

2016 Preliminary Operating Budget & 2016-2025 Capital Budget & Plan



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LIST OF APPENDICES

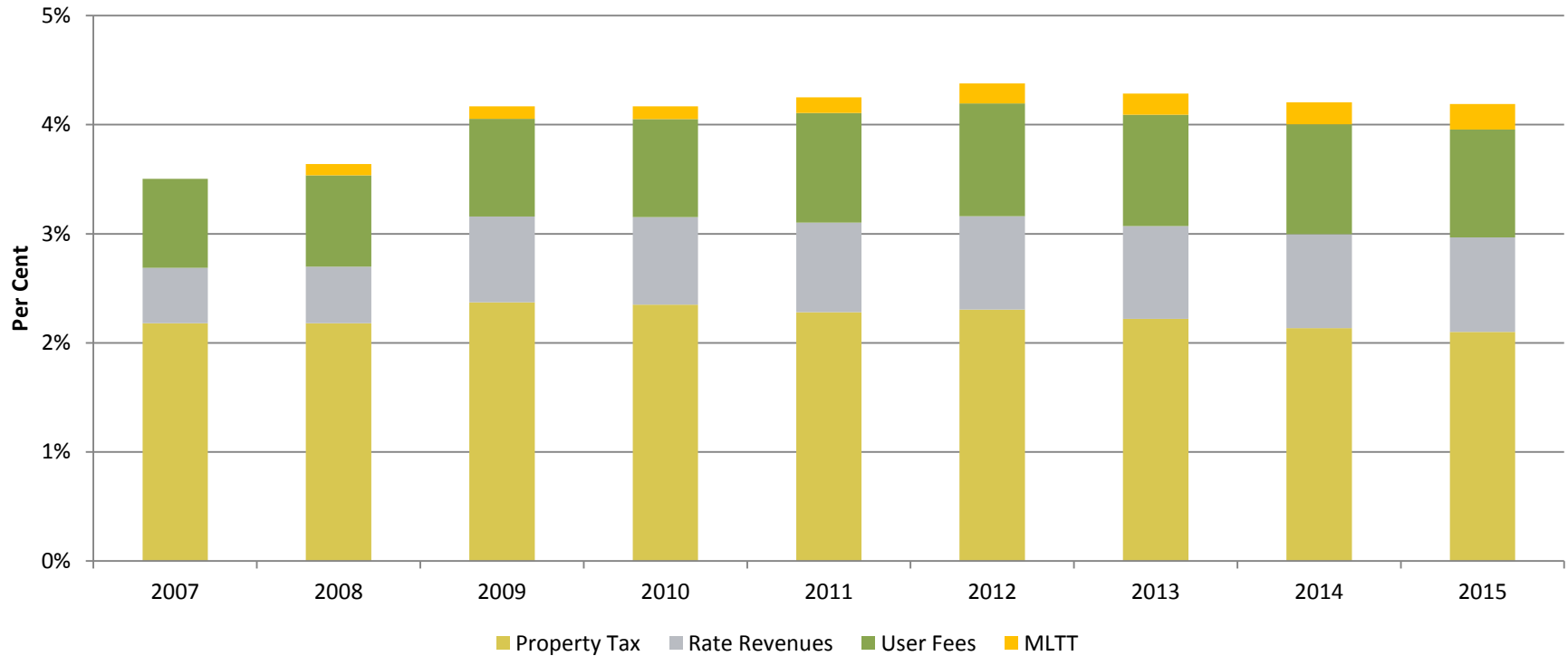
1. **2016 Preliminary Operating Budget (P74-80)**
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City Manager's Overview

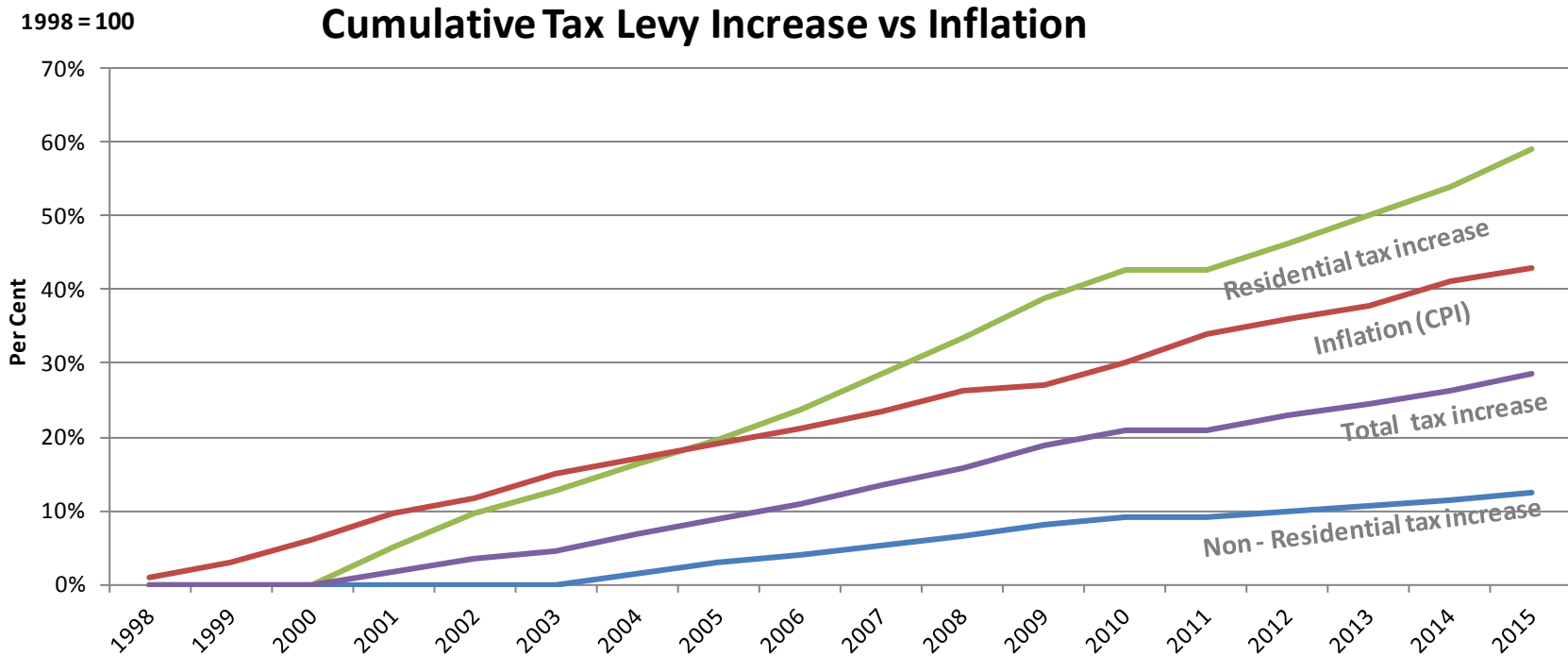


CITY REVENUES AS A % OF GDP



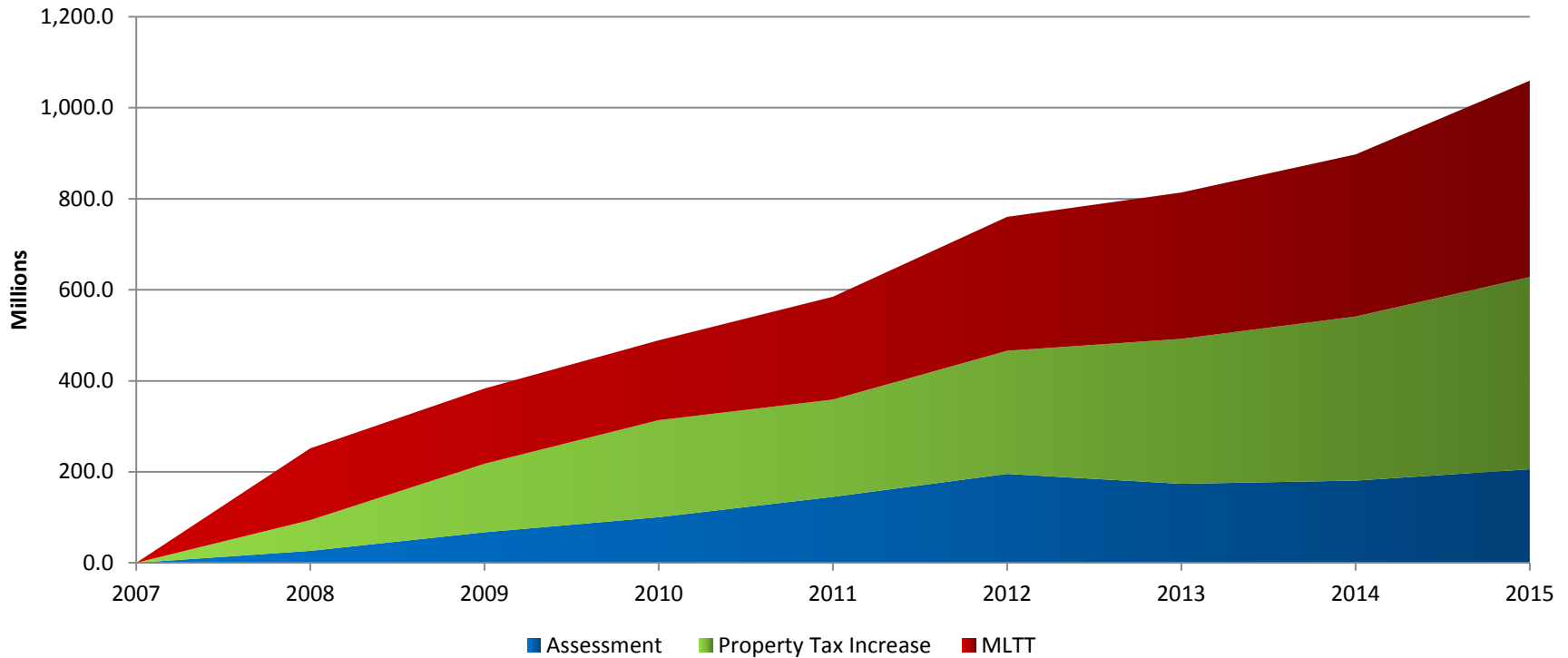
Source: Financial Planning and Corporate Finance

CUMMULATIVE PROPERTY TAX INCREASES BELOW INFLATION SINCE AMALGAMATION



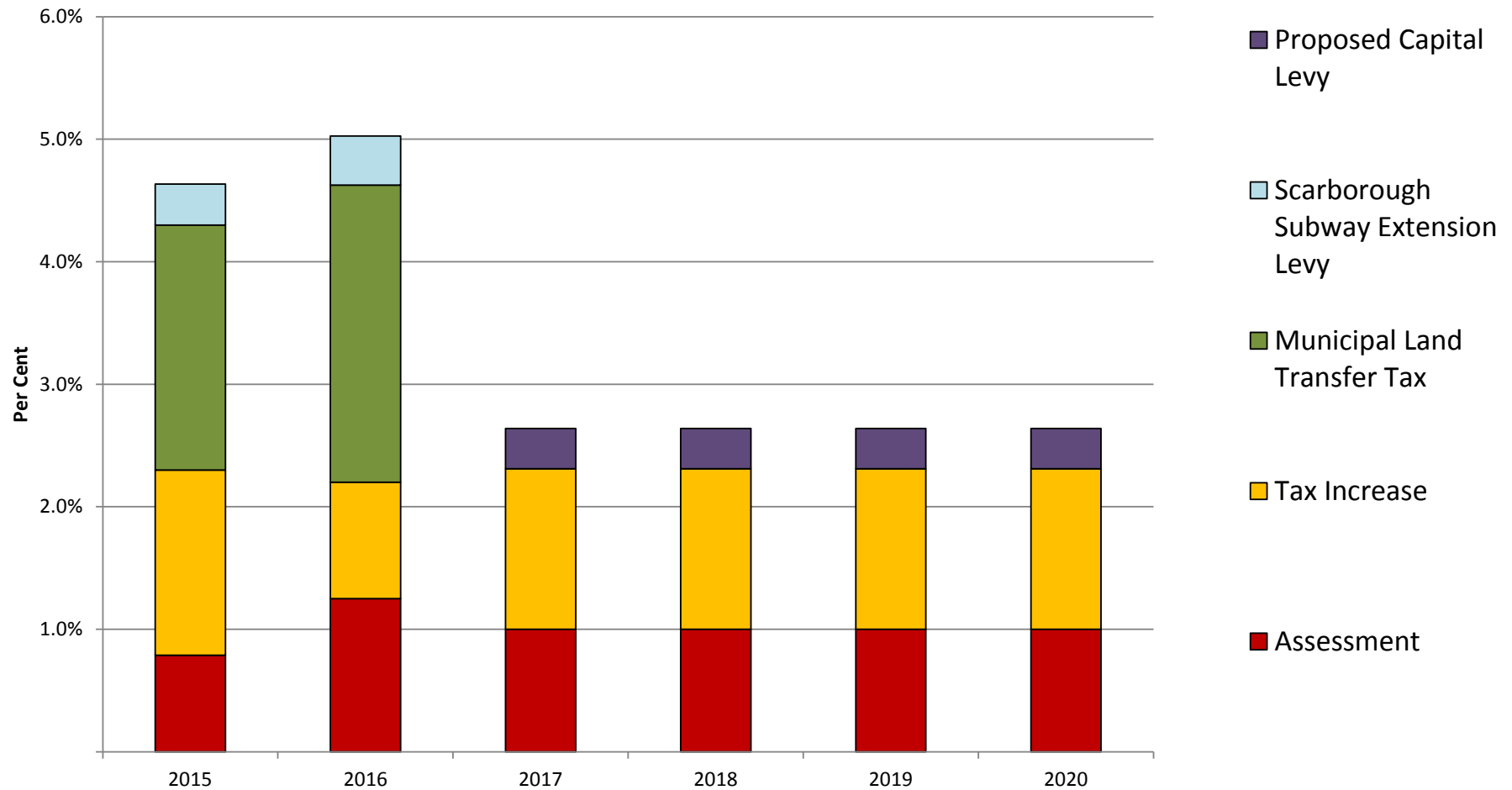
Source: Corporate Finance

GROWTH IN PROPERTY TAX AND MLTT

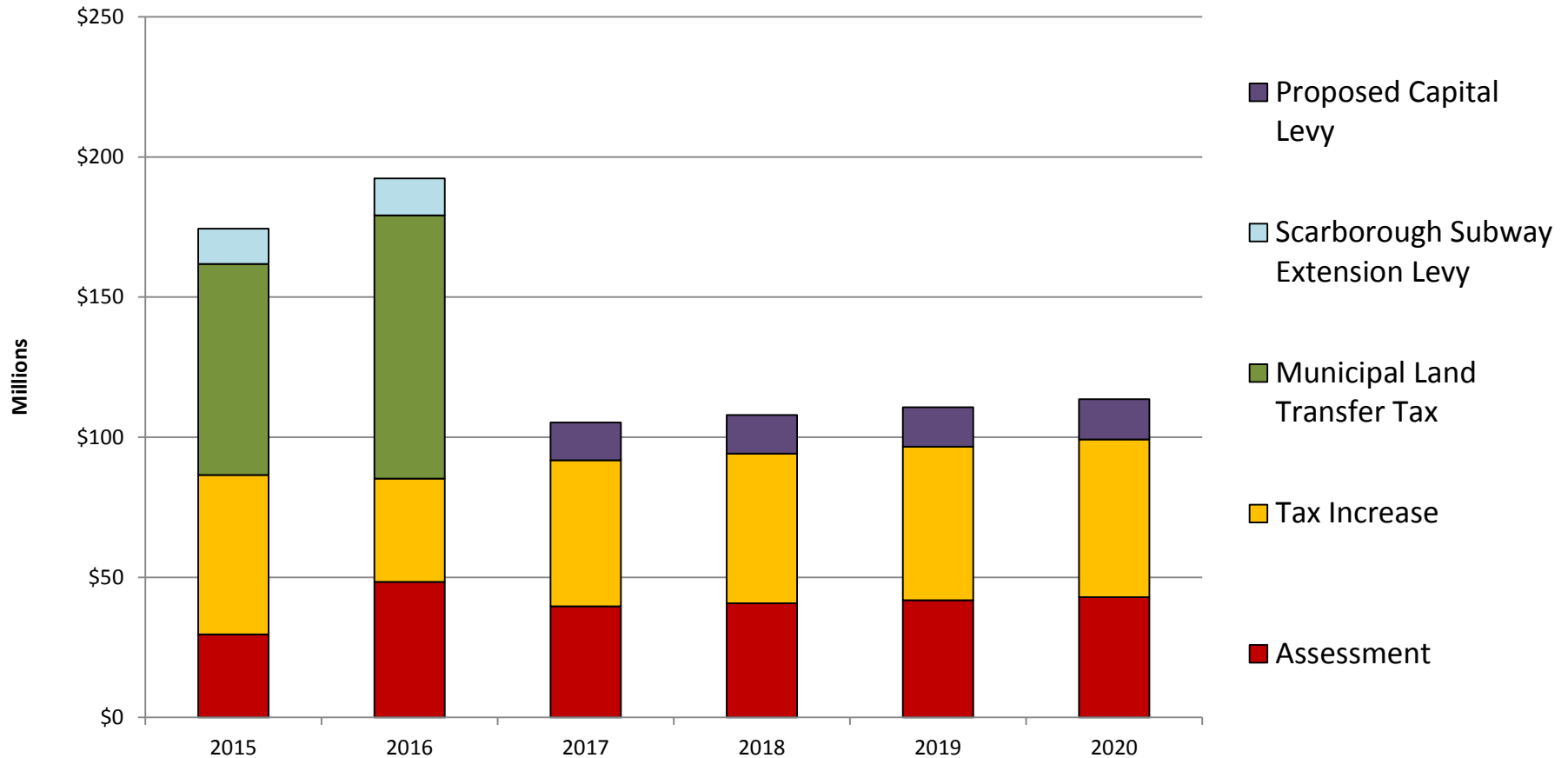


Source: Financial Planning

TAX REVENUE MODEL: INCREMENTAL GROWTH (% CHANGE)



TAX REVENUE MODEL: INCREMENTAL REVENUE (\$)



- More revenue, based on MLTT
- Supporting additional expense, largely in agencies
- Modest residual gap in preliminary budget
- Budget Committee to provide direction:
 - Additional investments
 - Additional savings/revenue

- Slowing property tax gain
- MLTT forecast as stable
- Proposed levy directed to capital
- Toronto government with fewer new dollars / smaller share of economy

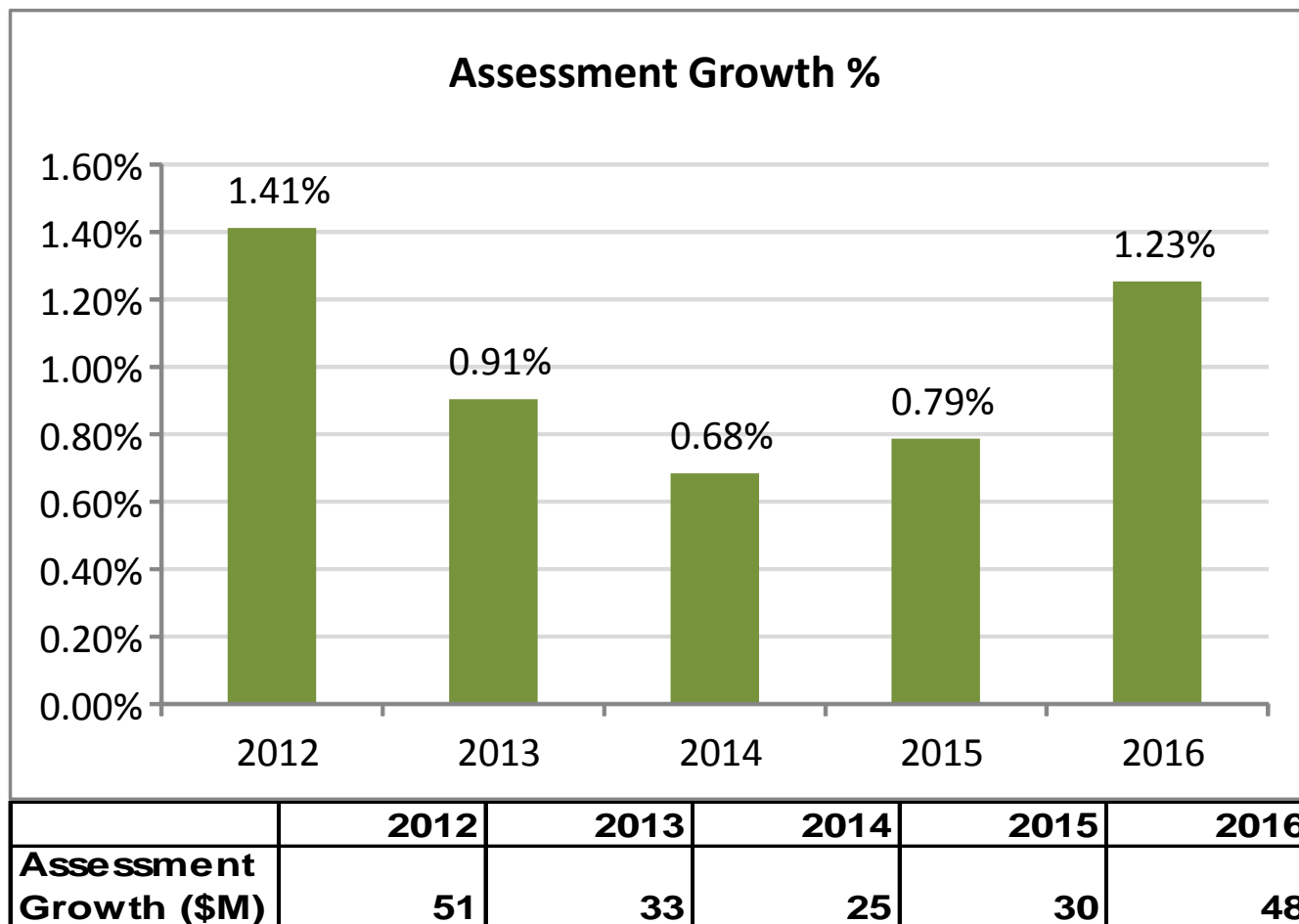
Opportunity / need for fundamental direction from Council past 2016



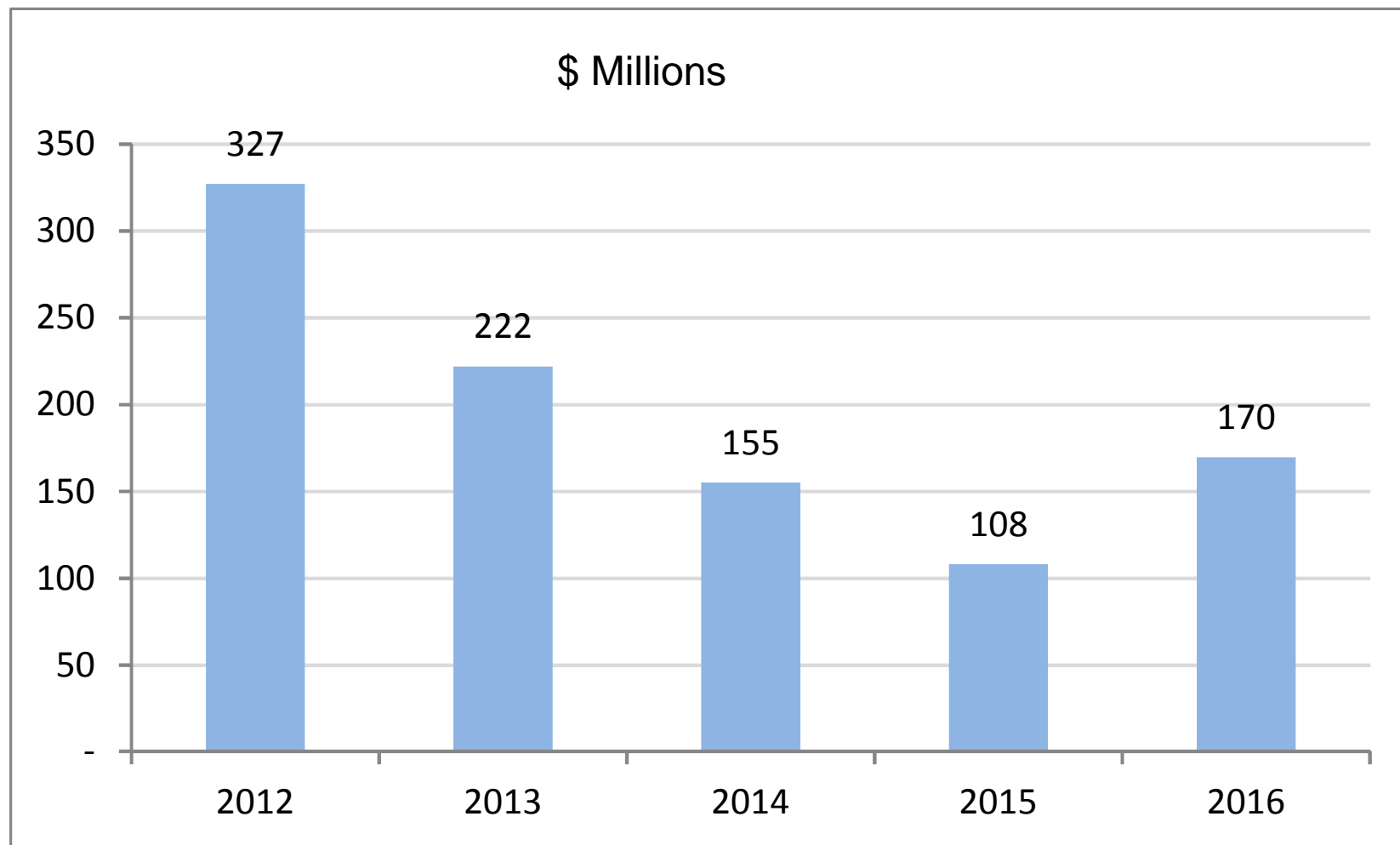
BACKGROUND



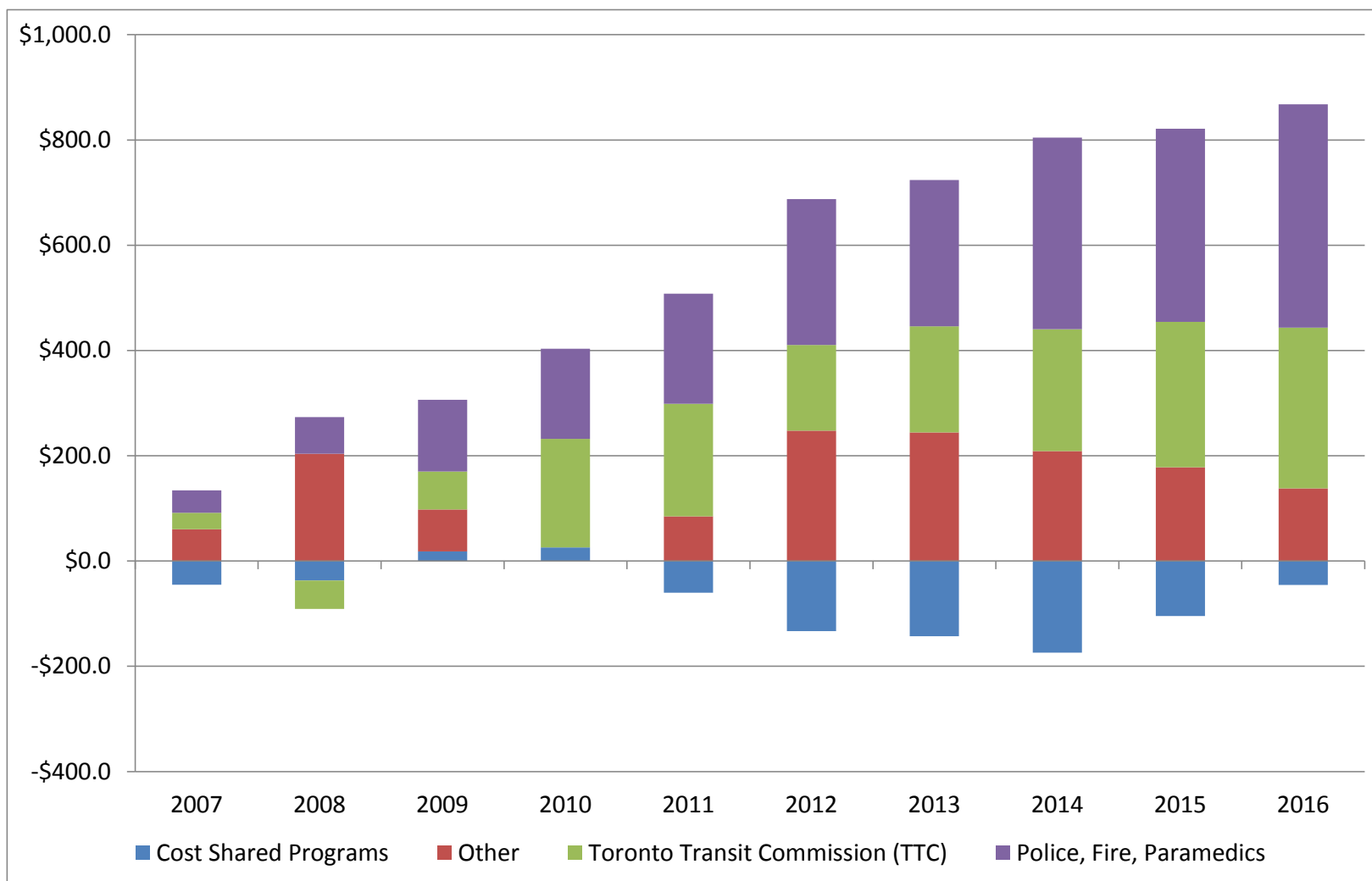
ASSESSMENT GROWTH



TOTAL BUDGET BALANCING STRATEGIES - \$982M OVER 5 YEARS



91% OF NET EXPENDITURE GROWTH FROM EMERGENCY SERVICES & TTC



2016 NET EXPENSE FACTORS

- Increasing demand for Transit and public safety
- Increase debt service cost and CFC for capital projects
- Reversal of prior one-time reserves
- Impact from prior year service investments (\$50M TTC)
- Additional Operating Costs arising from newly completed capital projects

2016 REVENUE OUTLOOK

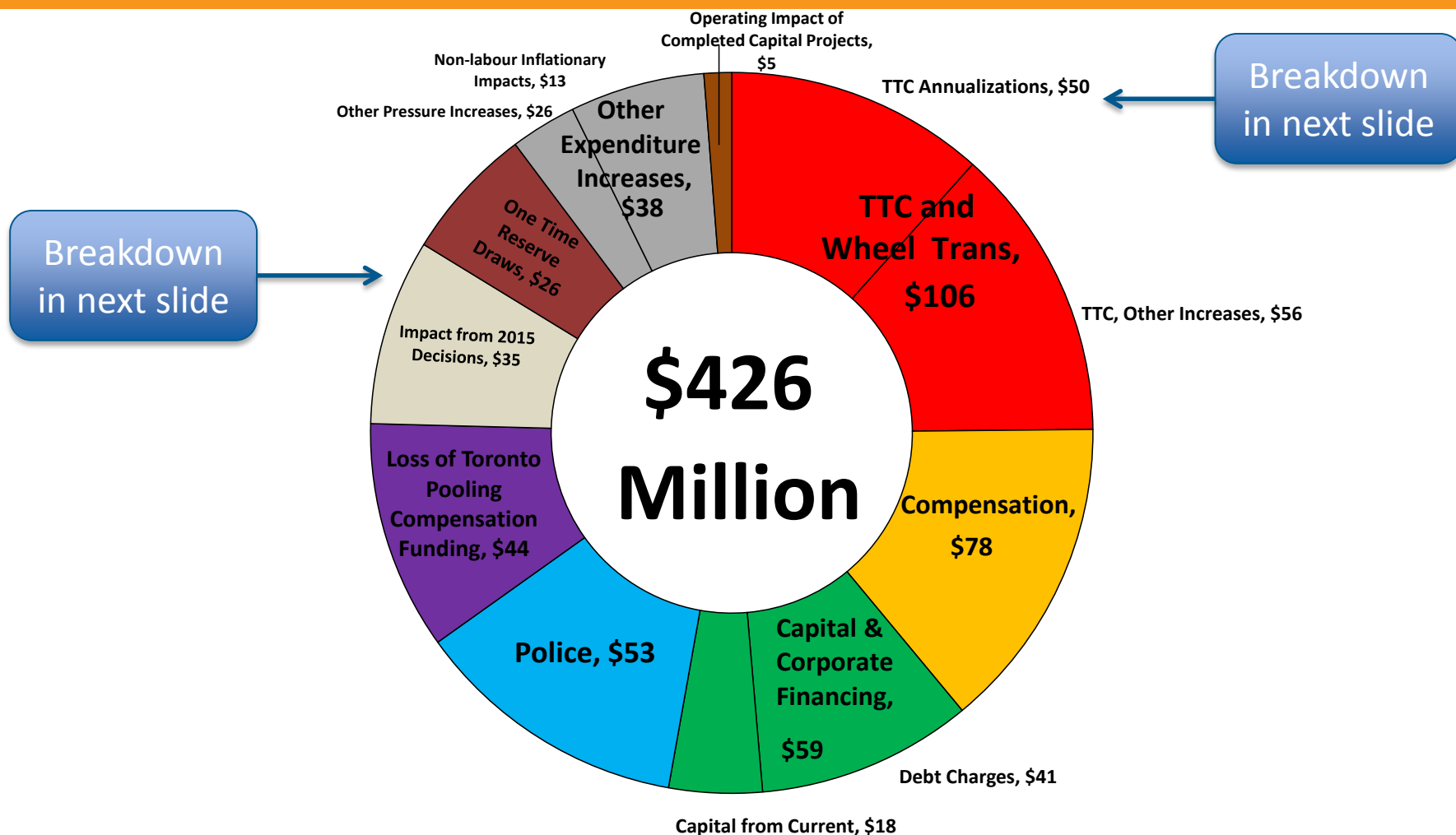
- Tax revenues not keeping pace with growing labour cost
- Low to moderate assessment growth
- Increased reliance on strong MLTT performance
- Loss of provincial pooling compensation
(equivalent to a tax rate increase of 5% over 4 years)
- Other orders of government funding uncertain



2016 Preliminary Operating Budget

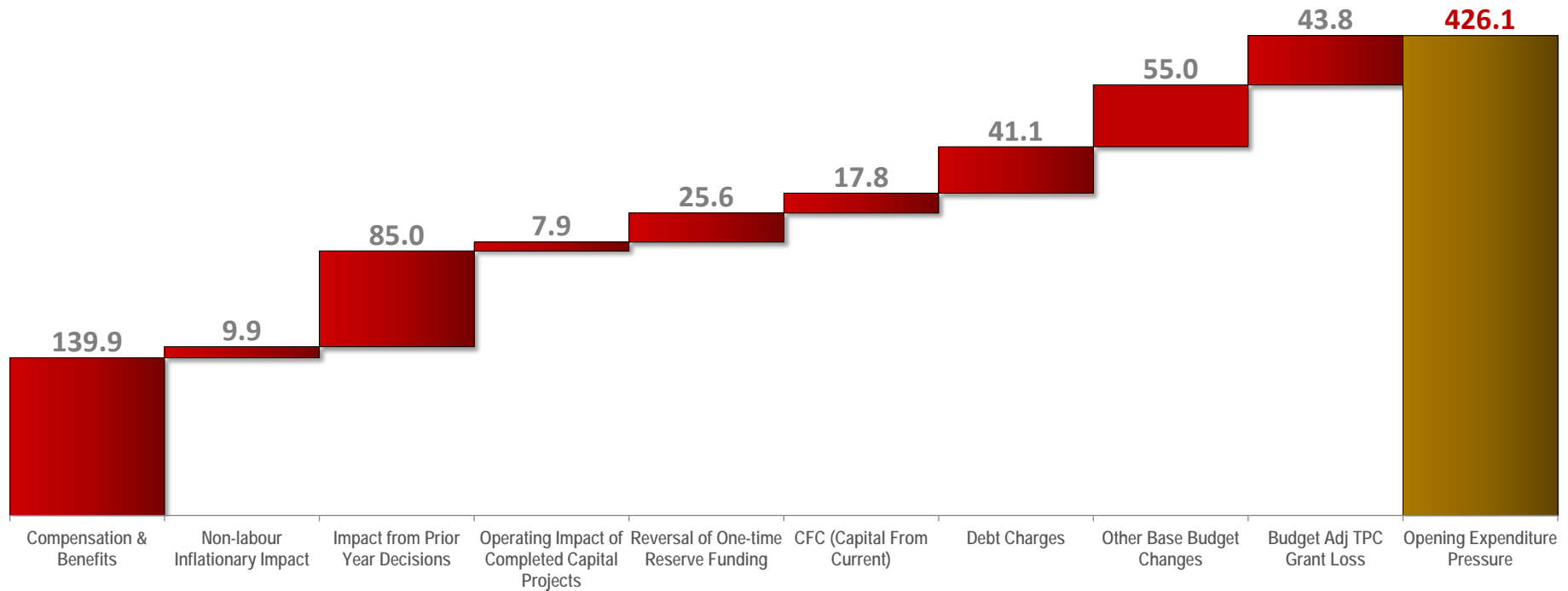


2016 EXPENDITURE PRESSURES BEFORE REVENUE CHANGES



Based on the submitted 2016 Budget, the pressure before any revenue increases is \$426 million primarily due to TTC, Police, Capital Financing, compensation in other Programs/Agencies, impact from 2015 budget decisions, and Pooling Compensation Grant loss.

2016 OPERATING BUDGET PRESSURE BEFORE REVENUES AND POLICY MEASURES



\$85 MILLION IMPACT OF 2015 BUDGET DECISIONS ON 2016

The annualized impacts resulting from new & enhanced initiatives and reversal of non recurring revenues approved as part of the 2015 Budget Process.

Not Including TTC

Impact from New & Enhanced Services Approved in 2015 Budget (\$000s)

Annualization of 2015 Decisions for Parks, Forestry and Recreation	3,385
Winter Maint. - Bikeways, Windrows, AODA Compliance for Transportation Svcs	3,042
Revised Forestry Service Plan	2,000
I&T - Phase #3 Funding for Council Approved Resources Pool	1,775
Other Annualizations	237
	10,439

Reversal of One-Time Revenues (\$000s)

Reversal of Child Care Expansion Reserve Budget	12,720
Reversal of One-time revenue budget from Bill 31 for Court Services	12,000
Other Reversals	367
	25,086
	35,525

TTC

Impact from New & Enhanced Services Approved in 2015 Budget (\$000s)

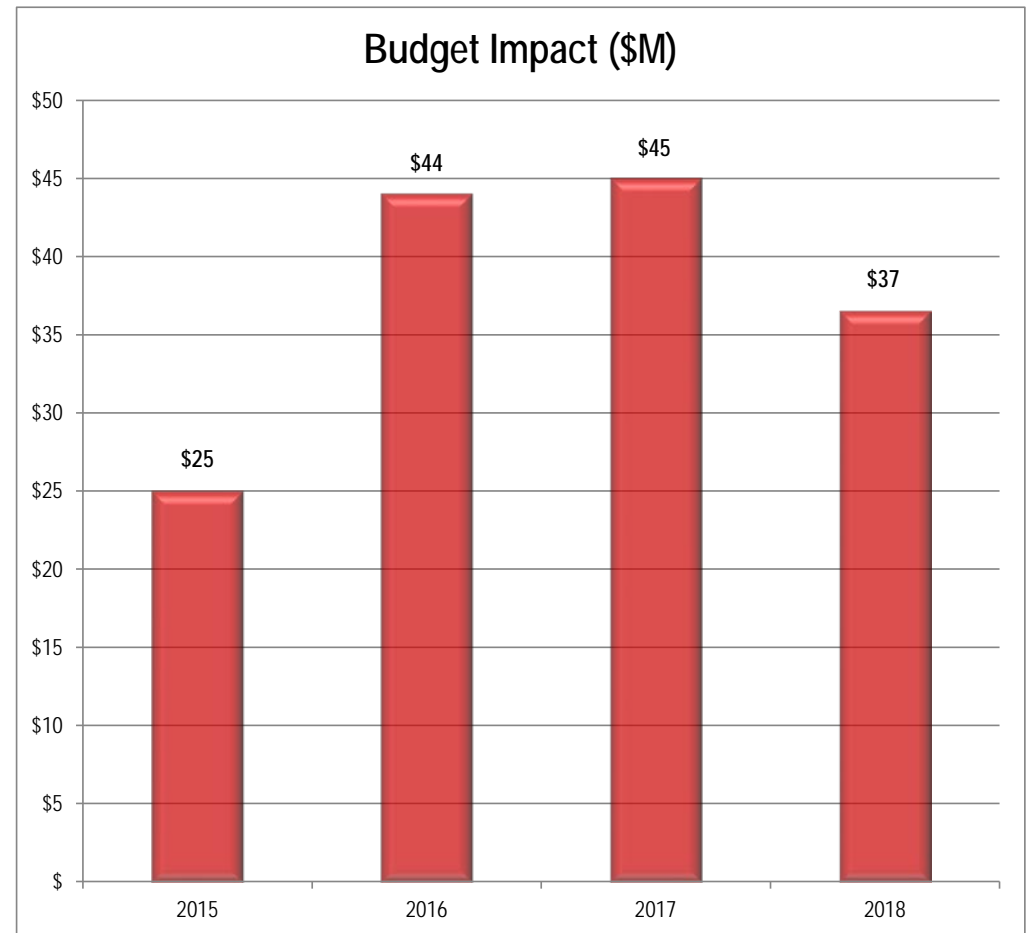
Annualization of 2015 Service Opportunities	27,100
Annualization of 50 New Bus Interim Garage	6,300
Annualization of 2015 Other Workforce Net Additions	5,000
Service Increase in Wheel Trans	7,921
Wheel Trans - Impact from Collective Bargaining, 2015 Staff additions, ect	1,225
	47,547

Reversal of One-Time Revenues (\$000s)

Reversal of One-time Stabilization Reserve Contribution in TTC & One-Time Lump Sum (CBA)	1,675
Reversal of Wheel Trans One-Time Draw from TTC Stabilization Reserve (2015)	300
	1,975
	49,522

ELIMINATION OF THE PROVINCIAL POOLING COMPENSATION LOSS – FOUR YEAR CAPITAL FINANCING STRATEGY

- \$129 M Provincial Funding Loss to be addressed by:
 - Reduction of 2015 Operating Budget by \$25.3M
 - 5.1% tax-supported budgetary impact over 2015-2018
 - \$60.3 M reduction in Capital-from-Current in 2015 & added back between 2016-2018
 - Increase debt financing of capital projects by up to \$100 M between 2015-2017



(red) is good

2016 OPERATING PRESSURES

(\$ Millions)	2016 Outlook	Residential Tax Impact	2016 Preliminary	Residential Tax Impact	Total Tax Impact
	<u>Jan 2015</u>		<u>Current</u>		
Compensation & Benefits	122.5		139.9		
Non-labour Inflationary Impact	14.9		9.9		
Impact from Prior Year Decisions	57.9		85.0		
Operating Impact of Completed Capital Projects	29.5		7.9		
Reversal of One-time Reserve Funding	36.5		25.6		
CFC (Capital From Current)	25.9		17.8		
Debt Charges	21.2		41.1		
Other Base Budget Changes	72.0		55.0		
Total Expenditure Pressures	380.5		382.3		
Provincial Housing Funding Loss	44.0		43.8		
Total Pressure after Provincial Funding Loss	424.5	16.1%	426.1	16.1%	10.9%
Revenue Changes:					
MLTT			(100.5)		
TTC Fare Increase/Adjustments	(30.0)		(18.3)		
User Fees			(8.2)		
Uploading of Services	(22.7)		(22.1)		
Interest/Dividend Income	(5.9)		7.4		
TTC Ridership Growth	(2.7)		(5.7)		
Parking Authority Revenues	9.3		(0.2)		
Other Revenue Change	10.1		(4.0)		
Total Revenue Changes	(41.9)		(151.5)		
Pressure after Revenue Changes	382.6	14.5%	274.6	10.4%	7.0%

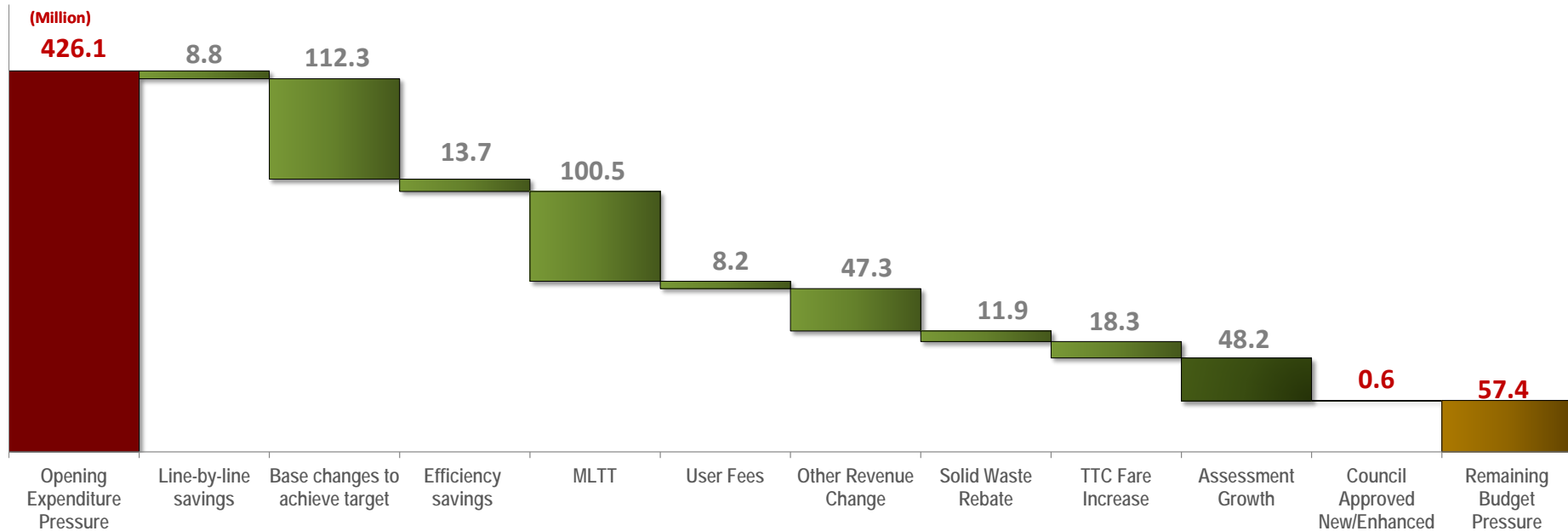
MUNICIPAL LAND TRANSFER TAX (MLTT)

(\$ millions)	2015 Budget	2015 Projected Actual	2016 Before Transaction Fee	Percentage of 2015 Actual	Recover Transaction Fees	2016 after Transaction Fee
In Operating	385	480	480	100%	5.5	485.5
In Capital	40	40	40			
Sub-Total	425	520	520	100%	5.5	525.5

New proposal:

- Pass through a \$75 transaction fee to recover Teranet cost of collection (\$4.5m) and City own admin costs (\$1.0m). City currently pays \$70 transaction fee to Teranet
- Province currently imposes \$70 transaction fee for Teranet costs

2016 BUDGET REDUCTION STRATEGIES WITH COUNCIL APPROVED NEW/ENHANCED



PROPOSED CHANGES TO SOLID WASTE REBATES:

PRELIMINARY 2016 REBATE ADJUSTMENTS AND SINGLE FAMILY IMPACT

		2015 Approved Rates			2016 Approved SWMS Bin Rates & Preliminary Rebate Adjustment				
Single Family Garbage Bins	Bin Size	Fee	Rebate	2015 Net Cost	2016 Approved Rate* (3% Increase)	Proposed Rebate Reduction	Proposed Adjusted Rebate	Proposed Adjusted Net Cost	Overall Change
Single Family	Small	237.64	227.01	10.63	244.77	0	227.01	17.76	7.13
	Medium	288.49	199.76	88.73	297.14	(18.00)	181.76	115.38	26.65
	Large	391.80	144.41	247.39	403.55	(36.00)	108.41	295.14	47.75
	X Large	454.45	110.85	343.60	468.08	(110.85)	0	468.08	124.48
	Bag Only**	152.13	227.01	(74.88)	156.69	(12.00)	215.01	(58.32)	16.56
Res. Units Above Commercial Weekly	Small	288.49	227.01	61.48	297.14	0	227.01	70.13	8.65
	Medium	391.80	199.76	192.04	403.55	(18.00)	181.76	221.79	29.75
	Large	555.57	144.41	411.16	572.24	(36.00)	108.41	463.83	52.67
	X Large	892.67	110.85	781.82	919.45	(110.85)	0	919.45	137.63
	Bag Only**	202.98	227.01	(24.03)	209.07	(12.00)	215.01	(5.94)	18.09

*2016 Rates were approved by Council on December 9 and 10, 2015

**Bag only customers are required to purchase bags at a cost of \$3.39 per bag / tag.

2016 Rebates - Total Proposed Reduction of \$11.9M:

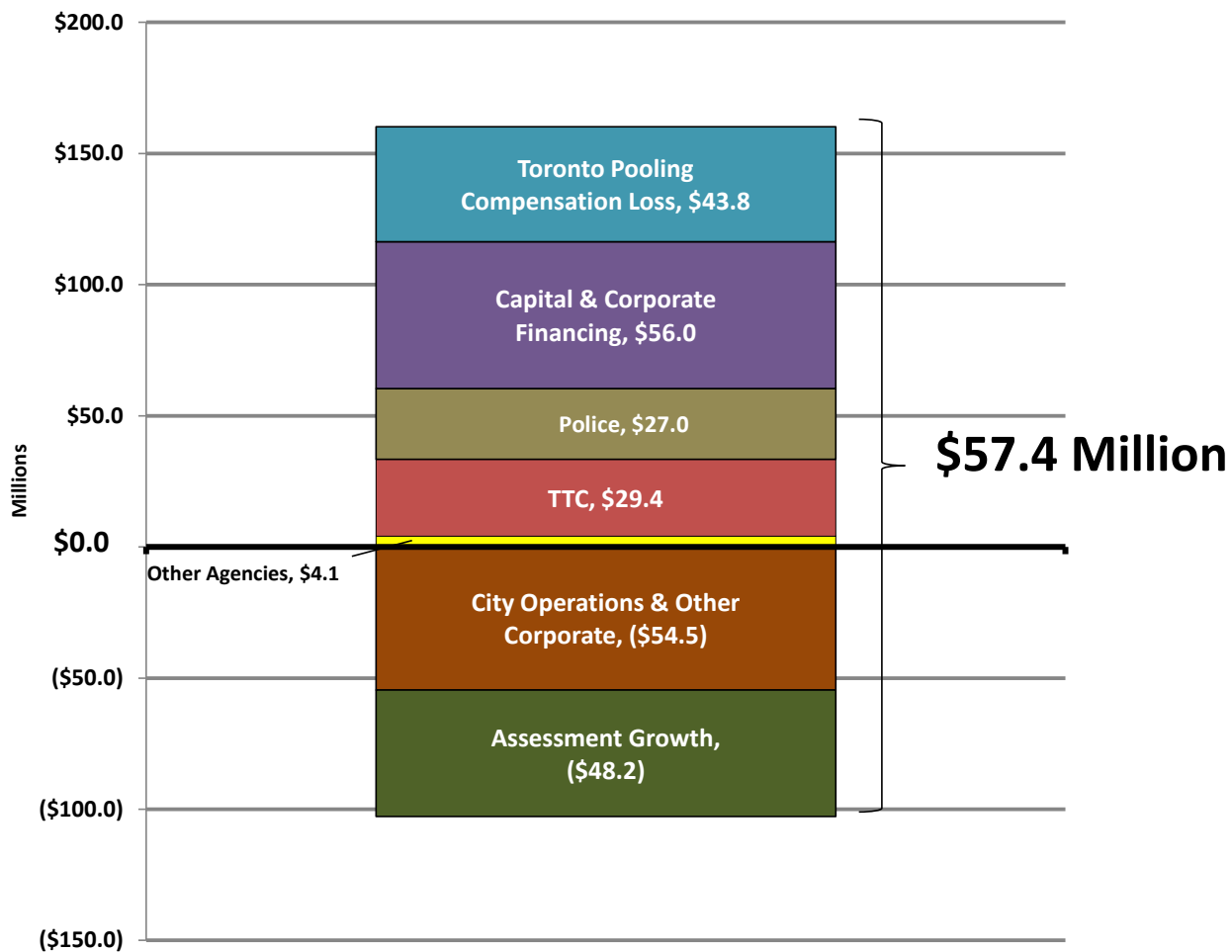
- Small Bin – No Change in Rebate
- Medium and Large Bins – Reduction of \$1 per bag per Month (-\$18.00 Medium & -\$36.00 Large)
- Extra Large Bins – Elimination of the Rebate (-\$110.85)
- *See more details on Appendix 1*

(red) is good

ACTIONS TAKEN AND CURRENT RESULTS

(\$ Millions)	2016 Outlook	Residential Tax Impact	2016 Preliminary	Residential Tax Impact	Total Tax Impact
Pressure after Revenue Changes	382.6	14.5%	274.6	10.4%	7.0%
	Jan 2015		Current		
Additional Actions Taken:					
Line-by-line review savings			(8.8)		
Base changes to achieve target			(112.3)		
Solid Waste Rebate			(11.9)		
Efficiency Savings			(13.7)		
Revenue Changes			(22.8)		
Sub-Total Additional Actions Taken			(169.6)		
Pressure before Assessment Growth	382.6	14.5%	105.0	3.98%	2.68%
Assessment Growth	(29.6)		(48.2)	-1.83%	-1.23%
Pressure after Assessment Growth	353.0	13.4%	56.8	2.15%	1.45%
Council Approved New/Enhanced			0.6		
Preliminary Budget - Net Increase			57.4	2.17%	1.46%

PRELIMINARY 2016 NET OPERATING BUDGET INCREASE



(red) is good

ACTIONS TAKEN AND CURRENT RESULTS

(\$ Millions)	2016 Preliminary	Residential Tax Impact	Total Tax Impact
Preliminary Budget - Net Increase	57.4	2.17%	1.46%
Revenue from Inflationary Residential Tax Increase at 1.3%	(34.3)	-1.30%	-0.9%
Preliminary "Residual" or "Gap"	23.0		

If Council wants a residential tax increase at inflation:

- Generates \$34M
- "Residual" or "Gap" is \$23M

Every:

- 1% residential tax increase=\$26.4M
- 0.25% residential tax increase =\$6.6M

REQUESTS FOR NEW/ENHANCED BUDGET INCREASES REFERRED TO 2016 BUDGET PROCESS

Program (in '000s)	2016			2017 Annualization			2018 Annualization		
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos
Council Directed for consideration	10,666	9,171	106	5,837	4,587	13	1,968	561	16
Poverty Reduction Referred to the Budget Process	6,535	5,747	18	485	427	1	505	455	
Other Referred to the Budget Process	20,022	19,861	137	(2,798)	(2,858)	23	844	838	6
TTC Board Approved	19,418	16,718	159	16,500	16,500				
Public Health Board Approved	2,206	561	8	(7)	(2)				
Mayor's Task Force regarding TCHC (Board Approved)	13,700	13,700							
Accountability Offices	1,439	1,439	12						
City Clerks	102	102	1						
Legal Services	129	129	1						
Grand Total	74,217	67,428	442	20,017	18,654	37	3,317	1,854	22

Note: 1) See Appendix 2 for a more detailed list
2) These initiatives are NOT included in the Preliminary Budget



2016-2025 Capital Budget & Plan

CHALLENGES IN CAPITAL FINANCING

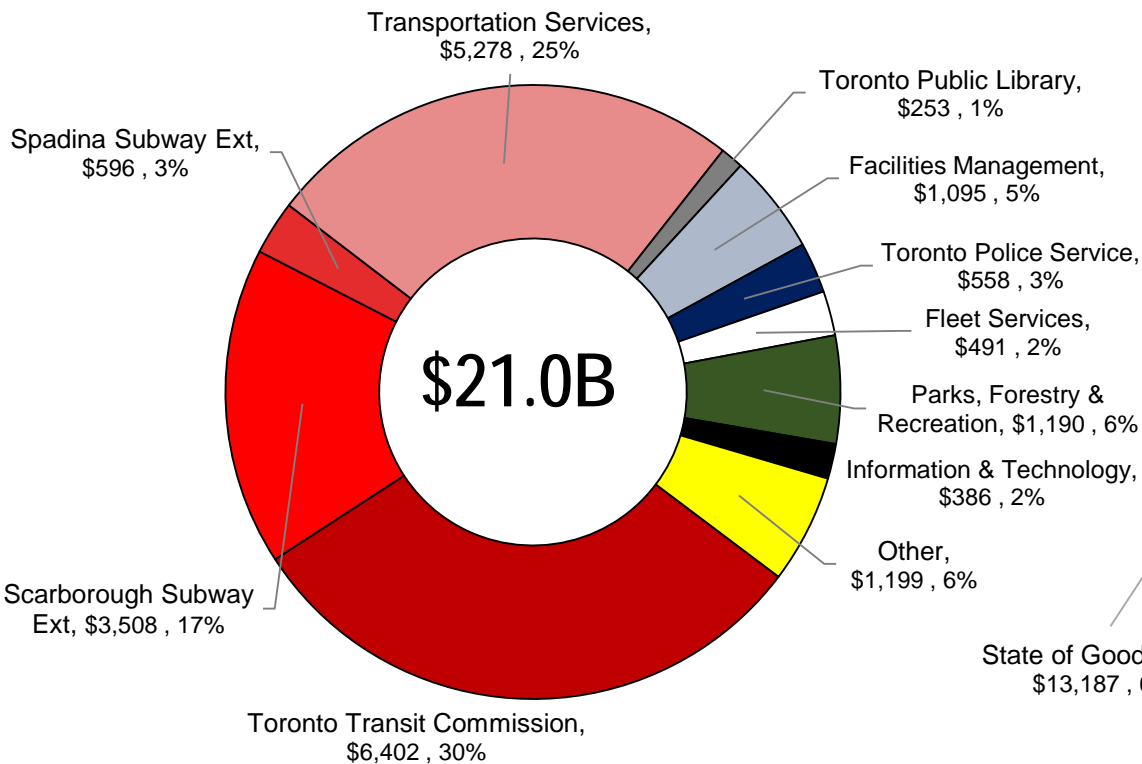
- Funding constrained by debt cost limit – 15 per cent of property tax
- Current funding well below needs / Council directions
 - SOGR Backlog growing
- Direct/Indirect financing through operating
 - Debt payment
 - Surplus management policy
 - Capital from current policy
 - MLTT allocation policy
- Addressing prior and unfinanced debt
- Inadequate, unstable and poorly understood

10 YEAR CAPITAL PLAN (TAX-SUPPORTED)

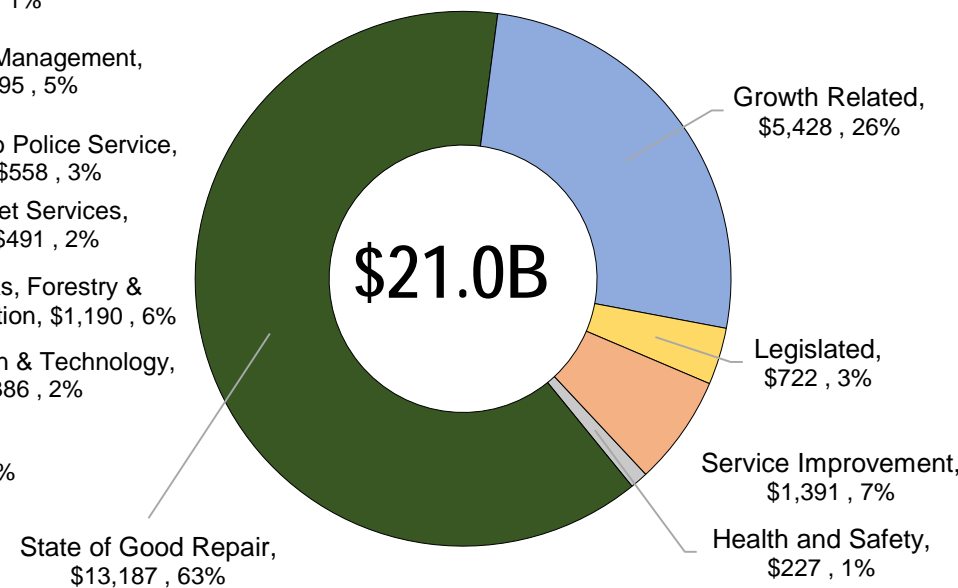
WHERE THE MONEY GOES: \$21.0B

\$ Million

**2016 - 2025 Capital Budget & Plan
By Program
75% TTC/Transportation**



**2016 - 2025 Capital Budget & Plan
By Category
63% SOGR**



2016 CAPITAL BUDGET SUMMARY

Programs (\$000)	2016				2016 - 2020				2016 - 2025			
	Admin. Review		Debt Target	Over/ (Under)	Admin. Review		Debt Target	Over/ (Under)	Admin. Review		Debt Target	Over/ (Under)
	Gross	Debt/CFC			Gross	Debt/CFC			Gross	Debt/CFC		
Citizen Centred Services - A	227,960	105,806	112,436	(6,630)	1,045,993	525,132	527,427	(2,295)	1,638,621	987,304	987,349	(45)
Citizen Centred Services - B	383,330	263,984	297,079	(33,095)	1,858,958	1,305,970	1,580,673	(274,703)	5,512,109	3,463,530	2,940,256	523,274
Internal Services	269,358	136,002	149,588	(13,586)	1,201,278	516,656	500,770	15,886	2,073,509	984,620	918,731	65,889
Other City Programs	5,135	3,160	15,719	(12,559)	15,522	7,117	15,705	(8,588)	46,197	34,317	28,305	6,012
Total - City Operations	885,783	508,952	574,822	(65,870)	4,121,751	2,354,875	2,624,575	(269,700)	9,270,436	5,469,771	4,874,641	595,130
Agencies	99,723	61,237	64,417	(3,180)	595,525	329,017	335,495	(6,478)	1,180,030	627,779	616,292	11,487
Total - Tax Supported before TTC	985,506	570,189	639,239	(69,050)	4,717,276	2,683,892	2,960,070	(276,178)	10,450,466	6,097,550	5,490,933	606,617
TTC	1,251,624	525,290	583,261	(57,971)	7,275,276	2,492,873	2,358,764	134,109	10,505,860	2,891,072	2,838,267	52,805
Total - Tax Supported Programs	2,237,130	1,095,479	1,222,500	(127,021)	11,992,552	5,176,765	5,318,834	(142,069)	20,956,326	8,988,622	8,329,200	659,422

Highlights:

- Preliminary Tax Supported 2016-2025 Capital Budget & Plan totals \$21 B
- Preliminary Capital Budget and Plan is over Target by \$659 million
- Major cost components are Transportation Services and Transit Projects
- 2016 Preliminary Capital Budget totals \$2.2 B

F.G. GARDINER STRATEGIC REHABILITATION PLAN

- City Council Direction
 - Revised Strategic Plan cash flows and proposed sources of funding be submitted for Council's consideration as part of the 2016 Budget Process, in accordance with the procurement strategy (AFP Approach)
- Project Cost Estimates of \$2.6 billion (Construction Cost only)
 - \$2.3 billion included in the Transportation Services' 10-Year Capital Plan
 - Assumes the “base case” design of the Hybrid EA Preferred Alternative
- Potential for Further Acceleration of Project Delivery by up to 6 years.

F.G. GARDINER STRATEGIC REHABILITATION PLAN

Project Cost and Funding Adjustments

2015 Budget Process				2016 Budget Process					
Description (\$Millions)	Design - Bid - Build			Alternative Financing & Procurement			Difference*		
	Total Project Cost	2016 to 2025 Funding	Funding Outside of 10-Years	Total Project Cost	2016 to 2025 Funding	Funding Outside of 10-Years	Total Project Cost	2016 to 2025 Funding	Funding Outside of 10-Years
F.G. Gardiner Rehabilitation									
Debt Funding	1,032.3	543.3	489.0	998.5	998.5		(33.8)	455.2	(489.0)
Capital Financing Reserve Fund	867.7	456.7	411.0	781.5	440.2	341.4	(86.2)	(16.5)	(69.6)
Federal Funding				820.0	820.0		820.0	820.0	0.0
Total F.G. Gardiner Rehabilitation	1,900.0	1,000.0	900.0	2,600.0	2,258.6	341.4	700.0	1,258.6	(558.6)

**Excludes costs related to operations and maintenance, and lifecycle maintenance that are common to both approaches

TORONTO – YORK SPADINA SUBWAY EXTENSION

- Council approved \$150M project cost increase in March 2015.
- 2016 Funding/Revenue Correction:
 - Move Ontario Trust Interest Earnings Reduction of \$85M
 - Offset by \$51M in added City debt funding and \$34M in additional Region of York contribution.
 - Elimination of Tax Increment Financing (No Provincial enabling regulation) of \$99M
 - This has been anticipated.
 - \$99M in funding from the Strategic Infrastructure RF has been held as a contingency and will now be applied.
- TTC staff to Report to the Board in early 2016 on final TYSSE cost estimates, including the impact of outstanding construction claims.

TORONTO – YORK SPADINA SUBWAY EXTENSION

Project Cost and Funding Adjustments

Funding Partners (\$Millions)	TYSSE - Original		March 2015 Project Reset Adjustment	TYSSE - "Reset"		2016 Budget Funding Correction	TYSSE - 2016	
	Budgeted Funding	% of Funding		Budgeted Funding	% of Funding		Proposed Funding	% of Funding
Federal	697.0	26.5%		697.0	25.0%		697.0	25.0%
Provincial*	1,059.1	40.2%		1,059.1	38.0%	(85.0)	974.1	35.0%
York Region	351.6	13.3%	60.0	411.6	14.8%	34.0	445.6	16.0%
Toronto								
Development Charges	67.6			67.6			67.6	
Tax Increment Financing	98.8			98.8		(98.8)	0.0	
Strategic Infrastructure RF	16.1			16.1		98.8	114.9	
Capital Financing RF			90.0**	90.0			90.0	
Debt	344.0			344.0		51.0	395.0	
Sub-Total Toronto	526.5	20.0%	90.0	616.5	22.1%	51.0	667.5	24.0%
Total Project Cost	2,634.2	100.0%	150.0	2,784.2	100.0%	0.0	2,784.2	100.0%

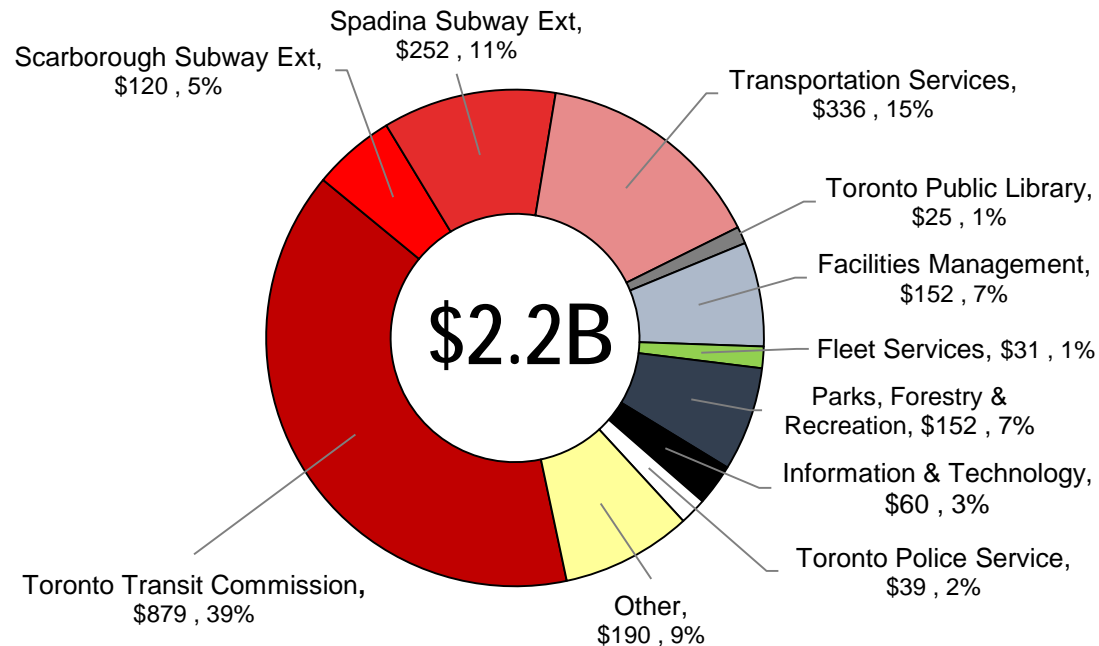
*Provincial funding includes \$189.0 million in anticipated Move Ontario Trust investment income

**\$90.0 million in additional City funding from the Capital Financing RF includes \$50.9 million from the TTC's 2014 Operating Surplus

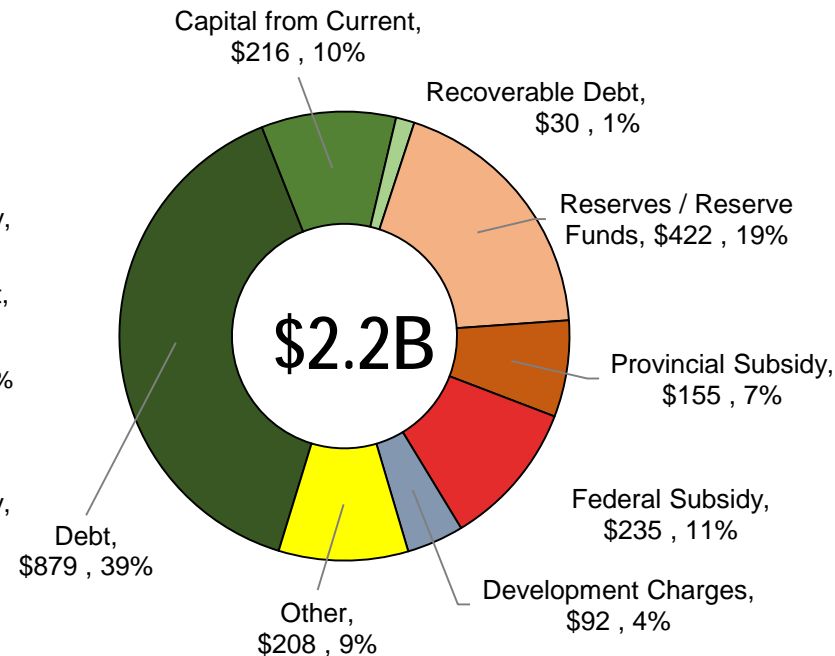
2016 TAX SUPPORTED CAPITAL BUDGET IS \$2.2 BILLION

\$ Million

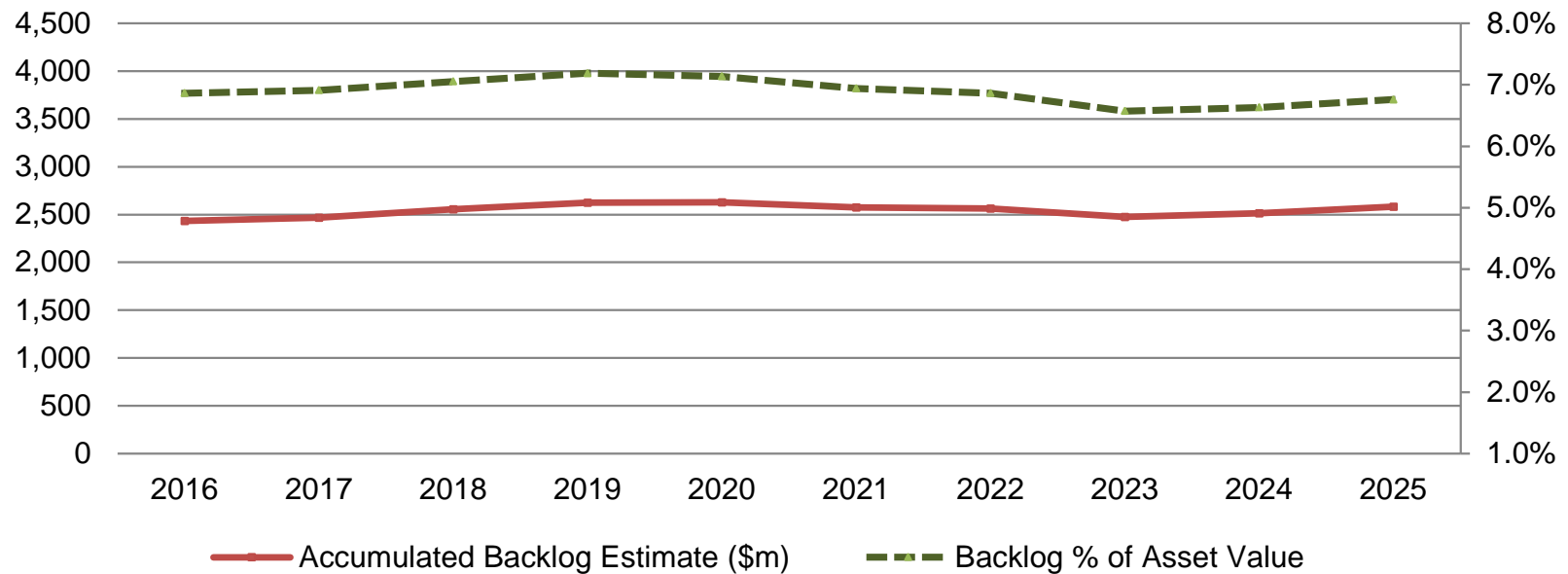
Where the Money Goes 69% TTC/Transportation



Where the Money Comes From



SOGR BACKLOG



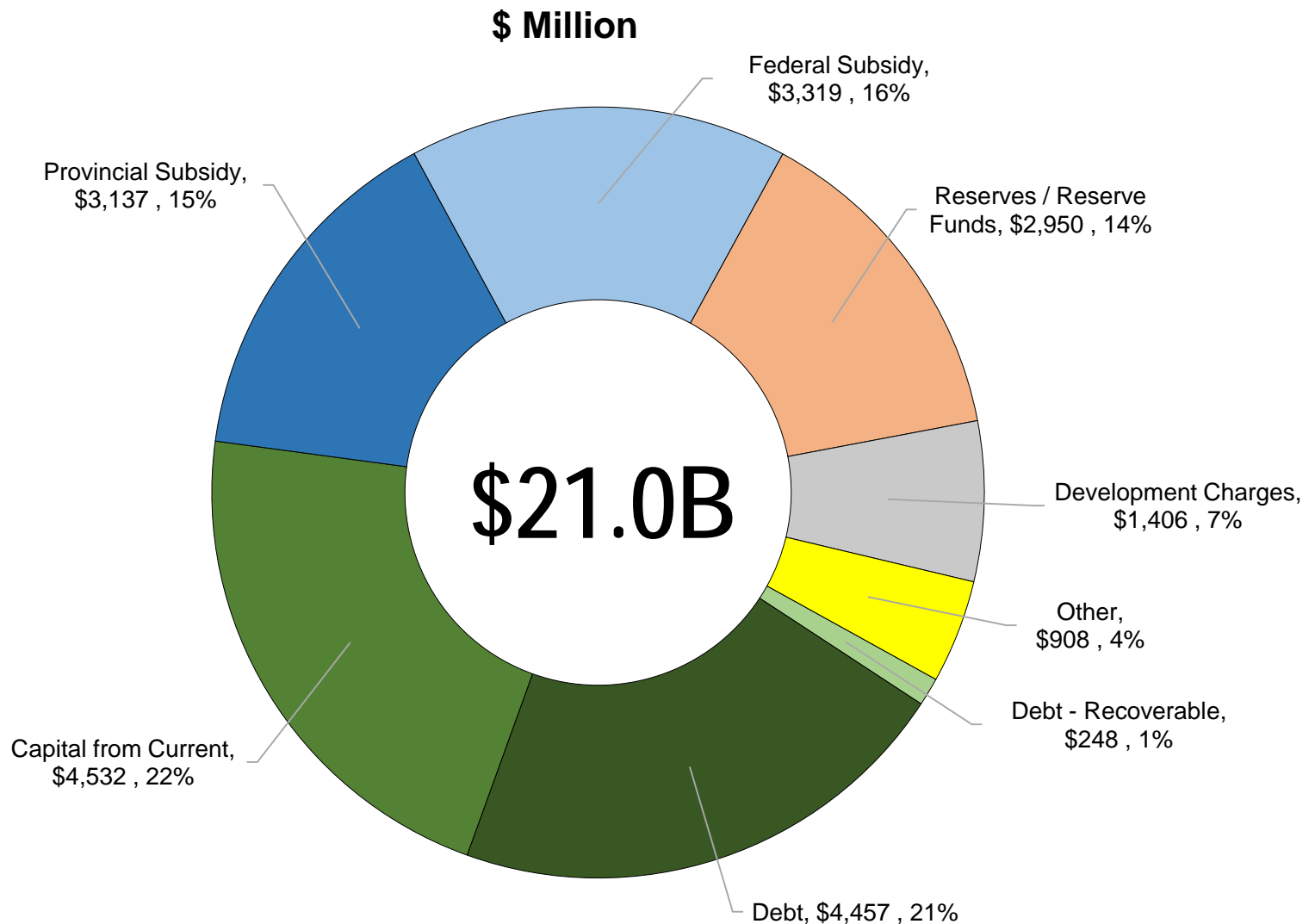
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Asset Value (\$m)	35,443	35,683	36,240	36,526	36,822	37,086	37,369	37,650	37,925	38,209
Accumulated Backlog Estimate (\$m)	2,432	2,466	2,557	2,625	2,628	2,574	2,565	2,474	2,515	2,583
Backlog % of Asset Value	6.9%	6.9%	7.1%	7.2%	7.1%	6.9%	6.9%	6.6%	6.6%	6.8%

SOGR BACKLOG BY PROGRAM

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Transportation Services	1,065	1,120	1,174	1,174	1,163	1,147	1,127	1,071	1,128	1,197
Facilities Management and Real Estate & Environment	390	370	366	428	425	417	449	447	456	473
Toronto Transit Commission	0	0	52	114	167	211	251	282	309	346
Toronto & Region Conservation Authority	228	220	211	200	191	180	173	165	152	141
Toronto Public Library	44	53	60	64	77	82	88	93	109	123
Parks, Forestry & Recreation	442	453	456	414	386	330	280	225	173	121
Other	264	249	238	230	219	207	198	192	189	182
Total SOGR Backlog (\$m)	2,432	2,466	2,557	2,625	2,628	2,574	2,565	2,474	2,515	2,583
Total Asset Value (end of year) (\$m)	35,443	35,683	36,240	36,526	36,822	37,086	37,369	37,650	37,925	38,209
SOGR as % Asset Value	6.86%	6.91%	7.06%	7.19%	7.14%	6.94%	6.86%	6.57%	6.63%	6.76%

10 YEAR CAPITAL PLAN (TAX-SUPPORTED)

WHERE THE MONEY COMES FROM: \$21.0B





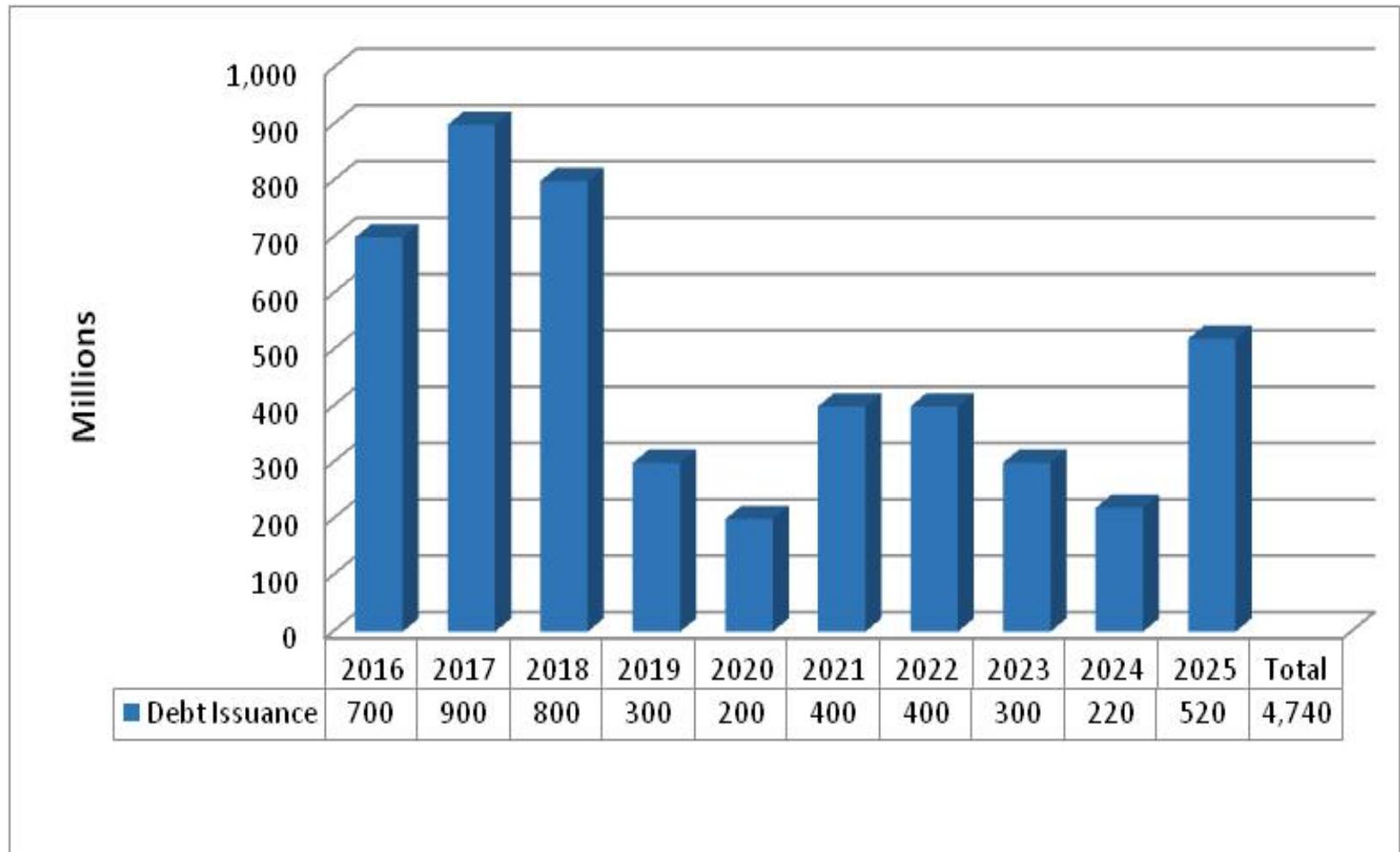
DEBT FUNDING



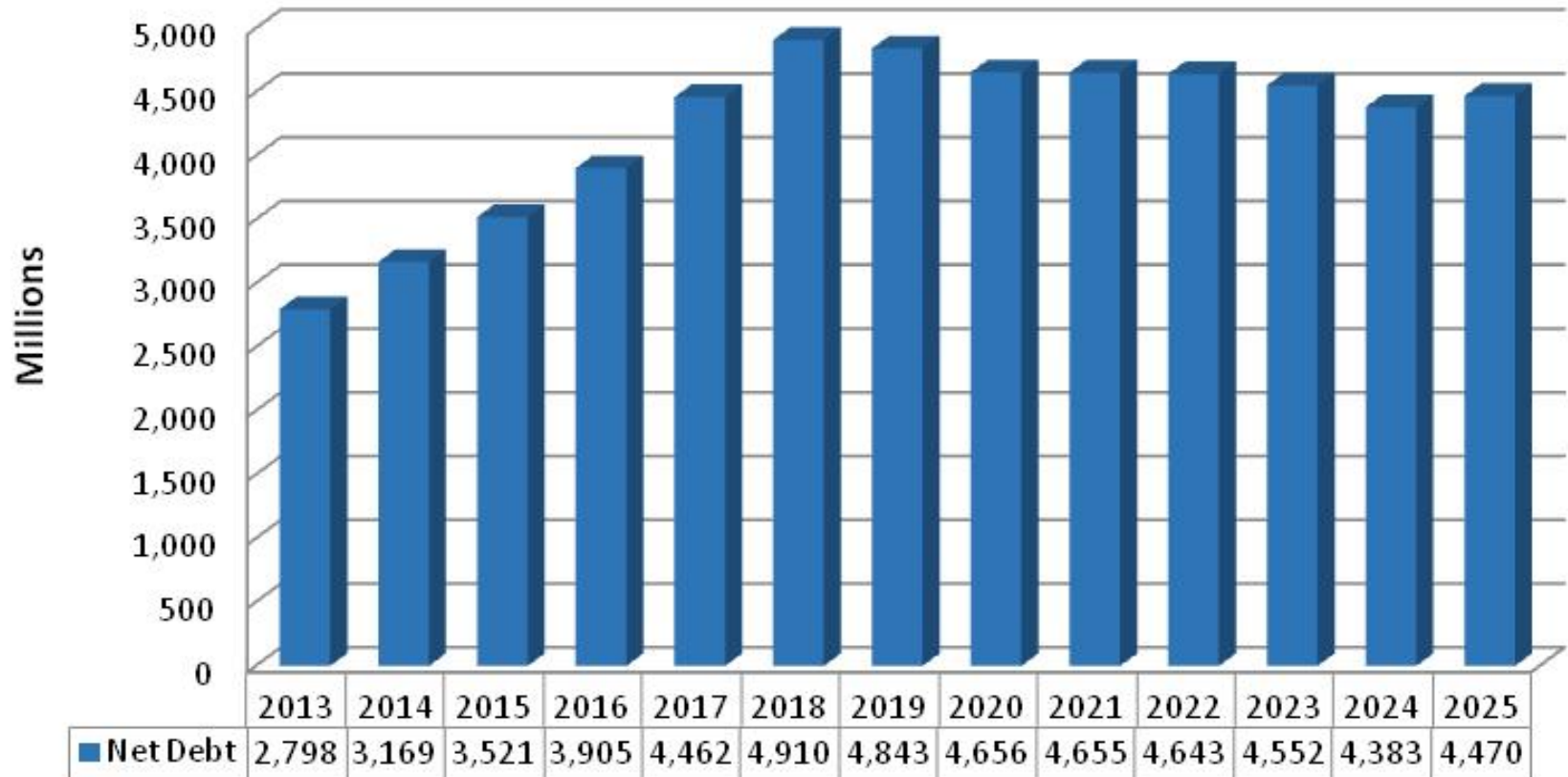
PROGRAM DRIVERS FOR DEBT FUNDING (10 YEAR)

Program	Debt/CFC \$ millions	%
Transportation Services (F.G Gardiner, rehabilitation for roads and bridges)	\$3,364	36%
Total TTC (Spadina and Scarborough Subway Extension, IT systems, Easier Access, Resignalling, etc)	\$2,891	34%
Facilities Management Real Estate & Environment (mechanical and electrical, structural/building envelope, renovations, etc)	\$708	8%
Parks Forestry & Recreation (Community centres, Arenas, etc)	\$670	7%
Toronto Police Service (Radio Replacement, SOGR, Division 41/13)	\$243	3%
Information & Technology (Corporate Planning & Management, Application systems, etc)	\$189	2%
Toronto Public Library (Technology Asset Management Program, multi-branch renovation, etc)	\$160	2%
Economic Development and Culture (Restoration/Preservation of Heritage Elements, service enhancement, cultural infrastructure development, etc)	\$96	1%
Shelter+ Support & Housing Administration (George Street Revitalization Planning, capital repairs/replacement, etc)	\$91	1%
Other	\$575	6%
Total	\$8,988	100%
CFC	\$4,532	
Net Debt	\$4,457	

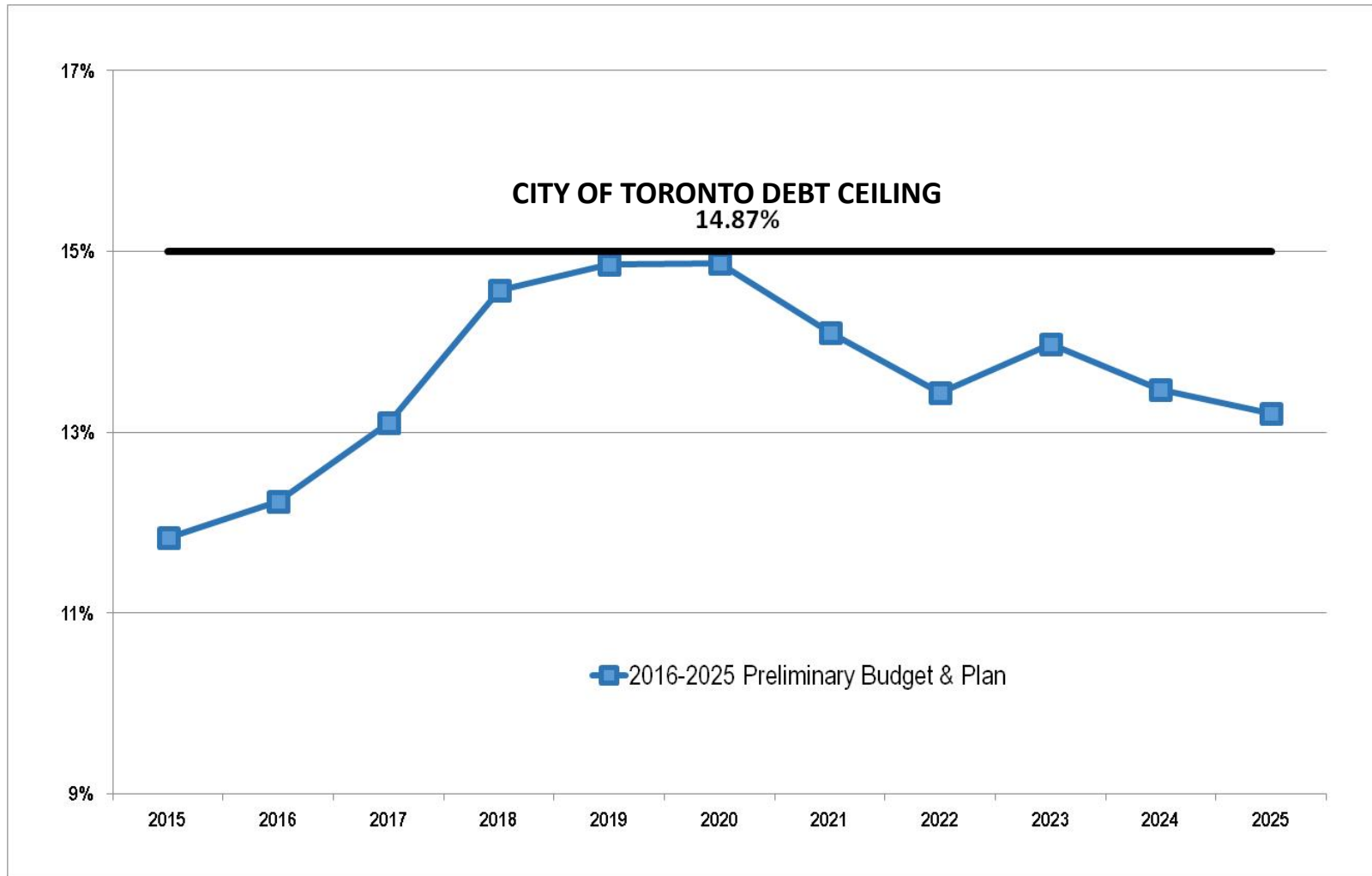
2016 – 2025 DEBT ISSUANCE



2013 – 2025 OUTSTANDING DEBT PROJECTION



DEBT COST AS PERCENTAGE OF PROPERTY TAX



NON DEBT FINANCING STRATEGY

Capital Financing Strategy - Reserve XQ0011

Description (\$ Millions)	2012 - 2015 Secured Revenue				Future Year Capital Financing Strategy Revenue Estimates										Total
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Enwave	167														167
Enwave Dividend	11														11
TPLC Dividend	40														40
Prior Year Operating Surplus	214	186	126	155	92	50	50	50	50	50	50	50	50	50	1,223
MLTT (Above Operating Budget)				40	40	25	15								120
DC Increases								30	30	30	30	30			150
Future Years BT Dividend	20		10	15	25	25	25	25	25	25	25	25	25	25	295
Future Years Fed/Prov								50	50	50	50	50			250
TPA One-Time				67	9										77
Other	1	3													4
Bank Tower Surplus		30													30
Total:	453	219	136	277	166	100	90	155	155	155	155	155	75	75	2,366

Past, Current & Future Year Funding Requirements															
Description (\$ Millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
TTC Capital	45	60	252	228	147	196	130	116	60						1,234
TTC TYSSE (2015 In-Year)					39	51									90
Transportation Capital		15	61	61	48	65	45	44	42	42	42	316	59	59	898
FREEE Capital (St. Lawrence N.)						8	8								15
Other Program Draws			37	7	10	17	4		1						76
Loss of Pooling Compensation (2014 Surplus)				30											30
Total	45	75	350	325	245	337	188	159	102	42	42	316	59	59	2,342

Available Capital Financing Strategy Funding (Based on Current Capital Requirements & Future Year Revenue Estimates)

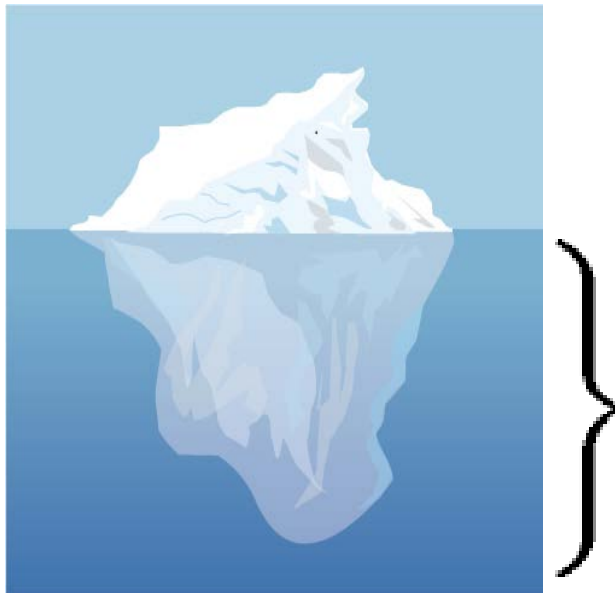
Description (\$ Millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimated Reserve Opening Balance	\$27	\$435	\$579	\$367	\$320	\$241	\$4	(\$93)	(\$98)	(\$45)	\$68	\$182	\$21	\$37	
Annual Funding Requirements	(\$45)	(\$75)	(\$350)	(\$325)	(\$245)	(\$337)	(\$188)	(\$159)	(\$102)	(\$42)	(\$42)	(\$316)	(\$59)	(\$59)	(\$2,342)
Annual Revenue Estimates	\$453	\$219	\$136	\$277	\$166	\$100	\$90	\$155	\$155	\$155	\$155	\$155	\$75	\$75	\$2,366
Estimated Reserve Closing Balance	\$435	\$579	\$366	\$320	\$241	\$4	(\$93)	(\$98)	(\$45)	\$68	\$182	\$21	\$37	\$53	
Advance Financing Requirements							93	5							98



UNFUNDED CAPITAL PROJECTS

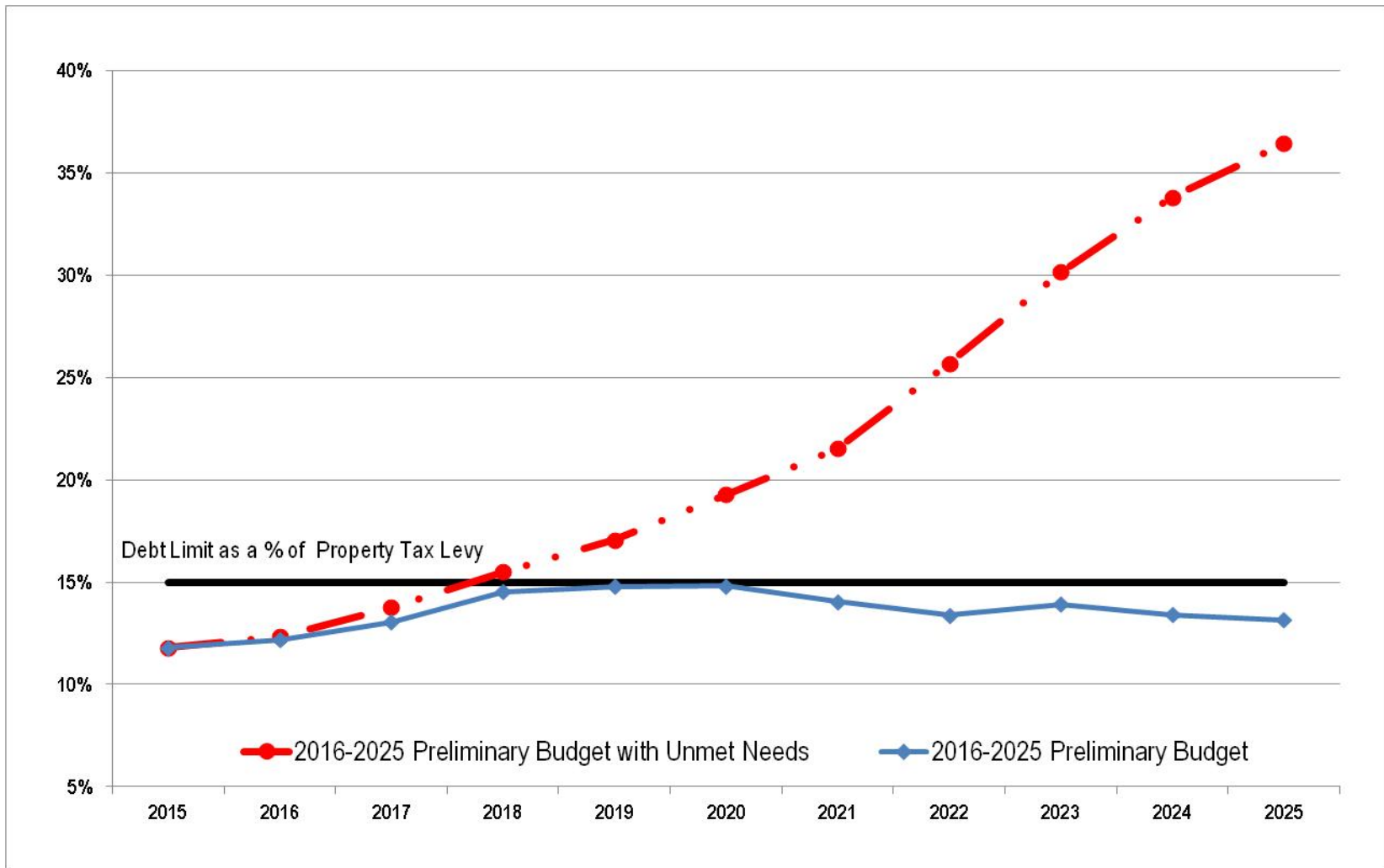


MAJOR UNMET NEEDS

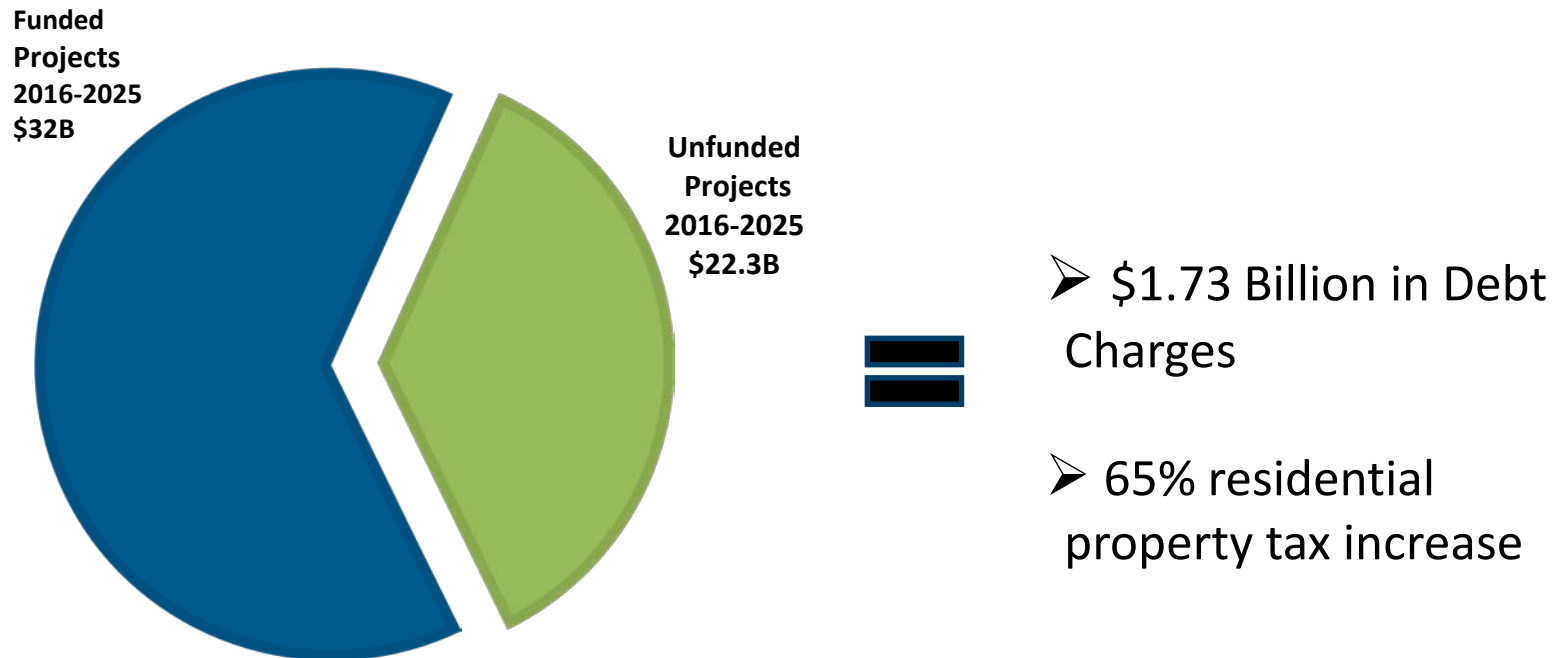


(\$ Million)	
TCHC State of Good Repair Backlog (Province/Federal Share of \$2.6 Billion Requirement)	1,728
SOGR Backlog City Programs/Agencies	1,663
Toronto Transit Commission – Board Approved Unfunded Projects	2,679
Toronto Transit Commission – Future Capital Needs	2,233
George Street Revitalization	480
Long Term Care Home Services-Capital Renewal Strategy	246
Facilities AODA Compliance	192
Other Programs – Transportation Services, Fire Services, Facilities, I&T, Exhibition Place, Toronto & Region Conservation Authority, Toronto Public Health, Toronto Public Library, Sony Centre.	1,282
SmartTrack (City share)	2,600
Downtown Relief Line (Pape to St. Andrew Option)	4,100
Waterfront Transit (East Bayfront to Long Branch GO)	1,059
Lower Don Flood Protection	975
Port Lands – Land Servicing	150
Waterfront Public Realm Initiatives including north-south connections & additional ports	350
Unfunded Projects from Environmental Assessments – Value of Projects over 2016-2025 period likely to move forward	2,000 (low end)
TCHC Revitalization – Principal repayment for Regent Park & some SOGR projects	200
TCHC Revitalization – Additional funding for planned projects (Regent Park, Lawrence Heights, Alexandra Park, Leslie-Nymark, Allenbury Gardens, Railway Lands, 250 Davenport & Don Summerville)	400
Total of Unfunded Capital Projects	22,337

DEBT COST AS PERCENTAGE OF PROPERTY TAX: CANNOT ONLY BORROW TO SOLVE THE CAPITAL GAP



POTENTIAL FINANCIAL IMPACT OF UNFUNDED CAPITAL PROJECTS



A decorative header featuring a grid of 14 icons in two rows of seven. The icons represent various sectors: technology (laptop), sports (skier), education (whiteboard), culture (person with necklace), urban (buildings), transport (car and bus), and people (man and woman). The second row includes family (hands holding people), community (house with people), healthcare (ambulance), education (ruler and pencil), nature (giraffe), environment (leaf), and transport (train).

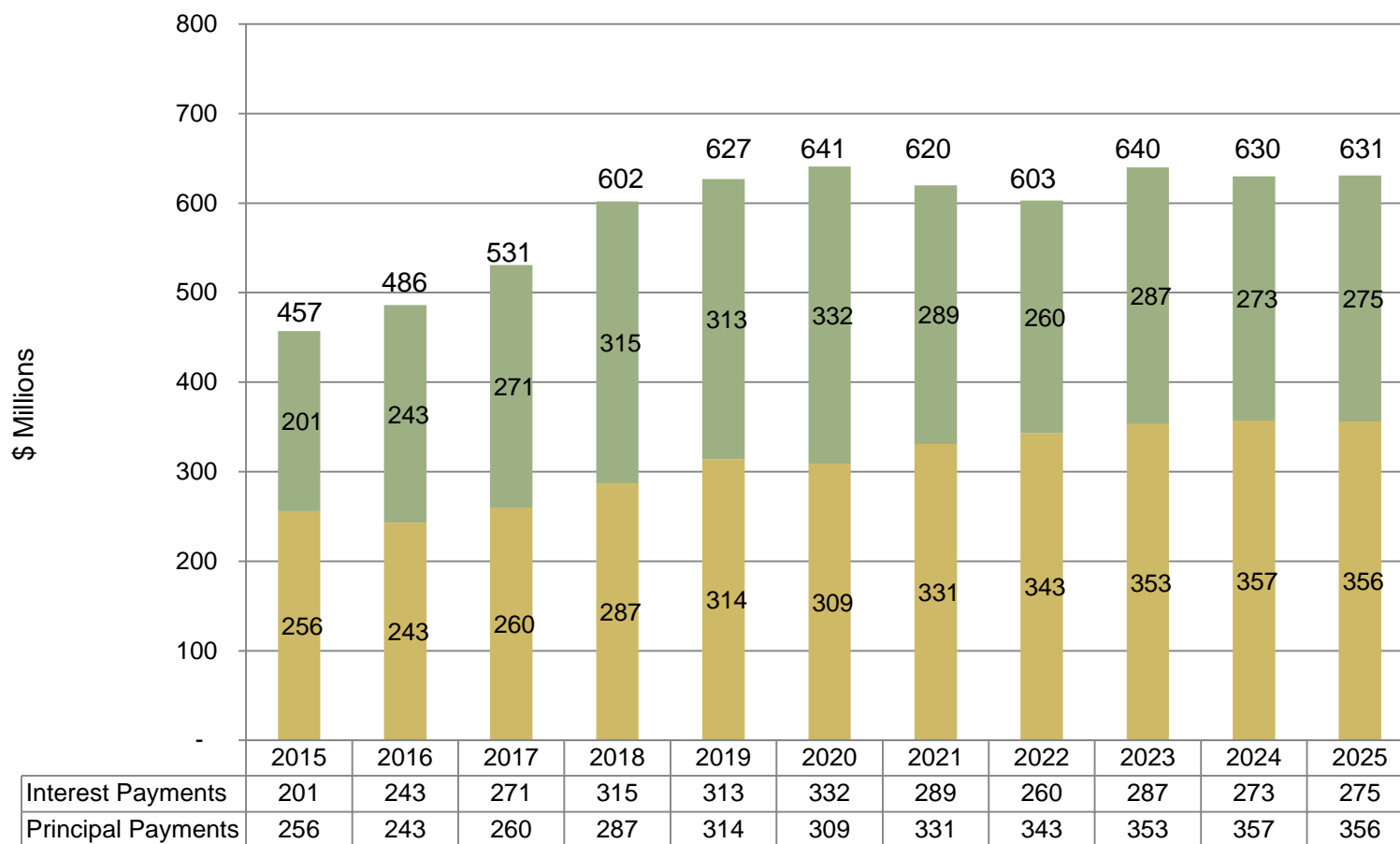
UNFINANCED DEBT EXPENDITURES

A decorative footer featuring a grid of 14 icons in two rows of seven. The icons represent various sectors: education (whiteboard), culture (person with necklace), urban (buildings), transport (car and bus), people (man and woman), healthcare (ambulance), and education (ruler and pencil). The second row includes healthcare (ambulance), education (ruler and pencil), nature (giraffe), environment (leaf), transport (train), a building with a dome, and a construction vehicle (crane truck).

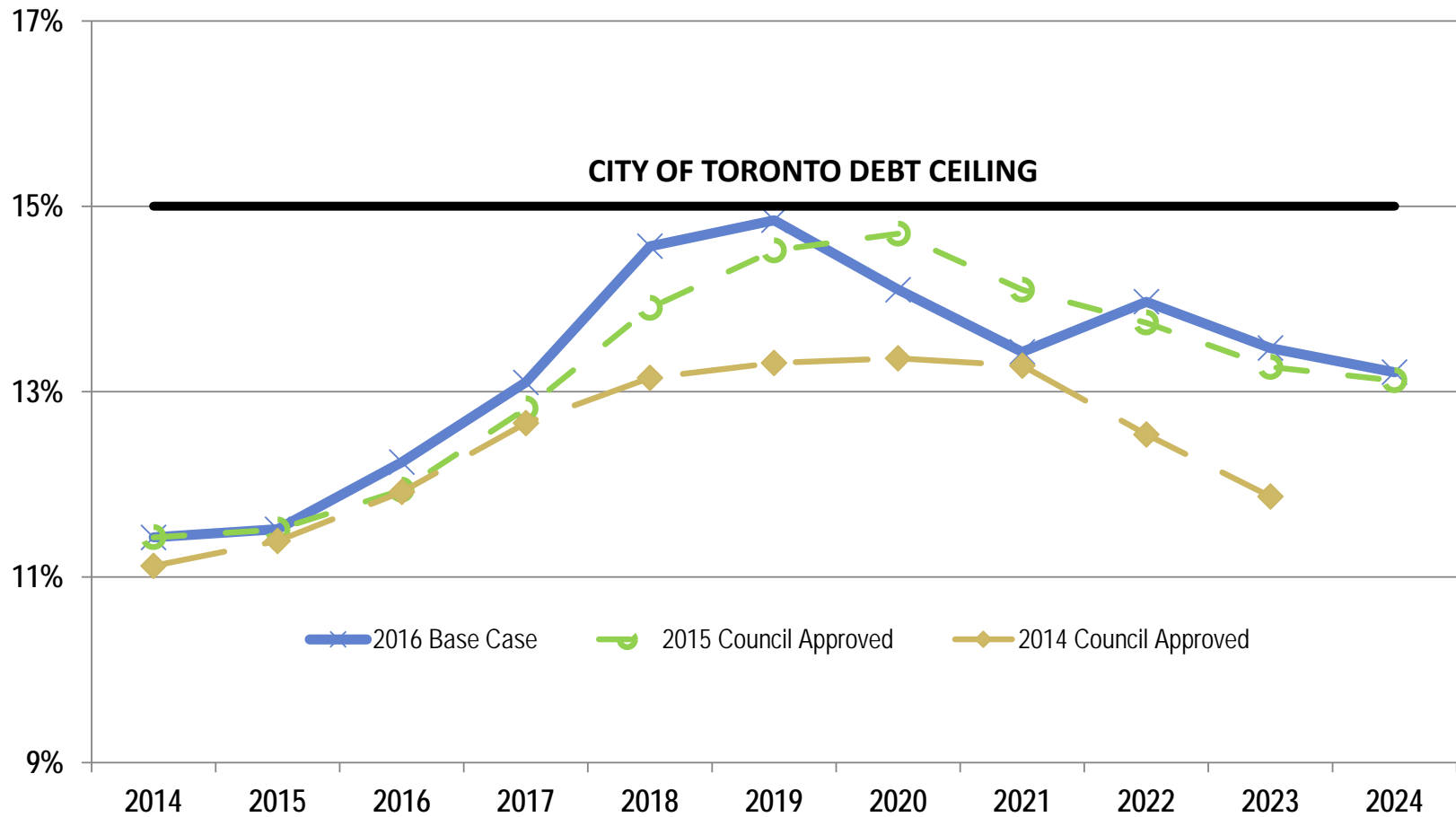
53

- Debt planning components
 - Previous years' spending to be debentured
 - Debt spending anticipated during the year
 - CFC for the year
 - Planned debenture issues vs budget tax impacts of upcoming year

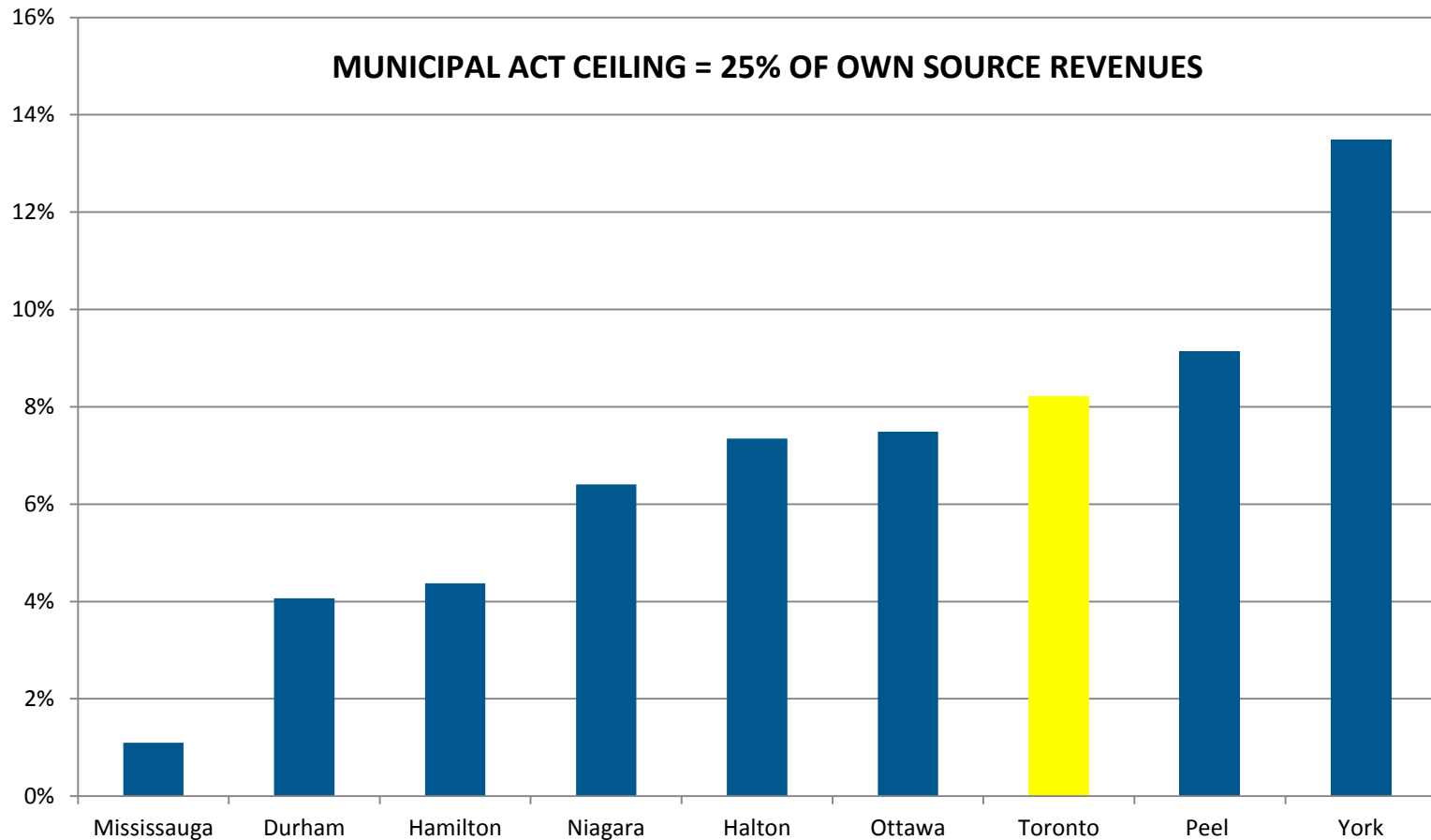
2015 – 2025 TAX-SUPPORTED DEBT SERVICE COST PROJECTION



TAX-SUPPORTED DEBT SERVICE COST AS % OF TAX LEVY



2014 MUNICIPAL DEBT AS A % OF OWN REVENUES



WHAT IS UNFINANCED DEBT?

- The City does not pre-fund capital projects
- Amounts are spent, then financed in this order:
 - external funds,
 - own-source funds,
 - reserves, then
 - debt
- The net amount spent but not permanently financed at the end of each year = the unfinanced capital outlay (negative capital fund)
 - Mostly unfinanced debt

HISTORICAL UNFINANCED CAPITAL BALANCE (1999-2014)

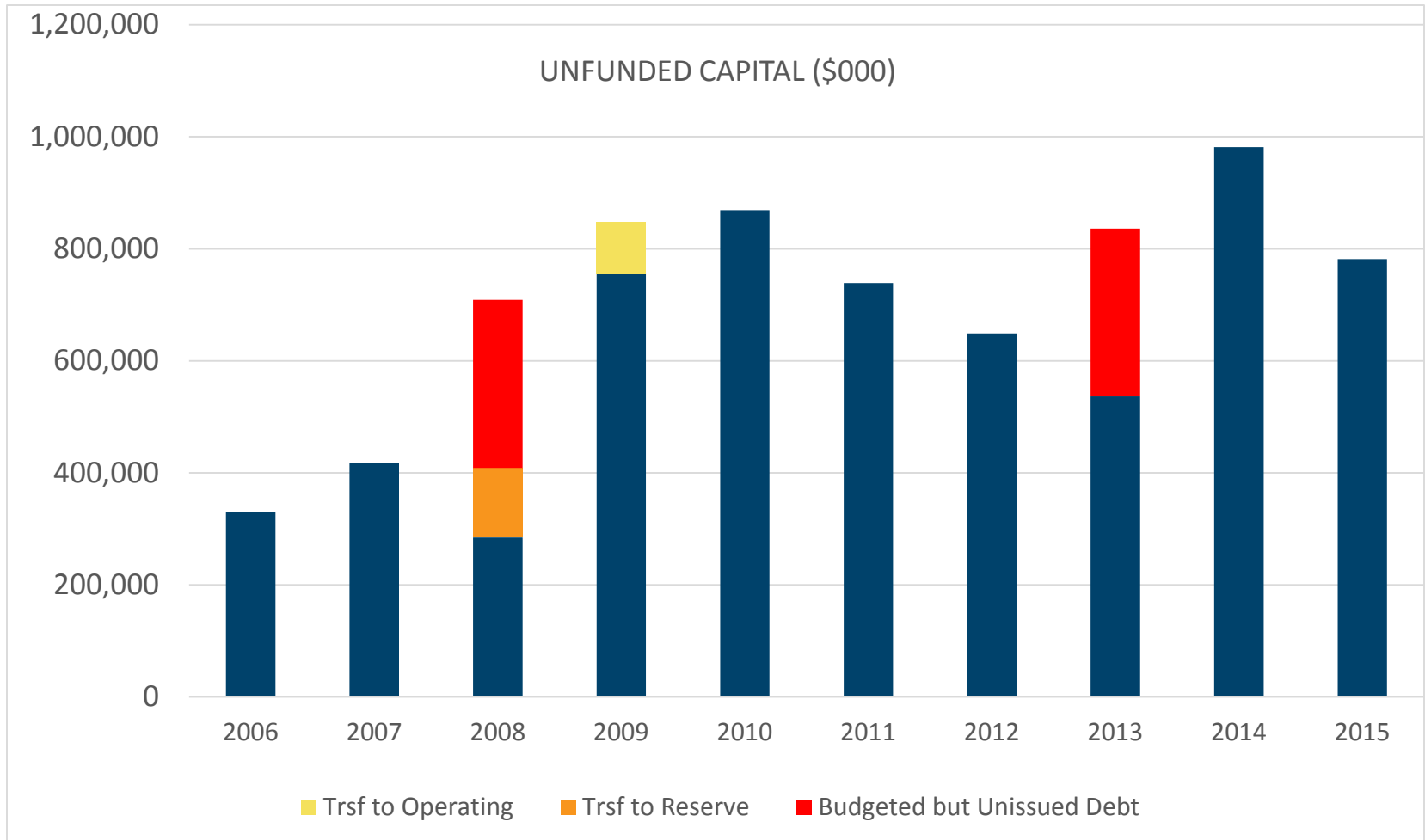
	Unfinanced Capital Outlay \$ (millions)	Yearly Capital Budget TAX \$ (millions)	As % of Yearly Capital TAX Budget
1999	-132.4	1,203	11.00%
2000	-61.1	984	6.20%
2001	-286.3	1,120	25.60%
2002	-509.3	953	53.40%
2003	-224.4	965	23.30%
2004	-364.8	908	40.20%
2005	-245.2	1,033	23.70%
2006	-330.3	1,250	26.40%
2007	-418.1	1,432	29.20%
2008	-708.8	1,610	44.00%
2009	-847.7	1,637	51.80%
2010	-869.1	2,431	35.80%
2011	-738.7	2,016	36.60%
2012	-648.9	2,338	27.80%
2013	-836.3	2,838	29.50%
2014	-981.7	2,814	34.90%

UNFINANCED DEBT CAPITAL FROM 2006 TO 2014

Year	Opening Balance (\$000)	Expenditures (\$000)	Other Funding (\$000)	Debt Financing (\$000)	Other (see notes) (\$000)	Closing Balance (\$000)
2006	383,192	1,337,167	894,865	495,158		330,336
2007	330,336	1,699,122	1,111,507	499,851		418,100
2008	418,100	1,743,979	1,278,476	299,183	-124,330	708,750
2009	708,750	1,966,644	1,518,530	401,904	-92,733	847,693
2010	847,693	2,531,185	1,807,622	702,188		869,068
2011	869,068	2,422,546	1,902,490	650,400		738,724
2012	738,724	2,490,770	1,836,735	743,825		648,934
2013	648,934	2,424,603	1,937,190	300,000		836,347
2014	836,347	2,762,318	2,016,940	600,000		981,725

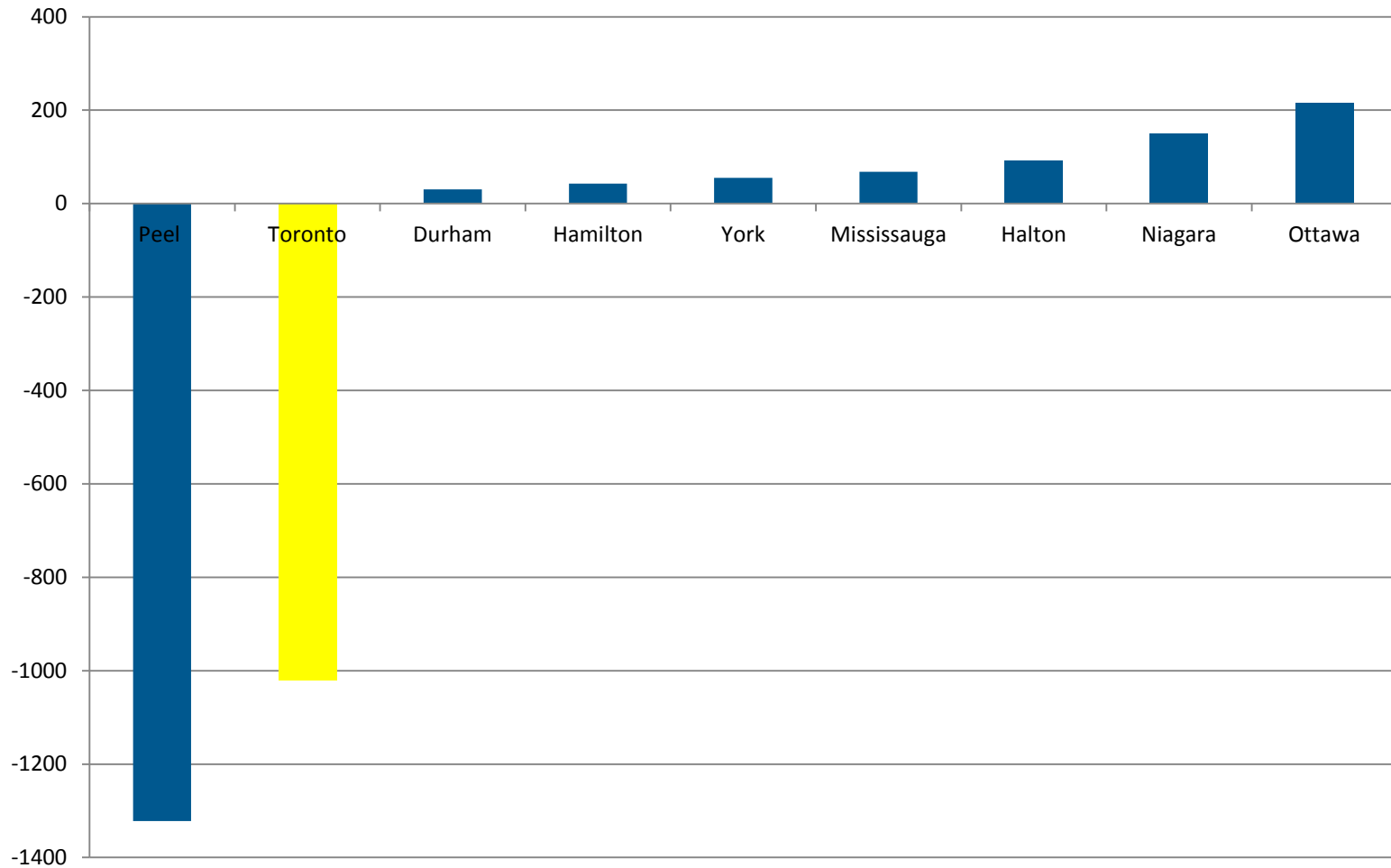
Notes **In 2008 \$124.3M was transferred from unallocated capital to reserves**
In 2009 \$92.7M was transferred from unallocated capital to operating
In each of 2008 and 2013 \$300M of debt planned was not issued

UNFINANCED DEBT CAPITAL FROM 2006 TO 2015*



*Note: 2015 is a preliminary number and subject to change

2014 MUNICIPAL CAPITAL FUND OVER/(UNDER) FINANCED (\$ MILLIONS)



FORECAST UNFINANCED DEBT 2016-2025 CAPITAL BUDGET

BASE CASE: UNFINANCED DEBT REDUCED TO \$200 MILLION BY 2025

\$M	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Unfinanced Start	981.7	781.8	882.2	889.2	798.4	1,114.0	1,232.5	974.8	592.7	1,066.7	936.0
Add: Capital Spending	680.3	1,054.8	1,237.2	1,098.9	1,040.5	782.1	648.5	570.9	1,378.6	750.5	509.4
Less: CFC	-223.2	-254.4	-330.2	-389.7	-424.9	-463.6	-506.2	-553.0	-604.6	-661.2	-723.6
Less: Debt Issuance	-657.0	-700.0	-900.0	-800.0	-300.0	-200.0	-400.0	-400.0	-300.0	-220.0	-520.0
Unfinanced End	<u>781.8</u>	<u>882.2</u>	<u>889.2</u>	<u>798.4</u>	<u>1,114.0</u>	<u>1,232.5</u>	<u>974.8</u>	<u>592.7</u>	<u>1,066.7</u>	<u>936.0</u>	<u>201.8</u>

NB: 2015 Debt Issuance excludes \$43 million for Solid Waste

FORECAST UNFINANCED DEBT 2016-2025 CAPITAL BUDGET

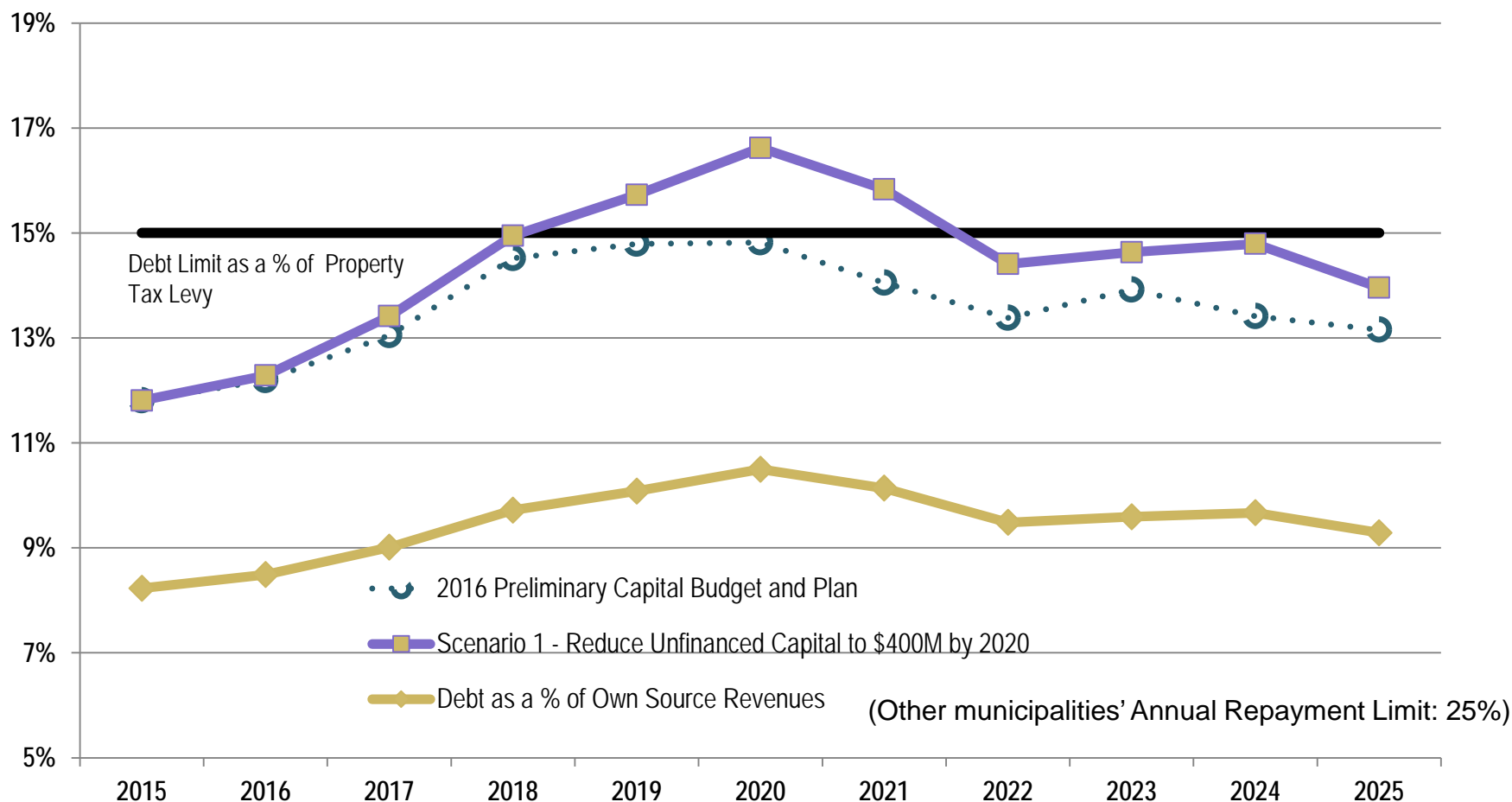
SCENARIO 1: UNFINANCED DEBT REDUCED TO \$400 MILLION BY 2020

\$M	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Unfinanced Start	781.8	732.2	739.2	548.4	404.0	402.5	404.8	402.7	406.7	396.0
Add: Capital Spending	1,054.8	1,237.2	1,098.9	1,040.5	782.1	648.5	570.9	1,378.6	750.5	509.4
Less: CFC	-254.4	-330.2	-389.7	-424.9	-463.6	-506.2	-553.0	-604.6	-661.2	-723.6
Less: Debt Issuance	<u>-850.0</u>	<u>-900.0</u>	<u>-900.0</u>	<u>-760.0</u>	<u>-320.0</u>	<u>-140.0</u>	<u>-20.0</u>	<u>-770.0</u>	<u>-100.0</u>	<u>0</u>
Unfinanced End	<u>732.2</u>	<u>739.2</u>	<u>548.4</u>	<u>404.0</u>	<u>402.5</u>	<u>404.8</u>	<u>402.7</u>	<u>406.7</u>	<u>396.0</u>	<u>181.8</u>

SCENARIO 1

REDUCE UNFINANCED DEBT TO \$400 MILLION BY 2020

DEBT RATIO INCREASES TO 16.6% IN 2020



DEBT CHARGES AND POTENTIAL TAX IMPACT 2016-2025 CAPITAL BUDGET

Debt Charges (\$M)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016-2025 Preliminary Budget & Plan Debt Charges - Base Case	486	531	602	627	641	620	603	640	630	631
Total Scenario 1 Debt Charges	489	545	620	666	719	699	649	673	695	669
Debt Charge Increase above the Base Case - Scenario 1	3	14	18	39	78	79	46	33	65	38
Cumulative Residential Tax Impact	0.11%	0.52%	0.66%	1.40%	2.74%	2.72%				

*Scenario 1: Reduce Unfinanced Capital Balance to \$400M by 2020;

CAPITAL BUDGET CONCLUSIONS

- Revisit the 15% debt service to levy target as part of the Long Term Fiscal Plan
- Need to set capital priorities – cannot do it all
- Evaluate revenue options for 2017 Budget and beyond
 - Development financing
 - Tax Increment financing
 - Higher debt
 - Capital levies
 - Asset sales
 - New Revenues
 - Etc, etc

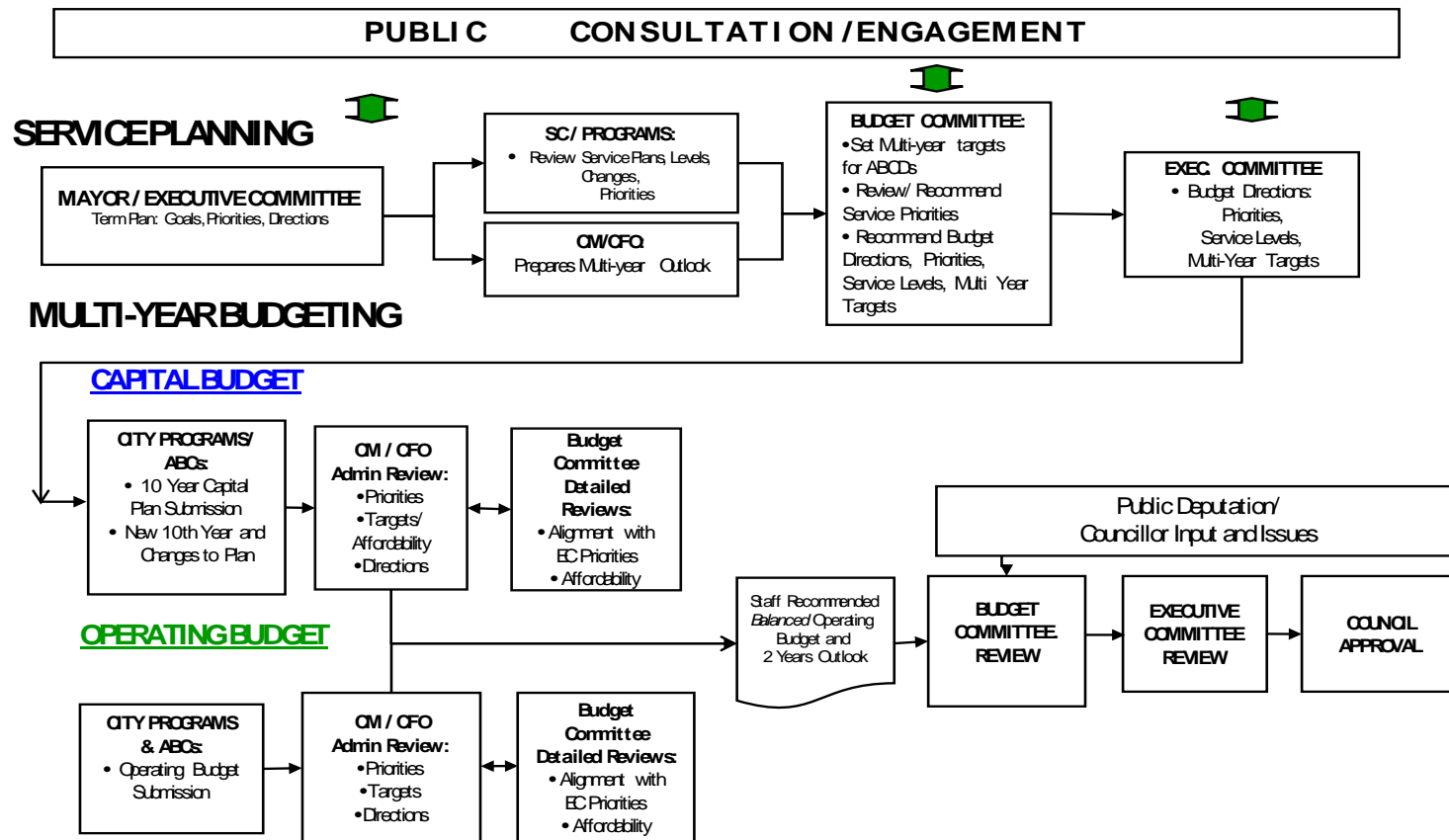


Budget Process & Next Steps



MULTI-YEAR FINANCIAL PLANNING AND BUDGETING PROCESS

Multi-year Financial Planning and Budgeting Process



KEEPING THE PUBLIC INFORMED

The collage features several key pieces of public information:

- Toronto 2015 BUDGET Understanding the Toronto City Budget**: A print brochure explaining the budget process.
- Toronto 2015 BUDGET Rate Supported Budgets**: A print brochure detailing how various services are funded.
- Toronto 2015 BUDGET How to Get Involved in the Budget Process**: A print brochure providing information on public consultation.
- TORONTO TRANSIT COMMISSION DID YOU KNOW?**: An infographic highlighting key facts about TTC, such as 5.5 million people served, 29 billion in revenue, and 1,851 buses.
- YouTube Video**: A video titled "Toronto 2015 BUDGET" showing a hand drawing a city scene with various services like transit, fire, and garbage.
- Website Screenshot**: A screenshot of the toronto.ca/budget2016 website, showing the "Toronto 2015 BUDGET" overview and navigation links.

toronto.ca/budget2016

2016 BUDGET SCHEDULE – KEY DATES

2016 Budget Timelines	
Activity	Tax Supported: Operating & Capital
Launch - Budget Committee	December 15
Budget Committee - Budget Briefings	January 5, 6, 8 & 11
User Fee Town Hall	January 11
Budget Committee - Public Deputations	January 12, 13 & 14
Budget Committee Wrap-Up	January 18
Budget Committee Wrap-Up Final	January 26
Executive Committee	February 9 (Special Executive)
Council	February 17, 18, (19 - Option)

Thank You / End



LIST OF APPENDICES

1. **2016 Preliminary Operating Budget (P74-80)**
2. **Items referred to Budget Process (P81-101)**
3. **Preliminary Tax Impacts (P102-121)**
4. **2017/2018 Forecast (P122-124)**



Appendix 1

2016 Preliminary Operating Budget



2016 OPERATING BUDGET SUMMARY

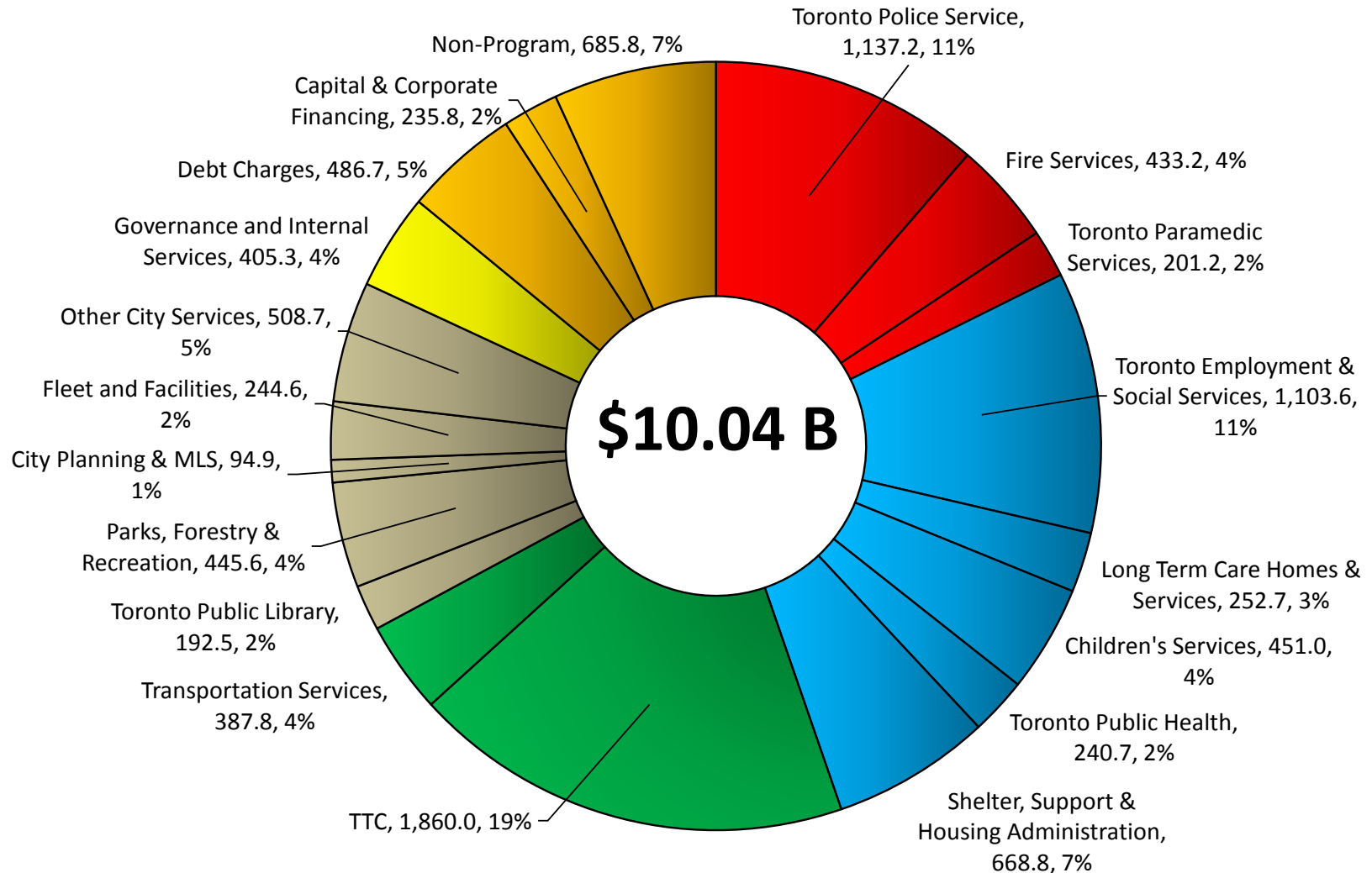
Preliminary 2016 Tax Supported Program Operating Budget - By Cluster/Major Agency

(\$000s)	2015 Budget		2016 Budget		Change from 2015 Over (Under)			
	Gross	Net	Gross	Net	Gross		Net	
					\$	%	\$	%
Citizen Centred Services "A"	3,285,522	1,064,789	3,297,942	1,099,415	12,420	0.4%	34,626	3.3%
Citizen Centred Services "B"	1,016,421	666,577	1,061,227	667,745	44,806	4.4%	1,169	0.2%
Internal Services	472,615	187,570	481,037	186,567	8,422	1.8%	(1,004)	(0.5%)
City Manager	55,757	47,382	54,777	46,888	(980)	(1.8%)	(493)	(1.0%)
Other City Programs	121,946	75,140	123,193	75,130	1,247	1.0%	(10)	(0.0%)
Accountability Offices	8,025	8,025	8,199	8,199	175	2.2%	175	2.2%
Total City Operations	4,960,286	2,049,482	5,026,376	2,083,944	66,090	1.3%	34,463	1.7%
TTC/Wheel Trans	1,809,133	582,530	1,859,971	611,888	50,837	2.8%	29,358	5.0%
Police Services and Board	1,175,433	982,029	1,137,198	1,008,984	(38,235)	(3.3%)	26,956	2.7%
Toronto Public Library	188,708	172,192	192,504	174,911	3,796	2.0%	2,719	1.6%
Toronto Public Health	253,979	56,927	240,703	56,942	(13,276)	(5.2%)	14	0.0%
Other Agencies	171,343	28,463	171,089	29,670	(254)	(0.1%)	1,206	4.2%
Agencies	3,598,597	1,822,141	3,601,466	1,882,395	2,869	0.1%	60,253	3.3%
Corporate Accounts:								
Capital & Corporate Financing	701,532	643,126	722,434	699,128	20,902	3.0%	56,001	8.7%
Non-Program Expenditures	608,194	439,741	624,823	449,743	16,628	2.7%	10,002	2.3%
Non-Program Revenues	116,921	(1,105,855)	60,957	(1,160,941)	(55,963)	(47.9%)	(55,086)	5.0%
Net Operating Budget	9,985,531	3,848,635	10,036,055	3,954,268	50,525	0.5%	105,633	2.7%
Assessment Change				(48,240)			(48,240)	
Operating Budget After Assessment Growth	9,985,531	3,848,635	10,036,055	3,906,028	50,525	0.5%	57,393	1.5%

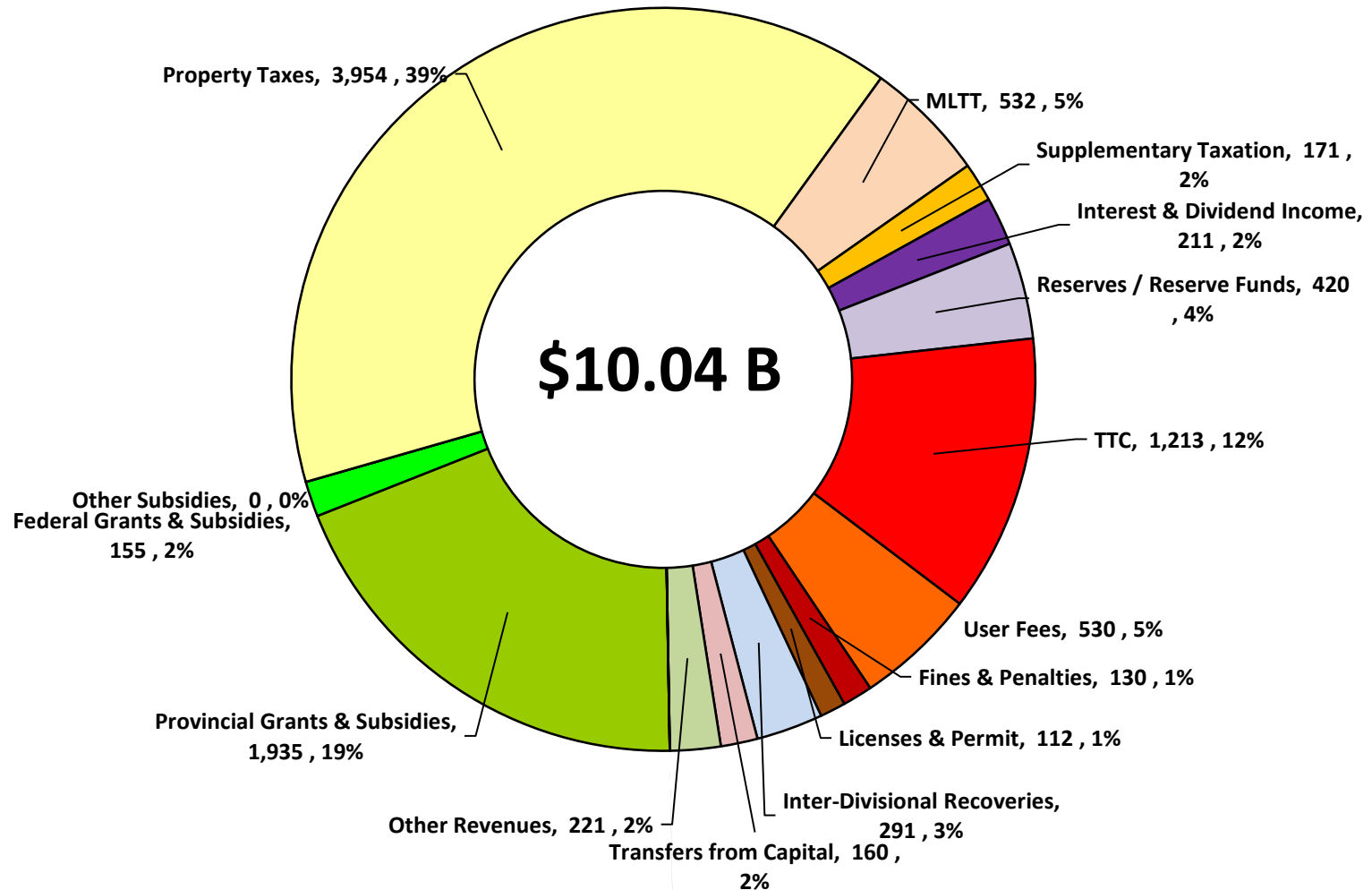
2016 OPERATING BUDGET SUMMARY

Description of Category (\$000s)	2015 Budget	2016 Adjusted Base Budget	\$ Change from 2015 Over (Under)				2016 New/Enh. Budget	2016 Prelim Budget	Change from 2015 Over (Under)	
			Gross	Revenue	Net	%			\$	%
Citizen Centred Services "A"										
Gross Expenditures	3,285,522	3,291,712	6,190			0.2%	6,230	3,297,942	12,420	0.4%
Revenue:	(2,220,733)	(2,193,064)		27,670		(1.2%)	(5,463)			
Net:	1,064,789	1,098,648			33,859	3.2%	767	1,099,415	34,626	3.3%
Federal Funding Loss				9,000						
Courts One Time Provincial Revenue				12,000						
Other Revenue Changes				6,670						
Citizen Centred Services "B"	666,577	667,745	41,469	(40,300)	1,169	0.2%	(0)	667,745	1,169	0.2%
Internal Services	187,570	186,591	7,851	(8,831)	(979)	(0.5%)	(24)	186,567	(1,004)	(0.5%)
City Manager	47,382	46,888	(980)	487	(493)	(1.0%)	0	46,888	(493)	(1.0%)
Other City Programs	75,140	75,130	561	(570)	(10)	(0.0%)	(0)	75,130	(10)	(0.0%)
Accountability Offices	8,025	8,199	175	0	175	2.2%	0	8,199	175	2.2%
Total City Operations	2,049,482	2,083,202	55,266	(21,545)	33,720	1.6%	742	2,083,944	34,463	1.7%
TTC (inc Wheel Trans)	582,530	611,888	50,837	(21,479)	29,358	5.0%	0	611,888	29,358	5.0%
Police (inc Board)	982,029	1,008,984	(38,235)	65,190	26,956	2.7%	0	1,008,984	26,956	2.7%
Other Agencies	257,583	261,641	(10,271)	14,329	4,058	1.6%	(118)	261,523	3,940	1.5%
Agencies	1,822,141	1,882,513	2,332	58,040	60,371	3.3%	(118)	1,882,395	60,253	3.3%
Corporate Accounts:										
Capital & Corporate Financing	643,126	699,128	20,902	35,100	56,001	8.7%	0	699,128	56,001	8.7%
Other Corporate Expenditures	439,741	449,743	16,628	(6,627)	10,002	2.3%	0	449,743	10,002	2.3%
Municipal Land Transfer Tax	(385,000)	(485,500)	4	(100,504)	(100,500)	26.1%	0	(485,500)	(100,500)	26.1%
Other Corporate Revenues	(720,855)	(719,220)	(55,967)	57,603	1,635	(0.2%)	0	(719,220)	1,635	(0.2%)
Toronto Pooling Compensation Loss		43,779		43,779	43,779	0.0%		43,779	43,779	0.0%
Net Operating Budget	3,848,635	3,953,644	39,164	65,845	105,009	2.7%	624	3,954,268	105,633	2.7%
Assessment Change		(48,240)		(48,240)	(48,240)			(48,240)	(48,240)	
Net Operating Budget After Assessment										
Growth	3,848,635	3,905,404	39,164	17,605	56,769	1.5%	624	3,906,028	57,393	1.5%

WHERE THE MONEY GOES



WHERE THE MONEY COMES FROM



PRELIMINARY BUDGET STAFFING IMPACT

	2015 Approved Staff Complement	2016 Complement Changes								
		Prior Year Impact	Operating Impacts of Capital Proj.	Capital Project Delivery	Base Changes	Efficiencies	Total Base Change	New/Enh Service Priorities	Total 2016 Preliminary	Change from 2015 Approved
Citizen Centred Services "A"	12,687.3	45.4	17.5	26.8	113.4	(16.7)	186.3	75.7	12,949.4	262.0
Citizen Centred Services "B"	6,287.1	(4.3)	2.0	(2.0)	18.0	(18.0)	(4.3)	27.0	6,309.8	22.7
Internal Services	3,047.5		16.0	15.3	1.0	(19.8)	12.4	1.0	3,060.9	13.4
City Manager	445.5			4.0	(5.5)	(13.0)	(14.5)		431.0	(14.5)
Other City Programs	912.8	(3.6)	2.8	10.9	(0.5)	(7.0)	2.5	4.0	919.3	6.5
Accountability Offices	52.8								52.8	
TOTAL - CITY OPERATIONS	23,433.0	37.5	38.2	54.9	126.4	(74.5)	182.5	107.7	23,723.2	290.2
Agencies										
Toronto Transit Commission (incl. Wheel-Trans)	14,274.0				199.0		199.0		14,473.0	199.0
Other Agencies	13,424.4	(0.2)		(11.4)	6.7	(30.9)	(35.8)	1.0	13,389.5	(34.8)
TOTAL - AGENCIES	27,698.4	(0.2)		(11.4)	205.7	(30.9)	163.2	1.0	27,862.5	164.2
TOTAL LEVY OPERATING BUDGET	51,131.4	37.3	38.2	43.5	332.0	(105.4)	345.6	108.7	51,585.7	454.3

PRELIMINARY 2016 SOLID WASTE REBATE ADJUSTMENTS

			2015 Approved Rates			2016 Approved SWMS Rates				Preliminary 2016 Solid Waste Rebate Adjustment					
Single Family Garbage Bins	Bin Size	Billable Accounts	Fee	Rebate	2015 Net Cost	2016 Approved Rate (3% Increase)	Net Cost	Overall Change		Proposed Rebate Reduction	Proposed Adjusted Rebate	Proposed Adjusted Net Cost	Overall Change		Proposed Tax Supported Budget Reduction
								\$	%				\$	%	
Single Family	Small	110,598	237.64	227.01	10.63	244.77	17.76	7.13	67.1%	0	227.01	17.76	7.13	67.1%	0
	Medium	183,918	288.49	199.76	88.73	297.14	97.38	8.65	9.8%	(18.00)	181.76	115.38	26.65	30.0%	3,310,524
	Large	114,160	391.80	144.41	247.39	403.55	259.14	11.75	4.8%	(36.00)	108.41	295.14	47.75	19.3%	4,109,760
	X Large	38,618	454.45	110.85	343.60	468.08	357.23	13.63	4.0%	(110.85)	0	468.08	124.48	36.2%	4,280,805
	Bag Only*	2,073	152.13	227.01	(74.88)	156.69	(70.32)	4.56	6.1%	(12.00)	215.01	(58.32)	16.56	-22.1%	24,876
Res. Units Above Commercial Weekly	Small	1,728	288.49	227.01	61.48	297.14	70.13	8.65	14.1%	0	227.01	70.13	8.65	14.1%	0
	Medium	1,389	391.80	199.76	192.04	403.55	203.79	11.75	6.1%	(18.00)	181.76	221.79	29.75	15.5%	25,002
	Large	1,231	555.57	144.41	411.16	572.24	427.83	16.67	4.1%	(36.00)	108.41	463.83	52.67	12.8%	44,316
	X Large	571	892.67	110.85	781.82	919.45	808.60	26.78	3.4%	(110.85)	0	919.45	137.63	17.6%	63,295
	Bag Only*	5,237	202.98	227.01	(24.03)	209.07	(17.94)	6.09	25.3%	(12.00)	215.01	(5.94)	18.09	-75.3%	62,844
Total Billable Single Family Accounts:		459,523													
													Net Tax Supported Budget Reduction:		11,921,423

*Bag only customers are required to purchase bags at a cost of \$3.39 per bag / tag.



Appendix 2

Items referred to Budget Process



NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Council Directed										
Economic Development & Culture - Arts & Culture \$25/capita phase-in										All are part of Arts & Culture \$25/capita phase-in
Addition of Coordinator of Volunteers	57	57	1	21	21		3	3		Second Coordinator of Volunteers position to further support volunteerism for various events
Cultural Hotspot	122	122	1	28	28		3	3		New position to allow for more employment and mentorship opportunities for local youth
Design Exchange Annual Operating Contribution	200	200								Increase to annual operating expenditures of the Design Exchange
Doors Open Program Enhancement	150	150								Additional funding to support the expansion of the Doors Open walking tours and talk programs
Film & Entertainment Staff Office/Equipment	103	103		(103)	(103)					Staffing proposals for Film Office Enhancements initiatives will require additional space and equipment
Increase to Major Cultural Organization Program	600	600								Additional funding for the Major Cultural Organization Program which is one of three main cultural programs that support the annual operations of the City's cultural organizations
Increase to Toronto Arts Council Grant Program	2,000	2,000								Funding to increase the Toronto Arts Council Grant Program to bring total contribution to \$18 million
Local Arts Service Organizations Grant	300	300								Additional funding for the LASOs grant portfolio which will bring the total grant to \$1.633 million, an increase of 18% over the last year's grant funding
Museum Revitalization 2016	240	240	3	104	104		5	5		Three new positions (Project Manager - MHS, Museum Program Officer and Assistant Conservator) and an increase to marketing budget, all of which will address the core needs of improving the visitor experience and marketing capacity

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Council Directed										
Economic Development & Culture - Arts & Culture \$25/capita phase-in										All are part of Arts & Culture \$25/capita phase-in
Nuit Blanche Program Enhancement	230	230								Additional funding to support migrating the audience navigational tools to a more robust web based system and extending the program beyond the 12 hour time span
Photo Laureate	10	10								Funding to establish the annual honorarium for a Photo Laureate
Public Art Conservation	75	75								Funding for contractor services for the coordination and implementation of conservation projects for the City's public art collection
Royal Agricultural Winter Fair	30	30								Increase to the 2016 grant for the Royal Agricultural Winter Fair to bring the total spent to \$0.969 million.
Toronto Music Garden	13	13								Additional funding to sustain the Summer Concert Series in the Music Garden in 2016 to bring the total spent to \$0.026 million.
Zion Church Cultural Centre	72	72	1	28	28		3	3		Additional funding for a full-time Community Cultural Coordinator position which would allow Zion Church to play a key role in Hotspot North in 2016
Film Office Enhancements	275	275	2	47	47		6	6		2 new positions for the Film permit team
Music Support & Enhancements	157	157	1	22	22		3	3		Funding one Cultural Development Officer position to enhance the service delivery capability of the Music component of Film & Entertainment Industries
Major Festival Support	50	50	1	18	18		2	2		New Support Assistant C position that will enable the Division to better support the teams producing all of EDC's signature events
Nathan Phillips Square Cultural Program Enhancements	317	317								Funding to increase programming and events at NPS
Economic Development & Culture Total	5,000	5,000	10	165	165		25	25		

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Council Directed										
Parks, Forestry & Recreation										
Family Day Recreation Centre Operations	250	250	5							Funding to open & offer recreation programs on Family Day 2016 at 88 community centres & aquatic locations spread across the City.
Parks, Forestry & Recreation Total	250	250	5							
Toronto Paramedic Services										
Add 2 Superintendent Operations	164	164	2	136	54			(67)		Positions are required to maintain the standard paramedic to superintendent ratio of 25:1.
Add 57 New Paramedic Positions	3,064	3,064	57	3,090	1,558			(1,303)		Fire/EMS Efficiency Review adopted by City Council recommended an increase in response capacity by 223,451 staffed vehicle hours based on the increasing trend in emergency call demand over the last ten years which translated to an additional 169 paramedic positions by 2016 for a total 220 positions including the 51 positions approved in 2013. To date, 163 positions have been added with 2016 as the last and final year.
Toronto Paramedic Services Total	3,228	3,228	59	3,226	1,612			(1,370)		
Engineering & Construction Services										
11 IMC's for easing traffic disruption	1,095		11	36			37			Eleven seasonal Inspectors of Municipal Construction (IMC) required for capital projects in the Right of Way that are using extended hours to alleviate traffic disruption. Funded from the Transportation Capital Budget.
Engineering & Construction Services Total	1,095		11	36			37			

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Council Directed										
Fire Services										
Add Fire Prevention and Public Education Staff	693	693	17	2,809	2,809	17	1,906	1,906	16.00	Fire/EMS Efficiency Review adopted by City Council and supported by Fire Undertakers Survey recommended an increase of 115 Fire Prevention Officers over 3 years to strengthen the activities in fire prevention, inspection and investigation activities. To date, 65 positions have been added. Remaining 50 will be phased-in over 2016-2018.
Fire Services Total	693	693	17	2,809	2,809	17	1,906	1,906	16.00	
Transportation Services										
30 Km/h Speed Limit Implementation	400	0	4	(400)		(4)				Implementation of the change to a 30 Km/h speed limit within the Toronto and East York District. Four temporary positions funded from the Transportation Capital Budget. One-time cost to be reversed in 2017.
Transportation Services Total	400	0	4	(400)		(4)				
Council Directed Total	10,666	9,171	106	5,837	4,587	13	1,968	561	16.00	

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Poverty Reduction										
Long Term Care Homes & Services										
Expansion of the Homemakers and Nurses Services (HMNS) Program	750	150								Expand the cost-shared (75/25) Homemakers and Nurses Services (HMNS) Program to meet the needs of a growing population of vulnerable residents living in poverty. The additional funding will increase the capacity of the program by 31,200 additional hours of homemaking services or 400 additional clients.
Long Term Care Homes & Services Total	750	150								
Parks, Forestry & Recreation										
Youth Spaces Expansion - Phase 3	446	446	8	49	49	1	60	60		Implement the final 3 new Youth Spaces of 10 approved in 2014 including a full time recreation staff at each location to provide information, referrals, and support program delivery.
Parks, Forestry & Recreation Total	446	446	8	49	49	1	60	60		
Shelter, Support & Housing Administration										
Enhanced Cold Weather Drop-in service	416	416								24-Hour Warming Centres through January and February for the 2016/2017 Winter
Purchase of Service Rate Increases	1,124	1,124								Inflationary Funding of 2% for POS from 32 community agencies operating 49 shelters. Last per diem increase was in 2014.
Housing First Pilot Program										RFP for community agencies to provide follow-up housing supports though intensive case management support and housing allowances. Costs are expected to be \$0.800 million. This cost will be offset by a one-time reduced contribution to the rent bank because of the rent bank's repaid loans, which are sufficient to offset administration costs of the rent bank in 2016. If this initiative does not proceed, shelter beds will continue to be locked up by long-term users increasing shelter occupancy pressures.
Shelter, Support & Housing Administration Total	1,540	1,540								

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Poverty Reduction										
Social Development, Finance & Administration Social Procurement - Cost Share with Purchasing	33	33		12	12					Funding for 1 position cost shared between TESS, SDFA, EDC and SSHA to provide advice, training and assistance to PMMD in the procurement of social service community needs and supports. The initiative will leverage the economic power of the City to stimulate job growth and drive inclusive economic growth.
Toronto Youth Employment Program	633	633	6							As part of the 2015 Service Level Reviews the Economic Dev Ctte recommended to the BC for consideration that the YET program be re-established. This youth assistance program links vulnerable youth to employment resources, skills development and educational programs and replaces a similar Federal cost-shared program that was cancelled in 2014.
Social Development, Finance & Administration Total	665	665	6	12	12					
Toronto Employment & Social Services Employment Program for Single Parents	300	300								To continue the Employment Program for Single Parents and to pilot providing additional support for other initiatives such as the Partnership to Advance Youth Employment (PAYE) and the Job Incentive Program (JIP).
Toronto Employment & Social Services Total	300	300								

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Poverty Reduction										
Office of the Treasurer										
Support for the Social Procurement initiative	65	33	1	25	12		3	1		Social procurement requires the Purchasing and Materials Management Division to consider social impact factors that are traditionally out-of-scope in traditional procurement practices. Funding is for a Purchasing Coordinator to ensure that meaningful, measureable social impact requirements are embedded in City procurement without compromising operational effectiveness or efficiency. The position is necessary to support the successful implementation of the Social Procurement Policy and future initiatives. This position is funded 50% by SDFA effective April 1, 2016. One FTE has been eliminated in the base budget to offset the cost of this initiative.
Office of the Treasurer Total	65	33	1	25	12		3	1		
Toronto Public Health										
Toronto Urban Health Fund Budget Enhancement Year 2	150	38								5-year funding strategy will enhance funding for projects to address HIV prevention, harm reduction and youth resiliency. With Year-2 funding, TUHF is projected to fund 21 projects to train 200 Peer Leaders to deliver training to peers to deliver resiliency building activities to 865 peers to reach 1,500 children and youth in the community.

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Poverty Reduction										
Toronto Public Health										
Student Nutrition Toronto Strengthen Current Programs	642	642								Year 4 of a 5 year strategy with funding directed to <u>stabilize</u> existing student nutrition programs, resulting in programs having a greater ability to increase the number of breakfasts served. A revised strategy that extends the previous 5-year plan by 1 additional year will be considered by Council on December 9th.
Student Nutrition Toronto: Expansion to New Sites	853	853								Year 4 of a 5 year strategy with funding to expand the program into 49 publically funded schools in higher need areas to reach an additional 15,800 children and youth. A revised strategy that extends the previous 5-year plan by 1 additional year will be considered by Council on December 9th.
Student Nutrition Toronto - Cost of Food Inflation	109	109		300	300		377	377		1.3% Inflationary increase for the cost of food.
Toronto Urban Health Fund - Inflationary Increase	57	14		61	15		65	16		2% increase to account for inflationary and salaries and benefits increases
Toronto Public Health Total	1,810	1,655		361	315		442	393		

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Poverty Reduction										
Toronto Public Library										
Sunday open hours enhancement 1 - full year at 8 branches	263	263								Allow for year round Sunday service at 8 branches that currently offer service from Sept to June allowing for increased access and responding to the need of people who are in Toronto in the summer.
Sunday open hours enhancement 2 - 6 new locations	294	294								Add Sunday service, for 37 Sundays, at 6 new branches to increase geographic equity and improve service at the neighbourhood level. Sunday service increases access to library services for people experiencing poverty including space, technology and information.
Youth Hubs - 2nd year	200	200	2							Add 2 new Youth Hubs at Maria A. Schuka and Fairview branches - year 2 of Youth Hub Expansion. Year 1 saw two youth hubs open.
Internet Wi-Fi hotspot lending	100	100								Loaning wireless hot spots to residents in Toronto Strong Neighbourhood Strategy 2020 neighbourhoods targeting low income customers in branches serving Neighbourhood Improvement Areas
Digital Innovation Hub	100	100	1	38	38					Create a Digital Innovation hub at the SPOT youth space at Malvern branch. The initiative aligns with the Poverty Reduction Strategy recommendations to increase service access and expand digital access and literacy.
Toronto Public Library Total	958	958	3	38	38					
Poverty Reduction Total	6,535	5,747	18	485	427	1	505	455		

NEW AND ENHANCED DETAILED LIST

	2016			2017 Annualization			2018 Annualization			Comments
Program (in '000s)	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Referred to the Budget Process										
Municipal Licensing and Standards Wildlife Centre	6,750	6,750		(5,985)	(5,985)		15	15		Funding for the Toronto Wildlife Centre includes \$0.750 million for the annual operating fund and a one-time \$6.0 million contribution towards a new facility.
Municipal Licensing & Standards Total	6,750	6,750		(5,985)	(5,985)		15	15		
City Manager's Office Participatory Budgeting	171	171	1.00	34						Funding for temporary Corporate Consultant and related office equipment and supplies for the proposed 2 yr duration of the pilot.
City Manager's Office Total	171	171	1.00	34						
Toronto Transit Commission Proof of Payment Fare Inspection - Deferral from 2015	1,651	1,651	20							With the introduction of new LRVs with all door boarding, Proof of Payment fare inspection is required. Funding for additional fare enforcement personnel (20) is required. This request was deferred from 2015, to conduct sufficient fare checks to minimize potential revenue losses through fare evasion.
Toronto Transit Commission Total	1,651	1,651	20							
Referred to the Budget Process Total	8,572	8,572	21.0	(5,951)	(5,985)		15	15		

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Service Level Changes Requested by Parks & Environment Committee:										
Parks, Forestry & Recreation										
Daily Grooming of 11 swimming beaches	736	736	4							Beach grooming removes pollution such as seaweed, fish, glass, syringes, plastic, cans, wood and other unwanted debris from large areas of sand. The City's designated swimming beaches are currently groomed 3 - 5 times per week by tractors pulling a mechanical grooming attachment.
Horticulture Bed Rejuvenation on a Five Year Cycle	4,995	4,995	44							In order to achieve a five year rejuvenation cycle for all horticulture displays across the City as per Parks and Environment Committee's request 1(b), an additional increase in funds of approximately \$4.995 million annually would be required. Approximately 1,100 of the 5,600 horticultural beds in the parks system would be rejuvenated per year.
Parks Plan - Enhanced Maintenance & Quality Management	177	177	2	64	64	0	304	304	3	There is currently no enhanced evening and weekend park monitoring and maintenance in summer months when park use levels are highest. This funding provides additional evening and weekend park maintenance and monitoring over a 12 week summer period to address increased maintenance requirements in high demand park spaces. Roving crews would do basic maintenance and monitor parks to identify issues and priorities and report and manage problems.

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Service Level Changes Requested by Parks & Environment Committee:										
Parks, Forestry & Recreation										
Parks Plan - Horticulture & Urban Agriculture	291	291	4	328	328	4	276	276	2	<p><u>Horticulture:</u> Most horticulture beds receive spring and fall clean ups and are weeded/pruned 2-3 times per season. Limited funding, bed condition and changing weather patterns make it challenging to achieve the standard of rejuvenating beds every seven years and consistently meet maintenance standards.</p> <p><u>Urban Agriculture:</u> This establishes four new community gardens per year and operates 64 gardens in 30 wards of the city. The program is building up to approximately two gardens per ward by 2017. Once this coverage is achieved the program would emphasize public education, maintenance and renewal of the garden inventory.</p>
Parks Plan - Improve Natural Environment Trails	160	160	2	279	279	3	135	135	1	Increased resources for future planning, design and management of natural surface (dirt) trails in natural area parkland and ravine ecosystems to ensure the protection, restoration and enhancement of natural areas, while offering safe recreational opportunities and improved access to users.
Parks Plan - Parks Ranger Program	557	557	5	951	951	9	37	37		Establish a Park Ranger Program (currently none). Urban Park Rangers would be the primary point of contact for people wanting to engage with the parks system. They would assist with system navigation, connect people to existing opportunities, facilitate community-led initiatives, build relationships with stakeholders and support park monitoring. These activities would improve customer service and support public involvement in parks

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Service Level Changes Requested by Parks & Environment Committee:										
Parks, Forestry & Recreation										
Increased Staffing for Invasive Species Protection	1,261	1,261	18	359	359		8	8		There are 18 Environmentally Sensitive Areas (ESAs) in the City with 68 additional areas proposed through Official Plan amendments. Most are in natural parklands, which can overlap with general use parkland. Urban Forestry currently has three crews for natural area management/invasive species control, primarily in ravines and naturalized areas. This request would double the numbers of crews, and increase the service level, meaning that the Parks Branch could manage some invasive species in high visibility and high use areas not currently managed for invasive species.
Enhanced Winter Maintenance for Parks Path	423	423	4	509	509	5				The optimal standard for park path clearing is to clear snow 24 hours following a snowfall of 8 or more centimetres for main park pathways that are hard surface, lit at night and provide a linkages between schools, transit, winter park amenities and/or arterial roads. This initiative will harmonize this standard across the city over two yrs.
Inspections and Debris Removal From Ravines and Watercourses	624	624	9	186	186					Ravines are currently inspected once per year with debris and homeless encampment removal, infrastructure maintenance and other work done based on inspection findings. An annual bridge audit is now required, diverting resources available for other work. Inspection and work is conducted by two crews with support from additional seasonal Parks staff, and largely done in summer months. Pressures on ravines through recreational use, severe weather events, illegal dumping and other issues are increasing and an interdivisional Ravine Strategy is currently being developed.

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Service Level Changes Requested by Parks & Environment Committee:										
Parks, Forestry & Recreation										
Committee of Adjustment Review Enhancement	292	292	4	68	68		11	11		PFR is experiencing difficulty achieving the 100% inspection rate for tree permits due to limited resources. It is difficult to comprehensively review plans within the notice period provided by the CofA with the desired level of detail and potential impacts/ specific comments. More staff resources are required to perform the application review process. To improve capacity to identify where trees require injury and removal; provide information on tree impacts to the CofA, provide specific conditions of approval; recommend deferral or provide objections where appropriate.
Original Tree Canopy Goal Timelines	1,664	1,664	21	381	381	0	49	49		In 2009, an eight year financing plan was implemented to sustain and expand the urban forest and in particular, increase the tree canopy to between 30-40% by the year 2050. The eight year financial plan was designed to bring Urban Forestry's Gross Operating Budget to the necessary level by 2016; allowing Urban Forestry to maintain and protect current assets, as well as plant at sufficient levels in order to meet the desired canopy objectives. In order to return to the original tree canopy goal established by City Council in 2008 additional funding of \$13.7 million between 2016 - 2023 would be required. This would require Urban Forestry to accelerate the implementation time frame for the Urban Forestry Service Plan to <u>achieve full funding by 2019</u> .

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Service Level Changes Requested by Parks & Environment Committee:										
Parks, Forestry & Recreation										
Hydro Corridor Agreements	110	110		2	2		2	2		There are currently approximately 60 Hydro sites comprising approximately 760 acres on one Master Agreement between Hydro One and the City being utilized by PFR as recreational space, including garden plots, recreation areas, bike paths, pedestrian walkways, trails and dogs off leash areas. PFR has requested that five additional locations be added to the Master Agreement and is currently working through the process with Hydro One.
Parks, Forestry & Recreation Total	11,289	11,289	116	3,127	3,127	23	823	823	6	
Fleet Services										
PF&R increase demand for rentals and related fuel charges	160			26			5			Increase in vehicle (2) rental, equipment and fuel charges. These relate to the new PFR programs to address higher maintenance requirements in high demand park spaces, facilitate community-led initiatives in parks and trails, manage the inspection of trees on private property, and increasing tree canopy.
Fleet Services Total	160			26			5			
P&E Committee Recommended Total	11,450	11,289	116	3,153	3,127	23	828	823	6	

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
TTC Board Approved										
Toronto Transit Commission Bus Reliability Centred Maintenance	7,694	7,694		8,200	8,200					To improve the quality of bus service by reducing the number of short turns, increasing on-time departures/arrivals and reducing the number of missed trips.
Track Safety Initiative	1,784	1,784	20.00							There will be a dedicated person watching for trains when track maintenance is being done.
Training Requirements	1,840	1,840	11.00							Re-Training bus drivers every 3yrs vs 5yrs.
Bus Service Reliability	2,600	2,000	47.00	3,200	3,200					Running time adjustments, improved route management.
Streetcar Service Reliability	2,100	1,200	30.00	1,400	1,400					Running time adjustments, improved operating practices.
Earlier Sunday Transit Service	1,700	600	17.00	800	800					Earlier Sunday morning subway, and connecting bus, and streetcar service to start at 8:00am.
New and Enhanced Express Bus Service	1,700	1,600	34.00	2,900	2,900					Complete implementation of first four new express routes.
Toronto Transit Commission Total	19,418	16,718	159	16,500	16,500					
TTC Board Approved Total	19,418	16,718	159	16,500	16,500					

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Public Health Board Approved										
Toronto Public Health										
Day Nursery Immunization	538	134	6.00	(7)	(2)					To increase support offered to day nursery operators, and parents and children of day nursery attendees regarding immunizations in compliance with six of the seven requirements of the Immunization Management Protocol day nursery components under the OPHS.
Decrease gapping from 5.8% to 4.8%	1,513	426								The reduction of 1% in TPH annual gapping rate (from 5.8% to 4.8% for mandatory programs cost shared by the Province by 75%). Improved hiring process will reduce time to fill vacant positions and TPH will have difficulty in meeting the gapping target of 5.8%.
VPD Universal Influenza Immuniza Pharmacy Inspect	156		2.00							TPH will receive additional 100% funding for the Vaccine Preventable Diseases (VPD) Program for increased mandatory inspection of fridges of pharmacies providing influenza vaccine to the public.
Toronto Public Health Total	2,206	561	8.00	(7)	(2)					
Public Health Board Approved Total	2,206	561	8	(7)	(2)					

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Accountability Offices										
Auditor General's Office										
Enhancement on Data Analytics	202	202	1.50	43	43		6	6		Funding is for Audit Manager and student dedicated to data analytics/IT audits to increase the AG's ability to analyze more and larger data-sets to identify savings and potential exposures and to increase the number of IT audits.
Enhancement to the Audit Function	371	371	4.00	108	108		15	15		Funding for 1 Senior Audit Manager, 1 Audit Manager, 1 Auditor and Co-op student to enable AG to begin to reduce backlog of projects and reduce the City's risk exposure.
Enhancements to Forensic Unit	392	392	3.00	79	79		11	11		Funding for resources dedicated to providing support to the Forensic Unit which has primary responsibility for the operation of the Fraud and Waste Hotline Program and in depth forensic investigations.
Auditor General's Office Total	964	964	8.50	230	230		33	33		
Integrity Commissioner's Office										
Additional Resources for Integrity Commissioner's Office	314	314	1.00	(48)	(48)		7	7		Funding for Outreach Coordinator & new office space as existing office space will not be suffice for all staff. This will enable Office to respond to higher than normal volumes of work, complex cases and increasing demand for advice and investigations
Integrity Commissioner's Office Total	314	314	1.00	(48)	(48)		7	7		

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Accountability Offices										
Office of the Ombudsman										
Additional Resource for Office of the Ombudsman	161	161	2.00	49	49					Funding for additional resources to strengthen the Office's investigative capacity and add internal legal advice along with greater research support for investigations.
Office of the Ombudsman Total	161	161	2.00	49	49					
Accountability Offices Total	1,439	1,439	12	231	231		39	39		
City Clerk's Office										
City Clerk's Office										
Support to the Auditor General's Office	102	102	1.00							Funding is required to support and maintain Auditor General's Office business system.
City Clerk's Office Total	102	102	1.00							
City Clerk's Office Total	102	102	1							

NEW AND ENHANCED DETAILED LIST

Program (in '000s)	2016			2017 Annualization			2018 Annualization			Comments
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos	
Mayor's Task Force on TCHC										
Shelter, Support & Housing Administration Mayor's Task Force on Toronto Community Housing	13,700	13,700								TCHC has requested \$13.7 million in funding from the City to help fund actions plans in 2016 arising from the Mayor's Task Force recommendations
Shelter, Support & Housing Administration Total	13,700	13,700								
Mayor's Task Force on TCHC Total	13,700	13,700								
Legal Services										
Legal Services Add 1 Lawyer for increased Planning and Tribunal work	129	129	1.00							Addition of 1 new solicitor for Legal's Planning group to attend the increasing number of OMB hearings and meet workload demands of that group. Part of this request arises from the reduction in funding from City Planning. This results in an increase of \$0.129 million gross and net.
Legal Services Total	129	129	1.00							
Legal Services Total	129	129	1.0							
Grand Total	74,217	67,428	442	20,249	18,885	37	3,356	1,894	22	

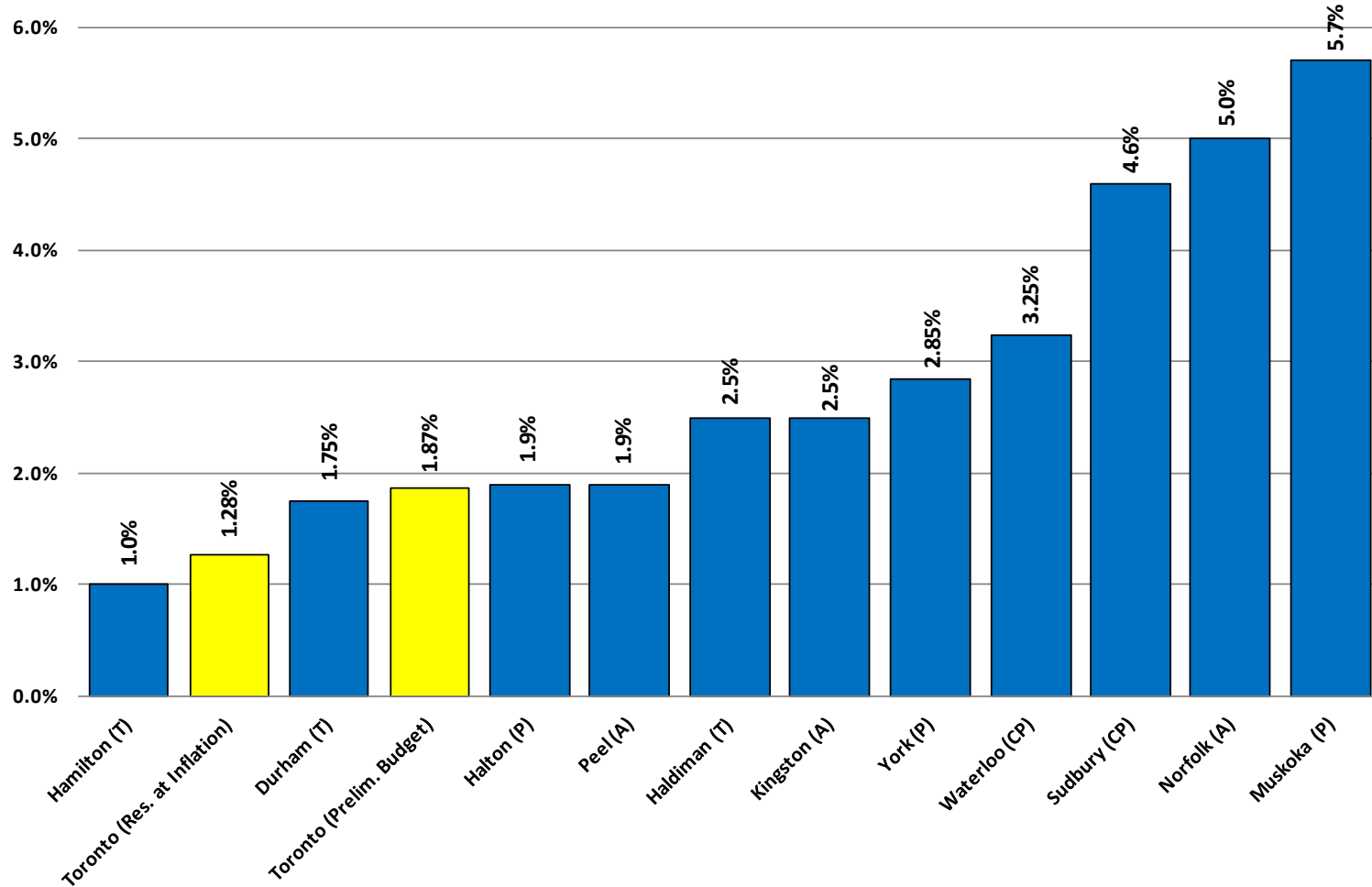


Appendix 3

Preliminary Tax Impacts



2016 MUNICIPAL TAX INCREASE COMPARISONS



Legend:

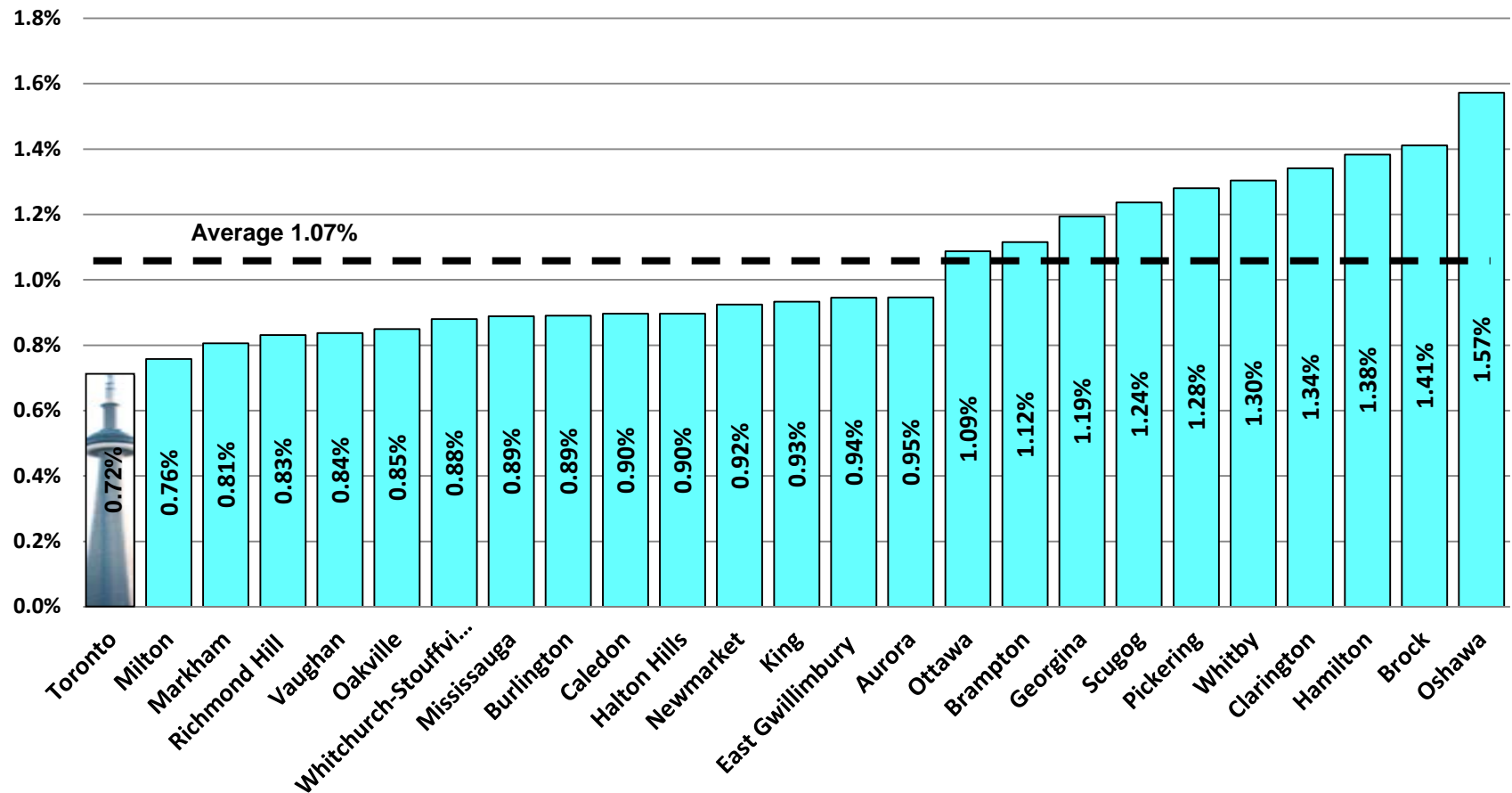
Approved/Actual (A)

Current Position (CP)

Target (T)

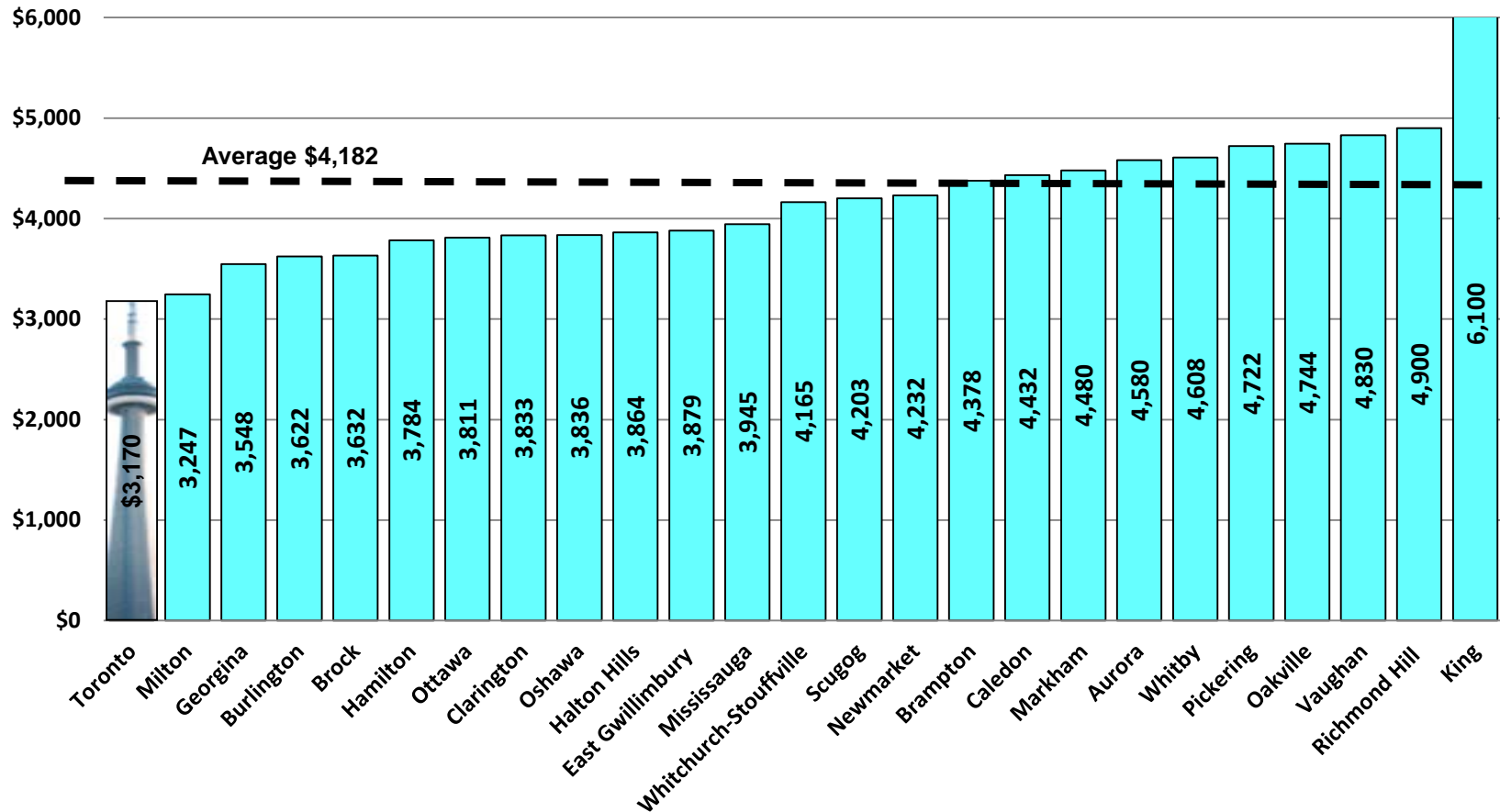
Projected (P)

COMPARISON OF 2015 RESIDENTIAL PROPERTY TAX RATES GTHA MUNIS & OTTAWA



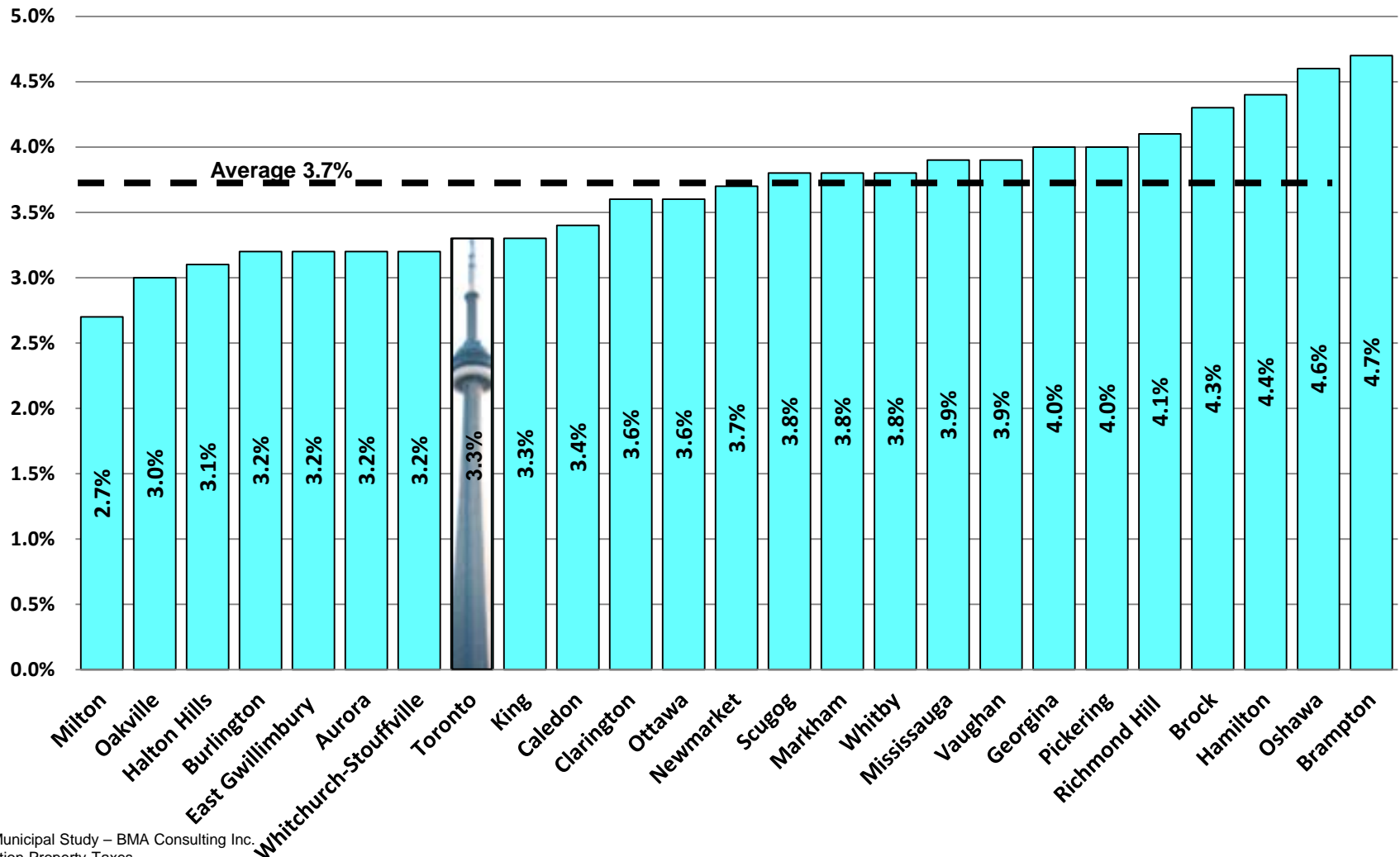
Source: 2015 Municipal Study – BMA Consulting Inc.
Includes Education Property Taxes

COMPARISON OF 2015 AVERAGE PROPERTY TAXES GTHA MUNIS & OTTAWA - \$1,000 LESS THAN AVERAGE



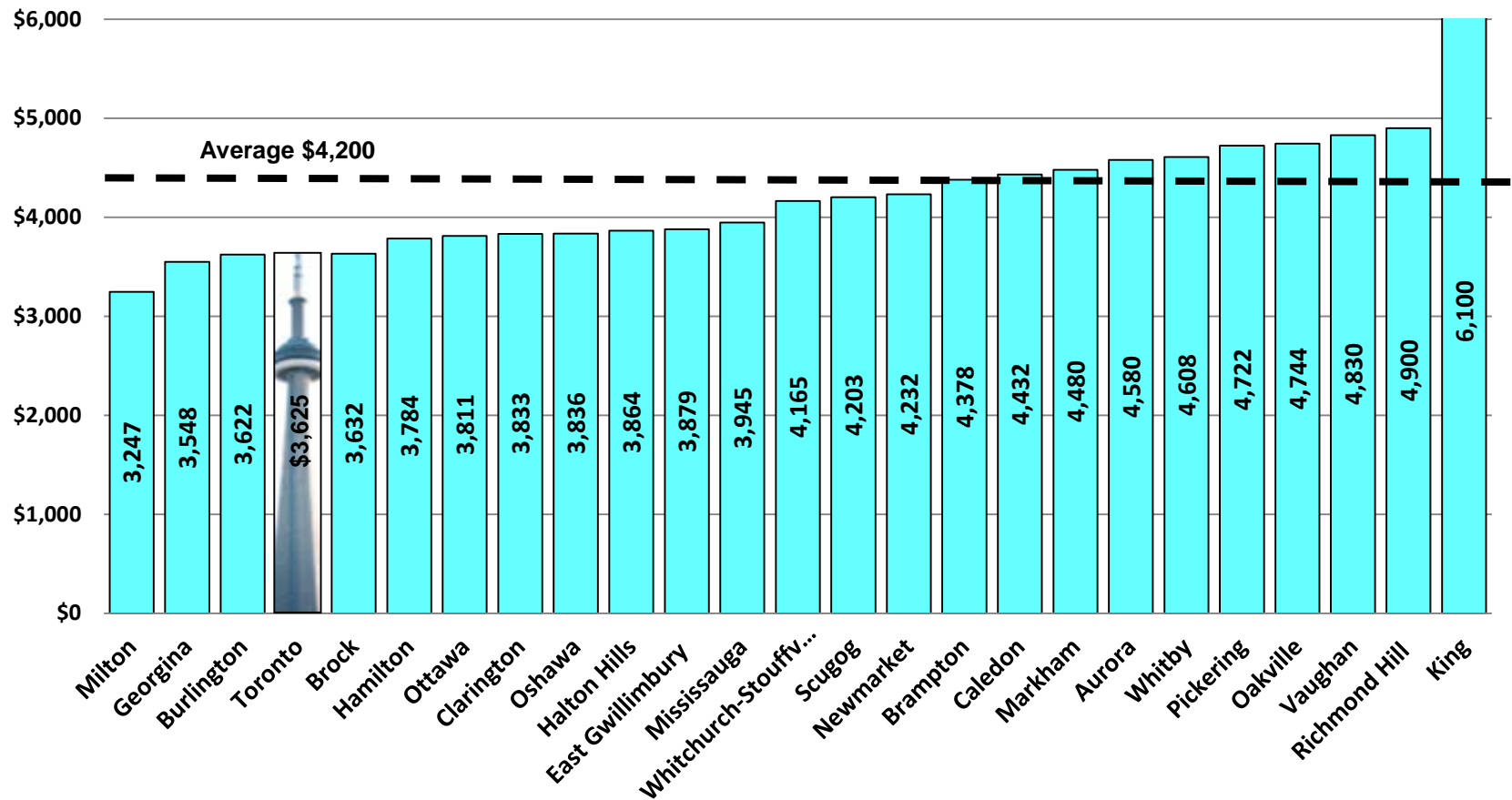
Source: 2015 Municipal Study – BMA Consulting Inc.
Includes Education Property Taxes

2015 RESIDENTIAL PROPERTY TAXES AS A % OF HOUSEHOLD INCOMES – GTHA MUNIS & OTTAWA



Source: 2015 Municipal Study – BMA Consulting Inc.
Includes Education Property Taxes

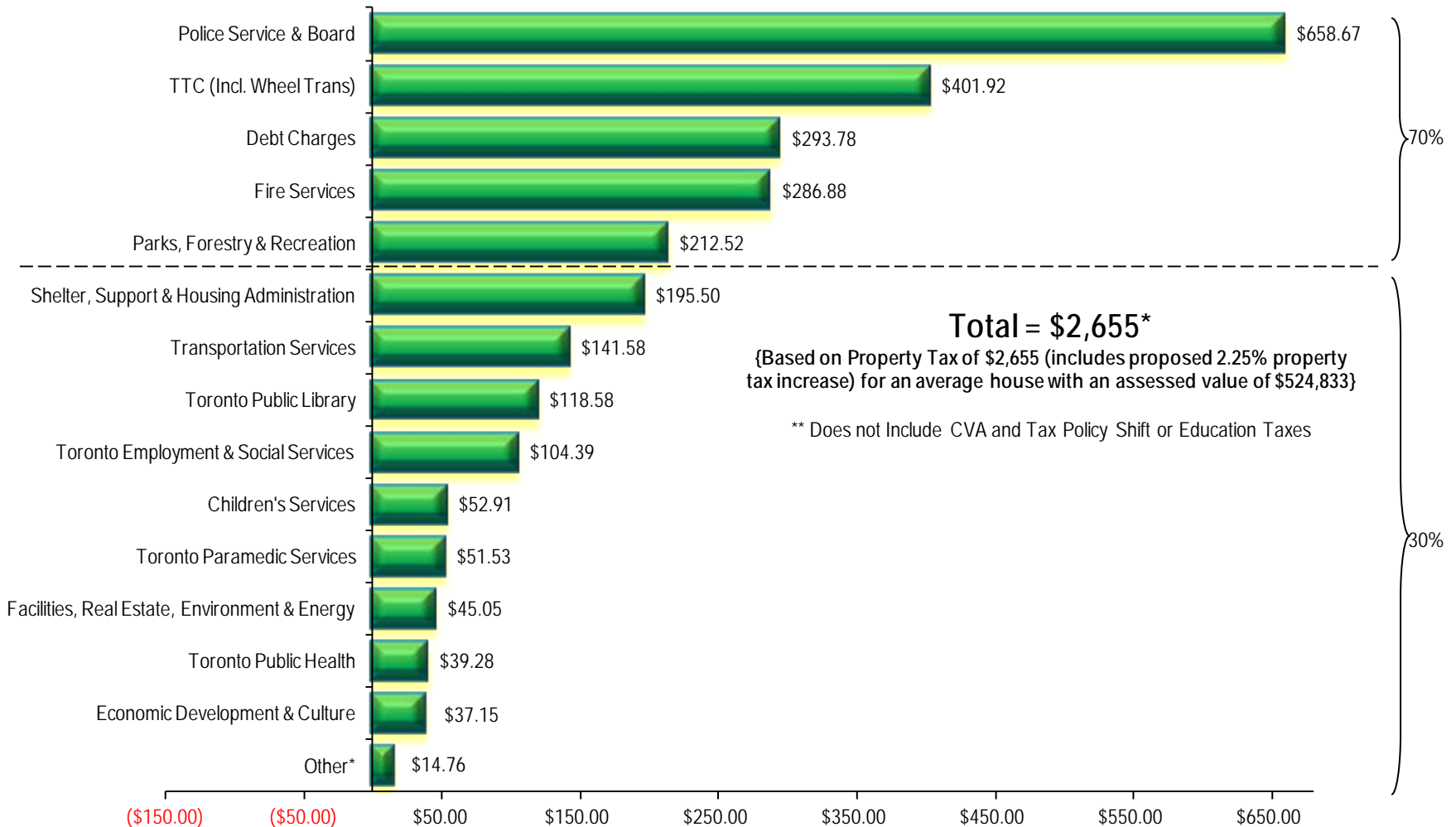
COMPARISON OF 2015 AVERAGE PROPERTY TAXES GTHA MUNIS & OTTAWA – INCLUDING PROVISION FOR MUNICIPAL LAND TRANSFER TAX AND AVERAGE WASTE COLLECTION



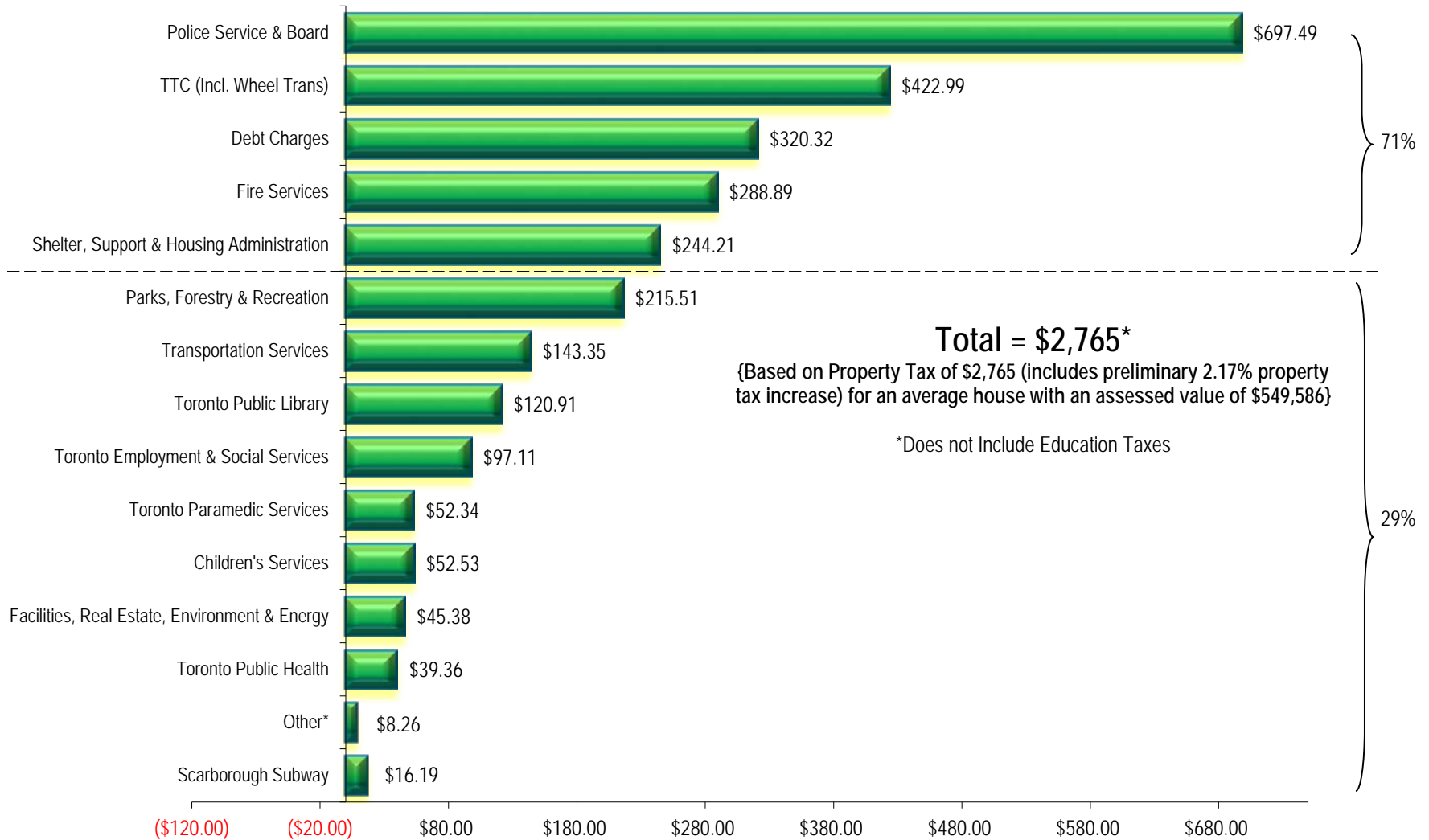
Source: 2015 Municipal Study – BMA Consulting Inc.
Includes Education Property Taxes

2015: WHERE THE MONEY GOES

\$3.8 BILLION TAX LEVY

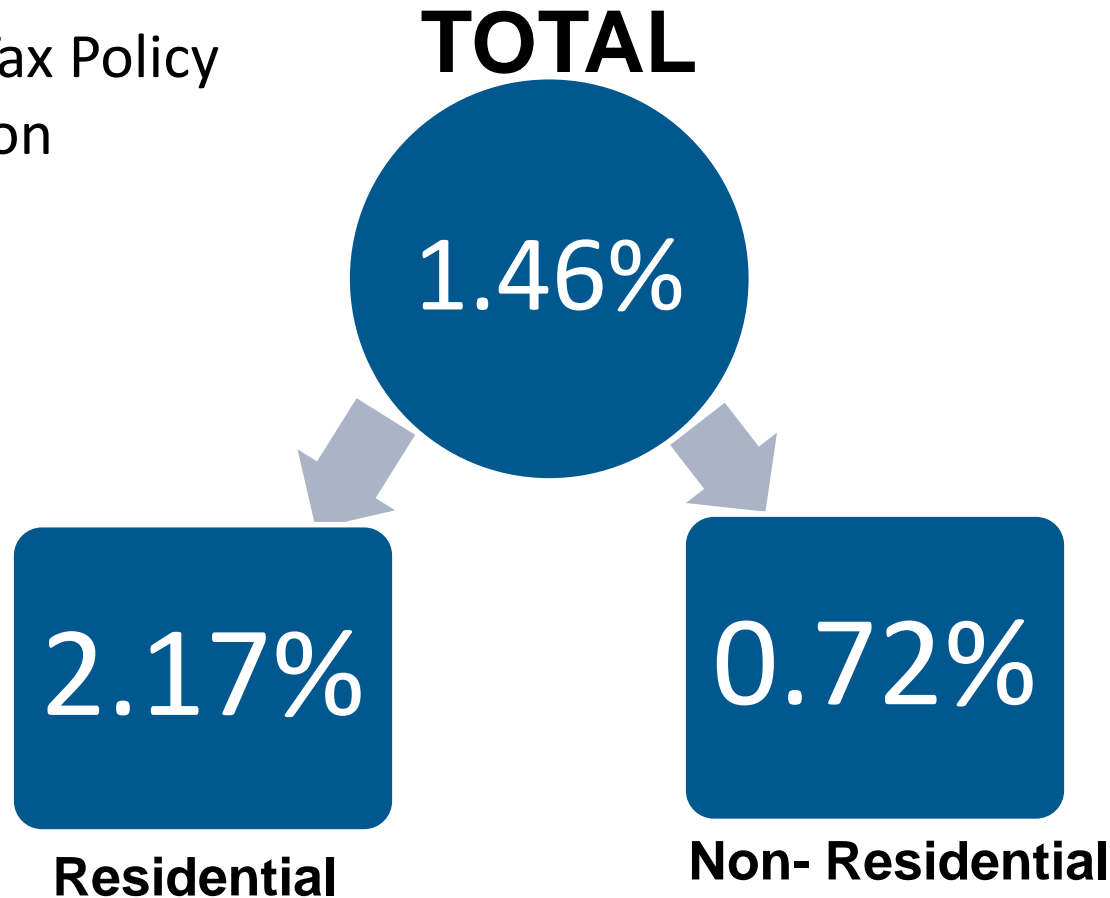


PRELIMINARY 2016: WHERE THE MONEY GOES IF BUDGET TAX INCREASE AT 2.17%

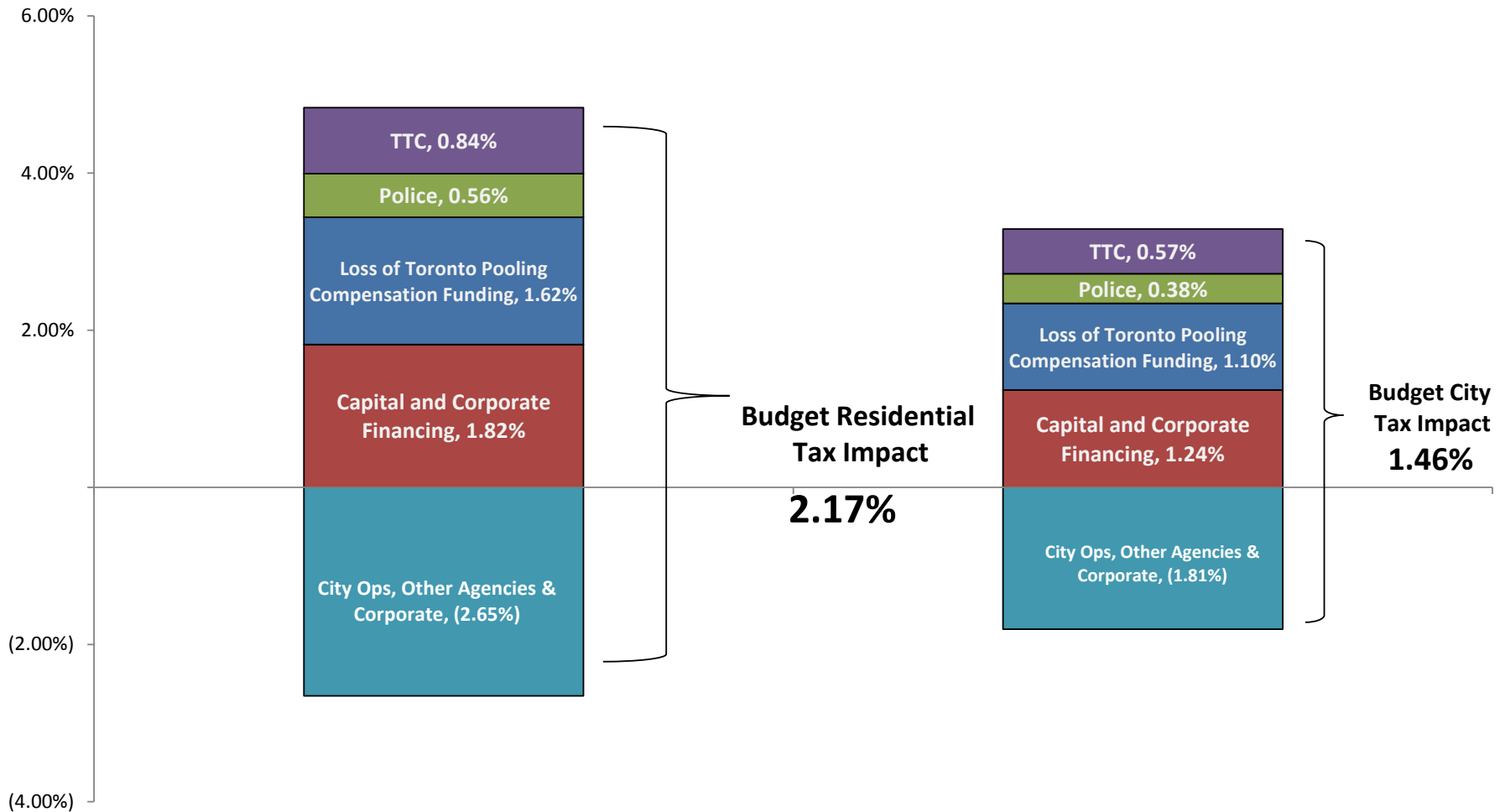


2016 PRELIMINARY BUDGET TAX INCREASE IF THE RESIDENTIAL BUDGET TAX INCREASE OF 2.17%

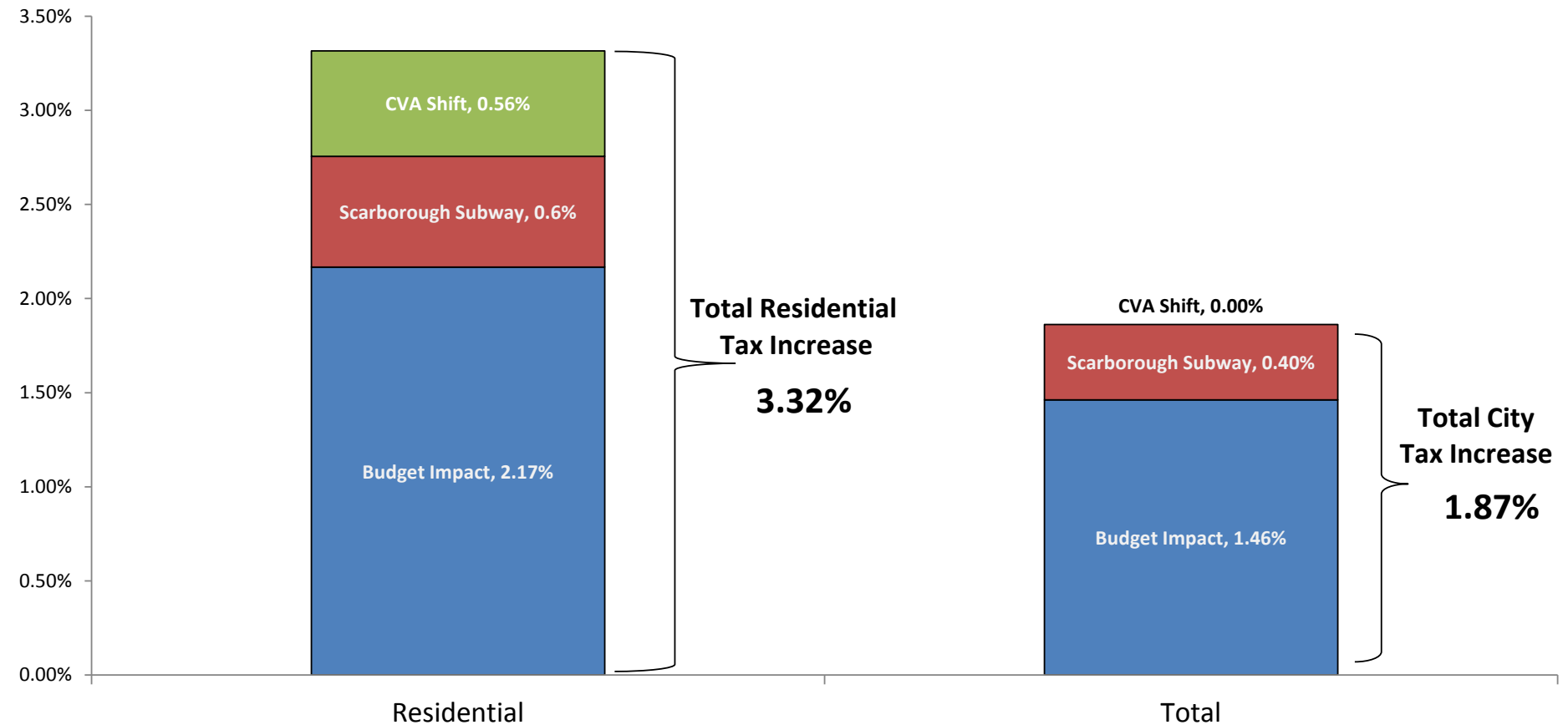
Per Council Tax Policy
and Legislation



2016 PRELIMINARY BUDGET TAX IMPACT IF THE RESIDENTIAL BUDGET TAX INCREASE OF 2.17%



2016 PRELIMINARY TOTAL TAX INCREASE + SCARBOROUGH SUBWAY & CVA SHIFT IF THE RESIDENTIAL BUDGET TAX INCREASE OF 2.17%



SUMMARY OF 2016 PRELIMINARY MUNICIPAL TAX IMPACTS IF RESIDENTIAL BUDGET TAX INCREASE OF 2.17%

Tax Class	Budget Impact	Average CVA Impact	Average Policy Impact	Subway Impact	Average Total Impact
Residential	2.17%	0.04%	0.52%	0.60%	3.34%
Multi-residential (Apartment)	0.72%	0.15%	-1.00%	0.20%	0.08%
Commercial	0.72%	0.49%	0.42%	0.20%	1.84%
Commercial Large*	0.72%	-0.40%	-1.00%	0.20%	-0.47%
Industrial	0.72%	-1.50%	-1.00%	0.20%	-1.58%
City Average	1.46%	0.00%	0.00%	0.40%	1.87%

Non-Res. **0.34%**

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

2016 IMPACT OF CVA, POLICY IF RESIDENTIAL BUDGET TAX INCREASE OF 2.17% ON AVERAGE* RESIDENTIAL HOME (PRELIMINARY)

Budgetary 2.17% Res./0.72% Non. Res. Tax Increase (+0.6%/0.20% res/nonres increase for subway)

	Impact on Average Residential Household		2015 Tax = \$2,675 (municipal)
	%	\$ Per Household*	
CVA-Shift between Property Classes	0.04%	\$1.13	} No New Revenue to City
Policy Shift between Property Classes	0.52%	\$14.03	
Budgetary Levy Increase (Res.*)	2.17%	\$58.51	
Scarborough Subway	0.60%	\$16.14	
Average Net Impact on Homeowner	3.34%	\$89.82	2016 Tax = \$2,765

*Average House Assessed at \$549,586

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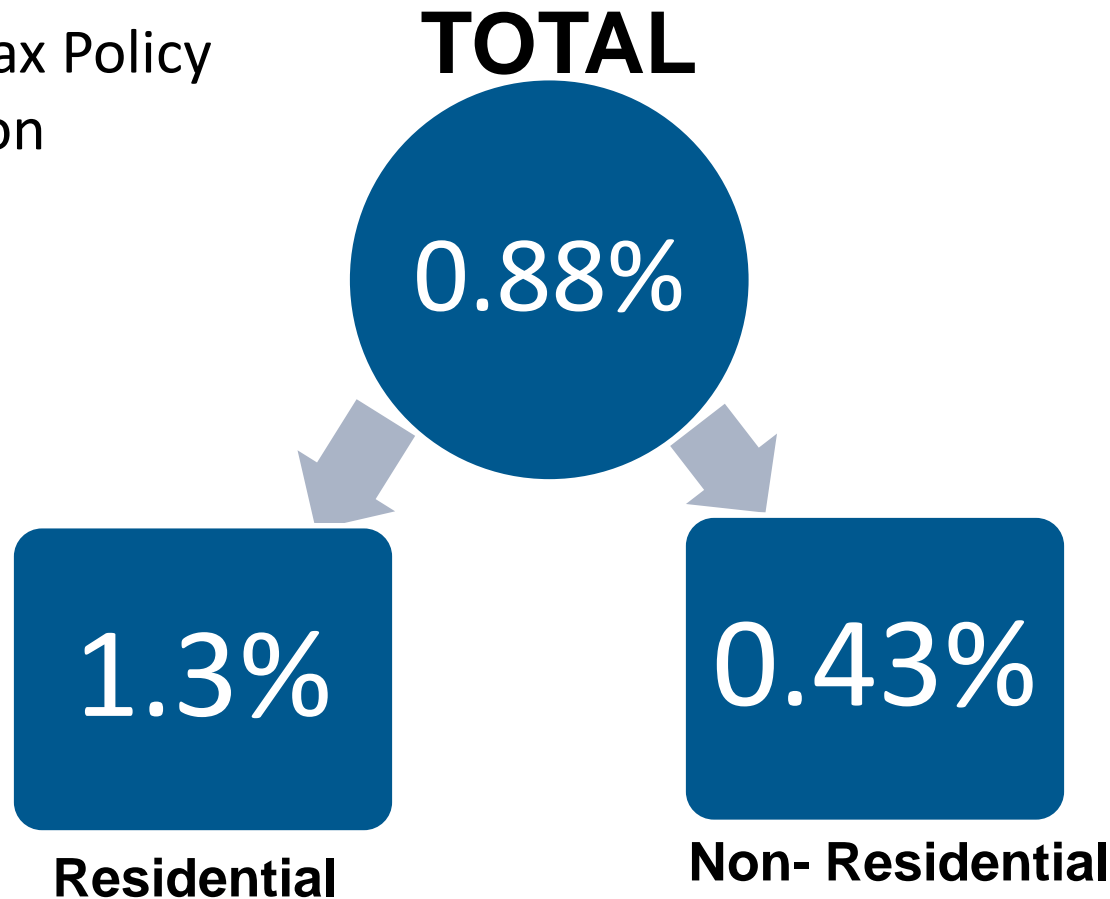
2016 PRELIMINARY TOTAL PROPERTY TAX IMPACT IF RESIDENTIAL BUDGET TAX INCREASE OF 2.17%

Average Residential Tax	2015	2016	\$ Impact	% Impact
Municipal	\$2,675	\$2,765	\$89.82	3.34%
Education (preliminary)	\$1,022	\$1,033	\$11.44	1.12%
Total	\$3,697	\$3,798	\$101.26	2.74%

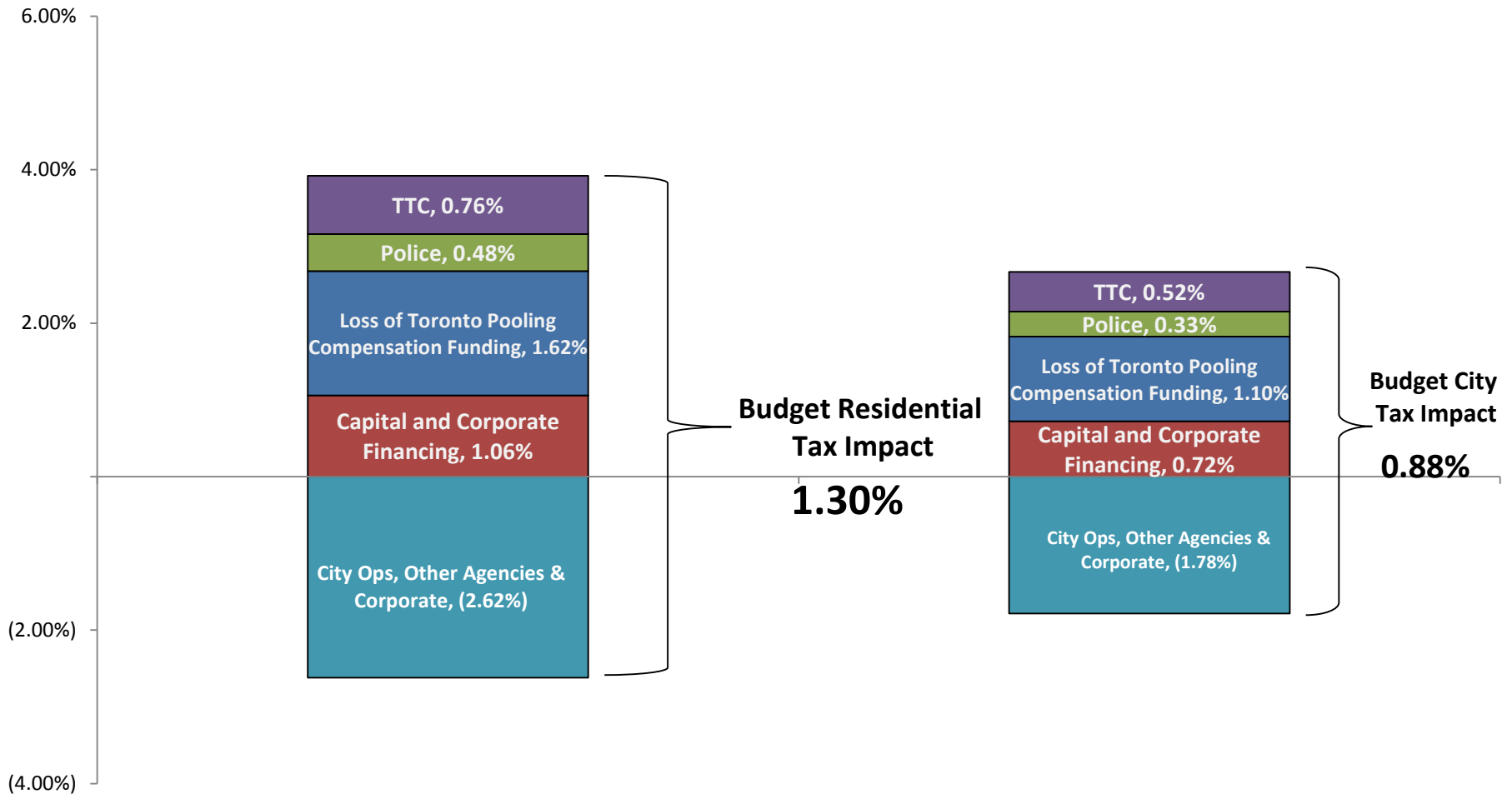
* Average House Assessed at \$ 549,586

2016 BUDGET TAX INCREASE
IF THE RESIDENTIAL BUDGET TAX INCREASE AT INFLATION (1.3%)

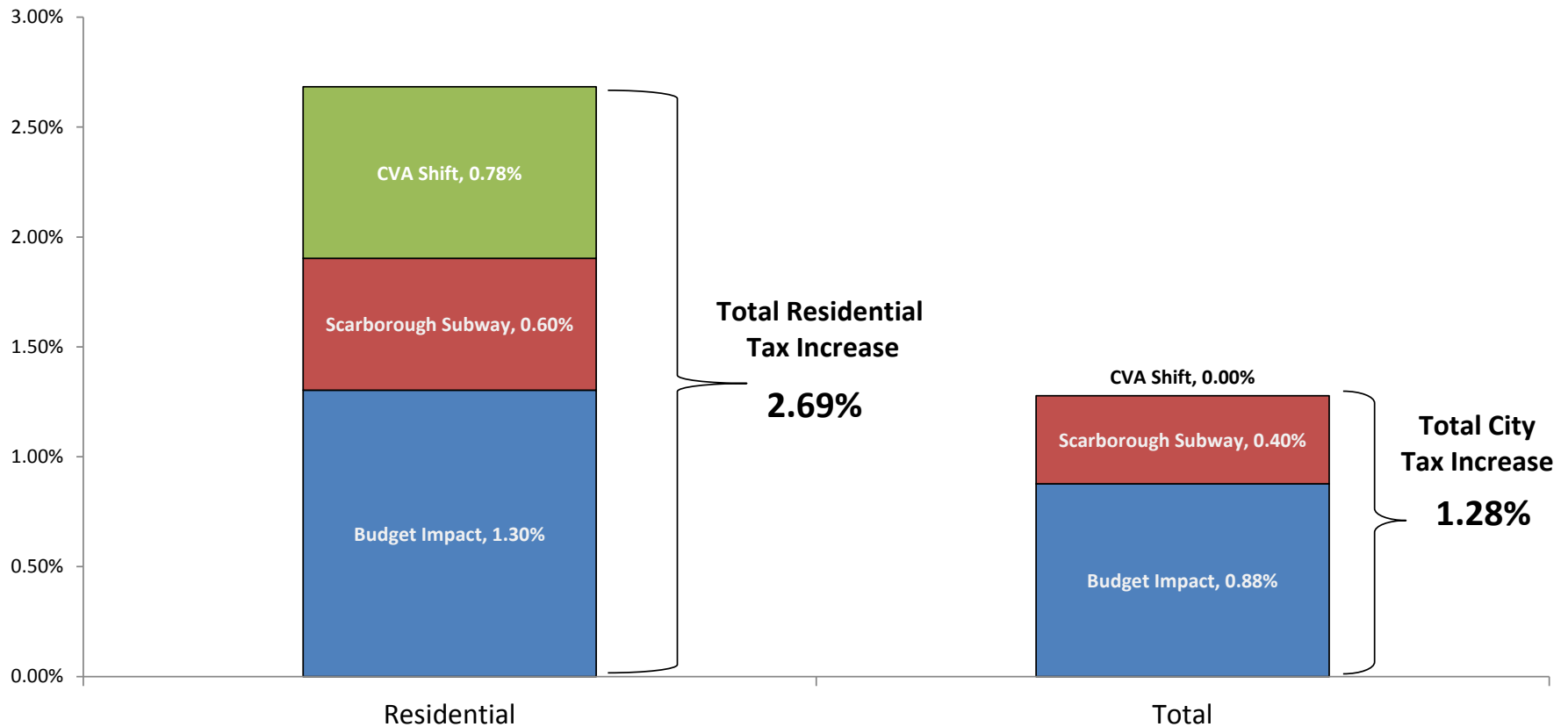
Per Council Tax Policy
and Legislation



DRIVERS OF 2016 TAX IMPACT IF THE RESIDENTIAL BUDGET TAX INCREASE AT INFLATION (1.3%)



TOTAL TAX INCREASE + SCARBOROUGH SUBWAY & CVA SHIFT IF THE RESIDENTIAL BUDGET TAX INCREASE AT INFLATION (1.3%)



SUMMARY OF 2016 MUNICIPAL TAX IMPACTS IF RESIDENTIAL BUDGET TAX INCREASE AT INFLATION (1.3%)

Tax Class	Budget Impact	Average CVA Impact	Average Policy Impact	Subway Impact	Average Total Impact
Residential	1.30%	0.04%	0.74%	0.60%	2.69%
Multi-residential (Apartment)	0.43%	0.15%	-1.22%	0.20%	-0.43%
Commercial	0.43%	0.49%	0.19%	0.20%	1.31%
Commercial Large*	0.43%	-0.40%	-1.22%	0.20%	-0.98%
Industrial	0.43%	-1.50%	-1.22%	0.20%	-2.09%
City Average	0.88%	0.00%	0.00%	0.40%	1.28%

Non-Res. **-0.17%**

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

2016 IMPACT OF CVA, POLICY IF RESIDENTIAL BUDGET TAX INCREASE AT INFLATION (1.3%) ON AVERAGE* RESIDENTIAL HOME

Budgetary 1.30% Res./0.43% Non. Res. Tax Increase (+0.6%/0.20% res/nonres increase for subway)

	Impact on Average Residential Household		2015 Tax = \$2,675 (municipal)
	%	\$ Per Household*	
CVA-Shift between Property Classes	0.04%	\$1.13	No New Revenue to City
Policy Shift between Property Classes	0.74%	\$19.89	
Budgetary Levy Increase (Res.*)	1.30%	\$35.06	
Scarborough Subway	0.60%	\$16.18	
Average Net Impact on Homeowner	2.69%	\$72.26	2016 Tax = \$2,748

*Average House Assessed at \$549,586

2016 TOTAL PROPERTY TAX IMPACT IF RESIDENTIAL BUDGET TAX INCREASE AT INFLATION (1.3%)

Average Residential Tax	2015	2016	\$ Impact	% Impact
Municipal	\$2,675	\$2,748	\$72.26	2.69%
Education (preliminary)	\$1,022	\$1,033	\$11.44	1.12%
Total	\$3,697	\$3,781	\$83.70	2.26%

* Average House Assessed at \$549,586



Appendix 4

Forecast



2017 /2018 FORECAST

(\$M)	2017	Residential Tax Impact	2018	Residential Tax Impact
Compensation & Benefits	70.8		88.3	
Non-labour Inflationary Impact	12.9		11.7	
TTC Presto Fee	51.0		6.0	
TTC/WheelTrans Other	116.9		70.8	
Annualization of Prior Year Decisions	7.5		3.1	
Depletion of Reserves (use of reserve)	5.7		0.1	
Operating Impact of Completed Capital Projects	10.6		5.4	
Capital from Current	30.8		32.0	
Debt Charges	45.6		40.5	
Tax Deficiencies / Write-offs	40.0		17.6	
Funding of Employee Related Liabilities	10.0		5.0	
Insurance Premiums & Claims	5.0		5.0	
Other Base Budget Changes	9.8		7.5	
Total Expenditure Pressures	416.7	15.5%	292.9	10.9%

2017 /2018 FORECAST (CONT'D)

(\$M)	2017	Residential Tax Impact	2018	Residential Tax Impact
Total Expenditure Pressures	416.7		292.9	
Toronto Pooling Compensation Grant Loss	45.0		36.5	
Change in Provincial/Federal Funding	9.8		5.3	
OW Provincial Upload	(23.5)		(21.5)	
TTC Ridership Revenue	(10.8)		(17.4)	
Program Revenue Changes	(4.9)		(2.7)	
Interest / Investment Earnings	2.5		8.1	
Supplementary Taxes	10.7			
Hydro Dividend	(10.0)		(10.0)	
Parking Authority Dividend	6.2		(1.1)	
Other Corporate Revenues	5.1		(0.1)	
Total Revenue Changes	30.0		(2.8)	
Pressure before Assessment Growth	446.8	16.6%	290.1	10.8%
Assessment Growth	(39.7)		(40.8)	
Pressure before Tax Increase	407.1	15.1%	249.3	9.3%