair and satisfying the demand for growth while meeting debt target guidelines.

**TORONTO TRANSIT COMMISSION (TTC)**

The 2006 Council Approved TTC Capital Budget is \$552.435 million. The 2006 City financing is estimated at \$161.835 million including \$143 million of debt and \$19 million of other revenues as shown in Table 5 on the following page.

Total provincial funding is estimated at \$173.645 million in 2006. Provincial gas tax funding allocated to capital expenditures in 2006 is forecast to total \$41 million. Provincial base funding in 2006 is forecast to be \$132.211 million and is comprised of three funding programs: the Ontario Vehicle Transit Program (OVTP); the provincial share of the joint federal/provincial Canada Strategic Infrastructure Fund (CSIF); and the renamed Transit Technology and Infrastructure Program (TTIP) – formerly entitled Golden Horseshoe Transit Investment Partnerships (GTIP).

Total federal funding is estimated to be \$212.039 million in 2006. Federal base funding from CSIF projects in 2006 is forecast to be \$64.399 million. Federal gas tax money is forecast to be \$147.640 million in 2006 and is comprised of two sources: \$48.900 million for the ongoing five cents population-based gas tax monies; and \$98.740 million for one cent ridership-based gas tax monies.

**Table 5: 2006–2010 Capital Forecast Debt/CFC Analysis (in \$ Millions)**

Expenditures	2006	2007	2008	2009	2010	Total 2006–2010	% of Total
Legislated	19	19	20	33	36	127	3.9%
State of Good Repair	490	649	561	637	579	2,916	88.9%
Service Improvement and Enhancement	38	38	7	5	5	93	2.8%
Growth Related	6	10	43	45	40	144	4.4%
<b>Total Gross Expenditures</b>	<b>553</b>	<b>716</b>	<b>631</b>	<b>720</b>	<b>660</b>	<b>3,280</b>	<b>100.0%</b>
<b>Funded By</b>							
Provincial	174	262	258	231	229	1,154	35.2%
Federal	212	200	162	176	173	923	28.1%
Other	24	22	21	18	17	102	3.1%
Debt	143	232	190	295	241	1,101	33.6%
<b>Total Funding</b>	<b>553</b>	<b>716</b>	<b>631</b>	<b>720</b>	<b>660</b>	<b>3,280</b>	<b>100.0%</b>

The Council Approved TTC Capital Budget of \$552.435 million provides for the purchase of 232 new subway cars; 150 replacement low-floor hybrids buses; and, 80 low-floor clean diesel buses. Other projects include: the Mount Dennis bus facility and the Vehicle Overhaul Program (street cars and buses). The approved Five-Year Capital Plan is estimated at \$3.3 billion with about 90 per cent of the 2006 Capital Budget allocated towards state of good repair initiatives. The funding for the Five-Year Capital Plan now reflects the Council objective of an approximate one-third partnership with the other orders of government throughout 2006-2010.

City debt for the TTC over this period is \$245 million above the debt guidelines approved by Council at its meeting of May 17, 18 and 19, 2005.

### Highlights

The 2006 Council Approved Capital Budget addresses the City's Health and Safety, Legislated and State of Good Repair needs in an optimal way. While priority was given to these three categories, the capital program fulfils the short-term need for growth in Council directed priority areas and for service expansion in priority programs in order to accommodate demands and expectations of constituents.

### Backlog/Deferred Maintenance

Consistent with Council priorities, State of Good Repair expenditures totals \$833.365 million or 66.6 per cent of the 2006 Council Approved Capital Budget. Despite efforts to ensure that infrastructure and capital assets are adequately maintained, there continues to be a sizeable gap between spending needs and affordable funding levels. The 2006 Council Approved Capital Budget partially addresses the backlog issue in programs that deliver key services to the public by increasing their debt/CFC targets as noted in the following:

*Transportations Services* has had its debt/CFC target increased by \$22.304 million in 2006, and is expected to receive incremental increases in each year of the Five-Year Plan. Nevertheless, the program estimates that its backlog will approximate \$329 million at the end of 2006, and will grow by approximately \$240 million by 2010.

*Parks, Forestry and Recreation's* estimates backlog at \$50 million at the end of 2006, and forecasts that the backlog will increase by approximately \$32 million per year between 2007 and 2015. The programs estimates are conservative given that SOGR audits have not been completed on several facilities. It is anticipated that the backlog could increase by \$300 million upon completion of the audits. Parks, Forestry and Recreation debt/CFC targets were increased by a moderate amount of \$3.226 million in 2006 with the view to increase funding over the projected five-year period.

*Facilities and Real Estate* reports current SOGR backlog of \$98.800 million and expects that this will increase to \$103 million on completion of facility audits by the end of 2006. Better backlog estimates will be available in January of 2006 when most building audits will be completed.

### Other Highlights

*State of Good Repair* - Major State of Good Repair projects recommended in the 2006 Council Approved Capital Budget include the following:

- Ontario Health and Safety Maintenance and Retrofit of playgrounds to safety standards in order to ensure that children are protected (\$5.000 million gross, \$1.000 million debt)
- city-wide park development and restoration, refurbishment of indoor and outdoor arenas, and major maintenance of various indoor pools in order to maintain the services and service levels expected (total cost of \$44.983 million gross expenditures and \$25.673 million debt)
- resurfacing, rehabilitation and reconstruction of the transportation infrastructure including local and major roads and expressways, as well as bridges (\$139.740 million gross and \$135.706 million debt)

*City Facilities* - Numerous City facilities renewal and construction projects were considered to ensure that Council approved services and service levels are maintained. Major facilities projects include:

- construction and design of two new child care centres in under-served areas, and completion of the Enderby Child Care Centre which will serve 62 children – these projects will cost \$3.707 million
- completion of the True Davidson Acres redevelopment to better serve the needs of the elderly (\$1.000 million gross and debt)
- completion of a 50-bed shelter at 717 Broadview Avenue and construction of the Bethlehem United Shelter to help the disenfranchised (\$4.213 million gross and \$3.018 million debt)
- construction of a new Fire Station, new 23 Division, 11 Division and new Training Facility (2006 gross expenditures of \$16.209 million entirely debt funded)

*New Initiatives* - Strategic investments in key growth areas that are aligned to Council's highest priorities have been addressed. Council Approved 2006 Growth Related Expenditure total \$173 million gross and include the following new initiatives:

- rebuilding of culture specific properties such as the Guild Inn and revitalization of the area surrounding the Princess Gates in a Toronto/Milan initiative as part of the City's International Alliance Program (estimated gross expenditures of \$3.290 million and \$1.000 million debt in 2006)
- expansion of the Parks, Forestry and Recreation program through design and construction of skateboard parks

- throughout the City (2006 expenditures of \$1.910 million gross and \$1.070 million debt)
- transition to ongoing replacement of the City's Information Technology assets (estimate 2006 expenditure of \$16.138 million)
- completion of Nathan Phillips Square Design competition and preparation of final designs (\$0.550 million gross and debt)
- completion of the detailed design and Tundra phases of the North Zoo Site Redevelopment project (\$11.088 million gross and \$9.088 debt)

*Environmental Initiatives* – In response to Council policies on the environment, the 2006 Council Approved Capital Budget proposed several energy efficient and other environmental protective projects including the following:

- Energy Retrofit Projects at Exhibition Place, Fire and Arena facilities, Pools and Community Centres (\$14.000 million gross and \$9.991 million debt)
- continuation of the Green Fleet Plan to expand the use of bio-diesel, hybrid electric and natural gas vehicles to reduce carbon dioxide and pollutants output of more than 4,000 and equipment used by the City (\$0.480 million with no debt)

In general, projects were carefully selected to ensure that those designed to deliver on Council's highest priorities were considered. While the major investment is in SOGR, consideration was given to the need to protect the environment and to invest in growth demands of the public.

#### Capital Financing – Historical Comparison (1998 – 2006)

Table 6 represents a historical summary of the City's capital budget by financing sources. Evident is that debt continues to be the largest single financing source and that until 2006, the other orders of government provided relatively small and inconsistent subsidies. For example, the Province of Ontario capital financing contribution declined from 38 per cent of the 1998 Capital Budget including (Sheppard Subway funding) to an estimated 14 per cent of the 2006 Council Approved Capital Budget.

**Table 6: 1998–2006 Council Approved Capital Budget (Excluding Carryforward)  
Tax Supported – By Funding Source (in \$Millions)**

Funding Sources	1998	1999	2000	2001	2002	2003	2004	2005	2006
Prov. Grants & Subsidies	359.1	25.2	75.5	22.8	103.7	112.2	75.8	82.6	178.8
Federal Subsidy	0.0	0.0	0.0	0.0	76.5	103.6	70.0	53.9	216.4
Cap. from Current	118.4	143.4	146.2	148.2	146.5	124.2	124.2	124.2	124.2
Res./Res. Funds	98.4	370.9	89.1	170.2	143.9	131.5	132.1	93.2	134.1
Developmental Charges	0.0	0.0	8.7	4.5	8.1	20.2	24.0	43.8	43.0
Other	79.6	50.3	337.2	311.1	170.2	111.9	161.0	108.8	80.0
Debt	288.9	613.0	324.3	463.2	304.1	361.6	321.0	526.7	473.2
<b>Total–Tax Supported</b>	<b>944</b>	<b>1,203</b>	<b>981</b>	<b>1,120</b>	<b>953</b>	<b>965</b>	<b>908</b>	<b>1,033</b>	<b>1,250</b>

Maintaining the City's infrastructure valued at over \$57 billion without adequate assistance from the other orders of government has been a major challenge during the past several years and, has become more difficult given the City's relatively inelastic sources of revenue and structural fiscal problem. Successful negotiation of a

New Deal with the other orders of government has provided a step to closing the revenue gap. Nonetheless, the City's accumulated infrastructure rehabilitation and State of Good Repair backlog (conservatively estimated at over \$3 billion) remains a problem and continues to pose a fiscal challenge. To compensate for the shortfall in financial support from the federal and provincial governments since 1998, the City has exhausted its non-debt internal capital financing sources. This has resulted in increased reliance on debt, and a significant capital asset maintenance backlog.

**Capital Budget by Category – Historical Comparison (1999 – 2006)**

Table 7 below shows that State of Good Repair (SOGR) spending has been by far the largest capital expenditure category since amalgamation. Yet, the SOGR estimated backlog is significant. A number of staff and independent studies have confirmed that the City has a structural fiscal problem. Specifically, the studies indicate a sustainable source of revenue to fund the Capital Plan.

**Table 7: 1999–2006 Tax Supported Capital Budget by Category (in \$Millions)**

Category	1999	2000	2001	2002	2003	2004	2005	2006
Health & Safety				34	21	48	51	48
Legislated	20	96	105	68	75	75	66	59
State of Good Repair	897	541	695	599	682	571	647	833
Service Improvement	41	71	100	89	70	103	119	137
Growth	240	273	221	163	117	108	150	173
<b>Total – Tax Supported</b>	<b>1,197</b>	<b>981</b>	<b>1,121</b>	<b>953</b>	<b>965</b>	<b>905</b>	<b>1,033</b>	<b>1,250</b>

**2006 – 2010 Recommended Capital Budget and Preliminary Capital Plan – Current and Future Year Estimates**

Future Year Estimates refer to cash flows associated with project/sub-project proposals included in the capital plan. Current and Future Year Estimates are the annual values of the cash flows required for the current year budget and planned future year capital work. As indicated in Table 8 on the following page, the current and future year projections included in the 2006–2010 Council Approved Capital Budget and Plan totals \$6.795 billion.

**Table 8: Total Preliminary Capital Plan  
2006–2010 Current & Future Year Projections (in \$Millions)**

	Capital Estimates						
	Approved 2005	Approved 2006	2007	2008	2009	2010	2006–2010
Citizen Focused Services - A	103,425	111,970	97,567	87,849	87,058	91,327	475,771
Citizen Focused Services - B	295,858	329,953	382,089	424,809	372,793	397,267	1,906,911
Internal Services	124,678	123,728	91,291	98,390	102,533	95,251	511,193
Other City Programs	19,822	22,982	34,706	25,503	15,019	11,319	109,529
Special Purpose Bodies	81,341	86,142	78,843	80,049	79,020	82,088	406,142
<b>Total Tax Supported Programs (Excl. Transit &amp; TPA)</b>	<b>625,124</b>	<b>674,775</b>	<b>684,496</b>	<b>716,600</b>	<b>656,423</b>	<b>677,252</b>	<b>3,409,546</b>
GO Transit	19,437	20,000	20,000	20,300	18,400	15,200	93,900
Toronto Port Authority	3,000	3,000	3,000	3,000	1,700	1,700	12,400
Toronto Transit Commission	385,605	552,435	716,545	630,764	719,658	659,675	3,279,077
<b>Total Tax Supported Programs (Incl. Transit &amp; TPA)</b>	<b>1,033,166</b>	<b>1,250,210</b>	<b>1,424,041</b>	<b>1,370,664</b>	<b>1,396,181</b>	<b>1,353,827</b>	<b>6,794,923</b>
Toronto Water	338,460	317,570	441,631	574,814	589,240	611,047	2,534,302
Toronto Parking Authority	24,191	33,796	27,536	28,531	27,500	20,700	138,063
<b>Total City</b>	<b>1,395,817</b>	<b>1,601,576</b>	<b>1,893,208</b>	<b>1,974,009</b>	<b>2,012,921</b>	<b>1,985,574</b>	<b>9,467,288</b>

On average, capital expenditure estimates for Tax Supported Programs and ABCs is estimated at \$1.359 billion per year. This approximates an annual additional expenditure increase of more than \$91 million. Staff will continue to review the 2007–2010 Capital Plan and will report through BAC, Policy & Finance (P&F) and Council by June 2006 with a 2007–2010 Capital Plan within Council approved guidelines.

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**2006 COUNCIL APPROVED CAPITAL BUDGET**

2006 Cash Flow & 2007 - 2015 Commitments (Excluding 2005 Carry Forwards) with Funding Sources

PROGRAMS	TOTAL CASH FLOW 2005-2015	2006	2007	2008	2009	2010
<b>Citizen Focused Services 'A'</b>						
Children's Services	7,258	6,258	1,000	0	0	0
Court Services	9,400	2,600	4,800	2,000	0	0
Culture	12,193	8,977	3,216	0	0	0
Economic Development	7,559	5,044	2,515	0	0	0
Emergency Medical Services	7,598	5,120	2,378	100	0	0
Homes for the Aged	5,000	5,000	0	0	0	0
Parks, Forestry & Recreation	93,598	72,885	13,000	7,713	0	0
Shelter, Support & Housing Administration	14,386	5,786	3,840	912	2,024	912
Social Services	0	0	0	0	0	0
Tourism	300	300	0	0	0	0
<b>Cluster Total</b>	<b>157,292</b>	<b>111,970</b>	<b>30,749</b>	<b>10,725</b>	<b>2,024</b>	<b>912</b>
<b>Citizen Focused Services 'B'</b>						
Business Support Services Division	1,547	1,547	0	0	0	0
City Planning Division	8,392	4,763	2,591	1,038	0	0
Cross Divisional Projects	5,882	3,274	2,608	0	0	0
Emergency Management Plan	0	0	0	0	0	0
Fire Services	19,461	10,121	6,125	3,215	0	0
Solid Waste Management	57,770	20,839	33,489	3,442	0	0
Transportation	354,568	245,678	62,259	37,901	8,730	0
Waterfront Revitalization	448,974	43,731	59,080	68,174	40,472	34,688
<b>Cluster Total</b>	<b>896,594</b>	<b>329,953</b>	<b>166,152</b>	<b>113,770</b>	<b>49,202</b>	<b>34,688</b>
<b>Internal Services</b>						
End of Lease/Sustainment	16,138	16,138	0	0	0	0
Facilities and Real Estate	66,802	35,792	21,359	7,399	1,707	545
Financial Services	9,846	4,383	3,522	805	1,136	0
Fleet Services	57,943	57,943	0	0	0	0
Human Resources	0	0	0	0	0	0
Information Technology	43,337	9,472	5,659	4,402	4,754	4,240
<b>Cluster Total</b>	<b>194,066</b>	<b>123,728</b>	<b>30,540</b>	<b>12,606</b>	<b>7,597</b>	<b>4,785</b>
<b>Other City Programs</b>						
City Clerk's Office	4,219	2,689	1,210	60	68	62
Energy Retrofit Program	14,285	9,182	5,103	0	0	0
Nathan Phillips Square	550	550	0	0	0	0
Union Station	11,005	3,717	4,288	3,000	0	0
Yonge-Dundas Project	120	120	0	0	0	0
3-1-1 Customer Service Initiative	25,176	6,724	15,486	2,966	0	0
<b>Other City Programs Total</b>	<b>55,355</b>	<b>22,982</b>	<b>26,087</b>	<b>6,026</b>	<b>68</b>	<b>62</b>
<b>TOTAL CITY OPERATIONS</b>	<b>1,303,307</b>	<b>588,633</b>	<b>253,528</b>	<b>143,127</b>	<b>58,891</b>	<b>40,447</b>

2011 to 2015	PROV. SUB. & GRANTS	DEVELOP. CHARGES	RESERVES	RESERVE FUNDS	CAPITAL FROM CURRENT	FEDERAL SUBSIDY	OTHER	DEBT/ INTERNAL SOURCES
0	4,000	0	0	2,258	1,000	0	0	0
0	0	0	0	9,400	0	0	0	0
0	100	0	0	1,005	1,450	525	3,105	6,008
0	0	0	0	0	3,497	0	2,376	1,686
0	472	0	0	0	400	0	0	6,726
0	0	0	0	5,000	0	0	0	0
0	0	10,506	0	21,091	1,841	0	8,023	52,137
912	0	81	0	0	1,305	137	977	11,886
0	0	0	0	0	0	0	0	0
0	0	0	0	0	150	0	150	0
<b>912</b>	<b>4,572</b>	<b>10,587</b>	<b>0</b>	<b>38,754</b>	<b>9,643</b>	<b>662</b>	<b>14,631</b>	<b>78,443</b>
0	0	0	0	350	1,197	0	0	0
0	0	1,718	0	0	2,843	0	168	3,663
0	0	0	0	0	1,893	0	635	3,354
0	0	0	0	0	0	0	0	0
0	1,343	2,350	0	1,541	1,138	5,206	0	7,883
0	0	0	669	12,539	0	0	0	44,562
0	0	73,112	0	900	52,084	0	45,970	182,502
202,829	81	0	0	0	114	81	0	448,698
<b>202,829</b>	<b>1,424</b>	<b>77,180</b>	<b>669</b>	<b>15,330</b>	<b>59,269</b>	<b>5,287</b>	<b>46,773</b>	<b>690,662</b>
0	0	0	16,138	0	0	0	0	0
0	0	0	0	0	7,146	0	0	59,656
0	0	0	0	612	2,945	0	2,931	3,358
0	0	0	57,943	0	0	0	0	0
0	0	0	0	0	0	0	0	0
14,810	0	0	1,122	0	8,450	0	0	33,765
<b>14,810</b>	<b>0</b>	<b>0</b>	<b>75,203</b>	<b>612</b>	<b>18,541</b>	<b>0</b>	<b>2,931</b>	<b>96,779</b>
130	0	0	1,086	315	1,468	0	0	1,350
0	0	0	0	0	0	0	3,611	10,674
0	0	0	0	0	0	0	0	550
0	0	0	0	0	0	0	0	11,005
0	0	0	0	0	0	0	0	120
0	0	0	0	0	6,724	0	0	18,452
<b>130</b>	<b>0</b>	<b>0</b>	<b>1,086</b>	<b>315</b>	<b>8,192</b>	<b>0</b>	<b>3,611</b>	<b>42,151</b>
<b>218,681</b>	<b>5,996</b>	<b>87,767</b>	<b>76,958</b>	<b>55,011</b>	<b>95,645</b>	<b>5,949</b>	<b>67,946</b>	<b>908,035</b>

**2006 COUNCIL APPROVED CAPITAL BUDGET**  
2006 Cash Flow & 2007 - 2015 Commitments (Excluding 2005 Carry Forwards) with Funding Sources

PROGRAMS	TOTAL CASH FLOW					
	2005-2015	2006	2007	2008	2009	2010
<b>Special Purpose Bodies &amp; Other</b>						
Exhibition Place	15,161	15,161	0	0	0	0
Toronto And Region Conservation Authority	6,000	6,000	0	0	0	0
Toronto Parking Enforcement Unit	434	434	0	0	0	0
Toronto Police Service	120,477	42,350	27,075	24,855	23,044	3,153
Toronto Public Health	3,251	2,651	297	303	0	0
Toronto Public Library	28,798	14,046	8,427	6,325	0	0
Toronto Zoo	15,353	5,500	6,593	3,260	0	0
<b>Special Purpose Bodies &amp; Other Total</b>	<b>189,474</b>	<b>86,142</b>	<b>42,392</b>	<b>34,743</b>	<b>23,044</b>	<b>3,153</b>
<b>TOTAL TAX SUPPORTED CAPITAL PROGRAM (EXCL. TRANSIT &amp; TPA)</b>						
	<b>1,492,781</b>	<b>674,775</b>	<b>295,920</b>	<b>177,870</b>	<b>81,935</b>	<b>43,600</b>
<b>Transit &amp; TPA</b>						
GO Transit	20,000	20,000	0	0	0	0
Toronto Port Authority	15,800	3,000	3,000	3,000	1,700	1,700
Toronto Transit Commission (Excl. R.T.E.P.)	1,756,129	552,435	565,318	257,116	195,390	184,970
<b>Total Transit</b>	<b>1,791,929</b>	<b>575,435</b>	<b>568,318</b>	<b>260,116</b>	<b>197,090</b>	<b>186,670</b>
<b>TOTAL TAX SUPPORTED CAPITAL PROGRAM (INCL. TRANSIT &amp; TPA)</b>						
	<b>3,284,710</b>	<b>1,250,210</b>	<b>864,238</b>	<b>437,986</b>	<b>279,025</b>	<b>230,270</b>
<b>Rate Supported Program</b>						
Toronto Water:						
- Water Program	407,638	167,380	104,257	73,542	37,842	24,617
- Wastewater Program	459,839	150,190	143,897	88,363	59,159	18,230
Total - Toronto Water	867,477	317,570	248,154	161,905	97,001	42,847
Toronto Parking Authority	34,196	33,796	400	0	0	0
<b>TOTAL RATE SUPPORTED CAPITAL PROGRAM</b>	<b>901,673</b>	<b>351,366</b>	<b>248,554</b>	<b>161,905</b>	<b>97,001</b>	<b>42,847</b>
<b>TOTAL CAPITAL PROGRAM</b>	<b>4,186,383</b>	<b>1,601,576</b>	<b>1,112,792</b>	<b>599,891</b>	<b>376,026</b>	<b>273,117</b>

2011 to 2015	PROV. SUB. & GRANTS	DEVELOP. CHARGES	RESERVES	RESERVE FUNDS	CAPITAL FROM CURRENT	FEDERAL SUBSIDY	OTHER	DEBT/ INTERNAL SOURCES
0	0	0	0	0	825	0	0	14,336
0	0	0	0	3,000	271	0	0	2,729
0	0	0	434	0	0	0	0	0
0	0	0	10,432	0	0	0	0	110,045
0	538	0	0	0	742	0	1,191	780
0	0	4,617	1,000	316	3,030	0	1,211	18,624
0	0	0	0	0	659	0	2,000	12,694
0	538	4,617	11,866	3,316	5,527	0	4,402	159,208
<b>218,681</b>	<b>6,534</b>	<b>92,384</b>	<b>88,824</b>	<b>58,327</b>	<b>101,172</b>	<b>5,949</b>	<b>72,348</b>	<b>1,067,243</b>
0	0	0	0	0	20,000	0	0	0
3,400	0	0	0	0	3,000	0	0	12,800
900	619,892	8,675	0	0	0	536,906	51,873	538,783
<b>4,300</b>	<b>619,892</b>	<b>8,675</b>	<b>0</b>	<b>0</b>	<b>23,000</b>	<b>536,906</b>	<b>51,873</b>	<b>551,583</b>
<b>222,981</b>	<b>626,426</b>	<b>101,059</b>	<b>88,824</b>	<b>58,327</b>	<b>124,172</b>	<b>542,855</b>	<b>124,221</b>	<b>1,618,826</b>
0	0	29,025	0	340,958	0	0	37,655	0
0	0	11,691	0	448,148	0	0	0	0
0	0	40,716	0	789,106	0	0	37,655	0
0	0	0	0	5,600	0	0	28,596	0
14,810	0	0	75,203	612	18,541	0	2,931	96,779
<b>0</b>	<b>0</b>	<b>40,716</b>	<b>0</b>	<b>794,706</b>	<b>0</b>	<b>0</b>	<b>66,251</b>	<b>0</b>
<b>222,981</b>	<b>626,426</b>	<b>141,775</b>	<b>88,824</b>	<b>853,033</b>	<b>124,172</b>	<b>542,855</b>	<b>190,472</b>	<b>1,618,826</b>