

# 2016 Executive Committee Recommended Operating Budget & 2016-2025 Capital Budget & Plan

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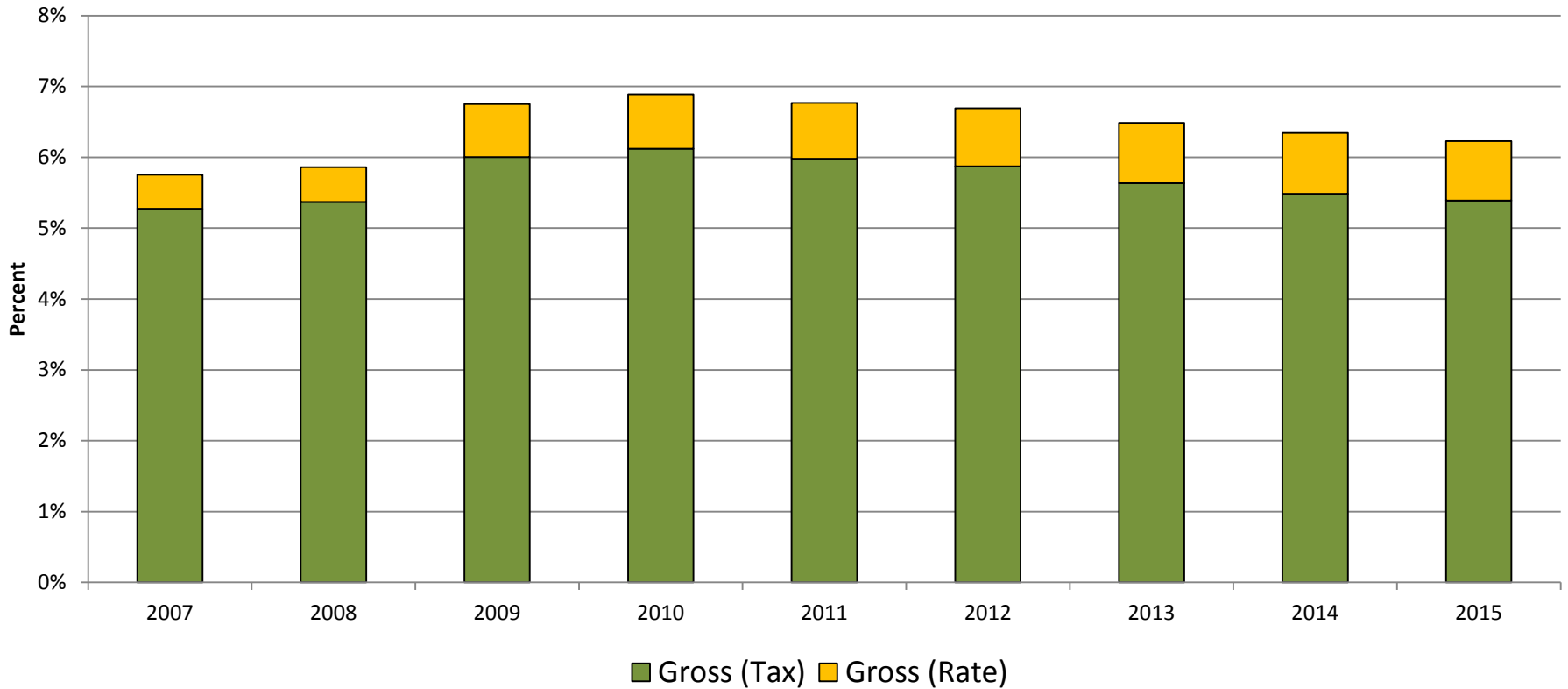
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# CITY MANAGER'S OVERVIEW



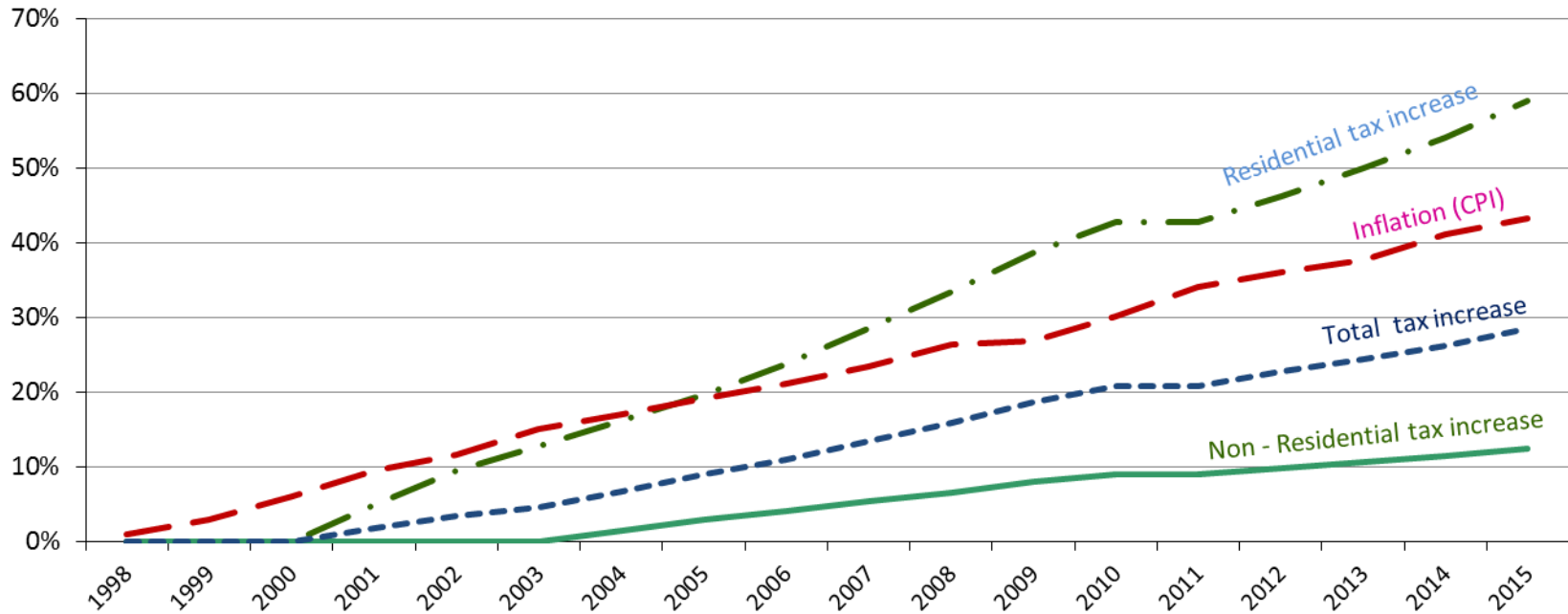
# CITY EXPENSES AS A % OF GDP



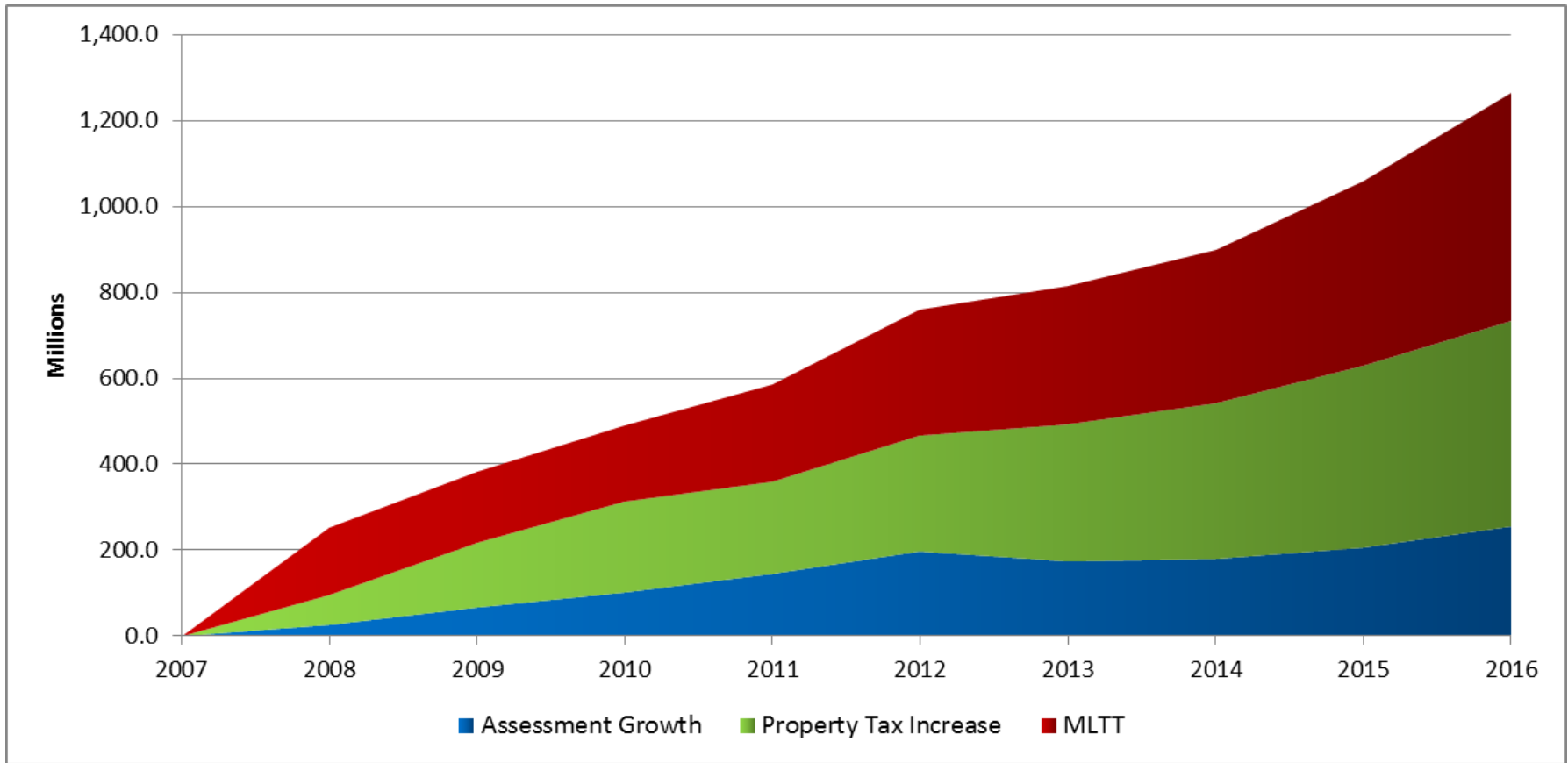
# CUMULATIVE PROPERTY TAX INCREASES BELOW INFLATION SINCE AMALGAMATION

1998 = 100

## Cumulative Tax Levy Increase vs Inflation



# GROWTH IN PROPERTY TAX AND MLTT

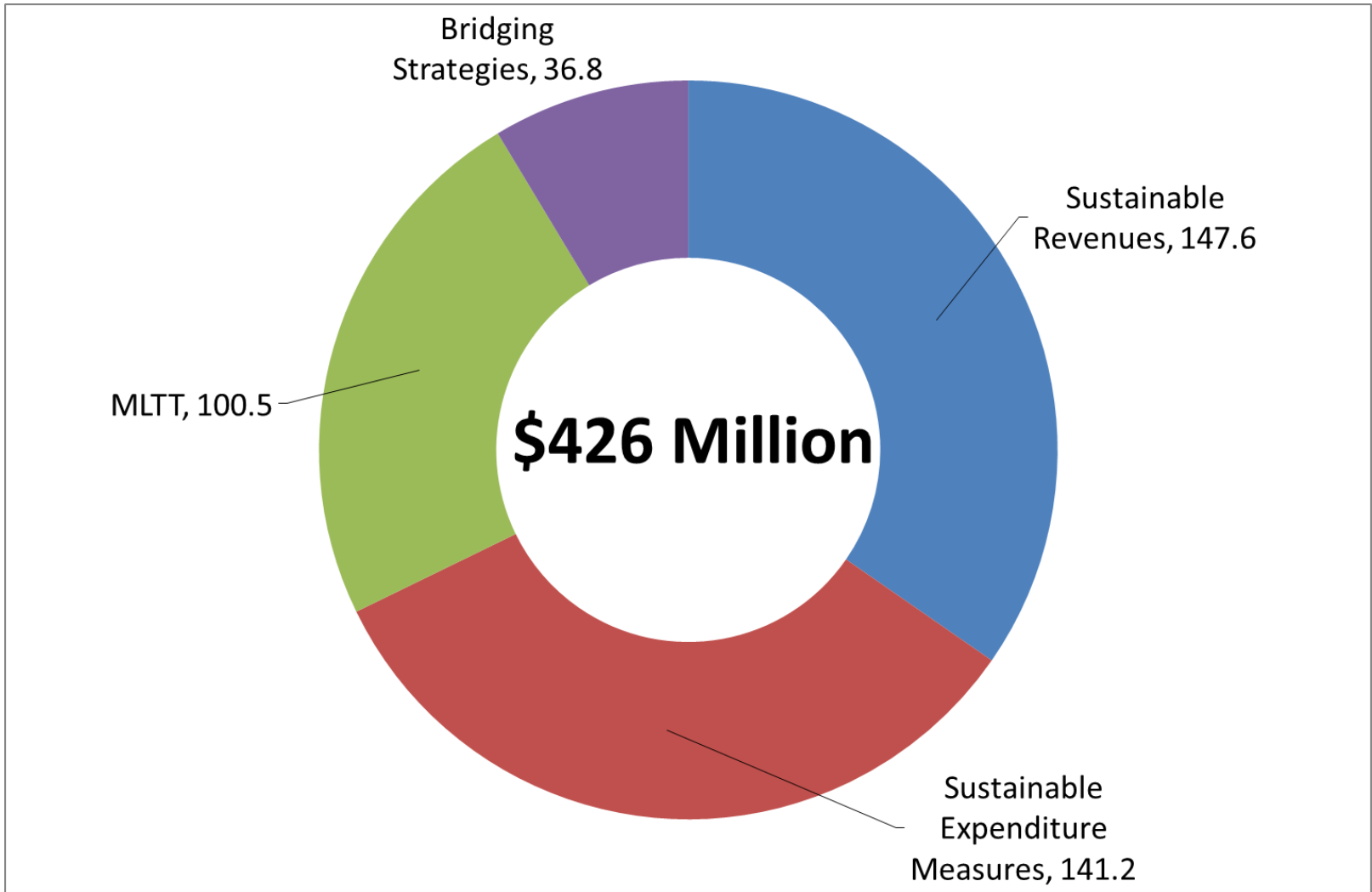


## 2016 HIGHLIGHTS

- ✓ 2016 is balanced with 1.3% residential tax increase or 0.88% total tax increase
- ✓ Investment of \$45.724 million gross and \$29.396 million net in New & Enhanced services
- ✓ \$21B in capital investments

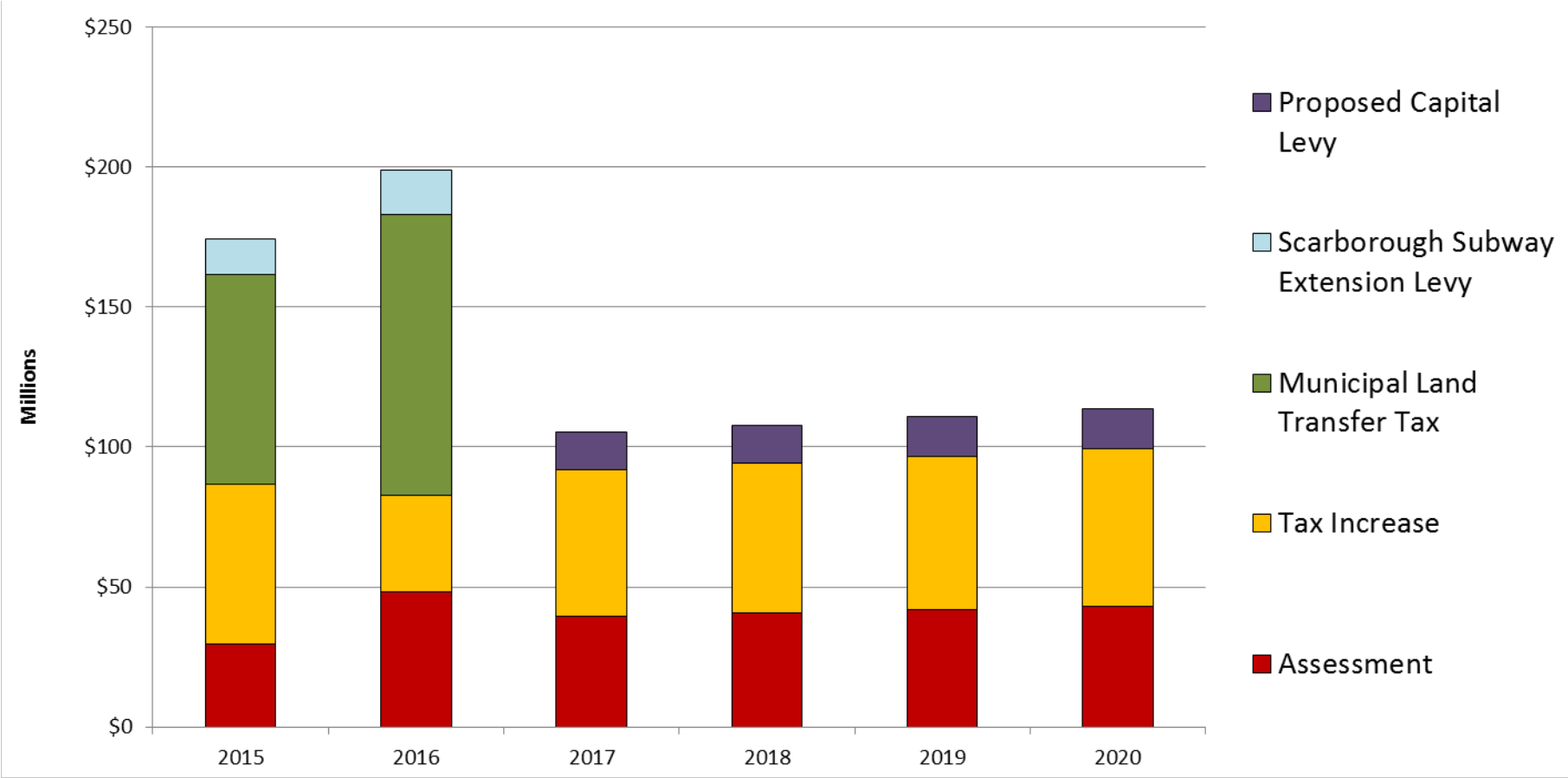


# STRATEGIES USED TO ACHIEVE BALANCE



- Operating Budget:
  - Increased reliance on MLTT
  - One time revenue and reserve draws
  - Expense cuts to be allocated – report back in 2016 Q1 Variance Report
  - \$450 M pressure in 2017
- Capital Budget:
  - Debt service ratio reaching the 15% ceiling
  - Over \$22 B Unmet needs

# TAX REVENUE MODEL: INCREMENTAL REVENUE (\$)



- Looking forward:
  - Possible cost pressures
  - High unmet capital needs
- Need to get ready for 2017 Budget

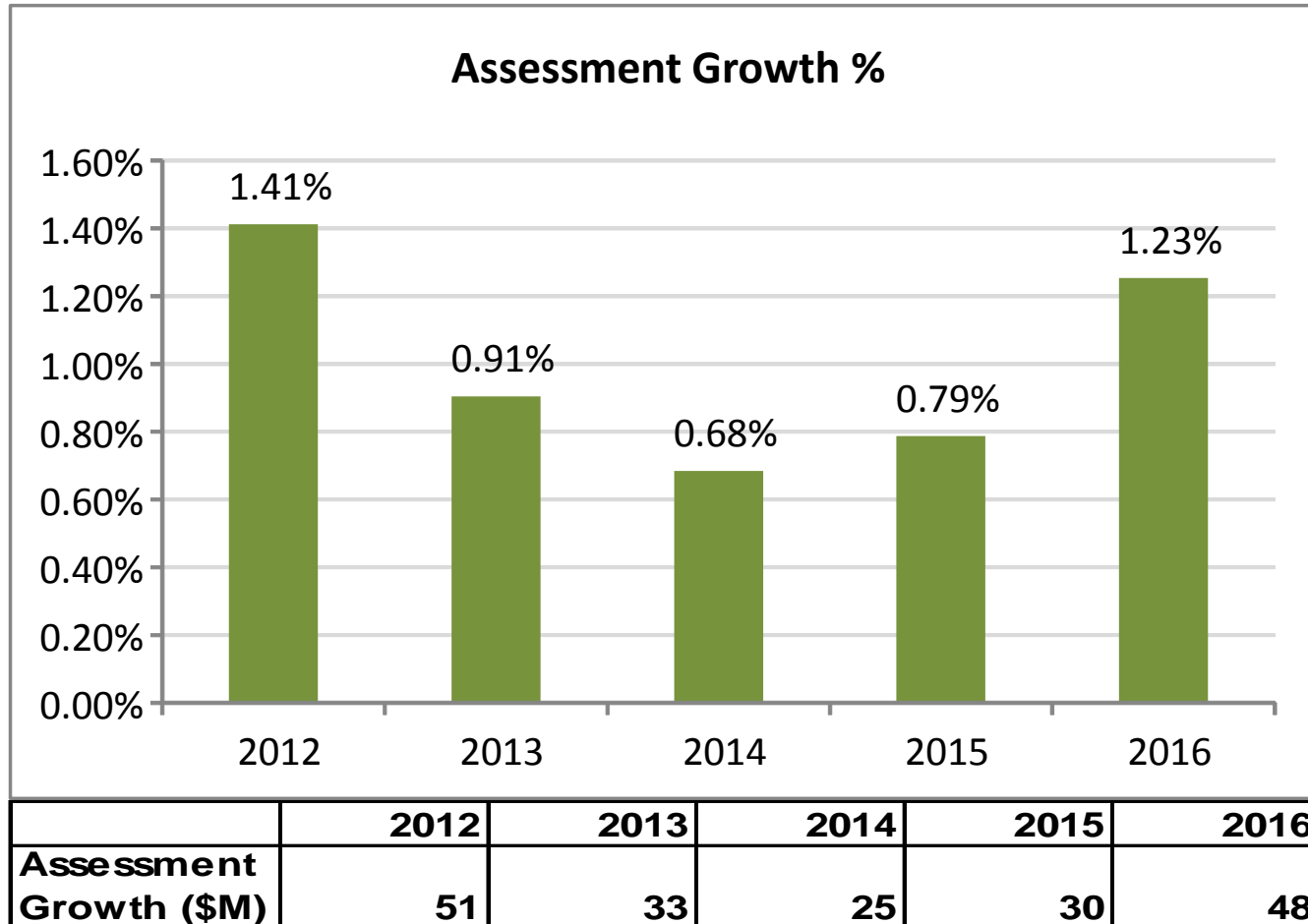
- Structural discussions required in 2017
  - Set Council priorities
  - Balance income and expenses
  - Sustained cost savings strategies
  - Assess revenue structure
  - Capital strategies to address unmet needs



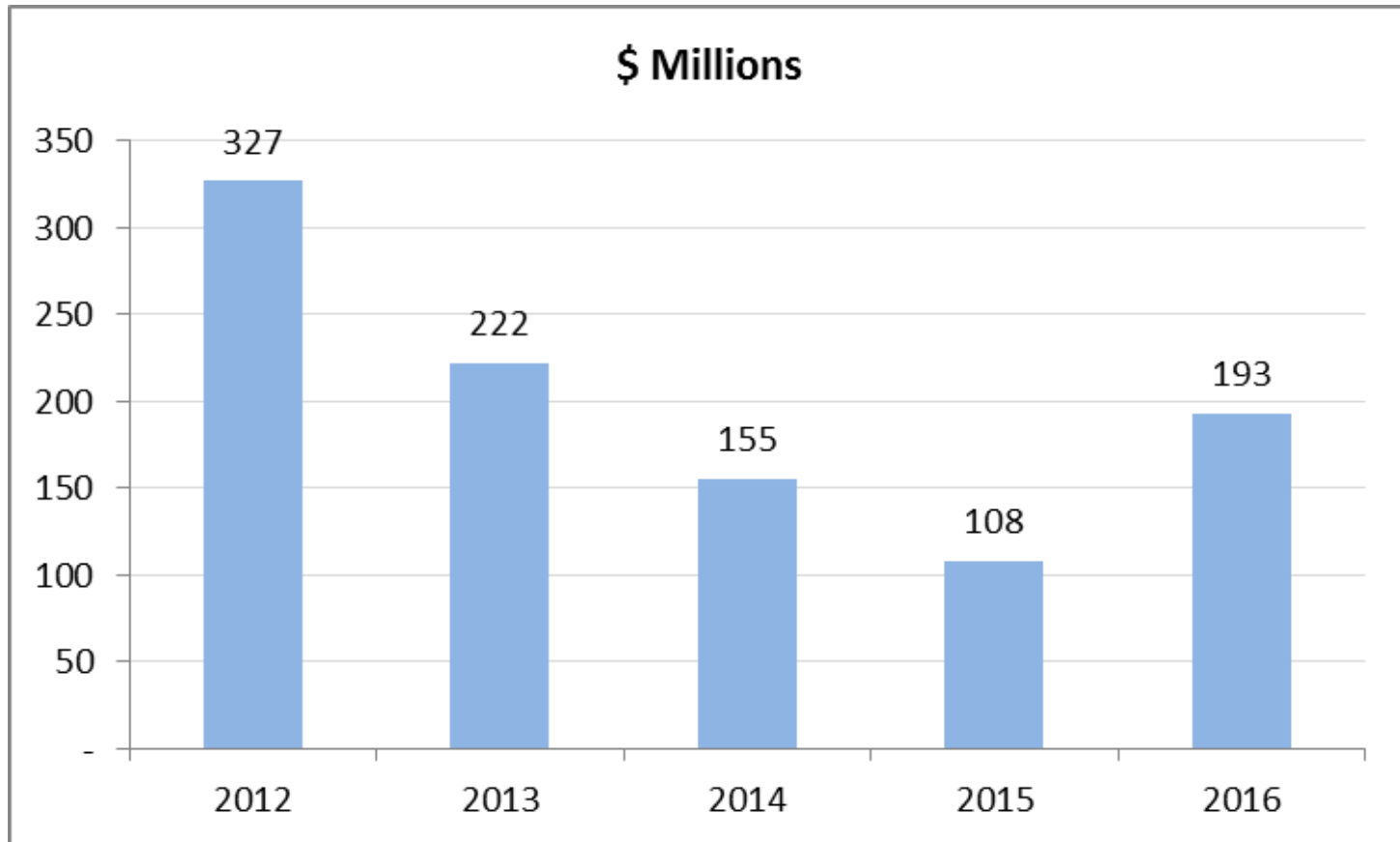
# BACKGROUND



# ASSESSMENT GROWTH

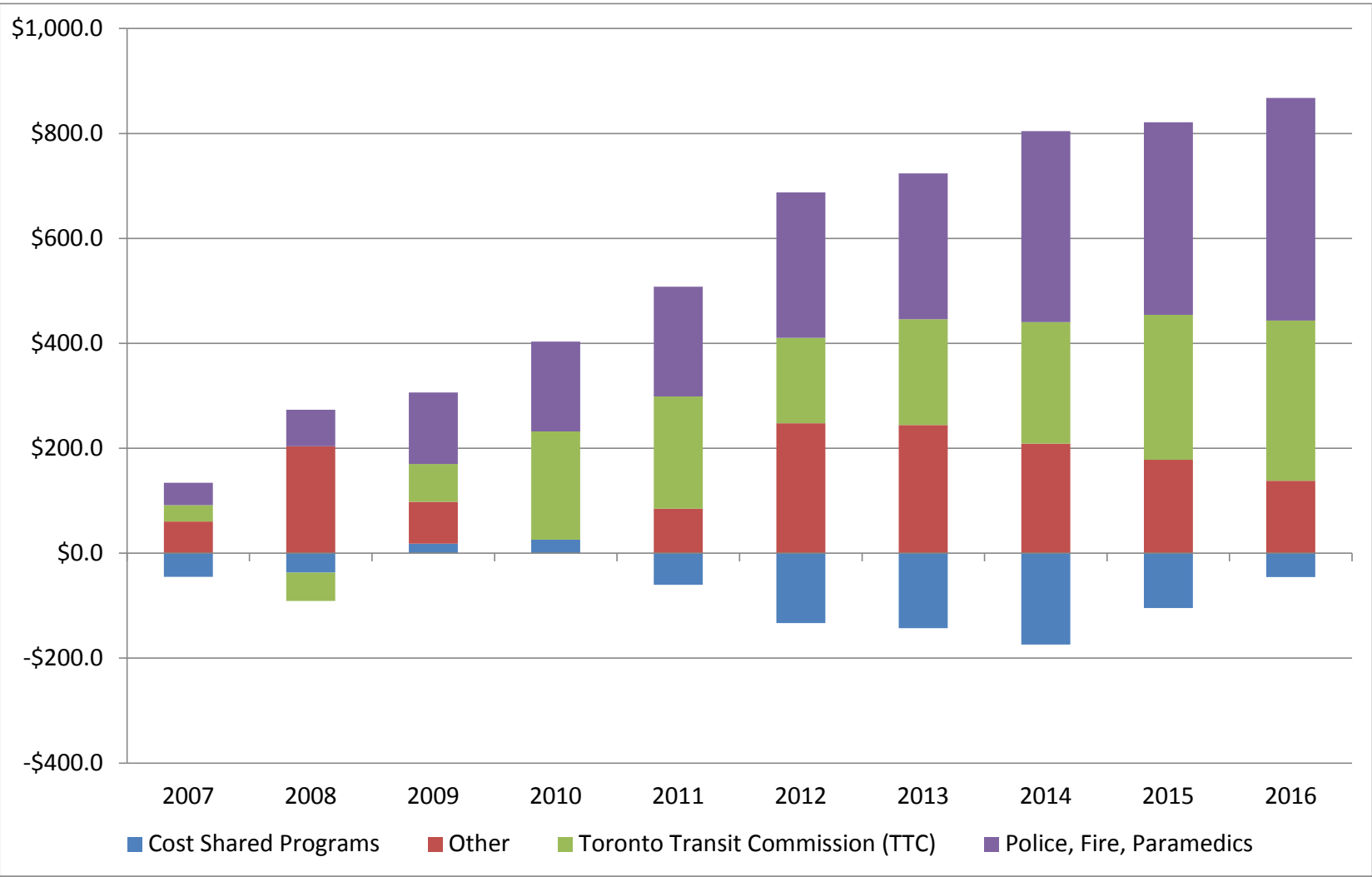


# TOTAL BUDGET BALANCING STRATEGIES - \$1B OVER 5 YEARS





# 92.3% OF NET EXPENDITURE GROWTH FROM EMERGENCY SERVICES & TTC





# 2016 EXECUTIVE COMMITTEE RECOMMENDED OPERATING BUDGET



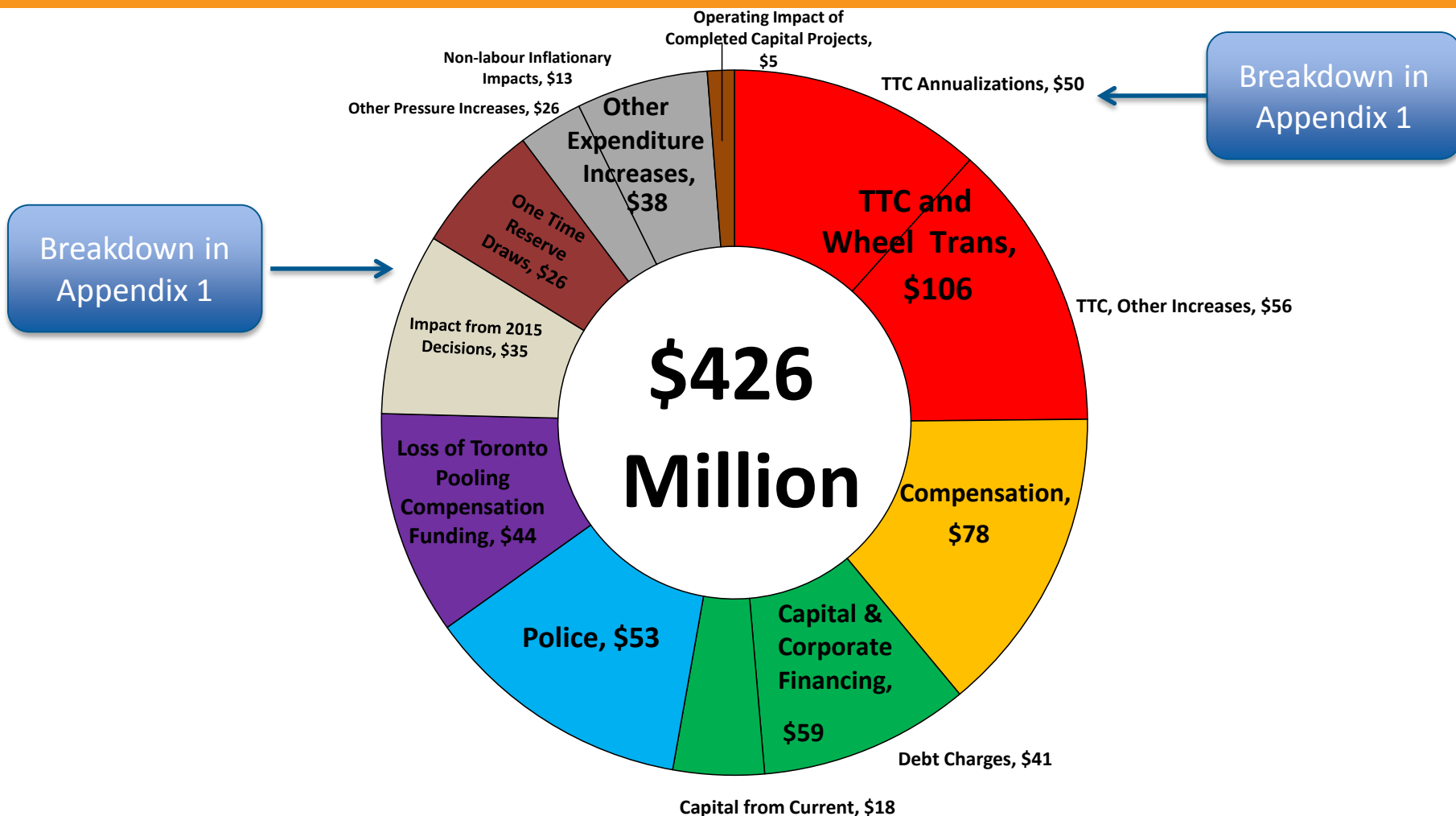
# 2016 OPERATING BUDGET HIGHLIGHTS

## 2016 Budget Tax Impacts Residential and Non-Residential (\$ Millions)

	Net Budget	Tax % Increase on Average		
		Residential	Non-Residential	Total Average
Base Budget	4.95	0.19%	0.06%	0.13%
New/Enhanced	29.40	1.11%	0.37%	0.75%
<b>Tax Before Scarborough Subway</b>	<b>34.35</b>	<b>1.30%</b>	<b>0.43%</b>	<b>0.88%</b>

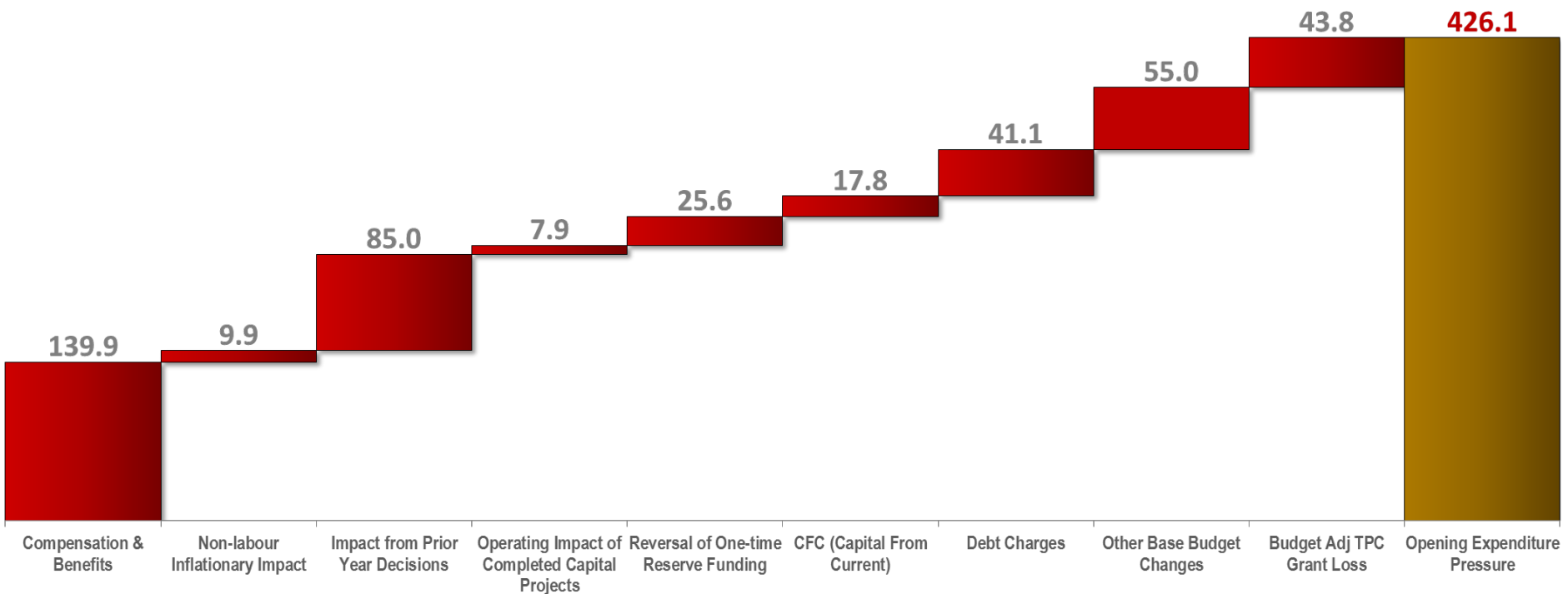
- ✓ Base Budget of \$10.019 billion gross and \$3.902 billion net to maintain core services and service levels
- ✓ EC Recommended Tax increase: 0.88% average tax levy increase over the 2015 budget which is well below the general rate of inflation.
- ✓ Based on the City's tax policy, this results in a 1.3% residential and 0.43% non-residential property tax increase.

# 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



# SUMMARY OF EXECUTIVE AND BUDGET COMMITTEE CHANGES

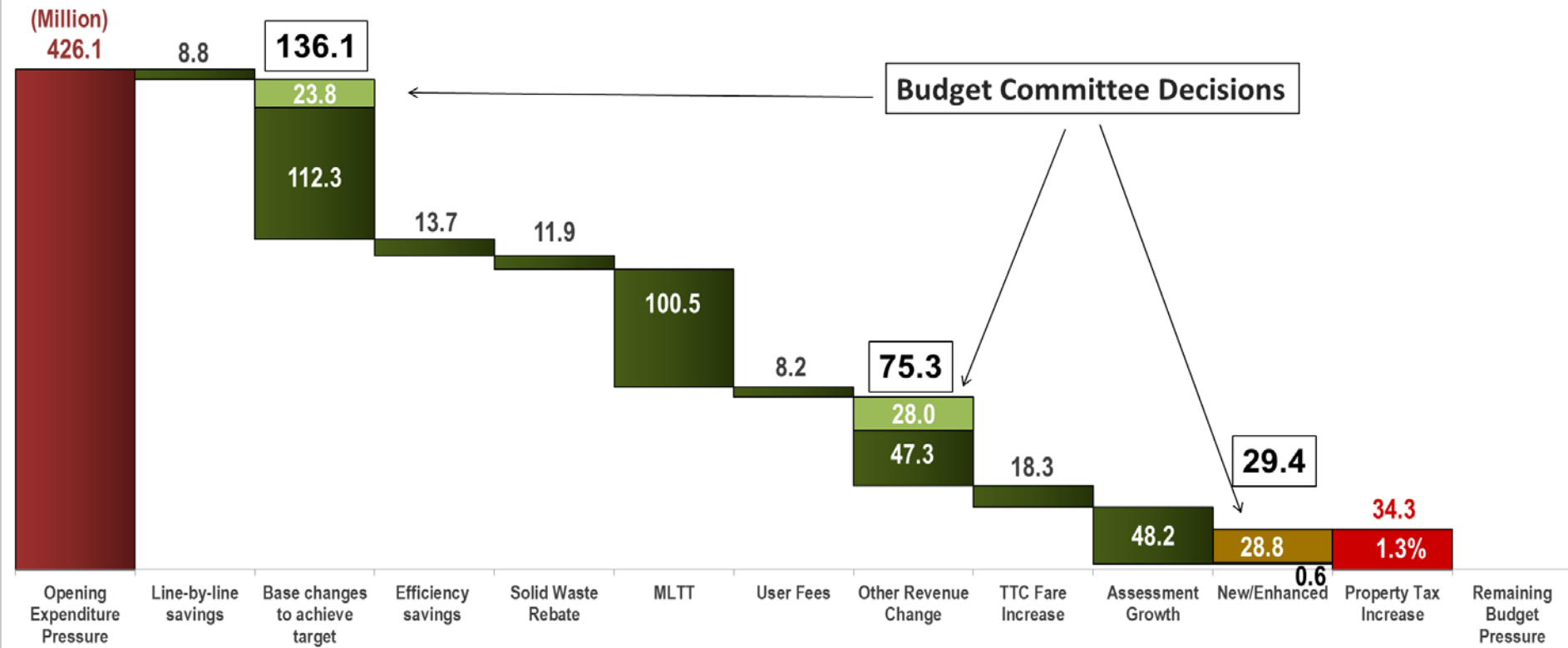
	Net Budget Pressure (\$M)
<b>2016 Preliminary Operating Budget as at December 15, 2015</b>	<b>57.4</b>
<b>Budget Committee Changes:</b>	
<b>New &amp; Enhanced Services</b>	
Poverty Reduction	5.3
Mayor's Task Force Recommendations on TCHC	5.5
Transit	3.5
Other	14.5
<b>Total New &amp; Enhanced Services</b>	<b>28.8</b>
<b>Expenditures Reductions (Discretionary Spending)</b>	<b>(19.2)</b>
<b>Revenue Changes (Special Dividends &amp; Payments in Lieu of Taxes)</b>	<b>(15.5)</b>
<b>Reserve Draw/Contribution Changes</b>	<b>(17.1)</b>
<b>Total Budget Committee Changes</b>	<b>(23.0)</b>
<b>BC Recommended Operating Budget as at January 26, 2016</b>	<b>34.3</b>

- Annualization of 2015 investments (\$36.5M gross/ \$28.7M net), such as:
  - Children 12 and under ride the TTC free (\$5.4M in year 1, full year of \$7.1M in year 2).
  - Expansion of After-School Recreation and Care Program (\$1.1M).
  - Expansion of Community Centres where programs are free (\$4.4M).
- Programs and Services included in the 2016 Base Operating Budget (\$39.8M):
  - New affordable rental housing (\$31.2M).
  - New affordable ownership (\$1.5M).
  - TO Renovates (\$6.1M).
  - Syrian Refugee Resettlement (\$0.58M).
  - Expansion of programs at Regent Park Community Centre (\$0.4M)
- Social investment in the 2016 Capital Budget (\$13.8M):
  - Community infrastructure in Neighbourhood Improvement Areas (\$2.7M).
  - Affordable housing for women and children at 389 Church Street (\$6.1M).
  - Renovation of the Wellesley Place Employment and Social Service (\$5M).

- Financial sustainability of essential services (\$60.5M):
  - Shifting from reserve to tax support, Shelter Support and Housing (\$21.7M)
  - Compensating the withdrawal of the Pooling Compensation Funding (\$37.9M)
  - Shifting from reserve to tax support, Children's Services (\$0.9M)
- New and enhanced items referred to the 2016 Budget process (\$12M).
  - Mayor's Task Force on Toronto Community Housing, \$5.5M.
  - Other initiatives that comprise the remaining \$6.5M gross, \$5.7M net, examples include:
    - Enhanced cold weather drop-in service (\$0.416M)
    - Investments in youth employment (\$1M)
    - Expansion of the Student Nutrition Program (\$1.6M)



# 2016 EXECUTIVE COMMITTEE RECOMMENDED WITH NEW/ENHANCED



# 2016 EXECUTIVE COMMITTEE RECOMMENDED SOLID WASTE REBATE

		2015 Approved Rates			2016 Approved SWMS Bin Rates & EC Rec'd 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	67.1%
	Medium	288.49	199.76	88.73	297.14	(18.00)	181.76	115.38	26.65	30.0%
	Large	391.80	144.41	247.39	403.55	(36.00)	108.41	295.14	47.75	19.3%
	X Large	454.45	110.85	343.60	468.08	(54.00)	56.85	411.23	67.63	19.7%
	Bag Only**	152.13	227.01	(74.88)	156.69	(12.00)	215.01	(58.32)	16.56	-22.1%
Res. Units Above Commercial Weekly	Small	288.49	227.01	61.48	297.14	0	227.01	70.13	8.65	14.1%
	Medium	391.80	199.76	192.04	403.55	(18.00)	181.76	221.79	29.75	15.5%
	Large	555.57	144.41	411.16	572.24	(36.00)	108.41	463.83	52.67	12.8%
	X Large	892.67	110.85	781.82	919.45	(54.00)	56.85	862.60	80.78	10.3%
	Bag Only**	202.98	227.01	(24.03)	209.07	(12.00)	215.01	(5.94)	18.09	-75.3%

\*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 BC Recommended Reduction of \$9.7M:

- Small Bin – No Change in Rebate
- Medium, Large and Extra Large Bins – Reduction of \$1 per bag per Month (-\$18.00 Medium, -\$36.00 Large & -\$54.00 Extra Large)

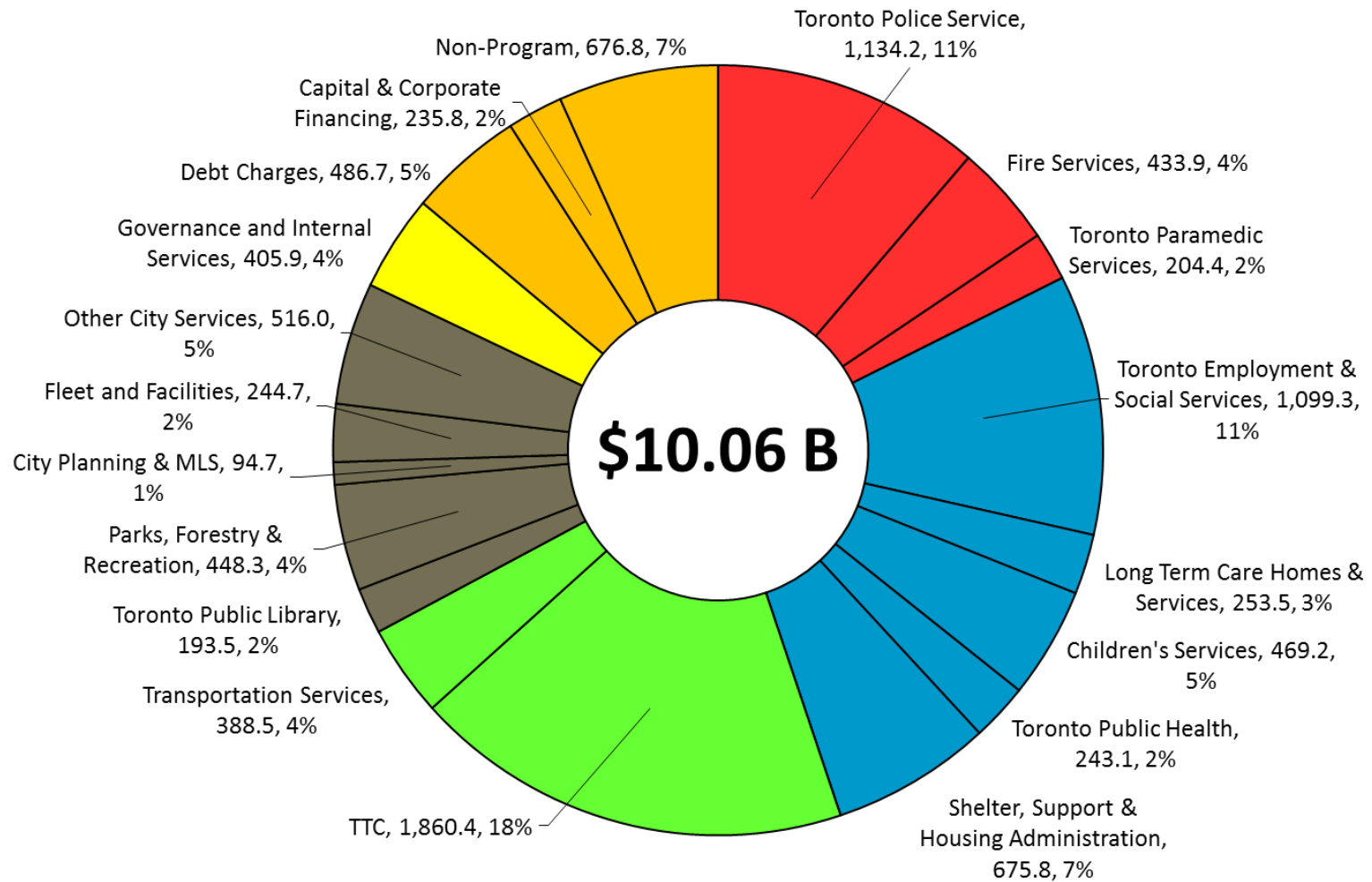
# MUNICIPAL LAND TRANSFER TAX (MLTT)

( \$ 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:

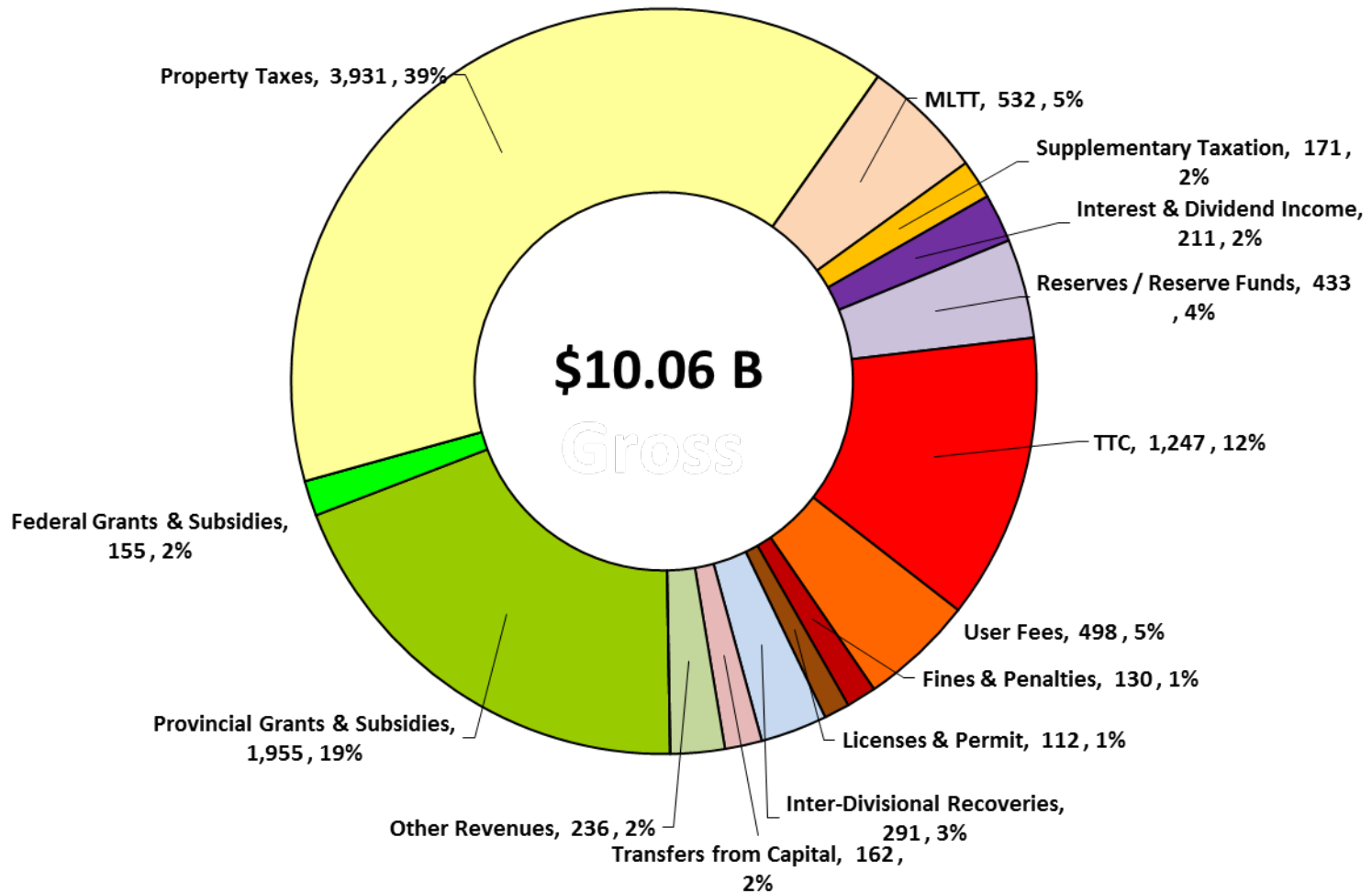
- Pass through a \$75 transaction fee to recover cost of collection (\$4.5m) and City own admin costs (\$1.0m).
- Province currently imposes \$73.35 (updated) fee per transaction.

# WHERE THE MONEY GOES



{Billion}

# WHERE THE MONEY COMES FROM



## 2017 /2018 FORECAST (DETAILS ARE IN APPENDIX 1 P73)

	2017	Residential Tax Impact	2018	Residential Tax Impact
<b>Total Expenditure Pressures</b>	449.4	16.7%	290.3	10.8%
<b>Total Revenue Change</b>	40.0		(2.8)	
<b>Pressure Before Assessment Growth</b>	489.5	18.2%	287.4	10.7%
Assessment Growth	(39.7)		(40.8)	
<b>Pressure Before Tax Increase</b>	<b>449.8</b>	<b>16.7%</b>	<b>246.6</b>	<b>9.2%</b>

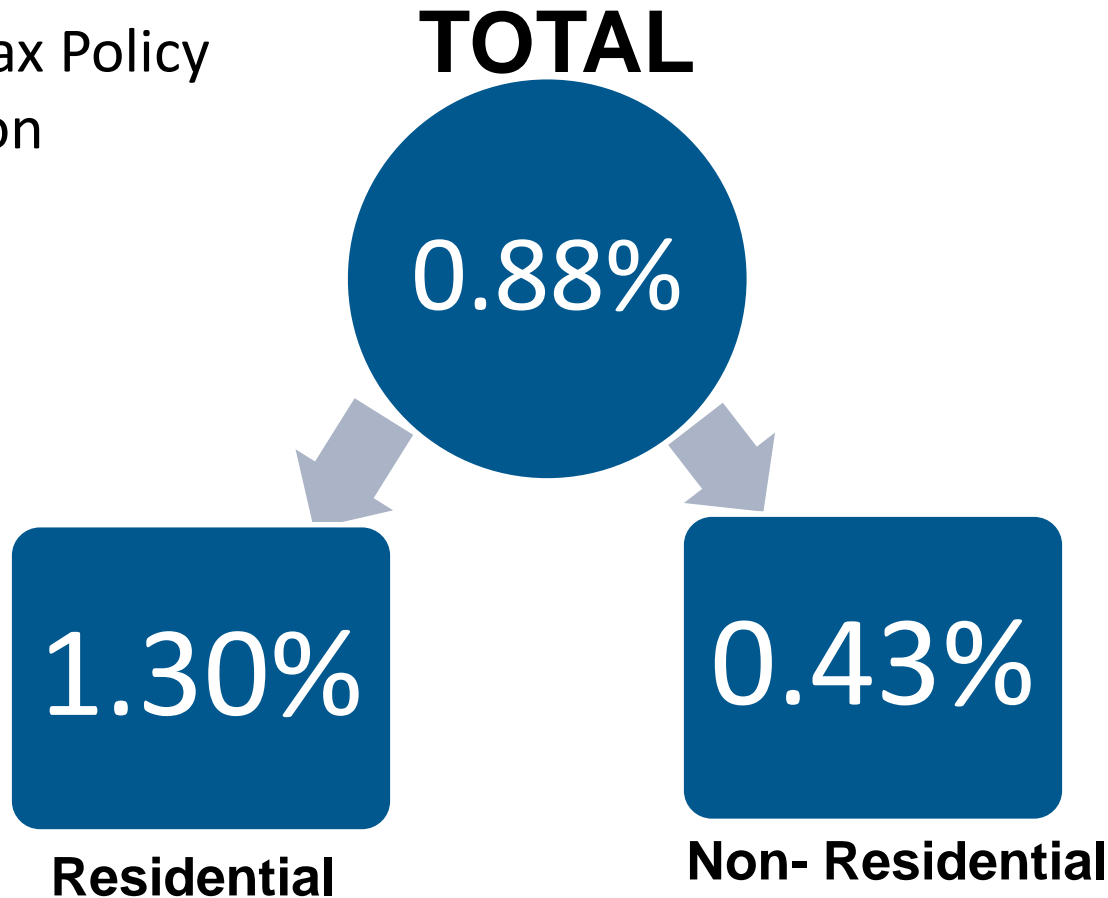


# TAX POLICY & TAX IMPACTS



# 2016 BUDGET TAX INCREASE EXECUTIVE COMMITTEE RECOMMENDED

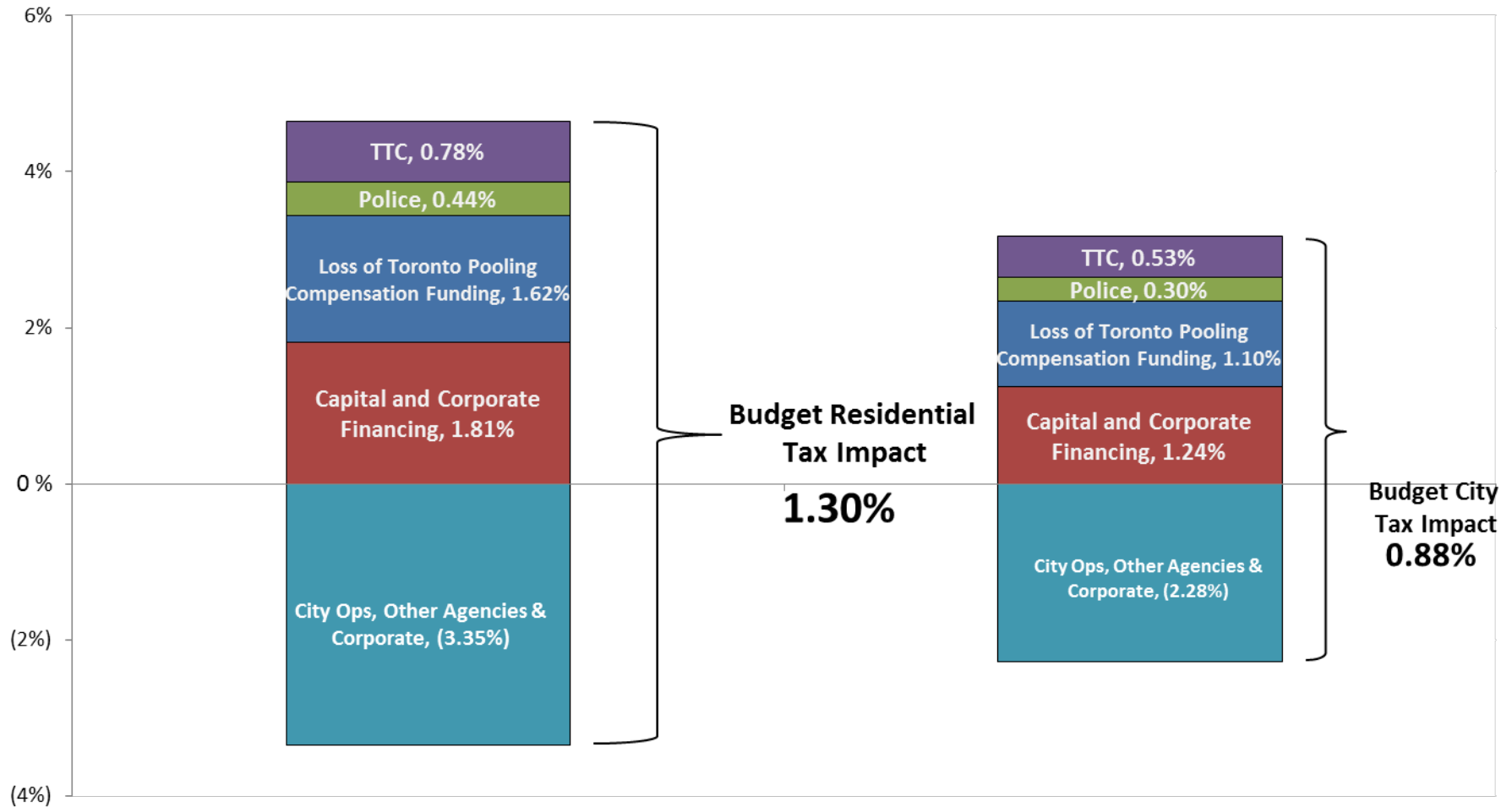
Per Council Tax Policy  
and Legislation



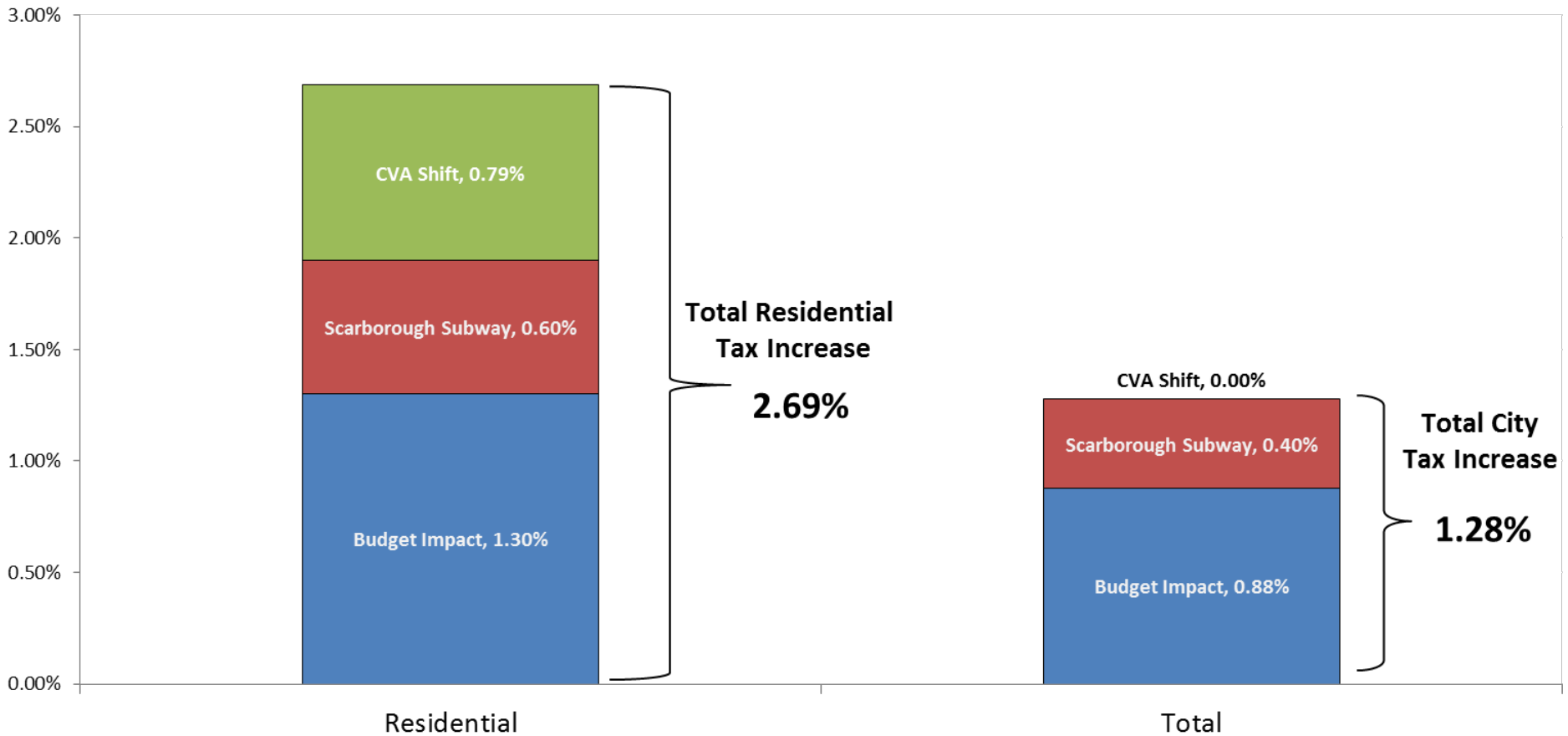


# DRIVERS OF 2016 TAX IMPACT

## EXECUTIVE COMMITTEE RECOMMENDED



# TOTAL TAX INCREASE + SCARBOROUGH SUBWAY & CVA SHIFT EXECUTIVE COMMITTEE RECOMMENDED



# ENHANCING TORONTO'S BUSINESS CLIMATE TAX RATIO REDUCTION INITIATIVE

		Actual							Target	
	2006	2009	2010	2011	2012	2013	2014	2015	2016	2020
Residential	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Commercial	3.68	3.37	3.26	3.23	3.17	3.12	3.07	3.00	2.90 ✓	2.50
Industrial	4.09	3.55								
Multi-Residential	3.63	3.38	3.31	3.31	3.26	3.18				
Small Business	n/a	3.26	2.97	2.93	2.81	2.76	2.63	2.50	2.50 ✓	

## SUMMARY OF 2016 MUNICIPAL TAX IMPACTS EXECUTIVE COMMITTEE RECOMMENDED

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%
<b>City Average</b>	<b>0.88%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.40%</b>	<b>1.28%</b>

} Non-Res.  
-0.17%

\*Commercial Large includes: office buildings >25,000 ft<sup>2</sup>; shopping centres >25,000 ft<sup>2</sup>; 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	<b>No New Revenue to City</b>
Policy Shift between Property Classes	0.74%	\$19.89	
Budgetary Levy Increase (Res.*)	1.30%	\$35.06	
Scarborough Subway	0.60%	\$16.18	
<b>Average Net Impact on Homeowner</b>	<b>2.69%</b>	<b>\$72.26</b>	2016 Tax = \$2,748

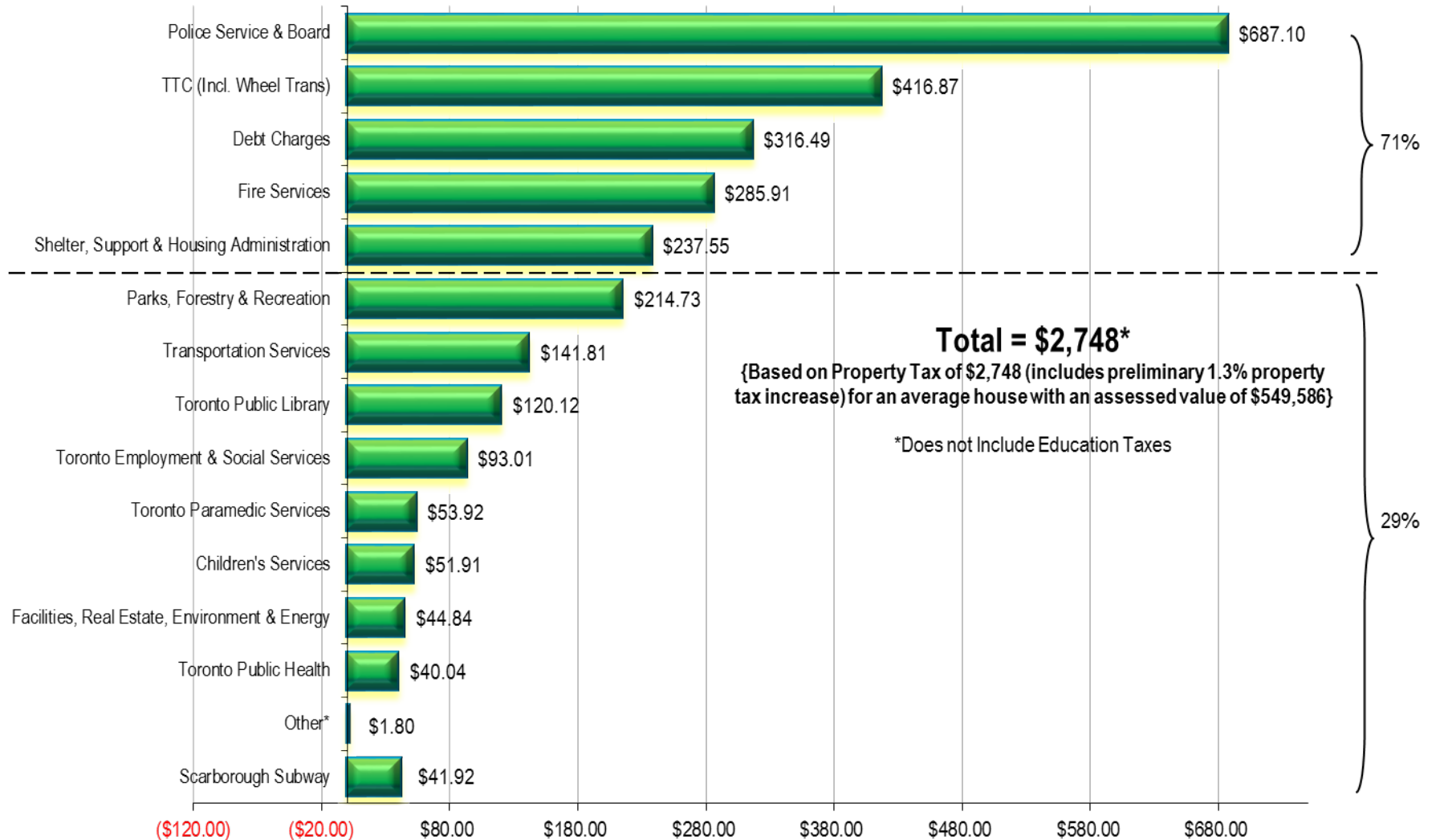
\*Average House Assessed at \$549,586

## 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%
<b>Total</b>	<b>\$3,697</b>	<b>\$3,781</b>	<b>\$83.70</b>	<b>2.26%</b>

\* Average House Assessed at \$549,586

# 2016 EC RECOMMENDED: WHERE THE MONEY GOES IF BUDGET TAX INCREASE AT 1.3%





# 2016-2025 EXECUTIVE COMMITTEE RECOMMENDED CAPITAL BUDGET & PLAN





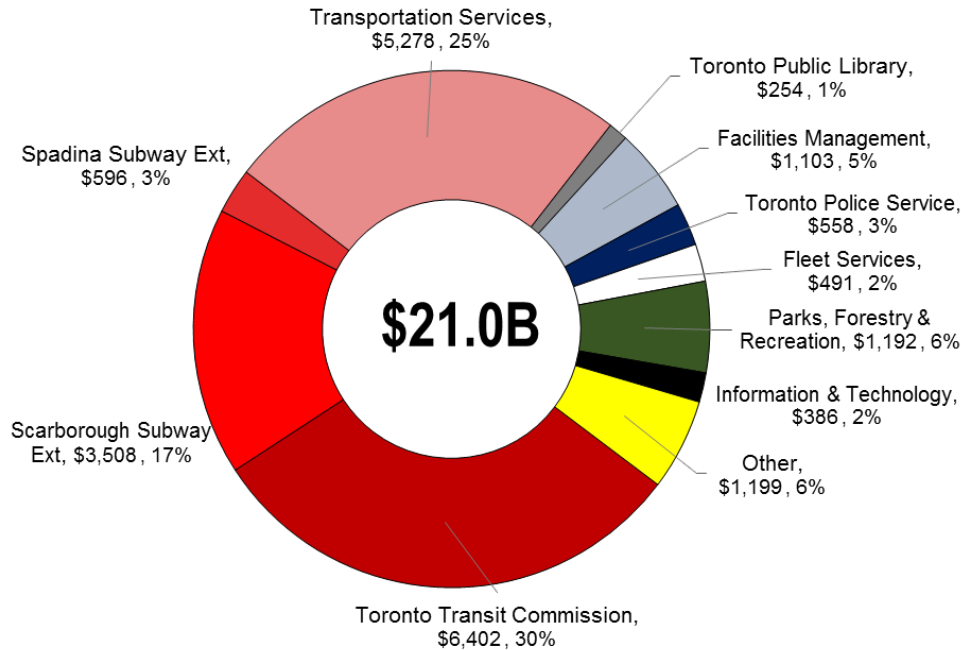
## CHALLENGES IN CAPITAL FINANCING

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

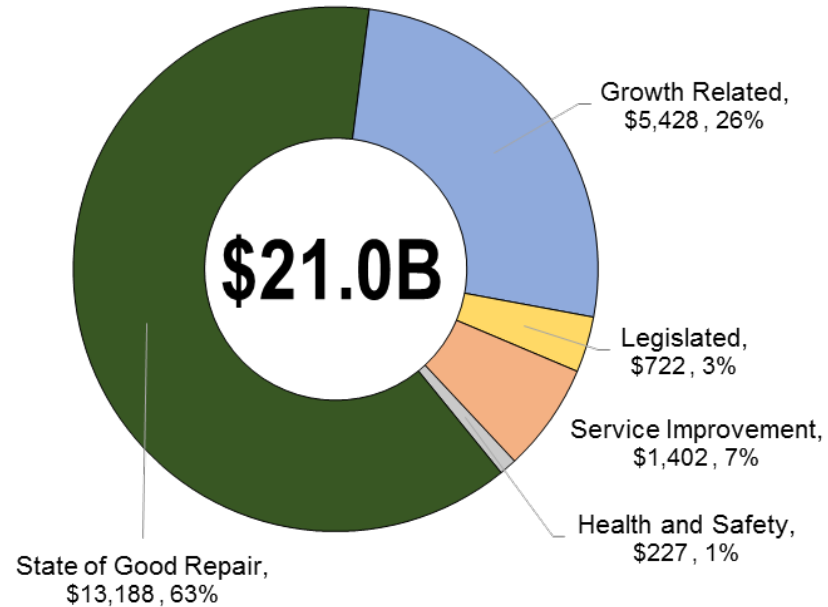
# 10 YEAR CAPITAL PLAN (TAX-SUPPORTED) WHERE THE MONEY GOES: \$21.0B

\$ Million

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



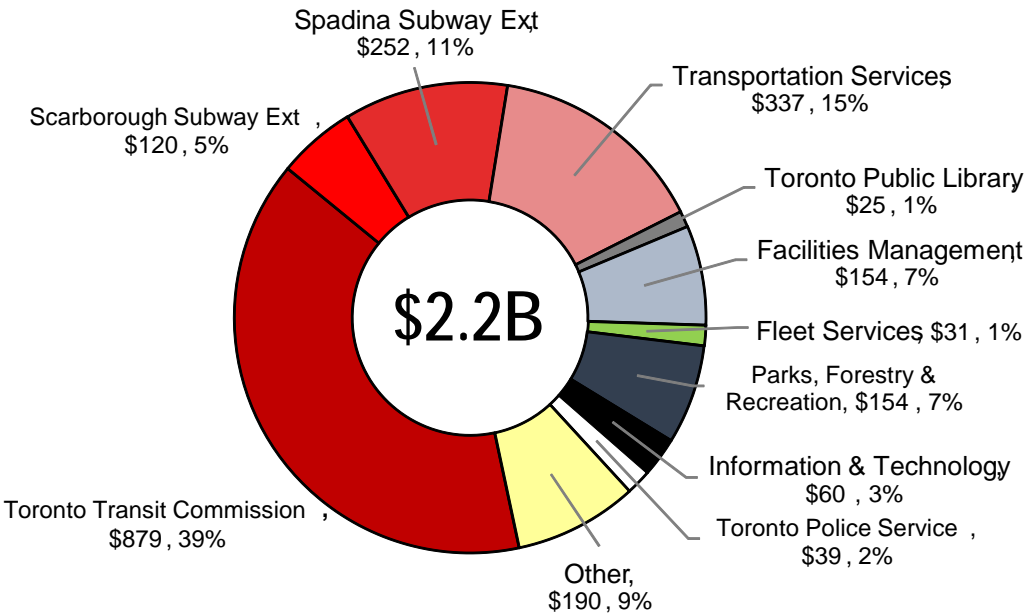
**2016 - 2025 Capital Budget & Plan  
By Category  
63% SOGR**



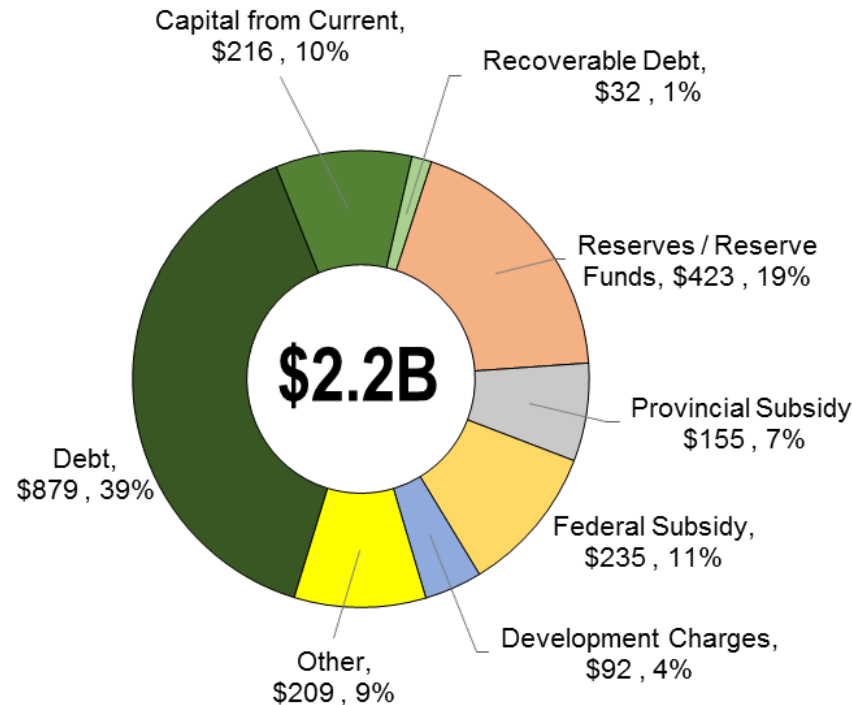
# 2016 TAX SUPPORTED CAPITAL BUDGET IS \$2.2 BILLION

\$ Million

## Where the Money Goes 70% TTC/Transportation



## Where the Money Comes From



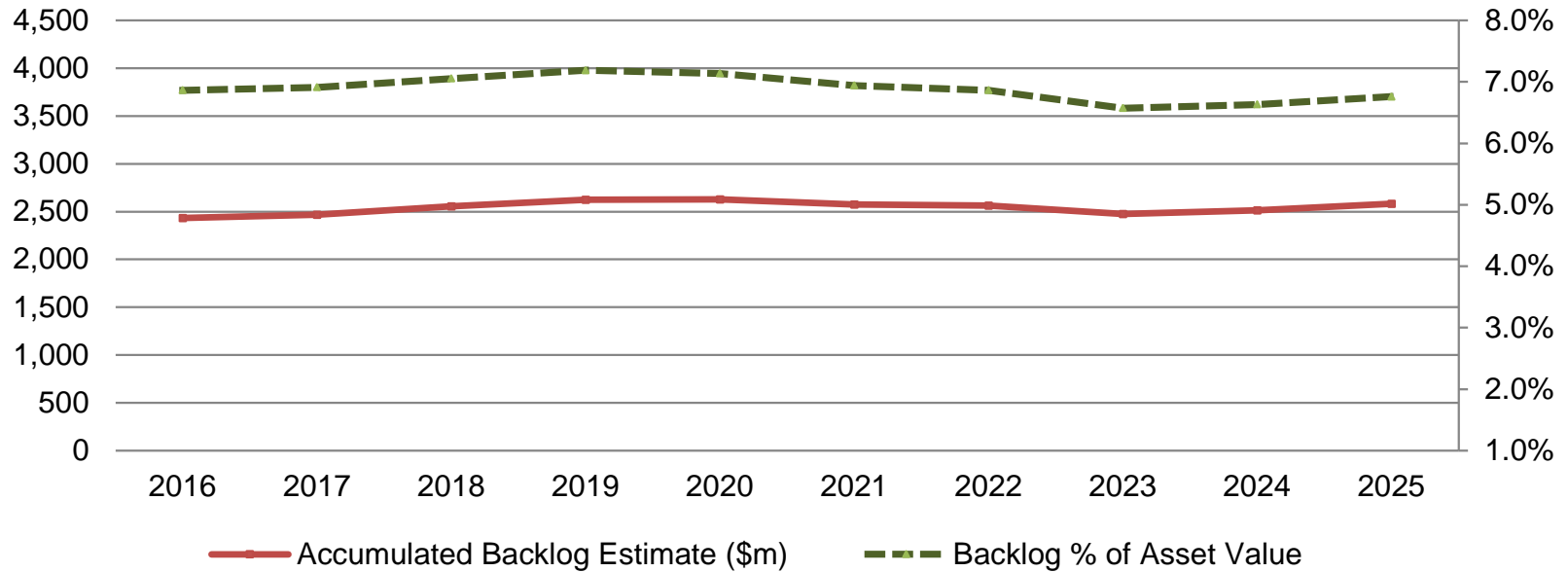
# 2016 CAPITAL BUDGET SUMMARY

Programs (\$000)	2016				2016 - 2020				2016 - 2025			
	EC Recommended		Debt Target	Over/ (Under)	EC Recommended		Debt Target	Over/ (Under)	EC Recommended		Debt Target	Over/ (Under)
	Gross	Debt/CFC			Gross	Debt/CFC			Gross	Debt/CFC		
Citizen Centred Services - A	230,070	105,806	112,436	(6,630)	1,048,103	525,132	527,427	(2,295)	1,640,731	987,304	987,349	(45)
Citizen Centred Services - B	383,395	263,984	297,079	(33,095)	1,859,023	1,305,970	1,580,673	(274,703)	5,512,174	3,463,530	2,940,256	523,274
Internal Services	271,108	136,002	149,588	(13,586)	1,209,228	516,656	500,770	15,886	2,081,459	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
<b>Total - City Operations</b>	<b>889,708</b>	<b>508,952</b>	<b>574,822</b>	<b>(65,870)</b>	<b>4,131,876</b>	<b>2,354,875</b>	<b>2,624,575</b>	<b>(269,700)</b>	<b>9,280,561</b>	<b>5,469,771</b>	<b>4,874,641</b>	<b>595,130</b>
Agencies	100,027	61,237	64,417	(3,180)	596,453	329,017	335,495	(6,478)	1,180,958	627,779	616,292	11,487
<b>Total - Tax Supported before TTC</b>	<b>989,735</b>	<b>570,189</b>	<b>639,239</b>	<b>(69,050)</b>	<b>4,728,329</b>	<b>2,683,892</b>	<b>2,960,070</b>	<b>(276,178)</b>	<b>10,461,519</b>	<b>6,097,550</b>	<b>5,490,933</b>	<b>606,617</b>
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
<b>Total - Tax Supported Programs</b>	<b>2,241,359</b>	<b>1,095,479</b>	<b>1,222,500</b>	<b>(127,021)</b>	<b>12,003,605</b>	<b>5,176,765</b>	<b>5,318,834</b>	<b>(142,069)</b>	<b>20,967,379</b>	<b>8,988,622</b>	<b>8,329,200</b>	<b>659,422</b>

## Highlights:

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

# SOGR BACKLOG



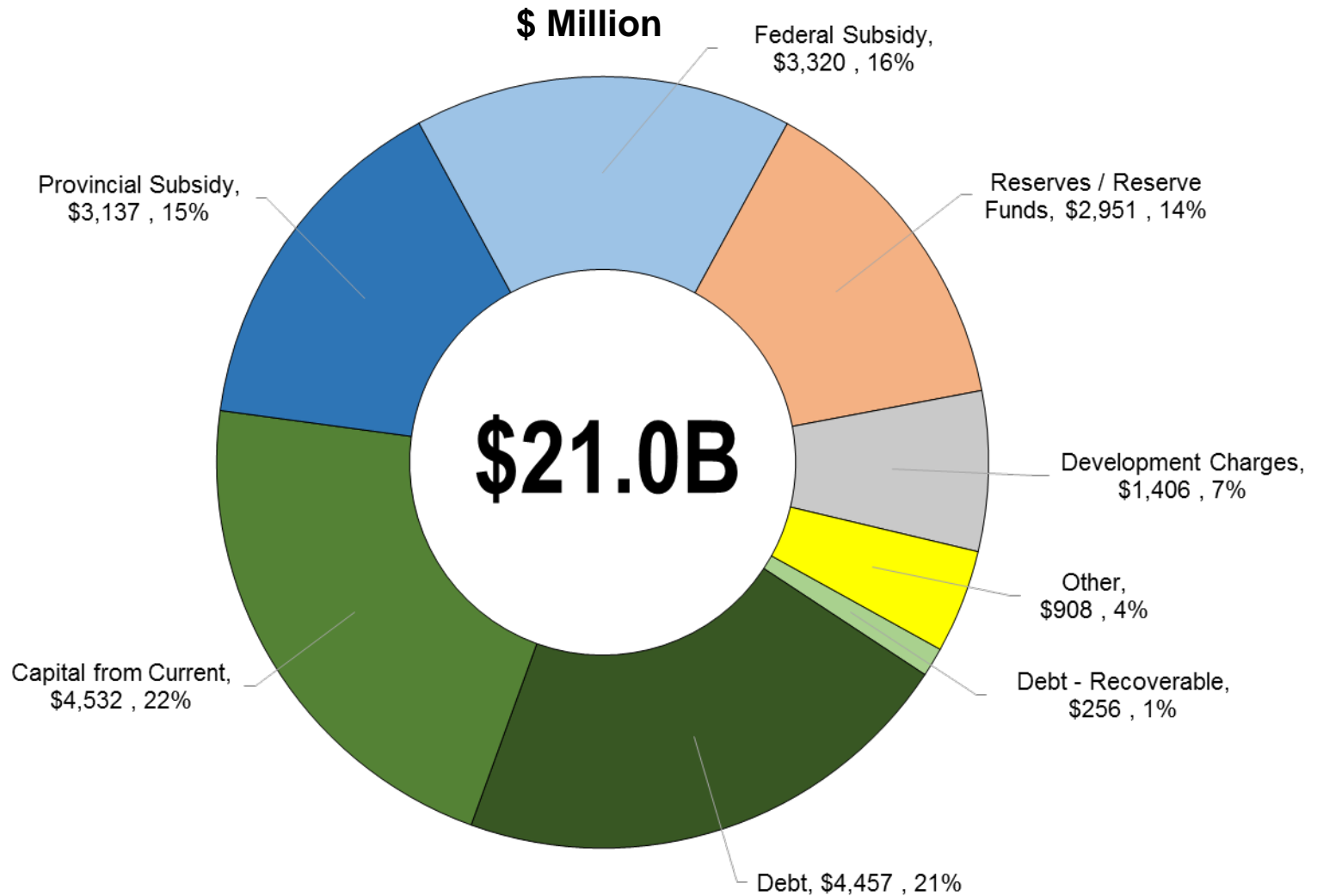
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Asset Value (\$m)</b>	35,443	35,683	36,240	36,526	36,822	37,086	37,369	37,650	37,925	38,209
<b>Accumulated Backlog Estimate (\$m)</b>	2,432	2,466	2,557	2,625	2,628	2,574	2,565	2,474	2,515	2,583
<b>Backlog % of Asset Value</b>	6.9%	6.9%	7.1%	7.2%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

# SOGR BACKLOG BY PROGRAM

\$ Million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Transportation Services	1,011	\$1,065	\$1,120	\$1,174	\$1,174	\$1,163	\$1,147	\$1,127	\$1,071	\$1,128	\$1,197
Facilities Management, Real Estate & Environment	418	\$390	\$370	\$366	\$428	\$425	\$417	\$449	\$447	\$456	\$473
Toronto Transit Commission				\$52	\$114	\$167	\$211	\$251	\$282	\$309	\$346
Toronto & Region Conservation Authority	231	\$228	\$220	\$211	\$200	\$191	\$180	\$173	\$165	\$152	\$141
Toronto Public Library	37	\$44	\$53	\$60	\$64	\$77	\$82	\$88	\$93	\$109	\$123
Parks, Forestry & Recreation	311	\$442	\$453	\$456	\$414	\$386	\$330	\$280	\$225	\$173	\$121
Other	274	\$264	\$249	\$238	\$230	\$219	\$207	\$198	\$192	\$189	\$182
<b>Total SOGR Backlog</b>	<b>2,283</b>	<b>\$2,432</b>	<b>\$2,466</b>	<b>\$2,557</b>	<b>\$2,625</b>	<b>\$2,628</b>	<b>\$2,574</b>	<b>\$2,565</b>	<b>\$2,474</b>	<b>\$2,515</b>	<b>\$2,583</b>
<b>Total Asset Value (end of year)</b>	<b>35,134</b>	<b>\$35,443</b>	<b>\$35,683</b>	<b>\$36,240</b>	<b>\$36,526</b>	<b>\$36,822</b>	<b>\$37,086</b>	<b>\$37,369</b>	<b>\$37,650</b>	<b>\$37,925</b>	<b>\$38,209</b>
<b>SOGR as % Asset Value</b>	<b>6.50%</b>	<b>6.86%</b>	<b>6.91%</b>	<b>7.06%</b>	<b>7.19%</b>	<b>7.14%</b>	<b>6.94%</b>	<b>6.86%</b>	<b>6.57%</b>	<b>6.63%</b>	<b>6.76%</b>

\$ Million	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Toronto Community Housing Corporation</b>											
SOGR Backlog from prior year		\$937	\$1,121	\$1,210	\$1,169	\$1,245	\$1,278	\$1,170	\$982	\$1,027	n/a
Net Growth in Capital needs		\$435	\$414	\$283	\$425	\$358	\$217	\$113	\$146	\$180	n/a
Capital Financing (City/Federal/Provincial)		(\$250)	(\$325)	(\$325)	(\$350)	(\$325)	(\$325)	(\$300)	(\$100)	(\$100)	n/a
<b>SOGR Backlog</b>	<b>\$937</b>	<b>\$1,122</b>	<b>\$1,210</b>	<b>\$1,168</b>	<b>\$1,244</b>	<b>\$1,278</b>	<b>\$1,170</b>	<b>\$983</b>	<b>\$1,028</b>	<b>\$1,107</b>	<b>n/a</b>
Year end Facilities Condition Index (FCI)	9.9%	11.6%	12.3%	11.7%	12.2%	12.3%	11.0%	9.1%	9.3%	10.0%	n/a
<b>Total SOGR Backlog (including TCHC)</b>	<b>\$3,220</b>	<b>\$3,554</b>	<b>\$3,676</b>	<b>\$3,725</b>	<b>\$3,869</b>	<b>\$3,906</b>	<b>\$3,744</b>	<b>\$3,548</b>	<b>\$3,502</b>	<b>\$3,622</b>	<b>n/a</b>

# 10 YEAR CAPITAL PLAN (TAX-SUPPORTED) WHERE THE MONEY COMES FROM: \$21.0B





# DEBT FUNDING





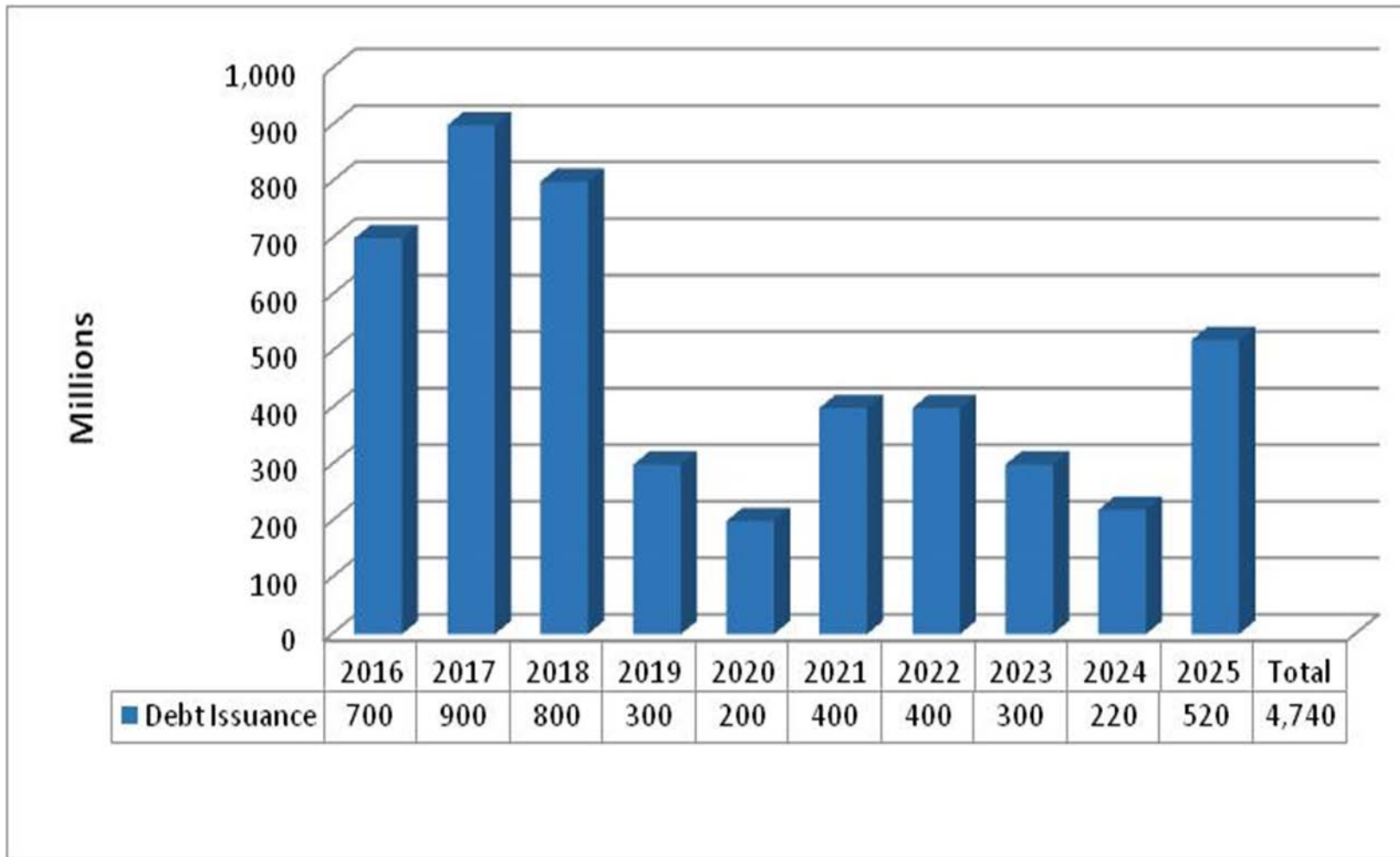
# PROGRAM DRIVERS FOR DEBT FUNDING (10 YEAR)

Program	Debt/CFC \$ millions	%
<b>Transportation Services</b> (F.G Gardiner, rehabilitation for roads and bridges)	\$3,364	37%
<b>Total TTC</b> (Spadina and Scarborough Subway Extension, IT systems, Easier Access, Resignalling, etc)	\$2,891	32%
<b>Facilities Management Real Estate &amp; Environment</b> (mechanical and electrical, structural/building envelope, renovations, etc)	\$708	8%
<b>Parks Forestry &amp; Recreation</b> (Community centres, Arenas, etc)	\$670	7%
<b>Toronto Police Service</b> (Radio Replacement, SOGR, Division 41/13)	\$243	3%
<b>Information &amp; Technology</b> (Corporate Planning & Management, Application systems, etc)	\$189	2%
<b>Toronto Public Library</b> (Technology Asset Management Program, multi-branch renovation, etc)	\$160	2%
<b>Economic Development and Culture</b> (Restoration/Preservation of Heritage Elements, service enhancement, cultural infrastructure development, etc)	\$96	1%
<b>Shelter+ Support &amp; Housing Administration</b> (George Street Revitalization - Phase 2, capital repairs/replacement, etc)	\$91	1%
<b>Other</b>	\$575	6%
<b>Total</b>	<b>\$8,988</b>	<b>100%</b>
<b>CFC</b>	<b>\$4,532</b>	
<b>Net Debt</b>	<b>\$4,457</b>	

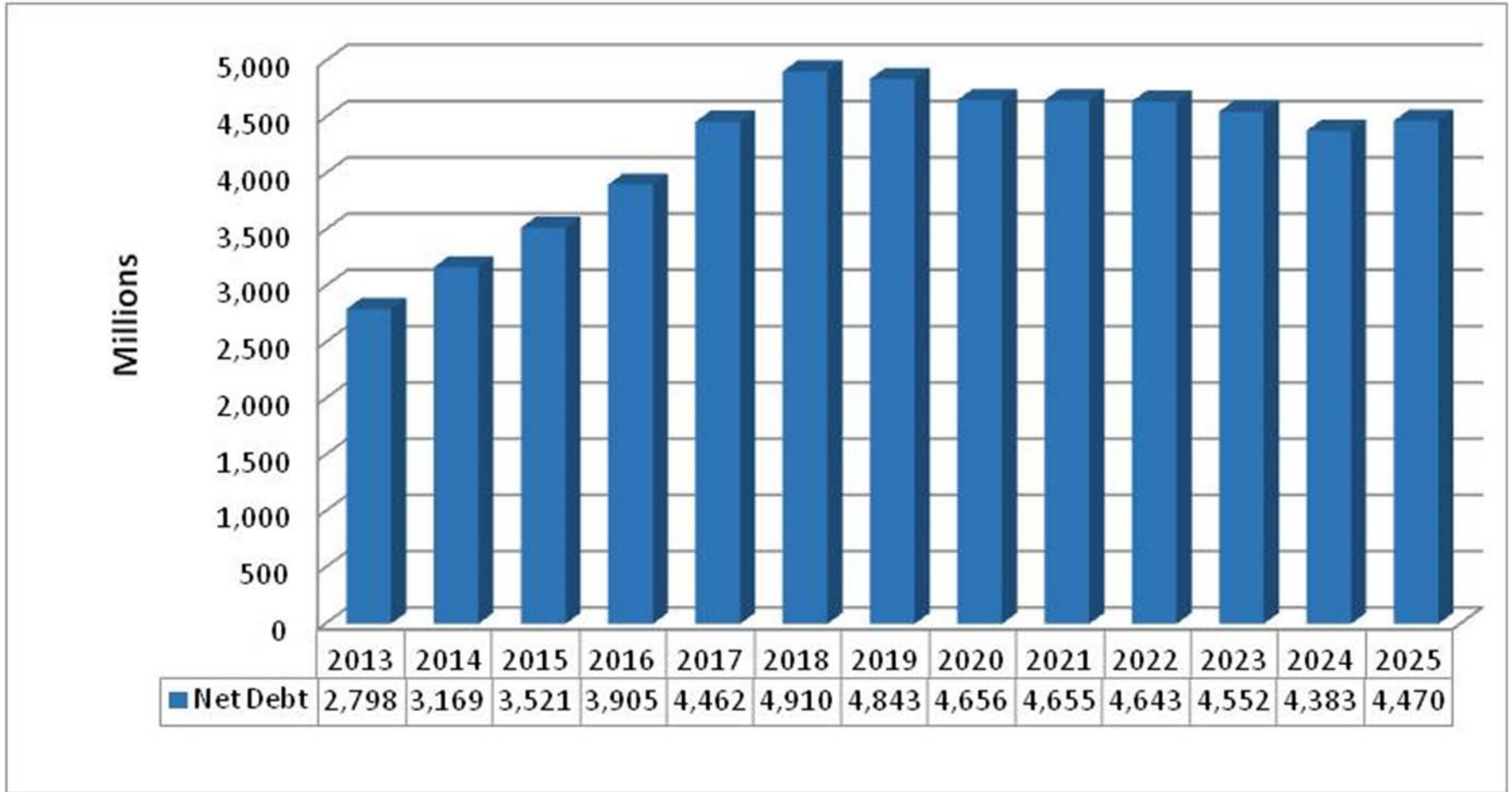
69%

31%

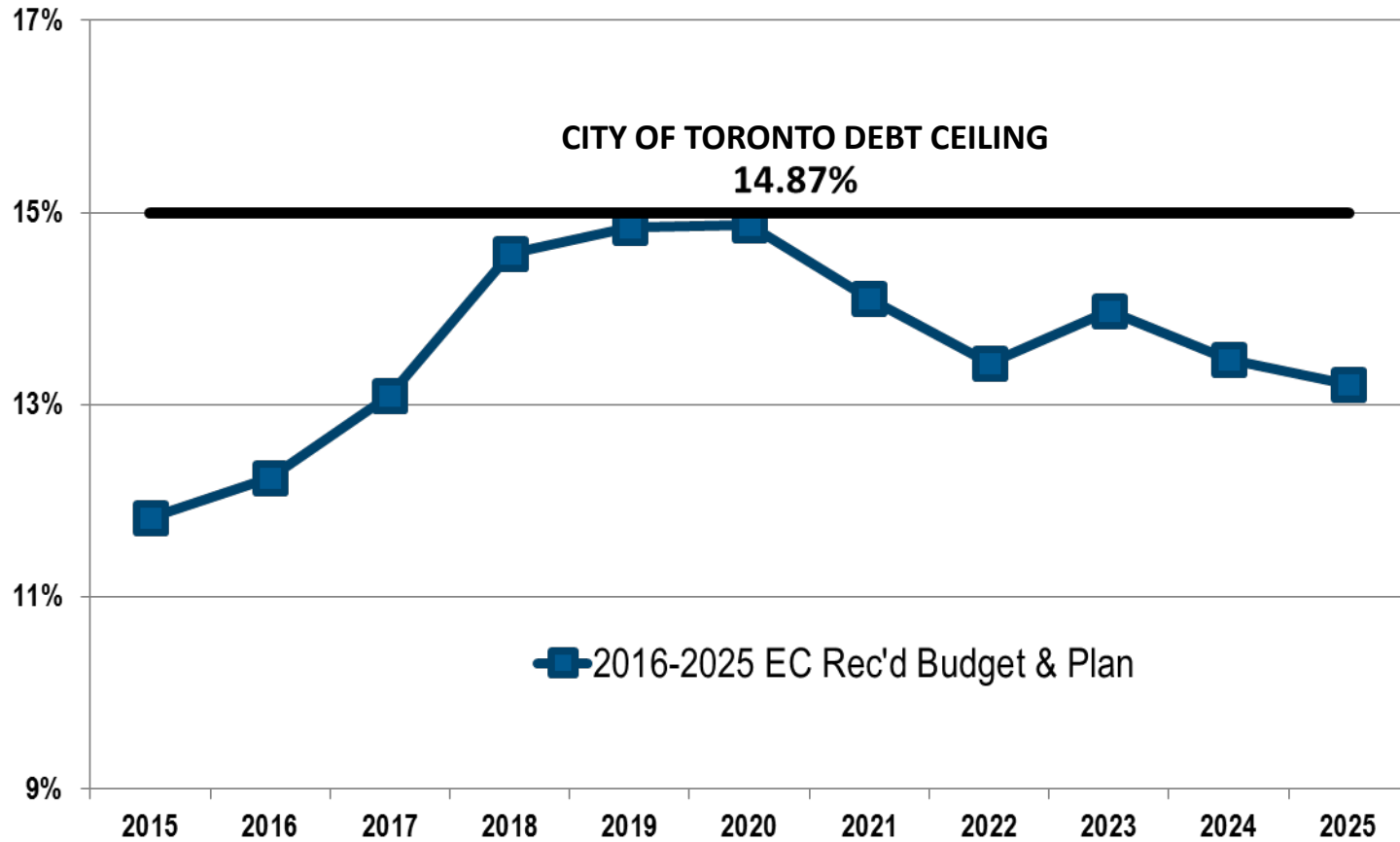
## 2016 – 2025 DEBT ISSUANCE



## 2013 – 2025 OUTSTANDING DEBT PROJECTION



# DEBT COST AS PERCENTAGE OF PROPERTY TAX



# NON DEBT FINANCING STRATEGY

## Capital Financing Strategy - Reserve XQ0011

Financing Sources Description (\$ Millions)	2012 - 2015 Secured Revenue				Future Year Capital Financing Strategy Revenue Estimates										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
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	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
<b>TPA One-Time</b>				67	9										77
Other	1	3													4
Bank Tower Surplus		30													30
<b>Total:</b>	<b>453</b>	<b>219</b>	<b>136</b>	<b>277</b>	<b>166</b>	<b>100</b>	<b>90</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>75</b>	<b>75</b>	<b>2,366</b>

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
<b>Total</b>	<b>45</b>	<b>75</b>	<b>350</b>	<b>325</b>	<b>245</b>	<b>337</b>	<b>188</b>	<b>159</b>	<b>102</b>	<b>42</b>	<b>42</b>	<b>316</b>	<b>59</b>	<b>59</b>	<b>2,342</b>

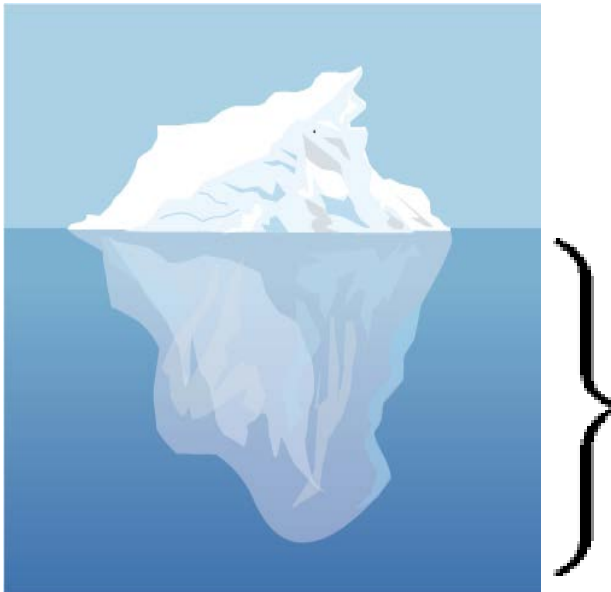
Available Capital Financing Strategy Funding (Based on Current Capital Requirements & Future Year Revenue Estimates)															
Description (\$ Millions)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimated Reserve Opening Balance	\$27	\$435	\$579	\$367	\$320	\$241	\$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
<b>Estimated Reserve Closing Balance</b>	<b>\$435</b>	<b>\$579</b>	<b>\$366</b>	<b>\$320</b>	<b>\$241</b>	<b>\$4</b>	<b>(\$93)</b>	<b>(\$98)</b>	<b>(\$45)</b>	<b>\$68</b>	<b>\$182</b>	<b>\$21</b>	<b>\$37</b>	<b>\$53</b>	
<b>Advance Financing Requirements</b>							93	5							98



# UNFUNDED CAPITAL PROJECTS



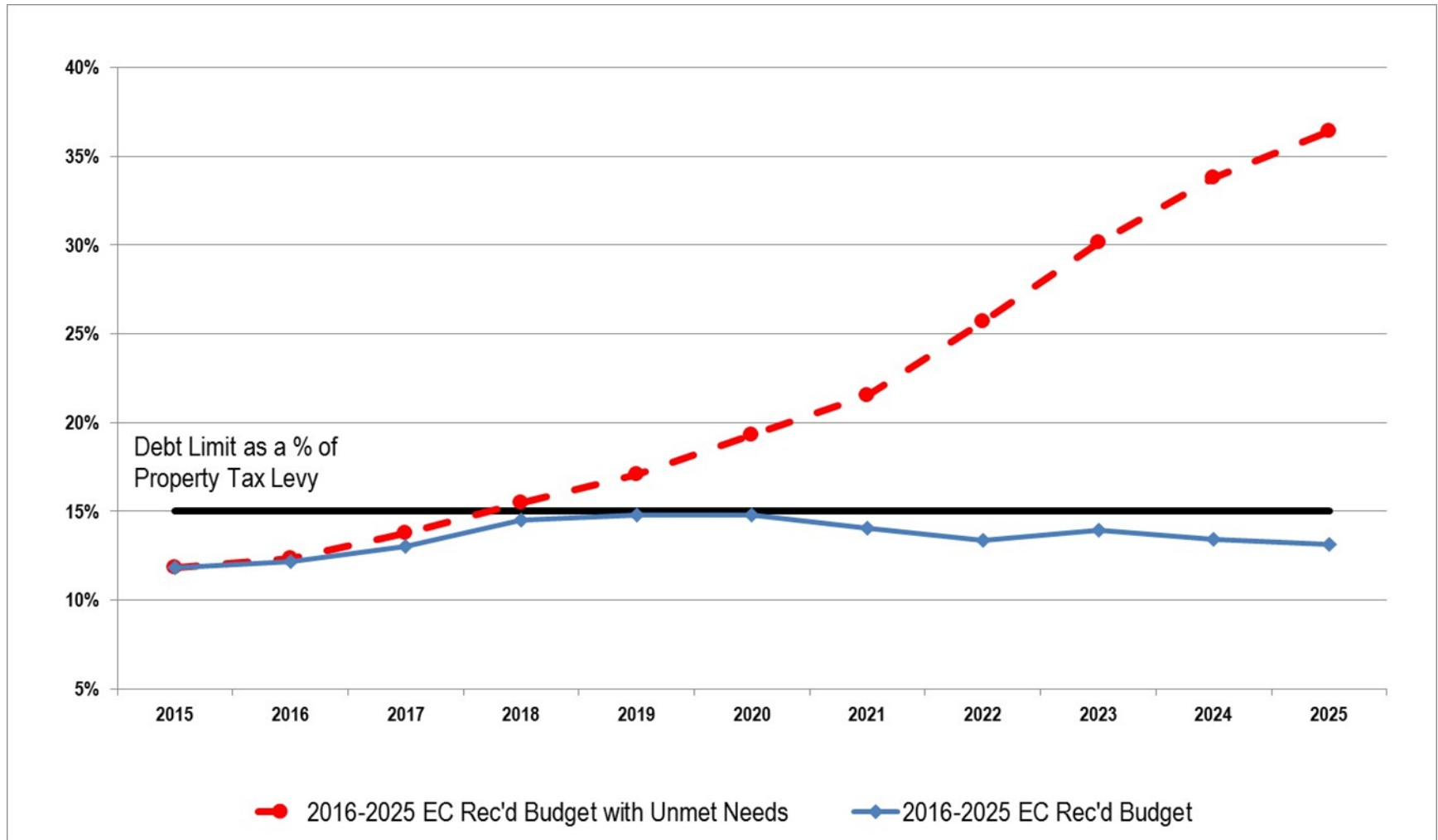
# MAJOR UNMET NEEDS



(\$ 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
<b>Total of Unfunded Capital Projects</b>	<b>22,337</b>

**Note: \* Represent gross costs. Federal and Provincial funding expected. City Share currently funded from Development Charges and other sources.**

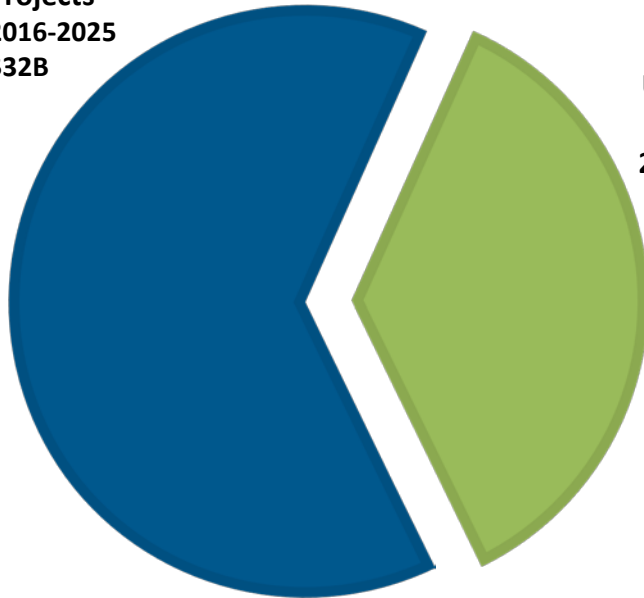
# DEBT COST AS PERCENTAGE OF PROPERTY TAX: CANNOT ONLY BORROW TO SOLVE THE CAPITAL GAP





# POTENTIAL FINANCIAL IMPACT OF UNFUNDED CAPITAL PROJECTS

Funded  
Projects  
2016-2025  
\$32B



Unfunded  
Projects  
2016-2025  
\$22.3B



➤ \$1.73 Billion in Debt Charges

➤ 65% residential property tax increase

## CAPITAL BUDGET CONCLUSIONS

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

Thank You / End



# LIST OF APPENDICES

1. **2016 Executive Committee Recommended Operating Budget (P61-74)**
2. **New and Enhanced Detailed List (P75-87)**
3. **Property Tax Comparisons (P88-93)**
4. **2016 Executive Committee Recommended Capital Changes (P94-98)**
5. **Unfinanced Debt Expenditures (P99-113)**



## Appendix 1

# 2016 Executive Committee Recommended Operating Budget



# 2016 OPERATING BUDGET SUMMARY

Description of Category (\$000s)	2015 Budget	2016 Adjusted Base Budget	\$ Change from 2015 Over (Under)				2016 New/Enh. Budget	2016 EC Rec'd Budget	Change from 2015 Over (Under)	
			Gross	Revenue	Net	%			\$	%
Citizen Centred Services "A"										
Gross Expenditures	3,285,522	3,305,351	19,829			0.6%	26,162	3,331,513	45,991	1.4%
Revenue:	(2,220,733)	(2,223,810)		3,076		(0.1%)	(6,397)	(2,230,207)	(9,474)	0.4%
<i>Net:</i>	<i>1,064,789</i>	<i>1,081,541</i>			16,752	1.6%	19,765	1,101,306	36,518	3.4%
<i>Federal Funding Loss</i>				9,000						
<i>Courts One Time Provincial Revenue</i>				12,000						
<i>Other Revenue Changes</i>				(17,924)						
Citizen Centred Services "B"	666,577	667,745	41,247	40,078	1,169	0.2%	943	668,688	2,111	0.3%
Internal Services	187,570	186,591	7,851	8,831	(979)	(0.5%)	8	186,599	(971)	(0.5%)
City Manager	47,382	46,888	(980)	(487)	(493)	(1.0%)	138	47,026	(355)	(0.8%)
Other City Programs	75,140	75,130	561	570	(10)	(0.0%)	129	75,259	119	0.2%
Accountability Offices	8,025	8,199	175	175	175	2.2%	211	8,410	386	4.8%
<b>Total City Operations</b>	<b>2,049,482</b>	<b>2,066,095</b>	<b>68,683</b>	<b>52,069</b>	<b>16,613</b>	<b>0.8%</b>	<b>21,194</b>	<b>2,087,289</b>	<b>37,808</b>	<b>1.8%</b>
TTC (inc Wheel Trans)	582,530	606,888	45,837	21,479	24,358	4.2%	3,451	610,339	27,809	4.8%
Police (inc Board)	982,029	1,005,984	(41,235)	(65,190)	23,956	2.4%		1,005,984	23,956	2.4%
Other Agencies	257,583	261,641	(10,271)	(14,329)	4,058	1.6%	2,520	264,161	6,578	2.6%
<b>Agencies</b>	<b>1,822,141</b>	<b>1,874,513</b>	<b>(5,668)</b>	<b>(58,040)</b>	<b>52,371</b>	<b>2.9%</b>	<b>5,971</b>	<b>1,880,484</b>	<b>58,343</b>	<b>3.2%</b>
Corporate Accounts:										
Capital & Corporate Financing	643,126	699,128	20,902	(35,100)	56,001	8.7%		699,128	56,001	8.7%
Other Corporate Expenditures	439,741	438,533	5,418	6,627	(1,208)	(0.3%)	2,230	440,763	1,022	0.2%
Municipal Land Transfer Tax	(385,000)	(485,500)	4	100,504	(100,500)	26.1%		(485,500)	(100,500)	26.1%
Other Corporate Revenues	(720,855)	(734,720)	(55,967)	(129,660)	(13,865)	1.9%		(734,720)	(13,865)	1.9%
Toronto Pooling Compensation Loss		43,779		43,779	43,779	0.0%		43,779	43,779	0.0%
<b>Net Operating Budget</b>	<b>3,848,635</b>	<b>3,901,827</b>	<b>33,370</b>	<b>(19,821)</b>	<b>53,192</b>	<b>1.4%</b>	<b>29,396</b>	<b>3,931,222</b>	<b>82,587</b>	<b>2.1%</b>
Assessment Change								(48,240)	(48,240)	
<b>Net Operating Budget After Assessment</b>										
<b>Growth</b>	<b>3,848,635</b>	<b>3,901,827</b>	<b>33,370</b>	<b>(19,821)</b>	<b>53,192</b>	<b>1.4%</b>	<b>29,396</b>	<b>3,882,982</b>	<b>34,347</b>	<b>0.9%</b>

# \$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**

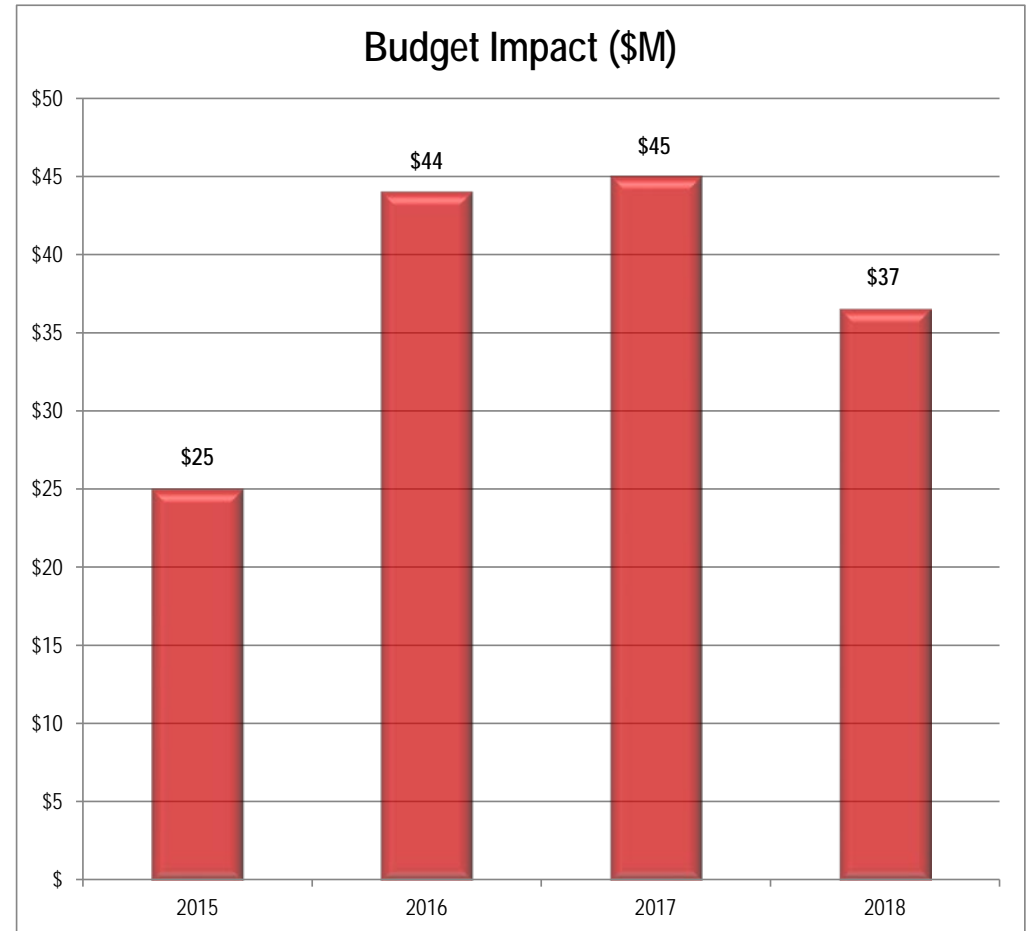
### Reversal of One-Time Revenues (\$000s)

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	Residential	2016	BC Changes	EC	Residential	Total Tax
	Outlook	Tax Impact	Preliminary		Recommended	Tax Impact	Impact
	<u>Jan 2015</u>		<u>Dec 15, 2015</u>		<u>Jan 26, 2016</u>		
Compensation & Benefits	122.5		139.9		139.9		
Non-labour Inflationary Impact	14.9		9.9		9.9		
Impact from Prior Year Decisions	57.9		85.0		85.0		
Operating Impact of Completed Capital Projects	29.5		7.9		7.9		
Reversal of One-time Reserve Funding	36.5		25.6		25.6		
CFC (Capital From Current)	25.9		17.8		17.8		
Debt Charges	21.2		41.1		41.1		
Other Base Budget Changes	72.0		55.0		55.0		
<b>Total Expenditure Pressures</b>	<b>380.5</b>		<b>382.3</b>	-	<b>382.3</b>		
Provincial Housing Funding Loss	<b>44.0</b>		<b>43.8</b>		<b>43.8</b>		
<b>Total Pressure after Provincial Funding Loss</b>	<b>424.5</b>	<b>16.1%</b>	<b>426.1</b>	-	<b>426.1</b>	<b>16.1%</b>	<b>10.9%</b>
<b>Revenue Changes:</b>							
MLTT			(100.5)		(100.5)		
TTC Fare Increase/Adjustments	(30.0)		(18.3)		(18.3)		
User Fees			(8.2)		(8.2)		
Uploading of Services	(22.7)		(22.1)		(22.1)		
Interest/Dividend Income	(5.9)		7.4	(10.5)	(3.1)		
TTC Ridership Growth	(2.7)		(5.7)		(5.7)		
Parking Authority Revenues	9.3		(0.2)	(5.0)	(5.2)		
One-time Change in Reserve Draw			-	(12.5)	(12.5)		
Other Revenue Change	10.1		(4.0)		(4.0)		
<b>Total Revenue Changes</b>	<b>(41.9)</b>		<b>(151.5)</b>	<b>(28.0)</b>	<b>(179.5)</b>		
<b>Pressure after Revenue Changes</b>	<b>382.6</b>	<b>14.5%</b>	<b>274.6</b>	<b>(28.0)</b>	<b>246.6</b>	<b>9.3%</b>	<b>6.3%</b>

(red) is good

## ACTIONS TAKEN AND CURRENT RESULTS

(\$ Millions)	2016	Residential	2016		EC	Residential	Total Tax
	Outlook	Tax Impact	Preliminary		Recommended	Tax Impact	Impact
	<u>Jan 2015</u>		<u>Dec 15, 2015</u>		<u>Jan 26, 2016</u>		
<b>Pressure after Revenue Changes</b>	<b>382.6</b>	<b>14.5%</b>	<b>274.6</b>	<b>(28.0)</b>	<b>246.6</b>	<b>9.3%</b>	<b>6.3%</b>
<b>Additional Actions Taken:</b>							
Line-by-line review savings			(8.8)		(8.8)		
Base changes to achieve target			(112.3)	(23.8)	(136.1)		
Solid Waste Rebate			(11.9)		(11.9)		
Efficiency Savings			(13.7)		(13.7)		
Revenue Changes			(22.8)		(22.8)		
<b>Sub-Total Additional Actions Taken</b>			<b>(169.6)</b>	<b>(23.8)</b>	<b>(193.4)</b>		
<b>Pressure before Assessment Growth</b>	<b>382.6</b>	<b>14.5%</b>	<b>105.0</b>	<b>(51.8)</b>	<b>53.2</b>	<b>2.01%</b>	<b>1.36%</b>
Assessment Growth	(29.6)		(48.2)		(48.2)	-1.83%	-1.23%
<b>Pressure after Assessment Growth</b>	<b>353.0</b>	<b>13.4%</b>	<b>56.8</b>	<b>(51.8)</b>	<b>5.0</b>	<b>0.19%</b>	<b>0.13%</b>
New/Enhanced			0.6	28.8	29.4		
<b>Budget - Net Increase</b>			<b>57.4</b>	<b>(23.0)</b>	<b>34.3</b>	<b>1.30%</b>	<b>0.88%</b>
1.3% Residential and 0.43% Non-Residential Tax Increase			(34.3)		(34.3)		
<b>Gap</b>			<b>23.0</b>		<b>0.0</b>		

# 2016 BUDGET COMMITTEE RECOMMENDED CHANGES

	Approved Positions	2016 Operating Budget (\$000s)			Incremental Increase	
		Gross	Revenue	Net	2017 (\$000s)	2018 (\$000s)
					Net	Net
<b>2016 Preliminary Operating Budget as at December 15, 2015</b>	<b>51,593.7</b>	<b>10,036,055.4</b>	<b>6,081,787.1</b>	<b>3,906,028.3</b>	<b>407,062.8</b>	<b>249,320.2</b>
<b>Omnibus Motion from the Chair of the Budget Committee</b>						
<b>Council Directed items for Consideration</b>						
<b>Economic Development &amp; Culture</b> - Increase funding for Arts & Culture \$25/capita phase-in	9.0	5,000.0		5,000.0	137.7	21.7
<b>Parks, Forestry &amp; Recreation</b> - Increase funding to offer recreation programs on Family Day	5.0	250.0		250.0		
<b>Toronto Paramedic Services</b> - Add 57 new paramedic positions and 2 new superintendents	59.0	3,228.2		3,228.2	1,612.2	(1,370.0)
<b>Engineering &amp; Construction Services</b> - Add 11 seasonal Inspectors of Municipal Construction required for capital projects	11.0	1,095.2	1,095.2			
<b>Fire Services</b> - Add 17 Fire Prevention and Public Education Staff as part of phase in	17.0	692.7		692.7	1,302.3	
<b>Transportation Services</b> - Add 4 temporary positions for implementation of 30 km/hr speed limit	4.0	400.0	400.0			
<b>Total - Council Directed items for Consideration</b>	<b>105.0</b>	<b>10,666.1</b>	<b>1,495.2</b>	<b>9,170.9</b>	<b>3,052.2</b>	<b>(1,348.4)</b>
<b>Total - Poverty Reduction</b>	<b>12.8</b>	<b>6,072.3</b>	<b>745.2</b>	<b>5,327.0</b>	<b>78.3</b>	<b>1.5</b>
<b>Total - Referred to the Budget Process</b>	<b>21.0</b>	<b>1,789.1</b>		<b>1,789.1</b>		
<b>Total - Service Level Changes Requested by Parks &amp; Environment Committee</b>	<b>5.6</b>	<b>2,401.2</b>	<b>160.2</b>	<b>2,241.0</b>	<b>59.0</b>	
<b>Toronto Transit Commission Board Approved</b>						
Additional funding to improve streetcar service reliability	30.0	2,100.0	900.0	1,200.0	1,400.0	
Add 17 positions and funding for earlier Sunday Transit Service	17.0	1,700.0	1,100.0	600.0	800.0	
<b>Total - Toronto Transit Commission Board Approved</b>	<b>47.0</b>	<b>3,800.0</b>	<b>2,000.0</b>	<b>1,800.0</b>	<b>2,200.0</b>	
<b>Toronto Public Health Board Approved</b>						
Increase funding to support immunizations offered through day nursery operators	6.0	537.7	403.3	134.4	(1.7)	
Increased funding for additional mandatory inspection of fridges of pharmacies providing influenza vaccine	2.0	156.2	156.2			
<b>Total - Toronto Public Health Board Approved</b>	<b>8.0</b>	<b>694.0</b>	<b>559.5</b>	<b>134.4</b>	<b>(1.7)</b>	

# 2016 BUDGET COMMITTEE RECOMMENDED CHANGES

	Approved Positions	2016 Operating Budget (\$000s)			Incremental Increase	
		Gross	Revenue	Net	2017 (\$000s)	2018 (\$000s)
					Net	Net
<b>Total - Referred to the Budget Process</b>	<b>21.0</b>	<b>1,789.1</b>		<b>1,789.1</b>	<b>34.0</b>	
<b>Total - Service Level Changes Requested by Parks &amp; Environment Committee</b>	<b>5.6</b>	<b>2,401.2</b>	<b>160.2</b>	<b>2,241.0</b>	<b>59.0</b>	
<b>Toronto Transit Commission Board Approved</b>						
Additional funding to improve streetcar service reliability	30.0	2,100.0	900.0	1,200.0	1,400.0	
Add 17 positions and funding for earlier Sunday Transit Service	17.0	1,700.0	1,100.0	600.0	800.0	
<b>Total - Toronto Transit Commission Board Approved</b>	<b>47.0</b>	<b>3,800.0</b>	<b>2,000.0</b>	<b>1,800.0</b>	<b>2,200.0</b>	
<b>Total - Toronto Public Health Board Approved</b>	<b>8.0</b>	<b>750.8</b>	<b>602.1</b>	<b>148.6</b>	<b>(1.7)</b>	
<b>Other Items for Consideration</b>						
<b>Children's Services</b> - Increased Provincial funding for the Wage Enhancement Program		18,246.0	18,246.0			
<b>Economic Development &amp; Culture</b> - Add 1 position to meet increased demand of Business Improvement Area Capital Cost-Sharing Program.	1.0	114.0	114.0			
<b>Shelter, Support &amp; Housing Administration</b> - Increase funding to support Mayor's Task Force on Toronto Community Housing recommendations		5,475.0		5,475.0	(1,300.0)	
<b>Shelter, Support and Housing Administration's</b> - Increase contribution from the Social Housing Stabilization Reserve			12,500.0	(12,500.0)	12,500.0	
<b>Toronto Employment and Social Service's</b> - Reduce Contribution to National Child Benefits Supplement Reserve		(4,600.0)		(4,600.0)	2,414.0	
<b>Municipal Licensing &amp; Standards</b> - Maintain Taxi Licensing Fees at 2015 rates		(222.0)	(222.0)			
<b>Policy, Planning, Finance &amp; Administration</b> - Add a one-time increase in funding to advance the City's technical review of reports and studies in support of the Regional Express Rail (RER) program, to be recovered from Metrolinx		254.4	254.4			

# 2016 BUDGET COMMITTEE RECOMMENDED CHANGES

	Approved Positions	2016 Operating Budget (\$000s)			Incremental Increase	
		Gross	Revenue	Net	2017 (\$000s)	2018 (\$000s)
					Net	Net
<b>Transportation Services</b> - Add funding for Paid Duty Officers to provide traffic management		250.0		250.0		
<b>Legal Services</b> - Add 1 Lawyer for increased Planning and Tribunal work	1.0	129.0		129.0		
<b>Auditor General's Office</b> - Add 2 positions to reduce backlog of projects and reduce the City's risk exposure. Positions will be dedicated to TTC review	2.0	211.0		211.0	70.0	5.0
<b>Toronto Police Services</b> - Decrease to discretionary expenditures		(3,000.0)		(3,000.0)		
<b>Toronto Transit Commission</b> - Decrease to discretionary expenditures		(5,000.0)		(5,000.0)		
<b>Corporate</b> - Reinstatement of a Reduced XL Bin Solid Waste Rebate		2,230.0		2,230.0		
<b>Non-Program Expenditures</b> - Decrease to discretionary expenditures for Agencies (excl Police and TTC)		(1,249.0)		(1,249.0)		
<b>Non-Program Expenditures</b> - Decrease to discretionary expenditures for City Divisions		(9,968.2)		(9,968.2)		
<b>Non-Program Revenues</b> - Add a one-time special dividend from the Toronto Parking Authority			5,000.0	(5,000.0)	5,000.0	
<b>Non-Program Revenues</b> - Add a one-time special dividend from the Toronto Port Lands Corporation			5,000.0	(5,000.0)	5,000.0	
<b>Non-Program Revenues</b> - Increase Payments in Lieu of Taxes by reducing the appeal provision			5,500.0	(5,500.0)		
<b>Total - Other Items for Consideration</b>	<b>4.0</b>	<b>2,870.2</b>	<b>46,392.4</b>	<b>(43,522.2)</b>	<b>23,684.0</b>	<b>5.0</b>
<b>2016 BC Rec'd Operating Budget as at January 26, 2016</b>	<b>51,797.1</b>	<b>10,064,405.0</b>	<b>6,133,182.4</b>	<b>3,882,982.7</b>	<b>449,759.1</b>	<b>246,633.3</b>

# 2016 EXECUTIVE COMMITTEE RECOMMENDED CHANGES

	Approved Positions	2016 Operating Budget (\$000s)			Incremental Increase	
		Gross	Revenue	Net	2017 (\$000s)	2018 (\$000s)
					Net	Net
<b>2016 BC Rec'd Operating Budget as at January 26, 2016</b>	<b>51,797.1</b>	<b>10,064,405.0</b>	<b>6,133,182.4</b>	<b>3,882,982.7</b>	<b>449,759.1</b>	<b>246,633.3</b>
<b>Executive Committee - February 9, 2016</b>						
<b>Economic Development &amp; Culture (Motion)</b>						
Reduce New/Enhanced FTE by 3 and provide funds directly to community organizations as grants	(3.0)					
<b>Social Development, Finance &amp; Administration (Motion)</b>						
Increase funding to the Toronto Newcomer Office for the purposes of the Syrian Resettlement Program	1.0	220.0	220.0			
<b>2016 EC Rec'd Operating Budget as at February 9, 2016</b>	<b>51,795.1</b>	<b>10,064,625.0</b>	<b>6,133,402.4</b>	<b>3,882,982.7</b>	<b>449,759.1</b>	<b>246,633.3</b>

# 2016 OPERATING BUDGET SUMMARY

Executive Committee Recommended 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	3,331,513	1,101,306	45,991	1.4%	36,518	3.4%
Citizen Centred Services "B"	1,016,421	666,577	1,063,698	668,688	47,276	4.7%	2,111	0.3%
Internal Services	472,615	187,570	481,263	186,599	8,648	1.8%	(971)	(0.5%)
City Manager	55,757	47,382	54,915	47,026	(842)	(1.5%)	(355)	(0.8%)
Other City Programs	121,946	75,140	123,323	75,259	1,376	1.1%	119	0.2%
Accountability Offices	8,025	8,025	8,410	8,410	386	4.8%	386	4.8%
<b>Total City Operations</b>	<b>4,960,286</b>	<b>2,049,482</b>	<b>5,063,122</b>	<b>2,087,289</b>	<b>102,835</b>	<b>2.1%</b>	<b>37,808</b>	<b>1.8%</b>
TTC/Wheel Trans	1,809,133	582,530	1,860,422	610,339	51,288	2.8%	27,809	4.8%
Police Services and Board	1,175,433	982,029	1,134,198	1,005,984	(41,235)	(3.5%)	23,956	2.4%
Toronto Public Library	188,708	172,192	193,462	175,869	4,754	2.5%	3,677	2.1%
Toronto Public Health	253,979	56,927	243,099	58,622	(10,881)	(4.3%)	1,695	3.0%
Other Agencies	171,343	28,463	171,089	29,670	(254)	(0.1%)	1,206	4.2%
<b>Agencies</b>	<b>3,598,597</b>	<b>1,822,141</b>	<b>3,602,270</b>	<b>1,880,484</b>	<b>3,672</b>	<b>0.1%</b>	<b>58,343</b>	<b>3.2%</b>
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	615,842	440,763	7,648	1.3%	1,022	0.2%
Non-Program Revenues	116,921	(1,105,855)	60,957	(1,176,441)	(55,963)	(47.9%)	(70,586)	6.4%
<b>Net Operating Budget</b>	<b>9,985,531</b>	<b>3,848,635</b>	<b>10,064,625</b>	<b>3,931,222</b>	<b>79,094</b>	<b>0.8%</b>	<b>82,587</b>	<b>2.1%</b>
Assessment Change				(48,240)			(48,240)	
<b>Operating Budget After Assessment Growth</b>	<b>9,985,531</b>	<b>3,848,635</b>	<b>10,064,625</b>	<b>3,882,982</b>	<b>79,094</b>	<b>0.8%</b>	<b>34,347</b>	<b>0.9%</b>

## EC RECOMMENDED BUDGET STAFFING IMPACT

	2015 Adjusted Approved Complement	2016 Complement Changes							Total Change
		Op Impact of Cap Projects	Delivery of Cap Pos	Prior Year Impact	Base Budget Changes	Efficiency Savings	New & Enhanced	2016 Positions	
Citizen Centred Services "A"	12,689.33	17.50	26.77	43.37	114.37	(17.7)	162.12	13,035.8	346.4
Citizen Centred Services "B"	6,287.10	2.00	(2.00)	(4.30)	18.00	(18.0)	59.00	6,341.8	54.7
Internal Services	3,047.50	16.00	15.25		1.00	(19.8)	2.00	3,061.9	14.4
City Manager	445.50		4.00		(5.50)	(13.0)	1.00	432.0	(13.5)
Other City Programs	912.80	2.75	10.85	(3.60)	(0.50)	(7.0)	5.00	920.30	7.5
Accountability Offices	52.75						2.00	54.75	2.00
<b>TOTAL - CITY OPERATIONS</b>	<b>23,434.98</b>	<b>38.25</b>	<b>54.87</b>	<b>35.47</b>	<b>127.37</b>	<b>(75.5)</b>	<b>231.12</b>	<b>23,846.6</b>	<b>411.6</b>
<b>Agencies</b>									
TTC (incl. Wheel Trans)	14,274.00				199		67.00	14,540.00	266
Other Agencies	13,434.38		(11.40)	(0.21)	4.67	(30.90)	12.00	13,408.54	(25.84)
<b>TOTAL - AGENCIES</b>	<b>27,708.38</b>	<b>0.00</b>	<b>(11.40)</b>	<b>(0.21)</b>	<b>203.67</b>	<b>(30.90)</b>	<b>79.00</b>	<b>27,948.54</b>	<b>240.16</b>
<b>Total Levy Operating Budget</b>	<b>51,143.36</b>	<b>38.25</b>	<b>43.47</b>	<b>35.26</b>	<b>331.04</b>	<b>(106.40)</b>	<b>310.12</b>	<b>51,795.09</b>	<b>651.73</b>



# 2017 /2018 FORECAST

	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/Wheel Trans Other	116.9		70.8	
Annualization of Prior Year Decisions	11.7		1.7	
Depletion of Reserves	18.2		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 Employee Related Liabilities	10.0		5.0	
Insurance Premiums & Claims	5.0		5.0	
Other Base Budget Changes	25.8		6.1	
<b>Total Expenditure Pressures</b>	<b>449.4</b>	<b>16.7%</b>	<b>290.3</b>	<b>10.8%</b>

## 2017 /2018 FORECAST (CONT'D)

	2017	Residential Tax Impact	2018	Residential Tax Impact
<b>Revenue Change:</b>				
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	7.5		8.1	
Supplementary Taxes	10.7			
Hydro Dividend	(10.0)		(10.0)	
Parking Authority Dividend	11.2		(1.1)	
Other Corporate Revenues	5.1		(0.1)	
<b>Total Revenue Change</b>	<b>40.0</b>		<b>(2.8)</b>	
<b>Pressure Before Assessment Growth</b>	<b>489.5</b>	<b>18.2%</b>	<b>287.4</b>	<b>10.7%</b>
Assessment Growth	(39.7)		(40.8)	
<b>Pressure Before Tax Increase</b>	<b>449.8</b>	<b>16.7%</b>	<b>246.6</b>	<b>9.2%</b>



# Appendix 2

## New and Enhanced Detailed List



# BC APPROVED NEW/ENHANCED BUDGET INCREASES INCLUDED IN 2016 BUDGET

Program (in '000s)	2016			2017 Annualization			2018 Annualization		
	Gross	Net	Pos	Gross	Net	Pos	Gross	Net	Pos
New & Enhanced Items Inc. in 2016 Preliminary Budget	11,361	624	109	(4,460)	123	(63)	66	121	1
Council Directed	10,666	9,171	102	4,209	2,959	(4)	53	(1,354)	
Poverty Reduction Referred to the Budget Process	6,072	5,327	13	91	78	0	3	1	
Other Referred to the Budget Process	4,190	4,030	27	119	93		5		
TTC Board Approved	3,800	1,800	47	2,200	2,200				
Public Health Board Approved	694	134	8	(7)	(2)				
Mayor's Task Force regarding TCHC (Board Approved)	5,475	5,475		(1,300)	(1,300)				
Accountability Offices	211	211	2	70	70		5	5	
Legal Services	129	129	1						
Other Budget Committee Decisions	3,125	2,494	2	(220)					
<b>Grand Total</b>	<b>45,724</b>	<b>29,396</b>	<b>310</b>	<b>702</b>	<b>4,221</b>	<b>(67)</b>	<b>132</b>	<b>(1,227)</b>	<b>1</b>

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Included in the Preliminary 2016 Operating Budget</b>									
<b>Parks, Forestry &amp; Recreation</b>									
4 Weeks Outdoor Ice Rink Extension to March Break	556	556	8	556	556	8			
Swim to Survive Program Expansion - Phase 2	211	211	2	211	211	2			
<b>Parks, Forestry &amp; Recreation Total</b>	<b>767</b>	<b>767</b>	<b>10</b>	<b>767</b>	<b>767</b>	<b>10</b>			
<b>Toronto Employment &amp; Social Services</b>									
Caseload Contingent Staff	5,463		66.00	5,463		66.00			
<b>Toronto Employment &amp; Social Services Total</b>	<b>5,463</b>		<b>66.00</b>	<b>5,463</b>		<b>66.00</b>			
<b>City Planning</b>									
Add 1 Project Coordinator- Section 37	79		1.00	79		1.00			
<b>City Planning Total</b>	<b>79</b>		<b>1.00</b>	<b>79</b>		<b>1.00</b>			
<b>Engineering &amp; Construction Services</b>									
Review work for Metrolinx	259		2.00	259		2.00			
Increasing work due to Bell Smart City Program	662		7.00	662		7.00			
6 Sr. Engineers - F. G. Gardiner Strategic Rehabilitation Plan	700		6.00	700		6.00			
<b>Engineering &amp; Construction Services Total</b>	<b>1,622</b>		<b>15.00</b>	<b>1,622</b>		<b>15.00</b>			
<b>Toronto Buildings</b>									
7 New Vehicles	150			150					
Infill Construction Coordination	450	(0)	7.00	450	(0)	7.00			
<b>Toronto Buildings Total</b>	<b>600</b>	<b>(0)</b>	<b>7.00</b>	<b>600</b>	<b>(0)</b>	<b>7.00</b>			
<b>Transportation Services</b>									
Cycling Network Plan	136		2.00	136		2.00			
Bicycle Parking Strategy	650		2.00	650		2.00			
GMP-Graffiti Vandalism Street Art	250			250					
<b>Transportation Services Total</b>	<b>1,036</b>		<b>4.00</b>	<b>1,036</b>		<b>4.00</b>			

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Included in the Preliminary 2016 Operating Budget</b>									
<b>Fleet Services</b>									
Addition of TTC and TPA for fuel site consumption	481	(24)		481	(24)				
<b>Fleet Services Total</b>	<b>481</b>	<b>(24)</b>		<b>481</b>	<b>(24)</b>				
<b>Office of the Chief Financial Officer</b>									
Financial Planning Analyst - Section 37 Contracts	90		1.00	90		1.00			
<b>Office of the Chief Financial Officer Total</b>	<b>90</b>		<b>1.00</b>	<b>90</b>		<b>1.00</b>			
<b>Legal Services</b>									
Add 1 Solicitor for Affordable Housing	160	(0)	1.00	160	(0)	1.00			
Add 1 Prosecution lawyer for MLS	198		1.00	198		1.00			
Add 2 Solicitor positions for claims work	329		2.00	329		2.00			
<b>Legal Services Total</b>	<b>687</b>	<b>(0)</b>	<b>4.00</b>	<b>687</b>	<b>(0)</b>	<b>4.00</b>			
<b>Exhibition Place</b>									
District Energy System	537	(118)	1	537	(118)	1			
<b>Exhibition Place Total</b>	<b>537</b>	<b>(118)</b>	<b>1</b>	<b>537</b>	<b>(118)</b>	<b>1</b>			
<b>Total Inc. in the Prelim 2016 Op Budget</b>	<b>11,361</b>	<b>624</b>	<b>108.8</b>	<b>11,361</b>	<b>624</b>	<b>108.8</b>			

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Council Directed</b>									
<b>Economic Development &amp; Culture - Arts &amp; Culture \$25/capita phase-in</b>									
Addition of Coordinator of Volunteers	57	57	1.0	57	57	1.0			
Cultural Hotspot	122	122	1.0	122	122	1.0			
Design Exchange Annual Operating Contribution	200	200		200	200				
Doors Open Program Enhancement	150	150		150	150				
Film & Entertainment Staff Office/Equipment	103	103		103	103				
Increase to Major Cultural Organization Program	600	600		735	735		135	135	
Increase to Toronto Arts Council Grant Program	2,000	2,000		2,060	2,060		60	60	
Local Arts Service Organizations Grant	300	300		432	432		132	132	
Museum Revitalization 2016	240	240	3.0	171	171	2.0	(69)	(69)	(1.0)
Nuit Blanche Program Enhancement	230	230		155	155		(75)	(75)	
Photo Laureate	10	10		10	10				
Public Art Conservation	75	75		75	75				
Royal Agricultural Winter Fair	30	30		30	30				
Toronto Music Garden	13	13		13	13				
Zion Church Cultural Centre	72	72	1.0				(72)	(72)	(1.0)
Film Office Enhancements	275	275	2.0	212	212	1.0	(62)	(62)	(1.0)
Music Support & Enhancements	157	157	1.0	157	157	1.0			
Major Festival Support	50	50	1.0				(50)	(50)	(1.0)
Nathan Phillips Square Cultural Program Enhancements	317	317		217	217		(100)	(100)	
Toronto Arts Council Administration				100	100		100	100	
<b>Economic Development &amp; Culture Total</b>	<b>5,000</b>	<b>5,000</b>	<b>10.0</b>	<b>5,000</b>	<b>5,000</b>	<b>6.0</b>	<b>0</b>	<b>0</b>	<b>(4.0)</b>

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Council Directed</b>									
<b>Parks, Forestry &amp; Recreation</b>									
Family Day Recreation Centre Operations	250	250	5.0	250	250	5.0			
<b>Parks, Forestry &amp; Recreation Total</b>	<b>250</b>	<b>250</b>	<b>5.0</b>	<b>250</b>	<b>250</b>	<b>5.0</b>			
<b>Toronto Paramedic Services</b>									
Add 2 Superintendent Operations	164	164	2.0	164	164	2.0			
Add 57 New Paramedic Positions	3,064	3,064	57.0	3,064	3,064	57.0			
<b>Toronto Paramedic Services Total</b>	<b>3,228</b>	<b>3,228</b>	<b>59.0</b>	<b>3,228</b>	<b>3,228</b>	<b>59.0</b>			
<b>Engineering &amp; Construction Services</b>									
11 IMC's for easing traffic disruption	1,095		11.0	1,095		11.0			
<b>Engineering &amp; Construction Services Total</b>	<b>1,095</b>		<b>11.0</b>	<b>1,095</b>		<b>11.0</b>			
<b>Fire Services</b>									
Add Fire Prevention and Public Education Staff	693	693	17.0	693	693	17.0			
<b>Fire Services Total</b>	<b>693</b>	<b>693</b>	<b>17.0</b>	<b>693</b>	<b>693</b>	<b>17.0</b>			
<b>Transportation Services</b>									
30 Km/h Speed Limit Implementation	400	0	4.0	400	0	4.0			
<b>Transportation Services Total</b>	<b>400</b>	<b>0</b>	<b>4.0</b>	<b>400</b>	<b>0</b>	<b>4.0</b>			
<b>Council Directed Total</b>	<b>10,666</b>	<b>9,171</b>	<b>106.0</b>	<b>10,666</b>	<b>9,171</b>	<b>102.0</b>	<b>0</b>	<b>0</b>	<b>(4.0)</b>



# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Poverty Reduction</b>									
<b>Long Term Care Homes &amp; Services</b>									
Expansion of the Homemakers and Nurses Services (HMNS) Program	750	150		750	150				
<b>Long Term Care Homes &amp; Services Total</b>	<b>750</b>	<b>150</b>		<b>750</b>	<b>150</b>				
<b>Parks, Forestry &amp; Recreation</b>									
Youth Spaces Expansion - Phase 3	446	446	8.4	149	149	2.8	(297)	(297)	(5.6)
<b>Parks, Forestry &amp; Recreation Total</b>	<b>446</b>	<b>446</b>	<b>8.4</b>	<b>149</b>	<b>149</b>	<b>2.8</b>	<b>(297)</b>	<b>(297)</b>	<b>(5.6)</b>
<b>Shelter, Support &amp; Housing Administration</b>									
Enhanced Cold Weather Drop-in service	416	416		416	416				
Purchase of Service Rate Increases	1,124	1,124		1,124	1,124				
Housing First Pilot Program									
<b>Shelter, Support &amp; Housing Administration Total</b>	<b>1,540</b>	<b>1,540</b>		<b>1,540</b>	<b>1,540</b>				
<b>Social Development, Finance &amp; Administration</b>									
Social Procurement - Cost Share with Purchasing	33	33		33	33				
Toronto Youth Employment Program	633	633	6.0	633	633	6.0			
<b>Social Development, Finance &amp; Administration Total</b>	<b>665</b>	<b>665</b>	<b>6.0</b>	<b>665</b>	<b>665</b>	<b>6.0</b>			
<b>Toronto Employment &amp; Social Services</b>									
Employment Program for Single Parents	300	300		300	300				
<b>Toronto Employment &amp; Social Services Total</b>	<b>300</b>	<b>300</b>		<b>300</b>	<b>300</b>				
<b>Office of the Treasurer</b>									
Support for the Social Procurement initiative	65	33	1.0	65	33	1.0			
<b>Office of the Treasurer Total</b>	<b>65</b>	<b>33</b>	<b>1.0</b>	<b>65</b>	<b>33</b>	<b>1.0</b>			

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Poverty Reduction</b>									
<b>Toronto Public Health</b>									
Toronto Urban Health Fund Budget Enhancement Year 2	150	38		150	38				
Student Nutrition Toronto Strengthen Current Programs	642	642		642	642				
Student Nutrition Toronto: Expansion to New Sites	853	853		853	853				
Student Nutrition Toronto - Cost of Food Inflation	109	109					(109)	(109)	
Toronto Urban Health Fund - Inflationary Increase	57	14					(57)	(14)	
<b>Toronto Public Health Total</b>	<b>1,810</b>	<b>1,655</b>		<b>1,645</b>	<b>1,532</b>		<b>(166)</b>	<b>(123)</b>	
<b>Toronto Public Library</b>									
Sunday open hours enhancement 1 - full year at 8 branches	263	263		263	263				
Sunday open hours enhancement 2 - 6 new locations	294	294		294	294				
Youth Hubs - 2nd year	200	200	2.0	200	200	2.0			
Internet Wi-Fi hotspot lending	100	100		100	100				
Digital Innovation Hub	100	100	1.0	100	100	1.0			
<b>Toronto Public Library Total</b>	<b>958</b>	<b>958</b>	<b>3.0</b>	<b>958</b>	<b>958</b>	<b>3.0</b>			
<b>Poverty Reduction Total</b>	<b>6,535</b>	<b>5,747</b>	<b>18.4</b>	<b>6,072</b>	<b>5,327</b>	<b>12.8</b>	<b>(463)</b>	<b>(420)</b>	<b>(5.6)</b>

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Referred to the Budget Process</b>									
<b>Municipal Licensing and Standards</b>									
Wildlife Centre	6,750	6,750					(6,750)	(6,750)	
<b>Municipal Licensing &amp; Standards Total</b>	<b>6,750</b>	<b>6,750</b>					<b>(6,750)</b>	<b>(6,750)</b>	
<b>City Manager's Office</b>									
Participatory Budgeting	171	171	1.0	138	138	1.0	(33)	(33)	
<b>City Manager's Office Total</b>	<b>171</b>	<b>171</b>	<b>1.0</b>	<b>138</b>	<b>138</b>	<b>1.0</b>	<b>(33)</b>	<b>(33)</b>	
<b>Toronto Transit Commission</b>									
Proof of Payment Fare Inspection - Deferral from 2015	1,651	1,651	20.0	1,651	1,651	20.0			
<b>Toronto Transit Commission Total</b>	<b>1,651</b>	<b>1,651</b>	<b>20.0</b>	<b>1,651</b>	<b>1,651</b>	<b>20.0</b>			
<b>Referred to the Budget Process Total</b>	<b>8,572</b>	<b>8,572</b>	<b>21.0</b>	<b>1,789</b>	<b>1,789</b>	<b>21.0</b>	<b>(6,783)</b>	<b>(6,783)</b>	

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Service Level Changes Requested by Parks &amp; Environment Committee:</b>									
<b>Parks, Forestry &amp; Recreation</b>									
Daily Grooming of 11 swimming beaches	736	736	4.0				(736)	(736)	(4.0)
Horticulture Bed Rejuvenation on a Five Year Cycle	4,995	4,995	44.3				(4,995)	(4,995)	(44.3)
Parks Plan - Enhanced Maintenance & Quality Management	177	177	2.1	177	177	2.1			
Parks Plan - Horticulture	291	291	3.6	291	291	3.6			
Parks Plan - Improve Natural Environment Trails	160	160	1.6				(160)	(160)	(1.6)
Parks Plan - Parks Ranger Program	557	557	4.7				(557)	(557)	(4.7)
Increased Staffing for Invasive Species Protection	1,261	1,261	18.3				(1,261)	(1,261)	(18.3)
Enhanced Winter Maintenance for Parks Path	423	423	3.6				(423)	(423)	(3.6)
Inspections and Debris Removal From Ravines and Watercourses	624	624	9.0				(624)	(624)	(9.0)
Committee of Adjustment Review Enhancement	292	292	4.0				(292)	(292)	(4.0)
Original Tree Canopy Goal Timelines	1,664	1,664	20.7	1,664	1,664				(20.7)
Hydro Corridor Agreements	110	110		110	110				
<b>Parks, Forestry &amp; Recreation Total</b>	<b>11,289</b>	<b>11,289</b>	<b>115.8</b>	<b>2,241</b>	<b>2,241</b>	<b>5.6</b>	<b>(9,048)</b>	<b>(9,048)</b>	<b>(110.1)</b>
<b>Fleet Services</b>									
PF&R increase demand for rentals and related fuel charges	160			160					
<b>Fleet Services Total</b>	<b>160</b>			<b>160</b>					
<b>P&amp;E Committee Recommended Total</b>	<b>11,450</b>	<b>11,289</b>	<b>115.8</b>	<b>2,401</b>	<b>2,241</b>	<b>5.6</b>	<b>(9,048)</b>	<b>(9,048)</b>	<b>(110.1)</b>

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>TTC Board Approved</b>									
Toronto Transit Commission									
Bus Reliability Centred Maintenance	7,694	7,694					(7,694)	(7,694)	
Track Safety Initiative	1,784	1,784	20.0				(1,784)	(1,784)	(20.0)
Training Requirements	1,840	1,840	11.0				(1,840)	(1,840)	(11.0)
Bus Service Reliability	2,600	2,000	47.0				(2,600)	(2,000)	(47.0)
Streetcar Service Reliability	2,100	1,200	30.0	2,100	1,200	30.0			
Earlier Sunday Transit Service	1,700	600	17.0	1,700	600	17.0			
New and Enhanced Express Bus Service	1,700	1,600	34.0				(1,700)	(1,600)	(34.0)
<b>Toronto Transit Commission Total</b>	<b>19,418</b>	<b>16,718</b>	<b>159.0</b>	<b>3,800</b>	<b>1,800</b>	<b>47.0</b>	<b>(15,618)</b>	<b>(14,918)</b>	<b>(112.0)</b>
<b>TTC Board Approved Total</b>	<b>19,418</b>	<b>16,718</b>	<b>159.0</b>	<b>3,800</b>	<b>1,800</b>	<b>47.0</b>	<b>(15,618)</b>	<b>(14,918)</b>	<b>(112.0)</b>
<b>Public Health Board Approved</b>									
<b>Toronto Public Health</b>									
Day Nursery Immunization	538	134	6.0	538	134	6.0			
Decrease gapping from 5.8% to 4.8%	1,513	426					(1,513)	(426)	
VPD Universal Influenza Immuniza Pharmacy Inspect	156		2.0	156		2.0			
<b>Toronto Public Health Total</b>	<b>2,206</b>	<b>561</b>	<b>8.0</b>	<b>694</b>	<b>134</b>	<b>8.0</b>	<b>(1,513)</b>	<b>(426)</b>	
<b>Public Health Board Approved Total</b>	<b>2,206</b>	<b>561</b>	<b>8.0</b>	<b>694</b>	<b>134</b>	<b>8.0</b>	<b>(1,513)</b>	<b>(426)</b>	

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Accountability Offices</b>									
<b>Auditor General's Office</b>									
Enhancement on Data Analytics	202	202	1.5				(202)	(202)	(1.5)
Enhancement to the Audit Function (dedicated for TTC Review)	371	371	4.0	211	211	2.0	(160)	(160)	(2.0)
Enhancements to Forensic Unit	392	392	3.0				(392)	(392)	(3.0)
<b>Auditor General's Office Total</b>	<b>964</b>	<b>964</b>	<b>8.5</b>	<b>211</b>	<b>211</b>	<b>2.0</b>	<b>(753)</b>	<b>(753)</b>	<b>(6.5)</b>
<b>Integrity Commissioner's Office</b>									
Additional Resources for Integrity Commissioner's Office	314	314	1.0				(314)	(314)	(1.0)
<b>Integrity Commissioner's Office Total</b>	<b>314</b>	<b>314</b>	<b>1.0</b>				<b>(314)</b>	<b>(314)</b>	<b>(1.0)</b>
<b>Office of the Ombudsman</b>									
Additional Resource for Office of the Ombudsman	161	161	2.0				(161)	(161)	(2.0)
<b>Office of the Ombudsman Total</b>	<b>161</b>	<b>161</b>	<b>2.0</b>				<b>(161)</b>	<b>(161)</b>	<b>(2.0)</b>
<b>Accountability Offices Total</b>	<b>1,439</b>	<b>1,439</b>	<b>11.5</b>	<b>211</b>	<b>211</b>	<b>2.0</b>	<b>(1,228)</b>	<b>(1,228)</b>	<b>(9.5)</b>
<b>Mayor's Task Force on TCHC</b>									
<b>Shelter, Support &amp; Housing Administration</b>									
Mayor's Task Force on Toronto Community Housing	13,700	13,700		5,475	5,475		(8,225)	(8,225)	
<b>Shelter, Support &amp; Housing Administration Total</b>	<b>13,700</b>	<b>13,700</b>		<b>5,475</b>	<b>5,475</b>		<b>(8,225)</b>	<b>(8,225)</b>	
<b>Mayor's Task Force on TCHC Total</b>	<b>13,700</b>	<b>13,700</b>		<b>5,475</b>	<b>5,475</b>		<b>(8,225)</b>	<b>(8,225)</b>	
<b>Legal Services</b>									
<b>Legal Services</b>									
Add 1 Lawyer for increased Planning and Tribunal work	129	129	1.0	129	129	1.0			
<b>Legal Services Total</b>	<b>129</b>	<b>129</b>	<b>1.0</b>	<b>129</b>	<b>129</b>	<b>1.0</b>			
<b>Legal Services Total</b>	<b>129</b>	<b>129</b>	<b>1.0</b>	<b>129</b>	<b>129</b>	<b>1.0</b>			

# NEW AND ENHANCED DETAILED LIST

Program (in '000s)	New/Enhanced Items Referred to the Budget Process			Executive Committee Recommended			Difference		
	Gross	Net	Pos	Gross \$	Net \$	Positions	Gross	Net	Pos
<b>Other Budget Committee Changes</b>									
<b>Economic Development &amp; Culture</b>									
Add 1 position to meet increased demand of Business Improvement Area Capital Cost-Sharing Program.				114		1.0	114		1.0
<b>Social Development, Finance &amp; Administration</b>									
Increase funding to the Toronto Newcomer Office for the purposes of the Syrian Resettlement Program				220		1.0	220		1.0
<b>Policy, Planning, Finance &amp; Administration</b>									
One-time increase in funding to support of the Regional Express Rail (RER) program, to be recovered from Metrolinx				254			254		
<b>Transportation Services</b>									
Paid Duty Officers / Traffic management				250	250		250	250	
<b>Toronto Public Health</b>									
Increase funding for inflationary increase Urban Health Fund				57	14		57	14	
<b>Corporate</b>									
Reinstatement of a Reduced XL Bin Solid Waste Rebate				2,230	2,230		2,230	2,230	
<b>Grand Total</b>	<b>85,477</b>	<b>67,951</b>	<b>549.5</b>	<b>45,724</b>	<b>29,396</b>	<b>310.2</b>	<b>(39,753)</b>	<b>(38,555)</b>	<b>(239.3)</b>



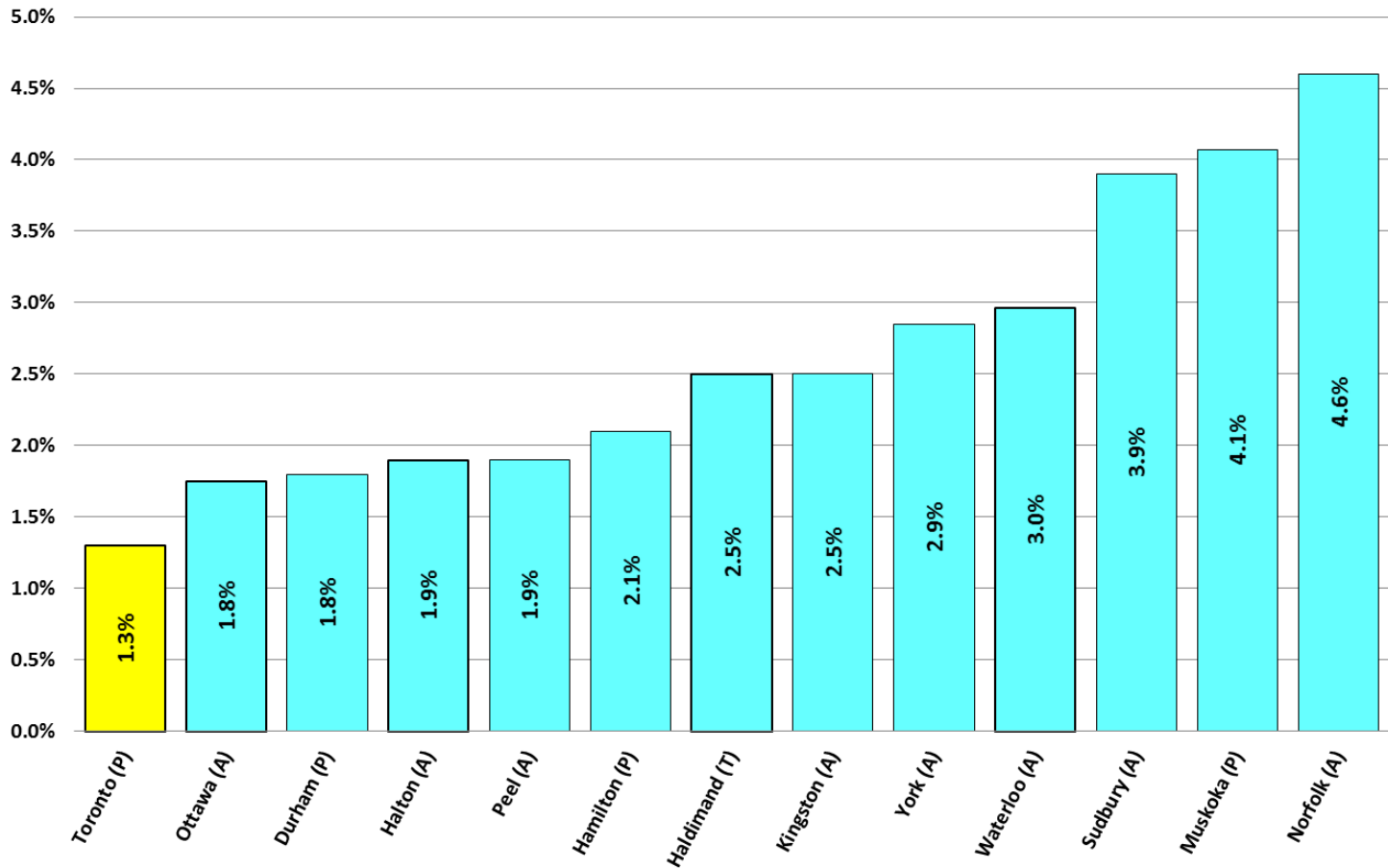
# Appendix 3

## Property Tax Comparisons





# 2016 MUNICIPAL TAX INCREASE COMPARISONS



**Legend:**

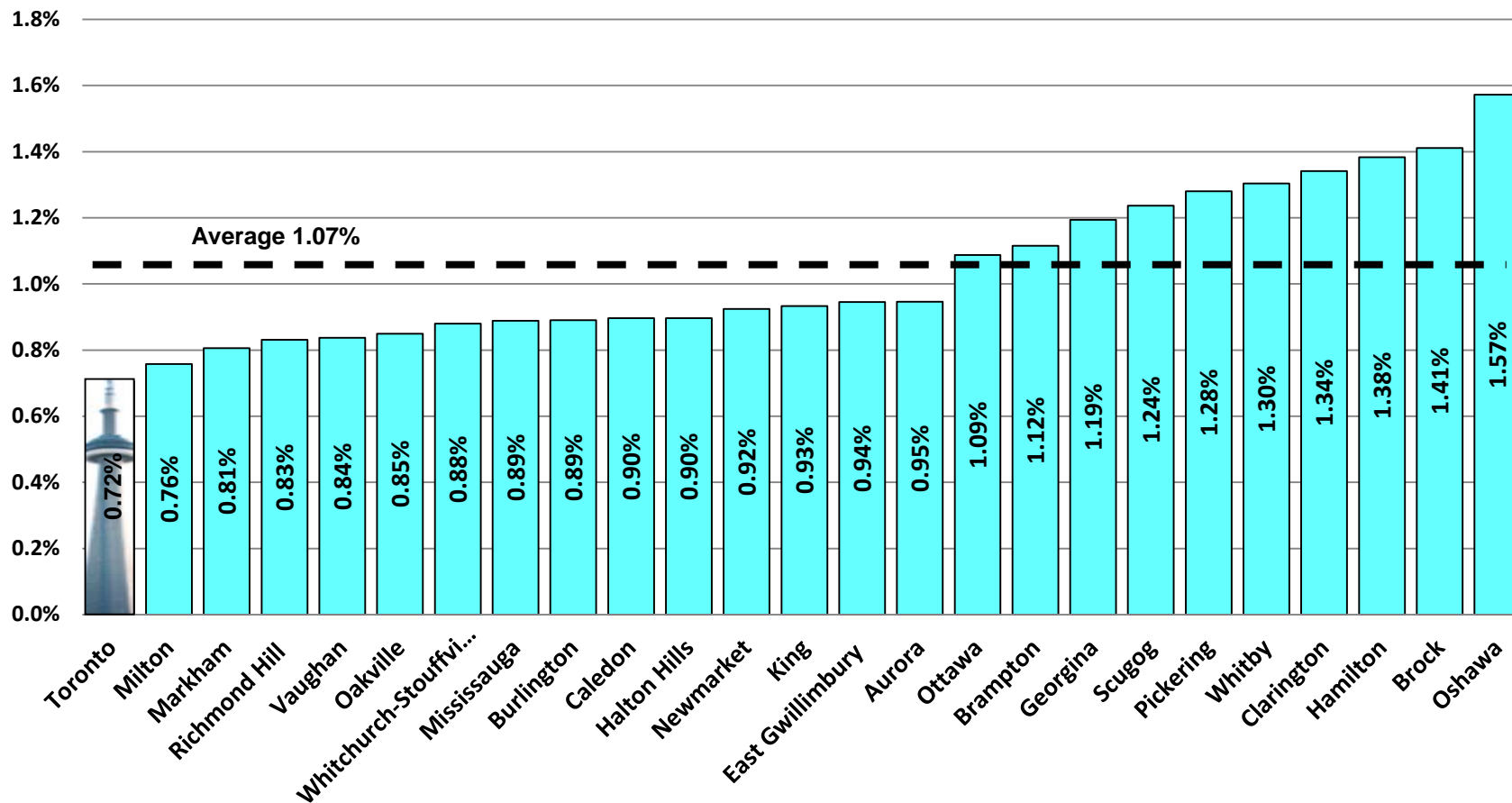
Approved/Actual (A)

Current Position (CP)

Target (T)

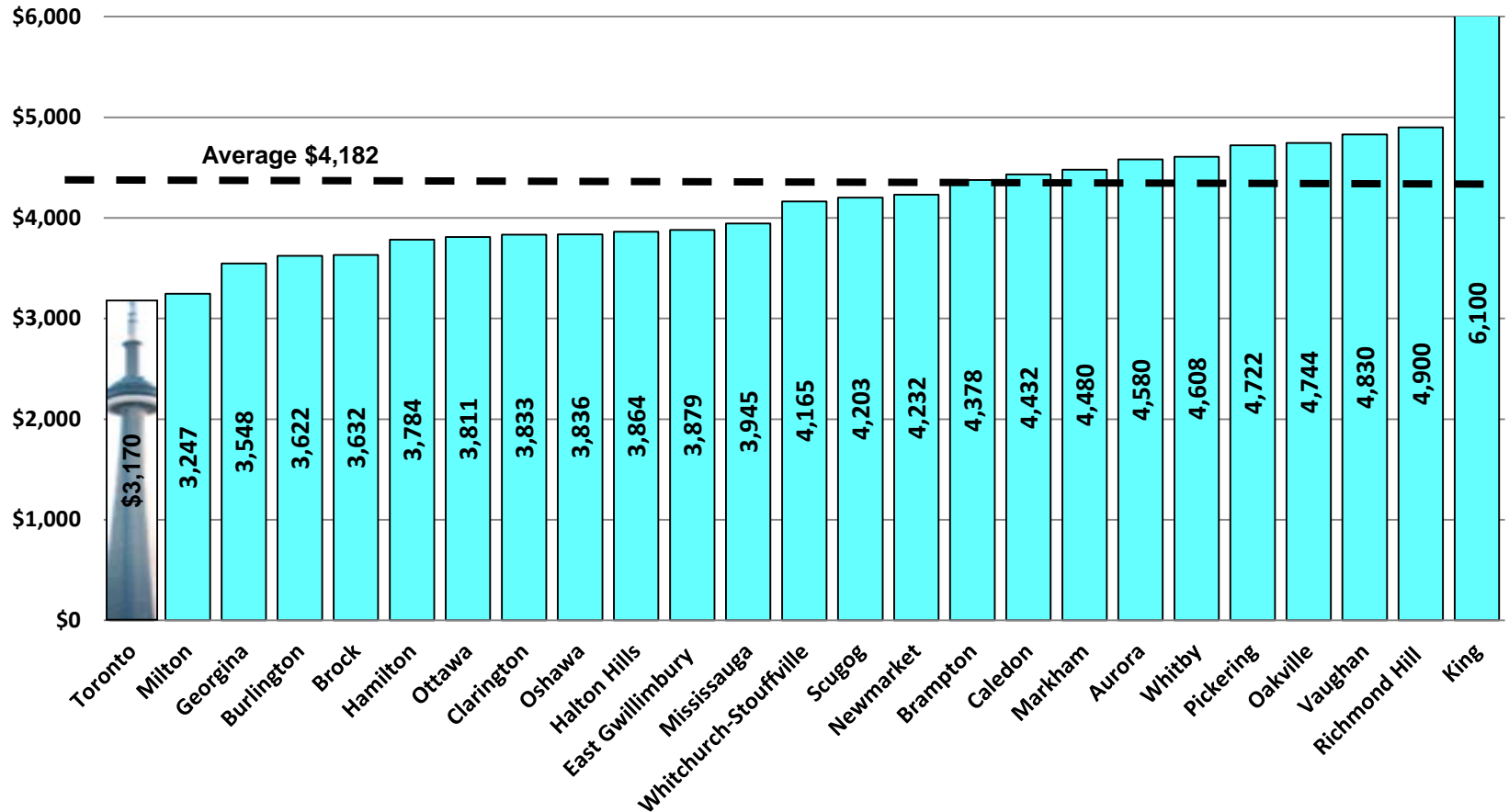
Projected (P)

# COMPARISON OF 2015 RESIDENTIAL PROPERTY TAX RATES GTHA MUNIS & OTTAWA



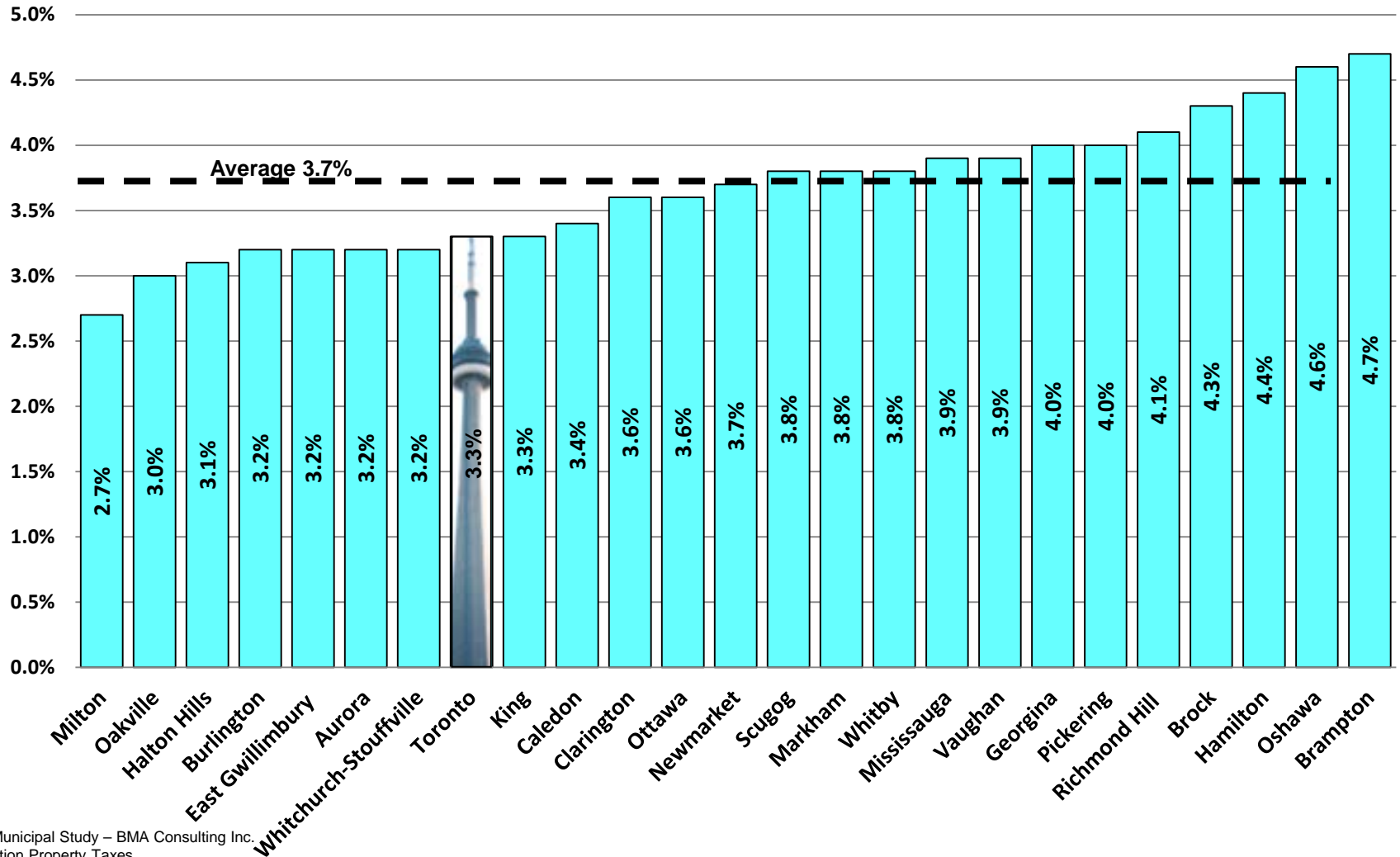
Source: 2015 Municipal Study – BMA Consulting Inc.  
Includes Education Property Taxes

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



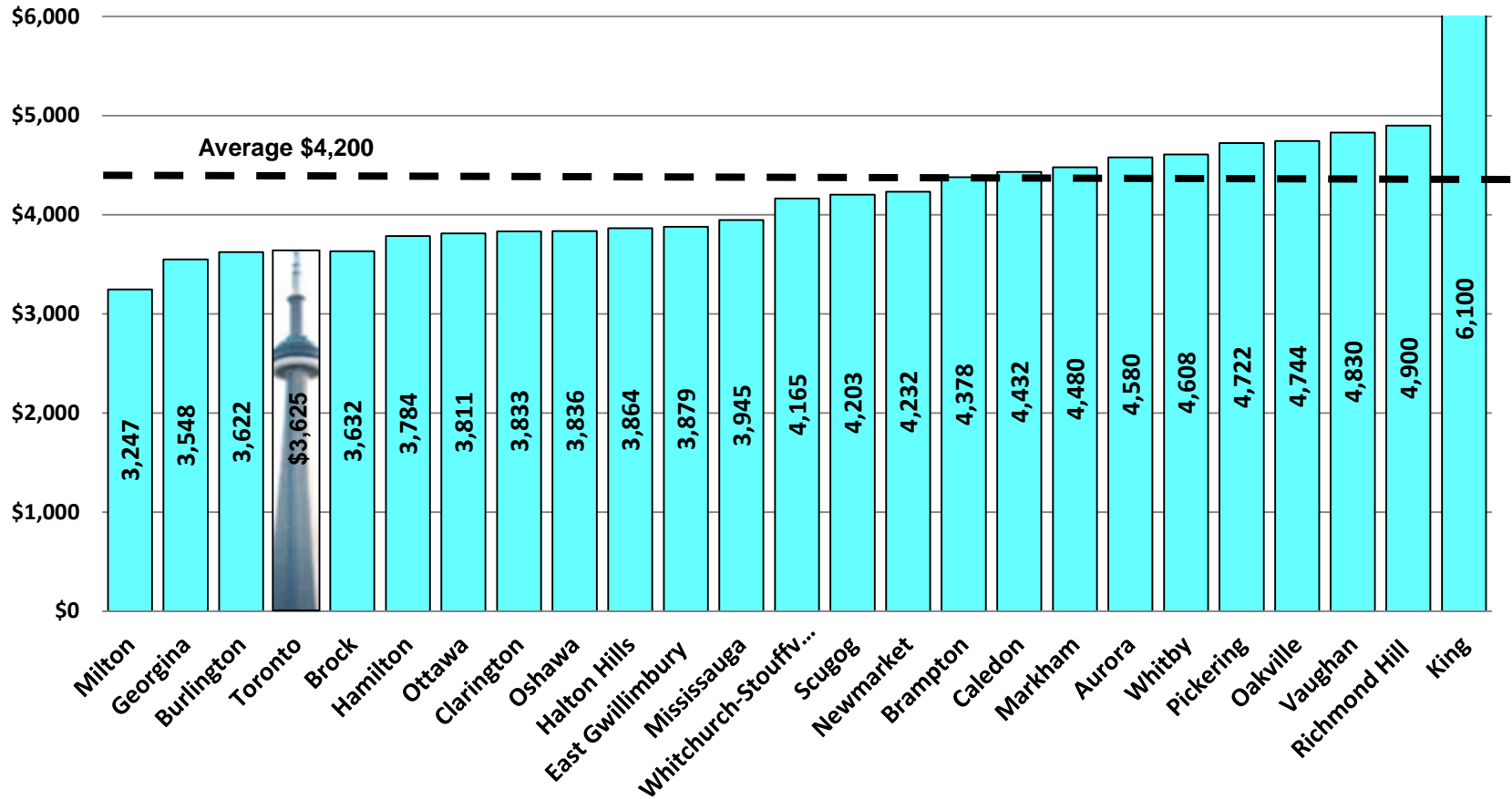
Source: 2015 Municipal Study – BMA Consulting Inc.  
Includes Education Property Taxes

# 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



## Appendix 4

# 2016 Executive Committee Recommended Capital Changes



# 2016-2025 CAPITAL BUDGET SUMMARY - BY CATEGORY AND FINANCING SOURCE

	2016 - 2020							2021 - 2025		2016 - 2025	
	2016	2017	2018	2019	2020	Total	%	Total	%	Total	%
<b>Expenditures:</b>											
Health and Safety	33	35	22	16	22	127	1.1%	100	1.1%	227	1.1%
Legislated	83	96	100	85	71	436	3.6%	286	3.2%	722	3.4%
State of Good Repair	1,278	1,627	1,410	1,361	1,003	6,678	55.6%	6,509	72.7%	13,187	62.9%
Service Improvement	337	387	228	118	67	1,137	9.5%	264	2.9%	1,401	6.7%
	510	731	538	965	885	3,629	30.2%	1,799	20.1%	5,428	25.9%
<b>Total Expenditures</b>	<b>2,240</b>	<b>2,876</b>	<b>2,299</b>	<b>2,545</b>	<b>2,047</b>	<b>12,007</b>	100%	<b>8,959</b>	100%	<b>20,966</b>	100%
<b>Funded By:</b>											
Provincial	155	279	298	598	518	1,848	15.4%	1,289	14.4%	3,137	15.0%
Federal	235	265	223	331	321	1,374	11.4%	1,945	21.7%	3,319	15.8%
Reserves	308	431	314	285	225	1,563	13.0%	1,036	11.6%	2,599	12.4%
Reserve Funds	115	99	40	21	18	293	2.4%	59	0.7%	352	1.7%
Debt - Recoverable	32	72	38	25	18	185	1.5%	71	0.8%	256	1.2%
Development Charges	92	212	213	191	178	885	7.4%	521	5.8%	1,406	6.7%
Other	208	247	118	59	51	682	5.7%	225	2.5%	908	4.3%
Capital from Current	216	292	352	387	426	1,673	13.9%	2,859	31.9%	4,532	21.6%
Debt	879	980	703	649	292	3,504	29.2%	953	10.6%	4,457	21.3%
<b>Total Funding</b>	<b>2,240</b>	<b>2,876</b>	<b>2,299</b>	<b>2,545</b>	<b>2,047</b>	<b>12,007</b>	100%	<b>8,959</b>	100%	<b>20,966</b>	100%

# 2016 BUDGET COMMITTEE RECOMMENDED CHANGES

BC RECOMMENDED FINANCIAL ADJUSTMENTS						
	2016		2017 to 2025		2016 to 2025	
	Gross Exp.	Debt/ CFC	Gross Exp.	Debt/ CFC	Gross Exp.	Debt/ CFC
<b>2016 - 2025 Preliminary Capital Budget &amp; Plan as at January 18, 2016</b>	<b>2,237,130</b>	<b>1,095,479</b>	<b>18,719,196</b>	<b>7,893,143</b>	<b>20,956,326</b>	<b>8,988,622</b>
<b>Budget Committee - January 26, 2016</b>						
<b>Economic Development and Culture</b>						
Increase total project cost to add a project for public art in local parks in Scarborough Centre including the purchase and placement of the art pieces known as "the cube", "the couple", "the rock" and "the man" for (\$150,000) \$0 debt to be funded from Reserve Funds	150	-	-	-	150	-
<b>Park, Forestry and Recreation</b>						
Increase the total project cost for the McCowan Park New Pathway Project by \$90,000, to be funded by Section 37 Reserve Funds, to reflect the City Council decision on September 30, 2015.	90	-	-	-	90	-
<b>Park, Forestry and Recreation</b>						
Increase the total project cost to upgrade the former McCowan Road landfill site (now known as McCowan Road Park) including grading, tree planting, re-naturalization, asphalt paths and walking trails (\$650,000) \$0 debt to be funded from the Solid Waste Management landfill perpetual care Reserve Fund.	650	-	-	-	650	-



# 2016 BUDGET COMMITTEE RECOMMENDED CHANGES (CONT'D)

BC RECOMMENDED FINANCIAL ADJUSTMENTS						
	2016		2017 to 2025		2016 to 2025	
	Gross Exp.	Debt/ CFC	Gross Exp.	Debt/ CFC	Gross Exp.	Debt/ CFC
<b>2016 - 2025 Preliminary Capital Budget &amp; Plan as at January 18, 2016</b>	2,237,130	1,095,479	18,719,196	7,893,143	20,956,326	8,988,622
<b>Budget Committee - January 26, 2016</b>						
<b>Park, Forestry and Recreation (2015 Participatory Budgeting Pilot)</b>						
Increase the total project cost for Oakridge Park Lighting (\$90,000), Prairie Drive Park Package (\$60,000), Rustic Park Lighting (\$75,000), shades for Maple Leaf Playground (\$75,000) and Don Valley Fitness Park and Bellbury Park (\$70,000) \$0 debt to be funded by Section 42 Reserve Funds.	370	-	-	-	370	-
<b>Facilities, Real Estate, Environment &amp; Energy</b>						
Increase the total project cost for Solar PV Installation Program by \$7.95 million to be funded by recoverable debt to support the expansion of the program on sites owned by Toronto Hydro and other Agencies and corporations.	1,750	-	6,200	-	7,950	-
<b>Transportation Services (2015 Participatory Budgeting Pilot)</b>						
Increase the total project cost for Brian Village Gateway (\$50,000) and bike lockers near Don Mills Station (\$15,000) to be funded from the Public Realm Reserve Fund.	65	-	-	-	65	-
<b>2016 - 2025 BC Rec'd Capital Budget &amp; Plan as at January 26, 2016</b>	2,239,465	1,095,479	18,725,396	7,893,143	20,964,861	8,988,622

# 2016 EXECUTIVE COMMITTEE RECOMMENDED CHANGES

<b>2016 - 2025 BC Rec'd Capital Budget &amp; Plan as at January 26, 2016</b>	2,240,205	1,095,479	18,725,396	7,893,143	20,965,601	8,988,622
<b>Executive Committee - February 9, 2016</b>						
<b>Park, Forestry and Recreation</b>						
Increase the total project cost to add a new sub-project for Ward 38 Park Improvements for \$0.850 million to include (a) Greenbrae Circuit splash pad and playground (\$250,000), (b) Trudelle Street piazza improvements (\$200,000), (c) Thomson Park Improvements (\$200,000) and (d) McCowan Park Improvements (\$200,000) to be funded from the remaining balance of the Beare Road Facility Fund (Account 220380) and the remainder from the Parkland Acquisition East District Local Development Reserve Fund.	850	-	-	-	850	-
<b>Toronto Public Library</b>						
Increase the total project cost to address urgent state of good repair projects for the "Multi-Branch Renovation Program 2016-2018" to be funded from the Canada 150 Community Infrastructure Program (CIP)	304	-	624	-	928	-
<b>2016 - 2025 EC Rec'd Capital Budget &amp; Plan as at February 09, 2016</b>	2,241,359	1,095,479	18,726,020	7,893,143	20,967,379	8,988,622



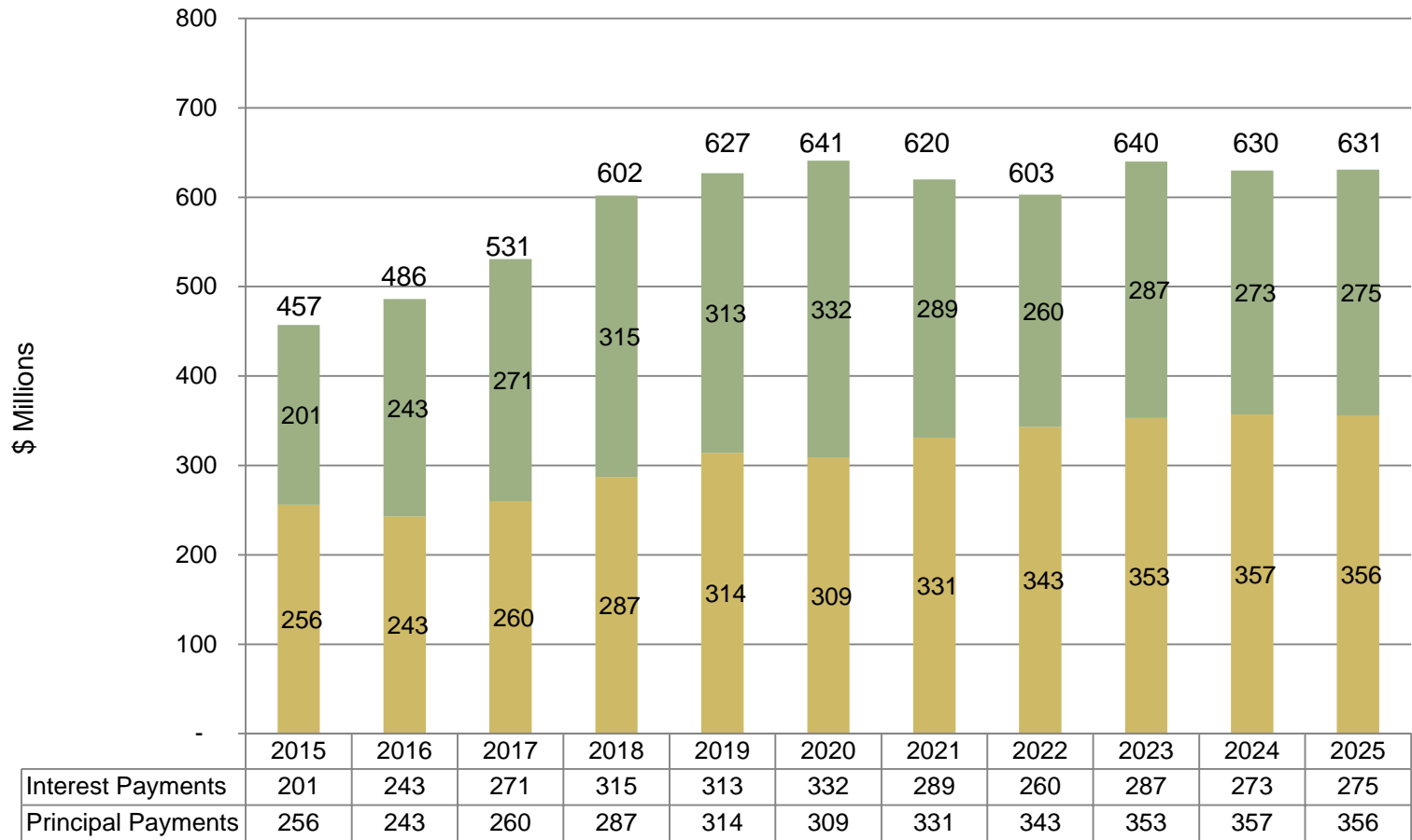
# Appendix 5

## Unfinanced Debt Expenditures

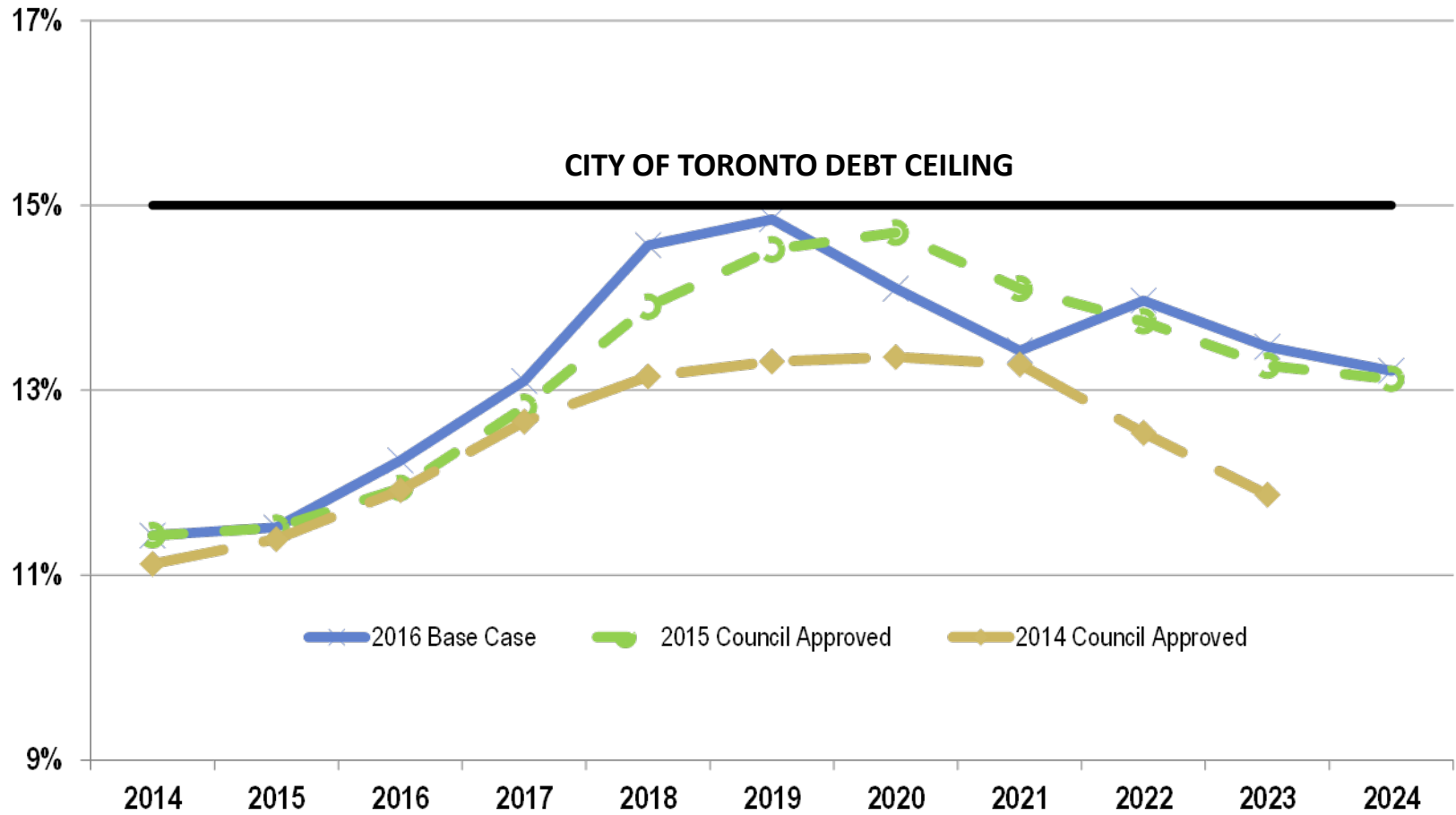


- Debt planning components
  - Previous years' spending to be debentured
  - Debt spending anticipated during the year
  - CFC for the year
  - Planned debenture issues vs budget tax impacts of upcoming year

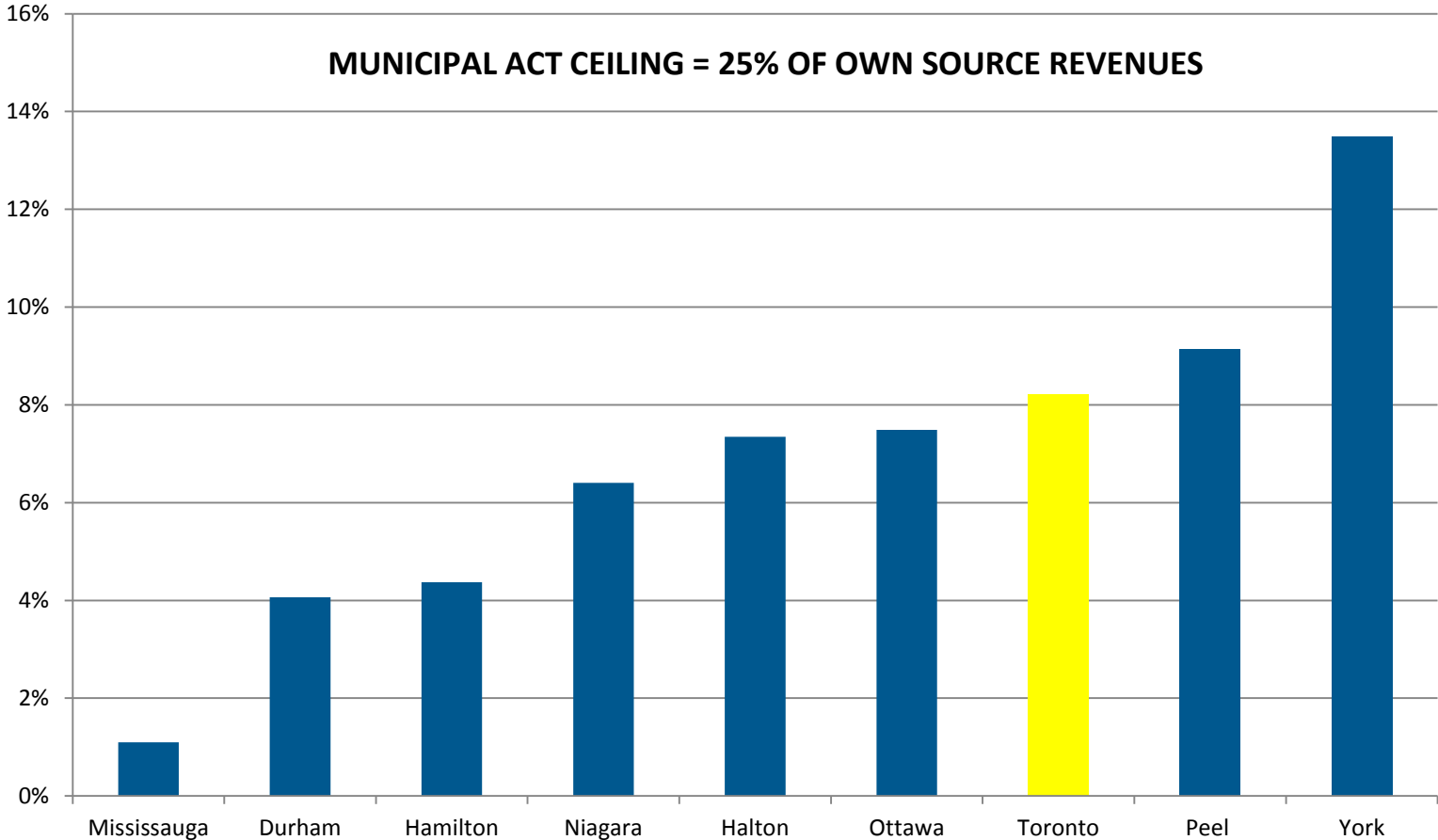
# 2015 – 2025 TAX-SUPPORTED DEBT SERVICE COST PROJECTION



# 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)

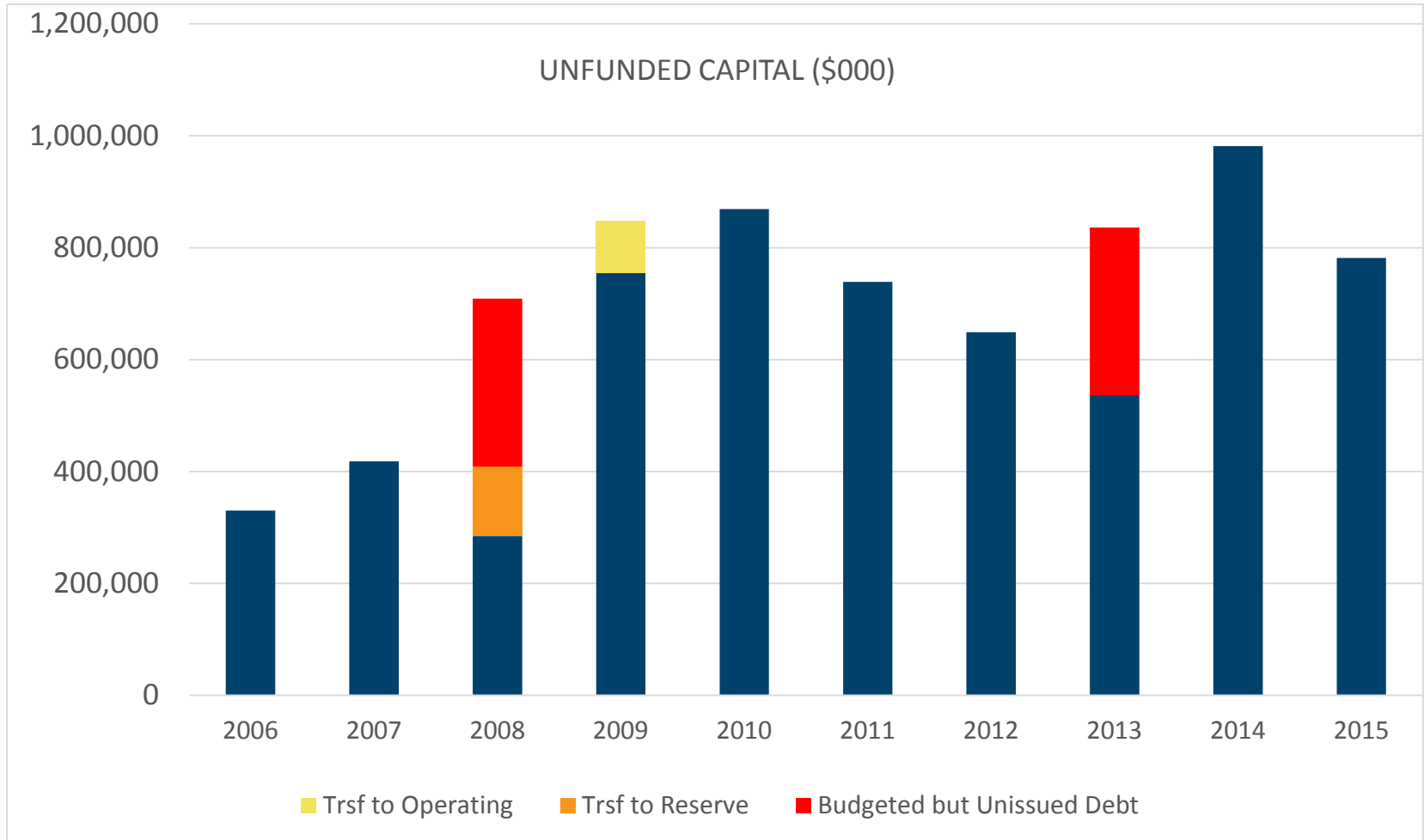
	Unfinanced Capital Outlay \$ (millions)	Yearly Capital Budget TAX \$ (millions)	As % of Yearly Capital TAX Budget
1999	-132.4	1,203	11.00%
2000	-61.1	984	6.20%
2001	-286.3	1,120	25.60%
2002	-509.3	953	53.40%
2003	-224.4	965	23.30%
2004	-364.8	908	40.20%
2005	-245.2	1,033	23.70%
2006	-330.3	1,250	26.40%
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

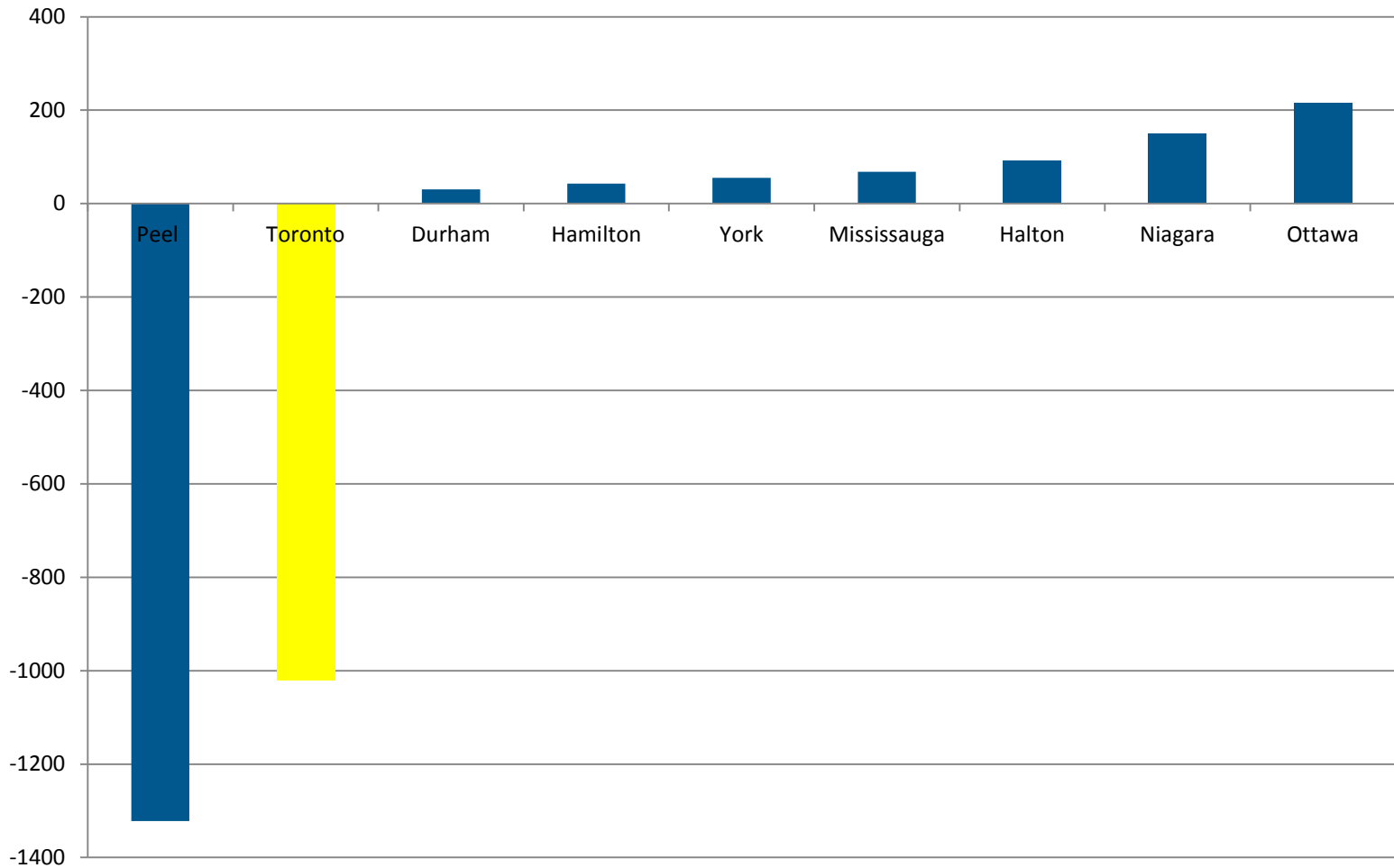
Notes **In 2008 \$124.3M was transferred from unallocated capital to reserves**  
**In 2009 \$92.7M was transferred from unallocated capital to operating**  
**In each of 2008 and 2013 \$300M of debt planned was not issued**

# 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>

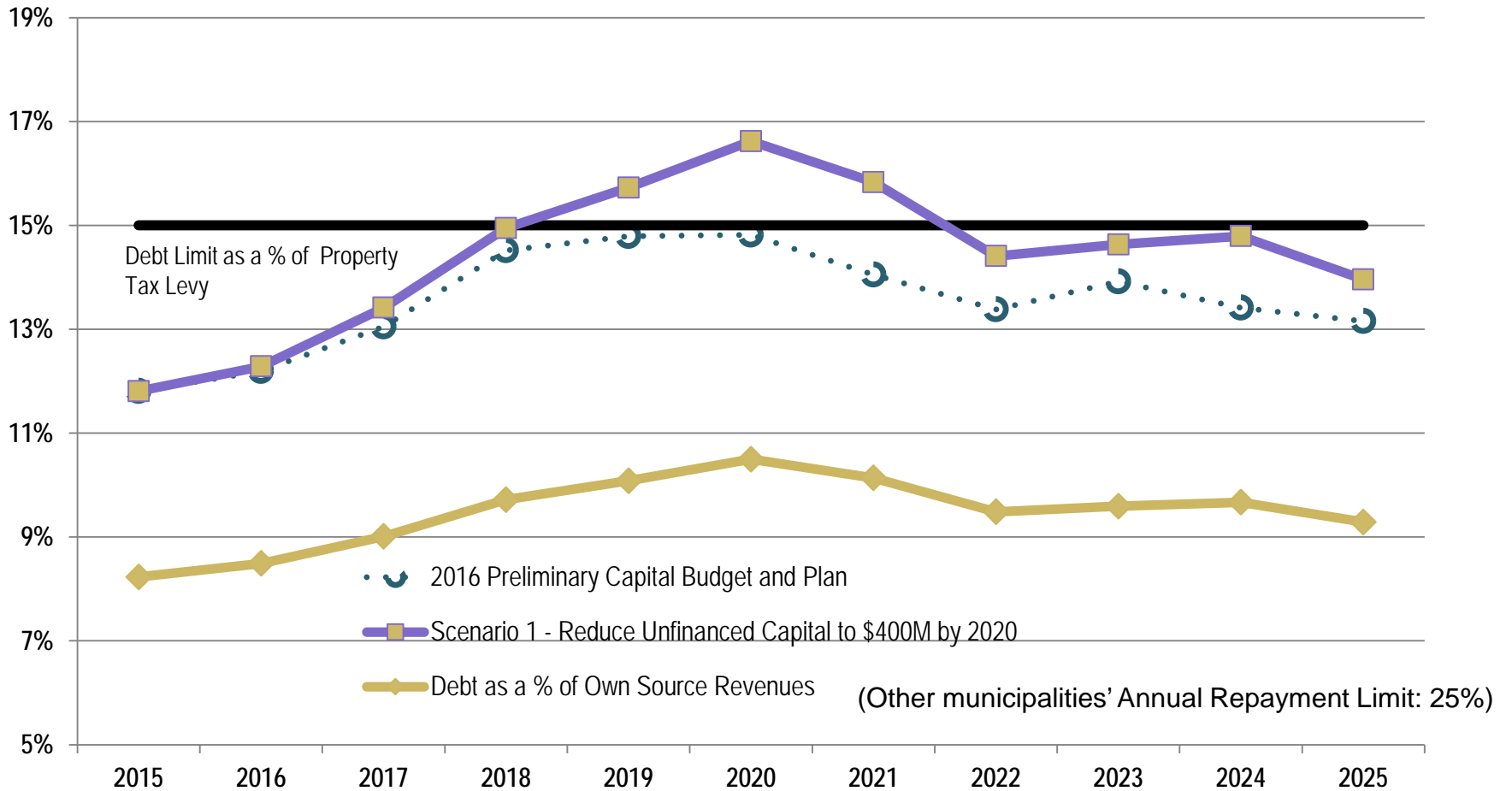
NB: 2015 Debt Issuance excludes \$43 million for Solid Waste

# 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>

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 BC Recommended 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

Thank You / End

