



CITY OF TORONTO
Budget Committee
Recommended 2009 Operating Budget

February 10, 2009

Agenda

1. Directions and Guidelines
2. Operating Budget Overview
3. Toronto Helps
4. Priority Investments
5. Measuring Performance
6. 2009 Staff Recommended Operating Budget
7. Conclusion

City Services at Work

- Solid Waste Collection, Recycling
- Water and Wastewater 🕒
- Emergency Services
 - Police 🕒
 - Fire 🕒
 - EMS 🕒
- Transportation and Transit
 - TTC 🕒
 - Roads 🕒
 - Sidewalks
- Economic Development
- Libraries
- Parks and Recreation
- Court Services
- Arts, Culture and Heritage
- Bylaw Enforcement and Inspections
- Planning and Development
- Building Permits
- Licensing
- Tourism Promotion
- Social and Health Services
 - Social Assistance
 - Homes for the Aged 🕒
 - Child Care
 - Hostels 🕒
 - Social Housing 🕒
 - Public Health
 - Community Support

🕒 Services provided 24/7

Vital Role of City Services

- The City provides vital services 24/7
- In these uncertain times, Toronto residents and businesses will turn to the City
- The City is responding

2009 Operating Budget - Directions and Guidelines

Mayor's 2009 Budget Guidelines and Directions

- Balance the Operating Budget
- Keep Residential Property Tax and User Fee inflationary increases to within 2 – 4%
- Freeze TTC fares
- Protect residents and businesses against the effects of recession
- Target of *Zero* net increase over 2008 and *one percent* for 2010
- Provide an additional 2% reduction options to contribute to COLA
- City Programs and ABCs to continue to pursue opportunities for efficiencies and continuous improvement

Mayor's 2009 Budget Guidelines and Directions

- Align services to the Mayor's Priorities and Council's policy directives as the first priority
- Minimize use of property tax and / or City own-source revenues to fund Provincial cost-shared programs
- Fund priority actions from within existing budgets - wherever possible
- Business cases to get to prescribed targets must be realistic, prioritized and must clearly describe service and service level impacts

2009 Operating Budget Overview

2009 Operating Budget Overview

- The 2009 Operating Budget is balanced
- Budget tax increase kept to 2.5% on total tax base
- Continuous improvement savings of \$102 million net identified
- Base budget expenditure increase directed to:
 - Protect exist services and service levels – e.g. emergency services
 - Implement TTC Ridership Growth Strategy
 - Improve public access to city services and information
 - Maintain winter snow clearing service levels

2009 Operating Budget Overview

- City investment of \$23 million leverages \$94 million to invest in Mayor and Council priorities:
 - Transit
 - Climate Change
 - Community Health and Wellness
- Increasing current contribution to capital by 10% to reduce debt financing
- Budget addresses the adverse impact of the recession and will be monitored

Toronto Helps

- People
- Business

Toronto Helps – People

Rental Assistance

- Toronto Rent Bank – loans (**enhanced**)
- Emergency Rental Deposit Program (**new**)
- Social Housing in-situ Allowance (**new**)

Employment Assistance

- Employment Services at Toronto Public Libraries (**enhanced**)
- New Employment Resource Centre at Metro Hall (**new**)
- YMCA Hospitality Training Program (**new**)

TTC

- Fare Freeze for 2009

Toronto Helps – People & Businesses

Help for Seniors & Others via Long-Term Care Homes & Services

- Homemaking Services (enhanced)
- Extended Cafeteria Services (enhanced)
- Safe Seniors Drop-In (enhanced)

Tax Help for Seniors and Persons with Disabilities

- Tax Increase Deferral Program (enhanced)
- Tax Increase Cancellation Program (enhanced)

Development & Jobs

- Gold Star Program (development review)
- Development Charge Freeze

Toronto Helps – People

- Low Income Seniors and Persons with Disabilities:

- Property Tax Increase Cancellation program:

| 2008 | | 2009 - Proposed | |
|---|--------------------------------------|---|--------------------------------------|
| Household Income - less than or equal to \$26,000 | Assessed Value - less than \$454,000 | Household Income - less than or equal to \$30,000 | Assessed Value - less than \$525,000 |
| Eligible Households: 12,267 | | Eligible Households: 14,667 (increase of 20% over 2008) | |

- Property tax increase deferral program:

| 2008 | 2009 - Proposed |
|--|--|
| Household Income - less than \$40,000 Eligible Households: 56,912 | Household Income - less than \$50,000 Eligible Households: 76,635 (increase of 35% over 2008) |

- Water rebate for low income seniors and persons with disabilities

Toronto Helps - Business

- Reducing Business Property Tax still on track:
 - Plan to reduce Business Property Tax ratios to 3.0 times residential taxes by 2015, and 2.5 times by 2020
 - Reduce Small Business Tax ratios to 2.5 times by 2015 (accelerated)
- Property Tax Rebates for vacant Commercial and Industrial Properties (2009 - \$20M), and Registered Charity Rebates (2009 - \$4.150M)
- Reduction in Business Education Tax Rates to be phased in by 2014
- Agenda for Prosperity approved in 2008
- Development Charges (DC) exemption for some businesses and freeze on residential
- Water Rate Structure Review:
 - New lower water rates for industrial & manufacturing sector:
 - 24% discount now moving to 30%

Toronto Helps - Business

- Financial incentives for new developments:
 - Tax Increment Equivalent Grants (TIEG) for Employment Lands
 - ✓ Targeted to specific economic sectors
 - ✓ Intended to enhance job creation in the City & growth in assessment base
 - ✓ “Woodbine Live!” transformation project incentives – create 9,000 jobs in 3 priority neighbourhoods; \$1 billion investment
 - ✓ Brownfield Remediation Grant
 - Better Buildings Partnership (BBP)
 - Energy Reduction Loan
 - Heritage Incentives (Capital Grant; Tax Rebate Program)

Priority Investments

Priority Investments Total \$94 Million – Public Transit

- Make all parts of the City, including the priority neighbourhoods, more accessible by continuing service increases introduced in 2008 through the Ridership Growth Strategy (RGS)
 - Annualized cost for serving 464 million riders (\$7.413M gross and net)
 - Annualized cost to operate 100 extra buses (99,000 hours annually) (\$7.700M gross and net)
 - Full year rollout of standardized bus hours (+297,000 hours annually) all routes have same hours as subway, 6am to 1 am weekdays (\$21.000M gross and net)
 - 2009 Service to meet record demand of 473 million riders, including reliability improvements to the 501 Queen St. route (+136,000 hours in 2009; \$13.006M gross and net)
- Improve the flow of TTC vehicles and reduce short turns with 20 new route supervisors (\$1.735M gross and net)
- Introduce next vehicle notification, automated customer notification, e-commerce and internet trip planning (\$0.448M gross and net)
- Establish green procurement practices (\$0.875M gross and net)



Priority Investments Total \$94 Million - Climate Change

- Implement the Mayor's Tower Renewal Strategy (\$0.580M gross and net)
- Continue "Live Green Toronto" (\$4.600M gross, \$0.800M net)
- Continue the Climate Change Adaptation strategy (\$0.505M gross, \$0 net)
- Maintain and increase urban forest to increase tree canopy from 17% to 34% by 2050 with new funding in 2009 for:
 - Tree maintenance (\$3.853M gross, \$1.570M net)
 - Tree protection (\$0.686M gross, \$0 net)
 - Planting new trees (\$1.605M gross, \$0 net)
- Open 70km of additional bike lanes; increase the number of bike stations and bicycle lockers (\$0.210M gross, \$0 net)
- Promote an Idle Free Campaign for the City's Fleet (\$0.632M gross savings in 2009)



Priority Investments Total \$94 Million

– *Public Spaces*

- Provide overall operations at Union Station including 24/7 security (\$13.182M gross, \$0 net)
- Roll out 3,500 pieces of street furniture (\$5.505M gross, \$0 net)
- Make progress on Toronto’s waterfront – construction of Phase 1 of Lake Ontario Park, construction activities in the East Bayfront, West Don Lands and the Central Waterfront (\$1.597M gross, \$1.012M net)
- Open and maintain new and upgraded parks, playgrounds, and pathways (\$0.775M gross and net):

New 2009

- Wychwood Community Park
- Ashbridges Skateboard Park
- Flemmingdon Sports Field

Upgrades for 2009

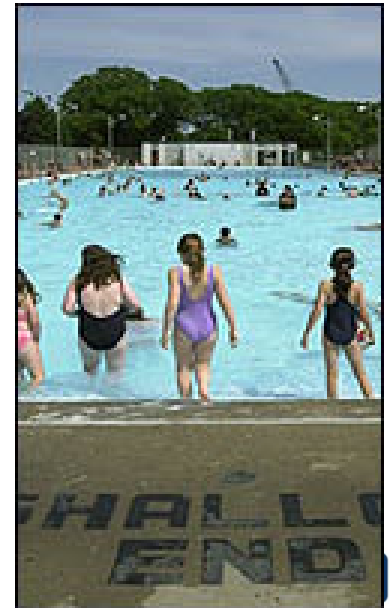
- Megan Park
- Morning Side Splashpad
- Campbell Avenue Playground



Priority Investments Total \$94 Million

- Community Health & Wellness

- Enhanced Streets to Homes program (\$4.6M gross, \$4.1M net)
- Sustain Community Partnership and Investment Program by funding inflationary pressures (\$0.849 gross and net)
- Expand the Student Nutrition Program to serve an additional 5,644 elementary children and 3,147 youth from the 78,000 children and 12,750 youth served in 2008 (\$0.400M gross and net)
- Additional 12 new, 24 enhanced programs for at-risk groups including youth, seniors, women, and aboriginal youth in priority neighbourhoods (\$0.600M gross and net)
- Improve access to employment opportunities, training and skills development through newly developed local employment service hubs (\$2.019M gross, \$0 net)



Priority Investments Total \$94 Million

- Community Health & Wellness

- Implement additional nursing shifts in hospital emergency rooms to reduce wait times by EMS paramedics (\$1.945M gross, \$0 net)
- Expand the Children in Need of Treatment Dental Program to 18 years of age (\$5.253M gross, \$0 net)
- Implement the Youth Gang Prevention Pilot Project (\$1.5M gross, \$0 net)
- Increase open hours at Toronto Public Libraries by 67.5 hours per week on weekdays once the implementation of Self-Service for Expanding Open Hours capital project is completed in 2009 (\$0 gross and net)
- Expand recreation programs at various community centres (\$1.287M gross and \$1.071M net)



Priority Investments Total \$94 Million

– Creative City

- Celebrate the 175th anniversary of the City of Toronto (\$0.230M gross and net)
- Commission a stand-alone monumental art project for City Hall to attract international tourists to Nuit Blanche (\$0.3M gross and \$0 net)
- Foster the development of “Creative Toronto” (\$0.070M gross and \$0.020M net) by:
 - Partnering with the Martin Prosperity Institute on a major gathering of international thinkers to explore the connection between place, creativity and the economy
 - Partnering with Toronto Artscape to organize an international conference to explore the concept of the “Collaborative City”



Priority Investments Total \$94 Million

– Public Access & Accountability

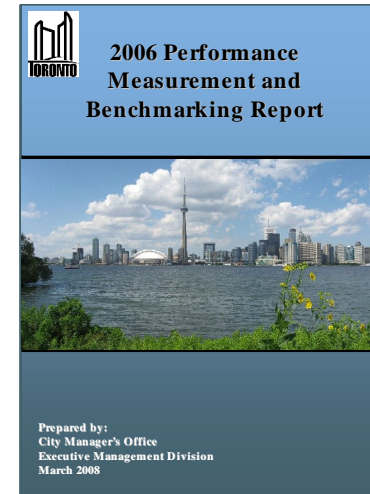
- Open the 311 Customer Services 24-hour call centre in June 2009 (\$1.638M gross and net)
- Expand court capacity by 6 additional courtrooms from 25 to 31 courtrooms, and increase the number of new trials by 180,000 (\$3.725M gross, \$0.705M net)
- Finalize the set up of the Lobbyist Registrar's Office (\$0.217M gross and net) and the Office of the Ombudsman (\$0.604M gross and net)
- Establish the Office of Civic Engagement (\$0.114M gross and net) to increase representation of diverse communities in the City's decision-making process



Measuring Performance

Performance Measurement and Benchmarking Report

- In support of greater accountability and transparency the OMBI CAOs agreed to identify names of municipalities with benchmarked results
- In April 2008 provided Toronto's 2006 Performance Measurement and Benchmarking Report
- 2007 report to be presented at April 2009 Executive Committee and will
 - Cover 20+ service areas
 - Examine Internal trends in Toronto's results over 5+ years
 - Categorize internal trends from 2006 to 2007 as favourable, stable or unfavourable
 - Rank Toronto in relation to 14 other OMBI (Ontario) by colour-coded quartiles
 - Include narratives and factors behind Toronto's ranking
 - Identify Toronto initiatives intended to improve operations



| Measure Category | Measure Name | Internal Comparison of Toronto's 2006 vs. 2005 Results | | External Comparison to Other Municipalities (OMBI) By Quartile | | Chart Ref. |
|---------------------------------|---|--|---|--|-------------------------------------|------------|
| | | Service Level (Resources) | Efficiency/ Effectiveness (Results) | Service Level (Resources) | Efficiency/ Effectiveness (Results) | |
| Section 1 – Service Name | | | | | | |
| Service Level | Units of Service per 100,000 population | Favourable Increase in units of service provided | - | Higher service levels | 1 | 1.1 |
| Efficiency | Cost per unit of service | - | Unfavourable Cost per unit has increased | - | High costs | 4 |
| Customer Service | Response time | - | Stable Response time shows little change | - | Lower response time | 2 |
| Community Impact | Rate of Incidence | - | Favourable Incidence rate has decreased | - | Higher rate of incidence | 3 |

Category of measure

Name of measure and ref. to figure number in report

Toronto's results, are compared internally from 2006 to 2005 to identify trends.

Toronto's results compared externally to other municipalities in these 2 columns. Results are presented by quartile.

Chart reference in report for more detailed information

Toronto's 2006 versus 2006 trends in service levels are described as stable, favourable (where there is an increase), or unfavourable (where there is a decrease)

Toronto's 2006 vs. 2005 trends in for efficiency, customer service and community impact/outcomes results, are described as stable, favourable (where results are improving), or unfavourable (where results are not as good)

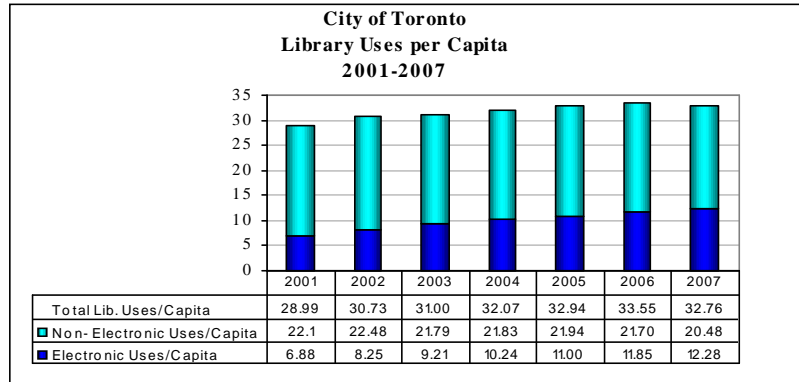
Toronto's service levels are compared to other municipalities. If in 1st or 2nd quartile, service level is higher than the OMBI median. If in 3rd or 4th quartile service level is lower than the OMBI median.

Toronto's efficiency, customer service and community impact/outcome compared to other municipalities. If in 1st or 2nd quartile, result is better than the OMBI median, and if in 3rd or 4th quartile is worse than OMBI median.

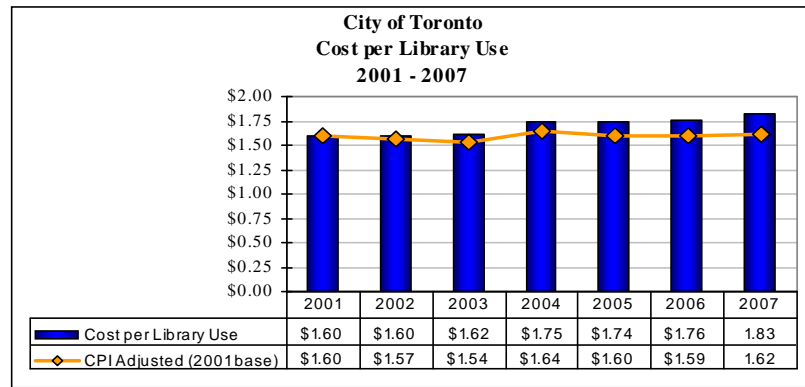
Example From 2007 Benchmarking Report

- Library Services

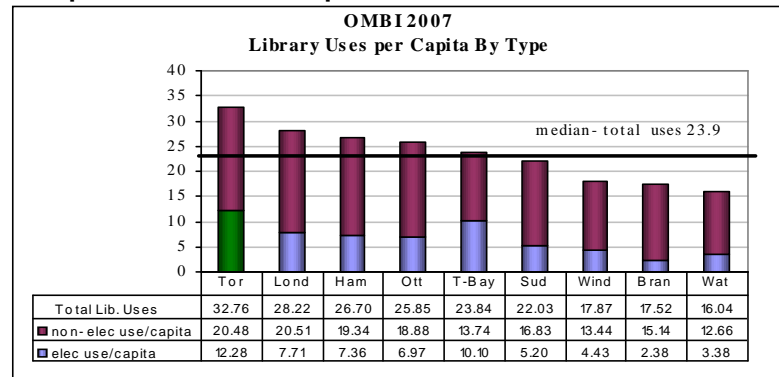
Community Impact - How Much do Toronto Residents Use our Library System?



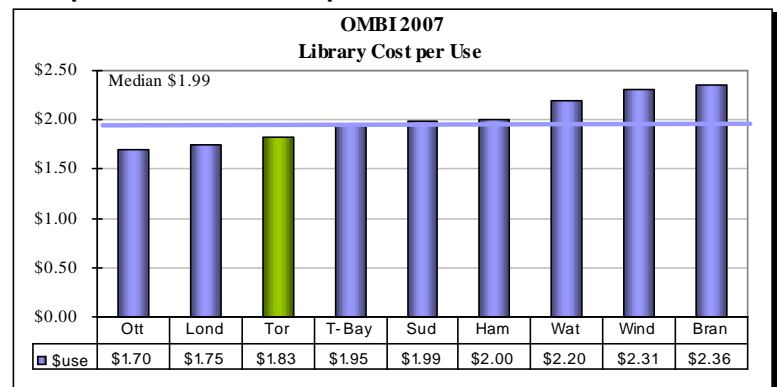
Efficiency – What Does it Cost in Toronto for Each Library Use?



Community Impact - How Does Library Use in Toronto Compare to Other Municipalities?



Efficiency - How Does Toronto's Cost per Library Use Compare to Other Municipalities?



- Library use is influenced by the number and size of branches, hours of operation, the size and mix of collections and the languages supported in those collections, the range of program offerings and the availability and degree of investment in web services
- Costs per library use are influenced by the mix, variety, and depth of library uses and the number and types of staff time needed to support these different activities

Global City Indicators Initiative



- Important to compare Toronto to other world cities
- Pilot process initiated by World Bank involved:
 - Canada - Toronto, Montreal, & Vancouver
 - US - King County
 - Brazil - Sao Paulo, Belo Horizonte & Porto Alegre
 - Columbia –Bogota & Cali
- Other cities joining from China, India, South Africa, Nigeria and interest from more U.S. Cities
- Have developed measures in 22 theme areas for quality of life and service delivery
- Still in early stages with challenges in consistency of technical definitions, data sources

| City Services | Quality of Life |
|-----------------------------|-------------------------|
| Education | Civic Engagement |
| Energy | Culture |
| Finance | Economy |
| Fire and Emergency Response | Environment |
| Governance | Shelter |
| Health | Social Equity |
| Recreation | Subjective Well-Being |
| Safety | Technology & Innovation |
| Social Services | |
| Solid Waste | |
| Transportation | |
| Urban Planning | |
| Wastewater | |
| Water | |

Customer Service Measures and 311

Provides:

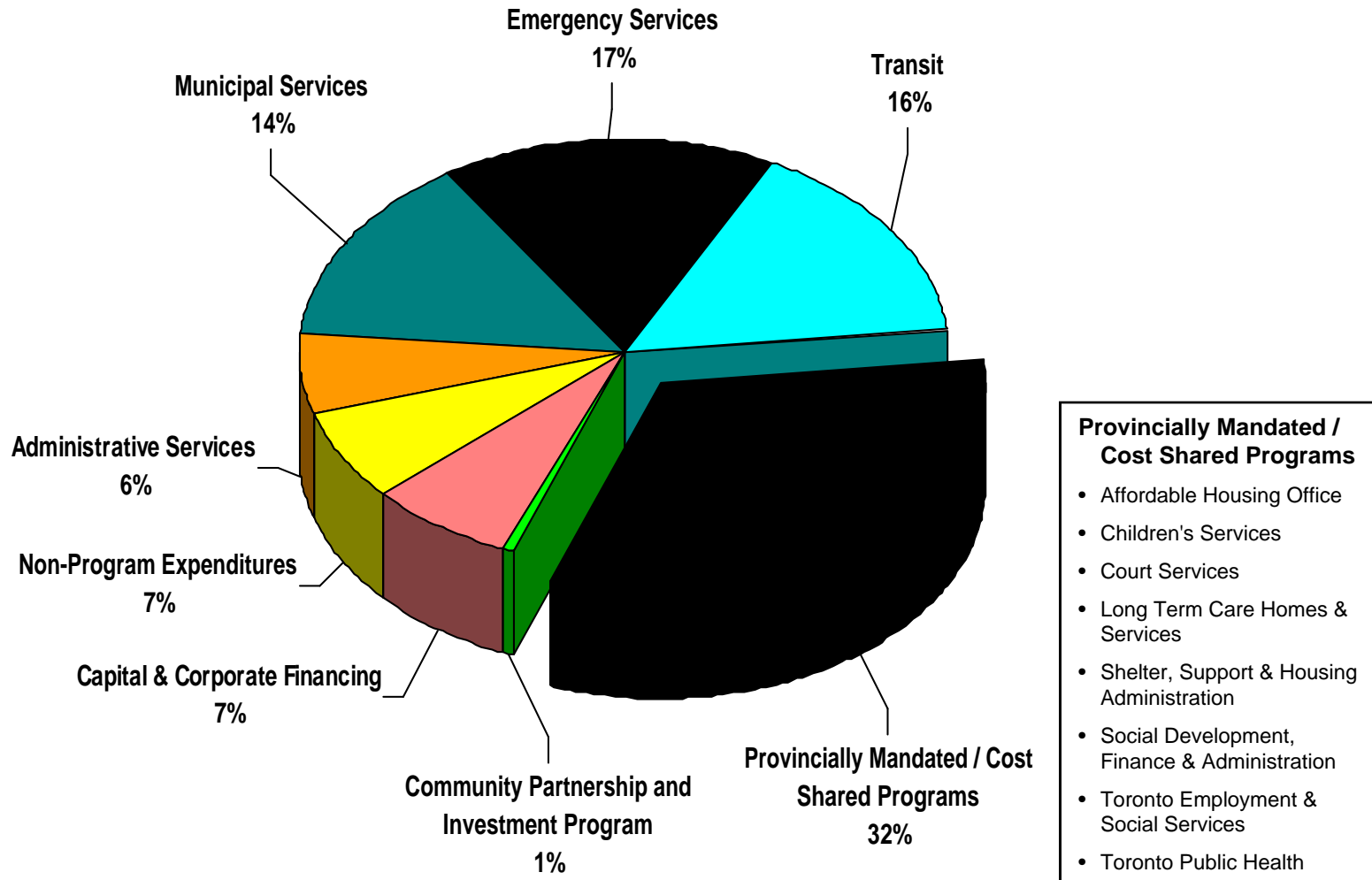
- Single telephone number / internet channel for customer services on a 24 / 7/ 365 basis in 150 languages
 - Launches in June 2009
- 70% first contact service resolution / each case tracked to completion
- Consistent customer service standards
- Improved services through real time service evaluation of performance reports and benchmarking
- Eliminates duplication with Access Toronto and Divisional call centres
- Real-time service evaluation and benchmarking



2009 Staff Recommended Operating Budget

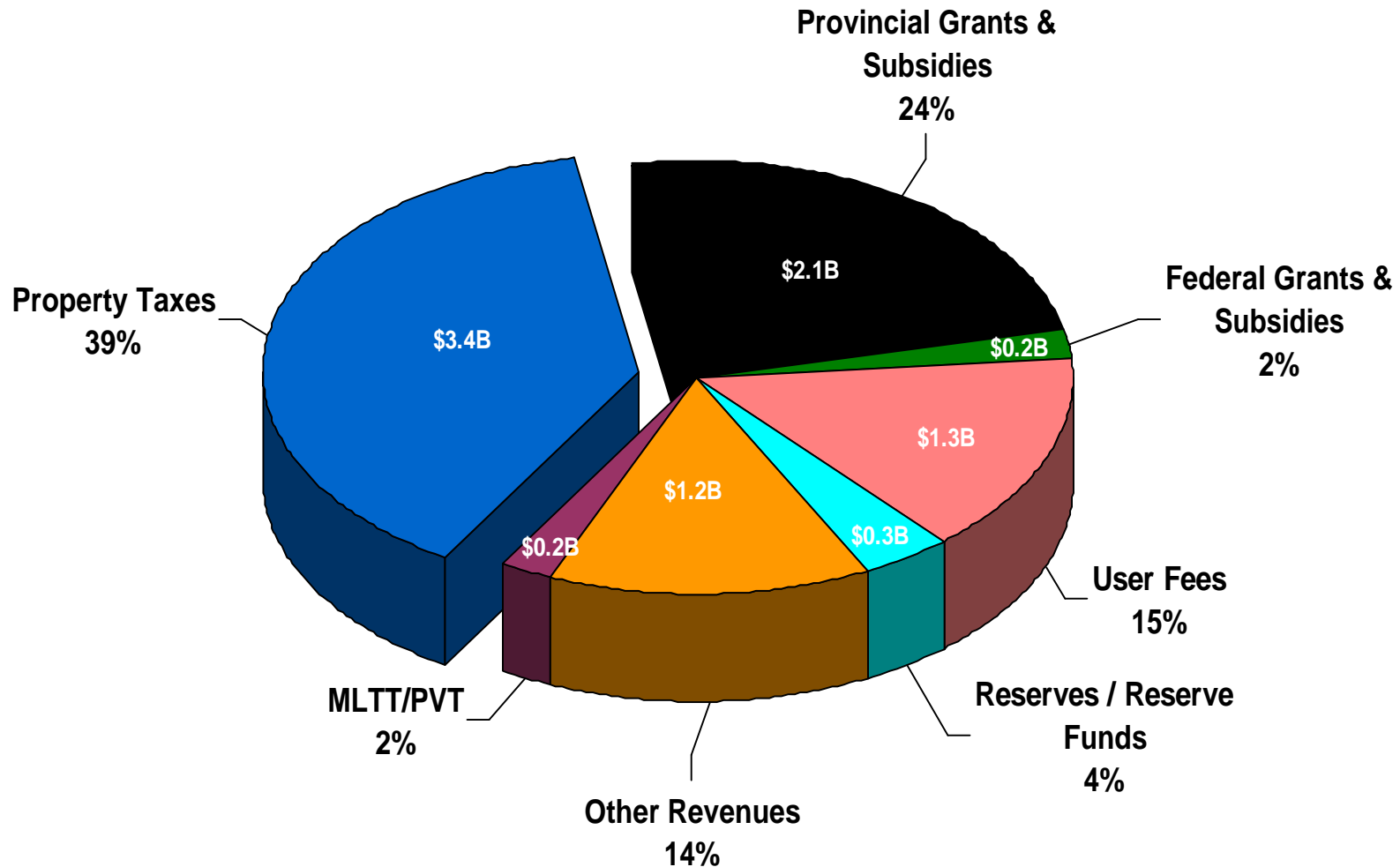
Where the 2009 Expenditure Budget of \$8.7B goes

32% Allocated to Provincially Mandated Programs



Where The Money Comes From

39% of the 2009 Budget of \$8.7B Funded by Property Taxes

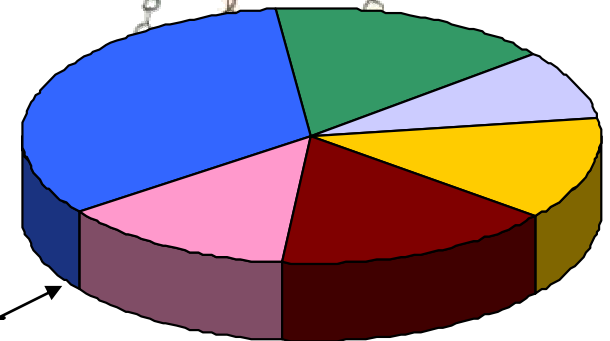


2009 Budget Shortfall of \$679 Million

Revenues

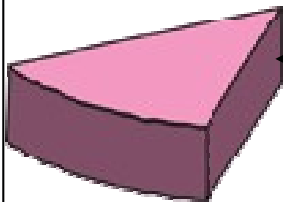


Gross Expenditures



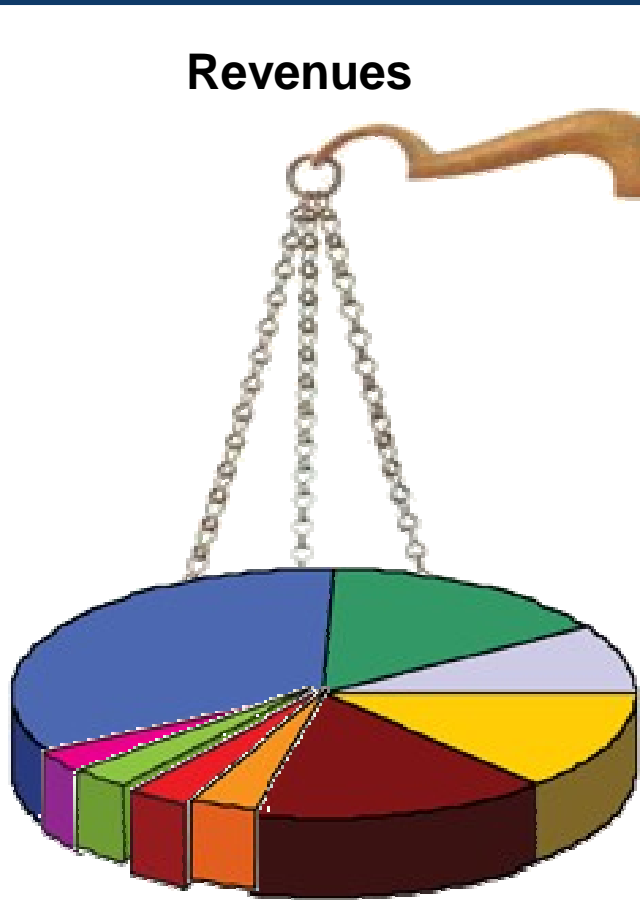
Budget Shortfall - \$679M

- \$128M – Prior-year Surplus & Reserve Draws
- \$149M - Non-recurring Provincial funding for TTC
- \$379M - inflation, annualization and Other Base Budget increase
- \$23M Investment in Priority Actions – New and Enhanced Services

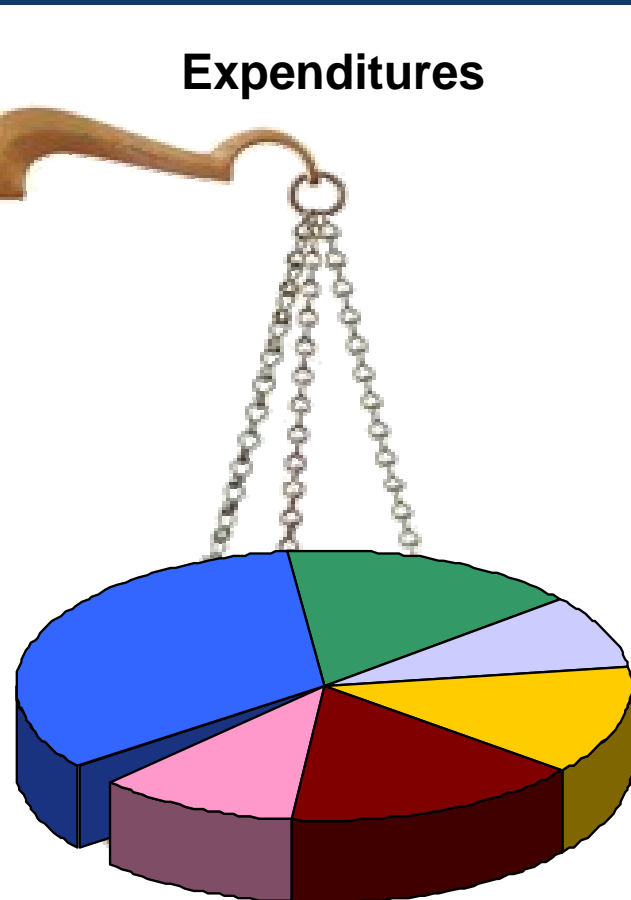


How the 2009 Budget of \$8.7B Was Balanced

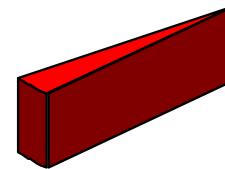
Revenues



Expenditures



- 2008 Surplus - \$74M, and Closed Capital Accounts \$92M
- User Fees \$6.6M and Reserve Draws - \$43M
- Provincial Investment - Transit Operations \$238M
- Property Tax Increase and Assessment Growth - \$123M



2009 Continuous Improvement / Cost Reduction - (\$102M)

Staff Recommended 2009 Net Operating Budget Totals \$3.397 Billion

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Base Budget | 2009 Rec'd New / Enhanced | 2009 Rec'd Total Budget | Change from 2008 Over (Under) | |
|---|----------------------------|---------------------------------|------------------------------------|----------------------------------|----------------------------------|-------------|
| | | | | | \$ | % |
| Citizen Centred Services "A" | 976,824 | 1,040,817 | 2,829 | 1,043,646 | 66,822 | 6.8% |
| Citizen Centred Services "B" | 580,017 | 601,310 | 251 | 601,561 | 21,545 | 3.7% |
| Internal Services | 145,611 | 142,040 | 1,004 | 143,044 | (2,567) | (1.8%) |
| City Manager | 37,497 | 37,478 | 1,010 | 38,487 | 990 | 2.6% |
| Other City Programs | 77,591 | 77,228 | 247 | 77,475 | (116) | (0.1%) |
| Accountability Offices | 5,587 | 5,879 | 821 | 6,700 | 1,113 | 19.9% |
| Total City Operations | 1,823,126 | 1,904,751 | 6,162 | 1,910,913 | 87,787 | 4.8% |
| Agencies, Boards and Commissions | 1,323,749 | 1,455,162 | 12,641 | 1,467,803 | 144,054 | 10.9% |
| Corporate Accounts | 167,771 | 54,429 | 4,680 | 59,109 | (108,662) | (64.8%) |
| Net Operating Budget | 3,314,645 | 3,414,342 | 23,483 | 3,437,825 | 123,180 | 3.7% |
| Assessment Growth | | | | (40,500) | (40,500) | n/a% |
| Net Operating Budget After Assessment Growth | 3,314,645 | 3,414,342 | 23,483 | 3,397,325 | 82,680 | 2.5% |

Staff Recommended 2009 Net Operating Budget

– Citizen Centred Services “A”

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Total Budget | Change from 2008 Approved Budget | |
|--|----------------------|-------------------------|----------------------------------|-------------|
| | | | \$ | % |
| Citizen Centred Services "A" | | | | |
| Affordable Housing Office | 1,307 | 1,281 | (26) | (2.0%) |
| Children's Services | 68,993 | 67,613 | (1,380) | (2.0%) |
| Court Services | (11,586) | (12,182) | (596) | (5.1%) |
| Economic Development, Culture & Tourism | 25,934 | 27,313 | 1,380 | 5.3% |
| Emergency Medical Services | 62,057 | 63,713 | 1,656 | 2.7% |
| Long term Care Homes & Services | 41,548 | 42,311 | 763 | 1.8% |
| Parks, Forestry & Recreation | 238,399 | 246,347 | 7,948 | 3.3% |
| Shelter, Support & Housing Administration | 253,820 | 266,272 | 12,453 | 4.9% |
| Social Development, Finance & Administration | 16,118 | 15,796 | (322) | (2.0%) |
| Toronto Employment & Social Services | 275,768 | 317,843 | 42,075 | 15.3% |
| 3-1-1 Customer Service Strategy | 4,466 | 7,338 | 2,873 | 64.3% |
| Total Citizen Centred Services "A" | 976,824 | 1,043,646 | 66,822 | 6.8% |

Staff Recommended 2009 Net Operating Budget

– Citizen Centred Services “B”

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Total Budget | Change from 2008 Approved Budget | |
|--|----------------------|-------------------------|----------------------------------|-------------|
| | | | \$ | % |
| Citizen Centred Services "B" | | | | |
| City Planning | 13,648 | 13,613 | (35) | (0.3%) |
| Fire Services | 347,854 | 357,175 | 9,321 | 2.7% |
| Municipal Licensing & Standards | 19,336 | 17,781 | (1,554) | (8.0%) |
| Policy, Planning, Finance and Administration | 22,361 | 21,789 | (572) | (2.6%) |
| Technical Services | 15,998 | 14,982 | (1,016) | (6.4%) |
| Toronto Building | (11,420) | (11,420) | 0 | 0.0% |
| Toronto Environment Office | 3,603 | 3,523 | (80) | (2.2%) |
| Transportation Services | 167,555 | 183,106 | 15,551 | 9.3% |
| Waterfront Secretariat | 1,082 | 1,012 | (70) | (6.5%) |
| Total Citizen Centred Services "B" | 580,017 | 601,561 | 21,545 | 3.7% |

Staff Recommended 2009 Net Operating Budget

- Internal Services

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Total Budget | Change from 2008 Approved Budget | |
|---------------------------------------|----------------------|-------------------------|----------------------------------|---------------|
| | | | \$ | % |
| Internal Services | | | | |
| Office of the Chief Financial Officer | 10,193 | 9,989 | (204) | (2.0%) |
| Office of the Treasurer | 31,076 | 29,902 | (1,175) | (3.8%) |
| Facilities & Real Estate | 55,270 | 54,101 | (1,169) | (2.1%) |
| Fleet Services | (63) | 0 | 63 | n/a |
| Information & Technology | 49,136 | 49,053 | (83) | (0.2%) |
| Total Internal Services | 145,611 | 143,044 | (2,567) | (1.8%) |

Staff Recommended 2009 Net Operating Budget

- Other City Programs

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Total Budget | Change from 2008 Approved Budget | |
|----------------------------------|----------------------|-------------------------|----------------------------------|-------------|
| | | | \$ | % |
| Other City Programs | | | | |
| City Manager's Office | 37,497 | 38,487 | 990 | 2.6% |
| City Clerk's Office | 34,619 | 35,017 | 397 | 1.1% |
| Legal Services | 20,922 | 20,413 | (510) | (2.4%) |
| Mayor's Office | 2,604 | 2,599 | (4) | (0.2%) |
| City Council | 19,446 | 19,446 | 0 | 0.0% |
| Auditor General's Office | 4,270 | 4,338 | 69 | 1.6% |
| Accountability Offices | 1,317 | 2,362 | 1,045 | 79.3% |
| Total Other City Programs | 120,674 | 122,662 | 1,988 | 1.6% |

Staff Recommended 2009 Net Operating Budget

- Agencies, Boards and Commissions

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Total Budget | Change from 2008 Approved Budget | |
|---|----------------------|-------------------------|----------------------------------|--------------|
| | | | \$ | % |
| Agencies, Boards and Commissions | | | | |
| Toronto Public Health | 42,902 | 43,418 | 515 | 1.2% |
| Toronto Public Library | 155,791 | 162,015 | 6,225 | 4.0% |
| Association of Community Centres | 6,756 | 6,993 | 237 | 3.5% |
| Exhibition Place | 28 | (51) | (78) | (282.3%) |
| Heritage Toronto | 390 | 385 | (5) | (1.3%) |
| Theatres | 3,816 | 3,717 | (99) | (2.6%) |
| Toronto Zoo | 11,728 | 11,667 | (61) | (0.5%) |
| Arena Boards of Management | 43 | (7) | (50) | (115.7%) |
| Yonge-Dundas Square | 584 | 572 | (12) | (2.0%) |
| Toronto & Region Conservation Authority | 3,171 | 3,269 | 98 | 3.1% |
| Toronto Transit Commission - Conventional | 222,890 | 302,055 | 79,165 | 35.5% |
| Toronto Transit Commission - Wheel-Trans | 51,345 | 76,342 | 24,997 | 48.7% |
| Toronto Police Service | 822,047 | 855,127 | 33,080 | 4.0% |
| Toronto Police Services Board | 2,258 | 2,301 | 43 | 1.9% |
| Total Agencies, Boards and Commissions | 1,323,749 | 1,467,803 | 144,054 | 10.9% |

Staff Recommended 2009 Net Operating Budget

- Corporate Accounts

| (\$000s) | 2008 Approved Budget | 2009 Rec'd Total Budget | Change from 2008 Approved Budget | |
|--|----------------------|-------------------------|----------------------------------|----------------|
| | | | \$ | % |
| Corporate Accounts | | | | |
| Community Partnership and Investment Program | 43,266 | 45,332 | 2,066 | 4.8% |
| Capital & Corporate Financing | 530,804 | 364,918 | (165,886) | (31.3%) |
| Non-Program Expenditures | 435,484 | 498,331 | 62,846 | 14.4% |
| Non-Program Revenues | (841,783) | (849,471) | (7,688) | (0.9%) |
| Total Corporate Accounts | 167,771 | 59,109 | (108,662) | (64.8%) |

2009 Operating Budget – Tax Impacts

| | | |
|-----------------|-----|---------------------|
| Residential 4% | 2/3 | \$57 million |
| Non Residential | 1/3 | <u>26 million</u> |
| Total 2.5% | | <u>\$83 million</u> |

Average Residential 2009 CVA = \$387,000; \$89 Impact

Recession Response

Key Economic Drivers of City Finances

| Employment/ Income | Business / Personal Investments | World / National Markets |
|--|--|--|
| <ul style="list-style-type: none">• TTC Ridership• Ontario Works Caseloads• Admission fees, eg. Zoo, Parks | <ul style="list-style-type: none">• Land Transfer Tax• Assessment growth• Building permits, license fees | <ul style="list-style-type: none">• Inflation (affects labour expectations)• Commodity prices• Interest rates (cost of debt & investment earnings) |

Recession Response – 2009 Actions

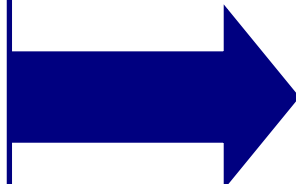
- Toronto Helps
- Close monitoring of key economic factors
- Report to Council quarterly with variance report
- Adjust fiscal action as required
- Close communication with Province
- Continued spending restraint
- Early planning for 2010

Conclusion

Conclusion

- 2009 Recommended Operating Budget is Balanced:
 - Maintains services and service levels
 - \$23 million net leverages \$94 million in investment to advance the Mayor and Council's priorities
 - User fee increase constrained
 - Budgetary Property Tax Increase kept to the City of Toronto rate of inflation
- Partnership with the Province to:
 - Continue to upload provincial services
 - Fund 50% of Transit Operating Cost on a sustainable basis
 - Support increased cost of initiatives to protect the vulnerable given the current economic downturn
- Recession will continue to be monitored for impact and mitigating strategies

Moving Toward Fiscal Sustainability

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- Continuous improvement and cost control ✓
 - New Taxation Measures ✓
 - Upload Social Services programs ✓
 - Permanent, Predictable Provincial Transit operating funding (50%) ○
 - Growth revenues – equivalent of One Cent
 - Share of the GST ○
 - National Transit Strategy (capital) ○

2009 Operating Budget Timelines - Key Dates

