



Budget Committee Agenda Overview

January 9, 2012

Budget Committee Agenda Overview

- 3rd Quarter Variance Reports
- Service Review Program
- 2012 Budget Reports
- 2012 Final Assessment Growth
- 2013 / 2014 Budget Outlook
- Wrap-Up Notes

3rd Quarter Variance Reports

- Reserves and Reserve Funds
- Capital
- Operating

Service Review Program

- Update on Core Service Review and Service Efficiency Studies
- Comprehensive User Fee Review
- Voluntary Separation Program

2012 Budget Reports

- 2012 Budget Committee Recommended Operating Budget
 - Final 2012 Assessment Growth
 - 2012 Property Tax Rates and Related Matters
 - Additional CoT Reporting Req. as a result TCAs
- 2012 BC Recommended Capital Budget and 2013 – 2021 Capital Plan
 - Leaside Arena 2nd Pad Expansion Project

2012 Budget

Operating Budget:

- Reliance on one-time surplus revenues reduced from \$346 million to \$77 million

Capital Budget:

- TTC \$2.3 billion capital shortfall solved by capital project reduction, debt reduction and \$700 million in new financing from operating surpluses, monetization of City assets and expected new federal and provincial funding

Distribution of 2011 Surplus Council's Policy

- First 75% to the Capital Financing Reserve
- Remainder, upon recommendation by the CFO, to:
 - reserves in need of replenishment
 - unfunded liabilities

2012 Final Assessment Growth

- Budget Committee Request to find sustainable offsets to the Community Centre (\$2.1M) and Student Nutrition (\$0.4M) program service reductions
- Final 2011 assessment roll confirms 2012 assessment growth is \$50.6M vs. \$41.8M currently in the budget
- \$8.8M increase is sustainable revenue
- Recommended allocation:
 - \$2.5M to offset service reductions
 - \$6.3M to reduce Tax Stabilization Reserve draw

2012 Budget Balancing Strategies

- Service Level Changes, Rate Increases - Revised

	<u>Original</u>	<u>Revised</u>
Pressure before Service Changes, Rate Increase, and Tax Stabilization Reserve	<u>258</u>	<u>258</u>
Assessment Growth Increase		(9)
Service Level Adjustments	(88)	(86)
TTC - 10 Cent Fare Increase	(30)	(30)
Property Tax Increase (2.5% Residential/ 0.83% Non-Residential)	(57)	(57)
Tax Stabilization	(83)	(77)
Remaining Pressure	<u>0</u>	<u>0</u>

2013/2014 Budget Outlook

	<u>2013</u>	<u>2014</u>
City One-Time Funding		
Prior Year Surplus	77	
Reserve Draws	38	31
Total Unsustainable Balancing Strategies	<u>115</u>	<u>31</u>
Expenditure Changes:		
City & Agency Inflation - Labour/Non-Labour	243	251
Operating Impact of Capital	9	10
Capital Financing	37	52
Daycare Spaces		(29)
Other	36	13
Total Expenditure Changes	<u>325</u>	<u>297</u>
Outlook Pressure Before Revenue Increases	<u>440</u>	<u>328</u>

2013/2014 Budget Outlook - Continued

	<u>2013</u>	<u>2014</u>
Outlook Pressure Before Revenue Increases	440	328
Revenue (Increases) and Decreases:		
Economic Growth	(117)	(106)
User Fees	(15)	(20)
Upload (OW/Security)	(16)	(28)
Reserve Draws	(31)	(5)
	<u>(178)</u>	<u>(159)</u>
Future Council Decisions:		
TTC Fare Increases	(30)	(30)
Tax Increases (2.5% residential & 0.83% non-residential)	(58)	(59)
	<u>(88)</u>	<u>(89)</u>
Total Revenue (Increases) and Decreases	<u>(266)</u>	<u>(248)</u>
Outlook Pressure Before Efficiency Target	<u>174</u>	<u>80</u>
Efficiency Savings Target	<u>(174)</u>	<u>(80)</u>
Remaining Pressure	<u>0</u>	<u>0</u>

