

2015 Staff Recommended Tax & Rate Supported Operating Budget

Budget Committee Presentation
January 20, 2015



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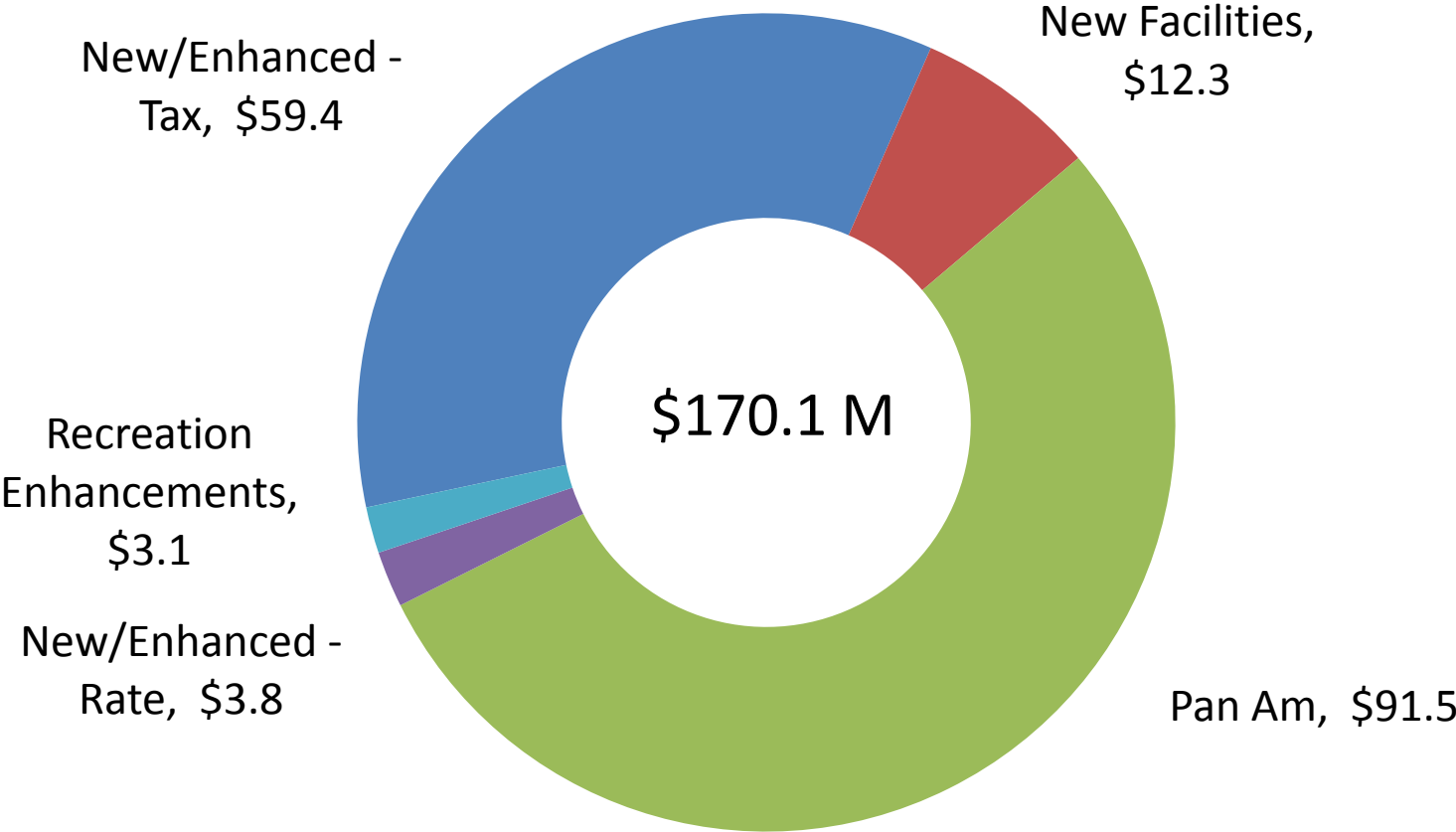
Executive Summary



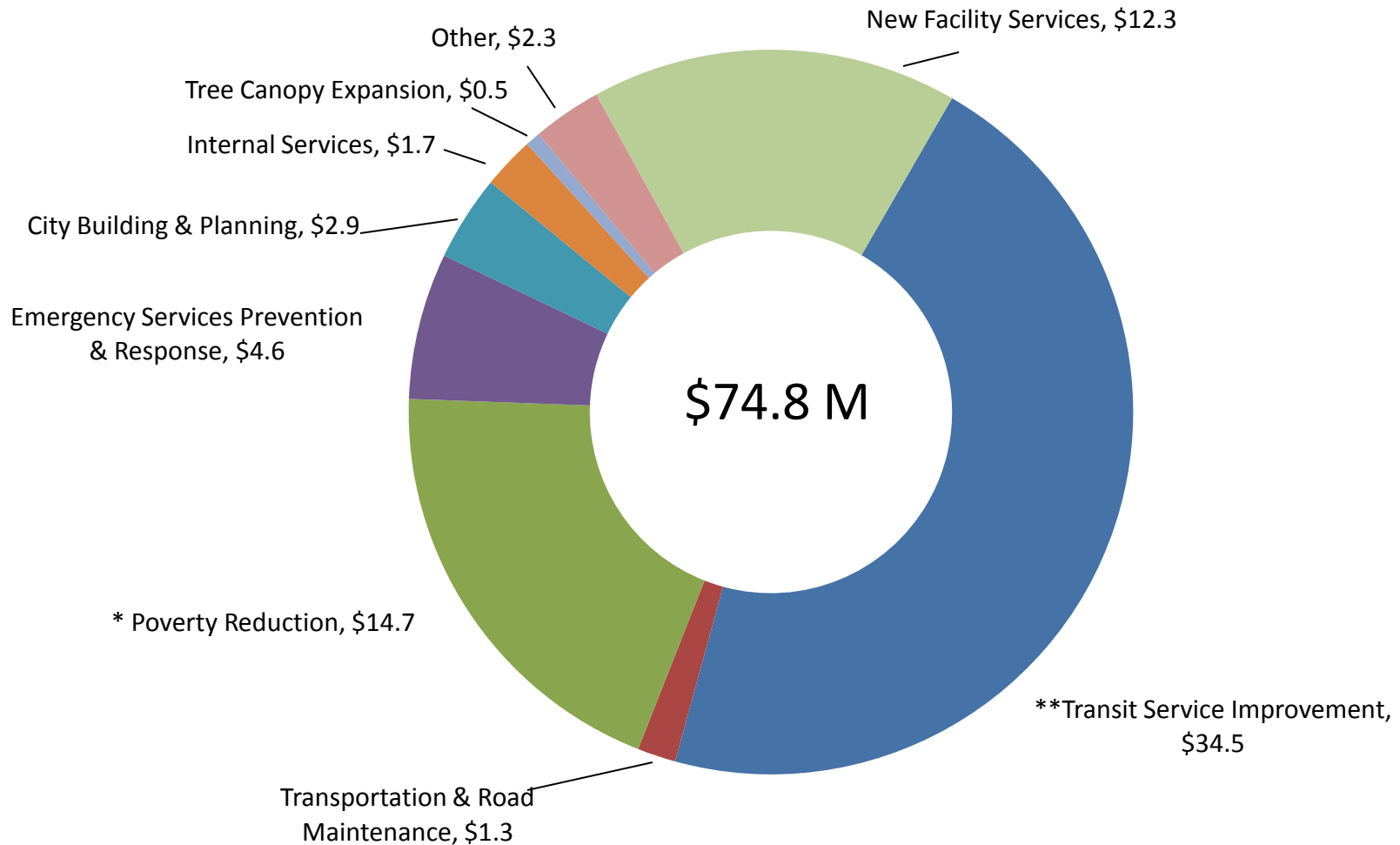
2015 Toronto Budget Highlights

- Delivers significant service improvements in key priority areas:
 - Transit
 - Poverty Reduction
 - Public Safety
- Maintains City's fiscal health
- Residential budget tax increase at inflation
- Continues to fund the Scarborough Subway
- \$12 million to operate new or expanded facilities
(2 library, 2 community centres, 1 child care centre, 1 new police station and, Leslie Street Barns – TTC, Toronto Pan Am Sports Center)

2015 New Investments - \$170 Million



2015 New Investments – \$75Million Tax-Based



* Excludes Child Fare Elimination as included in Transit Services (\$5.4M)

** Excludes Pan Am Games Service Costs as not tax-based

2015 New Investments – Tax Based by Program (\$75Million)

| Programs | New & Enhanced | New Facilities | New Tax Based |
|---|----------------|----------------|---------------|
| Toronto Transit Commission - excl. Pan Am Shelter, Support & Housing Administration | 34.5 | 6.5 | 41.0 |
| Parks, Forestry & Recreation | 7.9 | | 7.9 |
| Other City Programs | 3.8 | 4.4 | 8.2 |
| Emergency Medical Services | 5.1 | | 5.1 |
| Children's Services | 3.7 | | 3.7 |
| Transportation Services | 1.1 | 0.5 | 1.6 |
| Fire Services | 1.3 | | 1.3 |
| Toronto Building | 1.2 | | 1.2 |
| Toronto Public Library | 0.9 | | 0.9 |
| Accountability Offices | | 0.8 | 0.8 |
| Economic Development & Culture | 0.7 | | 0.7 |
| Toronto Public Health | 0.6 | | 0.6 |
| City Planning | 0.5 | | 0.5 |
| Engineering & Construction Services | 0.5 | | 0.5 |
| Toronto Police Service & Board | 0.4 | | 0.4 |
| Municipal Licensing & Standards | 0.3 | | 0.3 |
| Toronto Zoo | 0.1 | | 0.1 |
| Grand Total | 62.6 | 12.2 | 74.8 |

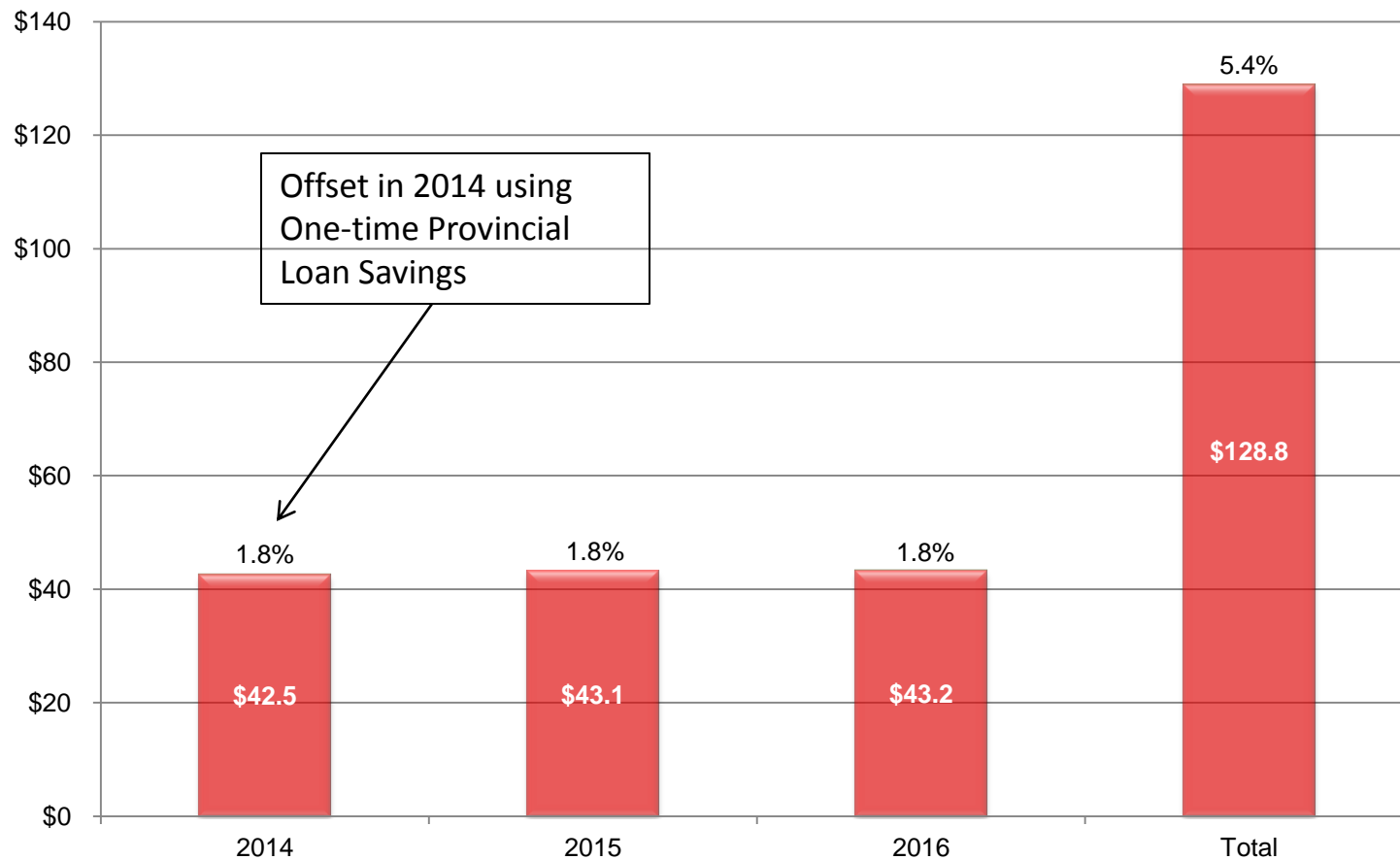
The Challenge

- Original Budget forecast required a 15% tax rate increase just to:
 - Maintain existing service levels
 - Fully fund Council's previously approved service and capital investment priorities
- There is a structural revenue problem in 2015:
 - Provincial grant loss, non-parking fines
 - Tax revenue growth slower than expense increases
- Demand for service investments are significant ... and growing
- Assumes \$86 million in Provincial assistance

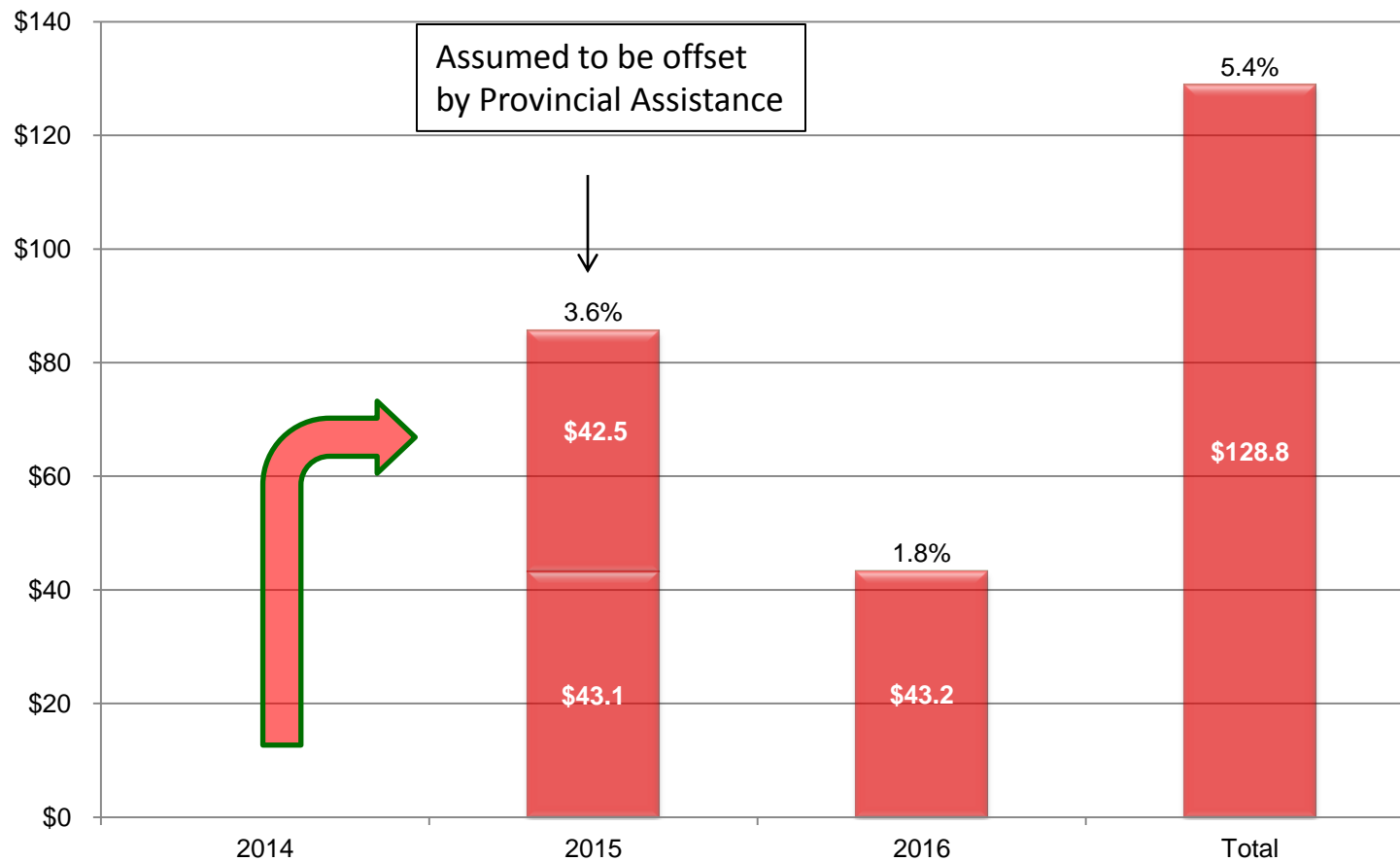
The Challenge (continued)

- Direct Operating Expense Pressures:
 - Fixed cost increases (COLA, utilities, insurance, liabilities)
 - Compensation & Benefit (excl. TTC): \$71 million
 - Capital Financing (debt charges + CFC): \$64 million
 - Impact of previous Council decisions adding new positions/service costs
 - Annualized costs of 2014 service investments: \$12M
 - Operating Impacts of completed capital projects: \$12M (incl. TTC)
 - Request to re-instate previously approved budget reductions
 - TTC Base increase before ridership growth: \$83million
- Significant demand for investment in New/Enhanced Services
 - \$10M Council directed or referred to budget process for consideration
 - \$18M for other staff initiated Investments
 - \$35M for TTC service improvements (incl. Council directed)
 - \$91 M for Pan Am

Unexpected Provincial Funding Loss– Pooling Compensation 2014 to 2016 (\$ Millions)



Unexpected Provincial Funding Loss– Pooling Compensation 2014 to 2016 (\$ Millions)



Operating Budget - Strategies

- Absorb inflation where ever possible – CPI approximately 2.6%
- Establish corporate and service-based balancing strategies
- Service Based:
 - Ensure all 2015 Budget pressures are minimized
 - Develop viable scenarios that offset pressures as much as possible
 - Revisit all revenue opportunities
- Corporate:
 - Enhance political involvement in Intergovernmental funding issues for TTC; Social Housing; Provincial Housing grant loss

2015 Budget Tax Impact

2015 Budget Tax Impacts: Residential and Non-Residential

| | <u>Net</u> | <u>Tax % Increase on Average</u> | | |
|---|-----------------|----------------------------------|------------------------|----------------------|
| | <u>Budget</u> | <u>Residential</u> | <u>Non-Residential</u> | <u>Total Average</u> |
| Base Budget | \$31.5 M | 1.25% | 0.42% | 0.84% |
| New Facilities (Operating Impact) | \$10.5 M | 0.41% | 0.14% | 0.28% |
| Service Enhancements - \$143M Gross | \$14.9 M | 0.59% | 0.20% | 0.40% |
| Tax impact after Assessment Growth | \$56.9 M | 2.25% | 0.75% | 1.52% |

Note: Excludes Scarborough Subway tax impact which has been previously approved by Council.

Summary

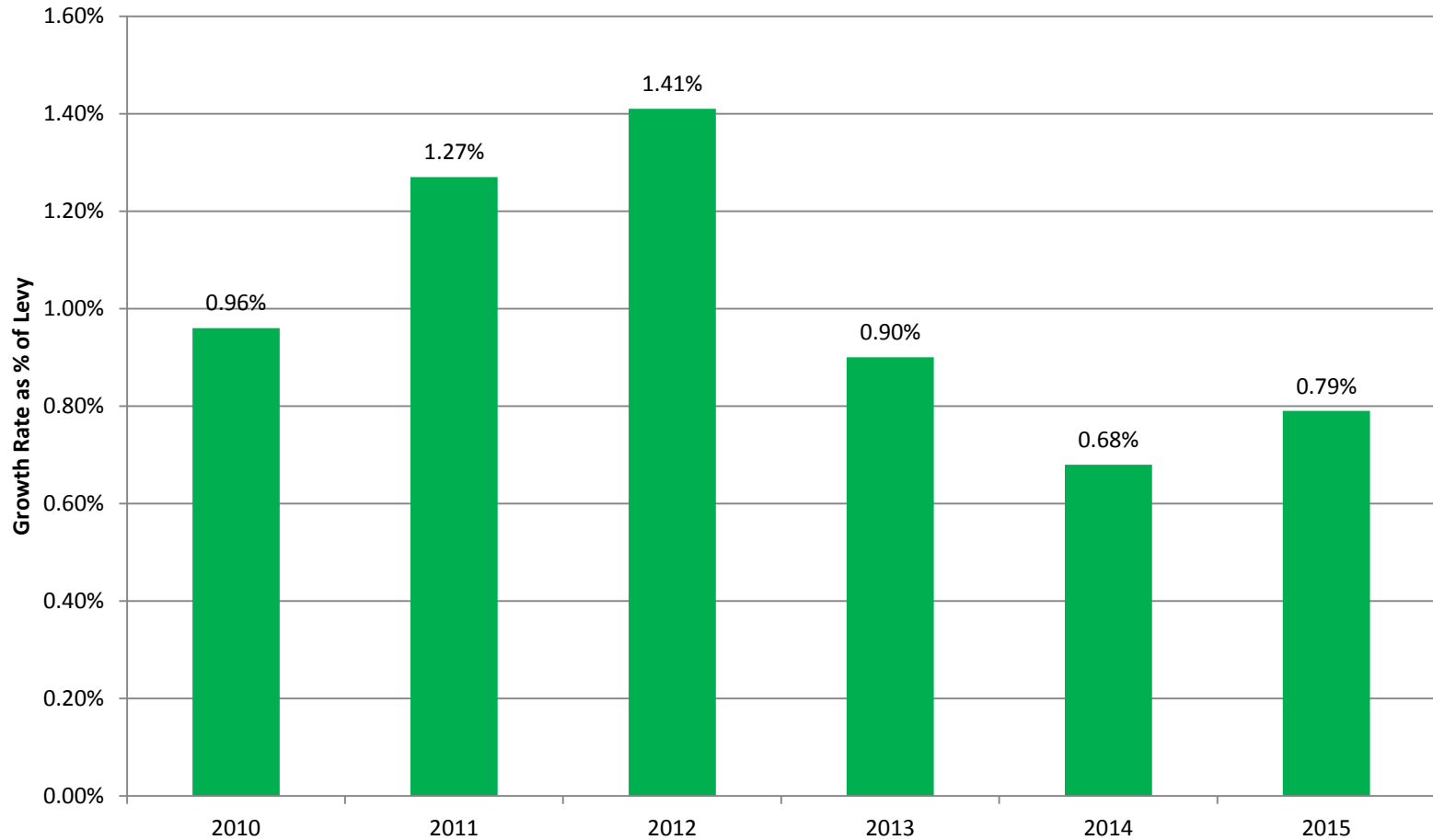
- The 2015 Operating Budget is balanced
- Addresses key investments in priority areas including transit, shelters, anti-poverty and more front line paramedics
- Responsible fiscal framework
- Moderate TTC fare Increases to fund improvements
- Keep taxes affordable (at or below inflation):
 - \$58.66 /hhld or 2.25% for 2015 Budget
- Base Budget tax impact less than 1%



Budget Context



Assessment Growth



Property Tax Assessment Growth:

\$33.1M

\$45.0M

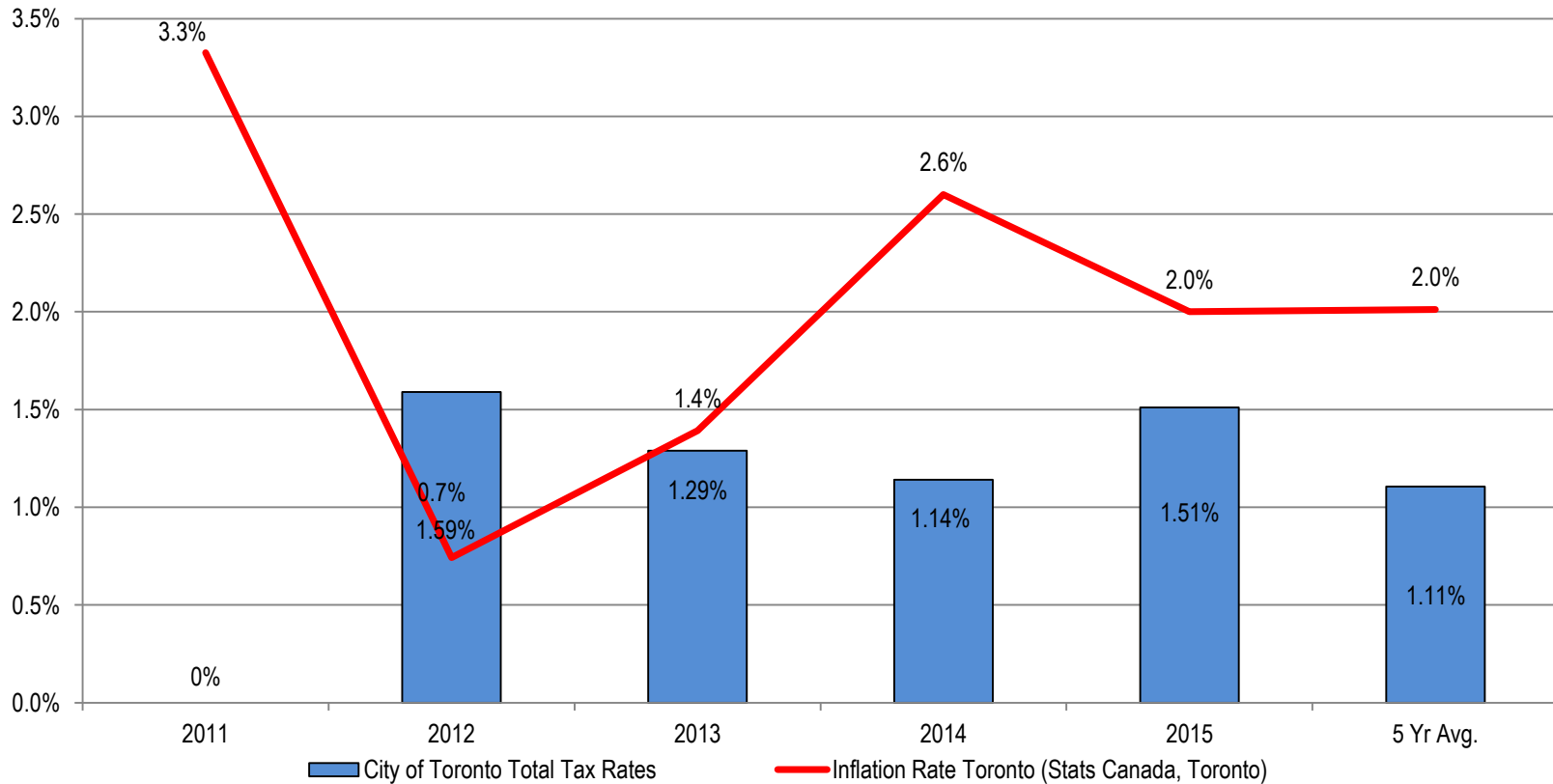
\$50.6M

\$33.2M

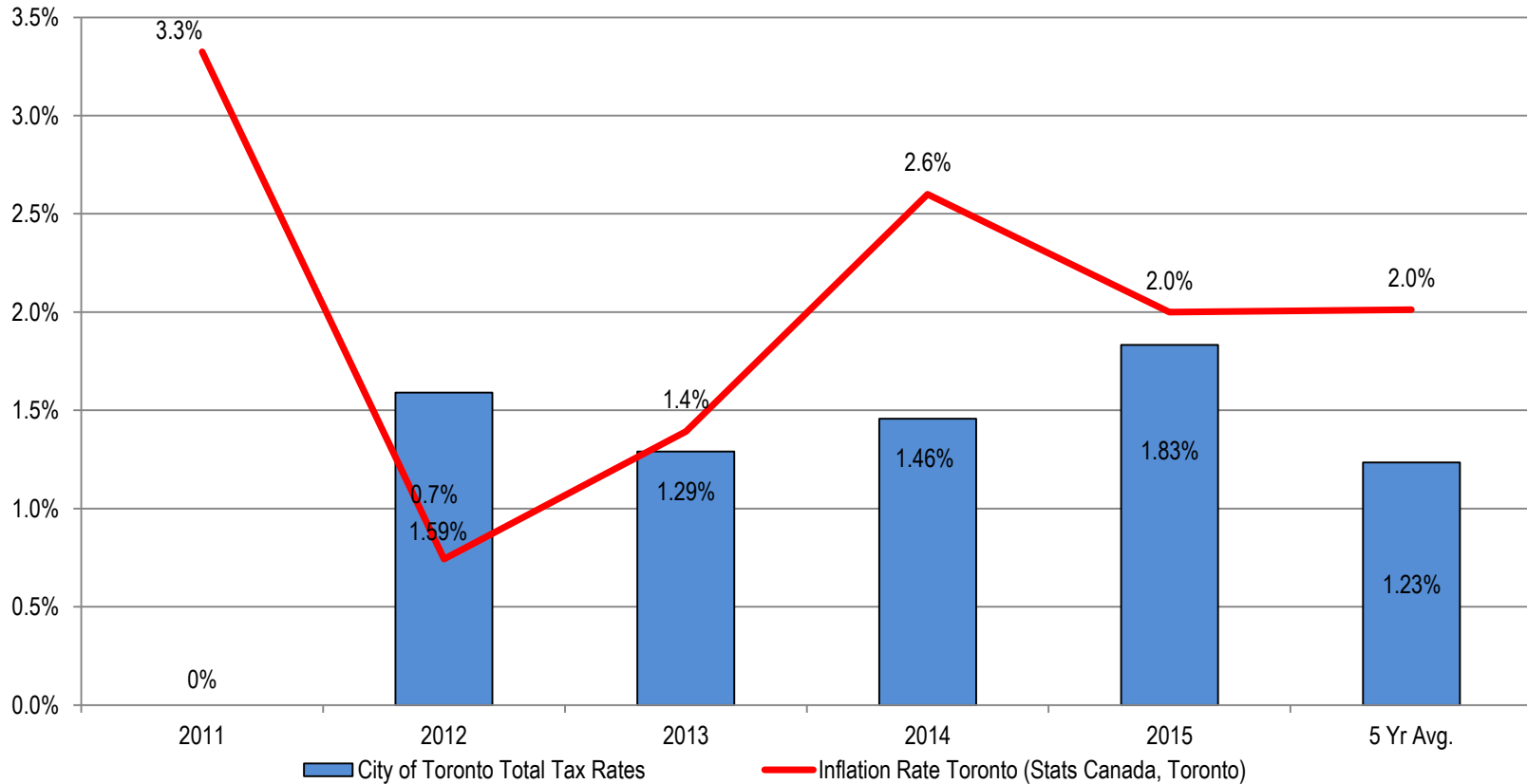
\$25.4M

\$29.6M

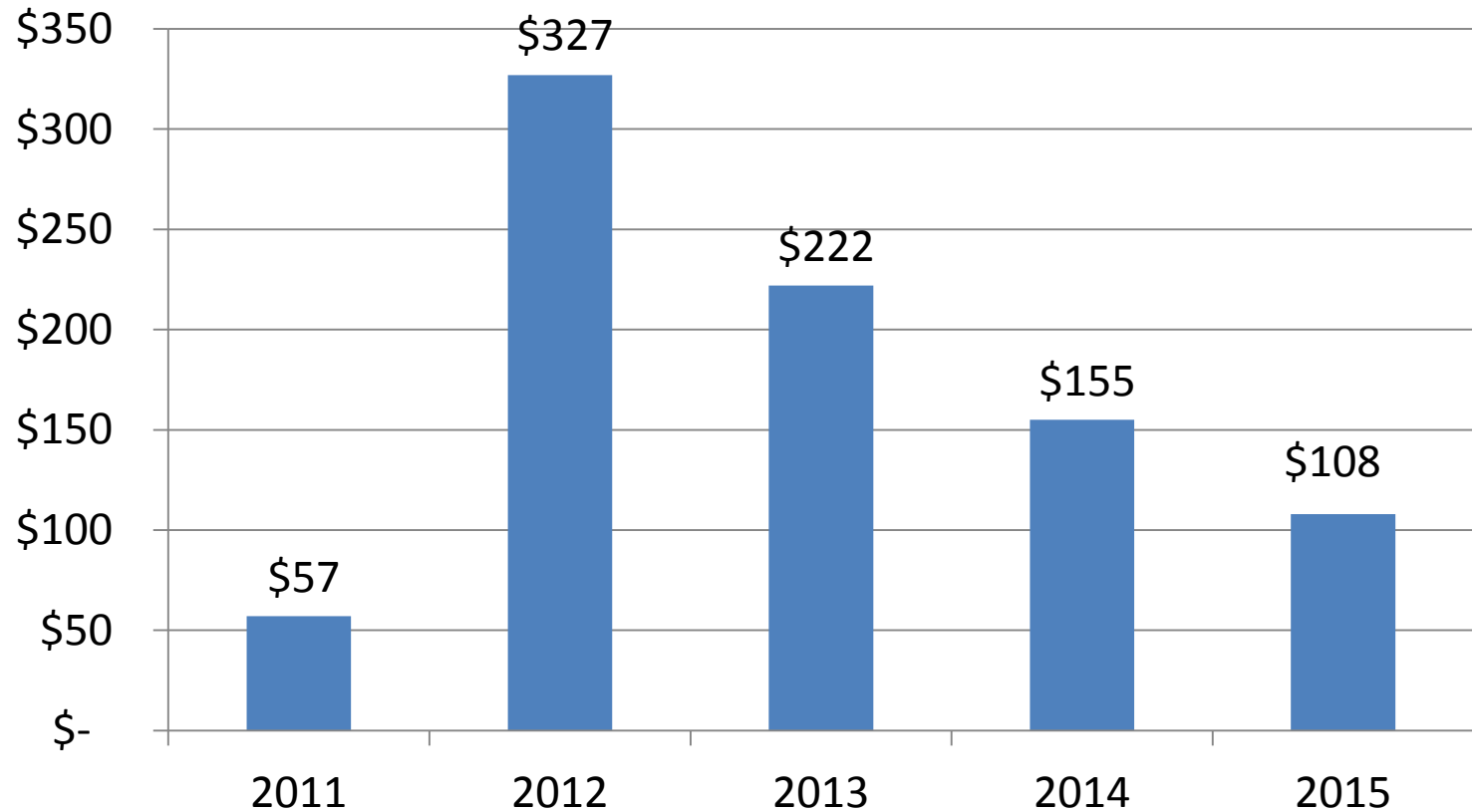
Blended Budget Tax % Increase vs. Inflation (excluding Scarborough Subway)



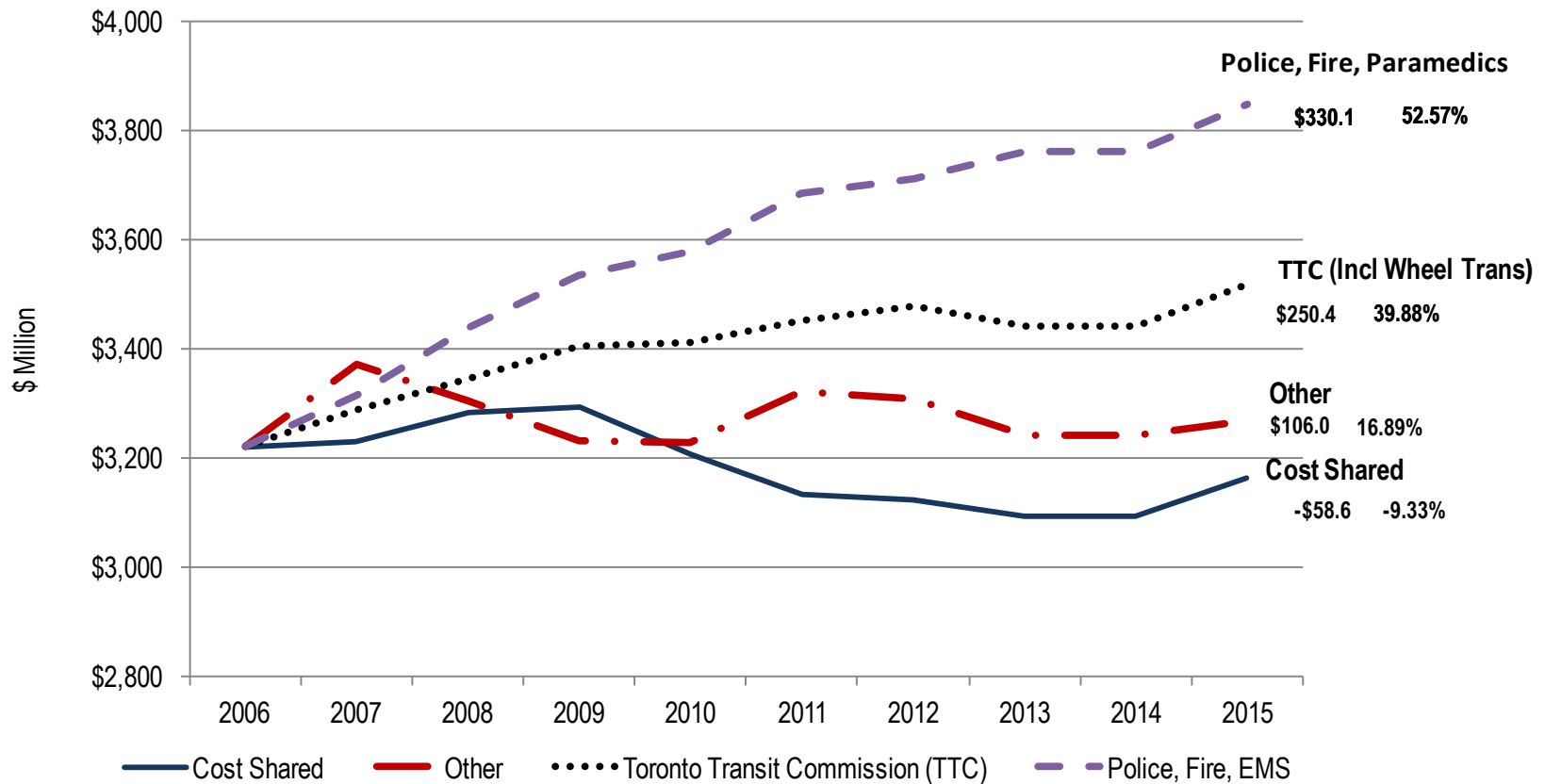
Blended Tax % Increase vs. Inflation (including Scarborough Subway)



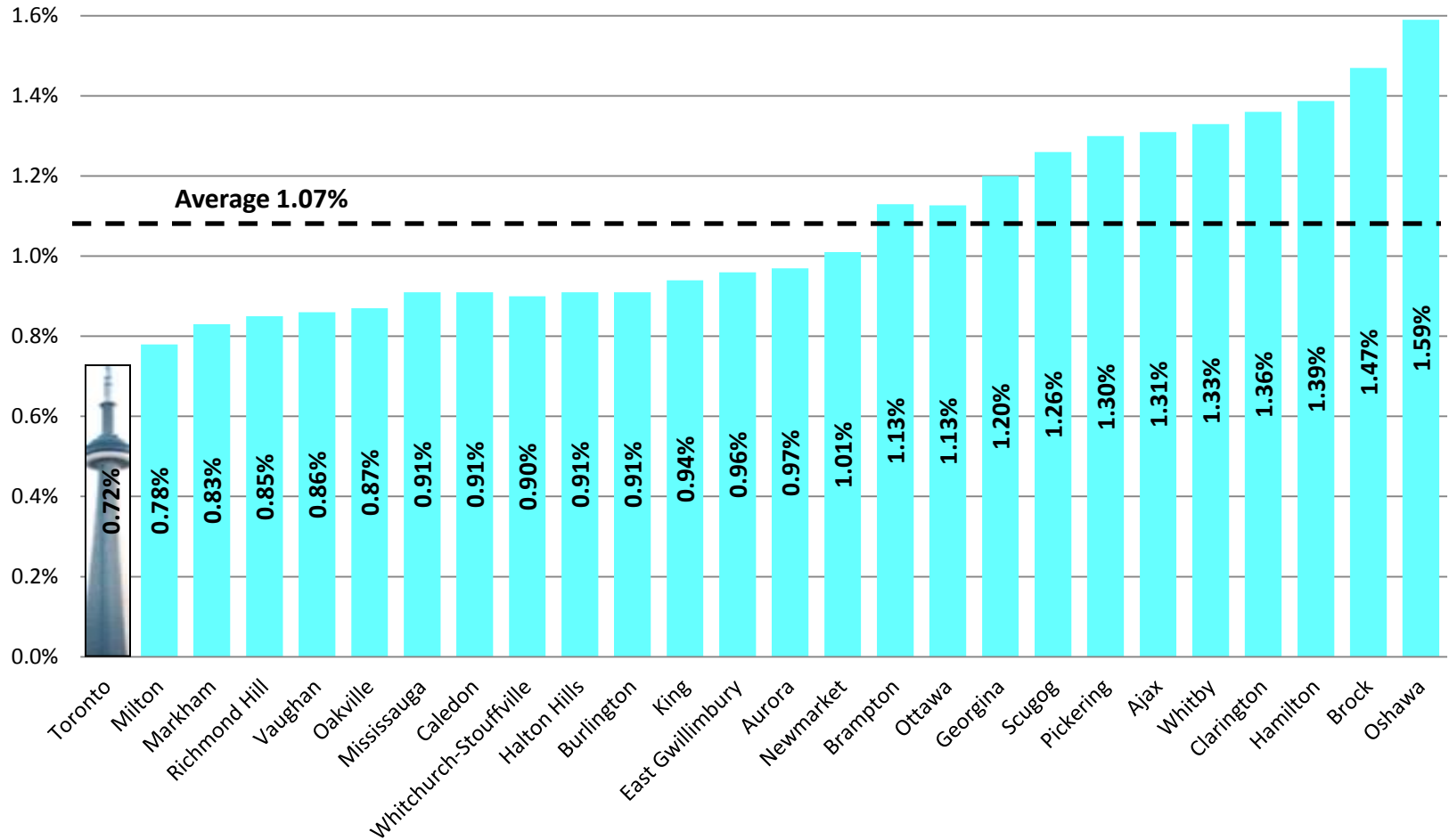
Total Budget Savings - \$869 M over 5 years



97% of the Growth in Net Expenditures since 2006 is Due to Police, Fire, EMS and TTC

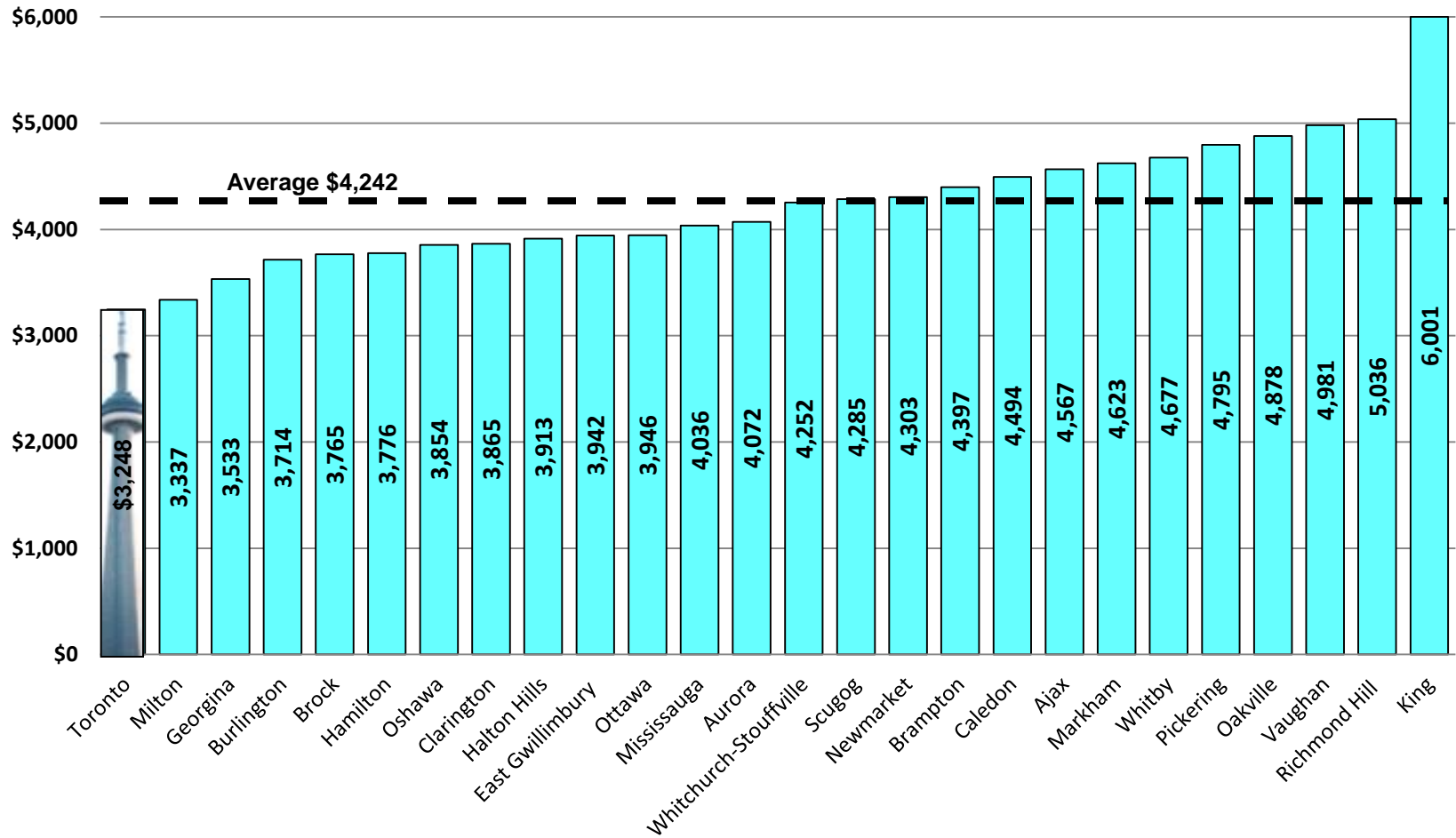


Comparison of 2014 Residential Property Tax Rates – GTHA Munis & Ottawa



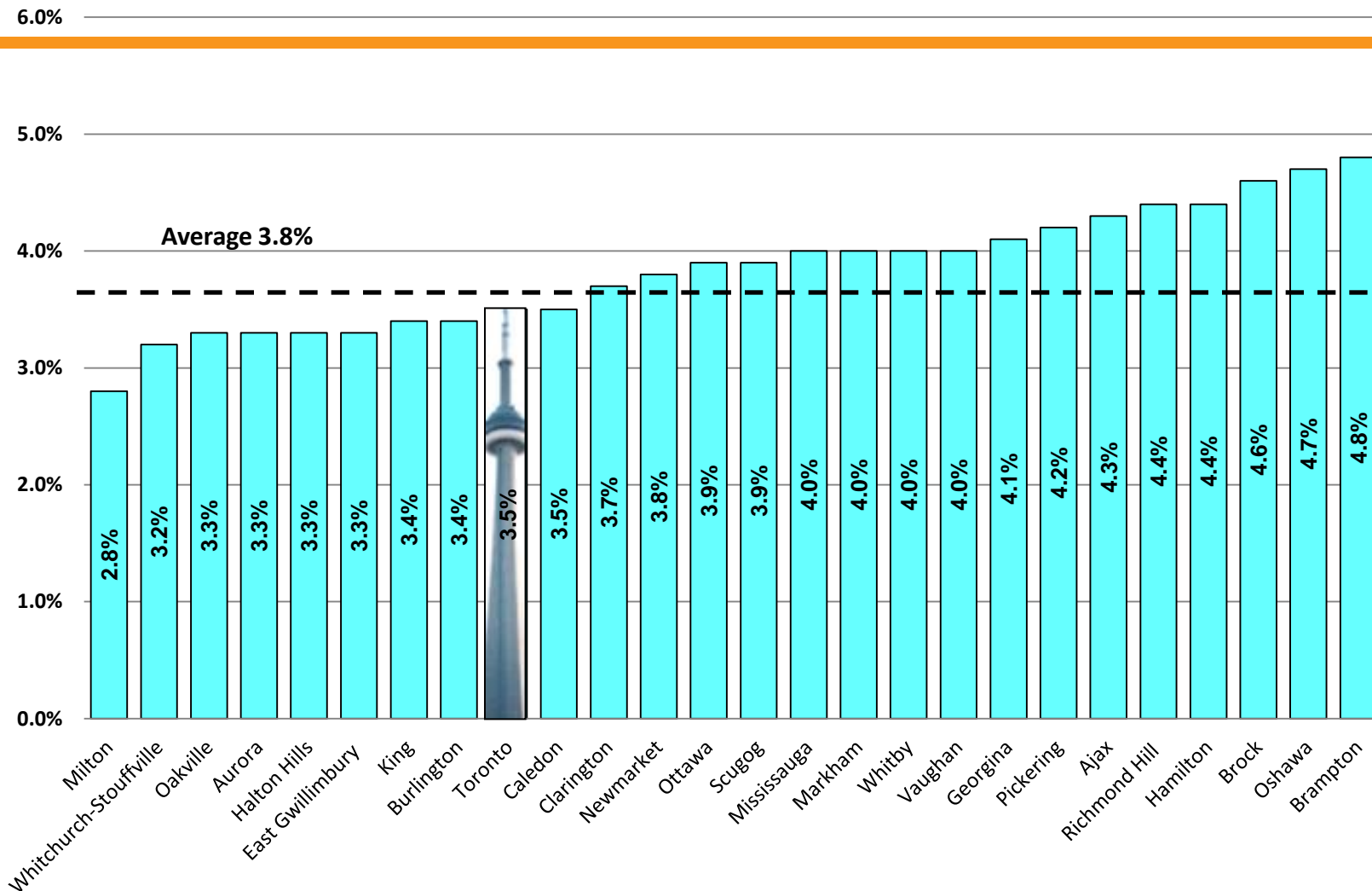
Source: BMA Municipal Study

Comparison of 2014 Average Property Taxes - GTHA Munis & Ottawa - \$1,000 less than average



Source: BMA Municipal Study

Comparison of 2014 Municipal Taxes as a % of Household Incomes - GTHA Munis & Ottawa



Source: BMA Municipal Study



Budget Summary



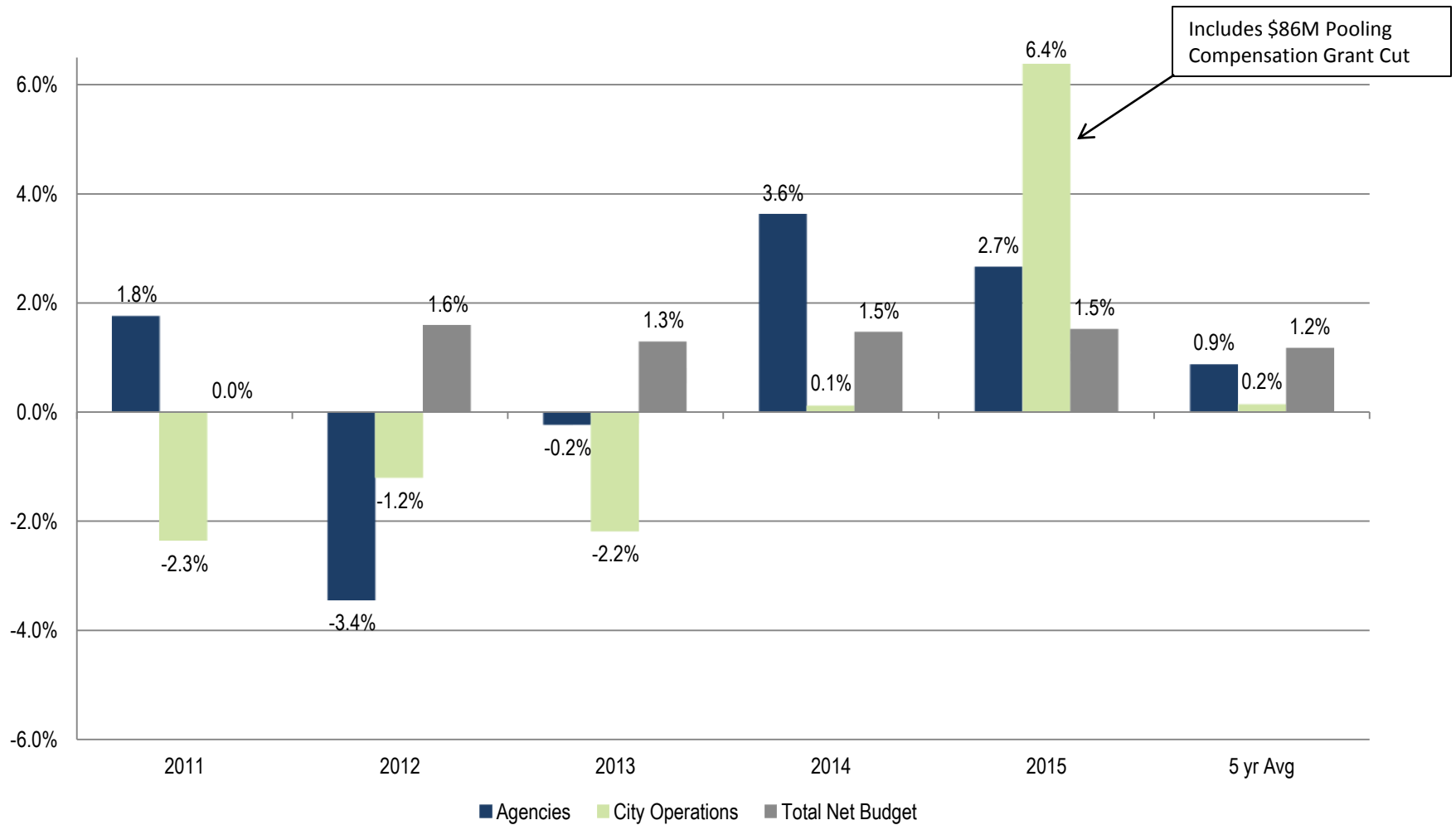
Staff Rec'd 2015 Tax Supported Program Net Operating Budget

| (Millions) | 2014 | 2015 | Change from 2014 Over (Under) | |
|---|----------------|----------------|----------------------------------|-------------|
| | | | \$ | % |
| Total City Operations | 1,887.7 | 2,007.8 | 120.1 | 6.4% |
| Agencies | 1,756.8 | 1,803.4 | 46.6 | 2.7% |
| Non-Program | 117.6 | 123.4 | 5.8 | 4.9% |
| Less: | | | | |
| Special Provincial Assistance | | (85.9) | | |
| Total Assessment Changes | | (29.6) | | |
| Net Operating Budget After Assessment Growth | 3,762.1 | 3,819.0 | 56.9 | 1.5% |

Note: Excludes Scarborough Subway

Net Expenditure Increase: 2011 – 2015

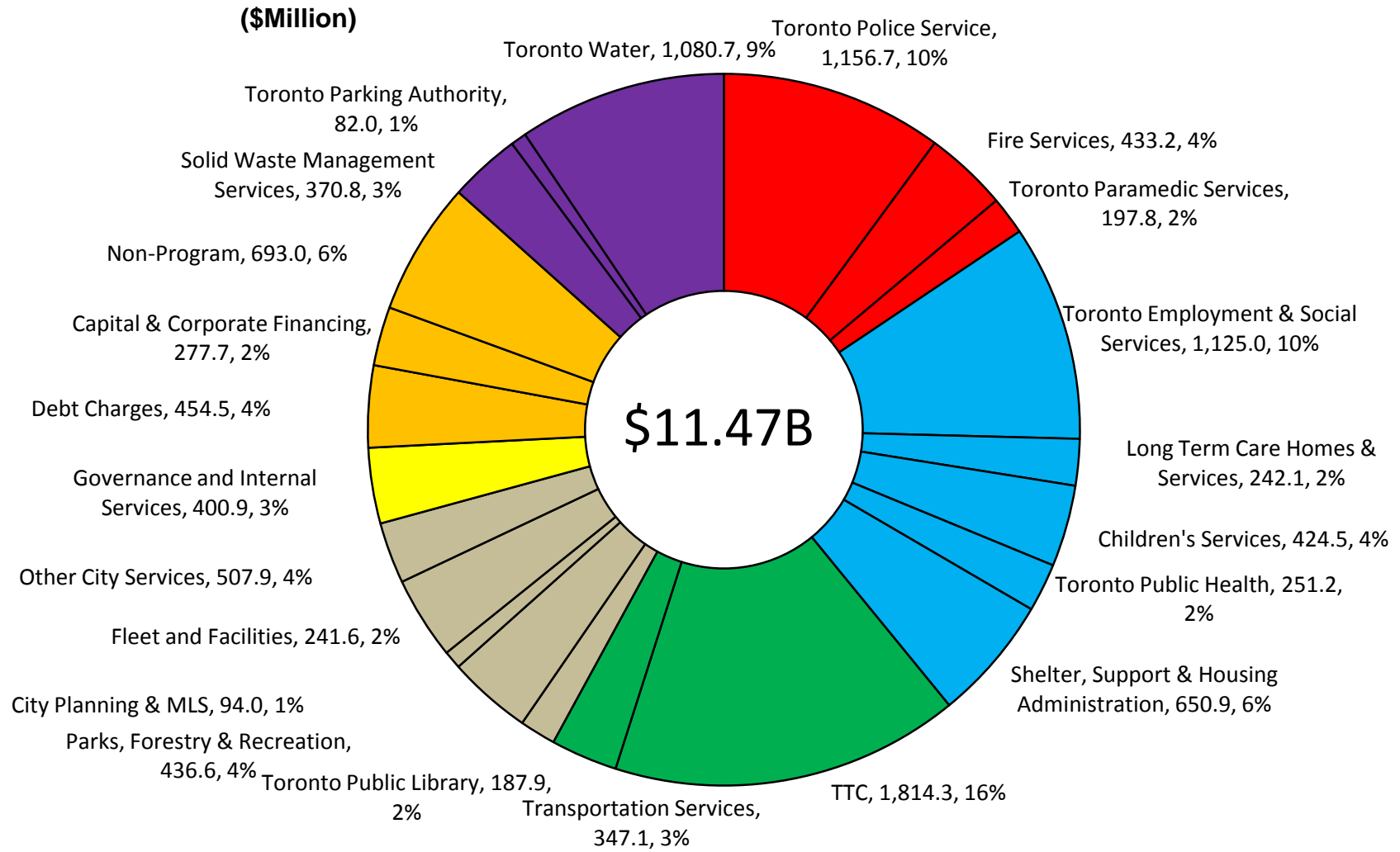
City Operations and Agencies



Residential Budget Tax Impacts

- Residential Tax Impact per Household:
 - \$33 = 1.25% - for same services provided today
 - \$26 = 1.00% - for New Facilities & Service Enhancements
 - **\$59 = 2.25% - Total**
- Every 0.25% Residential Tax = \$6.3 million
- Every 0.25% Residential Tax = approx. \$6.5 per hhld

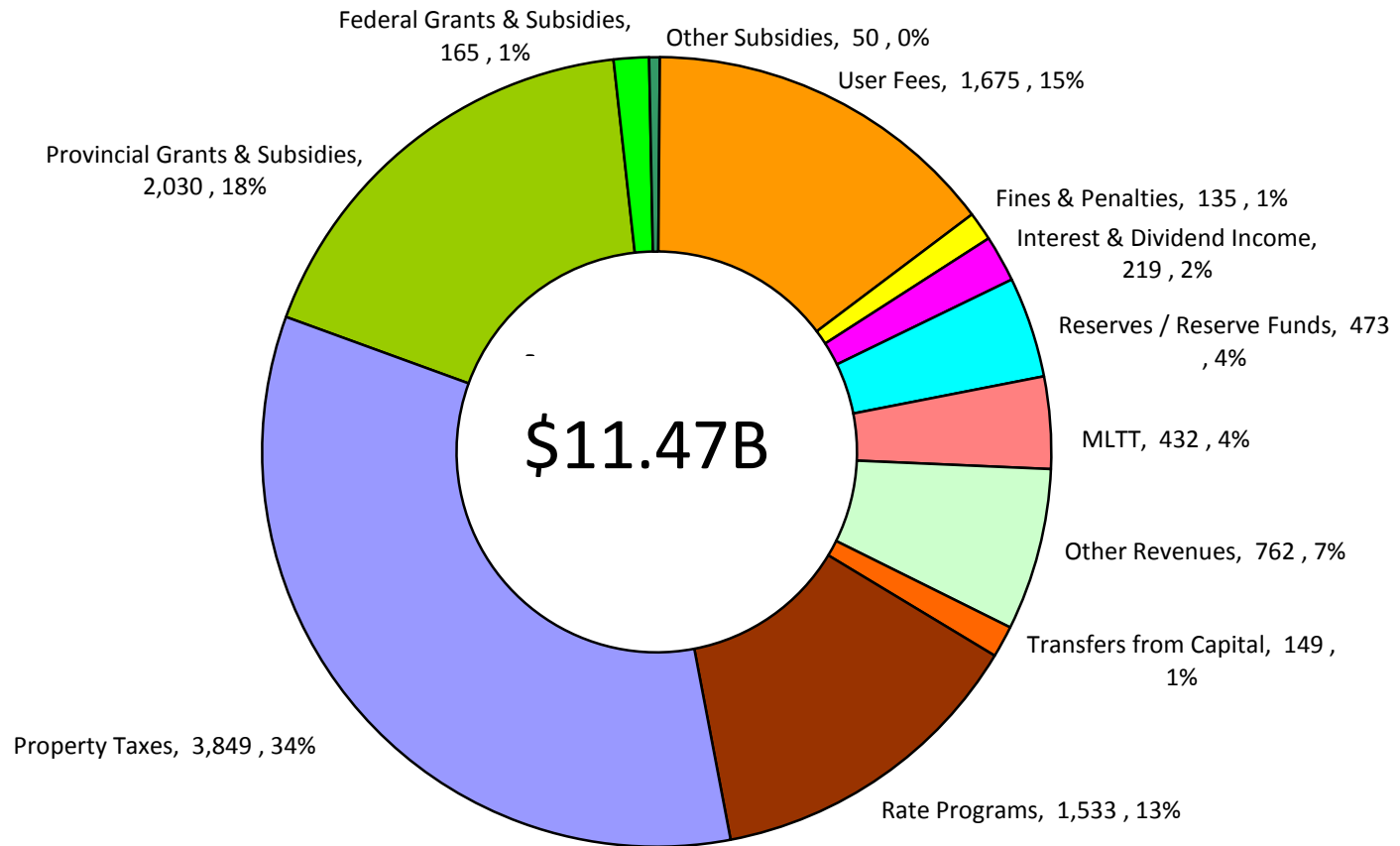
Where the Money Goes: - Program Expenditures - \$11.5 Billion



Where the Money Comes From

- Program Revenues - \$11.5 Billion

(\$Billion)





2015 Program and Agency Services



2015 Program and Agency Services

Transit Service

Toronto Transit Commission and Wheel-Trans:

- 129 trains, 250 streetcars and 1,869 buses
- 545 million riders with a staff of 5,574 operators
- 238.5 million kilometers and 9 million hours
- 206 accessible buses to transport 3.2 million riders with a staff of 353 operators
- Carry 180,000 more Wheel-Trans passengers

2015 Program and Agency Services

Poverty Reduction

Shelter, Support and Housing Administration:

- 24-hour shelter, street outreach and housing services
- 1.466 million bed nights of emergency shelter
- 322,295 bed nights of boarding home service to adults with psychiatric disabilities
- Federal and Provincial grants administration to over 115 community agencies
- 4,600 individuals assisted into permanent housing since 2005

2015 Program and Agency Services

Poverty Reduction

Affordable Housing:

- \$110 million in Federal/Provincial/City development funds
- 1,366 new affordable rental and ownership homes
- \$13 million in Investment in Affordable Housing funding
- Develop and implement Council approved policies/programs:
 - Housing Opportunities Toronto
 - Putting People First
 - Close the Housing Gap

2015 Program and Agency Services

Transportation and Road Maintenance

- 5,600 km of roads, 8,000 km of sidewalks, 130 km of expressway, 2,284 traffic control signals and 842 km of cycle network
- Implement strategies to minimize lane closures due to construction through accelerated schedules, improved coordination, more stringent permit timelines and enforcement
- Accelerate the implementation of planned cycling infrastructure

2015 Program and Agency Services

Emergency Services Prevention and Response

Toronto Paramedic Services:

- 24-hour emergency medical response from 45 ambulance stations
- 220,603 emergency patient transports in 2015, estimated increase of 5% over 2014
- 1,495 automatic external defibrillators

Toronto Fire Services:

- 24-hour emergency response from 83 fire stations
- 110,000 emergency incidents:
 - 290,000 vehicle responses
 - 26,600 fire alarms
 - Over 10,600 fires
 - 48,200 medical emergencies
 - Over 10,500 vehicle incidents and rescues
- 1,600 public education forums to promote fire safety

2015 Program and Agency Services

Emergency Services Prevention and Response

Toronto Police Service:

- 5,275 Officers delivering police services in partnership with our communities
- Focus on child and youth safety, violence against women, people with distinct needs, organized crime and gangs and pedestrian and traffic safety
- Provide security for 263 Provincial courtrooms within the City
- 1,468 cars, 40 motorcycles, 24 boats, 26 horses and 471 other equipment including bicycles and trailers
- 3 new recruitment classes of 42 officers in April, 74 in August and 144 in December 2015

2015 Program and Agency Services

Emergency Services Prevention and Response

Municipal Licensing and Standards:

- 100,000 dog and cat licenses
- 75,000 property standards inspections with 80% conducted in 5 days
- 50,000 business, trade and taxi licenses and permits
- Conduct 89,000 By-Law Enforcement inspections

2015 Program and Agency Services

City Building and Planning

Parks, Forestry and Recreation:

- 1,500 named parks
- Over 8,000 hectares of parkland and natural areas
- 5 golf courses and 693 sports fields
- Urban Forestry:
 - Maintaining 4.3 million trees
 - Plant 101,500 trees annually
 - Perform 152,900 tree inspections
- 16,000 Toronto Island Ferry trips – 1.2 million passengers
- 614,000 hours – instructional recreation programs
- 436,000 hours – leisure recreation programs
- 114,000 Welcome Policy registrations and memberships
- 135 Community and Recreation Centres
- 122 indoor and outdoor pools
- 40 arenas with 48 ice pads
- 52 outdoor ice rinks

2015 Program and Agency Services

City Building and Planning

Toronto Building:

- 1,600 preliminary reviews of project documents
- 42,000 building permits
- 110,000 mandatory building inspections
- Investigate 1,200 building related requests (complaints)

City Planning:

- 80 percent of development within targeted areas
- 50 percent of approved residential units within 500 meters of higher order transit
- 18 City Building Studies

2015 Program and Agency Services

City Building and Planning

Children's Services:

- 24,932 child care subsidies
- 664 contracted child care centres with contracts for fee subsidy
- 9 home child care agencies with fee contracts for subsidy
- 68 additional child care centres with contracts for wage subsidy and wage improvement
- 53 Toronto Early Learning and Child Care Services centres, and 1 home child care agency
- 21 programs for children with special needs
- 45 family support programs
- 34 summer day programs
- 38 After School and Recreation Programs (ARC)

2015 Program and Agency Services

City Building and Planning

Toronto Library:

- 11.1 million items in a variety of languages, reading levels and formats including print, audio visual and e-content to promote accessibility and respond to community needs
- 267,744 open hours per year at 100 branches
- 19.9 million in-person visits
- 6.6 million workstation users
- 2.8 million wireless sessions
- Over 26.7 million virtual visits



2015 Operating Budget Overview



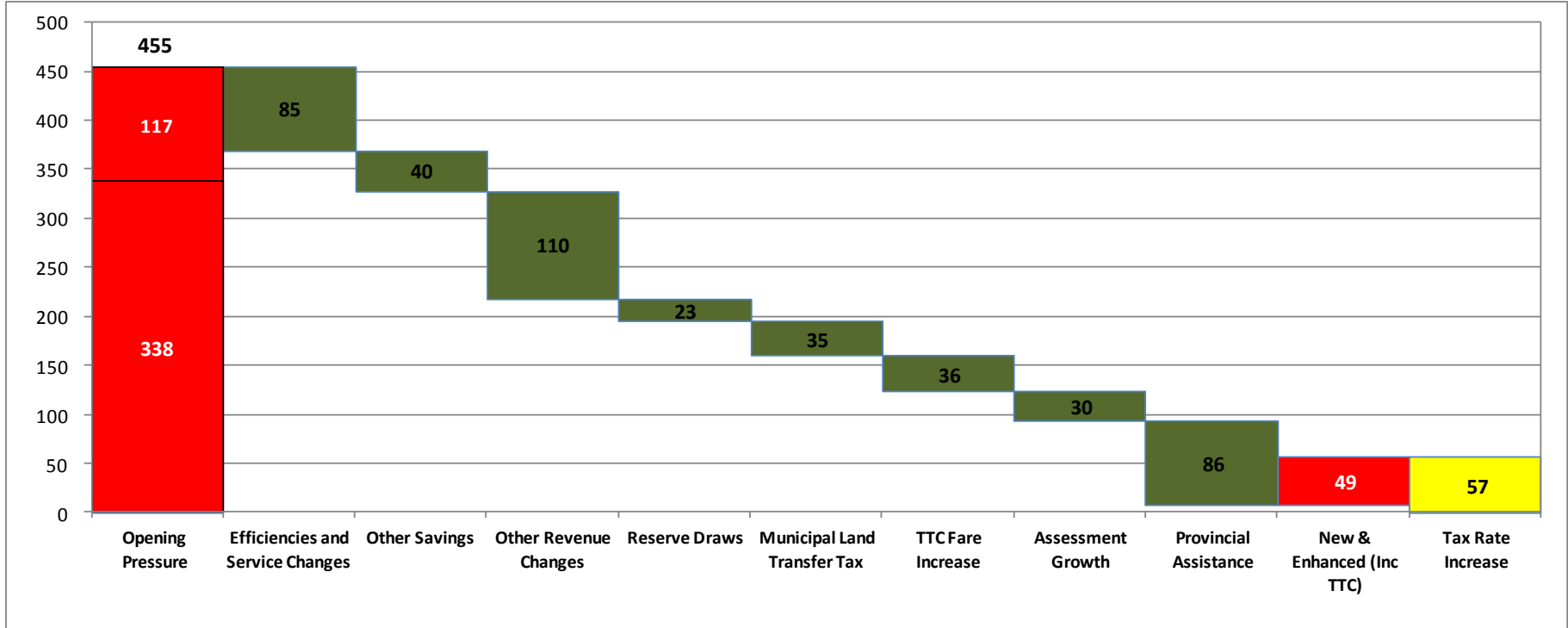
How the 2015 Budget was Balanced

Balanced budget without use of prior year surplus by:

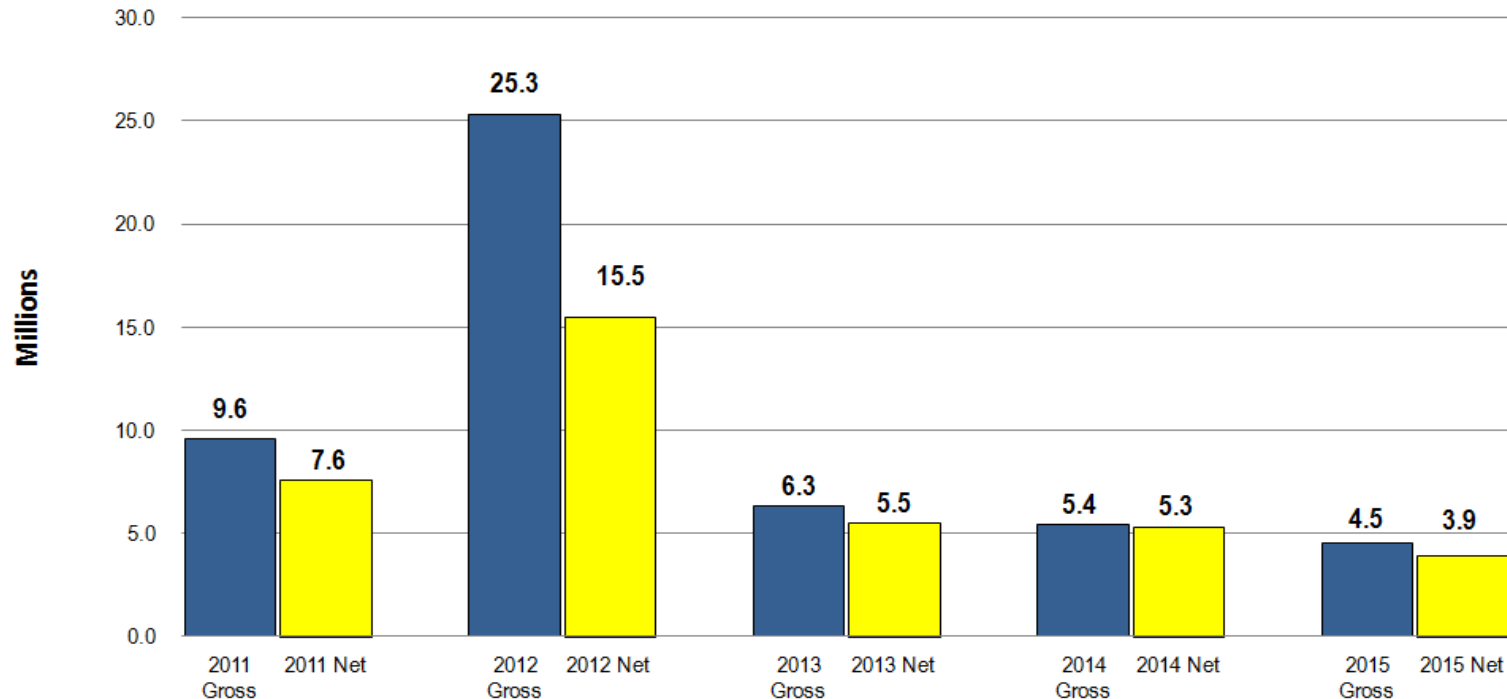
- Control expenditures through \$0 cost increase without impacting service levels
- Contain salary increases at or below inflation
- Continued implementation of Efficiency Review Program
- Continued line-by-line Expenditure Review
- Maximize revenue sources
- Mitigate impact of capital financing
- Moderate inflationary Tax and TTC fare increases

2015 Balancing Strategies

Opening Pressure \$338 Million + \$117 Million Revenue Loss



Line-by-Line Review Savings



- Total line-by-line savings over the past 5 years is \$51 million, \$38 million net
- Savings over the past 5 years is about 1% tax reduction

Pressure and Balancing Strategies

| (\$ Millions) | Current Pressure | Residential Tax Increase |
|--|---------------------|-----------------------------|
| Depletion of Reserves | 30 | |
| Compensation & Benefits | 71 | |
| Non-labour Inflationary Impacts | 14 | |
| Prior Year Impacts | 12 | |
| Operating Impact of Completed Capital Projects | 9 | |
| CFC (Capital From Current) | 24 | |
| Debt Charges | 40 | |
| TTC/ TTC Wheel Trans base | 83 | |
| Other Base Budget Changes | 48 | |
| Tax Increment Equivalent Grants (TIEGs) | 5 | |
| Poverty Reduction Allocation | 2 | |
| Total Expenditure Pressures | 338 | 13.4% |

Pressure and Balancing Strategies

| (\$ Millions) | <u>2015</u> | <u>Res Tax Impact</u> |
|---|-------------|-----------------------|
| Total Expenditure Pressures | 338 | 13.4% |
| Grant and Revenue Losses: | | |
| Housing Federal Funding Loss | 9 | |
| Housing Provincial Funding Loss | 76 | |
| OW Provincial Funding Loss | 10 | |
| POA Fine Reduction | 35 | |
| POA Fine Adjustments | (20) | |
| Parking Authority Revenues | 7 | |
| Total Grant & Revenue Losses | 117 | 4.6% |
| Pressure after Revenue Losses | 454 | 18.0% |

Pressure and Balancing Strategies

| (\$ Millions) | <u>2015</u> | <u>Res Tax Impact</u> |
|--|--------------|-----------------------|
| Pressure after Revenue Losses | 454 | 18.0% |
| Other Revenue Change: | | |
| Uploading of Service Costs | (30) | |
| Reserve Draws | (23) | |
| Dividend Income | (13) | |
| User Fees/Revenue Change | (37) | |
| MLTT | (35) | |
| Non-Program Revenues | (19) | |
| TTC Ridership Growth | (5) | |
| Total Other Revenue Change | (161) | |
| Pressure after Revenue Changes: | 294 | 11.6% |

Pressure and Balancing Strategies (continued)

| (\$ Millions) | 2015 | Res Tax Impact |
|--|--------------|----------------|
| Pressure after Revenue Changes: | 294 | 11.6% |
| Solid Waste Rebate Program | (18) | |
| Capital and Corporate Financing | (13) | |
| Case Load Reduction | (8) | |
| Reduction in Employee Benefit Liability funding | (10) | |
| Efficiencies, Service Changes and Other Base Savings | (85) | |
| Total Cost Reductions | (134) | |
| Pressure after Cost Reductions | 160 | 6.3% |
| Special Provincial Assistance | (86) | |
| Assessment Growth | (30) | |
| TTC Fare Increases | (36) | |
| TTC New/Enhanced Services | 36 | |
| Other Recommended New/Enhanced | 13 | |
| Net Tax Levy Increase | 57 | 2.25% |

Staff Rec'd 2015 Tax Supported Program Operating Budget - By Cluster

| (\$000s) | 2014 Budget | | 2015 Budget | | Change from 2014 Over (Under) | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|-------------------------------|-------------|----------------|-------------|
| | Gross | Net | Gross | Net | Gross | | Net | |
| | | | | | \$ | % | \$ | % |
| Citizen Centred Services "A" | 3,243,250 | 916,486 | 3,255,058 | 1,022,312 | 11,808 | 0.4% | 105,826 | 11.5% |
| Citizen Centred Services "B" | 993,463 | 660,238 | 1,013,596 | 666,253 | 20,133 | 2.0% | 6,015 | 0.9% |
| Internal Services | 455,359 | 183,962 | 474,325 | 186,774 | 18,966 | 4.2% | 2,812 | 1.5% |
| City Manager | 55,402 | 46,652 | 55,061 | 46,922 | (340) | (0.6%) | 270 | 0.6% |
| Other City Programs | 130,896 | 72,650 | 123,789 | 76,933 | (7,106) | (5.4%) | 4,283 | 5.9% |
| Accountability Offices | 7,707 | 7,707 | 8,573 | 8,573 | 866 | 11.2% | 866 | 11.2% |
| Total City Operations | 4,886,077 | 1,887,695 | 4,930,402 | 2,007,767 | 44,325 | 0.9% | 120,071 | 6.4% |
| TTC/Wheel Trans | 1,719,245 | 546,904 | 1,814,333 | 587,730 | 95,088 | 5.5% | 40,826 | 7.5% |
| Police Services and Board | 1,088,709 | 960,019 | 1,156,700 | 959,977 | 67,991 | 6.2% | (42) | (0.0%) |
| Toronto Public Library | 184,220 | 167,637 | 187,890 | 171,555 | 3,670 | 2.0% | 3,917 | 2.3% |
| Toronto Public Health | 247,632 | 54,982 | 251,182 | 55,929 | 3,550 | 1.4% | 946 | 1.7% |
| Other Agencies | 176,614 | 27,252 | 171,306 | 28,183 | (5,308) | (3.0%) | 932 | 3.4% |
| Agencies | 3,416,422 | 1,756,795 | 3,581,412 | 1,803,373 | 164,991 | 4.8% | 46,579 | 2.7% |
| Corporate Accounts: | | | | | | | | |
| Capital & Corporate Financing | 688,334 | 652,140 | 732,229 | 703,626 | 43,895 | 6.4% | 51,486 | 7.9% |
| Non-Program Expenditures | 679,003 | 464,550 | 643,542 | 478,516 | (35,460) | (5.2%) | 13,966 | 3.0% |
| Non-Program Revenues | 9,266 | (999,091) | 49,440 | (1,144,647) | 40,174 | 433.6% | (145,556) | 14.6% |
| Net Operating Budget | 9,679,102 | 3,762,089 | 9,937,026 | 3,848,635 | 257,924 | 2.7% | 86,546 | 2.3% |
| Assessment Change | | | | (29,638) | | | (29,638) | |
| Net Operating Budget After | 9,679,102 | 3,762,089 | 9,937,026 | 3,818,998 | 257,924 | 2.7% | 56,909 | 1.5% |

Staff Rec'd 2015 Tax Supported Program Net Operating Budget - Corporate Accounts

| (\$000s) | 2014 Approved Budget | 2015 Approved Budget | Change from 2014 Approved Budget | |
|--|----------------------------|----------------------------|-------------------------------------|----------------|
| | | | \$ | % |
| Corporate Accounts | | | | |
| Capital & Corporate Financing: | | | | |
| Current from Capital (incl Tech Sustainment) | 259,278 | 277,695 | 18,417 | 7.1% |
| Debt Financing | 392,862 | 425,931 | 33,069 | 8.4% |
| | 652,140 | 703,626 | 51,486 | 7.9% |
| Non-Program Expenditures: | | | | |
| Tax Deficiencies/Write-offs | 52,000 | 52,000 | 0 | 0% |
| Assessment Function (MPAC) | 40,370 | 40,210 | (160) | (0.4%) |
| Parking Tag Enforcement & Oper. | 61,383 | 63,461 | 2,078 | 3.4% |
| Vacancy Rebate Program | 22,000 | 23,000 | 1,000 | 4.5% |
| Heritage Property Taxes Rebate | 2,000 | 2,000 | 0 | 0% |
| Solid Waste Management Services Rebate | 181,392 | 163,492 | (17,900) | (9.9%) |
| Other Corporate Expenditures | 105,455 | 134,352 | 28,897 | 27.4% |
| | 464,600 | 478,516 | 13,916 | 3.0% |
| Non-Program Revenues: | | | | |
| Tax Stabilization Reserve | | | | n/a |
| Payments in Lieu of Taxes | (94,653) | (95,525) | (872) | (0.9%) |
| Municipal Land Transfer Tax | (349,801) | (385,000) | (35,199) | (10.1%) |
| Interest/Investment Earnings | (124,254) | (124,254) | 0 | 0% |
| Provincial Gas Tax | (91,600) | (91,600) | 0 | 0% |
| Parking Authority Revenues | (48,426) | (41,787) | 6,639 | 13.7% |
| Parking Tag Enforcement & Oper. | (84,380) | (93,120) | (8,740) | (10.4%) |
| Provincial Assistance | | (85,920) | (85,920) | n/a |
| Other Corporate Revenues | (205,976) | (227,440) | (21,464) | (10.4%) |
| | (999,091) | (1,144,647) | (145,556) | (14.6%) |
| Total Corporate Accounts | 117,649 | 37,495 | (80,154) | (68.1%) |

Municipal Land Transfer Tax (MLTT)

- 2014 MLTT Budget \$350M
- 2014 MLTT Actual \$425M

- 2015 MLTT Budget
 - In Operating \$385M
 - In Capital \$ 40M
 - Total \$425M

- City maximizing and fully budgeting MLTT Revenues

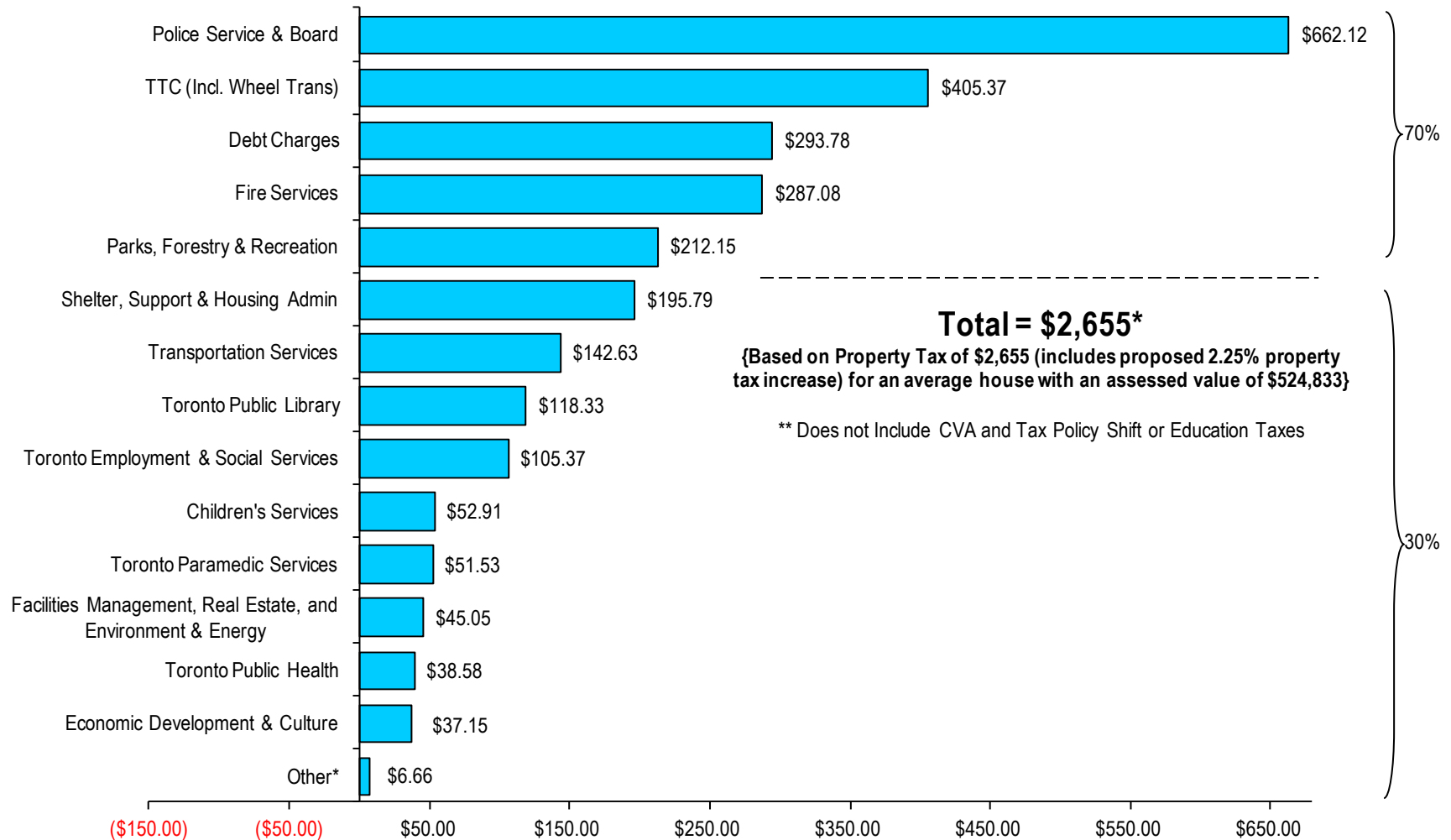
Staffing Impact

| | 2014 Approved Staff Complement | 2015 Recommended Change in Staff Complement | | | | | | | | |
|---|---|---|--|--------------------------------|-----------------|--------------------|-------------------------------------|---------------------------|---------------------------------|--|
| | | Prior Year Impact | Operating Impacts of Capital Proj. | Capital Project Delivery | Base Changes | Service Changes | New / Enh. Service Priorities | Total 2015 Recommended | Change from 2014 Approved | |
| Citizen Centred Services "A" | 12,436.5 | 70.5 | 24.0 | 7.2 | (15.9) | 0.0 | 84.3 | 12,606.6 | 170.1 | |
| Citizen Centred Services "B" | 6,234.5 | 6.0 | 2.0 | 2.0 | (18.9) | (3.0) | 67.0 | 6,289.6 | 55.1 | |
| Internal Services | 2,969.0 | (16.0) | 7.0 | 67.8 | 11.8 | (8.0) | 8.0 | 3,039.5 | 70.5 | |
| City Manager | 458.5 | 0.0 | 5.0 | (18.0) | 1.0 | (3.0) | 0.0 | 443.5 | (15.0) | |
| Other City Programs | 931.9 | (32.0) | 3.0 | 1.3 | 3.6 | (1.0) | 6.0 | 912.8 | (19.1) | |
| Accountability Offices | 50.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.0 | 58.8 | 8.0 | |
| TOTAL - CITY OPERATIONS | 23,081.3 | 28.5 | 41.0 | 60.2 | (18.4) | (15.0) | 173.3 | 23,350.9 | 269.6 | |
| Agencies | | | | | | | | | | |
| Toronto Transit Commission (Incl. Wheel Trans) | 13,580.0 | | 47.0 | 220.0 | 154.0 | | 381.0 | 14,382.0 | 802.0 | |
| Other Agencies | 13,025.2 | (3.0) | | (5.4) | 7.6 | (1.6) | 3.4 | 13,026.2 | 1.0 | |
| TOTAL - AGENCIES | 26,605.2 | (3.0) | 47.0 | 214.6 | 161.6 | (1.6) | 384.4 | 27,408.2 | 803.0 | |
| TOTAL LEVY OPERATING BUDGET | 49,686.5 | 25.5 | 88.0 | 274.9 | 143.2 | (16.6) | 557.7 | 50,759.1 | 1,072.6 | |
| Rate Supported Programs | | | | | | | | | | |
| Solid Waste Management | 1,102.7 | | | | (2.0) | | 8.0 | 1,108.7 | 6.0 | |
| Toronto Parking Authority | 297.4 | | | | 2.0 | | | 299.4 | 2.0 | |
| Toronto Water | 1,751.6 | | (4.0) | 3.0 | 3.0 | | 1.0 | 1,754.6 | 3.0 | |
| TOTAL - RATE SUPPORTED PROGRAMS | 3,151.8 | 0.0 | (4.0) | 3.0 | 3.0 | 0.0 | 9.0 | 3,162.8 | 11.0 | |
| TOTAL TAX & RATES SUPPORTED PROGRAMS | 52,838.3 | 25.5 | 84.0 | 277.9 | 146.2 | (16.6) | 566.7 | 53,921.9 | 1,083.6 | |

- Total net staffing increase of 1,083.6 positions
- Increase primarily driven by TTC (802 positions), operating impact from completed capital projects, prior year impact, and new/enhanced services

Where the Money Goes

- \$3.819 Billion Tax Levy





2 Year Outlook



Key Messages for 2016 / 2017

– Approaching Fiscal Sustainability

- \$36 million reserve funding to eliminate
- Annual inflationary tax increase insufficient to cover inflationary expenditures
- Provincial Grant Cut adding \$43million to 2016 Pressure
- More work is required in the future to address growing compensation costs in certain Programs
- 2016 Opening Pressure remains high - \$304 million
- Slight improvement in 2017 Opening Pressure - \$231 million

2016 /2017 Budget Outlook

| (\$ Millions) | Residential | | Residential | |
|--|-------------|------------|-------------|------------|
| | 2016 | Tax Impact | 2017 | Tax Impact |
| Compensation & Benefits | 122 | | 132 | |
| Non-labour Inflationary Impact | 15 | | 16 | |
| Annualization of Prior Year Decisions | 58 | | 27 | |
| Operating Impact of Completed Capital Projects | 30 | | 17 | |
| Depletion of Reserves | 36 | | 17 | |
| Other Base Budget Changes | 19 | | 8 | |
| CFC (Capital From Current) | 26 | | 29 | |
| Debt Charges | 21 | | 33 | |
| Other Expenditures | 55 | | 110 | |
| Total Expenditure Pressures | 383 | 15% | 389 | 15% |
| Provincial Grant Cut | 43 | | | |
| Total Pressure after Provincial Grant Cut | 426 | 17% | 389 | 15% |

2016 /2017 Budget Outlook - Continued

| (\$ Millions) | 2016 | Residential Tax Impact | 2017 | Residential Tax Impact |
|---|-------------|---------------------------|-------------|---------------------------|
| Revenue Change: | | | | |
| TTC Ridership Growth | (3) | | 5 | |
| Uploading of Services | (23) | | (24) | |
| Interest/Dividend Income | (6) | | (8) | |
| User Fees/ Other Revenue Change | 10 | | (19) | |
| Parking Authority Revenues | 9 | | | |
| Total Revenue Change | (12) | | (46) | |
| Pressure after Revenue Changes: | 414 | 16% | 343 | 14% |
| Additional TTC Fare Increase/Adjustments | (30) | | (30) | |
| Assessment Growth | (30) | | (30) | |
| Potential Tax Impact | 355 | 14% | 283 | 11% |
| Inflationary Property Tax Rate Increase (2.0% Residential/0.67% Non-Residential) | (51) | | (52) | |
| Remaining Pressure | 304 | 12% | 231 | 9% |



Total Property Tax Impacts



Explanation of Tax Increases

1. Budget Tax Increase:

- Just the 2015 Budget
- Excludes previous Council approved policies

2. Municipal Tax Increases:

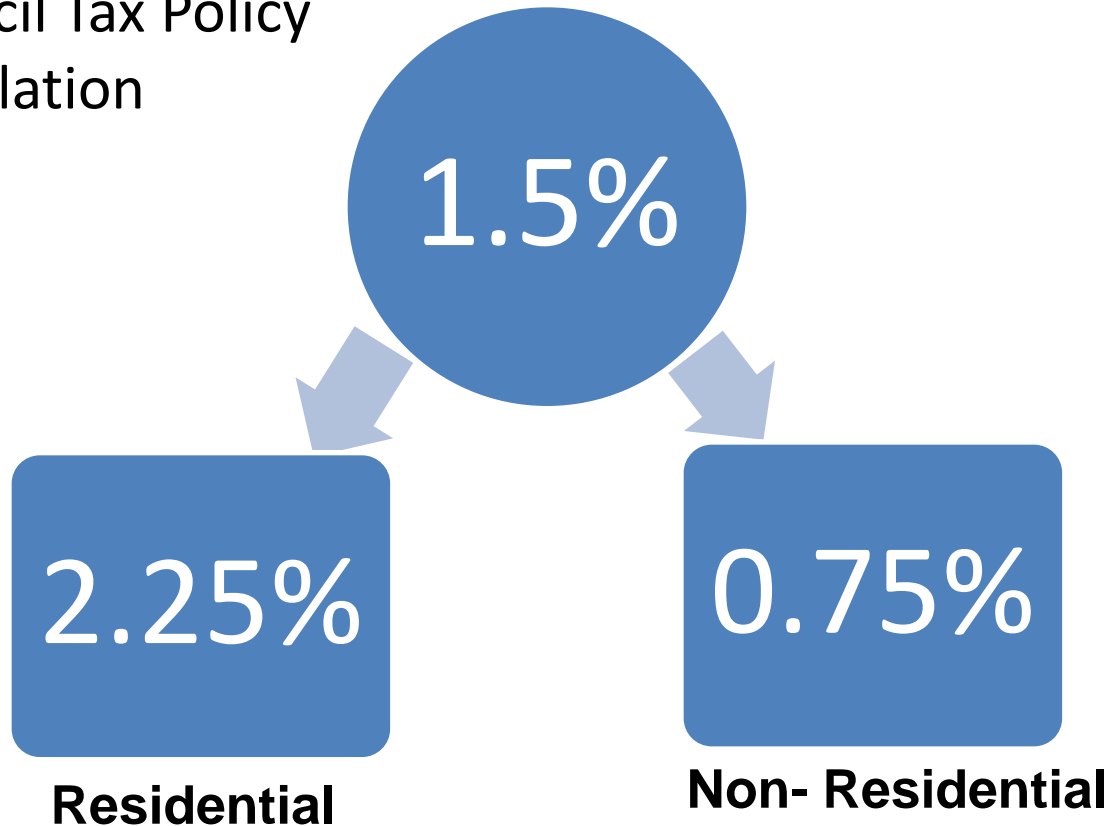
- Budget Tax Increase + CVA + Tax Policy + Scarborough Subway

3. Total Property Increases:

- Municipal Tax Increase + Education Increase

2015 Budget Tax Increase

Per Council Tax Policy
and Legislation



Summary of 2015 Municipal Tax impacts with 2.25% Residential Budget Tax Increase (% over 2014 taxes)

| Tax Class | Average Budget Impact | Average CVA Impact | Average Policy Impact | Average Subway Impact | Average Municipal Impact |
|--------------------------------------|-----------------------|--------------------|-----------------------|-----------------------|--------------------------|
| Residential | 2.25% | 0.01% | 0.44% | 0.50% | 3.20% |
| Multi-residential (Apartment) | 0.75% | 0.13% | -0.13% | 0.17% | 0.92% |
| Commercial | 0.75% | 0.61% | -1.04% | 0.17% | 0.47% |
| Commercial Large* | 0.75% | -0.37% | -0.13% | 0.17% | 0.42% |
| Industrial | 0.75% | -1.55% | -0.14% | 0.17% | -0.77% |
| City Average | 1.50% | 0.00% | 0.00% | 0.33% | 1.83% |

} 0.48%
Non-Res.

*Commercial Large includes: office buildings >25,000 ft²; shopping centres >25,000 ft²; parking lots; professional sports facilities.

2015 Municipal Tax Impact with 2.25% Residential Budget Tax Increase

| | Impact on Average Residential Household | |
|---|---|-------------------|
| | % | \$ Per Household* |
| Budgetary Levy Increase (Res.*) | 2.25% | \$58.66 |
| Scarborough Subway | <u>0.50%</u> | <u>\$13.04</u> |
| Total Budget & Subway Tax Impact | 2.75% | \$71.70 |
| CVA and Policy Shift between Property Classes | <u>0.45%</u> | <u>\$11.49</u> |
| Average Net Impact on Homeowner | 3.20% | \$83.19 |

2014 Tax = \$2,596
(municipal)

No New Revenue to City

2015 Tax = \$2,679

*Average House Assessed at \$524,833

2015 Total Property Tax Impact with 2.25% Residential Budget Tax Increase (inclusive of Education)

| Average Residential Tax | 2014 | 2015 | \$ Impact | % Impact |
|-------------------------|----------------|----------------|----------------|--------------|
| Municipal | \$2,596 | \$2,679 | \$83.19 | 3.20% |
| Education (preliminary) | \$1,014 | \$1,024 | \$9.60 | 0.95% |
| Total | \$3,610 | \$3,703 | \$92.79 | 2.57% |

* Average House Assessed at \$524,833

- Total property tax increase would be about the rate of inflation



Rate Budget Summary



Toronto Water Budget

- Proposed Rate Increase:

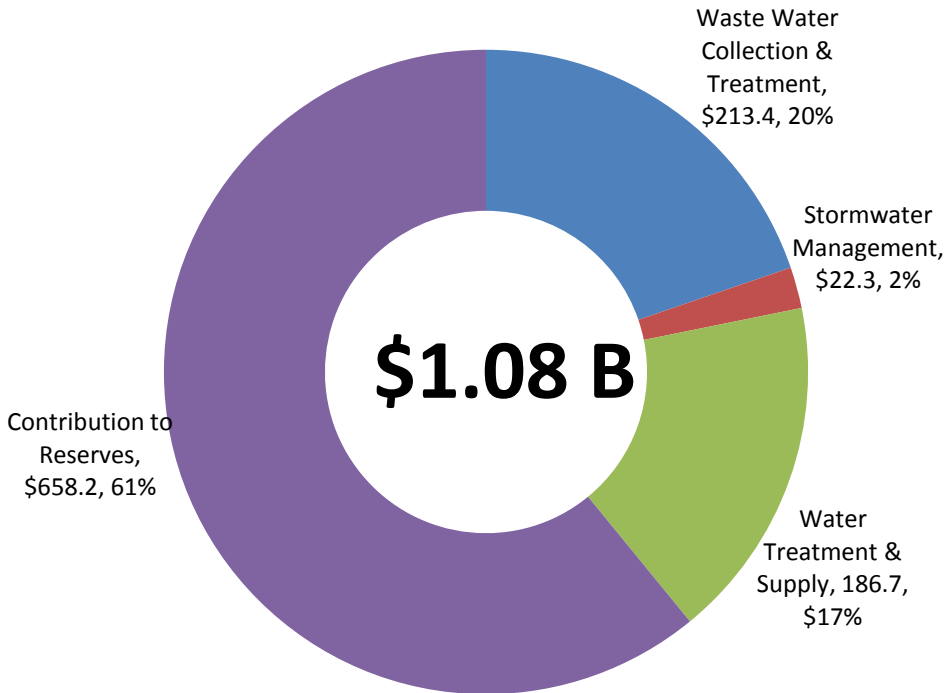
| Apr 1 2015 | 2016 | 2017 | 2018 | 2019 & Beyond |
|---------------|------|------|------|------------------|
| 8% | 8% | 5% | 5% | 3% |

➤ Effective increase in 2015 = 6.5%

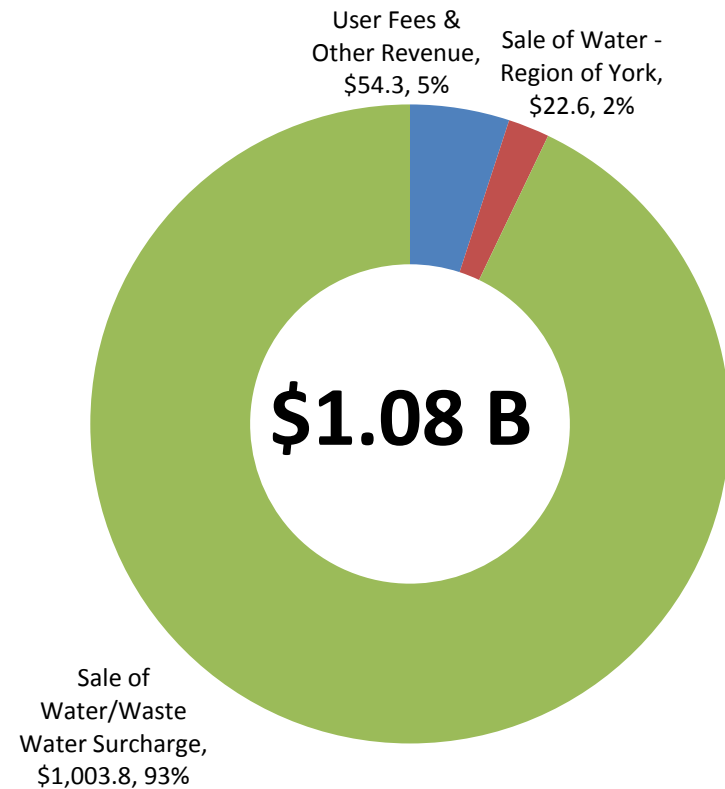
- Funds additional \$2B in capital
- Meets projected infrastructure needs for SOGR, basement flooding, wet weather, etc.

Toronto Water Budget - \$1.08 B

Where the Money Goes



Where the Money Comes From



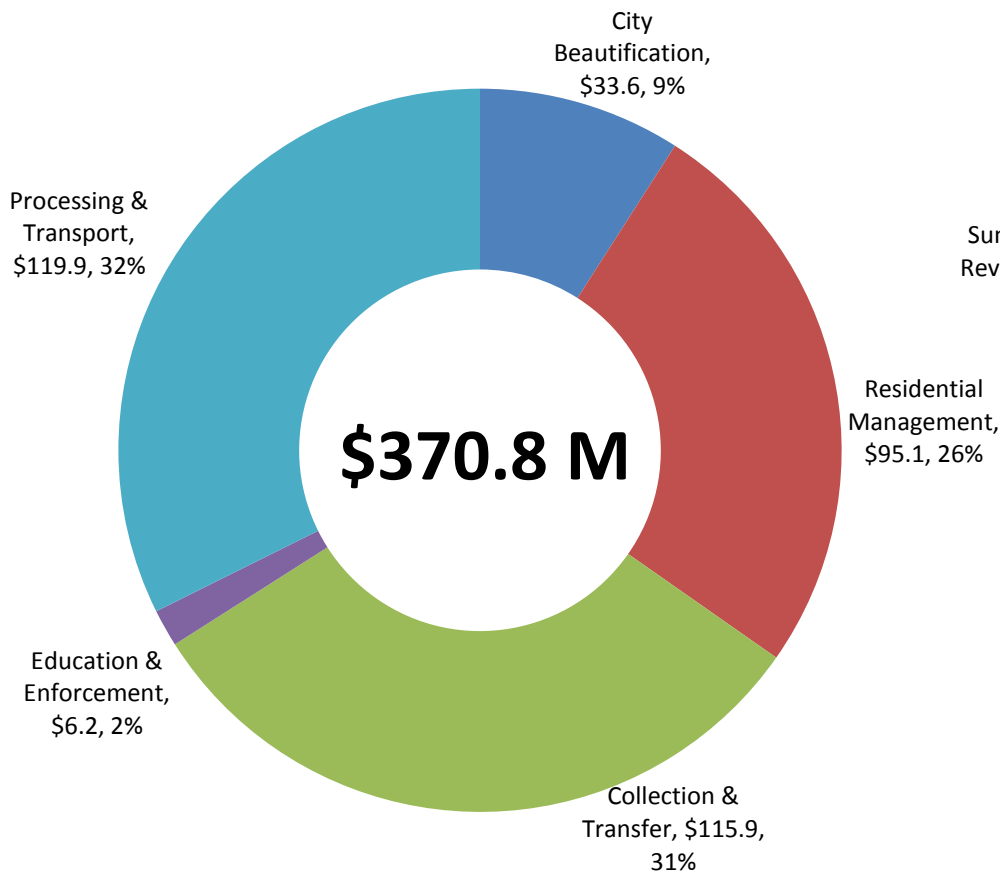
Solid Waste Management Services Budget

- Proposed Rate Increase 3% effective April 1, 2015
 - Effective increase in 2015 = 2.25%
- Implement Council's direction to provide relief to CROs
 - New rate waiver program
 - \$892,000 in 2015
 - \$644,000 in 2016
- Work on new Waste Management Strategy

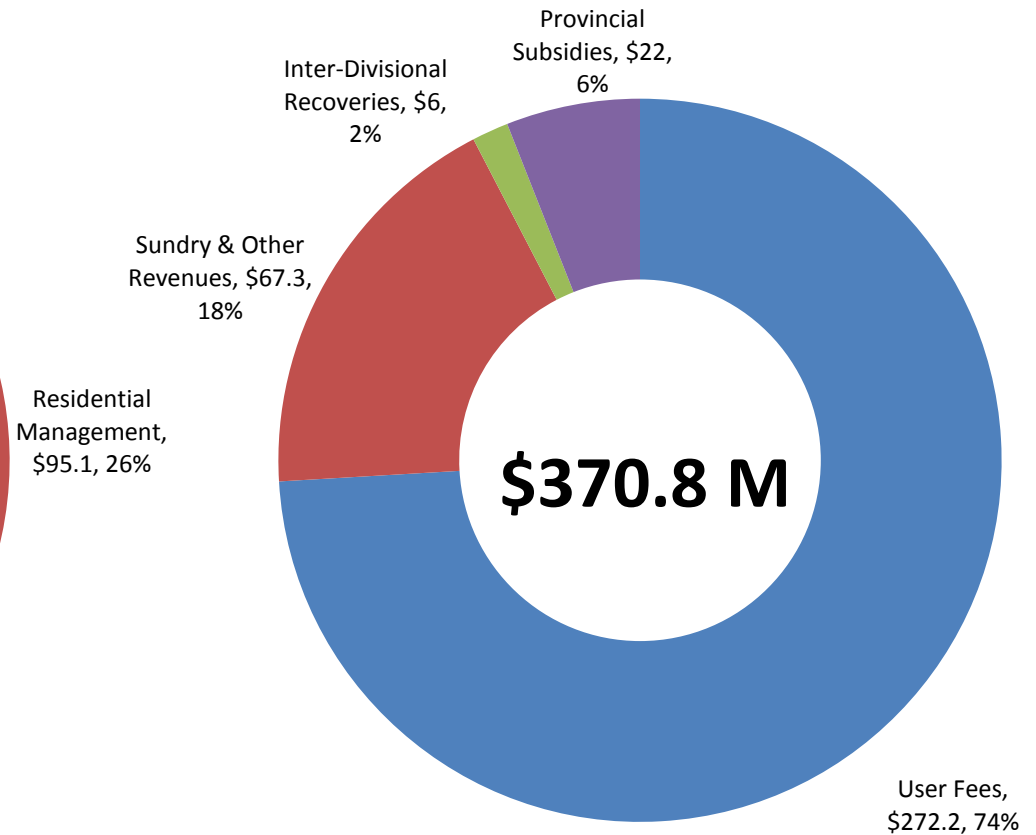
Solid Waste Management Services Budget

- \$370.8 M

Where the Money Goes



Where the Money Comes From



Thank You

