



2013

City of Toronto

City Budget  
Presentation to Council

January 15, 2013



# City of Toronto

## 2013 - 2022

### Executive Committee Recommended Tax Supported Capital Budget and Plan

**January 15, 2013**

# Agenda

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1. Budget Context
2. What's Being Built
3. 2013 – 2022 Budget Committee Recommended Capital Budget and Plan
4. Conclusion

## The Challenge

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- Increased investment need in SOGR for Transportation and TTC
- Accommodate TTC Ridership Growth
- Uncertainty over Federal and Provincial funding
- Keep Debt Service costs below the 15% guideline

# Capital Strategies

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- Review Program capacity based on historic spending results
- Assess merit / need (business cases) for key projects
- Focus on SOGR Backlog to determine recommended project funding
- Maximize DC funding to replace debt
- Review IT projects City-wide to establish priority and plan, inclusive of efficiency study recommendation implementation

## The Need to Manage Debt

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- 2012 to 2021 Budget and Plan was \$14.8 Billion
- 2013 to 2022 Budget and Plan is \$15.3 Billion, with increased investments in:
  - TTC \$534 million
  - Transportation Services \$671 million (Gardiner Expressway and Roads SOGR)

## The Need to Manage Debt

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- The increased investment request is addressed by non-debt funding strategies comprised of:
  - Continuation of Surplus Management Policy  
(75% of surplus allocated to Capital)
  - Use of Asset Monetization Revenues/ Dividends
  - Maximize Development Charge Funding
  - Provincial and Federal funding

# What's Being Built

# Transportation and Transit

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- **Maintain 1,000 km of roads, 50 km of expressways, 600 km of sidewalks and 150 bridges and structures (2013 – 2022, \$2.264 billion)**
- Complete up to 100 km of off-street bicycle paths, 80 km of on-street connections and 8,000 new bicycle parking spaces (2013 – 2022, \$90.757 million)
- Major signal modifications, accessible pedestrian signals, and pedestrian safety and infrastructure programs (2013 – 2022, \$40.484 million)
- **Purchase 138 of 360 new subway cars (23 of 60 train sets) (2013 – 2016, \$71.302 million); acquire 153 new articulated buses and 99 new forty foot diesel buses to improve service by 2017 (2013 – 2022, \$222.159 million) ; and purchase 204 low-floor, accessible light rail vehicles (2013 – 2019, \$781.357 million)**
- Easier Access Program to make the TTC fully accessible by 2025 (2013 - 2022, \$383.916 million)
- Continue installation of state-of-the-art signalling systems on the Yonge-University - Spadina line to increase train capacity (2013 - 2019, \$255.984 million)
- Continue construction of the second platform and concourse improvements at Union Station (2013 – 2014, \$17.968 million)

# Public Safety and Emergency Services

- **Replace the radio communication system shared by Police, Fire and EMS by 2014 (2013 - 2014, \$41.758 million)**
- Complete construction of new Fire Station D in Scarborough (2013, \$4.275 million); Chaplin Fire Station (2013 - 2014, \$4.685 million)
- **Construct new Fire Station B in Downsview (2013 - 2014, \$9.885 million); new Fire Station A near Highway 27 and Rexdale Blvd. (2014 - 2016, \$7.242 million); and new Fire Station G in the Sunnybrook area (2021 - 2022, \$9.619 million)**
- Construct a new ambulance station at Plewes Road (2013 - 2015, \$11.200 million)
- Construct a new facility for EMS District 5 - Service District Centre which will allow EMS to consolidate Special Operations Units under one building (2018 - 2022, \$7.200 million)
- Complete renovation of 330 Progress for Police property and evidence management facility (2013, \$5.831 million) and to accommodate parking enforcement requirements (2013 - 2014, \$9 million)
- Relocate and replace Police Service's 54 Division (2014 - 2016, \$36.296 million), 41 Division (2016 - 2019, \$38.928 million) and Police Service's 13 Division (2018 - 2021, \$38.929 million)

# Community and Recreation Services

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- Redevelop Seaton House Shelter (2013-2019, \$21.850 million)
- Continue expansion of Leaside Memorial Gardens Arena (2013, \$7.300 million)
- Redevelopment parkland such as June Callwood Park (2013, \$2.317 million), Regent Park (TCHC) Phase 2 (2013, \$2.750 million), Grange Park (2013 – 2014, \$4.876 million), and dogs-off-leash area improvements (2013 – 2016, \$2.000 million)
- Continue SOGR capital upgrades in the 26 municipally owned child care centres in City-owned facilities (2013-2022, \$13.344 million)
- **Construct various community centres including York Community Centre (2013 - 2014 \$23.443 million) and Regent Park Community Centre (2013 - 2014, \$18.070 million)**
- Continue the planning, design and construction of Regional Sports Complex and Central Waterfront Public Realm (2013 - 2015, \$35.962 million)
- **Construction 2 new library branches at Fort York Blvd. and Bathurst Street (2013-2014 \$6.495 million); and Scarborough Civic Centre Library (2013-2015 \$7.405 million)**
- Relocate Library materials processing centre at 1076 Ellesmere (2013-2014, \$9.080M)
- Revitalize Toronto Reference Library (2013-2015, \$10.913 million)

# Public Spaces

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- **Continue to revitalize Union Station with improvements to its transportation and retail spaces; including the Northwest Path (2013 - 2016, \$360.662 million)**
- Continue the Places Civic Improvements project to enhance the quality of the City's open spaces within the road (2013 – 2022, \$27.826 million)
- Revitalize Nathan Phillips Square to host a greater number and variety of public activities and special events (2013 – 2014, \$7.436 million)
- **Improve Business Improvement Areas (BIA) streetscapes (2013 – 2014, \$5.562 million)**
- Continue restoration of Casa Loma (2013 – 2015, \$5.633 million)

# Improve Customer Service

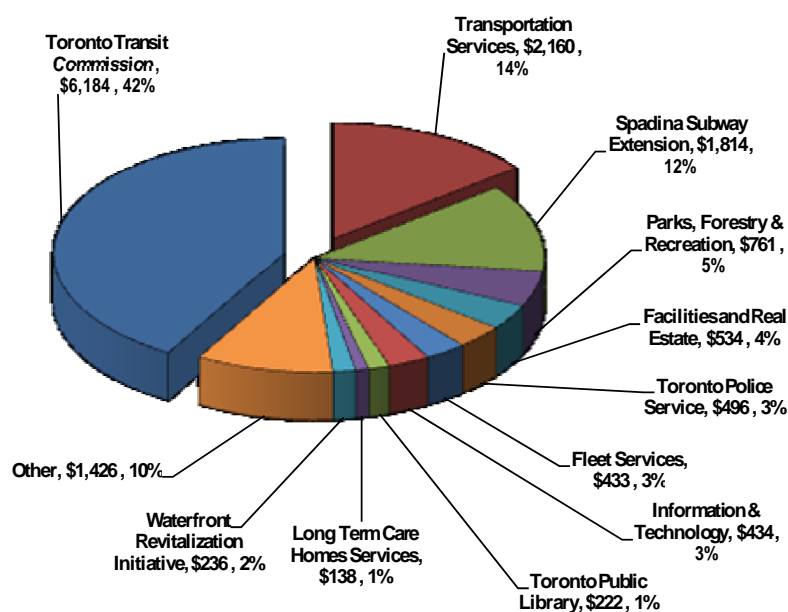
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- Continue Electronic Service Delivery for the public to access and interact on-line, examples include:
  - On-line access to Municipal Licensing and Standards information and services (2013-2016, \$1.469 million);
  - On-line and permit approval (2013-2016, \$4.645 million) and Technical Services – engineering and survey file and document management
  - On-line service for access to tender and construction documents (2013-2015, \$0.850 million)
- Complete 311 Toronto's cross-divisional scheduler for court rooms and meeting rooms and other City appointments (2013, \$1.641 million)
- **Implement Payment Module to enable 311 to take payment for City services and complete recreation registration integration that allows customers to register and pay for recreation programs through 311 (2014-2015, \$4.141 million)**

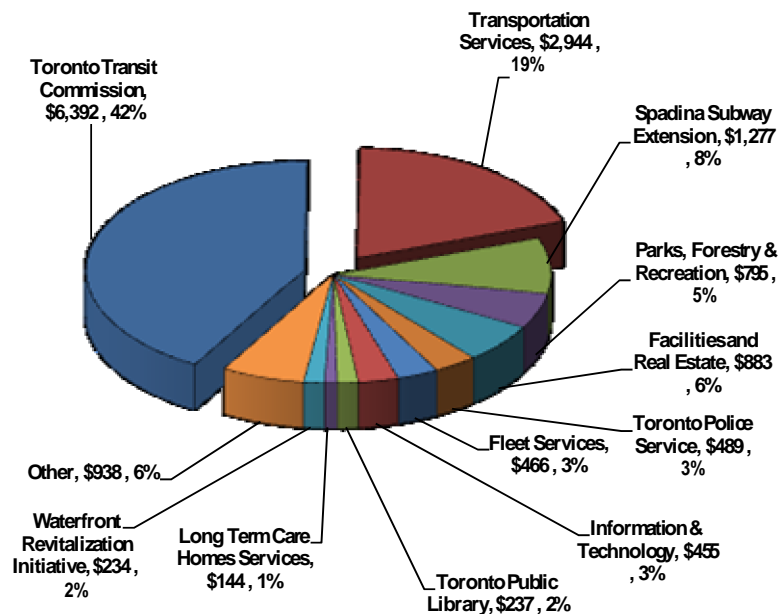
# **2013 - 2022 Budget Committee Recommended Tax Supported Capital Budget and Plan**

# Comparison to 2012 to 2021 Capital Budget and Plan – Gross Expenditures

2012 – 2021 Capital Budget & Plan  
\$14.836 Billion  
68% to Transit & Transportation

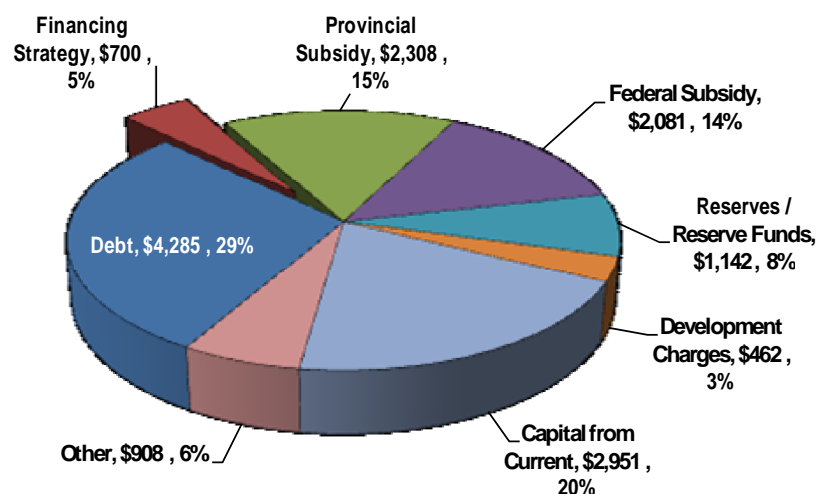


2013 – 2022 Capital Budget and Plan  
\$15.256 Billion  
69% to Transit & Transportation

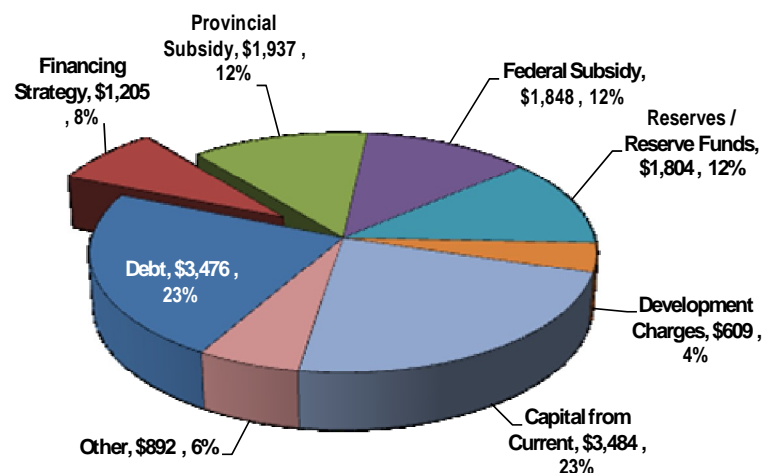


# Comparison to 2012 to 2021 Capital Budget and Plan – Funding Sources

**2012 – 2021 Capital Budget & Plan**  
**\$14.836 Billion**  
**Debt Funding 29%**

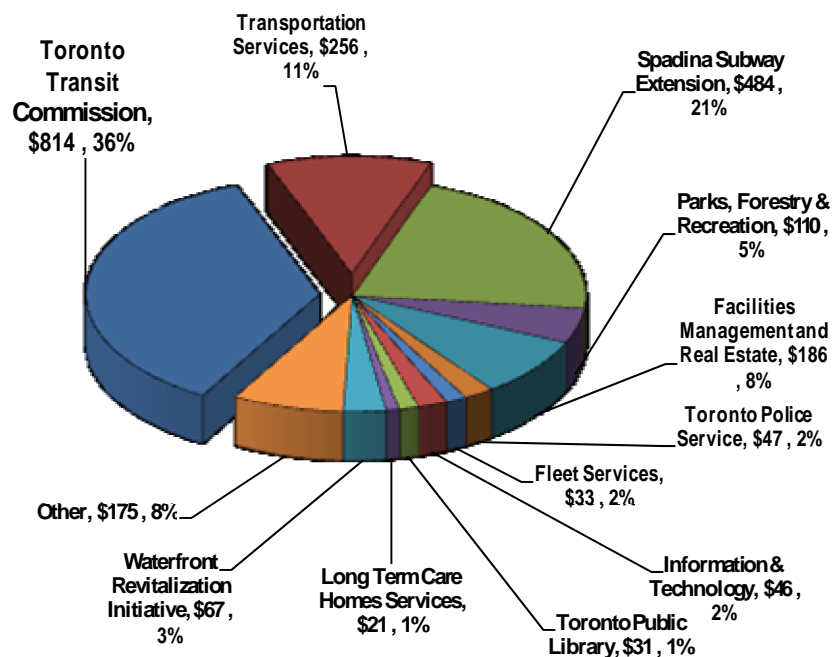


**2013 – 2022 Capital Budget & Plan**  
**\$15.256 Billion**  
**Debt Funding 23%**

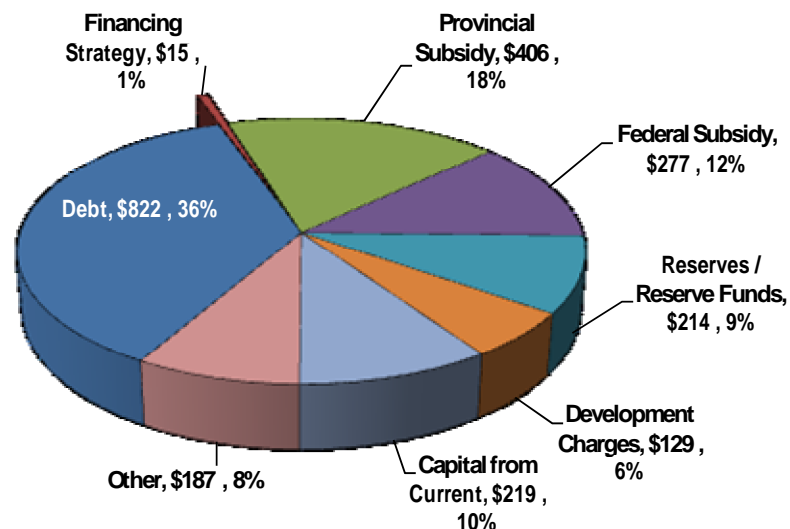


# 2013 Capital Budget - \$2.270 Billion

## Gross Expenditures 68% to Transit & Transportation



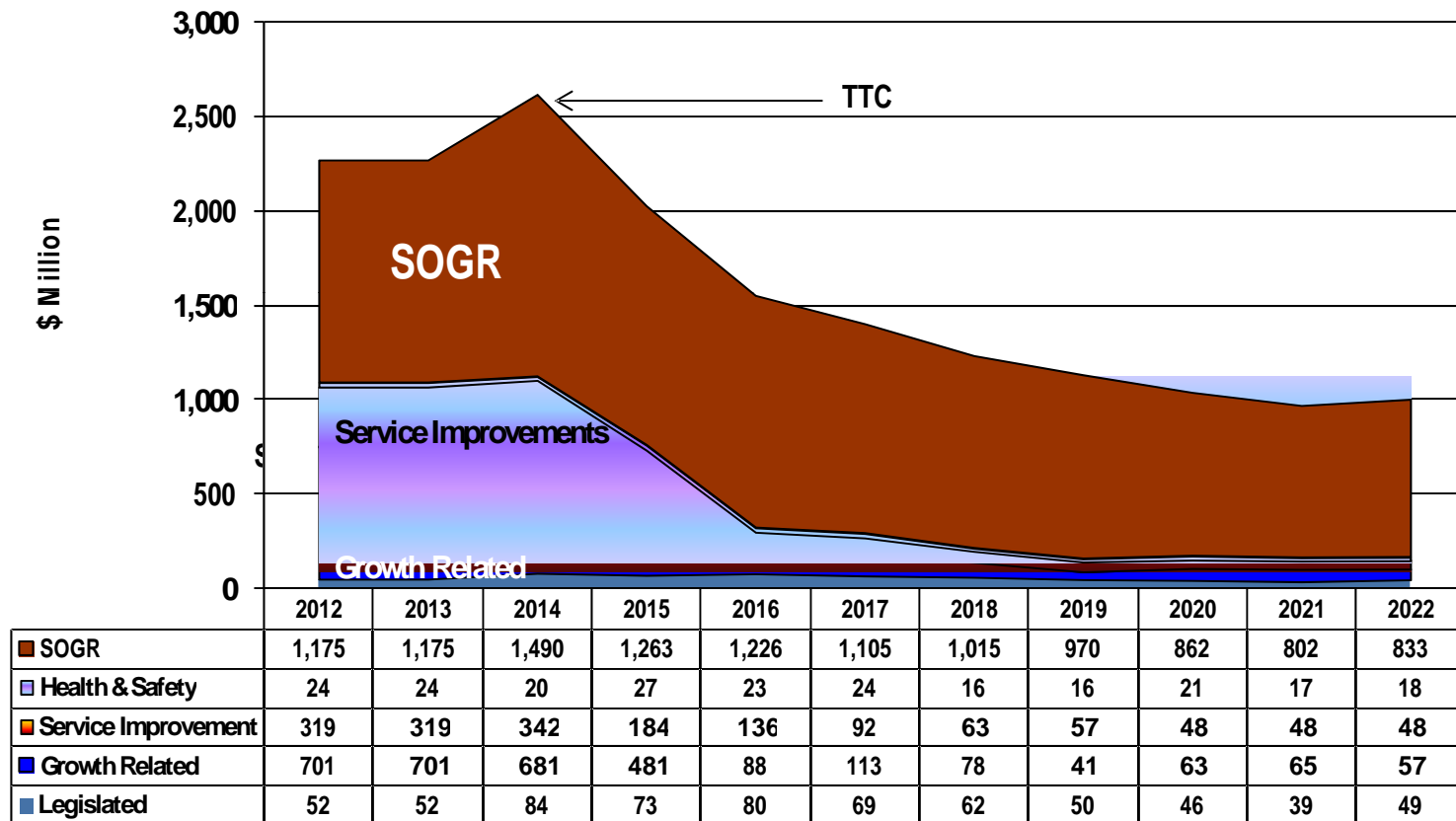
## Funding Sources Debt Funding 36%



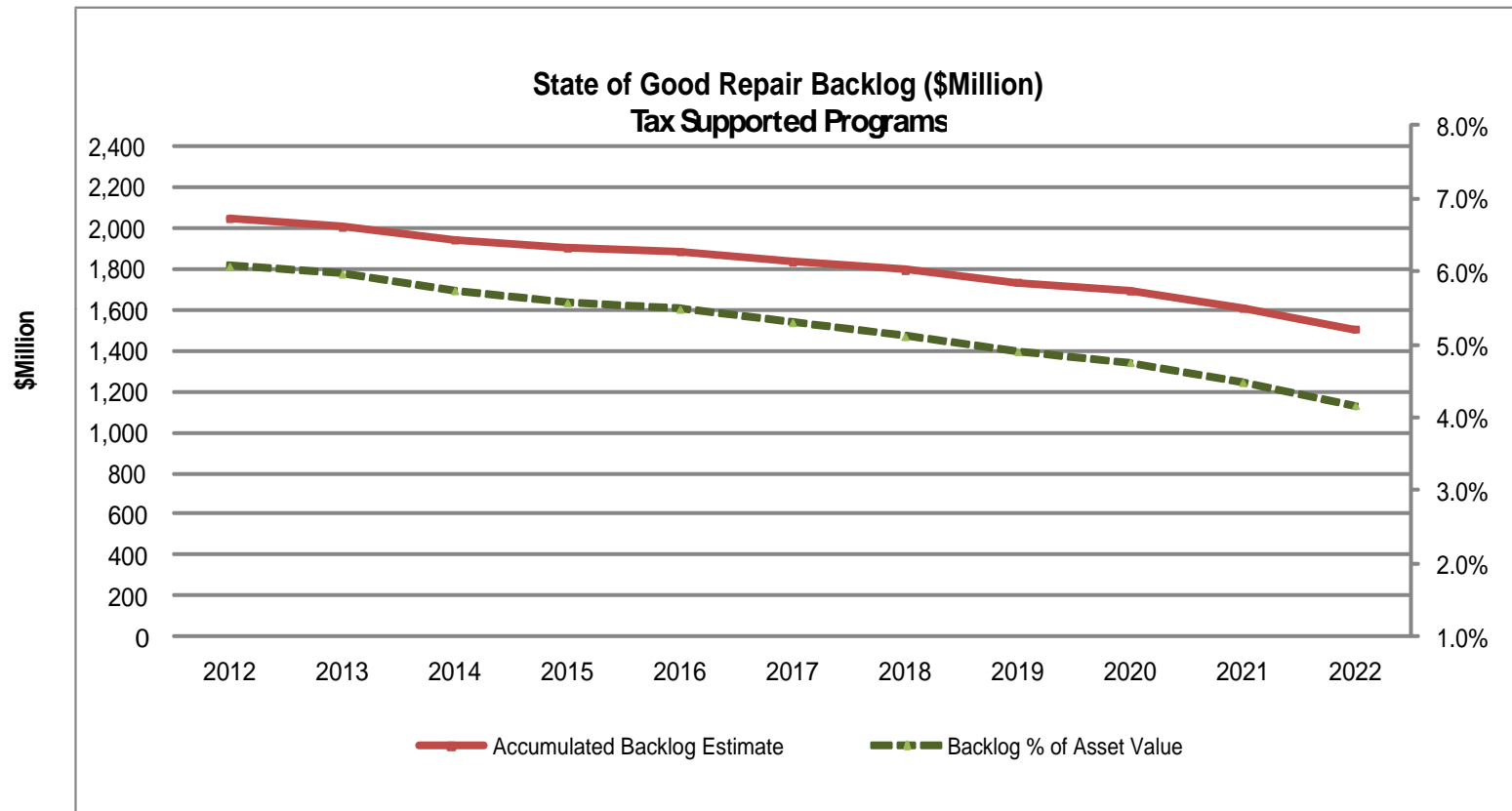
# 2013 – 2022 Capital Budget and Plan - by Category and Financing Source

Expenditures (\$M)	Capital Plan					2013-2017		2018 - 2022		2013 - 2022	
	2013	2014	2015	2016	2017	Total	%	Total	%	Total	%
Health and Safety	24	20	27	23	24	118	1.2%	88	1.6%	206	1.4%
Legislated	52	84	73	80	69	358	3.6%	246	4.6%	604	4.0%
State of Good Repair	1,175	1,490	1,263	1,226	1,105	6,259	63.4%	4,482	83.3%	10,741	70.4%
Service Improvement	319	342	184	136	92	1,073	10.9%	264	4.9%	1,337	8.8%
Growth Related	701	681	481	88	113	2,064	20.9%	303	5.6%	2,367	15.5%
<b>Total Expenditures</b>	<b>2,270</b>	<b>2,618</b>	<b>2,028</b>	<b>1,553</b>	<b>1,403</b>	<b>9,872</b>	<b>100%</b>	<b>5,383</b>	<b>100%</b>	<b>15,256</b>	<b>100.0%</b>
<b>Funded By:</b>											
Provincial	406	558	327	119	112	1,523	15.4%	414	7.7%	1,937	12.7%
Federal	277	270	217	156	155	1,076	10.9%	773	14.4%	1,848	12.1%
Reserves	113	181	180	159	170	803	8.1%	794	14.8%	1,597	10.5%
Reserve Funds	116	290	241	215	183	1,045	10.6%	367	6.8%	1,412	9.3%
DC	129	60	51	57	62	360	3.6%	249	4.6%	609	4.0%
Other	187	199	165	60	56	666	6.7%	226	4.2%	892	5.8%
Capital from Current	219	240	264	297	320	1,335	13.5%	2,149	39.9%	3,484	22.8%
Debt	822	820	581	496	346	3,066	31.1%	410	7.6%	3,476	22.8%
<b>Total Funding</b>	<b>2,270</b>	<b>2,618</b>	<b>2,028</b>	<b>1,553</b>	<b>1,403</b>	<b>9,872</b>	<b>100.0%</b>	<b>5,383</b>	<b>100.0%</b>	<b>15,256</b>	<b>100.0%</b>

# \$10.741 Billion or 70% of the 2013 – 2022 Capital Plan Allocated to SOGR



# Over 10 Years, SOGR Backlog as a % of Capital Asset Value will decrease from 6% to 4%



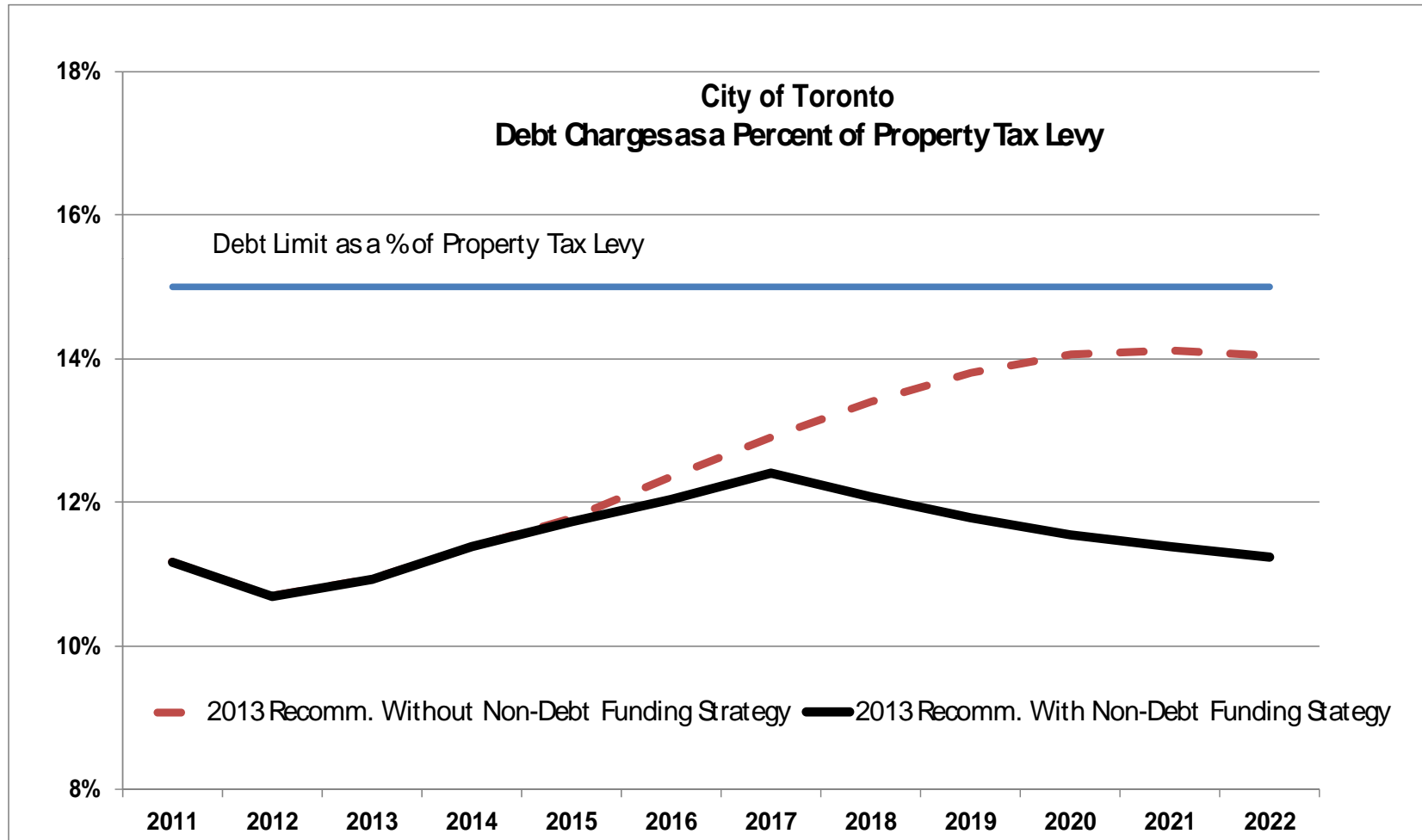
# SOGR Backlog by Program

\$ Million	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transportation Services	964	949	917	886	872	836	786	785	764	740	696
Parks, Forestry & Recreation	300	310	301	319	351	366	411	389	396	363	325
Facilities Management & Real Estate	338	303	282	264	239	219	197	174	154	133	117
Toronto & Region Conservation Authority	189	187	185	182	180	177	175	172	169	166	163
Other	256	256	257	256	251	243	235	225	216	209	204
Total SOGR Backlog	2,046	2,004	1,942	1,907	1,893	1,841	1,803	1,744	1,700	1,612	1,506
Total Asset Value (end of year)	33,665	33,570	33,797	34,094	34,311	34,547	35,037	35,321	35,573	35,829	36,091
SOGR as % Asset Value	6.08%	5.97%	5.75%	5.59%	5.52%	5.33%	5.15%	4.94%	4.78%	4.50%	4.17%

# 2013 – 2022 Capital Budget and Plan vs. Debt Target

Programs / Agencies	2013				2013 - 2017				2013 - 2022			
	Recommended		Debt Target	Over/ (Under)	Recommended		Debt Target	Over/ (Under)	Recommended		Debt Target	Over/ (Under)
	Gross	Debt/ CFC			Gross	Debt/ CFC			Gross	Debt/ CFC		
Citizen Centred Services - A	166,030	73,279	77,218	(3,939)	675,067	410,896	398,121	12,775	1,193,322	777,178	745,559	31,619
Citizen Centred Services - B	329,178	233,506	219,106	14,400	1,711,697	1,454,203	1,177,115	277,088	3,263,480	2,858,173	2,187,220	670,953
Internal Services	293,276	105,779	102,724	3,055	1,271,579	479,173	420,063	59,110	1,872,685	775,453	727,013	48,440
Other City Programs	51,141	39,966	40,026	(60)	164,512	115,554	115,248	306	184,778	122,902	122,596	306
<b>Total - City Operations</b>	<b>839,625</b>	<b>452,530</b>	<b>439,074</b>	<b>13,456</b>	<b>3,822,855</b>	<b>2,459,826</b>	<b>2,110,547</b>	<b>349,279</b>	<b>6,514,265</b>	<b>4,533,706</b>	<b>3,782,388</b>	<b>751,318</b>
Agencies	124,064	64,851	63,186	1,665	588,782	394,675	387,361	7,314	1,055,895	685,212	671,975	13,237
<b>Total - Tax Supported before TTC</b>	<b>963,689</b>	<b>517,381</b>	<b>502,260</b>	<b>15,121</b>	<b>4,411,637</b>	<b>2,854,501</b>	<b>2,497,908</b>	<b>356,593</b>	<b>7,570,160</b>	<b>5,218,918</b>	<b>4,454,363</b>	<b>764,555</b>
Toronto Transit Commission	813,735	368,385	416,527	(48,142)	4,168,865	1,769,985	1,573,591	196,394	6,391,947	2,628,991	2,094,750	534,241
Toronto Transit Commission Spadina Subway Extension	484,286	115,658	114,856	802	1,277,427	115,658	114,856	802	1,277,427	115,658	114,856	802
<b>Total - TTC</b>	<b>1,298,021</b>	<b>484,043</b>	<b>531,383</b>	<b>(47,340)</b>	<b>5,446,292</b>	<b>1,885,643</b>	<b>1,688,447</b>	<b>197,196</b>	<b>7,669,374</b>	<b>2,744,649</b>	<b>2,209,606</b>	<b>535,043</b>
<b>Tax Supported Programs</b>	<b>2,261,710</b>	<b>1,001,424</b>	<b>1,033,643</b>	<b>(32,219)</b>	<b>9,857,929</b>	<b>4,740,144</b>	<b>4,186,355</b>	<b>553,789</b>	<b>15,239,534</b>	<b>7,963,567</b>	<b>6,663,969</b>	<b>1,299,598</b>
<b>Additional Funding Requirements</b>												
2013 TTC Capital						(244,535)		(244,535)		(534,240)		(534,240)
2013 Transportation Capital		(14,771)		(14,771)		(289,099)		(289,099)		(670,674)		(670,674)
<b>Total Additional Funding Requirements</b>		<b>(14,771)</b>		<b>(14,771)</b>		<b>(533,634)</b>		<b>(533,634)</b>		<b>(1,204,914)</b>		<b>(1,204,914)</b>
<b>Revised Total Programs</b>	<b>2,261,710</b>	<b>986,653</b>	<b>1,033,643</b>	<b>(46,990)</b>	<b>9,857,929</b>	<b>4,206,510</b>	<b>4,186,355</b>	<b>20,155</b>	<b>15,239,534</b>	<b>6,758,653</b>	<b>6,663,969</b>	<b>94,684</b>

## Non-Debt Funding Strategies Allow the City to Reduce Debt Charges to 12% of Tax Levy while Increasing Capital Needs



# Conclusion

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- The 2013 - 2022 Capital Budget and Plan Strategy is achieved:
  - Accommodates Transportation and TTC's Recommended 10-Year Capital Plan increased needs of \$1.2 billion
  - Achieves a balance between maintaining existing City assets and addressing service/growth needs on a City-wide basis
  - Utilizes operating surplus, asset monetization/dividends, new Provincial and Federal funding to minimize debt
  - Debt charges stabilized below 15% guideline over the life of the plan and now averaging at approximately 12%
  - In conclusion our debt management strategies are working but hinge on continued fiscal discipline to use operating surpluses to avoid debt, reducing \$809 million over the next 10 years



2013

# City of Toronto

## Executive Committee Recommended Tax Supported Operating Budget

January 15, 2013

# Agenda

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1. Executive Summary
2. 2013 Operating Budget Overview
3. 2014 / 2015 Outlook

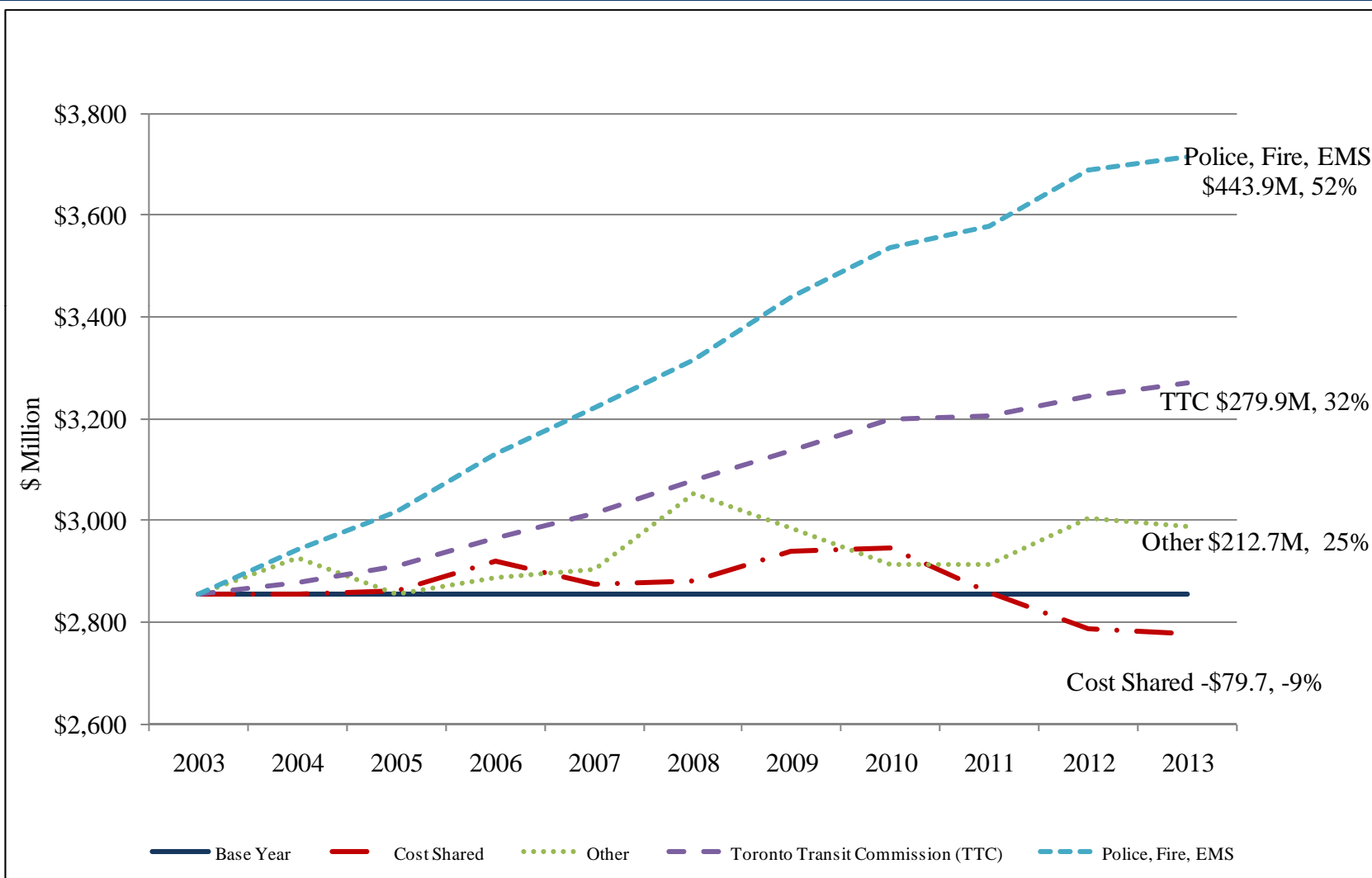
# Executive Summary

## The Challenge

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- Opening Spending Pressure after revenue increases was approximately \$200 million driven mainly by use of prior year's surplus and reserve funds
- Reliance on prior year's surplus and reserves of \$141 million needs to end
- Manage spending in line with revenue growth while maintaining key priority services
- Capital financing putting pressure on the Operating Budget

# 84% of the Growth in Net Expenditures since 2003 is Due to Police, Fire, EMS and TTC



## Budget Directions

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1. 0% increase over 2012 Budget ✓
2. Implement Core Service & Efficiency Review Recommendations ✓
3. Review historical spending ✓
4. Review previous year target achievements (10%) ✓
5. Review Operating Impacts of Capital ✓
6. Include increased user fee revenue in compliance with User Fee Policy ✓
7. Do not introduce any new service initiatives ✓

## The Solution

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- Savings from compensation costs
- Continue implementation of Efficiency Review Program
- Control expenditures through \$0 cost increase for all services, especially Emergency Services and TTC
  - Continue Line-by-Line Expenditure Review
- Maximize revenue sources
- Mitigate impact of capital financing
- Moderate inflationary Tax and TTC fare increases

# 2013 Balancing Strategies

\$Million	<u>2013 Budget</u>
<b>One-Time Funding (Prior Year Surplus &amp; Reserves)</b>	141
<b>Expenditure Changes</b>	324
<b>Budget Pressure Before Revenue Increases</b>	<b>465</b>
<b>Revenue Increases</b>	(170)
<b>Property Tax / Assessment Changes:</b>	
Tax Increase (Residential 2.00%)	(35)
Tax Increase (Non-residential 0.67%)	(13)
Assessment Growth	(33)
<b>Budget Pressure Before Cost Reductions</b>	<b>(251)</b>
Efficiency and Other Cost Savings	(187)
Reduced Capital Financing Costs	(44)
<b>Budget Pressure After Reduction</b>	<b>(481)</b>
New and Enhanced	16
<b>Remaining Pressure After Pending Decision</b>	<b>0</b>

# Achieving Fiscal Sustainability

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- 2013 Balanced Budget Achieved:
  - Maximized Revenues
  - Maximized Efficiencies and Cost Savings
  - Recommended Moderate Inflationary Tax and Fee Increases
- Key Result:
  - **ELIMINATION OF RELIANCE ON PRIOR YEAR'S SURPLUS**

# 2013 Operating Budget Overview

# Pressure and Balancing Strategies

(\$Millions)	2013
<b>City One-Time Funding</b>	
Prior Year Surplus	102
Prior Year Reserve Draws	39
<b>Total Unsustainable Balancing Strategies</b>	<b>141</b>
<b>Expenditure Changes:</b>	
Compensation & Benefits	130
Inflation - Materials, Supplies & Services	48
TTC (employee costs/inflation/growth)	63
City & Agency Inflation - Labour/Non-Labour	241
Operating Impact of Capital	9
Capital Financing	37
TCHC Property Tax Exemption	56
Reduction in TCHC Subsidy	(56)
Prov/Fed Funding Decrease/(Increase)	8
Reserve Contribution	16
Other Non-Recurring, Annualization, Non-Program	13
<b>Total Expenditure Changes</b>	<b>324</b>
<b>Budget Pressure Before Revenue Increases</b>	<b>465</b>

# Pressure and Balancing Strategies

(\$Millions)	2013
<b>Budget Pressure Before Revenue Increases</b>	<b>465</b>
<b>Revenue (Increases) and Decreases:</b>	
MLTT	(27)
Interest and Investment Earnings	(5)
TTC Ridership Growth	(42)
Economic Growth	(74)
Reserve Draws	(40)
Prov/Fed Funding Decrease/(Increase)	(18)
CHPI funded by one-time provincial grant	10
Upload (OW/Security)	(14)
User Fee Rate Change	(12)
TTC Fare Increases	(18)
Other Revenues	(3)
	<b>(170)</b>
<b>Property Tax / Assessment Changes:</b>	
Tax Increase (Residential 2.00%)	(35)
Tax Increase (Non-residential 0.67%)	(13)
Assessment Growth	(33)
	<b>(81)</b>
<b>Total Revenue (Increases) and Decreases</b>	<b>(251)</b>
<b>Budget Pressure Before Cost Reductions</b>	<b>214</b>

# Pressure and Balancing Strategies

(\$Millions)	2013
<b>Budget Pressure Before Cost Reductions</b>	<b>214</b>
<b>Efficiency &amp; Other Cost Reductions:</b>	
Reduced Compensation and Benefits	(60)
Reduced Inflation and Non-Labour Costs	(28)
Base Change (incl. Line-by-line Review)	(15)
Efficiency Change	(72)
Revenue Change	(2)
Service Change	(10)
	<b>(187)</b>
Reduced Capital Financing Costs	(44)
<b>Total Reductions</b>	<b>(230)</b>
<b>Budget Pressure After Reduction</b>	<b>(16)</b>
New and Enhanced	16
<b>Remaining Pressure</b>	<b>0</b>

# Budget Committee Adjustments

## – \$1.3 Million Net Increase

(\$Million)

Program / Agency	Decisions	Gross	Net
Economic Development & Culture	LASO (2 New LASOs)	0.2	0.2
Emergency Medical Services	Add back 10 Paramedics	0.8	0.4
Parks, Forestry & Recreation	Botanical Gardens (One-Time)	0.1	0.1
Parks, Forestry & Recreation	Lawn Bowling (One-Time)	0.0	0.0
Social Development, Finance & Administration	CPIP Partnership Funding (Inflationary Increase)	0.5	0.5
Toronto Public Health	Student Nutrition Program (Inflationary Increase)	0.1	0.1
<b>Total Changes Above</b>		<b>1.8</b>	<b>1.3</b>
<b>0.05% Tax Increase to 2% (Res) / 0.67% (Non-res)</b>			<b>(1.3)</b>
			<b>0.0</b>
<b>Assessment Growth</b>	Additional Assessment Growth due to finalized assessment roll		(6.8)
<b>Shelter, Support and Housing Administration</b>	Reduce contribution from the Social Housing Federal Reserve Fund		6.8
			<b>0.0</b>
<b>Economic Development &amp; Culture</b>	Earmark One-Time Third Party Sign Tax Retroactive Revenue in Tax Stabilization Reserve for Arts & Culture Programs	22.5	0.0
			<b>0.0</b>

# Executive Committee Adjustments – \$0 Net Impact

(\$Million)

<b>Program/Agency</b>	<b>Decisions</b>	<b>Gross</b>	<b>Net</b>
<b>Fire Services</b>	Add 15 fire prevention officers and 20 firefighters and Establish homeowners first time alarm rebate program	3.2	3.2
<b>Toronto Public Health</b>	Student Nutrition Program (contingent Provincial funding)	0.2	0.2
<b>Emergency Medical Services</b>	Add 40 paramedics and other related costs	2.8	2.8
<b>Parks, Forestry and Recreation</b>	Eliminate adult recreation fees at Priority Centres	0.0	0.2
<b>Transportation Services</b>	Reinstate leaf collection service	0.4	0.4
<b>Shelter Support and Housing</b>	Repurpose for additional assessment growth to fund above adjustments and increase contribution from Social Housing Reserve Fund for \$0 impact.		(6.8)
<b>Sub-total above</b>		<b>6.6</b>	<b>0.0</b>
<b>Toronto Public Library</b>	Reallocate LASO funding for inflationary increase to collection materials	0.2	0.2
<b>Economic Development &amp; Culture</b>	LASO funding to be funded within \$22.5m in Arts & Culture Funding.	(0.2)	(0.2)
<b>Total Changes</b>			<b>0.0</b>

# Line-by-Line Review Savings

(\$000s)	2011 Budget		2012 Budget		2013 Rec'd Budget		3 Year Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Citizen Centred Services "A"	(3,090)	(2,366)	(13,913)	(5,778)	(2,691)	(2,421)	(19,694)	(10,565)
Citizen Centred Services "B"	(3,944)	(3,021)	(2,766)	(2,299)	(1,687)	(1,147)	(8,397)	(6,467)
Internal Services	(1,651)	(1,177)	(1,374)	(1,216)	(431)	(431)	(3,456)	(2,825)
City Manager	(240)	(240)	(297)	(297)	(73)	(73)	(610)	(610)
Other City Programs	0	0	(6)	(6)	0	0	(6)	(6)
Total City Operations	(8,926)	(6,805)	(18,356)	(9,597)	(4,882)	(4,072)	(32,163)	(20,473)
Agencies	(682)	(795)	(6,894)	(5,880)	(1,216)	(1,216)	(8,792)	(7,891)
<b>Total Budget</b>	<b>(9,608)</b>	<b>(7,600)</b>	<b>(25,250)</b>	<b>(15,476)</b>	<b>(6,098)</b>	<b>(5,288)</b>	<b>(40,955)</b>	<b>(28,364)</b>

- Annually we undertake a detailed line-by-line review, looking at previous years' experience
- Total line-by-line savings over the past 3 years is \$41 million, \$28 million net
- Savings over the past 3 years are equivalent to a 1.2% tax reduction

# Efficiency Savings

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- **Economic Development and Culture** - Divisional Structure Changes (\$0.300 million)
- **Parks, Forestry & Recreation**
  - Parks and Recreation Budget Right-Sizing (\$4.140 million)
  - Camp Program Efficiency (\$1.200 million)
  - Sportsfield Turf Management Strategy (\$0.750 million)
  - Recreation Support Function Efficiencies (\$0.880 million)
  - Integration of Sign Shop Operations with Transportation Services (\$0.110 million)
- **Long Term Care and Services** - Efficiency from De-commissioning of Buses (\$0.047 million)
- **Fire Services**
  - Restructuring of Administrative Support Functions (\$0.166 million)
  - Operations and Support Re-Organization and Reductions (\$4.206 million)
- **Office of the Chief Financial Officer** - Delete a Manager's Position (\$0.162 million)
- **Facilities Management & Real Estate** - Utilities Savings (\$0.701 million)

# Efficiency Savings

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- **Fleet Services** - Discontinuation of Running Lunch Arrangements (\$0.391 million)
- **Information & Technology** - Savings from Centralizing Corporate Telecommunications (\$0.317 million)
- **Administrative Restructuring and Hiring Deferrals**
  - City Clerk's Office (\$0.615 million)
  - City Manager's Office (\$0.183 million)
- **Toronto Transit Commission** – Diesel fuel price savings from hedging (\$20.5 million)
- **Toronto Public Library**
  - Savings from installation of automated sorter at Fairview Library (\$0.160 million)
  - One-time contract savings for security guards (\$0.170 million)
  - Savings from consortium purchase of electronic materials (\$0.300 million)
  - Savings from re-engineered procurement and inventory management processes (\$0.215 million)
- **Theatres** - St. Lawrence Centre – Redistribution of work load (\$0.104 million)

## Service Changes

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- **Fire Services** – Elimination of unoccupied positions (\$4.751 million)
- **Toronto Public Health** - Eliminate Global AIDS Initiative Funding (\$0.104 million)
- **Toronto Transit Commission** - Wheel Trans - Remove exemption from eligibility criteria for Ambulatory Dialysis Patients (\$4.499 million)

## 2013 Operating Budget – New and Enhanced Services (\$40.498 Million Gross and \$15.834 Million Net)

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- **Toronto Transit Commission**
  - Subway public washroom cleaning (\$1.730 million)
  - Debit and credit card expansion (\$3.920 million)
  - New Customer Development Department (\$0.559 million)
- **Emergency Medical Services** - Addition of 40 new full-time Paramedics (\$2.800 million) and 11 (FTEs) Part-time Paramedics (\$1.000 million offset by a reduction in overtime of \$1.000 million)
- **Information & Technology** - Base Pool of 58 Capital Funded Positions (\$3.000 million gross and \$0 net) and 27 temporary positions for capital projects to achieve operational efficiencies (\$2.680 million gross and \$0 net)
- **City Manager's Office** – Add 9 Employee and Labour Relations positions to reduce grievance backlog (\$0.953 million)
- **Fire Services** – add 15 fire prevention officers (\$1.425 million); and establish first-time false alarm rebate program (\$0.200 million)

# 2013 Operating Budget – New and Enhanced Services

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- **Toronto Employment and Social Services**
  - Medical Benefits for Social Assistance Recipients (\$1.500 million)
  - Former Hardship Fund (\$1.000 million)
- **Toronto Environment Office**
  - Eco-Roof Financial Incentive Program (\$0.800 million gross \$0 net)
  - Live Green Toronto Neighbourhood Initiative (\$0.400 million gross \$0 net)
  - Adaptation - Energy Usage & Emissions Inventory (\$0.100 million gross \$0 net)
  - Local Air Quality Studies (\$0.105 million gross \$0 net)
- **Parks, Forestry, & Recreation:** Emerald Ash Borer – Year 3 of the EAB Management Plan (\$6.400 million gross \$0 net)
- **Toronto Zoo - Panda Exhibit** (\$7.827 million \$0 net)
- **Transportation Services**
  - Maintenance Required for GO Bus/TTC lane extension on the Don Valley Parkway (\$0.128 million gross, \$0 net)
  - Remove Graffiti on Road Allowances Within 3 Days (\$0.800 million gross, \$0 net)
  - Additional Curb Cut Maintenance for TTC Light Rail Vehicle (LRT) (\$0.145 million gross, \$0 net)

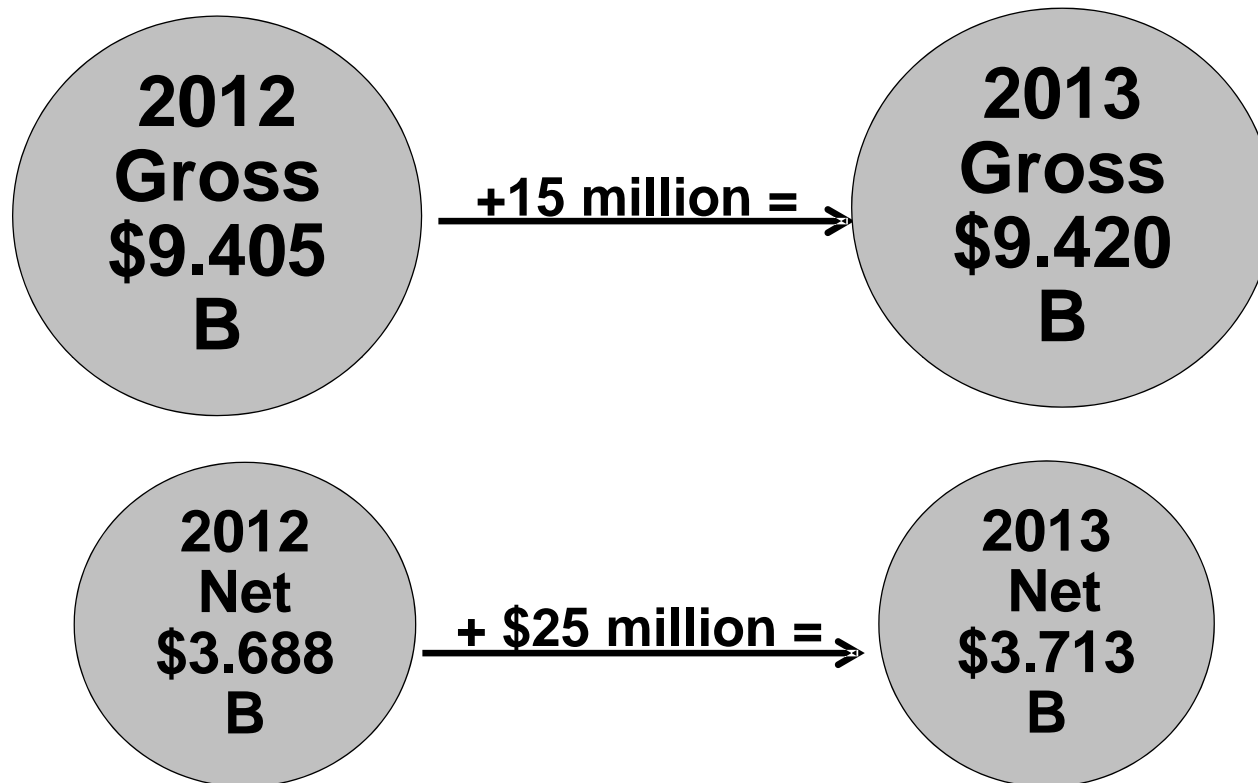
# Staffing Impact

	2012 Approved Staff Complement	Temporary Capital	Operating Impacts of Capital	Service Change Adjustments	Total Base Changes	Sub-Total 2013 EC Rec'd Complement	New Services	Total 2013 EC Rec'd Complement
Citizen Centred Services "A"	12,381.3	3.0	2.7	(67.3)	(61.6)	12,319.7	54.0	12,373.7
Citizen Centred Services "B"	6,337.5	0.0	(2.0)	(141.0)	(143.0)	6,194.5	15.0	6,209.5
Internal Services	2,524.6	(15.0)	15.0	(14.0)	(14.0)	2,510.6	97.0	2,607.6
City Manager	422.3	4.0	0.5	(0.3)	4.2	426.5	9.0	435.5
Other City Programs	938.1	(0.8)	3.0	(8.5)	(6.3)	931.8	10.0	941.8
<b>TOTAL - CITY OPERATIONS</b>	<b>22,603.8</b>	<b>(8.8)</b>	<b>19.2</b>	<b>(231.1)</b>	<b>(220.7)</b>	<b>22,383.1</b>	<b>185.0</b>	<b>22,568.1</b>
Toronto Public Health	1,886.2	(6.5)	0.0	(4.5)	(11.0)	1,875.2		1,875.2
Toronto Public Library	1,717.9	0.0	(4.5)	0.0	(4.5)	1,713.4		1,713.4
Toronto Transit Commission	12,980.0	0.0	0.0	109.0	109.0	13,089.0	12.0	13,101.0
Exhibition Place	529.5	0.0	0.0	(132.0)	(132.0)	397.5		397.5
Other Agencies	9,003.1	0.0	2.0	(15.2)	(13.2)	8,989.9	31.4	9,021.3
<b>TOTAL - AGENCIES</b>	<b>26,116.7</b>	<b>(6.5)</b>	<b>(2.5)</b>	<b>(42.7)</b>	<b>(51.7)</b>	<b>26,065.0</b>	<b>43.4</b>	<b>26,108.4</b>
<b>TOTAL LEVY OPERATING BUDGET</b>	<b>48,720.5</b>	<b>(15.3)</b>	<b>16.7</b>	<b>(273.8)</b>	<b>(272.4)</b>	<b>48,448.1</b>	<b>228.4</b>	<b>48,676.5</b>

- Total net staffing reduction of 44 positions
- Total operating staffing increase of 144 positions due primarily to increased transit operators for ridership growth, and newly added Paramedics and Firefighters

# 2013 Operating Budget

## Minimal Increase Over 2012

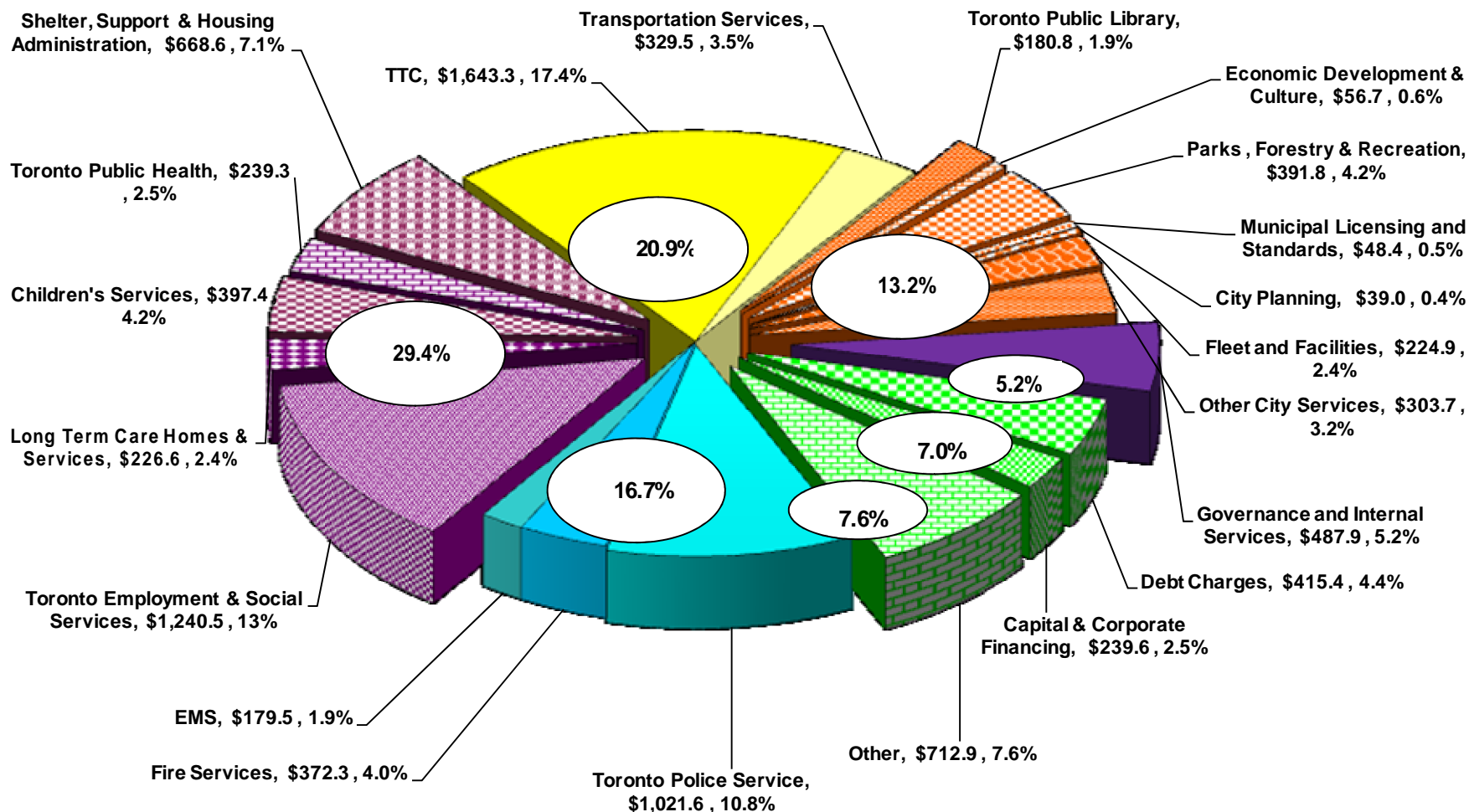


**\$25M Net Increase**  
**+ \$22M Assessment Change = + \$47M Tax Increase (2.00% Res. & 0.67% Non-Res.)**

# Where the Money Goes:

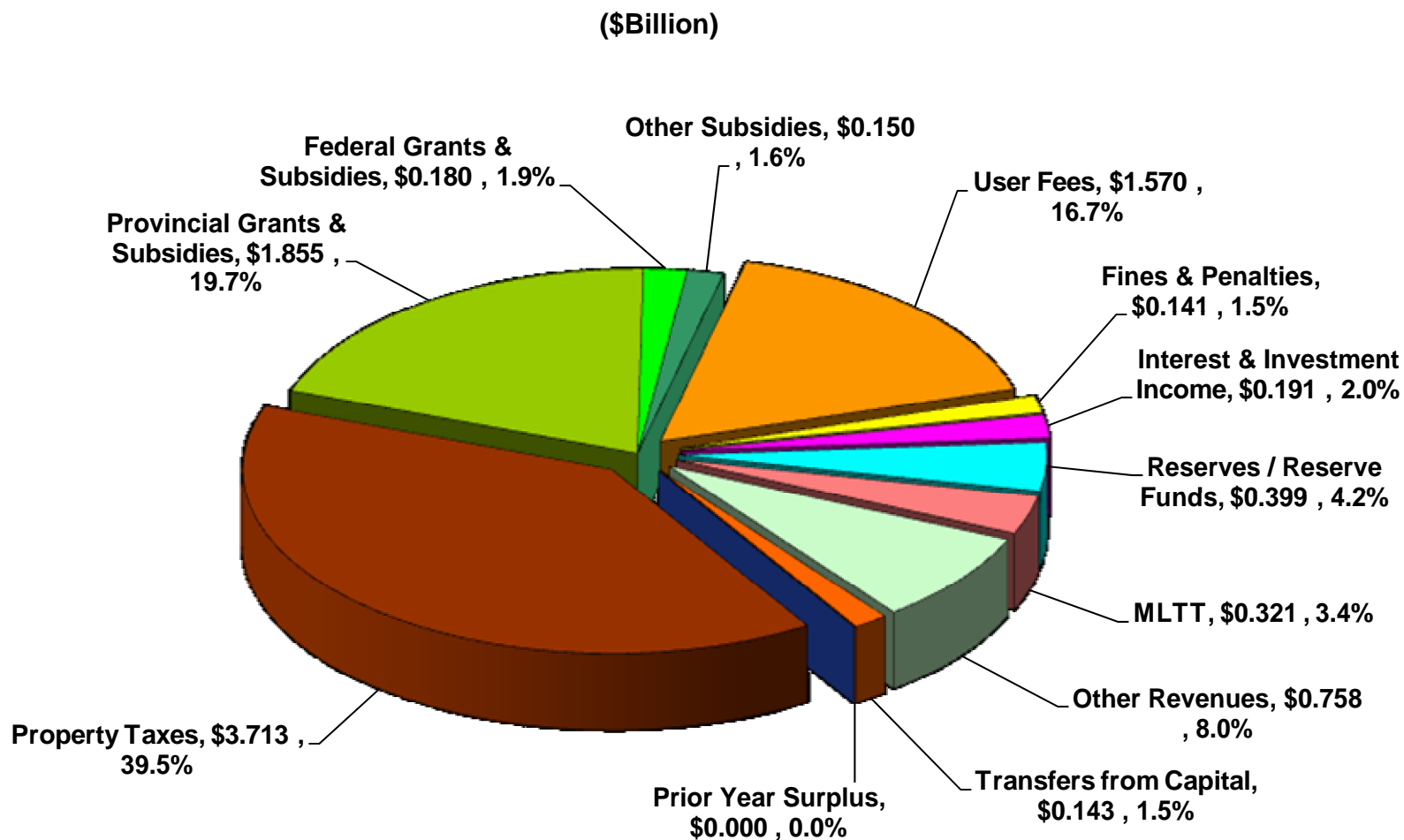
## - Program Expenditures of \$9.420 Billion

(\$Million)



# Where the Money Comes From

## - Program Revenues of \$9.420 Billion



# 2013 Tax Supported Program Operating Budget

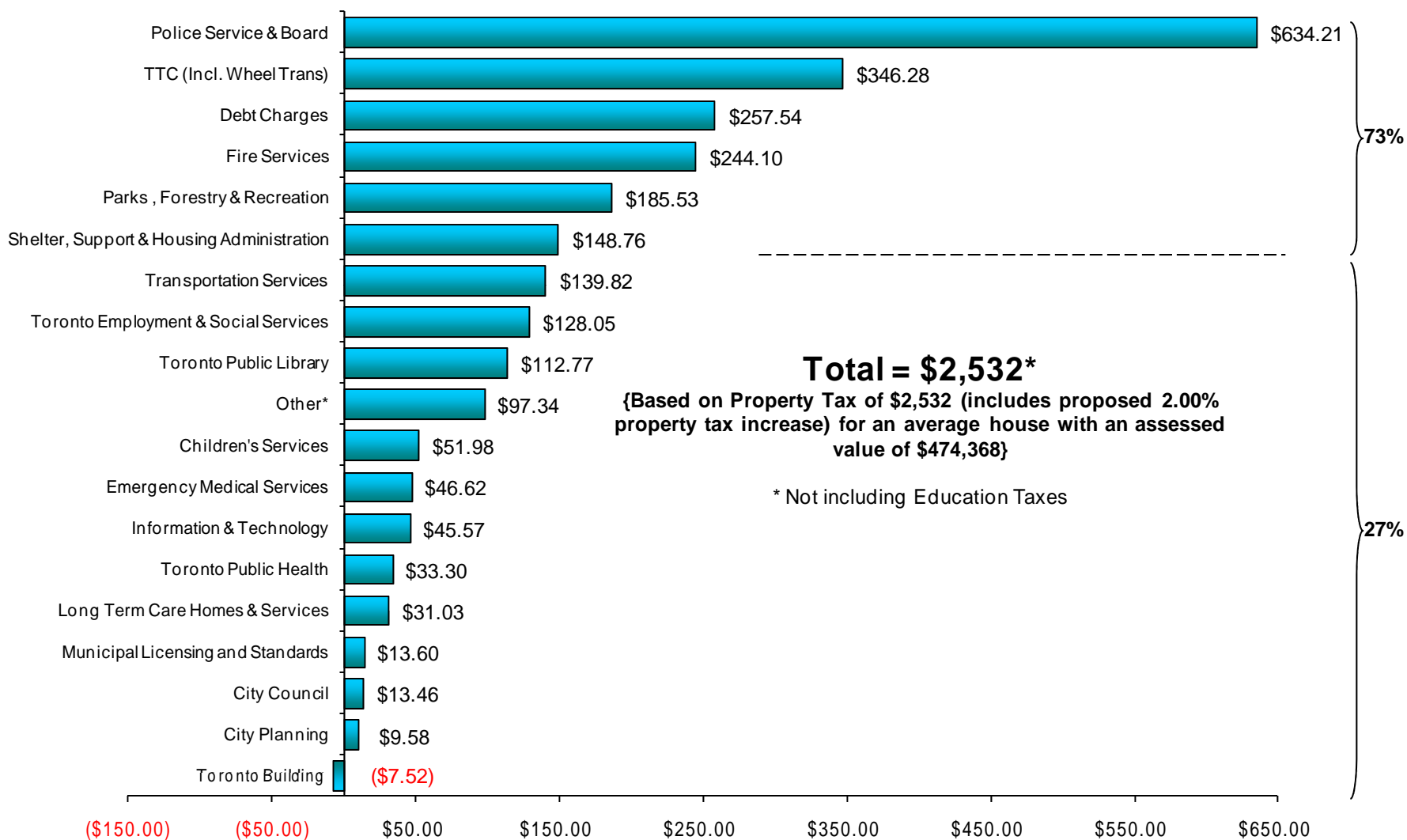
## - By Cluster

Description of Category	2012 Approved Budget	2013 Recommended Base Budget	Change from 2012 Over (Under)		2013 Recommended New/Enh. Budget	2013 Recommended Budget	Change from 2012 Over (Under)	
			\$	%			\$	%
Citizen Centred Services "A"	988,804.6	931,872.2	(56,932.4)	(5.8%)	6,316.2	938,188.4	(50,616.2)	(5.1%)
Citizen Centred Services "B"	602,989.3	603,684.1	694.8	0.1%	1,701.7	605,385.8	2,396.5	0.4%
Internal Services	161,631.8	164,236.5	2,604.6	1.6%	(29.2)	164,207.3	2,575.4	1.6%
City Manager	40,588.0	40,588.0	0.0	0.0%	952.6	41,540.6	952.6	2.3%
Other City Programs	70,990.7	70,787.8	(203.0)	(0.3%)	364.5	71,152.3	161.5	0.2%
Accountability Offices	7,086.6	6,831.3	(255.3)	(3.6%)	92.0	6,923.3	(163.3)	(2.3%)
<b>Total City Operations</b>	<b>1,872,091.0</b>	<b>1,817,999.8</b>	<b>(54,091.2)</b>	<b>(2.9%)</b>	<b>9,397.8</b>	<b>1,827,397.6</b>	<b>(44,693.4)</b>	<b>(2.4%)</b>
<b>Agencies</b>	<b>1,683,218.1</b>	<b>1,671,704.8</b>	<b>(11,513.3)</b>	<b>(0.7%)</b>	<b>6,436.2</b>	<b>1,678,141.0</b>	<b>(5,077.1)</b>	<b>(0.3%)</b>
Corporate Accounts:								
Capital & Corporate Financing	624,105.6	617,297.8	(6,807.9)	(1.1%)	0.0	617,297.8	(6,807.9)	(1.1%)
Non-Program Expenditures	518,470.9	543,898.8	25,427.9	4.9%	0.0	543,898.8	25,427.9	4.9%
Non-Program Revenues	(1,010,230.0)	(953,847.7)	56,382.2	(5.6%)	0.0	(953,847.7)	56,382.2	(5.6%)
<b>Net Operating Budget</b>	<b>3,687,655.7</b>	<b>3,697,053.4</b>	<b>9,397.7</b>	<b>0.3%</b>	<b>15,834.0</b>	<b>3,712,887.4</b>	<b>25,231.7</b>	<b>0.7%</b>
Tax Assessment Growth						(33,372.7)	(33,372.7)	
Reduction Due to TCHC Subsidy						55,600.0	55,600.0	
Net Tax Assessment Impact						22,227.3	22,227.3	
<b>Net Operating Budget After Assessment Growth</b>						<b>3,735,114.7</b>	<b>47,459.0</b>	<b>1.3%</b>

# Rec'd 2013 Tax Supported Program Net Operating Budget - Corporate Accounts

(\$000s)	2012 Approved Budget	2013 Rec'd Budget	Change from 2012 Approved Budget	
			\$	%
<b>Corporate Accounts</b>				
Capital & Corporate Financing	624,106	617,298	-6,808	(1.1%)
Non-Program Expenditures:				
Tax Deficiencies/Write-offs	65,000	72,000	7,000	10.8%
Assessment Function (MPAC)	38,174	39,820	1,646	4.3%
Parking Tag Enforcement & Oper.	57,692	59,137	1,445	2.5%
Vacancy Rebate Program	22,000	22,000	0	0.0%
Heritage Property Taxes Rebate	2,000	2,000	0	0.0%
Solid Waste Management Services Rebate	182,392	182,392	0	0.0%
Other Corporate Expenditures	151,212	166,550	15,337	10.1%
	518,471	543,899	25,428	4.9%
Non-Program Revenues:				
Tax Stabilization Reserve	-101,749	0	101,749	100.0%
Payments in Lieu of Taxes	-92,200	-92,149	51	0.1%
Municipal Land Transfer Tax	-288,290	-315,000	-26,710	(9.3%)
Interest/Investment Earnings	-113,623	-119,069	-5,446	(4.8%)
Provincial Revenue	-91,600	-91,600	0	0.0%
Parking Authority Revenues	-44,315	-48,426	-4,111	(9.3%)
Parking Tag Enforcement & Oper.	-80,649	-82,134	-1,485	(1.8%)
Other Corporate Revenues	-197,804	-205,469	-7,665	(3.9%)
	-1,010,230	-953,848	56,382	5.6%
<b>Total Corporate Accounts</b>	<b>132,347</b>	<b>207,349</b>	<b>75,002</b>	<b>56.7%</b>

# How Your Tax Dollar Works for You



# Summary

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- The 2013 Operating Budget:
  - Is balanced
  - Eliminates the use of prior year's surplus to fund Operating Budget
  - Recommends moderate inflationary tax and TTC fare Increases
  - Reflects overall net expenditure increase of approximately 0.7%:
    - ✓ 0.6% increase in the City Operations Net Budget over prior year (excludes reductions in TCHC subsidy)
    - ✓ 0.3% decrease in Agencies over prior year

# 2 Year Outlook

# 2014 /2015 Budget Outlook

(\$Million)	2014	2015
Compensation & Benefits	106	107
Non-labour Inflationary Impact	78	71
<b>Total Inflationary Pressure</b>	<b>183</b>	<b>178</b>
Reversal of One-Time Expenditures	12	1
Depletion of Reserves	39	1
Capital and Corporate Financing	75	53
Tax Deficiencies / Write-offs	10	10
Other Expenditures	57	79
<b>Total Expenditure Pressures</b>	<b>375</b>	<b>322</b>

# 2014 /2015 Budget Outlook - Continued

(\$Million)	2014	2015
<b>Total Expenditure Pressures</b>	<b>375</b>	<b>322</b>
<b>Revenue Changes:</b>		
Municipal Land Transfer Tax (MLTT)	(15)	(15)
TTC Ridership Growth	(19)	(15)
TTC 10 Cent Fare Increase	(35)	(35)
Uploading of Service Costs	(25)	(25)
Interest / Investment Earnings	(3)	(4)
Dividend Income	(5)	(5)
User Fees Change	(1)	(2)
Other Revenue Changes	(1)	(1)
<b>Total Revenue Changes</b>	<b>(104)</b>	<b>(102)</b>
<b>Pressure after Revenue Changes:</b>	<b>271</b>	<b>220</b>
Property Tax Rate Increase	(48)	(49)
- (2.0% Residential/0.67% Non-Residential)		
Assessment Growth	(30)	(30)
<b>Efficiency Target</b>	<b>193</b>	<b>141</b>

## Fiscal Sustainability – 2014 / 2015

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- \$40 million reserve funding to eliminate
- Annual inflationary tax increase (\$50 million) insufficient to cover inflationary expenditures (\$200 million)
- Continued efficiency measures required to move to fiscal sustainability in 2014 and beyond
- Continue fiscal discipline to utilize surplus management policy with year-end surplus allocated for capital financing not to operating revenue

