



STAFF REPORT ACTION REQUIRED

2014 Budget Committee Recommended Tax Supported Operating Budget

Date:	January 20, 2014
To:	Executive Committee
From:	City Manager Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2014\Internal Services\Fp\Ec14003Fp (AFS #18972)

SUMMARY

This report presents the 2014 Budget Committee (BC) Recommended Tax Supported Operating Budget and seeks Council's approval for the services, service levels, and spending plans detailed therein.

The 2014 BC Recommended Tax Supported Operating Budget of \$9.6 billion gross and \$3.8 billion net is built on 2 solid foundations:

Investing for the Future

The 2014 BC Recommended Tax Supported Operating Budget focuses on key strategic priorities to enhance the City's economic vitality, and support the social development for our diverse and vulnerable residents and for City building. It addresses service needs, makes new investments as directed by City Council while keeping the cost of City services affordable. The Budget has also been established using an improved budget process through implementation of service based budgeting and provides new and enhanced materials and web site to make the process more user friendly and easier to understand.

Strengthening Our Fiscal Health

For a second consecutive year, major advancements were made in achieving fiscal sustainability by eliminating the use of prior year's surplus and ensuring property tax increases were below the general rate of inflation. Revenue sources were maximized in accordance with expenditure growth. Furthermore, the 2014 BC Recommended Tax

Supported Operating Budget includes a moderate Toronto Transit Commission fare increase of 5 cents and a 1.1% average tax levy increase over the 2013 budget which is below the general rate of inflation. Based on the City's tax policy, this results in a 1.67% residential and 0.56% non-residential property tax increase. With City Council approving the additional tax increase for the Scarborough Subway construction (0.5% residential and 0.17% non-residential) the overall recommended property tax increase in 2014 will be 2.17% for residential and 0.72% for non-residential.

2015 and 2016 Outlook

The City is still facing budgetary pressures in future years. It is estimated that the Outlook pressure in 2015 and 2016 is \$332 million and \$203 million respectively after taking into account potential revenue, tax, and TTC fare increases. The pressures are primarily due to the elimination of the Provincial Toronto Pooling Compensation funding and depletion of reserve and reserve funds. The operating pressure is a result of the Provincial funding loss of about \$43 million per year or \$129 million over the three years from 2014 to 2016.

In 2014, the pressure is addressed by offsetting loan interest which is only a one-time solution. In 2015, the pressure will be doubled to about \$86 million. In addition, transit and inflation costs continue to add pressure to the Operating Budget. The City is moving towards service based budgets and making every effort to find efficiencies to reduce operating costs. In the mean time, the City also needs to find additional sustainable revenue sources to strengthen fiscal health and invest in the future.

CONTENTS

Topic	Page
Recommendations	4
Financial Impact	5
Comments	
Toronto In Context	13
The Economic Environment	14
Investing in Our Future – Recommended New and Enhanced Services and Service Levels	15
The City's Fiscal Challenge	23
Loss of the Provincial Toronto Pooling Compensation	24
Actions to Strengthen Fiscal Health	25
0% Increase Budget Target	25
Line-by-Line Budget Reviews	27
User Fees and Other Charges	27
How the 2014 Operating Budget was Balanced	28
Funding City Services - 2014 BC Recommended Operating Budget	30
2014 Budget Committee Recommended Net Operating Budget	31
2014 Recommended Approved Positions	32
2015 and 2016 Operating Outlook	35
City of Toronto Multi-Year Financial Planning and Budgeting Process	36
Appendices	41

RECOMMENDATIONS

The Budget Committee recommends the following to Executive Committee for recommendation to City Council:

1. City Council approve the 2014 Budget Committee Recommended Tax Supported Operating Budget of \$9.623 billion gross and \$3.761 billion net as detailed in Appendix 1, comprised of the following:
 - i. a Base Budget of \$9.580 billion gross and \$3.746 billion net to maintain core services and service levels; and
 - ii. an investment in strategic new and enhanced service priorities of \$42.928 million gross and \$14.971 million net.
2. City Council approve the Recommendations for City Programs and Agencies detailed in Appendix 3.
3. City Council receive the reports, transmittals and communications that are on file with the City Clerk's Office (including Appendix 4 herewith attached) as considered by the Budget Committee at its 2013 and 2014 budget review meetings.
4. City Council approve the funding allocation of \$4.572 million from the Tax Rate Stabilization Reserve (XQ0703) to the Major Special Event Reserve Fund (XR1218) to fund the Pan Am Games Showcase Program.

Financial Impact

2014 Operating Budget Overview

The 2014 BC Recommended Tax Supported Operating Budget is \$9.623 billion gross and \$3.761 billion net, resulting in a \$156.502 million or 1.7% increase in gross and a \$47.637 million or 1.3% increase in net expenditures over the 2013 Approved Operating, as outlined in Table 1 below.

The \$47.637 million or 1.3% Net Operating Budget increase is below the general rate of inflation and has been funded by an overall property tax increase of 1.1% after net assessment growth (i.e. accounting for the Toronto and Community Housing Corporation assessment adjustment).

Table 1 2013/2014 Operating Budget Comparison (\$Millions)								
	2013		2014		Change			
	Gross	Net	Gross	Net	Gross		Net	
					\$	%	\$	%
Total City Operations	4,894	1,884	4,864	1,881	(30)	(0.6%)	(2,843)	(0.2%)
Agencies	3,270	1,681	3,402	1,741	132	4.0%	59,640	3.5%
Corporate Accounts	1,303	148	1,358	139	54	4.2%	(9,160)	(6.2%)
Net Operating Budget	9,467	3,713	9,623	3,761	157	1.7%	47,637	1.3%
Assessment Change				(25)				
TCHC Exemption				18				
Net Tax Levy	9,467	3,713	9,623	3,754	157	1.7%	40,667	1.1%

The 2014 BC Recommended Tax Supported Operating Budget includes new and enhanced services of \$42.928 million gross and \$14.971 million net. The new investment focuses on key priorities to make progress on Council's strategic goals, namely City Building, Social Development, Economic Vitality and Good Governance and addresses various service needs to:

- meet TTC growth;
- invest in more front line Paramedics;
- add more Fire Prevention Officers;
- provide resources to re-start hiring for new Police Officers;
- increase support for the Arts;
- expand the number of community centres where programs are free (Priority Centers);
- provide extra resources for City Planning; and
- open new libraries and recreation facilities.

These investments are based largely on City Council directions and recommendations from the Standing Committee Service Level Reviews.

Approval of the 2014 BC Recommended Tax Supported Operating Budget will result in the addition of 1,138.6 positions (total cost of \$63.204 million gross and \$20.296 million net); partially offset by a reduction of 531.3 positions (total savings of \$30.412 million gross and \$12.218 million net). As a result, the City's operating staff complement will be increased by a net 607.4 positions or 1.3%. The net increase is primarily driven by:

- TTC ridership growth and new initiatives to improve TTC's overall system cleanliness and programs to manage each subway station;
- Parks, Forestry and Recreation to operate various completed capital projects in 2014 as well as a technical change in the tracking of positions arising from the FPARS complement data cleanup review; and
- Emergency Medical Services to address the increase in emergency call demands and improve EMS's response time to life-threatening emergency calls.

2014 Budget Committee Recommended Changes

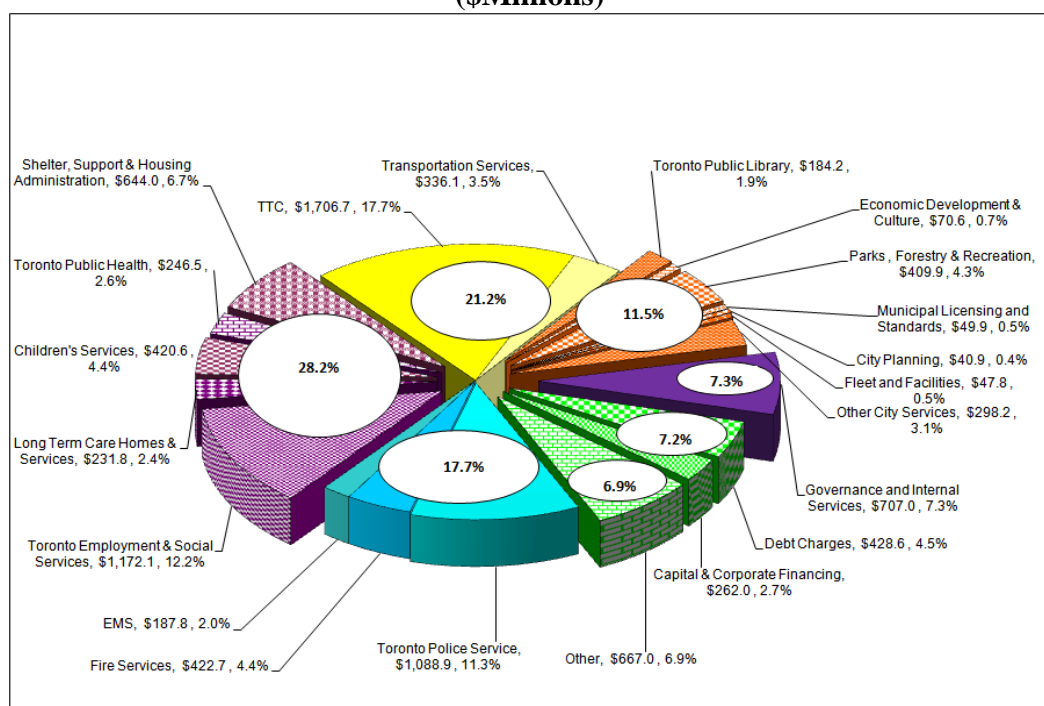
The 2014 BC Recommended Tax Supported Operating Budget reflects changes made by Budget Committee on January 8, 2014 to the staff recommended budget, as outlined in the Table 2 below. Changes include amendments to increase the 2014 MLTT budget by \$6.507 million to offset a reduction in the tax levy. Additionally, there is incremental assessment growth of \$3.385 million as a result of tax roll finalization, which has been partially allocated to various City Programs to increase service levels. The remaining amount of \$1.564 million is used to further reduce the 2014 property tax rate. The 2014 BC Recommended Tax Supported Operating Budget includes Budget Committee's recommendation to lower the property tax rate from the staff recommended 2.00% residential/0.67% non-residential to 1.67% residential /0.56% non-residential.

Table 2						
BUDGET COMMITTEE RECOMMENDED CHANGES - JAN 8, 2014						
	Approved Positions	2014 Operating Budget (\$000s)			2015 (\$000s)	2016 (\$000s)
		Gross	Revenue	Net	Net	Net
2014 Staff Recommended Operating Budget as December 10, 2013	49,485.8	9,596,515.3	5,831,303.4	3,765,211.9	0.0	0.0
Changes Using MLTT as Funding Source						
<i>Corporate</i>						
Municipal Land Transfer Tax to reduce Tax Levy Budget to 1.75%			6,507.0	(6,507.0)		
Subtotal to Changes Using MLTT as Funding Source		0.0	6,507.0	(6,507.0)	0.0	0.0
Changes Using Additional Assessment Growth as Funding Source						
<i>Parks, Forestry and Recreation</i>						
To restore property tax funding for the High Park Zoo			(229.0)	229.0		
<i>Toronto Public Health</i>						
Provide inflationary increase for the cost of food for Student Nutrition Program		214.1		214.1		
<i>Toronto Public Library</i>						
Provide 1797 additional hours for Public Libraries annually at 7 District Branches and Toronto Reference Library	4.0	260.0		260.0		
<i>Municipal Licensing and Standards</i>						
Phase in 4 new by-law officers to increase re-inspection rate on property standards, 2 in 2014 and 2 in 2015	2.0	190.0		190.0	190.0	
<i>Social Development, Finance and Administration</i>						
Provide 2.2% inflationary increase for Community Partnership and Investment Program (CPIP) grants		390.0		390.0		
<i>Parks, Forestry and Recreation</i>						
Implement new youth spaces based on the existing service delivery model: 4 in 2014, 3 in 2015, 3 in 2016 subject to budget process	3.8	186.0		186.0	437.5	268.5
<i>Auditor General's Office</i>						
Add 0.5 FTE	0.5	46.0		46.0		
<i>Toronto Public Health</i>						
Expand student nutrition programs to 27 additional school sites		394.3		394.3		
Sub-Total to Changes Using Additional Assessment Growth as Funding Source		1,680.4	(229.0)	1,909.4	627.5	268.5
Other Changes with Various Funding Sources						
<i>Office of the Ombudsman</i>						
Reduce 1 staff position.	(1.0)	(89.2)		(89.2)		
<i>Transportation</i>						
1) Increase Road and Sidewalk Management Service Budget's StART (StreetARToronto) Program for mural art on underpasses.		350.0	350.0	0.0		
2) StART Program commissioned on behalf of Metrolinx		800.0	800.0	0.0		
<i>Economic Development and Culture</i>						
Accelerate Arts Funding required to cover Cultural Organization and Arts to \$25 per capita over a 4 year period		1,500.0	1,500.0	0.0	500.0	1,500.0
<i>Shelter Support and Housing Administration</i>						
Adjustment to provide funding from the Development Charge Reserve Fund for Subsidized Housing to support Toronto Community Housing Company's capital repair backlog, as approved in EX35.4 "A Ten-Year Capital Financing Plan for Toronto Community Housing", which provides a total of \$10.0 million for this purpose, with \$5.000 million funded in 2013 and \$5.000 million funded in 2014.		5,000.0	5,000.0	0.0		
<i>Non Program (Other Corporate Expenditures)</i>						
Technical adjustment that aligns non-program funding with the amount Shelter Support and Housing Administration has included in 2014 Operating Budget to reflect the loss of Toronto Pooling Compensation, with the funding gap offset from the deferred interest on the forgivable Provincial Loan.		380.0	380.0	0.0		
<i>Children's Services</i>						
Adjustment for additional Provincial subsidy for 668 additional child care subsidies and administrative support to assist in the implementation of full day kindergarten and on-going program delivery.	6.0	17,184.0	17,184.0	0.0		
2014 Budget Committee Recommended Operating Budget as January 8, 2014	49,501.1	9,623,320.5	5,862,795.4	3,760,525.1	1,127.5	1,768.5
Assessment Growth				(22,000.0)		
Additional Assessment Growth				(3,385.0)		
TCHC Exempt				18,415.4		
2014 Budget Committee Recommended Operating Budget as January 8, 2014	49,501.1	9,623,320.5	5,862,795.4	3,753,555.6	1,127.5	1,768.5

Where the 2014 Operating Budget Will Be Spent

Chart 1 below shows that approximately 28.2% of the 2014 BC Recommended Tax Supported Operating Budget of \$9.623 billion will be spent on services that the City has no direct control over as they are mandated and/or cost-shared with the Province. These include Shelter Support and Housing Administration, Toronto Public Health, Children's Services, Long Term Care Homes and Services and Toronto Employment and Social Services. In addition, Transportation and Transit Services account for 21.2%. Emergency Services, which includes Toronto Police Service, Fire Services and Emergency Medical Services represents 17.7% of the total 2014 BC Recommended Tax Supported Operating Budget's expenditures. Altogether, these services plus the repayment of debt and other capital costs represent almost three quarters of the City's total gross expenditures for 2014.

Chart 1
Where the 2014 Operating Budget Will Be Spent
(\$Millions)

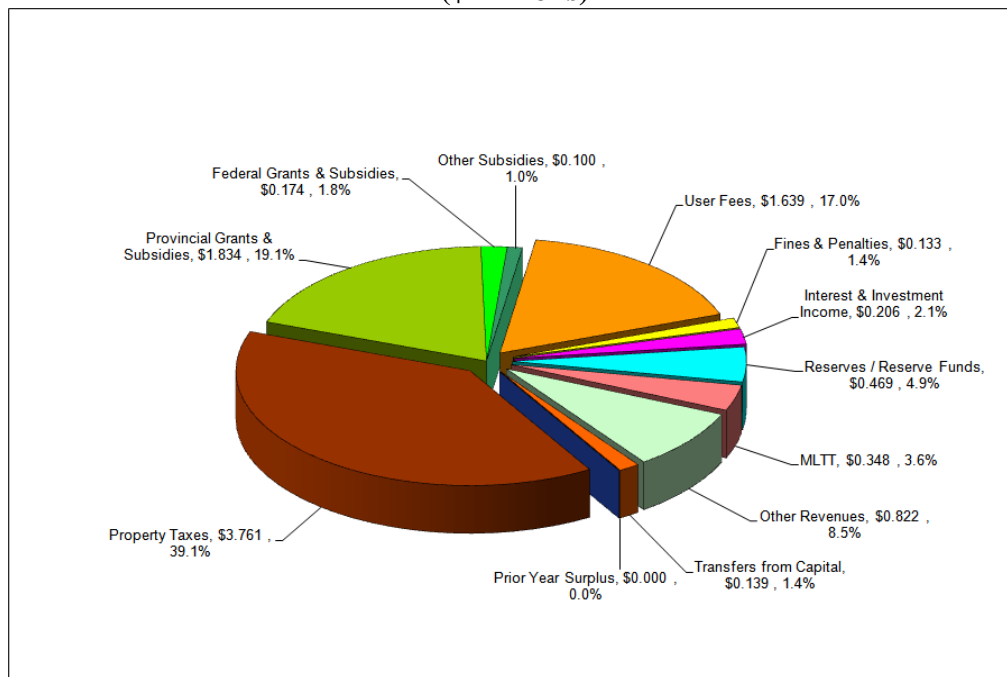


Where the Money Comes From

As shown in Chart 2 below, the 2014 BC Recommended Tax Supported Operating Budget of \$9.623 billion gross is funded by various sources. Municipal property tax is the funding of last resort; therefore, the City maximizes all other sources. Funding for the 2014 Operating Budget is comprised of Provincial (\$1.834 billion) and Federal (\$0.174 billion) transfers representing 20.9%; user fees, charges and fines of \$1.772 billion or 18.4%; other revenues of \$2.082 billion or 21.6% and property tax revenue of \$3.761 billion or 39.1%.

As a proportion of the gross operating budget, the budget financed from property taxes has declined from 46% in 1999 to 39% in 2014. Most significantly, for a second consecutive year there is no use of prior year's surplus as a revenue source in 2014. The reduced reliance on property taxes and the elimination of prior year's surplus are key to meeting the City's strategic goal of maintaining a well-balanced and diversified set of sustainable and predictable revenue sources.

Chart 2
Where the Money Comes From
(\$Millions)



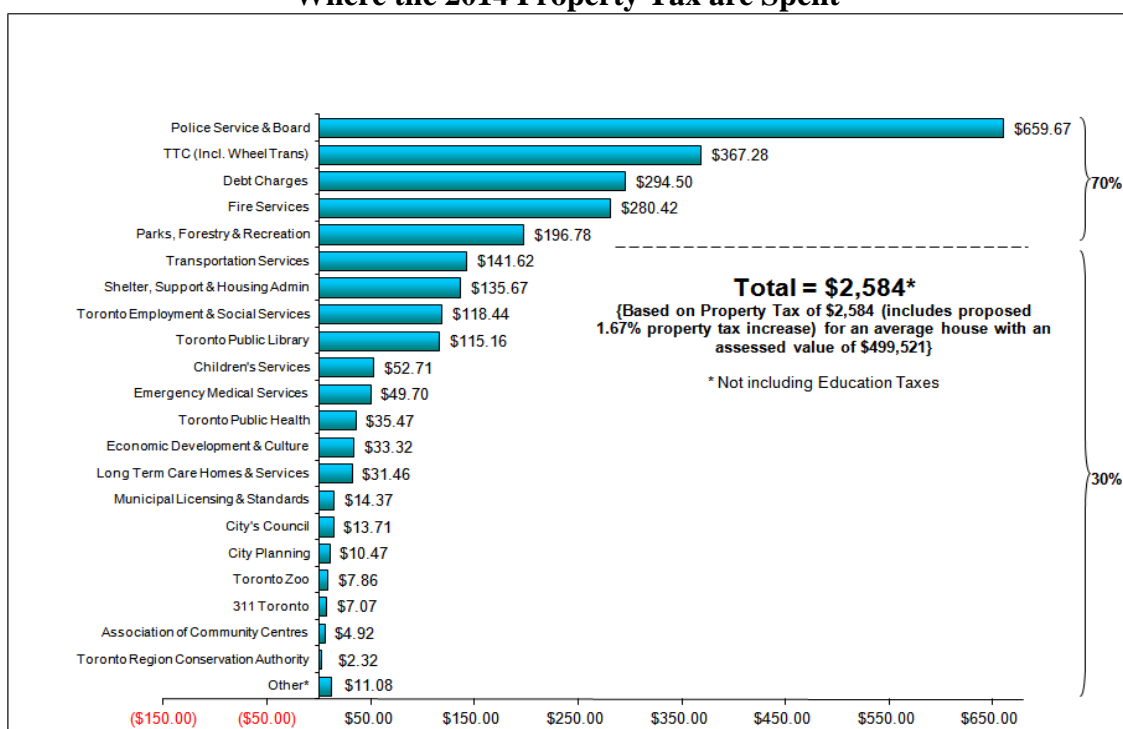
As outlined in Table 3 below, the average household with an assessed value of \$499,521, property taxes will increase by \$42.33 to \$2,584 to meet funding requirements for City services. The recommended tax increase is prior to City Council approving the 0.5% residential tax increase to fund the Scarborough Subway project.

Table 3 2014 Budget Committee Recommended Tax Increase Summary					
	<u>Tax Increase (\$M)</u>	<u>Residential</u>	<u>Non- Residential</u>	<u>Total Average</u>	<u>Per Household (\$)</u>
Staff Recommended Tax Increase	48.75	2.00%	0.67%	1.31%	
Budget Committee Changes	(8.09)	(0.33%)	(0.11%)	(0.22%)	
BC Recommended Tax Increase	40.67	1.67%	0.56%	1.10%	42.33
Scarborough Subway	12.21	0.50%	0.17%	0.33%	12.70
Total Tax Increase after Scarborough Subway	52.87	2.17%	0.72%	1.42%	55.03

Where 2014 Property Taxes are Spent

Chart 3 below shows how property taxes of \$2,584 for the average household valued at \$499,521, will be spent. Approximately 70% or \$1,799 will be spent on Police Services, Toronto Transit Commission (including Wheel-Trans), repaying the principal and interest costs for debt borrowing (debt servicing for capital works), Fire Services and Parks, Forestry and Recreation. The remaining \$785 or 30% of the property tax bill funds all other services delivered by the City, including Shelter, Support & Housing Administration, Social Assistance, Transportation Services, Library, Emergency Medical Services and Public Health.

Chart 3
Where the 2014 Property Tax are Spent



2014 Operating Budget Balancing Strategy

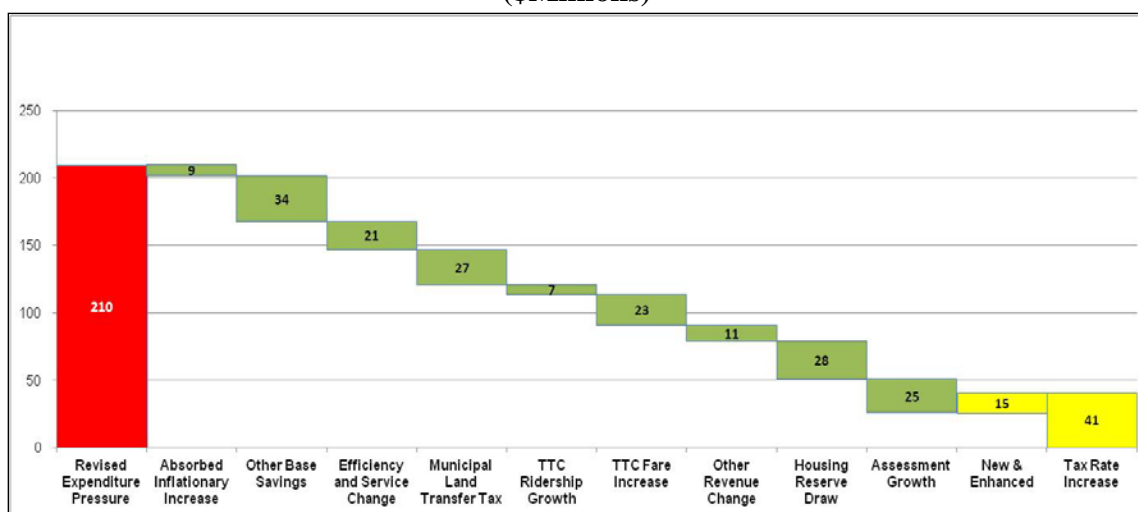
As outlined below in Chart 4, the City's opening Operating Budget expenditure pressure for 2014 is \$210 million, of which \$26 million is due to the use of one-time/unsustainable reserve draws to balance the 2013 Approved Operating Budget. The cost of maintaining services at 2013 approved service levels, adjusted for 2014 payroll and non-payroll inflationary impacts and incremental TTC costs accounts for \$160 million of the 2014 Operating Budget pressure. In addition, \$37 million will be required primarily to fund capital financing and ongoing operating costs for completed capital works. The pressure is partially offset by lower tax deficiencies and uploading of service costs to the Province.

In order to balance the 2014 BC Recommended Tax Supported Operating Budget without reliance on one-time funding sources and the prior year surplus, the City implemented various strategies. Initiatives were undertaken to identify sustainable cost savings and revenue sources. Programs and Agencies were required to maintain spending levels equivalent to 2013 or a 0% increase over the 2013 Approved Net Operating Budget without impacting current service levels. As a result, City Programs and Agencies absorbed inflationary increases of \$9 million, identified efficiency and service cost savings of \$21 million as well as base savings of \$34 million.

The 2014 Operating Budget pressure is reduced by increased revenues of \$96 million, mostly attributed to the MLTT (\$27 million), TTC ridership growth (\$7 million), a 5 cent TTC fare increase (\$23 million), user fee changes and other corporate revenue sources (\$11 million). The increased revenues also include one-time reserve draws of \$28 million which are not sustainable. In addition, assessment growth will generate \$25 million to reduce the operating pressure.

Taking into account a \$15 million investment in New and Enhanced Services primarily endorsed by City Council or by Standing Committees as a result of the Service Level Review, the remaining balance of \$41 million will be funded by a modest 1.67% residential and 0.56% non-residential property tax increase which is lower than the general rate of inflation. The above recommended tax increase is prior to City Council approving the 0.5% tax increase for the Scarborough Subway construction.

Chart 4
2014 Balancing Strategies
(\$Millions)



2015 and 2016 Outlook

As outlined in the Table 4 below, the forecasted 2015 Outlook pressure before revenue increases is estimated to be approximately \$402 million, comprised of \$30 million from the use of reserve funds and \$372 million in expenditure changes. For 2016, the estimated

Outlook pressure prior to any forecasted revenue increases is \$324 million, with \$16 million arising from the depletion of reserves and \$308 million in spending changes.

Total revenue is anticipated to decline by \$50 million in 2015 and roughly remain neutral in 2016 largely due to elimination of the Provincial Toronto Pooling Compensation funding, estimated at \$86 million and \$43 million respectively. Ridership growth and a forecasted 10 cent fare increase for Toronto Transit Commission; uploading of service costs; Toronto Hydro dividend income and user fee revenue are anticipated to provide revenue gains in 2015 and 2016. Additional property tax revenues of \$49 million in 2015 and \$50 million in 2016 are dependent on future City Council decisions to approve a property tax rate increase, assumed to be 2.0% residential and 0.67% non-residential increase in each of the 2 years. Revenue from assessment growth is anticipated to increase by \$30 million for both 2015 and 2016.

Based on these firm estimates the City will be challenged to find efficiencies and other cost savings or revenue changes to address the resultant pressures of \$332 million in 2015 and \$203 million in 2016. Annual inflationary tax rate increases are insufficient to cover inflationary expenditures (specifically compensation costs in certain City Programs). The City will also need to address the loss of Toronto Pooling Compensation from the Province. It will be critical that the City find a permanent solution to replace the loss of Toronto Pooling Compensation in 2015 and beyond. Furthermore, the City will need to replace \$30 million in reserve funding. A detailed explanation of the 2015 and 2016 Outlooks can be found in Table 13 of this report.

Table 4		
2015 and 2016 Incremental Operating Budgeted Outlook		
	2015	2016
Total Expenditure Pressures	402	324
Revenue Change		
TTC Ridership Growth	(17)	(16)
Uploading of Services	(17)	(20)
Dividend Income	(5)	(5)
User Fees/Revenue Change	(4)	(1)
Parking Authority Revenues	6	(2)
Provincial Funding Loss	86	43
Total Revenue Change	50	(1)
Pressure After Revenue Changes	451	323
TTC Fare Increase (10 Cents)	(40)	(40)
Property Tax Rate Increase		
- (2.0% Residential/0.67% Non-Residential)	(49)	(50)
Assessment Growth	(30)	(30)
Remaining Pressure	332	203

COMMENTS

Toronto in Context

The new City of Toronto was the result of the amalgamation of 7 (1 regional and 6 local) municipalities in 1998; resulting in the creation of Canada's largest city and sixth largest government. Toronto currently has a population of 2.8 million residents making it the fourth largest City in North America. The City has experienced a strong net gain in population growth from 2003 and onwards. As Canada's commercial capital and economic engine, the City is home to the Toronto Stock Exchange and 5 of the nation's largest banks. The region is the third largest North American financial services centre after New York and Chicago.

Toronto is one of the most liveable and competitive cities in the world as demonstrated by various international rankings and reports. In addition to securing its position on the world stage, Toronto's rankings confirm that it continues to offer a high quality of life for residents who choose to live and work here. Toronto ranked second behind Sydney, Australia in an annual study, comparing the reputations of 100 cities worldwide, recently issued by the Reputation Institute. The latest Liveability Report by the Economist Intelligence Unit classified Toronto as the world's fourth most liveable city. A leading global business publication has identified Toronto as one of the best cities in North America for business investment. fDi Magazine, published by the Financial Times Ltd., ranked Toronto in second place after New York City in the categories of Overall North American Cities of the Future 2013/14.

As illustrated in Chart 5.a. and Chart 5.b. below, The City's tax rate increase has been lower than the general rate of inflation 4 out of the last 5 years. In addition, Toronto's tax rate is the lowest in the GTA and our average residential taxes are \$1,100 lower than the GTA average.

Chart 5.a.
Comparison of 2013 Residential Property Tax Rates – GTA Municipalities

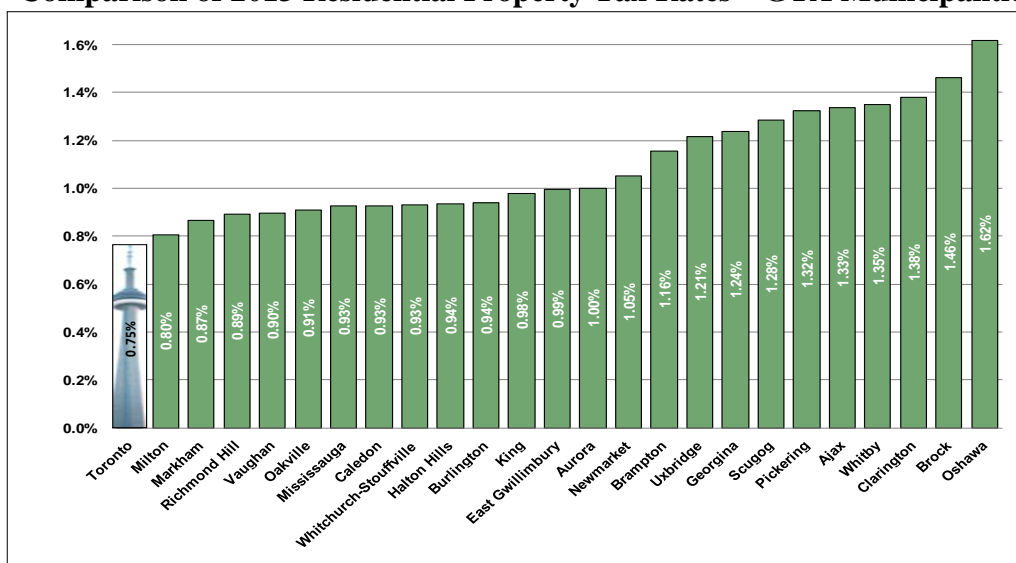
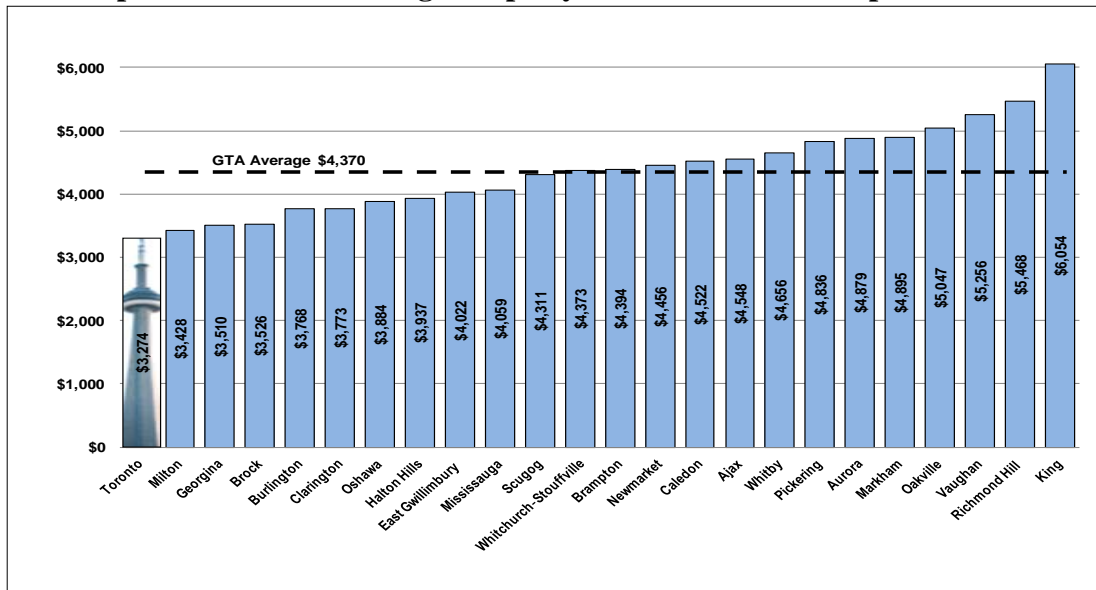


Chart 5.b.
Comparison of 2013 Average Property Taxes - GTA Municipalities



The Economic Environment

With improvements globally, Toronto's economy is expected to strengthen in 2014 and beyond. The Conference Board of Canada's 2013 fall review forecasts moderate improvements in Toronto's real gross domestic product, employment and inflation from strong demand domestically and south of the border. Toronto's real gross domestic product is forecast to grow by 1.6% in 2013, down from the modest increase of 1.9% in 2012 and is projected to reach 2.7% in 2014. The projected unemployment rate will drop to around 8.0% in 2014 and to 7.1% in 2015; down from the 8.2% reported for 2013.

The Toronto housing market has benefited from increased foreign investment, improving economy, favourable interest rates and continued population growth. Residential building increased almost 70% from 2010 to 2012 spurred on by construction of large, high rise condominium developments across the City. Rising inventories and completion of several large projects, new multi-residential construction declined considerably for the first two quarters in 2013. Total housing starts are expected to decline by 27.8% in 2013. However, the housing start slide will be short lived. A stronger economy on the horizon and solid population growth are expected to increase total housing demand in 2014 by 19.1% compared to 2013.

The consumer price index will remain relatively flat in the near and medium terms. The inflationary pressures for the City are projected to be 2.2% in 2014 with modest growth of 2.1% and 2.0% in 2015 and 2016 respectively.

Despite the low cost of borrowing, Federal/Provincial spending increases will remain well below the general rate of inflation for the next several years. Should the economy perform

below expectations, the City's future operating budgets may be negatively impacted by factors such as rising social service costs, moderating TTC ridership, lower land transfer taxes due to moderation of the housing market, reduced user fees from building permits and licenses and lower assessment growth.

Overall, the City will continue to face financial challenges resulting from relatively high unemployment (notwithstanding the minor improvement expected in 2014), increasing demand for services and lack of a fully diversified and sustainable set of revenue sources. Bridging the remaining budget pressure for 2015, while meeting demand for City services will still be a key challenge staff and Council will face for the 2015 Budget process.

Investing in Our Future – Recommended New and Enhanced Services and Service Levels

The 2014 BC Recommended Tax Supported Operating Budget provides funding of \$42.928 million gross and \$14.971 million net for new and enhanced service levels. The investment is consistent with directions provided by the City Manager to include no new services except for those that were partnership/non-tax revenue funded or were absolutely necessary to achieve the highest service priorities. Investments in New and Enhanced Services and Service Levels were based largely on City Council directions and recommendations from the Standing Committee Service Level Reviews.

As set out in Table 5 below, of the 1.10% recommended total average tax increase: 0.47% or \$17.5 million net funds inflationary and economic impacts, 0.22% or \$8.2 million net supports new facilities as a result of the operating impact from completed capital projects, 0.40% or \$14.9 million net is for new and enhanced services.

Table 5 2014 Budget Tax Impacts: Residential and Non-Residential				
	<u>Net</u> <u>Budget</u>	<u>Tax % Increase on Average</u>		
		<u>Residential</u>	<u>Non-Residential</u>	<u>Total Average</u>
Base Budget	17.5	0.72%	0.24%	0.47%
New Facilities (Operating Impact)	8.2	0.34%	0.11%	0.22%
New/Enhanced - \$43M Gross	15.0	0.61%	0.20%	0.40%
Tax Before Scarborough Subway	40.7	1.67%	0.56%	1.10%

The 2014 BC recommended investments in new and enhanced services and service levels advance the City's progress in achieving its strategic goals of City Building, Economic Vitality, Social Development and Good Governance, as detailed below.

City Building:

Views the City as a whole and focuses on investment in social and physical services and infrastructure, which are fundamental to the city's quality of life.

Economic Development & Culture

- Increase Toronto's investment in arts and culture to make progress toward spending \$25 per capita through the following activities:
 - Operate the new Visitor Centre at Fort York Exhibits with additional support for marketing, programming, administration and occupancy costs. (4.5 positions, \$0.497 million gross and \$0.322 million net).
 - Strengthen the music sector through development of a business plan, promotions, studies and joint programs (1 position, \$0.150 million gross and net).
 - Revitalization of Toronto's Museums through additional fundraising, volunteer support and improvements to the visitor experience, supported by new branding and marketing (7 positions, \$0.363 million gross and \$0.463 million net).
 - Develop new partnerships to grow and support special events (1 position, \$0.077 million gross and \$0 net).
 - Oversee and coordinate permitting and operational functions at David Pecault, Albert Campbell, Mel Lastman and Nathan Phillips Squares (1 position, \$0.116 million gross and \$0 net).
- Provide new support for Arts and Culture through increased funding to the following:
 - Toronto Arts Council Grants Program (\$1.8 million gross and \$1.0 million net).
 - Toronto Arts Council Operations (\$0.200 million gross and \$0.100 million net).
 - Major Cultural Organization Grants (\$0.500 million gross and \$0.100 million net).
 - Local Arts Services Organizations (\$0.500 million gross and \$0.200 million net).
 - Culture Build program (\$0.130 million gross and net).
 - Cultural Hotspot in Scarborough (\$0.100 million gross and net).
 - Screen Based Sector (\$0.150 million gross and net).
- Provide Toronto's contribution to the expansion and relocation of the new Tourism Information Centre at Union Station (3.4 positions, \$0.155 million gross and \$0 net).
- Work to establish Spadina House as a centre of excellence in public programming and customer service based on the Museum's mission, with support from a third party donation (\$0.050 million gross and \$0 net).
- Expand the City's art collection through acquisitions reflecting the diversity of art and culture in Toronto (\$0.005 million gross and \$0 net).

Fire Services

- Provide fire-related services for the Metrolinx's Eglinton Crosstown LRT project and other Metrolinx projects across the City (1 position, \$0.103 million gross and \$0 net).

Transportation

- Enhance the support provided to the City's street furniture and bike ring programs (2 positions, \$0.171 million gross and \$0 net).
- Complete additional signal studies on major arterials to improve traffic flow and mitigate congestion (10 positions, \$0.410 million gross and \$0 net).
- Establish and support the centralizing of front yard parking throughout the City (5 positions, \$0.479 million gross and \$0 net).

City Planning

- Increase capacity to complete additional Area or Avenue Studies per year (5 positions, \$0.297 million gross and net).
- Increase capacity to complete additional Heritage Conservation District Studies annually (2 positions, \$0.080 million gross and net).
- Ensure mandatory attendance of Community Planners at a minimum of 2 public meetings for each official plan amendment/rezoning application at the request of the Ward Councillor (\$0.065 million gross and net).

Municipal Licensing & Standards

- Increase management oversight in the 4 district operations to improve customer service within Investigation Services (1 position, \$0.111 million gross and net).
- Increase compliance of MRAB audits through the improvement of re-inspection rates (2 positions, \$0.190 million gross and net).

Arena Boards of Management

- Introduce Summer Ice Operations at George Bell Arena (0.2 positions, \$0.093 million gross and \$0 net).

Heritage Toronto

- Develop existing and new opportunities for partnership development and fundraising (1 position, \$0.034 million gross and \$0 net).

Toronto Transit Commission

- Continue implementation of the new station management model launched in 2013 ensuring that customer throughput within the existing, increasingly crowded stations will be more carefully managed (45 positions, \$4.591 million gross and net).
- Improve subway service reliability and reduce delays through cleaning of vent/fan shafts and track level flushing (24 positions, \$5.142 million gross and net).
- Increase maintenance for 7 new electrical substations to improve signal system reliability (10 positions, \$1.307 million gross and net).
- Introduce point of sale terminals into collector booths (\$1.000 million gross and net).

2015 Pan/Parapan American Games

As part of its City building initiative, the City of Toronto will be hosting the 2015 Pan/Parapan American Games. The 2015 Pan/Parapan American Games is the world's third largest international multi-sport event. The City of Toronto's share of the Pan/Parapan American Games operating expenditures budgeted in the 2014 Operating Budget includes the following.

Economic Development & Culture

- Pan Am Games Showcase projects, including the Host City Welcome and Engagement Program, Nathan Phillips Square Cultural Celebrations, Test Competition events and event hosting, Toronto Global Forum Speaker Series, an expanded Salsa on St. Clair Festival, and a People Powered Music Festival, will enhance public participation and strengthen

economic, cultural and multicultural ties with Latin America. (6.3 positions, \$2.316 million gross and \$0 net).

Parks, Forestry & Recreation

- Enhance the design, construction, installation and maintenance of Park's horticultural displays and social gathering areas at Pan Am events and practice areas (\$0.108 million gross and \$0 net).
- Support the Pan Am Path designed to join over 80 kilometers of existing trails that connect key Pan Am and Parapan Am Game sites across the Greater Toronto Area (\$0.200 million gross and \$0 net).
- Increase awareness and participation for athletes with physical disability through support for the Para Sport First Program (0.2 positions, \$0.028 million gross and \$0 net).
- Pan Am Showcase Sports Literacy Program will improve the fitness and physical literacy for children age 3 to 10 (0.4 positions, \$0.128 million gross and \$0 net).
- Let's Get Coaching will offer over 100 sports specific and fundamental movement skills courses as a Pan Am Showcase Initiative (0.4 positions, \$0.042 million gross and \$0 net).

Social Development, Finance and Administration

- Participate in the 2015 Pan Am Games torch relay by staging activities, security and firework displays (\$0.075 million gross and \$0 net).
- Undertake various Host City Showcase Program initiatives for the Pan American and Parapan Games including:
 - Developing opportunities for exposure and involvement in sport-industry careers for 30 youth under the Youth Sport Industry Incubator (\$0.101 million gross and \$0 net).
 - Providing short-term community based funding for not-for-profit groups to assist high need communities in accessing the Pan American and Parapan Games (\$0.510 million gross and \$0 net).
 - Constructing 3 outdoor theaters for citizens to view televised events of the Pan Am Games (\$0.060 million gross and \$0 net).

Transportation

- Enhance transportation planning in preparation of the Pan American/Para Pan Games (6 positions, \$0.532 million gross and \$0 net).

Fire Services

- Plan and develop emergency response during the Pan/ParaPan American Games in conjunction with Police, EMS and other relevant parties (1 position, \$0.188 million gross and \$0 net).

City Manager's Office

- Promote and support City initiatives for the Pan Am Games, including the Host City Showcase Program, issues management, media relations, branding, advertising and internal communications (2 positions, \$0.458 million gross and \$0 net).

City Clerk's Office

- Provide hospitality functions, including Dignitary Hosting Programs and promote Toronto through the distribution of a Host City Pin as part of the Pan Am and Para Pan Games (0.4 positions, \$0.252 million gross and \$0 net).

Toronto Public Health

- Provide support through training, preparedness, policy development and analysis, surveillance, intra-city divisional planning, risk scenarios development and training exercises in preparation and planning of the Pan Am/Parapan Am Games (2 positions, \$0.259 million gross and \$0 net).
- Develop mobile phone applications to send individuals and vulnerable groups health-based advice in a timely manner to reduce health risks from heat and air quality (\$0.070 million gross and \$0 net).
- Engage an external communications agency, funded by Smoke Free Ontario for signage design, consultation and development of a communication/marketing plan to facilitate communication between the partners and the Pan Am/Parapan Am Organizing Committee for tobacco-free games (\$0.035 million gross and \$0 net).

Toronto Public Library

- Host the Pan Am Games Showcase Poetry Slam competition (\$0.100 million gross and \$0 net).

Association of Community Centers

- Establish and support the Pan Am Games Pride House TO (\$0.147 million gross and \$0 net).

Economic Vitality:

Refers to the health of the city's economy and includes such factors as diversified employment, skilled workforce, competitiveness, investment and affordability.

Economic Development & Culture

- Support continued growth in the number and size of BIAs with an additional Economic Partnership Advisor (1 position, \$0.050 million gross and \$0.050 million net).

Environmental Sustainability:

Encompasses principles of environmental balance and the integration of environmental considerations in our social and economic activities.

Social Development, Finance and Administration

- Deliver a pilot program that assists qualified multi-residential building owners and residents with energy retrofits and upgrades as part of the Tower Renewal Community Retrofit Pilot Program (\$4.000 million gross and \$0 net).
- Provide education and marketing material that promotes Tower Renewal Revitalization energy and water efficiency (\$0.055 million gross and \$0 net).

- Develop strategies which reflect local needs and priorities such as community beautification and local food in support of Tower Renewal Revitalization (\$0.050 million gross and \$0 net).

Facilities & Real Estate Management

- Maximize energy savings from Building Automation Systems by ensuring proper use of green technologies (\$0 gross and \$0 net).

Toronto Atmospheric Fund

- Expand energy efficiency, renewable energy and reduction of greenhouse gas emission programs through enhanced fundraising (1 position, \$0.450 million gross and \$0 net).

Social Development:

Encompasses principles of social equality, social well-being and citizen engagement, and is an important determinant of healthy communities and quality of life.

Children's Services

- Provide additional administrative funding to assist with implementation of full day kindergarten and to help support the on-going program delivery (6 positions, \$1.042 million gross \$0 net).
- Increase child care subsidies by 668 spaces, bringing the service level standard to 24,932 subsidies reflecting an increase in the equity service standards for infants, toddlers, and pre-school age groups (\$9.800 million gross \$0 net).

Emergency Medical Services

- Address the need for increasing emergency call demands and improve EMS response time to life-threatening emergencies; reduce overtime pressures caused by maintaining ambulance availability to the community; and help balance paramedic and dispatcher workload (56 Paramedic positions, \$3.142 million gross and net).
- Additional Operational Superintendents to maintain the paramedic to superintendent ratio of 25:1 to provide oversight/support for the additional Paramedics (4 positions, \$0.311 million gross and net).
- Provide funding for a new Process Improvement position to define activities that contribute to paramedic wait times at hospitals and identify possible relief techniques (1 position, \$0.105 million gross and net).
- Provide public education communication and awareness initiative that assists the public in understanding when it is appropriate to call 911 for paramedic response and where other more appropriate medical or healthcare resources are available in the community (\$0.200 million gross and net).

Parks, Forestry & Recreation

- Designate 16 existing community centres as Community Centres with Free Programming (formally known as Priority Centres) and eliminate adult programming user fees on selected recreation courses at all Community Centres with Free Programming effective September 30, 2014 (-\$0.260 million gross and \$0.860 million net).

- Implement 10 new Youth Spaces or Lounges for youth to hang out and participate in drop-in or registered programming based on the existing model starting with 4 locations in July 2014 and phased in over 3 years (\$0.186 million gross and net).

Shelter, Support and Housing Administration

- Increase the number of permanent bed nights by 30,441 (\$1.487 million gross and \$0 net).
- Provide inflationary funding for purchase service providers for shelters (\$0.850 million gross and \$0 net).
- Provide enhanced security at the Street to Homes Assessment and Referral Centre (\$0.087 million gross and \$0 net).
- Open a new 30 bed women's shelter providing an additional 10,950 bed nights (\$0.600 million gross and \$0 net).

Social Development, Finance and Administration

- Provide additional support to the Crisis Response Program that supports communities impacted by violent and traumatic events by adding a new Community Development Officer (1 position, \$0.117 million gross and net).

Toronto Public Health

- Support comprehensive follow-up and outreach and education with health care providers regarding sexually transmitted infections (6 new positions, \$0.437 million gross and \$0.109 million net).
- Prevent childhood obesity (6 positions, \$0.718 million gross and \$0.179 million net).
- Expand the Student Nutrition Program into 27 additional schools in which there has been identified need in the student population for a program (\$0.394 million gross and net).

Toronto Public Library

- Standardize hours at all District and Research and Reference Branches to 69 hours/week, including Sundays by adding a total of 34.5 additional hours per week for a total of 1,794 hours per year across 7 district branches (4 positions, \$0.260 million gross and net).

Good Governance:

Refers to the system of municipal government in terms of its role as a democratic institution, a public policy maker and deliverer of public services.

Toronto Building

- Acquire up to 8 fleet vehicles to support building inspections in the Toronto and East York District (\$0.280 million gross and \$0 net).

Fire Services

- Increase capacity to respond to major advancements in the design and technology used in modern fire apparatus requires additional mechanics for fleet maintenance (5 positions, \$0.080 million gross and net).

Facilities & Real Estate Management

- Enhance revenues and manage tenants at Union Station (1 position, \$0.075 million gross and \$0 net).
- Enhance security at 277 Victoria Street for Toronto Public Health, 129 Peter Street for Shelter, Support and Housing Administration and 100 Conillium Place for Toronto Employment and Social Services (\$0.105 million gross and \$0 net).

Information Technology

- Streamline processes through additional support for the Parking Ticket Management System (1 position, \$0.122 million gross and \$0 net).

Office of the Chief Financial Officer

- Enhance insurance and risk management function by monitoring claims, implementing early intervention strategies, and taking remedial action for past due claims and controlling losses (3 positions, \$0.320 million gross and \$0 net).

Office of the Treasurer

- Reduce delays in procuring goods and services for client divisions (1 position, \$0.080 million gross and net).
- Build research, policy, and market/data analysis capacity in order to ensure the City's purchasing and materials management programs reflect industry best practices (1 position, \$0.143 million gross and net).

City Manager's Office

- Manage and reduce increase in employee referrals from Divisions to Employee Health Services (2 positions, \$0.238 million gross and \$0 net).

City Clerk's Office

- Review and evaluate best practices and new technologies for municipal elections (\$0.350 million gross and \$0 net).
- Support transparency and equity in Public Appointments through a new Public Appointments Unit (3 positions, \$0.489 million gross and net).

Legal Services

- Achieve savings by reducing outsourcing of insurance claims (2 positions, \$0.243 million gross and \$0 net).
- Support the Transit Expansion Project (2 positions, \$0.245 million gross and \$0 net).
- Streamline document management through litigation software (\$0.200 million gross and \$0.040 million net).

Toronto Police Services Board

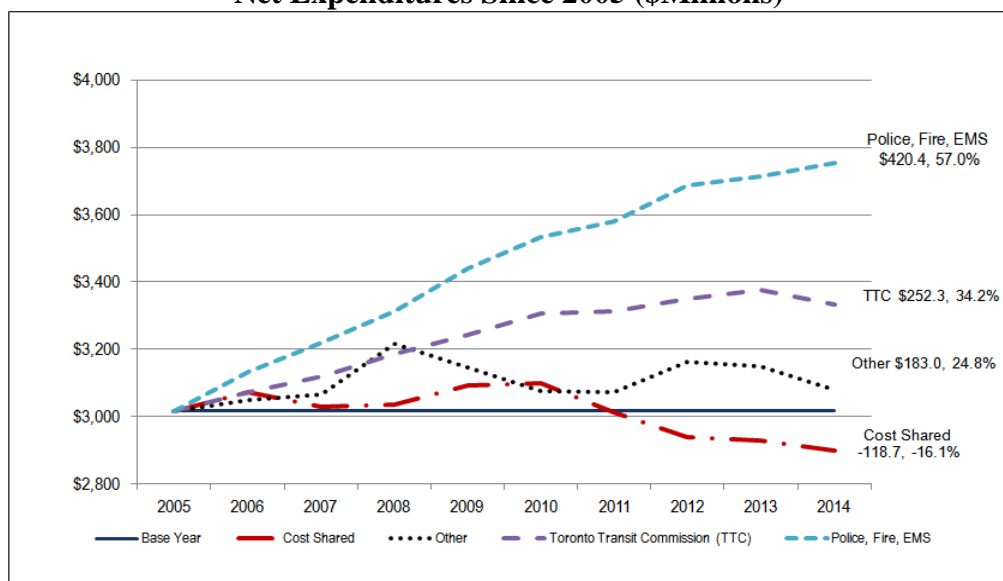
- Facilitate a performance management process for the Board (\$0.025 million gross and net).
- Develop an internal audit policy for the Toronto Police Service (\$0.035 million gross and net).

The City's Fiscal Challenge

The City's opening Operating Budget pressure for 2014 is \$210 million and is outlined below in Table 6. The cost of maintaining services at 2013 approved service levels, adjusted for 2014 payroll and non-payroll inflationary impacts largely from the Toronto Police Service and Fire Services salary costs and incremental TTC ridership costs accounts for \$160 million of the 2014 Operating Budget pressure. In addition, \$37 million will be required to fund capital financing (\$15 million) and ongoing operating costs for the City's completed capital works in 2014 (\$22 million). The pressure is partially offset by lower tax deficiencies and uploading of service costs to the Province.

Table 6 2014 Expenditure Pressures (\$Million)		
City's One-time Funding		
Prior Year Surplus		0
Depletion of Reserves		26
Total Unsustainable Balancing Strategies		26
Total Inflationary Pressure		
160		
CFC (Capital From Current)	22	
Debt Charges	15	
Capital and Corporate Financing		37
Tax Deficiencies / Write-offs		(20)
Operating Impact of Capital		8
Uploading of Service Costs		(31)
Other Expenditures		29
Total Expenditure Pressures		210

Chart 6
Net Expenditures Since 2005 (\$Millions)



As illustrated in the Chart 6 above, since 2005, Toronto Police Service, Fire Services and TTC drove 91% of the net growth in expenditures.

Loss of the Provincial Toronto Pooling Compensation

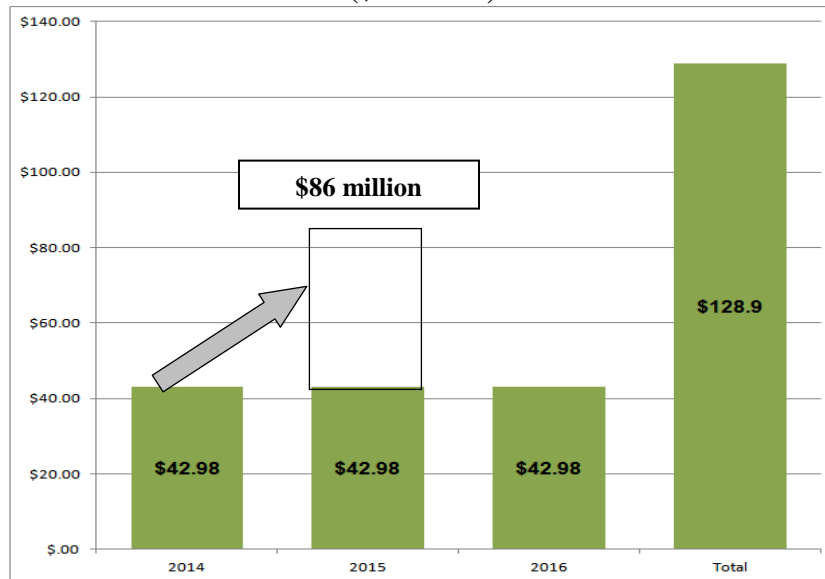
In recognition of Toronto's unique circumstances regarding phasing out the Greater Toronto Area (GTA) Equalization payments, the Province committed to provide dedicated funding to the City under the Toronto Pooling Compensation Program. On November 28, 2008, the Province provided a payment schedule by year to 2018 in a letter to the City Manager. By 2018, changes to the funding amount would be fully adjusted to \$115 million annually, to reflect the completion of the scheduled upload of social assistance costs while retaining the base GTA pooling compensation for social housing.

At its meeting on July 9, 2013, City Council was advised in the staff reported entitled "The Impact of the Loss of the Provincial Funding Compensation", that the Province will be eliminating Toronto Pooling Compensation by phasing out the program completely over a 3 year period, starting in 2014, with the final phase in 2016. In addition to the impact on Shelter, Support & Housing Administration's provision of housing services, the accelerated reduction in Toronto Pooling Compensation funding will impact the ability of Toronto Employment & Social Services to provide employment and social assistance to vulnerable residents.

Concurrently, the Province announced cancellation of the City's amalgamation debt of \$180 million. It was the Province's view that the cancellation of the loan would mitigate against the funding loss. However, this is not the case. Cancelling the loan has enabled the City to reverse approximately \$42.0 million in accumulated one-time budget provisions for interest (revenues) on the loan and delay the impact on social housing services funding short-fall of almost \$38 million by one year. Toronto Employment and Social Services Operating Budget includes a one-time contribution of approximately \$5 million from the Social Assistance Stabilization Reserve to reduce the funding pressures from withdrawal of the Provincial subsidy. The use of deferred interest and contribution from the Social Assistance Stabilization Reserve provides only one-time funding. The impact in 2015 will be almost \$76 million for Shelter, Support & Housing Administration and approximately \$10 million for Toronto Employment & Social Services.

By 2016, the final funding shortfall will amount to approximately \$114 million and \$15 million respectively, as set out in Chart 7 below. A sustainable solution must be developed in 2014 in order to replace the loss of Toronto Pooling Compensation and lessen the 2015 and 2016 Operating Outlook pressures.

Chart 7
Provincial Funding Loss 2014 to 2016
(\$Millions)



Actions to Strengthen Fiscal Health

In order to balance the 2014 Operating Budget without reliance on one-time funding sources and the prior year surplus, the City implemented various budget strategies to identify sustainable cost savings and revenue sources.

Programs and Agencies were required to maintain spending levels equivalent to 2013 or a 0% increase over the 2013 Approved Net Operating Budget without impacting current service levels as well as finding efficiencies to contain salary increases to below the rate of inflation; finding cost savings through continued line-by-line expenditure reviews and managing the impact of capital financing. As well, revenue sources were maximized with increased user fees of \$6.087 million, of which \$0.212 million are new user fees. The Municipal Land Transfer Tax was increased by approximately \$26.507 million from the 2013 budget or equivalent to 97.6% of the 2013 projected actual revenue. Finally, this 2014 Operating Budget pressures were mitigated with moderate inflationary tax and TTC fare increases.

0% Increase Budget Target

In order to balance the 2014 Operating Budget in a way that eliminates the reliance on one-time/unsustainable revenues, the City Manager issued to all City Programs and Agencies operating budget targets equivalent of a 0% increase over their respective 2013 Approved Net Operating Budget. The results of the 0% budget increase have generated cost savings that help mitigate the 2014 Operating Budget pressure, and in the longer-term will contribute toward resolving the City's structural deficit, as set out in Table 7 below.

Almost all City Programs met the 0% increase target; collectively reporting savings of \$12.771 million or 0.7% below the 2013 Approved Operating Budget before accounting for new and enhanced service investments. In some cases, increases of 0% were not recommended as cost reductions would significantly impact services provided to the public. Specifically, the impact to the City's most vulnerable and health and public safety were key considerations. The base budget savings for City Operations was largely due to the tax exemption for Toronto Community Housing Corporation's properties within Shelter, Support & Housing Administration, lower average monthly social assistance caseloads combined with Ontario Works upload subsidies and reduction to special diet allowances included in Toronto Employment & Social Services' 2014 Operating Budget.

City Agencies were \$54.597 million or 3.2% over their respective 2013 Approved Net Operating Budget. The net increase was driven by the Toronto Police Service and the Toronto Transit Commission's combined Conventional and Wheel-Trans Services. The Toronto Police Service requested additional base budget funding of \$29.072 million primarily for 2014 cost of living adjustments and salaries to restart the hiring of Police Officers. The base budget pressure for the Toronto Transit Commission of \$22.691 million was largely attributed to ridership growth for Conventional Services and compliance with Accessibility for Ontarians with Disabilities Act legislation for Wheel-Trans.

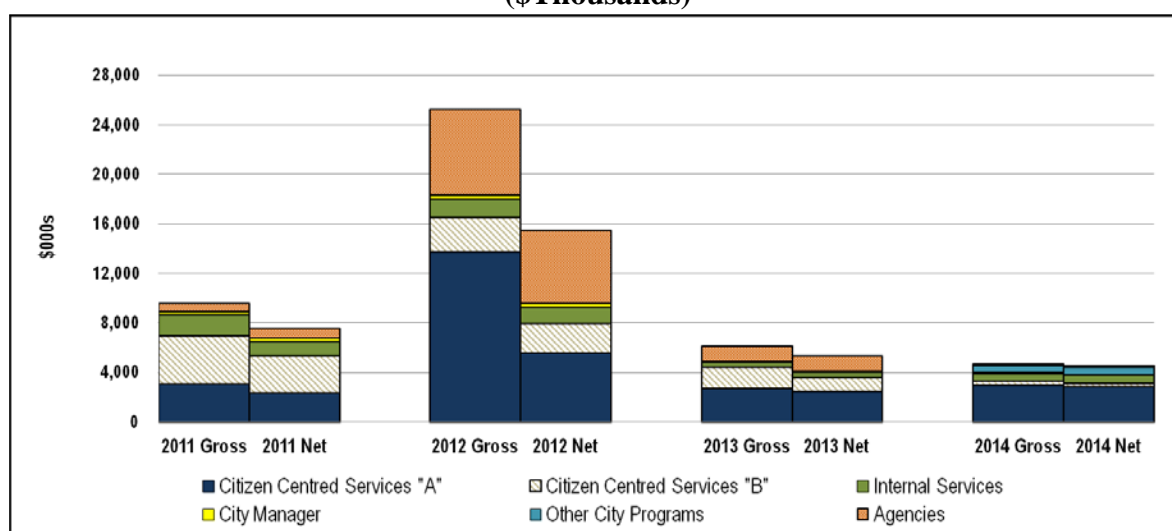
In addition, the 2014 BC Recommended Operating Budget includes almost \$15 million new and enhanced services across City Programs and Agencies. Overall, the 2014 Operating Budget is \$47.637 million or 1.3% higher the 2013 Approved Budget which is below the general rate of inflation.

Table 7 2014 Operating Budget Net Target Comparison (\$Thousands)								
Description of Category	2013 Budget	2014 Base Budget	Change from 2013 Over (Under)		2014 New/Enh. Budget	2014 Budget	Change from 2013 Over (Under)	
			\$	%			\$	%
Citizen Centred Services "A"	932,119	908,351	(23,768)	(2.5%)	7,803	916,154	(15,965)	(1.7%)
Citizen Centred Services "B"	646,664	656,272	9,608	1.5%	1,170	657,442	10,777	1.7%
Internal Services	180,761	181,694	932	0.5%	48	181,742	981	0.5%
City Manager	44,811	45,259	448	1.0%	0	45,259	448	1.0%
Other City Programs	72,321	72,121	(200)	(0.3%)	529	72,649	329	0.5%
Accountability Offices	7,121	7,329	209	2.9%	378	7,708	587	8.2%
Total City Operations	1,883,797	1,871,026	(12,771)	(0.7%)	9,928	1,880,954	(2,843)	(0.2%)
Agencies	1,681,323	1,735,920	54,597	3.2%	5,043	1,740,963	59,640	3.5%
Corporate Accounts:								
Capital & Corporate Financing	617,298	654,358	37,060	6.0%	0	654,358	37,060	6.0%
Non-Program Expenditures	489,564	475,061	(14,503)	(3.0%)	0	475,061	(14,503)	(3.0%)
Non-Program Revenues	(959,094)	(990,811)	(31,717)	3.3%	0	(990,811)	(31,717)	3.3%
Net Operating Budget	3,712,888	3,745,554	32,666	0.9%	14,971	3,760,525	47,637	1.3%
Assessment Change		(25,385)				(25,385)	(25,385)	
THCH Tax Exemption		18,415				18,415	18,415	
Net Operating Budget Without Assessment Growth	3,712,888	3,738,584	32,666	0.9%	14,971	3,753,555	40,667	1.1%

Line-by-Line Budget Reviews

One of the budget strategies to reduce the operating pressure, Programs and Agencies continued line-by-line budget reviews to identify cost saving opportunities. The 2014 line-by-line review resulted in \$4.6 million in base budget cost savings, major contributors included the following: Children's Services (\$1.278 million), Social Development, Finance and Administration (\$0.822 million), Court Services (\$0.767 million), Legal Services (\$0.519 million) and Information and Technology (\$0.508 million). The total cost savings over the past 4 years totals \$45.7 million gross and \$33.0 million net, as set out in Chart 8 below, representing the equivalent of a 0.9% tax rate increase.

Chart 8
Results of the Line-by-Line Review
(\$Thousands)



User Fees and Other Charges

The City of Toronto Act (2006) enables the City and its Local Boards to charge user fees to recover the cost of services. At its special meeting of September 26 and 27, 2011 Council approved a User Fee Policy, which provides the framework for managing the City's user fee program. This policy applies to all City Programs and Local Boards.

With the exception of annual inflationary increases, TTC fares as well as certain market-based fees charged by Local Boards, City Council must authorize new fees and changes to existing user fees for services provided to the general public by all City Programs and Local Boards. Annual inflationary adjustments are automatic and effective January 1 each year. Authority is delegated to the Deputy City Manager and Chief Financial Officer to determine the annual inflation rate for user fees. The inflationary adjustment applied to each user fee service is based on a blended rate of the specific inflation for each component cost represented in the basket of goods utilized to provide the service. This method reflects more accurately the overall inflation for the services provided. Fees are also adjusted to reflect

market prices, where applicable, and/or to recover an incremental amount of the full cost of providing the related user fee services.

Table 8 below summaries by City Program and Agency the incremental revenues from changes to existing user fees and recommended new user fees. Excluding the TTC, price changes to existing user fees and new user fees will generate incremental revenues of \$6.087 million in 2014. Of this amount, \$5.875 million will be raised from inflationary and market price comparisons and \$0.212 million from new fees. The new user fees recommended for Revenue Services include providing duplicates for tax/utility bills, redistribution of tax and utility e-payments and some site visit services. Detailed explanations of the entire user fee changes are set out in Briefing Note 4, entitled "Changes to Existing User Fees and New User Fees in the 2014 Staff Recommended Operating Budget"; forwarded to the Budget Committee for consideration at its meeting of December 10, 2013. In addition, the 2014 BC Recommended Tax Supported Operating Budget includes \$23 million from a 5 cent fare increase for TTC.

Table 8 2014 BC Recommended Operating Budget Fee Change Summary and New User Fees Incremental Revenue Impact					
Division / Agency	Incremental Change		Total Incremental Fee Increase	New Fees	2014 Total Revenue
	Inflationary Adjustment	Other Adjustment			
AOCC - Swansea Town Hall Community Centre	7,061	3,401	10,463		10,463
Arena Boards		409,022	409,022		409,022
Children's Services		83,000	83,000		83,000
City Clerk's Office		3,631	3,631		3,631
City Planning	372,367		372,367		372,367
Emergency Medical Services	66,800		66,800		66,800
Engineering & Construction Services					
Exhibition Place					
Fire Services	11,000		11,000		11,000
Information & Technology	23,861		23,861		23,861
Legal Services	13,500		13,500		13,500
Municipal Licensing & Standards	467,000		467,000		467,000
Parks, Forestry & Recreation	1,262,366	1,280,835	2,543,200		2,543,200
Revenue Services	229,800		229,800	212,019	441,819
St. Lawrence Centre for the Arts		(14,443)	(14,443)		(14,443)
Toronto Building	980,008		980,008		980,008
Toronto Public Health	21,455		21,455		21,455
Transportation Services	654,682		654,682		654,682
Sub-Total	4,109,900	1,765,446	5,875,346	212,019	6,087,365
Toronto Transit Commission		23,000,000	23,000,000		23,000,000
TOTAL	4,109,900	24,765,446	28,875,346	212,019	29,087,365

How the 2014 Operating Budget was Balanced

Table 9 details the various expenditure and revenue changes recommended to balance the 2014 Operating Budget, utilizing the balancing strategies discussed above.

With \$210 million in expenditure pressure facing the City, a total of \$96 million of revenue changes will be realized that will reduce the overall pressure to \$114 million and then to \$89 million after assessment growth of \$25 million. To further address the remaining pressure, the City reduced spending totalling \$63 million through savings from efficiency measures, absorbed inflationary impacts, etc. These cost savings are partially off-set by investment in

new and enhanced services of \$15 million net mainly endorsed by City Council or referred by Standing Committees as a result of Service Level Reviews.

The final balance of the 2014 BC Recommended Tax Supported Operating budget of \$41 million will be addressed by a modest 1.67% residential and 0.56% non-residential property tax increase which is lower than the general rate of inflation. On an average household with an assessed value of \$499,521, property taxes will increase by \$42.33 to \$2,584 to meet funding requirements for City's services. The above recommended tax increase is prior to Council approving the 0.5% tax increase to fund the City's capital contribution to the cost of the Scarborough Subway project.

Table 9 2014 Balancing Strategies (\$Million)	
Total Expenditure Pressures	210
Revenue Change:	
Municipal Land Transfer Tax (MLTT)	(27)
TTC Ridership Growth	(7)
TTC Fare Increase	(23)
Other Revenue in Corporate Accounts	(5)
User Fee/Revenue Change	(6)
Reserve Draw	(28)
Provincial Funding Loss	43
Accrued Loan Interest & TESS Reserve Draw	(43)
Reduced Tax Assessment	18
TCHC Tax Exemption	(18)
Total Revenue Change	(96)
Pressure after Revenue Changes:	114
Assessment Growth	(25)
Sub-total	89
Absorbed Inflationary Increase	(9)
Other Base Savings	(34)
Recommended Reductions	(21)
Total Reductions	(63)
Recommended Tax Levy on Base Budget	26
New & Enhanced - Recommended	15
Recommended Tax Levy Increase	41

It is important to note that with the strategies and actions taken for 2014, the City has eliminated reliance on prior year's surplus as a financing source for the second consecutive year; moving the City closer to achieving fiscal sustainability. However, the use of one-time/unsustainable revenues of \$28 million from reserve contributions as well as the one-time solution to address the \$43 million loss in Provincial Pooling Compensation will significantly impact the 2015 Operating Budget opening pressure.

Funding City Services - 2014 BC Recommended Operating Budget

The City delivers over 140 distinct services, many of which are provided on a 24 hour /7day per week basis. These services address the social, economic, physical, and governance needs and the quality of life of Toronto residents, visitors and businesses. To get a better appreciation for the wide-ranging service offerings provided by the City, Appendix 4 details each City Program and Agency's 2014 planned service deliverables.

Greater emphasis was placed in the 2014 Budget process on ensuring the right service levels were established for 2014. A service level review, first by staff, followed by Standing Committees and then by the Budget Committee, focused attention on what service levels should be offered to the public and what resources were necessary to deliver the service levels for 2014.

The City's move to service-based budgeting has enabled it to review and recommend services and service levels deemed necessary to meet the needs of its residents and to ensure that sufficient funding is provided to deliver those service levels in 2014.

The 2014 BC Recommended Operating of \$9.623 billion gross and \$3.760 billion net provides the necessary funding to maintain the delivery of 2013 services and service levels (at 2014 costs) and invest funding to increase service levels in key areas such as recreation, culture, library, emergency services (Police, Fire and Emergency Medical Services), city planning and public health.

The 2014 recommended service levels, as outlined in the Operating Analyst Notes and as recommended by the Budget Committee in the Program Recommendations attached in Appendix 3, establish the service commitment City staff and Council will be making with the public for 2014.

The 2014 BC Recommended Tax Supported Operating Budget reflects an increase of \$156.5 million in gross expenditures and \$47.6 million net. The net increase is mainly driven by the base budget change of \$32.7 million, as well as the investments in new and enhanced services of \$15.0 million. The base budget increase is mainly driven by the following Programs and Agencies:

- Opening new facilities in Parks, Forestry & Recreation, including the Toronto Pan Am Sports Centre, the Parkway Forest Community Centre, the York Community Centre, and additional parkland (\$12.3 million).
- Cost of living salary increases for Fire Services (\$9.2 million).
- New Information & Technology positions to deliver capital projects approved in 2013 (\$1.2 million).
- Salary increases for cost of living adjustments and to restart the hiring of Police Officers (\$29.1 million).
- Inflationary increases and the opening 2 new Toronto Library branches (\$2.0 million).
- Cost to accommodate increased TTC ridership growth to 540 million riders (\$22.7 million).

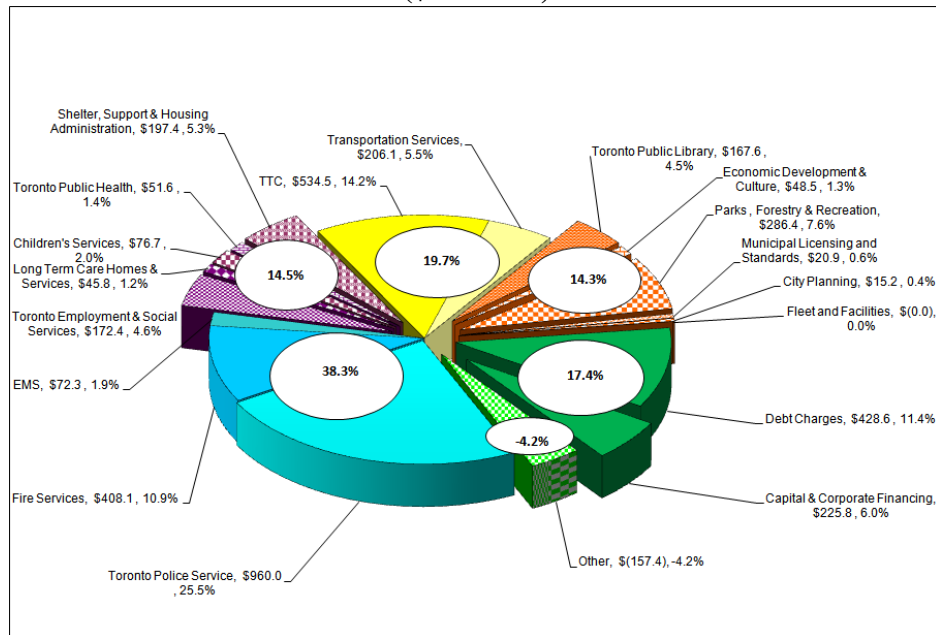
In addition, the 2014 BC Recommended Tax Supported Operating Budget also recommends investments in new and enhanced services of \$15.0 million endorsed by the City Council or referred by Standing Committees as a result of the service level reviews, which were detailed earlier in this report.

Table 10 2014 Budget Committee Recommended Operating Budget By Category - Levy Operations (\$ Million)					
Description of Category	2013 Approved Budget	2014 Budget Committee Recommended Budget		Change from 2013 Approved Budget	
	\$	\$	%	\$	%
Gross Expenditures:					
Salaries and Benefits	4,656.2	4,791.5	49.8%	135.2	2.9%
Materials and Supplies	559.3	586.7	6.1%	27.4	4.9%
Equipment	47.3	50.4	0.5%	3.2	6.7%
Services & Rents	1,419.4	1,504.4	15.6%	85.0	6.0%
Contributions and Transfers	923.0	967.4	10.1%	44.3	4.8%
Other Expenditures (includes IDCs)	1,861.5	1,722.9	17.9%	(138.6)	(7.4%)
Total Gross Expenditures	9,466.8	9,623.3	100%	156.5	1.7%
Funded by:					
Provincial Transfers	1,856.5	1,833.9	19.1%	(22.6)	(1.2%)
Federal Transfers	180.2	174.1	1.8%	(6.1)	(3.4%)
Other Transfers	149.8	99.6	1.0%	(50.2)	(33.5%)
User Fees, Permits & Donations	1,569.5	1,639.0	17.0%	69.5	4.4%
Fines & Penalties	141.3	132.6	1.4%	(8.7)	(6.1%)
Interest & Investment Income	195.8	205.8	2.1%	10.0	5.1%
Transfers from Capital	143.1	138.7	1.4%	(4.4)	(3.1%)
Reserves/Reserve Funds	462.3	469.1	4.9%	6.8	1.5%
Municipal Land Transfer Tax	321.5	348.3	3.6%	26.8	8.3%
Other Revenues (includes IDRs)	733.9	821.7	8.5%	87.9	12.0%
Total Non Tax Revenues	5,753.9	5,862.8	60.9%	108.9	1.9%
Net Budget - Property Tax Revenues	3,712.9	3,760.5	39.1%	47.6	1.3%

2014 Budget Committee Recommended Net Operating Budget

The 2014 BC Recommended Tax Supported Net Operating Budget is \$3.761 billion, which represents a 1.3% or \$47.637 million increase over the 2013 Approved Net Operating Budget of \$3.713 billion. Chart 9 below illustrates how the 2014 BC Recommended Tax Supported Net Operating Budget, or property tax funding, will be spent. Consistent with the allocation of the gross expenditures, 72.5% of the 2014 BC Recommended Tax Supported Net Operating Budget is directed to emergency services, transit and transportation, cost shared/Provincially mandated health and social services and transit services.

Chart 9
2014 Budget Committee Recommended Net Operating Budget
(\$Millions)



2014 Recommended Approved Positions

The total 2014 Budget Committee Recommended staff complement is 49,501.1 positions (45,061.0 permanent and 4,440.1 temporary) for Tax Supported Programs which includes:

- 46,690.6 positions (42,724.8 permanent and 3,965.8 temporary) for service delivery; and
- 2,810.5 positions (2,336.2 permanent and 474.3 temporary) for Capital project delivery.

The total recommended change represents a net increase of 771.4 positions or 1.6% over the 2013 Approved Staffing Complement reflecting 164.0 additional Capital positions and 607.4 Operating positions.

Operating Position Changes:

Table 11 below shows the 2014 Recommended Staffing Complement for service delivery which reflects the addition of 1,138.6 positions, partially offset by a reduction of 531.3 positions.

The addition of 1,138.6 positions, with a total cost of \$63.204 million gross and \$20.296 million net, consists of 854.3 permanent and 284.4 temporary positions. The increase is primarily driven by TTC's various initiatives to accommodate ridership growth and improve customer service. The major contributors of the increase are as following:

- Toronto Transit Commission – Conventional Service: Net increase of 297.0 positions (298.0 permanent additions, offset by 1.0 temporary reduction) largely to accommodate ridership growth and address increased maintenance requirements as well as new initiatives to improve TTC's overall system cleanliness and programs to better manage each subway station at a total cost of \$11.887 million funded primarily through user fees.
- Toronto Transit Commission – Wheel-Trans Service: Addition of 26.0 permanent positions primarily to maintain service levels and accommodate the service impact of the Accessibility for Ontarians with Disabilities Act (AODA) legislation requiring TTC to reduce its unaccommodated trips rate from 2% to 0.5% at a cost of \$2.535 million gross and net.
- Parks, Forestry & Recreation: Increase of 126.3 positions (25.0 permanent and 101.3 temporary) to operate various completed capital projects in 2014 for key projects such as Toronto Pan Am Sports Centre, Parkway Forest Community Centre and York Community Centre, and other facilities and parkland as well as a technical change in the tracking of positions arising from the FPARS complement data cleanup review. The total for the recommended increase to the Program's complement is \$3.754 million gross and \$1.921 million net, partially funded by user fees and reserve funds.
- Emergency Medical Services: Addition of 61.0 permanent paramedic positions represents Phase 2 of a 4 year Implementation Plan to increase paramedic positions required to address the increase in emergency call demands and improve EMS's response time to life-threatening emergency calls at a net cost of \$3.470 million.
- City Clerk's Office: Net increase of 36.9 positions (3.0 permanent and 33.9 temporary) at a cost of \$2.766 million and \$0.447 million net. The positions are required for the delivery of 2014 Municipal Election which will be fully funded by the Election Reserve as well as sustainment of completed capital projects.

The deletion of 531.3 positions will result in a gross savings of \$30.412 million gross and \$12.218 million net. As summarized in Table 11 below, these deletions consist of 381.0 permanent and 150.3 temporary positions. Of the 531.3 positions, 28.7 position reductions arise from the implementation of service efficiencies and service changes, while the remaining 502.6 position reductions are due to operational changes.

The net increase of 607.4 positions is primarily attributed to Toronto Transit Commission (323.0 net additions), Parks, Forestry and Recreation (126.3 net additions), Emergency Medical Services (61.0 addition), Fire Services (65.0 net reduction) and Toronto Employment and Social Services (37.5 net reduction). Please refer to Appendix 2 for details by City Program and Agency.

Table 11 2014 Operating Budget - Tax Supported Operations Summary of Budget Committee Recommended Operating Position Deletions and Additions									
Programs/Agencies	Base			New			Base and New		
	Perm	Temp	Total	Perm	Temp	Total	Perm	Temp	Total
Position Deletions:									
Citizen Centred Services "A"	(33.0)	(123.9)	(156.9)				(33.0)	(123.9)	(156.9)
Citizen Centred Services "B"	(80.0)		(80.0)				(80.0)		(80.0)
Internal Services	(29.0)		(29.0)				(29.0)		(29.0)
City Manager's Office	(1.0)		(1.0)				(1.0)		(1.0)
Other City Programs	(6.0)	(1.5)	(7.5)				(6.0)	(1.5)	(7.5)
City Operations	(149.0)	(125.4)	(274.4)				(149.0)	(125.4)	(274.4)
Public Health	(11.5)		(11.5)				(11.5)		(11.5)
City Operations incl. Public	(160.5)	(125.4)	(285.9)				(160.5)	(125.4)	(285.9)
Toronto Transit Commission	(217.0)	(4.0)	(221.0)				(217.0)	(4.0)	(221.0)
Other Agencies	(3.5)	(20.9)	(24.4)				(3.5)	(20.9)	(24.4)
Total Deletions	(381.0)	(150.3)	(531.3)				(381.0)	(150.3)	(531.3)
Position Additions:									
Citizen Centred Services "A"	89.4	186.5	275.9	75.0	20.0	95.0	164.4	206.5	370.8
Citizen Centred Services "B"	2.4	3.3	5.7	37.0	7.0	44.0	39.4	10.3	49.7
Internal Services	40.0	22.0	62.0	12.5		12.5	52.5	22.0	74.5
City Manager's Office				2.0	3.0	5.0	2.0	3.0	5.0
Other City Programs	4.0	32.0	36.0	6.5	5.4	11.9	10.5	37.4	47.9
City Operations	135.8	243.8	379.6	133.0	35.4	168.4	268.8	279.2	547.9
Public Health				12.0	2.0	14.0	12.0	2.0	14.0
City Operations incl. Public	135.8	243.8	379.6	145.0	37.4	182.4	280.8	281.2	561.9
Toronto Transit Commission	462.0	3.0	465.0	79.0		79.0	541.0	3.0	544.0
Other Agencies	26.5		26.5	6.0	0.2	6.2	32.5	0.2	32.7
Total Additions	624.3	246.8	871.1	230.0	37.6	267.6	854.3	284.4	1,138.6
Total - Tax Supported Operations	243.3	96.6	339.8	230.0	37.6	267.6	473.3	134.1	607.4

Table 12 below shows that 46,690.6 operating, comprised of 42,724.8 permanent and 3,965.8 temporary positions, are required to deliver the 2014 services and service levels. Compared to 2013, this represents an increase of 607.4 positions or 1.3%.

Table 12 2014 Budget Committee Recommended Operating Position Summary Tax Levy Operations									
Description	City Operations			Agencies			Total		
	Perm	Temp	Total	Perm	Temp	Total	Perm	Temp	Total
2013 Approved	18,417.2	3,290.3	21,707.4	23,834.4	541.4	24,375.8	42,251.6	3,831.7	46,083.3
2014 Recommended:									
Base	(13.2)	118.5	105.2	256.5	(21.9)	234.6	243.3	96.6	339.8
New/Enhanced	133.0	35.4	168.4	97.0	2.2	99.2	230.0	37.6	267.6
Increase/(Decrease)	119.8	153.8	273.6	353.5	(19.7)	333.8	473.3	134.1	607.4
Total	18,536.9	3,444.1	21,981.0	24,187.9	521.7	24,709.6	42,724.8	3,965.8	46,690.6
Change from 2013:									
Positions	119.8	153.8	273.6	353.5	(19.7)	333.8	473.3	134.1	607.4
Percentage	0.6%	4.5%	1.2%	1.5%	-3.8%	1.4%	1.1%	3.4%	1.3%

2015 and 2016 Operating Outlook

The 2015 and 2016 Operating Outlook pressures are \$332 million and \$203 million respectively as shown in Table 13 below. The Outlook pressures are primarily driven by the loss of Toronto Pooling Compensation from the Province, increases to Toronto Transit Commission to accommodate new ridership growth, incremental inflationary costs of providing prior year services and service levels including cost of living adjustments and the annualization of prior year decisions. These increases are partially off-set by increases in revenues from Toronto Transit Commission (includes increases to ridership growth and a 10 cent fare increase), combined with the continued uploading of service costs to the Province for Ontario Works benefits and court security and prisoner transportation costs and increase in Toronto Hydro dividend income.

For 2015, the projected Outlook pressure before revenue increases is estimated to be approximately \$402 million, comprised of \$30 million from the use of one-time/unsustainable revenues from reserves and \$372 million in expenditure changes. The estimated Outlook pressure for 2016 before revenue increases is \$324 million, with \$16 million from the depletion of reserves and \$308 million in spending changes.

Total revenue is anticipated to decline by \$50 million in 2015 and largely flat in 2016 primarily from the loss of Provincial funding due to elimination of the Toronto Pooling Compensation, estimated at \$86 million and \$43 million respectively. Ridership growth and a 10 cent fare increase for the Toronto Transit, uploading of service costs, Toronto Hydro dividend income, and user fee revenue are anticipated to provide revenue gains in 2015 and 2016. Additional property tax revenues of \$49 million in 2015 and \$50 million in 2016 are dependent on future City Council decisions to approve a property tax rate increase, assumed to be 2.0% residential and 0.67% non-residential increase in each of the next 2 years. Revenue from assessment growth is anticipated to increase by \$30 million for both 2015 and 2016.

In 2015 and 2016 balancing the Operating Budget pressures will be a challenge. Annual inflationary tax increases are insufficient to cover growing expenditures (specifically compensation costs in certain City Programs). The City will also need to address the loss of Toronto Pooling Compensation from the Province. It will be critical that the City find a permanent solution to replace the loss of Toronto Pooling Compensation in 2015 and beyond. Furthermore, the City will need to eliminate \$30 million in reserve funding. The City is moving to service based budgets and efficiency measures and making every effort in working towards fiscal sustainability in 2015 and beyond.

Table 13		
2015 and 2016 Incremental Operating Budgeted Outlook		
(\$Millions)		
	2015	2016
Compensation & Benefits	67	36
Non-labour Inflationary Impact	8	7
Annualization of Prior Year Decisions	34	9
Operating Impact of Completed Capital Projects	13	7
Depletion of Reserves	30	16
Other Base Budget Changes	13	9
CFC (Capital From Current)	22	24
Debt Charges	42	39
TTC (Before Ridership Growth)	101	76
Other Expenditures	72	101
Total Expenditure Pressures	402	324
Revenue Change		
TTC Ridership Growth	(17)	(16)
Uploading of Services	(17)	(20)
Dividend Income	(5)	(5)
User Fees/Revenue Change	(4)	(1)
Parking Authority Revenues	6	(2)
Provincial Funding Loss	86	43
Total Revenue Change	50	(1)
Pressure After Revenue Changes	451	323
TTC Fare Increase (10 Cents)	(40)	(40)
Property Tax Rate Increase		
- (2.0% Residential/0.67% Non-Residential)	(49)	(50)
Assessment Growth	(30)	(30)
Remaining Pressure	332	203

Based on these estimates the City will be challenged to find efficiencies and other cost savings or revenue changes to address the resultant pressures of \$332 million in 2015 and \$203 million in 2016.

City of Toronto Multi-Year Financial Planning and Budgeting Process

2014 Budget Process

Immediately following approval of the 2013 Budget, City staff began preparations for the 2014 Budget process and the issuance of budget guidelines, directing that the budget for 2014 be set at a 0% increase over the 2013 net budget. The City conducted its 2014 administrative budget review from June to October, which was followed by a political budget review process from November to January. The 2014 Operating Budget and 2014-2023 Capital Budget and Plan will be reviewed and approved by City Council at its meeting of January 29 and 30, 2014.

The City's approved financial planning and budgeting process is based on best practices. It incorporates a 3-Year Operating Plan comprised of an Operating Budget plus a 2-Year Outlook, and a 10-Year Capital Budget and Plan. Furthermore, it is moving to a mature

process, including more service and performance based approach by focusing budget directions on service level and outcomes, linking budgets to service plans and engaging stakeholders. For 2014, the City's Operating Budget has been reoriented to a service view, which includes recommended funding by service and associated service levels.

Changes to the 2014 Budget Process

In response to City Council's direction from its meeting of July 16, 2013, changes were made to the 2014 Budget Process to provide opportunities to ensure greater transparency in the Budget Process, improve the briefing all Councillors and reviewing of divisional budgets and corporate accounts, permit more time between Standing Committee meetings and earlier distribution of agendas and Standing Committee review of divisional service levels and standards prior to consideration of the annual Operating and Capital Budgets.

The 2014 Budget process was amended to incorporate to allow Standing Committees to provide direction to staff during the administrative budget process on service priorities, while also ensuring upfront public consultation to guide priority setting in advance of the budget launch.

This was accomplished by the utilization of program maps, activities and service levels that was developed for the Financial Planning Analysis Reporting System (FPARS), which also facilitated the core service review, has been included in analyst notes and is approved by Council.

For the 2014 Budget process, Council approved a service level review process that consisted of the following:

- In September of 2013, City Programs presented service levels, challenges, opportunities and directions to their appropriate Standing Committee, as part of the service level review process; and
- The review of divisional service levels and activities along with any Standing Committee recommendations were (except for a couple of exceptions) referred to the budget process for consideration and to staff to guide staff during the 2014 administrative budget review process.

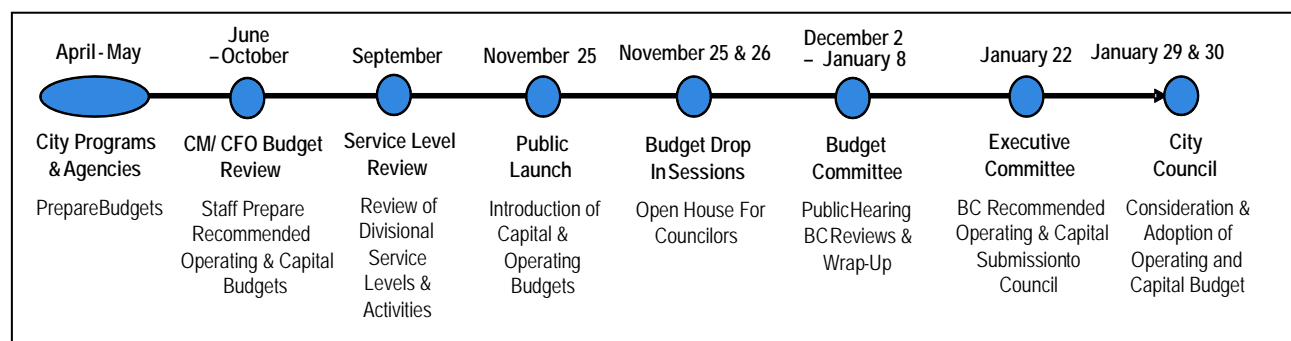
This review allowed for upfront community engagement and for Standing Committees to provide guidance to staff on service priorities in advance of the 2014 budget launch.

Future years Service Planning processes will both include City agencies; and guide a budget process framed over multiple years within context of current budget targets. As this process evolves, the review will take place in the Spring/Summer, while Programs are preparing future year budget submissions. The process will also include a review of performance (levels of service achieved) to determine targeted service objectives and priority actions have been met.

- Budget drop in sessions were made available over 2 days to all Councillors providing opportunities to ask questions of staff from each City Program/Agency relative to their specific areas of interest and /or concern.
- The Budget Website was redesigned to enhance public understanding of the budget content and process by incorporating a whiteboard animation video explaining how program services impact property taxes, budget summaries including Budget Basic Sheets and Budget at a Glance, Info Graphics on major City services and how to actively participate in the Budget Process; all with the purpose of making the Budget Process more transparent and understandable to the public.
- Redesign the Analyst Notes makes them more service and performance focused and easier to understand.
- Extended the Budget process by 18 days from the previous year, with a focus on adding more time between Standing Committee meetings and an earlier distribution of agenda materials.

2014 Financial Planning Process and Schedule

As shown in the chart below, the 2014 Budget Process was designed to obtain Council approval of both the 2014 Operating Budget and the 10-Year Capital Budget and Plan by January 30, 2014. While the timelines are aggressive, every effort was been made to ensure that the key elements of a good budget process are maintained.



Key elements of the 2014 Budget Process are outlined below:

November 25, 2013 – Public Launch:

- City Manager, Chief Financial Officer and Director, Financial Planning present the Staff Recommended 2014 Operating Budget and 10-Year Capital Budget and Plan to Budget Committee.

November 25 and 26, 2013 - Drop in Sessions:

- Following the Budget Launch drop in session were open to all Councillors providing an opportunity for Councillors to ask questions of staff from each Program and Agency.

December 2 and 3, 2013 – Public Deputations:

- Public provides input/response to staff recommended budgets.
- Staff prepare budget briefing notes and response to information requests.

December to January, 2014 – Town Hall Meetings:

- City Councillors held Ward Town Hall meetings to inform constituency on the Staff Recommended 2014 Operating Budget and 10-Year Capital Budget and Plan respond to questions and comments and provide input.

December 10 to 13, 2013 - Budget Review Meetings:

- Budget Committee Hearings to brief Councillors and the public on the Staff Recommended Budgets which launched the political review and process. This stage of the process includes the following:
- Cluster/Agency Head presentations of programs/services, service levels/standards delivered, challenges/accomplishments and Staff Recommended 2014 Operating Budget and 10-Year Capital Budget and Plan.
- Committee members may request additional information in the form of budget briefing notes.

December 20, 2013 – Budget Committee Wrap-Up:

- Budget Committee is provided briefing notes and supplementary reports.

January 8, 2014 - Budget Committee Final Wrap-Up:

- Budget Committee reviews briefing notes, responses to additional Program/Agency information requests and budget options.
- Budget Committee finalizes its review and establishes its 2014 Operating Budget and 10-Year Capital Budget and Plan to be considered by the Executive Committee.
- Staff prepare the Corporate Reports for the Budget Committee Recommended 2014 Operating Budget including an updated 2014 and 2015 Outlook and the 10-Year Capital Budget and Plan.

January 22, 2014 - Executive Committee Review:

- Executive Committee receives and reviews the Budget Committee Recommended 2014 Operating Budget and 10-Year Capital Budget and Plan.
- Executive Committee recommends the 2014 Operating Budget and 10-Year Capital Budget and Plan to City Council.

January 29 and 30, 2014 - Council Review and Approval:

- Council reviews and approves the 2014 Operating Budget and 10-Year Capital Budget and Plan.

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SIGNATURES

Roberto Rossini
Deputy City Manager and
Chief Financial Officer

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Appendix 1 – 2014 Budget Committee Recommended Operating Budget – Summary by Program
Appendix 2 – 2014 Budget Committee Recommended Operating Budget Positions
Appendix 3 – Program Recommendations
Appendix 4 – 2014 Planned Service Deliverables



CITY OF TORONTO
2014 BUDGET COMMITTEE RECOMMENDED OPERATING BUDGET
NET EXPENDITURES

(In 000's)	2013 Approved Budget	2014 Recommended Base Budget	Change from 2013 Approved Budget		2014 Recommended New/Enh. Budget	2014 Recommended Budget	Change from 2013 Approved Budget	
			\$ Incr/(Dcr)	%			\$ Incr/(Dcr)	%
Citizen Centred Services "A"								
Affordable Housing Office	1,195	1,195	(0)	(0.0%)	0	1,195	(0)	(0.0%)
Children's Services	76,716	76,716	(0)	(0.0%)	0	76,716	(0)	(0.0%)
Court Services	(13,783)	(13,783)	(0)	0.0%	0	(13,783)	(0)	0.0%
Economic Development & Culture	45,402	45,612	210	0.5%	2,881	48,493	3,091	6.8%
Emergency Medical Services	68,576	68,575	(0)	(0.0%)	3,758	72,334	3,758	5.5%
Long Term Care Homes & Services	46,290	45,790	(500)	(1.1%)	0	45,790	(500)	(1.1%)
Parks, Forestry & Recreation	273,071	285,326	12,254	4.5%	1,046	286,372	13,300	4.9%
Shelter, Support & Housing Admin	217,814	197,441	(20,374)	(9.4%)	0	197,441	(20,373)	(9.4%)
Social Development, Finance & Admin	28,514	29,116	602	2.1%	117	29,233	720	2.5%
Toronto Employment & Social Services	188,325	172,364	(15,961)	(8.5%)	0	172,364	(15,961)	(8.5%)
Sub-Total Citizen Centred Services "A"	932,119	908,351	(23,768)	(2.5%)	7,803	916,155	(15,965)	(1.7%)
Citizen Centred Services "B"								
City Planning	14,447	14,447	0	0.0%	789	15,237	789	5.5%
Fire Services	398,779	408,024	9,245	2.3%	80	408,103	9,324	2.3%
Municipal Licensing & Standards	20,214	20,612	397	2.0%	301	20,913	698	3.5%
Policy, Planning, Finance & Admin	10,544	10,510	(34)	(0.3%)	0	10,510	(34)	(0.3%)
Engineering & Construction Services	7,604	7,604	(0)	(0.0%)	0	7,604	(0)	(0.0%)
Toronto Buildings	(11,031)	(11,031)	(0)	0.0%	0	(11,031)	(0)	0.0%
Toronto Environment Office	0	0	0	0.0%	0	0	0	0.0%
Transportation Services	206,107	206,106	(0)	(0.0%)	(0)	206,106	(0)	(0.0%)
Sub-Total Citizen Centred Services "B"	646,664	656,272	9,608	1.5%	1,170	657,442	10,777	1.7%
Internal Services								
Office of the Chief Financial Officer	9,446	9,446	0	0.0%	(0)	9,446	(0)	(0.0%)
Office of the Treasurer	29,898	29,849	(48)	(0.2%)	48	29,898	0	0.0%
Facilities Management & Real Estate	63,046	63,046	(0)	(0.0%)	0	63,046	(0)	(0.0%)
Fleet Services	165	(0)	(165)	(100.0%)	0	(0)	(165)	(100.0%)
Information & Technology	67,847	69,067	1,220	1.8%	0	69,067	1,220	1.8%
311 Toronto	10,360	10,285	(75)	(0.7%)	0	10,285	(75)	(0.7%)
Sub-Total Internal Services	180,761	181,694	932	0.5%	48	181,742	981	0.5%
City Manager								
City Manager's Office	44,811	45,259	448	1.0%	0	45,259	448	1.0%
Sub-Total City Manager	44,811	45,259	448	1.0%	0	45,259	448	1.0%
Other City Programs								
City Clerk's Office	31,469	31,922	453	1.4%	489	32,411	942	3.0%
Legal Services	19,353	19,153	(200)	(1.0%)	40	19,193	(160)	(0.8%)
Mayor's Office	1,541	1,089	(453)	(29.4%)	0	1,089	(453)	(29.4%)
City's Council	19,957	19,957	0	0.0%	0	19,957	0	0.0%
Sub-Total Other City Programs	72,321	72,121	(200)	(0.3%)	529	72,649	329	0.5%
Accountability Offices								
Auditor General's Office	4,178	4,344	166	4.0%	342	4,685	508	12.2%
Integrity Commissioner's Office	262	262	0	0.0%	37	299	37	14.0%
Office of the Lobbyist Registrar	1,087	1,087	0	0.0%	0	1,087	0	0.0%
Office of the Ombudsman	1,593	1,636	42	2.7%	0	1,636	42	2.7%
Sub-Total Accountability Offices	7,121	7,329	209	2.9%	378	7,708	587	8.2%
TOTAL - CITY OPERATIONS	1,883,797	1,871,026	(12,771)	(0.7%)	9,928	1,880,954	(2,843)	(0.2%)
Agencies								
Toronto Public Health	50,420	50,932	512	1.0%	683	51,615	1,195	2.4%
Toronto Public Library	165,360	167,327	1,968	1.2%	260	167,587	2,228	1.3%
Association of Community Centres	7,004	7,156	152	2.2%	0	7,156	152	2.2%
Exhibition Place	(100)	(100)	0	(0.0%)	0	(100)	0	(0.0%)
Heritage Toronto	312	312	(0)	(0.0%)	0	312	(0)	(0.0%)
Theatres	4,329	4,757	428	9.9%	0	4,757	428	9.9%
Toronto Zoo	11,648	11,443	(205)	(1.8%)	0	11,443	(205)	(1.8%)
Arena Boards of Management	(16)	(96)	(80)	509.0%	0	(96)	(80)	509.0%
Yonge-Dundas Square	437	393	(44)	(10.0%)	0	393	(44)	(10.0%)
Toronto Region Conservation Authority	3,290	3,372	82	2.5%	0	3,372	82	2.5%
Toronto Transit Commission-Conventional	410,951	424,041	13,090	3.2%	4,040	428,081	17,130	4.2%
Toronto Transit Commission - Wheel Trans	96,823	106,423	9,600	9.9%	0	106,423	9,600	9.9%
Toronto Police Service	928,590	957,661	29,072	3.1%	0	957,661	29,072	3.1%
Toronto Police Services Board	2,276	2,298	22	1.0%	60	2,358	82	3.6%
TOTAL - AGENCIES	1,681,323	1,735,920	54,597	3.2%	5,043	1,740,963	59,640	3.5%
Corporate Accounts								
Capital & Corporate Financing	617,298	654,358	37,060	6.0%	0	654,358	37,060	6.0%
Non-Program Expenditures	489,564	475,061	(14,503)	(3.0%)	0	475,061	(14,503)	(3.0%)
Non-Program Revenues	(959,094)	(990,811)	(31,717)	3.3%	0	(990,811)	(31,717)	3.3%
TOTAL - CORPORATE ACCOUNTS	147,768	138,608	(9,160)	(6.2%)	0	138,608	(9,160)	(6.2%)
TOTAL LEVY OPERATING BUDGET BEFORE ASSESSMENT GROWTH AND TAX INCREASE	3,712,888	3,745,554	32,666	0.9%	14,971	3,760,525	47,637	1.3%
Assessment Change	0	(25,385)	(25,385)		0	(25,385)	(25,385)	
TCHC Exempt	0	18,415	18,415		0	18,415	18,415	
TOTAL LEVY OPERATING BUDGET	3,712,888	3,738,584	25,696	0.7%	14,971	3,753,555	40,667	1.1%

APPENDIX 1



CITY OF TORONTO
2014 BUDGET COMMITTEE RECOMMENDED OPERATING BUDGET
GROSS EXPENDITURES

(In 000's)	2013 Approved Budget	2014 Recommended Base Budget	Change from 2013 Approved Budget		2014 Recommended New/Enh. Budget	2014 Recommended Budget	Change from 2013 Approved Budget	
			\$ Incr/(Dcr)	%			\$ Incr/(Dcr)	%
Citizen Centred Services "A"								
Affordable Housing Office	2,682	2,743	61	2.3%	0	2,743	61	2.3%
Children's Services	402,336	420,647	18,311	4.6%	0	420,647	18,311	4.6%
Court Services	55,130	53,814	(1,316)	(2.4%)	0	53,814	(1,316)	(2.4%)
Economic Development & Culture	63,431	63,468	37	0.1%	7,159	70,627	7,196	11.3%
Emergency Medical Services	181,367	184,091	2,724	1.5%	3,758	187,849	6,482	3.6%
Long Term Care Homes & Services	230,180	231,800	1,619	0.7%	0	231,800	1,619	0.7%
Parks, Forestry & Recreation	395,901	409,495	13,595	3.4%	431	409,926	14,026	3.5%
Shelter, Support & Housing Admin	685,532	640,929	(44,603)	(6.5%)	3,024	643,953	(41,579)	(6.1%)
Social Development, Finance & Admin	34,797	34,836	39	0.1%	4,968	39,804	5,007	14.4%
Toronto Employment & Social Services	1,246,392	1,172,129	(74,263)	(6.0%)	0	1,172,129	(74,263)	(6.0%)
Sub-Total Citizen Centred Services "A"	3,297,748	3,213,951	(83,797)	(2.5%)	19,340	3,233,292	(64,456)	(2.0%)
Citizen Centred Services "B"								
City Planning	40,783	40,064	(719)	(1.8%)	789	40,853	70	0.2%
Fire Services	413,131	422,366	9,236	2.2%	370	422,737	9,606	2.3%
Municipal Licensing & Standards	49,298	49,581	282	0.6%	301	49,882	583	1.2%
Policy, Planning, Finance & Admin	22,057	22,226	169	0.8%	0	22,226	169	0.8%
Engineering & Construction Services	70,553	65,959	(4,594)	(6.5%)	0	65,959	(4,594)	(6.5%)
Toronto Buildings	47,091	48,042	951	2.0%	280	48,322	1,231	2.6%
Toronto Environment Office	0	0	0	0%	0	0	0	0%
Transportation Services	331,447	333,342	1,895	0.6%	2,742	336,084	4,637	1.4%
Sub-Total Citizen Centred Services "B"	974,359	981,579	7,220	0.7%	4,483	986,062	11,703	1.2%
Internal Services								
Office of the Chief Financial Officer	16,254	15,633	(622)	(3.8%)	320	15,952	(302)	(1.9%)
Office of the Treasurer	73,760	72,580	(1,180)	(1.6%)	876	73,456	(305)	(0.4%)
Facilities Management & Real Estate	184,459	186,164	1,705	0.9%	180	186,344	1,885	1.0%
Fleet Services	47,266	47,789	523	1.1%	0	47,789	523	1.1%
Information & Technology	106,815	110,840	4,025	3.8%	122	110,962	4,147	3.9%
311 Toronto	18,872	17,801	(1,071)	(5.7%)	0	17,801	(1,071)	(5.7%)
Sub-Total Internal Services	447,426	450,807	3,381	0.8%	1,497	452,304	4,878	1.1%
City Manager								
City Manager's Office	52,815	53,873	1,058	2.0%	696	54,569	1,753	3.3%
Sub-Total City Manager	52,815	53,873	1,058	2.0%	696	54,569	1,753	3.3%
Other City Programs								
City Clerk's Office	47,689	58,559	10,870	22.8%	1,091	59,650	11,961	25.1%
Legal Services	45,431	46,248	818	1.8%	796	47,044	1,613	3.6%
Mayor's Office	1,541	1,089	(453)	(29.4%)	0	1,089	(453)	(29.4%)
City's Council	19,987	22,287	2,300	11.5%	0	22,287	2,300	11.5%
Sub-Total Other City Programs	114,649	128,183	13,534	11.8%	1,887	130,070	15,421	13.5%
Accountability Offices								
Auditor General's Office	4,178	4,344	166	4.0%	342	4,685	508	12.2%
Integrity Commissioner's Office	262	262	0	0.0%	37	299	37	14.0%
Office of the Lobbyist Registrar	1,087	1,087	0	0.0%	0	1,087	0	0.0%
Office of the Ombudsman	1,593	1,636	42	2.7%	0	1,636	42	2.7%
Sub-Total Accountability Offices	7,121	7,329	209	2.9%	378	7,708	587	8.2%
TOTAL - CITY OPERATIONS	4,894,118	4,835,723	(58,395)	(1.2%)	28,281	4,864,003	(30,114)	(0.6%)
Agencies								
Toronto Public Health	244,424	244,579	155	0.1%	1,913	246,492	2,068	0.8%
Toronto Public Library	182,030	183,810	1,780	1.0%	360	184,170	2,140	1.2%
Association of Community Centres	7,435	7,439	4	0.1%	147	7,586	151	2.0%
Exhibition Place	43,651	44,438	787	1.8%	0	44,438	787	1.8%
Heritage Toronto	740	727	(13)	(1.8%)	34	761	21	2.9%
Theatres	23,609	21,822	(1,787)	(7.6%)	0	21,822	(1,787)	(7.6%)
Toronto Zoo	54,103	51,665	(2,438)	(4.5%)	0	51,665	(2,438)	(4.5%)
Arena Boards of Management	7,301	8,074	773	10.6%	93	8,168	867	11.9%
Yonge-Dundas Square	2,069	2,216	146	7.1%	0	2,216	146	7.1%
Toronto Region Conservation Authority	38,356	38,906	550	1.4%	0	38,906	550	1.4%
Toronto Transit Commission-Conventional	1,540,948	1,582,519	41,571	2.7%	12,040	1,594,559	53,611	3.5%
Toronto Transit Commission - Wheel Trans	102,369	112,162	9,793	9.6%	0	112,162	9,793	9.6%
Toronto Police Service	1,019,725	1,086,002	66,277	6.5%	0	1,086,002	66,277	6.5%
Toronto Police Services Board	2,776	2,798	22	0.8%	60	2,858	82	3.0%
TOTAL - AGENCIES	3,269,537	3,387,157	117,620	3.6%	14,647	3,401,805	132,267	4.0%
Corporate Accounts								
Capital & Corporate Financing	655,019	690,552	35,533	5.4%	0	690,552	35,533	5.4%
Non-Program Expenditures	639,008	657,515	18,507	2.9%	0	657,515	18,507	2.9%
Non-Program Revenues	9,136	9,445	310	3.4%	0	9,445	310	3.4%
TOTAL - CORPORATE ACCOUNTS	1,303,163	1,357,512	54,349	4.2%	0	1,357,512	54,349	4.2%
TOTAL LEVY OPERATING BUDGET BEFORE ASSESSMENT GROWTH AND TAX INCREASE	9,466,818	9,580,392	113,574	1.2%	42,928	9,623,320	156,502	1.7%
Assessment Change	0	0	0	0%	0	0	0	0%
TCHC Exempt	0	0	0	0%	0	0	0	0%
TOTAL LEVY OPERATING BUDGET	9,466,818	9,580,392	113,574	1.2%	42,928	9,623,320	156,502	1.7%



CITY OF TORONTO
2014 BUDGET COMMITTEE RECOMMENDED OPERATING BUDGET
REVENUES

(In 000's)	2013 Approved Budget	2014 Recommended Base Budget	Change from 2013 Approved Budget		2014 Recommended New/Enh. Budget	2014 Recommended Budget	Change from 2013 Approved Budget	
			\$	%			\$	%
Citizen Centred Services "A"								
Affordable Housing Office	1,487	1,548	61	4.1%	0	1,548	61	4.1%
Children's Services	325,619	343,930	18,311	5.6%	0	343,930	18,311	5.6%
Court Services	68,913	67,598	(1,316)	(1.9%)	0	67,598	(1,316)	(1.9%)
Economic Development & Culture	18,029	17,856	(173)	(1.0%)	4,278	22,134	4,105	22.8%
Emergency Medical Services	112,792	115,515	2,724	2.4%	0	115,515	2,724	2.4%
Long Term Care Homes & Services	183,891	186,010	2,119	1.2%	0	186,010	2,119	1.2%
Parks, Forestry & Recreation	122,829	124,170	1,340	1.1%	(615)	123,555	726	0.6%
Shelter, Support & Housing Admin	467,718	443,488	(24,229)	(5.2%)	3,024	446,512	(21,205)	(4.5%)
Social Development, Finance & Admin	6,284	5,720	(564)	(9.0%)	4,851	10,570	4,287	68.2%
Toronto Employment & Social Services	1,058,067	999,764	(58,303)	(5.5%)	0	999,764	(58,303)	(5.5%)
Sub-Total Citizen Centred Services "A"	2,365,629	2,305,600	(60,029)	(2.5%)	11,537	2,317,137	(48,492)	(2.0%)
Citizen Centred Services "B"								
City Planning	26,336	25,617	(719)	(2.7%)	0	25,617	(719)	(2.7%)
Fire Services	14,352	14,343	(9)	(0.1%)	291	14,633	281	2.0%
Municipal Licensing & Standards	29,084	28,969	(115)	(0.4%)	0	28,969	(115)	(0.4%)
Policy, Planning, Finance & Admin	11,512	11,716	204	1.8%	0	11,716	204	1.8%
Engineering & Construction Services	62,948	58,355	(4,594)	(7.3%)	0	58,355	(4,594)	(7.3%)
Toronto Buildings	58,122	59,073	951	1.6%	280	59,353	1,231	2.1%
Toronto Environment Office	0	0	0	0%	0	0	0	0%
Transportation Services	125,340	127,236	1,895	1.5%	2,742	129,978	4,637	3.7%
Sub-Total Citizen Centred Services "B"	327,695	325,307	(2,388)	(0.7%)	3,313	328,620	925	0.3%
Internal Services								
Office of the Chief Financial Officer	6,809	6,187	(622)	(9.1%)	320	6,507	(302)	(4.4%)
Office of the Treasurer	43,862	42,730	(1,132)	(2.6%)	828	43,558	(305)	(0.7%)
Facilities Management & Real Estate	121,412	123,118	1,705	1.4%	180	123,297	1,885	1.6%
Fleet Services	47,101	47,789	688	1.5%	0	47,789	688	1.5%
Information & Technology	38,968	41,774	2,805	7.2%	122	41,896	2,927	7.5%
311 Toronto	8,512	7,516	(996)	(11.7%)	0	7,516	(996)	(11.7%)
Sub-Total Internal Services	266,664	269,113	2,449	0.9%	1,449	270,562	3,898	1.5%
City Manager								
City Manager's Office	8,004	8,614	610	7.6%	696	9,310	1,305	16.3%
Sub-Total City Manager	8,004	8,614	610	7.6%	696	9,310	1,305	16.3%
Other City Programs								
City Clerk's Office	16,220	26,637	10,417	64.2%	602	27,239	11,019	67.9%
Legal Services	26,078	27,096	1,017	3.9%	756	27,851	1,773	6.8%
Mayor's Office	0	0	0	0%	0	0	0	0%
City's Council	30	2,330	2,300	7666.7%	0	2,330	2,300	7666.7%
Sub-Total Other City Programs	42,328	56,062	13,734	32.4%	1,358	57,420	15,092	35.7%
Accountability Offices								
Auditor General's Office	0	0	0	0%	0	0	0	0%
Integrity Commissioner's Office	0	0	0	0%	0	0	0	0%
Office of the Lobbyist Registrar	0	0	0	0%	0	0	0	0%
Office of the Ombudsman	0	0	0	0%	0	0	0	0%
Sub-Total Accountability Offices	0	0	0	0%	0	0	0	0%
TOTAL - CITY OPERATIONS	3,010,321	2,964,697	(45,624)	(1.5%)	18,353	2,983,049	(27,271)	(0.9%)
Agencies								
Toronto Public Health	194,004	193,648	(356)	(0.2%)	1,230	194,877	873	0.5%
Toronto Public Library	16,671	16,483	(188)	(1.1%)	100	16,583	(88)	(0.5%)
Association of Community Centres	431	283	(148)	(34.3%)	147	430	(1)	(0.2%)
Exhibition Place	43,751	44,538	787	1.8%	0	44,538	787	1.8%
Heritage Toronto	428	415	(13)	(3.1%)	34	450	21	4.9%
Theatres	19,280	17,065	(2,215)	(11.5%)	0	17,065	(2,215)	(11.5%)
Toronto Zoo	42,455	40,221	(2,233)	(5.3%)	0	40,221	(2,233)	(5.3%)
Arena Boards of Management	7,316	8,170	854	11.7%	93	8,263	947	12.9%
Yonge-Dundas Square	1,633	1,823	190	11.6%	0	1,823	190	11.6%
Toronto Region Conservation Authority	35,066	35,534	468	1.3%	0	35,534	468	1.3%
Toronto Transit Commission-Conventional	1,129,997	1,158,478	28,481	2.5%	8,000	1,166,478	36,481	3.2%
Toronto Transit Commission - Wheel Trans	5,546	5,739	193	3.5%	0	5,739	193	3.5%
Toronto Police Service	91,136	128,341	37,205	40.8%	0	128,341	37,205	40.8%
Toronto Police Services Board	500	500	0	0.0%	0	500	0	0.0%
TOTAL - AGENCIES	1,588,214	1,651,237	63,023	4.0%	9,604	1,660,841	72,627	4.6%
Corporate Accounts								
Capital & Corporate Financing	37,722	36,195	(1,527)	(4.0%)	0	36,195	(1,527)	(4.0%)
Non-Program Expenditures	149,444	182,454	33,010	22.1%	0	182,454	33,010	22.1%
Non-Program Revenues	968,230	1,000,256	32,026	3.3%	0	1,000,256	32,026	3.3%
TOTAL - CORPORATE ACCOUNTS	1,155,395	1,218,905	63,510	5.5%	0	1,218,905	63,510	5.5%
TOTAL LEVY OPERATING BUDGET BEFORE ASSESSMENT GROWTH AND TAX INCREASE	5,753,930	5,834,838	80,908	1.4%	27,957	5,862,795	108,865	1.9%
Assessment Change	0	25,385	25,385		0	25,385	25,385	
TCHC Exempt	0	(18,415)	(18,415)		0	(18,415)	(18,415)	
TOTAL LEVY OPERATING BUDGET	5,753,930	5,841,808	87,878	1.5%	27,957	5,869,765	115,835	2.0%



CITY OF TORONTO
2014 BUDGET COMMITTEE RECOMMENDED OPERATING BUDGET
TOTAL OPERATING AND CAPITAL POSITIONS

Division	2013 Adjusted Council Approved Positions			2014 Budget Committee Rec'd Pos (Includes Base & New positions)			Change from 2013 (decrease)			
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total	%
Citizen Centred Services "A"										
Affordable Housing Office	15.0	4.0	19.0	15.0	4.0	19.0	0.0	0.0	0.0	0.0
Children's Services	731.0	200.4	931.4	716.0	239.7	955.7	(15.0)	39.3	24.3	2.6
Court Services	282.0	0.0	282.0	282.0	0.0	282.0	0.0	0.0	0.0	0.0
Economic Development & Culture	222.0	51.8	273.8	237.0	61.0	298.0	15.0	9.2	24.2	8.8
Emergency Medical Services	1,257.5	7.0	1,264.5	1,318.5	8.0	1,326.5	61.0	1.0	62.0	4.9
Long Term Care Homes & Services	2,151.3	0.0	2,151.3	2,179.7	0.0	2,179.7	28.4	0.0	28.4	1.3
Parks, Forestry & Recreation	1,860.0	2,365.0	4,225.0	1,885.0	2,469.3	4,354.3	25.0	104.3	129.3	3.1
Shelter, Support & Housing Administration	543.0	180.9	723.9	547.0	171.6	718.6	4.0	(9.3)	(5.3)	(0.7)
Social Development, Finance & Administration	118.5	9.1	127.6	119.5	4.8	124.3	1.0	(4.3)	(3.3)	(2.6)
Toronto Employment & Social Services	2,029.0	160.0	2,189.0	2,042.0	109.5	2,151.5	13.0	(50.5)	(37.5)	(1.7)
Sub-Total Citizen Centred Services "A"	9,209.3	2,978.2	12,187.5	9,341.7	3,067.8	12,409.5	132.4	89.6	222.0	1.8
Citizen Centred Services "B"										
City Planning	330.0	21.5	351.5	343.0	18.5	361.5	13.0	(3.0)	10.0	2.8
Fire Services	3,169.5	1.3	3,170.8	3,103.5	2.3	3,105.8	(66.0)	1.0	(65.0)	(2.0)
Municipal Licensing and Standards	451.6	1.0	452.6	455.0	1.0	456.0	3.4	0.0	3.4	0.8
Policy, Planning, Finance and Administration	196.4	2.8	199.1	194.4	6.1	200.4	(2.0)	3.3	1.3	0.7
Engineering & Construction Services	540.0	14.1	554.1	534.0	14.1	548.1	(6.0)	0.0	(6.0)	(1.1)
Toronto Building	418.0	13.0	431.0	418.0	13.0	431.0	0.0	0.0	0.0	0.0
Transportation Services	1,051.9	36.4	1,088.3	1,068.9	42.4	1,111.3	17.0	6.0	23.0	2.1
Sub-Total Citizen Centred Services "B"	6,157.4	90.1	6,247.4	6,116.8	97.4	6,214.1	(40.6)	7.3	(33.3)	(0.5)
Internal Services										
Office of the Chief Financial Officer	96.0	31.0	127.0	100.0	12.0	112.0	4.0	(19.0)	(15.0)	(11.8)
Office of the Treasurer	659.0	66.0	725.0	661.0	79.0	740.0	2.0	13.0	15.0	2.1
Facilities Management and Real Estate	788.9	59.3	848.2	817.4	62.3	879.7	28.5	3.0	31.5	3.7
Fleet Services	174.0	0.0	174.0	174.0	0.0	174.0	0.0	0.0	0.0	0.0
Information & Technology	603.0	145.0	748.0	608.0	159.0	767.0	5.0	14.0	19.0	2.5
311 Toronto	154.0	28.0	182.0	138.0	41.5	179.5	(16.0)	13.5	(2.5)	(1.4)
Sub-Total Internal Services	2,474.9	329.3	2,804.2	2,498.4	353.8	2,852.2	23.5	24.5	48.0	1.7
City Manager										
City Manager's Office	395.5	47.0	442.5	396.5	51.0	447.5	1.0	4.0	5.0	1.1
Sub-Total City Manager	395.5	47.0	442.5	396.5	51.0	447.5	1.0	4.0	5.0	1.1
Other City Programs										
City Clerk's Office	391.3	21.3	412.5	394.3	56.4	450.7	3.0	35.2	38.2	9.2
Legal Services	266.0	28.0	294.0	267.0	30.0	297.0	1.0	2.0	3.0	1.0
Mayor's Office	1.0	8.0	9.0	1.0	8.0	9.0	0.0	0.0	0.0	0.0
City Council	44.0	132.0	176.0	44.0	132.0	176.0	0.0	0.0	0.0	0.0
Auditor General's Office	29.0	0.0	29.0	29.5	0.0	29.5	0.5	0.0	0.5	1.7
Lobbyist Registrar	8.0	0.3	8.3	8.0	0.3	8.3	0.0	0.0	0.0	0.0
Integrity Commissioner's Office	2.0	0.0	2.0	2.0	0.0	2.0	0.0	0.0	0.0	0.0
Office of the Ombudsman	11.0	0.0	11.0	11.0	0.0	11.0	0.0	0.0	0.0	0.0
Sub-Total Other City Programs	752.3	189.5	941.8	756.8	226.7	983.4	4.5	37.2	41.7	4.4
TOTAL - CITY OPERATIONS	18,989.3	3,634.1	22,623.4	19,110.1	3,796.7	22,906.8	120.8	162.6	283.4	1.3
Agencies										
Toronto Public Health	1,795.5	78.2	1,873.7	1,796.0	78.4	1,874.4	0.5	0.2	0.7	0.0
Toronto Public Library	1,713.4	0.0	1,713.4	1,737.4	0.0	1,737.4	24.0	0.0	24.0	1.4
Association of Community Centres	48.1	29.3	77.4	48.1	29.3	77.4	0.0	0.0	0.0	0.0
Exhibition Place	397.5	0.0	397.5	397.5	0.0	397.5	0.0	0.0	0.0	0.0
Heritage Toronto	6.0	0.0	6.0	7.0	0.0	7.0	1.0	0.0	1.0	16.7
Theatres	76.9	88.3	165.2	76.9	79.6	156.5	0.0	(8.7)	(8.7)	(5.3)
Toronto Zoo	278.0	141.4	419.4	278.0	132.2	410.2	0.0	(9.2)	(9.2)	(2.2)
Arena Boards of Management	43.0	25.2	68.2	44.0	23.4	67.4	1.0	(1.8)	(0.8)	(1.2)
Yonge-Dundas Square	5.0	1.5	6.5	6.0	0.5	6.5	1.0	(1.0)	0.0	0.0
Parking Tag Enforcement & Operations	394.0	0.0	394.0	394.0	0.0	394.0	0.0	0.0	0.0	0.0
Toronto Atmospheric Fund	7.0	0.0	7.0	8.0	0.0	8.0	1.0	0.0	1.0	14.3
Toronto Transit Commission - Conventional	12,479.0	91.0	12,570.0	12,934.0	89.0	13,023.0	455.0	(2.0)	453.0	3.6
Toronto Transit Commission - Wheel-Trans	531.0	0.0	531.0	557.0	0.0	557.0	26.0	0.0	26.0	4.9
Toronto Police Service	7,658.0	211.0	7,869.0	7,659.0	211.0	7,870.0	1.0	0.0	1.0	0.0
Toronto Police Services Board	8.0	0.0	8.0	8.0	0.0	8.0	0.0	0.0	0.0	0.0
TOTAL - AGENCIES	25,440.4	665.9	26,106.3	25,950.9	643.4	26,594.3	510.5	(22.5)	488.0	1.9
TOTAL - TAX SUPPORTED OPERATIONS	44,429.7	4,300.0	48,729.7	45,061.0	4,440.1	49,501.1	631.3	140.1	771.4	1.6