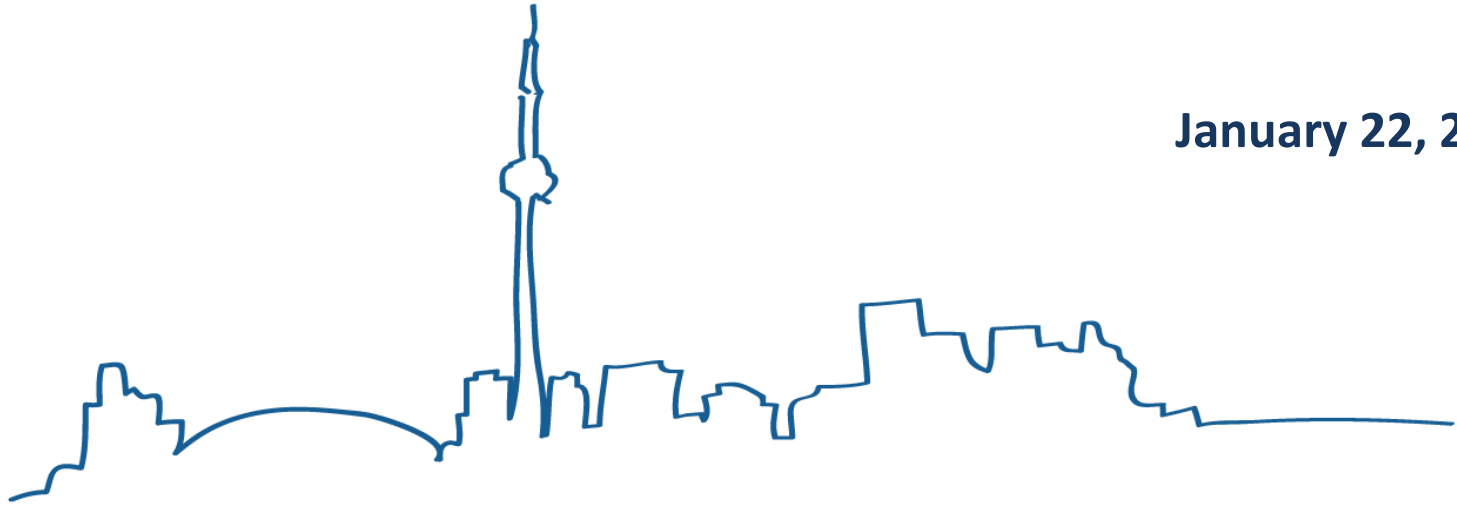


January 22, 2014



# City Budget Presentation to Executive Committee

## Tax Supported Operating and Capital Budget

# Agenda

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1. Budget Overview
2. 2014 Operating Budget
3. 2014 – 2023 Capital Budget and Plan
4. 2014 Reassessment and Tax Policy Impacts



# 2014 Budget Overview



# Budget Overview – 2014 Strategic Goals

## **1. Strengthening Fiscal Health**

- The budget meets our budgetary challenges to contain City expenditures to inflationary levels or less
- Minimizes tax increases and keeps Toronto competitive
- Improved the budget process and 1<sup>st</sup> year of Service Based Budget


## **2. Investing in the Future**

- Focuses on key strategic priorities – addresses key service needs
- Makes new investments as directed by Council



# Budget Context

## The Challenge

- Opening Spending Pressure after revenue increases is more than \$200M:
  - inflationary expenditure increases
  - Capital financing pressures
  - depletion of reserves
- loss of \$129M provincial funding (Housing & OW) – 2014 to 2016
  - Loss of \$43M in 2014  - \$86M in 2015



# Budget Context

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## The Challenge

- No use of previous year's surplus – 2 years in a row
- Continue to make infrastructure investments to reduce SOGR Backlog
- Remain within debt affordability ceiling
- Keep tax rate increases to a minimum and still address key Council investment priorities



# 2014 Budget Delivers

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## Operating Budget provides:

### New & Enhanced Services

- Adding funding to meet TTC growth needs
- Investing more in front line Paramedics
- Adding more Fire Prevention Officers
- Provide resources to re-start hiring new Police Officers
- Increasing Supports for Arts & Culture
- Expanding Priority Centres
- Providing extra resources for Planning
- Opening new Libraries and Recreation Facilities



# 2014 Budget Delivers

## Operating Budget provides:

### **New & Enhanced Services – Additional Investments Approved by Budget Committee (BC)**

- Additional funding and expansion for Student Nutrition
- Restore Funding for High Park Zoo
- Expand Library hours
- More By-Law Enforcement Officers
- Increase funding for CPIP
- New Recreation Youth Spaces
- Accelerate Arts & Culture funding
- Expand Child Care Spaces





# 2014 Budget Delivers

## Capital Budget and Plan provides:

- More funding for the TTC for rolling stock and SOGR
- Rehabilitation of the Gardner Expressway
- Construction of the Fort York Visitor Centre
- New Wild Life Centre for the Zoo
- Centre Island Ferry Boat Replacement
- More Upgrades for BIA Streetscape Improvements
- Don Mills Civitan Arena
- TRCA funding to address critical erosion control and damage repairs
- Continued construction of various community centres such as York and Regent Park
- Traffic Congestion Management
- More investments in PF&R to address infrastructure backlog



# 2014 Budget Delivers

- Capital Budget & 10 year plan continues lower reliance on debt to improve fiscal sustainability
- Reaffirmed Strong Credit Ratings:
  - AA+ Moody's Investors Service
  - AA Stable – Standards and Poor's and DBRS
  - "The City of Toronto's credit rating of AA+ from Moody's Investor Services reflects:
    - low debt burden and low debt service ratios,
    - relatively high levels of cash reserves providing liquidity,
    - positive operating results over the past several years,
    - a large and diversified economy which represents a source of credit strength, and
    - an important economic role as Canada's largest urban centre and its financial capital"



# 2014 Operating Budget

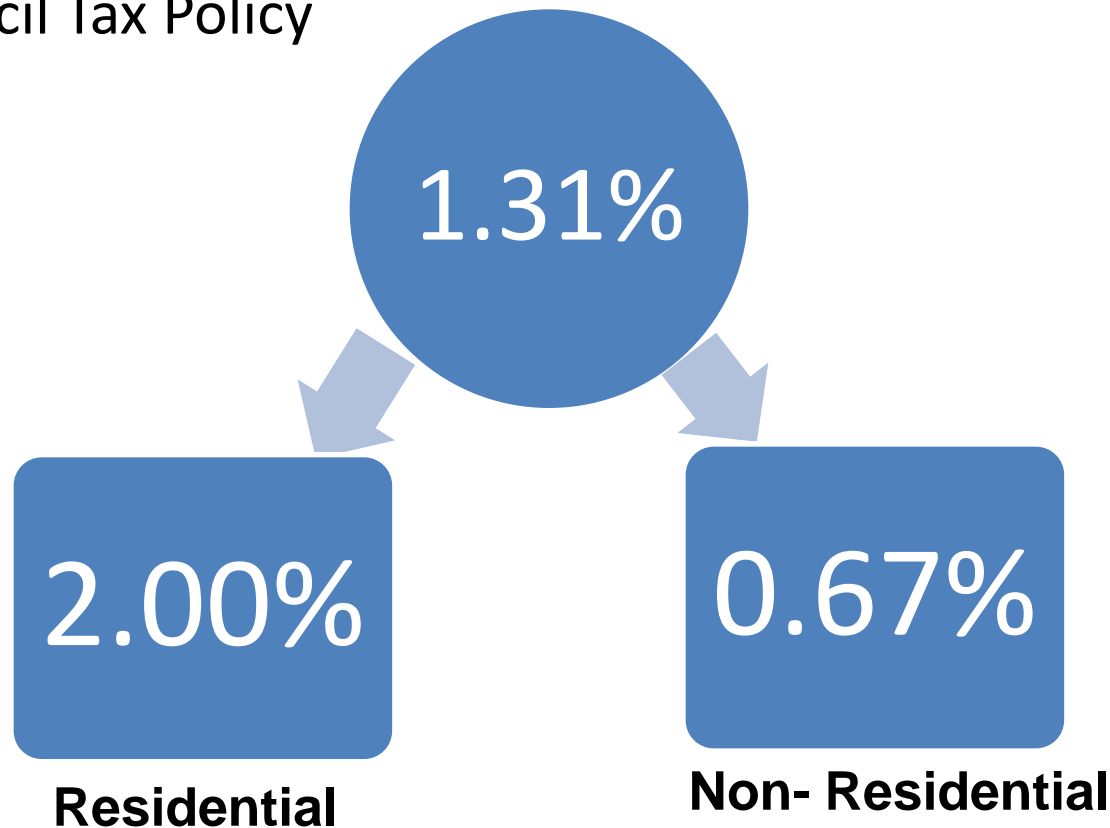
- BC reduced avg. tax rate increase from 1.31% to 1.10%
- 2<sup>nd</sup> year in a row that the Budget is balanced without using prior year surplus
- Minimizes tax increases and keeps Toronto competitive

2014 Budget		
	Staff Rec'd	BC Rec'd
Base Budget	0.94%	0.69%
New & Enhanced Services	0.37%	0.41%
Budget Tax Increase	<b>1.31%</b>	<b>1.10%</b>



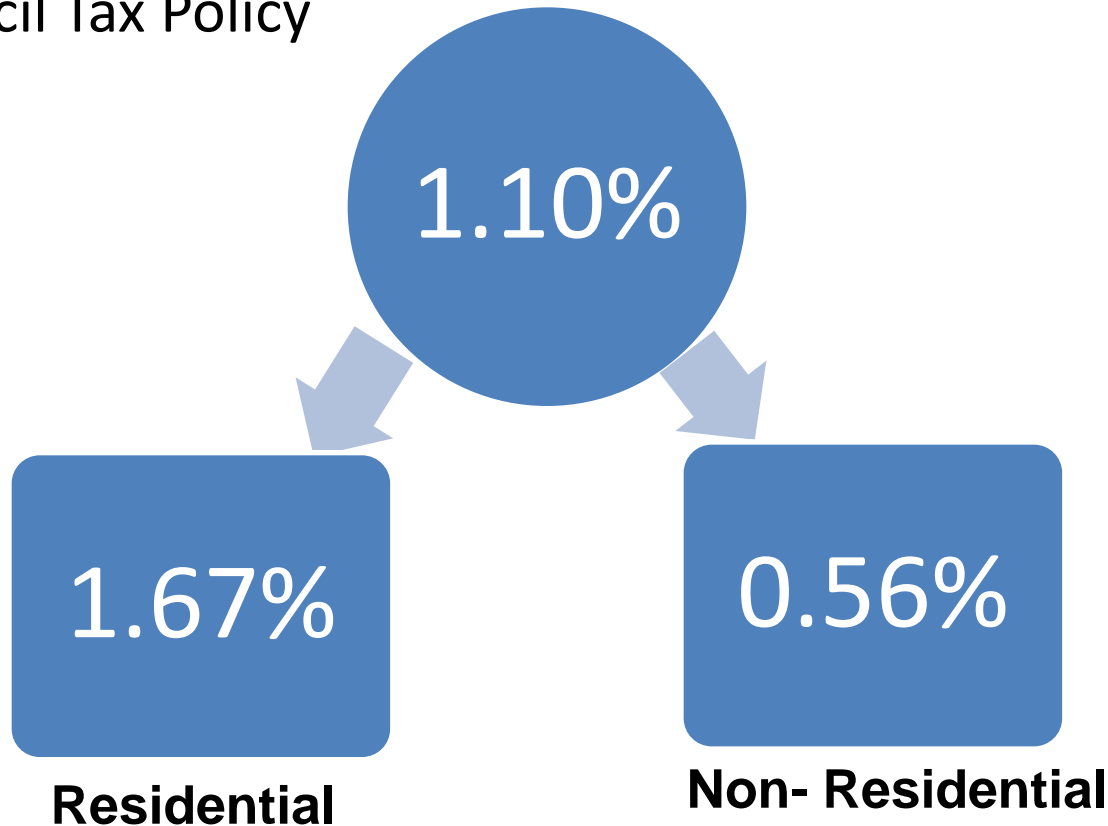
# 2014 Property Tax Increase – Staff Recommended

Per Council Tax Policy



# 2014 Property Tax Increase – BC Recommended

Per Council Tax Policy



# 2014 Budget Tax Impact: *Total Average*

	<u>Net Budget Increase (\$M)</u>	<u>Tax % Increase on Average</u>
Base Budget	17	0.48%
New Facilities (Operating Impact)	8	0.22%
New/Enhanced - \$43M Gross	15	0.40%
<b>Budgetary Tax Increase</b>	<b>41</b>	<b>1.10%</b>
Scarborough Subway ( Council Approved)		0.32%
<b>Tax impact after Assessment Growth</b>		<b>1.42%</b>



# 2014 Budget Tax Impacts: *Residential*

	<u>Net Budget Increase (\$M)</u>	<u>Tax % Increase on Residential</u>
Base Budget	17	0.72%
New Facilities (Operating Impact)	8	0.34%
New/Enhanced - \$43M Gross	15	0.61%
<b>Budgetary Tax Increase</b>	<b>41</b>	<b>1.67%</b>
Scarborough Subway ( Council Approved)		0.50%
<b>Tax impact after Assessment Growth</b>		<b>2.17%</b>



# 2014 Budget Tax Impacts: Non-Residential

	<u>Net Budget Increase (\$M)</u>	<u>Tax % Increase on non-Residential</u>
Base Budget	17	0.24%
New Facilities (Operating Impact)	8	0.11%
New/Enhanced - \$43M Gross	15	0.21%
<b>Budgetary Tax Increase</b>	<b>41</b>	<b>0.56%</b>
Scarborough Subway ( Council Approved)		0.17%
<b>Tax impact after Assessment Growth</b>		<b>0.73%</b>





# Summary – Budget Committee Recommended

- Responsible fiscal framework
- Moderate TTC fare Increases
- Addresses key investments
- Keep taxes affordable:
  - **\$42**/ hhld or 1.67% for 2014 Budget
  - **\$13** / hhld or 0.50% for Scarborough Subway
  - **\$55** / hhld or 2.17% in total

Note: Every 0.25% Residential Tax = \$6.1 million = approx. \$6 per hhld

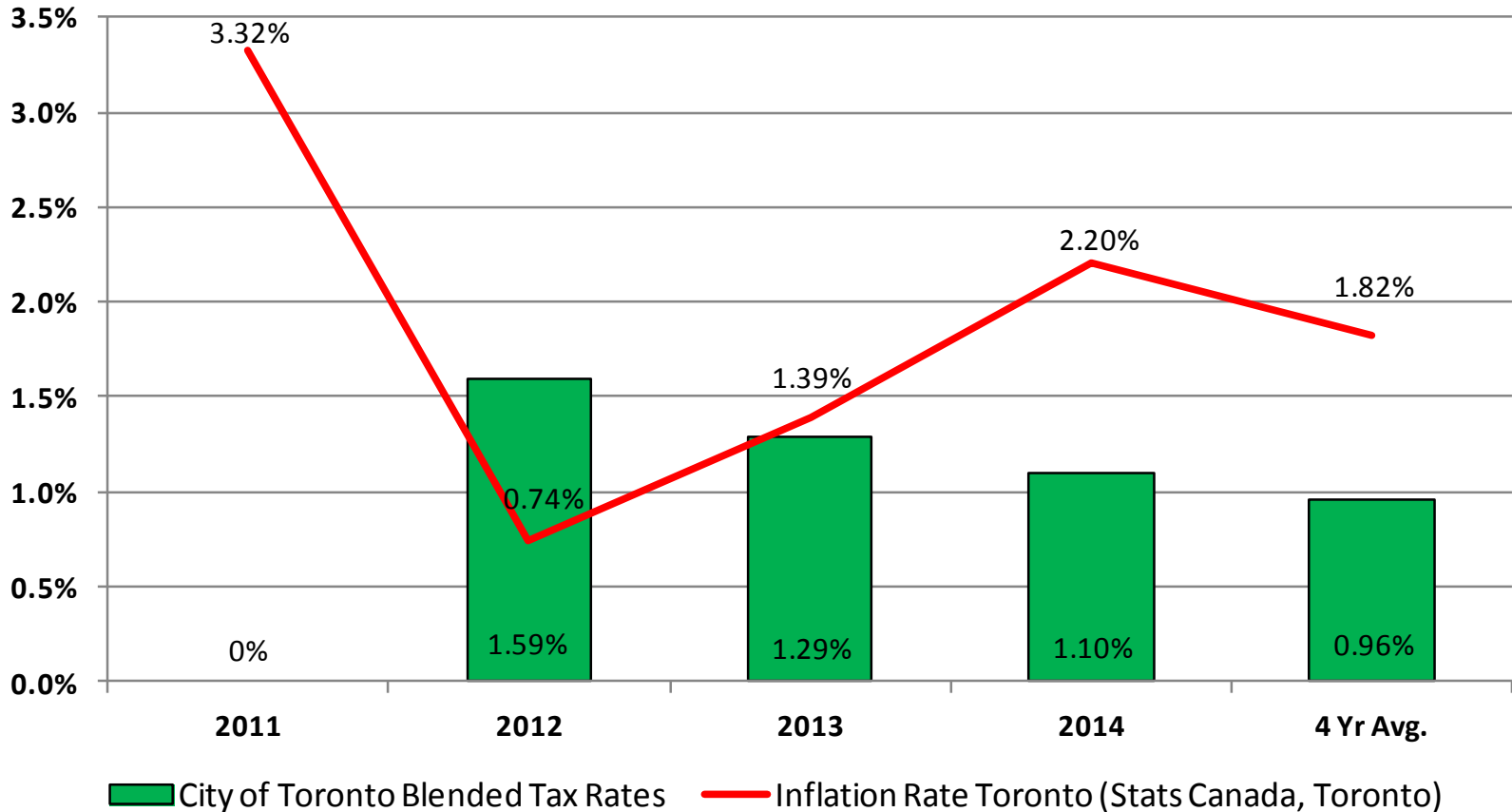


# Summary of Key Budget Tax Rate Changes

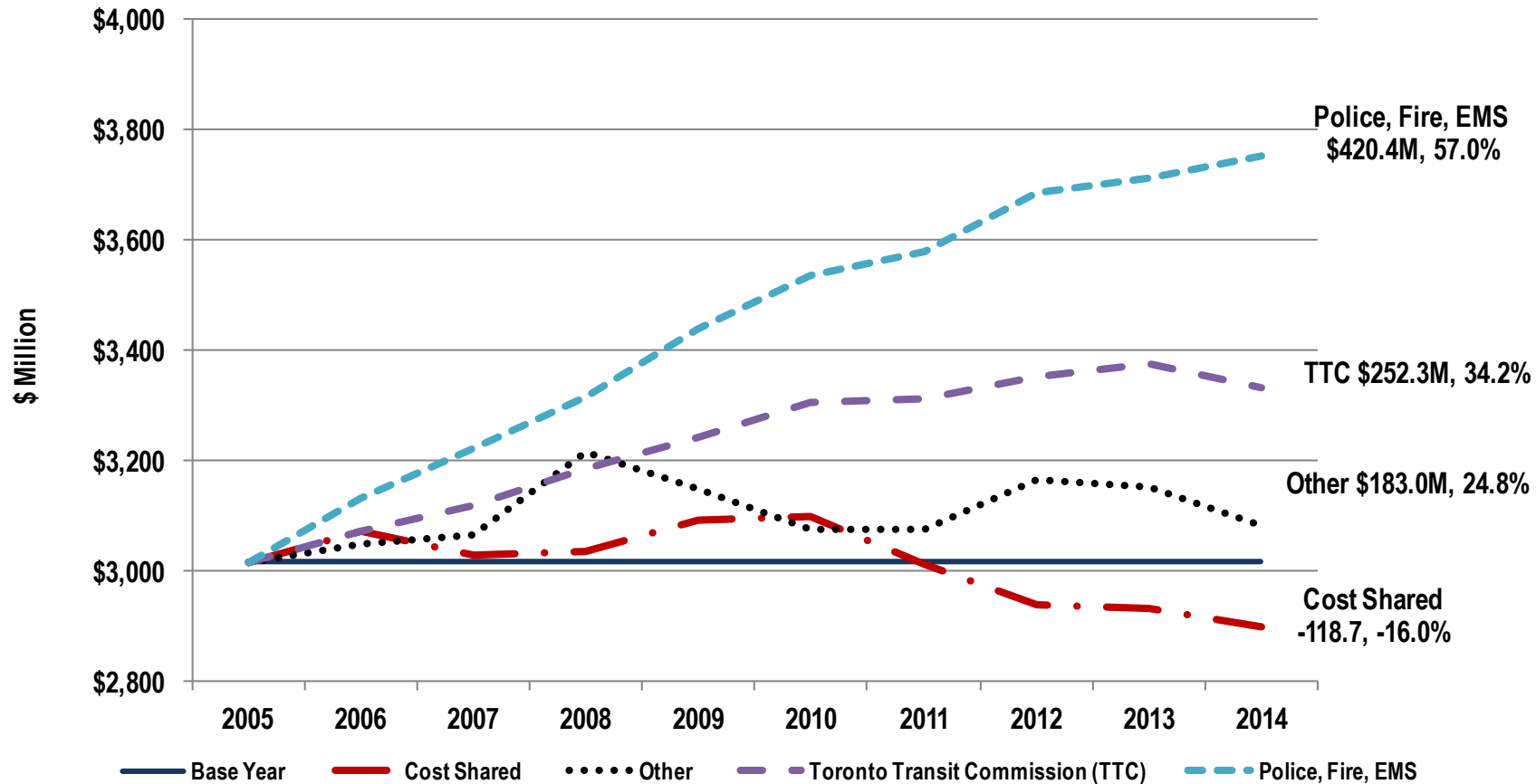
	Residential	Non-Residential
<b>Staff Rec'd Tax Rate increase at Launch</b>	<b>2.00%</b>	<b>0.67%</b>
<u>BC Rec'd Tax Rate Changes:</u>		
Adjustment to MLTT to reduce Tax Rate	(0.27%)	(0.09%)
Adjustment for Unallocated Assessment Growth	(0.06%)	(0.02%)
<b>BC Recommended Tax Increase</b>	<b>1.67%</b>	<b>0.56%</b>
<u>Ice Storm Report Recommended Changes:</u>		
- Increasing Tree Management offset by Unallocated Assessment Growth	0.06%	0.02%
- Dedicated Tax Rate Increase for Extreme Weather	0.50%	0.17%
<b>Sub-Total</b>	<b>2.23%</b>	<b>0.74%</b>
Scarborough Subway	0.50%	0.17%
<b>Total Tax Impact</b>	<b>2.73%</b>	<b>0.91%</b>



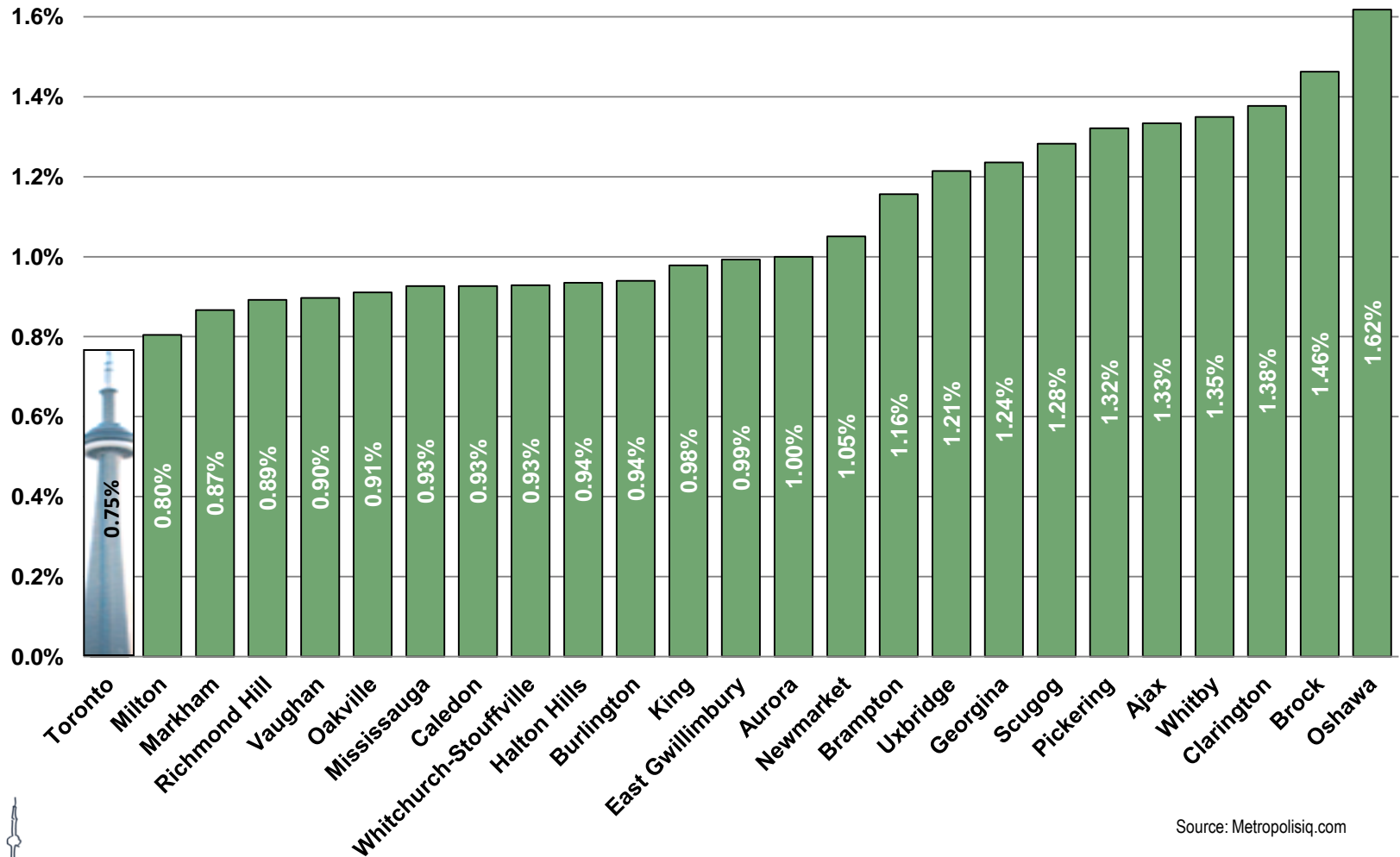
# Average Tax % Increase vs. Inflation - Half of the Inflation Rate



# 91% of the Growth in Net Expenditures since 2005 is Due to Emergency Services and TTC



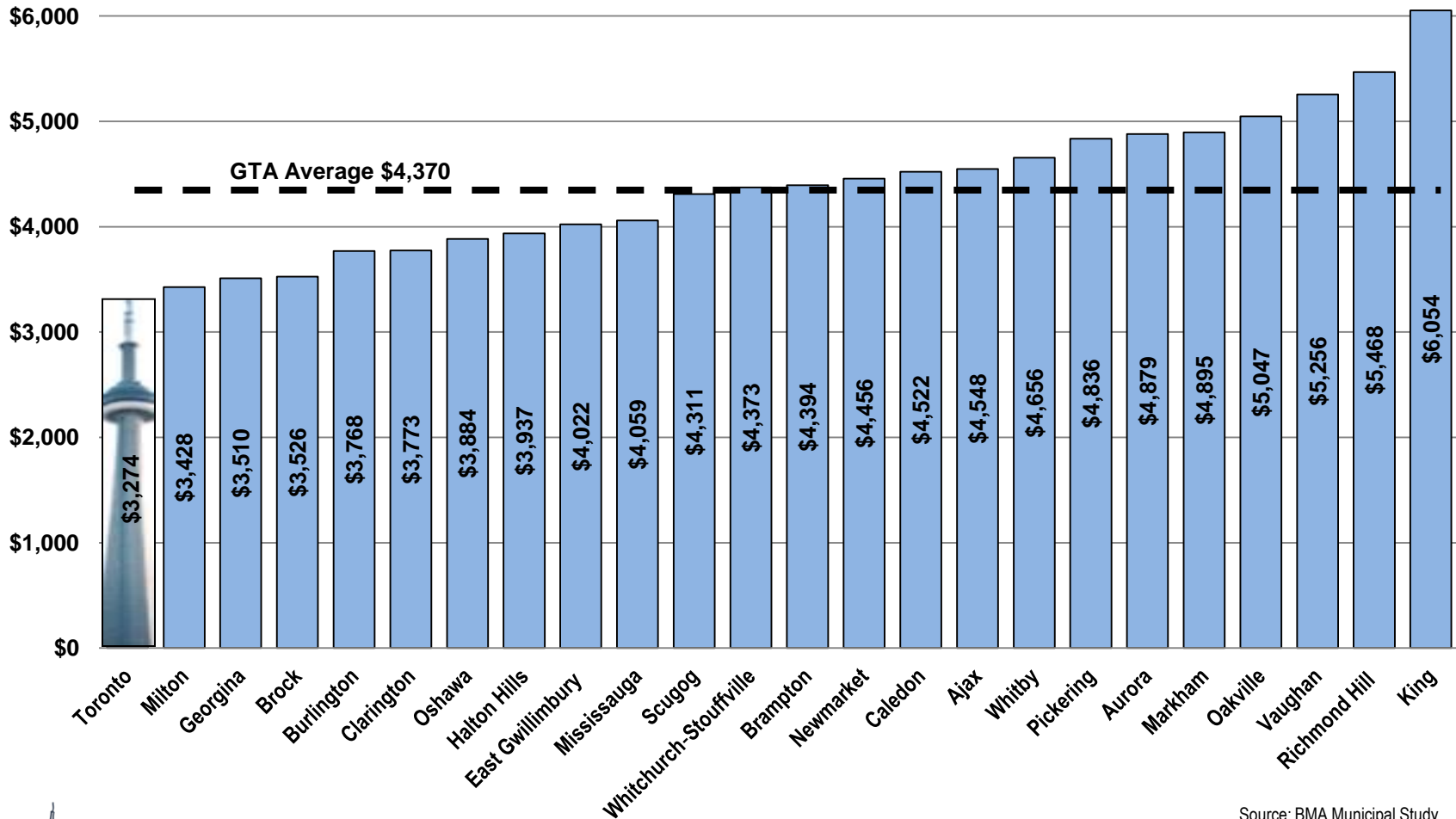
# Comparison of 2013 Residential Property Tax Rates – GTA Municipalities



Source: Metropolisiq.com



# Comparison of 2013 Average Property Taxes - GTA Municipalities - \$1,100 less than average

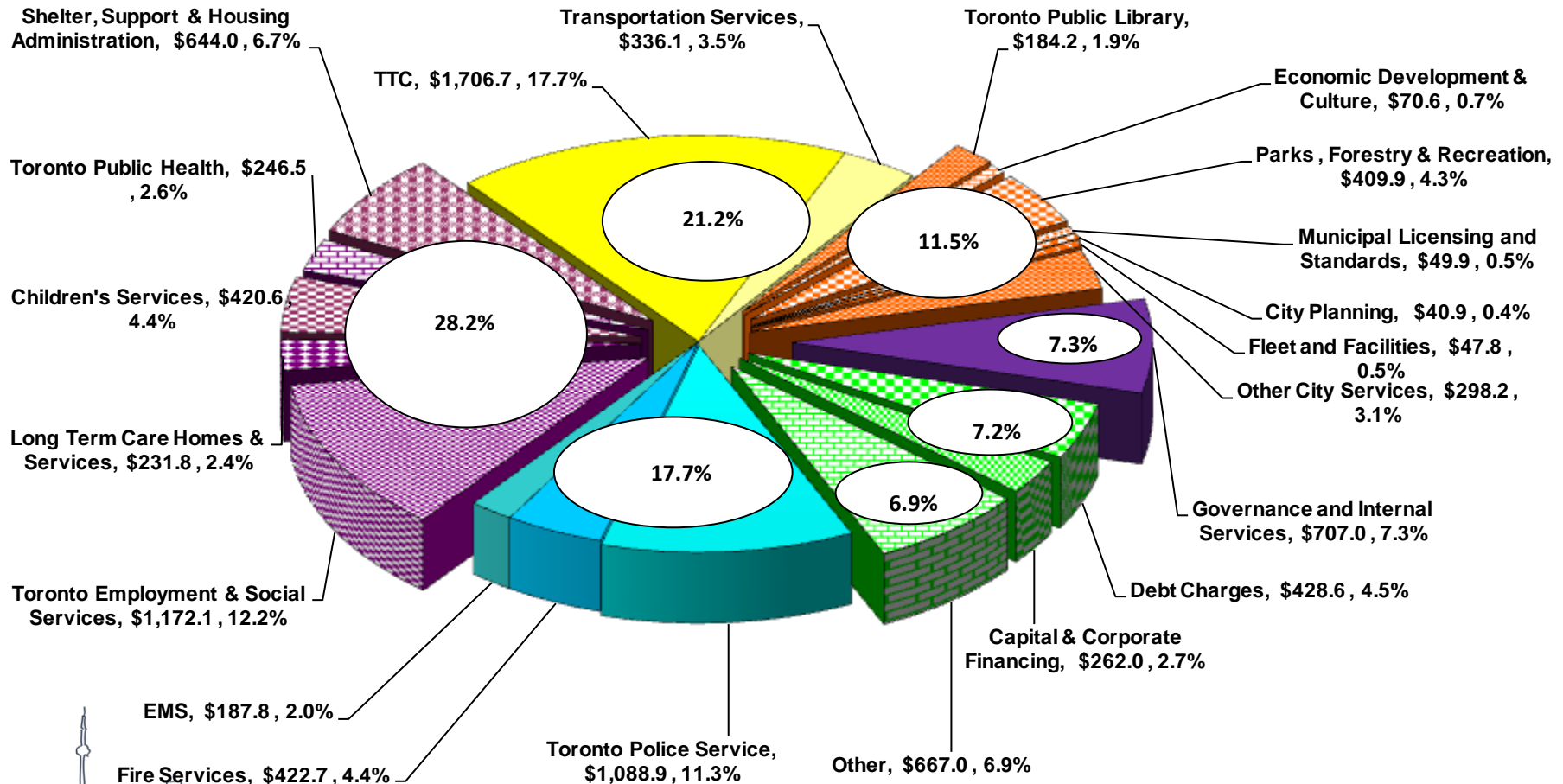


# Operating Budget Summary



# Where the 2014 Operating Budget will be Spent - Program Expenditures of \$9.623 Billion

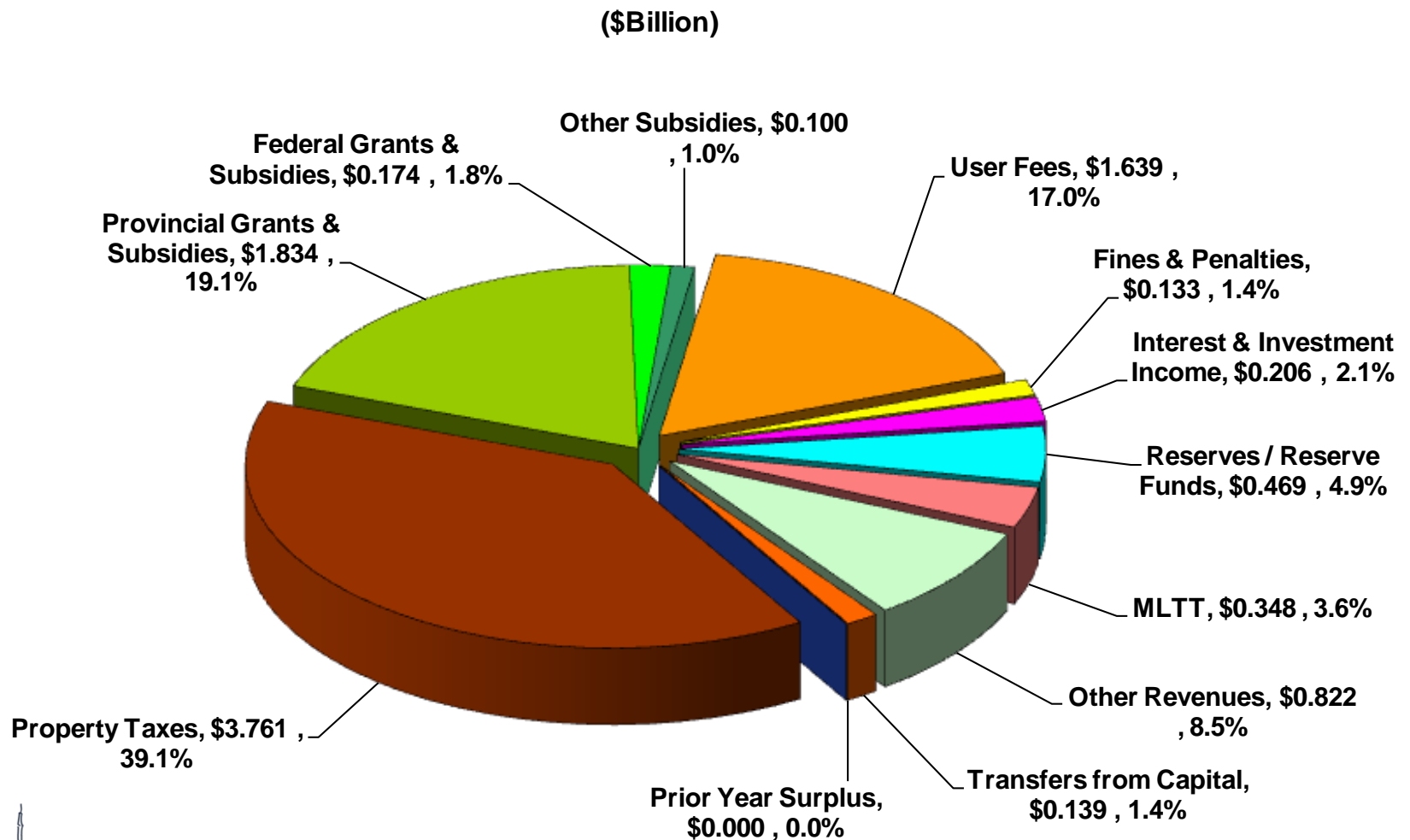
(\$Million)





# Where the Money Comes From

## - Program Revenues of \$9.623 Billion



# 2014 Tax Supported Program Operating Budget - By Cluster

(\$000s)	2013 Budget		2014 Budget		Change from 2013 Over (Under)			
	Gross	Net	Gross	Net	Gross		Net	
					\$	%	\$	%
Citizen Centred Services "A"	3,297,748	932,119	3,233,292	916,155	(64,456)	(2.0%)	(15,965)	(1.7%)
Citizen Centred Services "B"	974,359	646,664	986,062	657,442	11,703	1.2%	10,777	1.7%
Internal Services	447,426	180,761	452,304	181,742	4,878	1.1%	981	0.5%
City Manager	52,815	44,811	54,569	45,259	1,753	3.3%	448	1.0%
Other City Programs	114,649	72,321	130,070	72,649	15,421	13.5%	329	0.5%
Accountability Offices	7,121	7,121	7,708	7,708	587	8.2%	587	8.2%
<b>Total City Operations</b>	<b>4,894,118</b>	<b>1,883,797</b>	<b>4,864,003</b>	<b>1,880,954</b>	<b>(30,114)</b>	<b>(0.6%)</b>	<b>(2,843)</b>	<b>(0.2%)</b>
TTC/Wheel Trans	1,643,318	507,774	1,706,721	534,504	63,403	3.9%	26,730	5.3%
Police Services and Board	1,022,501	930,865	1,088,860	960,019	66,359	6.5%	29,154	3.1%
Toronto Public Library	182,030	165,360	184,170	167,587	2,140	1.2%	2,228	1.3%
Toronto Public Health	244,424	50,420	246,492	51,615	2,068	0.8%	1,195	2.4%
Other Agencies	177,264	26,904	175,562	27,238	(1,702)	(1.0%)	334	1.2%
<b>Agencies</b>	<b>3,269,537</b>	<b>1,681,323</b>	<b>3,401,805</b>	<b>1,740,963</b>	<b>132,267</b>	<b>4.0%</b>	<b>59,640</b>	<b>3.5%</b>
Corporate Accounts:								0.0%
Capital & Corporate Financing	655,019	617,298	690,552	654,358	35,533	5.4%	37,060	6.0%
Non-Program Expenditures	639,008	489,564	657,515	475,061	18,507	2.9%	(14,503)	(3.0%)
Non-Program Revenues	9,136	(959,094)	9,445	(990,811)	310	3.4%	(31,717)	3.3%
<b>Net Operating Budget</b>	<b>9,466,818</b>	<b>3,712,888</b>	<b>9,623,320</b>	<b>3,760,525</b>	<b>156,502</b>	<b>1.7%</b>	<b>47,637</b>	<b>1.3%</b>
Assessment Change				(25,385)			(25,385)	0
TCHC Tax Exemption				18,415			18,415	0
<b>Total Assessment Changes</b>				<b>(6,970)</b>			<b>(6,970)</b>	
<b>Net Operating Budget After</b>	<b>9,466,818</b>	<b>3,712,888</b>	<b>9,623,320</b>	<b>3,753,555</b>	<b>156,502</b>	<b>1.7%</b>	<b>40,667</b>	<b>1.1%</b>

# 2014 Budget Committee Recommended Changes

(\$000s)	Positions	2014			2015 Net	2016 Net
		Gross	Revenue	Net		
<b>2014 Staff Rec'd Operating Budget - November 25, 2013</b>	<b>49,485.8</b>	<b>9,596,515.3</b>	<b>5,831,303.4</b>	<b>3,765,211.9</b>		
<b>Increasing MLTT revenue to reduce Residential Tax Rate from 2.0% to 1.75%</b>			6,507.0	(6,507.0)		
<b>Changes using Additional Assessment Growth as Funding Source</b>						
<b>Parks, Forestry and Recreation:</b> Restore funding to the High Park Zoo			(229.0)	229.0		
<b>Toronto Public Health:</b> Economic increase for the Student Nutrition Program		214.1		214.1		
<b>Toronto Public Library:</b> Addition of 1,797 hours for Public Libraries annually	4.0	260.0		260.0		
<b>Municipal Licensing and Standards:</b> 2 new by-law officers to increase re-inspection rate on property standards for 2014 and 2 additional in 2015, subject to the budget process.	2.0	190.0		190.0	190.0	
<b>Social Development, Finance and Administration:</b> 2.2% economic factor increase for CPIP		390.0		390.0		
<b>Parks, Forestry and Recreation:</b> 4 new youth spaces based on the existing delivery model and an additional 6 subject to	3.8	186.0		186.0	395.0	249.0
<b>Auditor General's Office:</b> Additional 0.5 FTE	0.5	46.0		46.0		
<b>Toronto Public Health:</b> Student nutrition programs to 27 additional schools		394.3		394.3		
<b>Sub-Total</b>		<b>1,680.4</b>	<b>(229.0)</b>	<b>1,909.4</b>	<b>585.0</b>	<b>249.0</b>



# 2014 Budget Committee Recommended Changes

(\$000s)	Positions	2014			2015 Net	2016 Net
		Gross	Revenue	Net		
<b>Other Changes</b>						
<b>Office of the Ombudsman:</b> 1 new staff position not recommended.	(1.0)	(89.2)		(89.2)		
<b>Transportation:</b> (1) Budget increase to the Road and Sidewalk Management Service and StART (StreetARToronto). (2) StART Program commissioned on behalf on Metrolinx		350.0 800.0	350.0 800.0			
<b>Economic Development and Culture:</b> Accelerate arts funding to \$25 per capita over a 4 year period.		1,500.0	1,500.0		500.0	1,500.0
<b>Shelter Support and Housing Administration:</b> Funding for Toronto Community Housing Company's capital repair backlog, based on a Ten-Year Approved Plan		5,000.0	5,000.0			
<b>Non Program (Other Corporate Expenditures):</b> Technical Adjustment to align funding in Shelter, Support and Housing Administration for an offset to Toronto Pooling Compensation Loss		380.0	380.0			
<b>Children's Services:</b> Addition of 668 spaces or 5% for the Equity Service Standard groups and Special Needs Resourcing	6.0	17,184.0	17,184.0			
<b>2014 BC Rec'd Operating Budget Before Assessment Growth and TCHC</b>	<b>49,501.1</b>	<b>9,623,320.5</b>	<b>5,862,795.4</b>	<b>3,760,525.1</b>	<b>1,085.0</b>	<b>1,749.0</b>
<b>Assessment Growth</b>				(22,000.0)		
<b>Additional Assessment Growth</b>				(3,385.0)		
<b>TCHC Exempt</b>				18,415.4		
<b>2014 BC Rec'd Operating Budget as Jan. 8, 2014</b>	<b>49,501.1</b>	<b>9,623,320.5</b>	<b>5,862,795.4</b>	<b>3,753,555.6</b>	<b>1,085.0</b>	<b>1,749.0</b>

# The City's 2014 Fiscal Challenge

## City's One-time Funding

Prior Year Surplus 0

Depletion of Reserves 26

**Total Unsustainable Balancing Strategies** 26

**Total Inflationary Pressure** 160

Capital and Corporate Financing 37

Tax Deficiencies / Write-offs (20)

Operating Impact of Capital 8

Uploading of Service Costs (31)

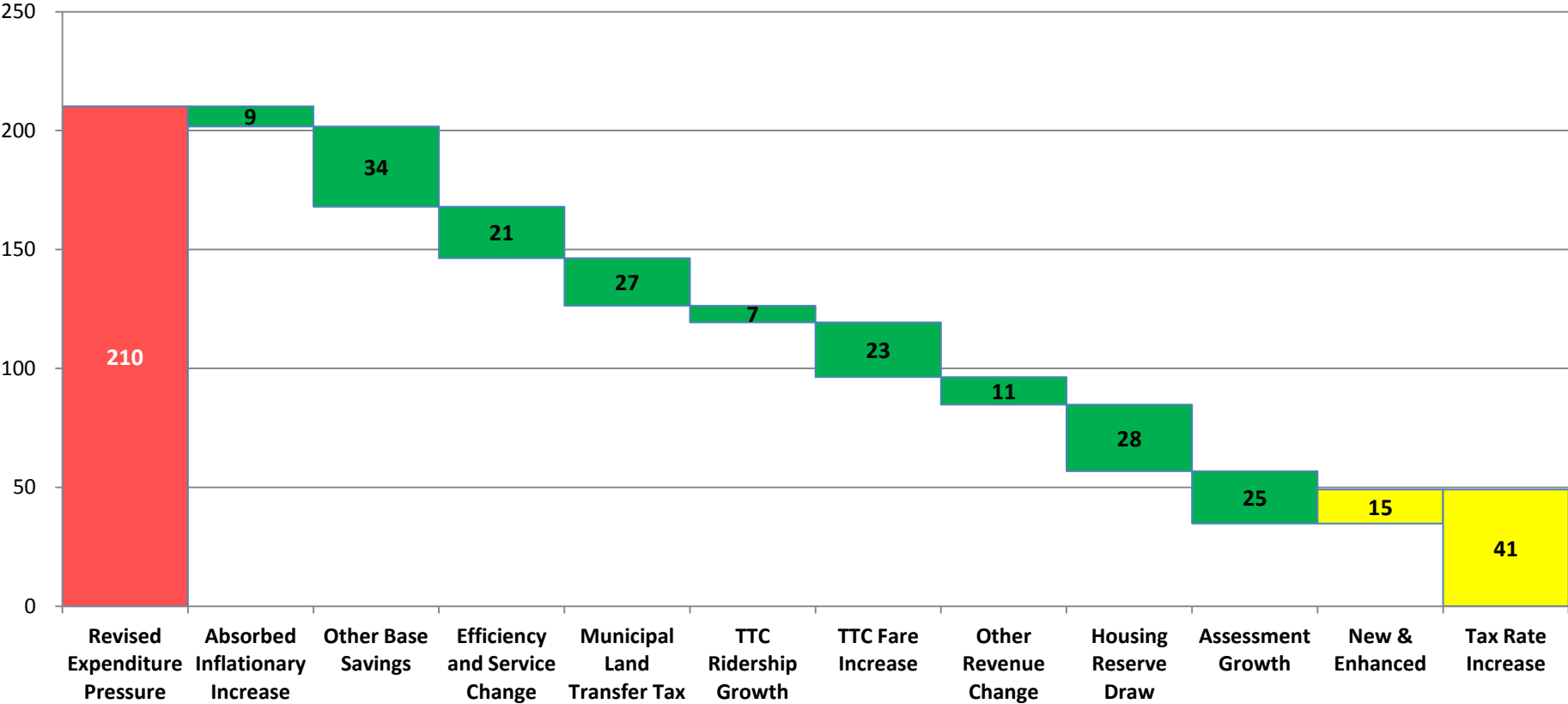
Other Expenditures 29

**Total Expenditure Pressures** 210



# 2014 Balancing Strategies

Balancing Pressure \$210 Million



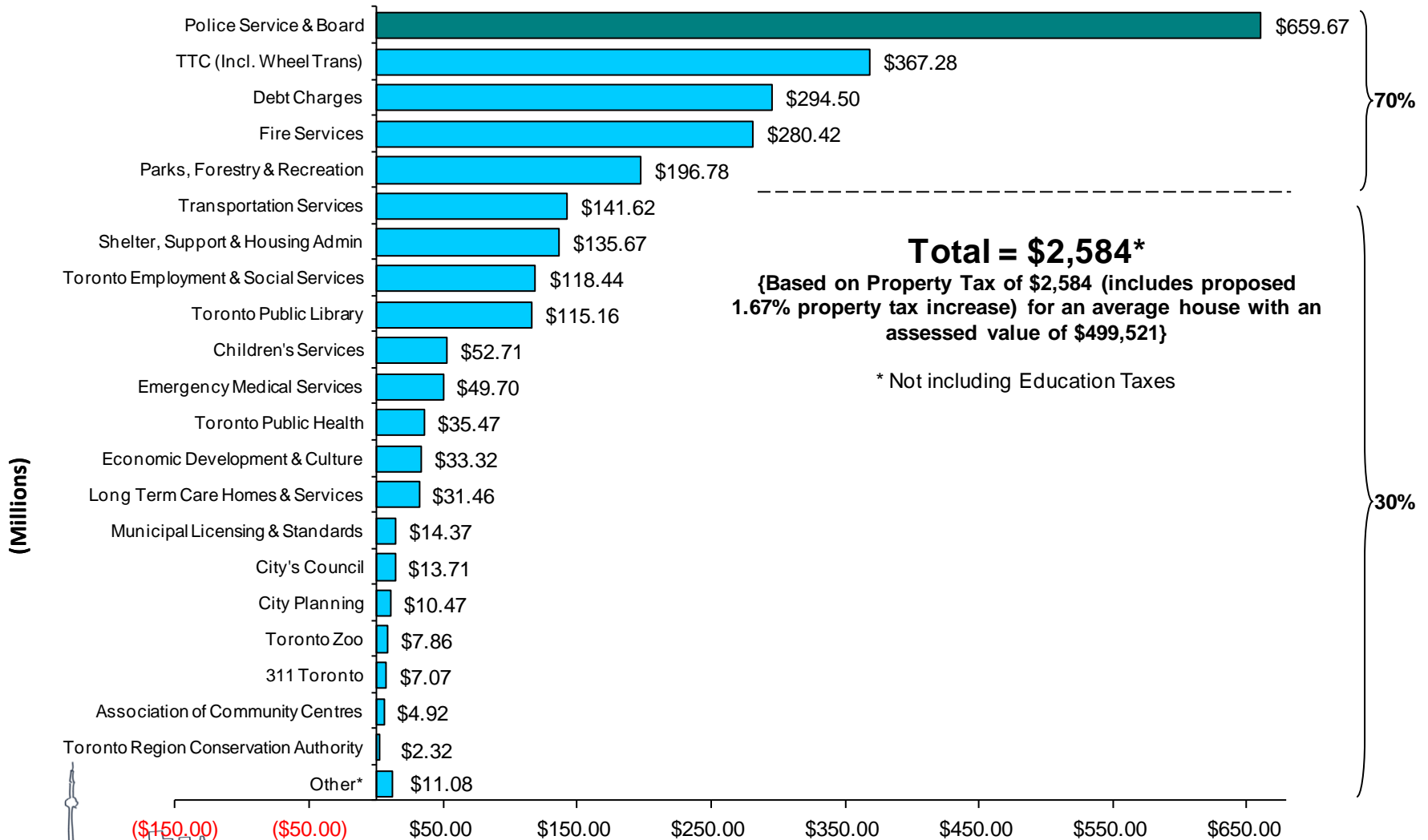
# Staffing Impact

	2013 Approved Staff Complement	Temporary Capital	Operating Impacts of Capital	Service Change Adjustments	Other Adjustments	New Services	Total 2014 BC Rec'd Complement	Total Change
Citizen Centred Services "A"	12,187.5	7.0	49.7	(9.3)	78.7	96.0	12,409.5	222.0
Citizen Centred Services "B"	6,247.4	(2.0)	1.0	(11.0)	(65.3)	44.0	6,214.1	(33.3)
Internal Services	2,804.2	(8.5)	7.0		26.0	23.5	2,852.2	48.0
City Manager	442.5	1.0		(1.0)		5.0	447.5	5.0
Accountability Offices	50.3					0.5	50.8	0.5
Other City Programs	891.5	1.3	3.0	(4.0)	29.5	11.4	932.7	41.2
<b>TOTAL - CITY OPERATIONS</b>	<b>22,623.4</b>	<b>(1.2)</b>	<b>60.7</b>	<b>(25.3)</b>	<b>68.9</b>	<b>180.4</b>	<b>22,906.8</b>	<b>283.4</b>
<b>Agencies</b>								
Toronto Public Health	1,873.7	(1.9)			(11.5)	14.0	1,874.4	0.7
Toronto Public Library	1,713.4		20.0			4.0	1,737.4	24.0
Toronto Transit Commission	13,101.0	156.0	65.0	26.0	153.0	79.0	13,580.0	479.0
Exhibition Place	397.5						397.5	
Other Agencies	9,020.7		(1.0)	(9.2)	(7.7)	2.2	9,005.0	(15.7)
<b>TOTAL - AGENCIES</b>	<b>26,106.3</b>	<b>154.2</b>	<b>84.0</b>	<b>16.8</b>	<b>133.8</b>	<b>99.2</b>	<b>26,594.3</b>	<b>488.0</b>
<b>TOTAL LEVY OPERATING BUDGET</b>	<b>48,729.7</b>	<b>153.0</b>	<b>144.7</b>	<b>(8.5)</b>	<b>202.7</b>	<b>279.6</b>	<b>49,501.1</b>	<b>771.4</b>

- Total net staffing increase of 771.4 positions
- Increase primarily driven by TTC (479 positions), operating impact from completed capital projects, and new/enhanced services

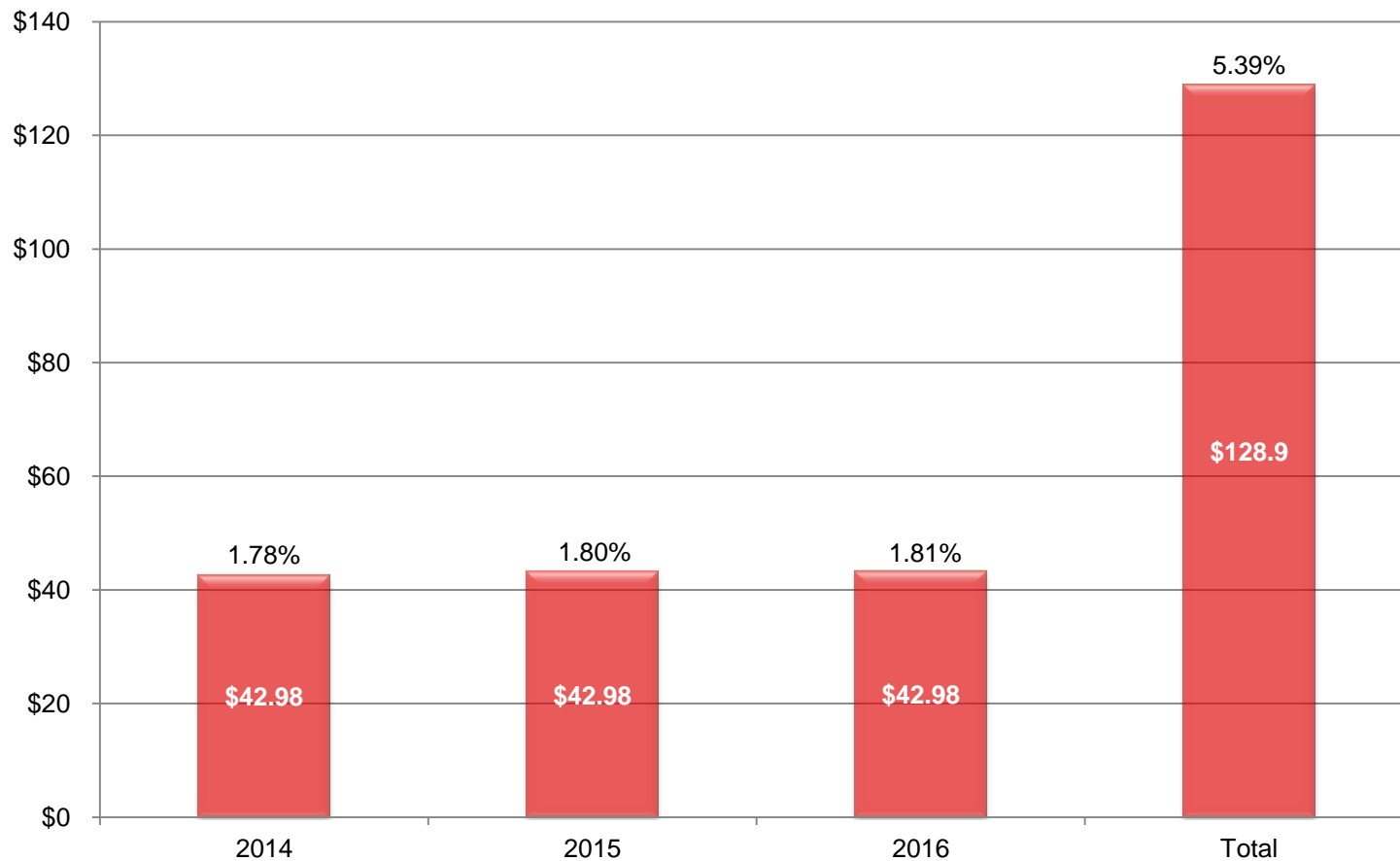


# Where the 2014 Property Taxes are Spent

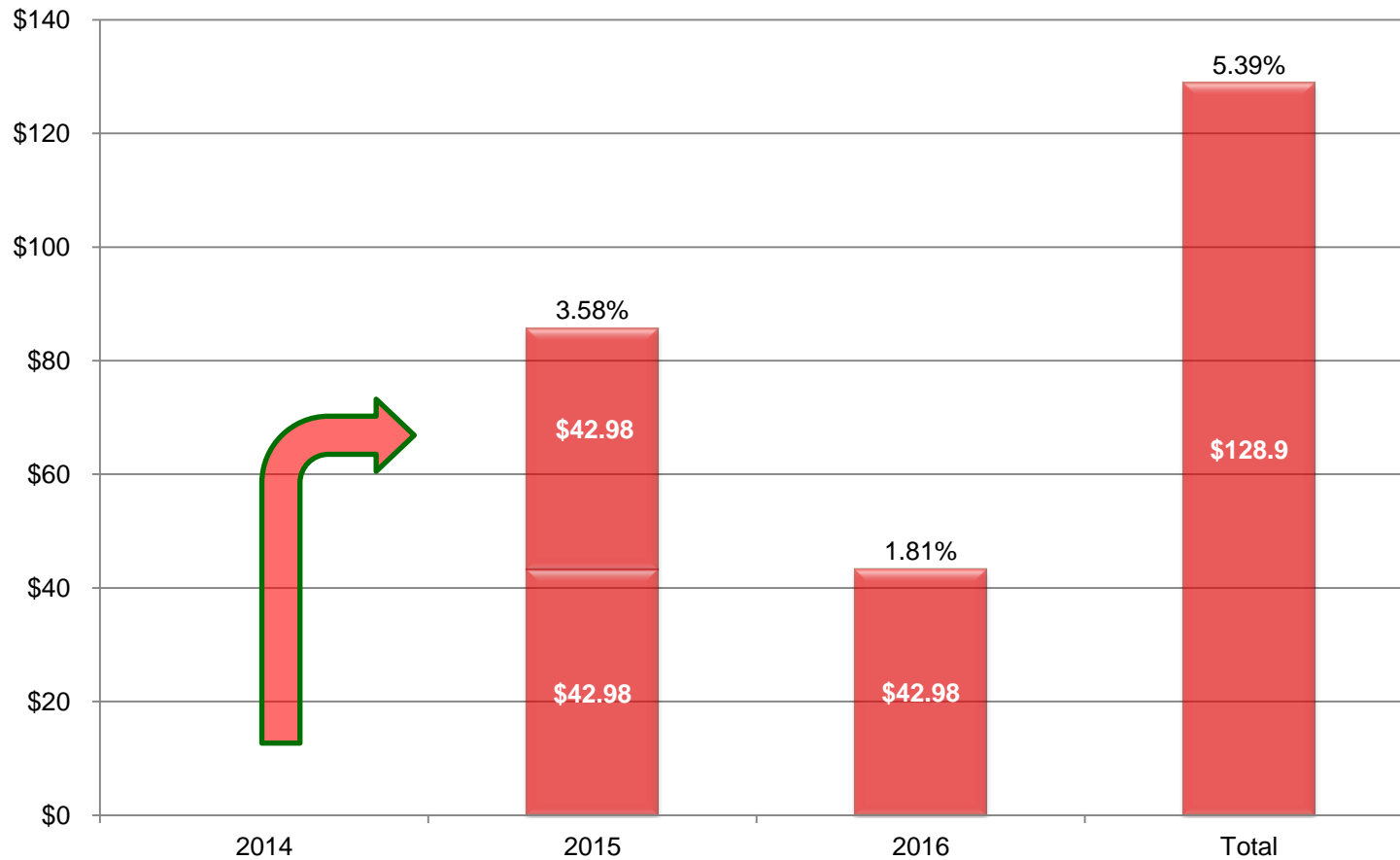




# Provincial Funding Loss– 2014 to 2016 (\$ Millions)



# Provincial Funding Loss– 2014 to 2016 (\$ Millions)



# 2015 /2016 Outlook (Incremental Change)

(\$ Millions)	<u>2015</u>	<u>2016</u>
Compensation & Benefits	67	36
Non-labour Inflationary Impact	8	7
Annualization of Prior Year Decisions	34	9
Operating Impact of Completed Capital Projects	13	7
Depletion of Reserves	30	16
Other Base Budget Changes	13	9
CFC (Capital From Current)	22	24
Debt Charges	42	39
<b>TTC (before ridership growth)</b>	<b>101</b>	<b>76</b>
Other Expenditures	72	101
<b>Total Expenditure Pressures</b>	<b>402</b>	<b>324</b>



# 2015 /2016 Outlook (Incremental Change)

(\$ Millions)	2015	2016
<b>Total Expenditure Pressures</b>	<b>402</b>	<b>324</b>
<b>Revenue Change:</b>		
TTC Ridership Growth	(17)	(16)
Uploading of Services	(17)	(20)
Dividend Income	(5)	(5)
User Fees/Revenue Change	(4)	(1)
Parking Authority Revenues	6	(2)
<b>Provincial Funding Loss</b>	<b>86</b>	<b>43</b>
<b>Total Revenue Change</b>	<b>50</b>	<b>(1)</b>
<b>Pressure after Revenue Changes:</b>	<b>451</b>	<b>323</b>
TTC Fare Increase (at least 10 Cents)	(40)	(40)
Property Tax Rate Increase -(2.0% Residential/0.67% Non-Residential)	(49)	(50)
Assessment Growth	(30)	(30)
<b>Efficiency Target</b>	<b>332</b>	<b>203</b>



# Staff Recommended Tax Supported Capital Budget and Plan



# Budget Context

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## The Challenge

- Increased investment need in SOGR
  - Gardiner Expressway; TTC; Parks, Forestry & Recreation
- Uncertainty over Federal and Provincial Funding
- Accommodate Ridership Growth
- Keep debt service costs below the 15% guideline
- Future TTC Requirements



# Capital Budget and Plan

- 2013 to 2022 Budget and Plan was \$15.260 Billion
- 2014 to 2023 Budget and Plan is \$18.612 Billion, with increased investments in:
  - Transportation Services: \$137million
  - Parks, Forestry & Recreation: \$286 million
  - Scarborough Subway: \$3.437 billion



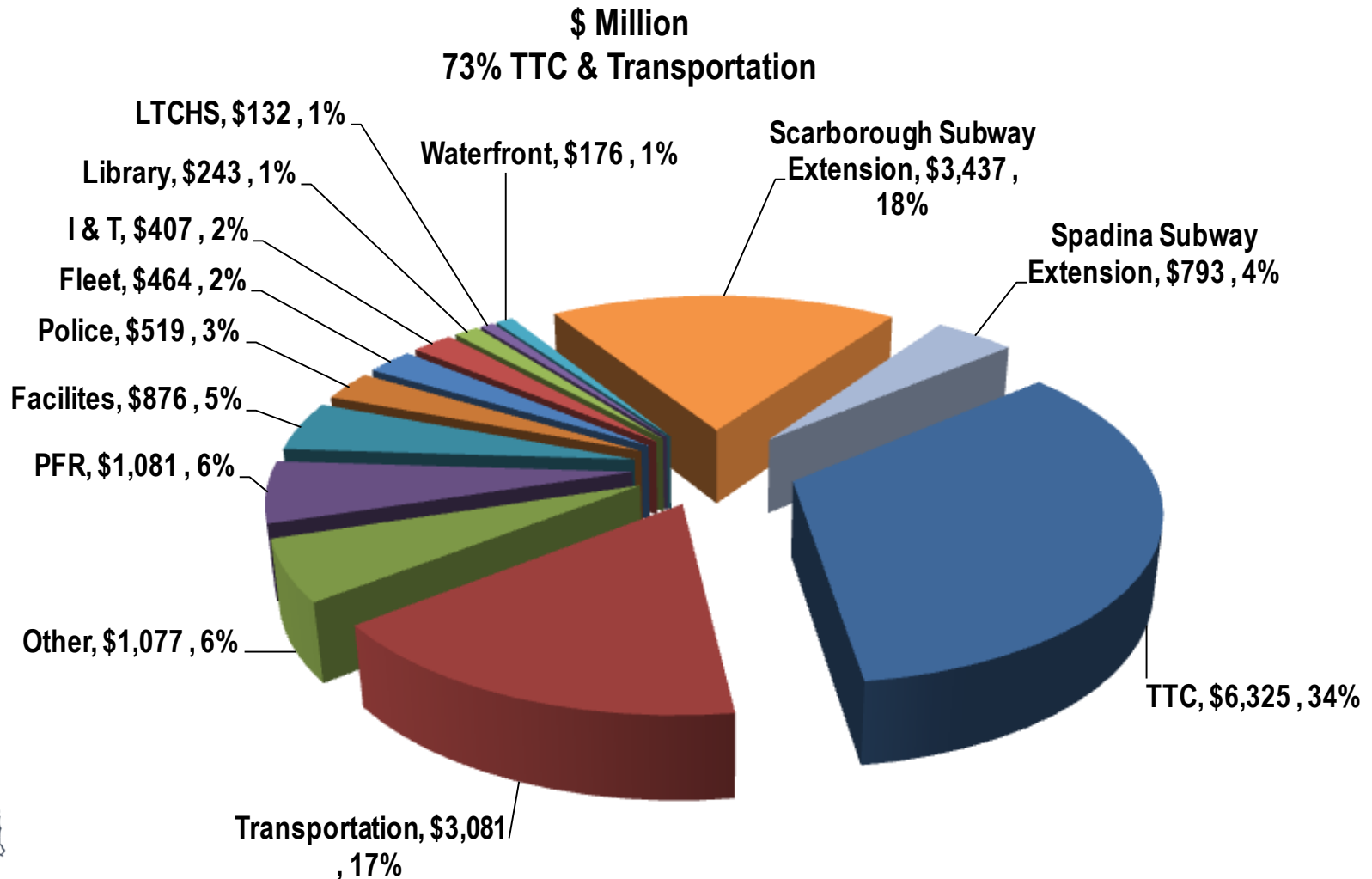
# 2014 Budget Committee Recommended Changes

\$ Millions	2014		2015 - 2023		2014 - 2023	
	Gross Exp.	Debt / CFC	Gross Exp.	Debt / CFC	Gross Exp.	Debt / CFC
<b>2014 Staff Recommended Capital Budget and Plan</b>	<b>3,013</b>	<b>1,229</b>	<b>5,161</b>	<b>5,718</b>	<b>8,174</b>	<b>6,947</b>
<b>Transportation Services</b>						
Six Points Interchange Development	2.5		(2.5)			
<b>Facilities Management &amp; Real Estate</b>						
Union Station Revitalization Project (Great Hall lighting (\$0.750M) & Heritage Implementation Plan (\$0.250M))	1.0				1.0	
<b>Office of the Lobbyist Register</b>						
Deferral of new contract management software to 2015	(0.4)		0.4			
<b>Sub-total BC Changes</b>	<b>3.1</b>	<b>0.0</b>	<b>(2.1)</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>
<b>2014 BC Recommended Capital Budget and Plan</b>	<b>3,016.0</b>	<b>1,229.3</b>	<b>5,159.2</b>	<b>5,717.9</b>	<b>8,175.2</b>	<b>6,947.2</b>

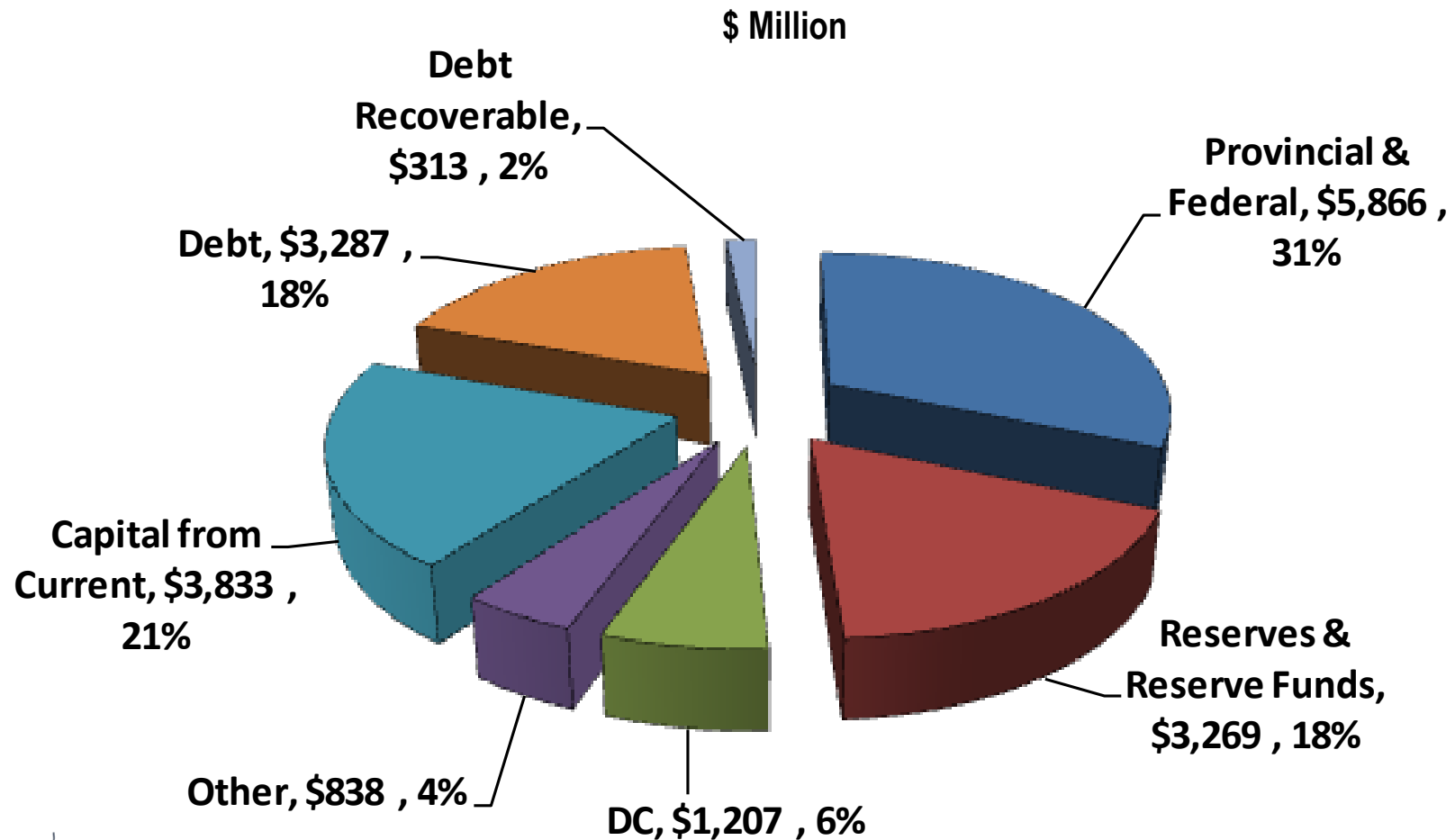




# 2014 – 2023 Capital Budget and Plan is \$18.612 Billion - Where the Money Goes



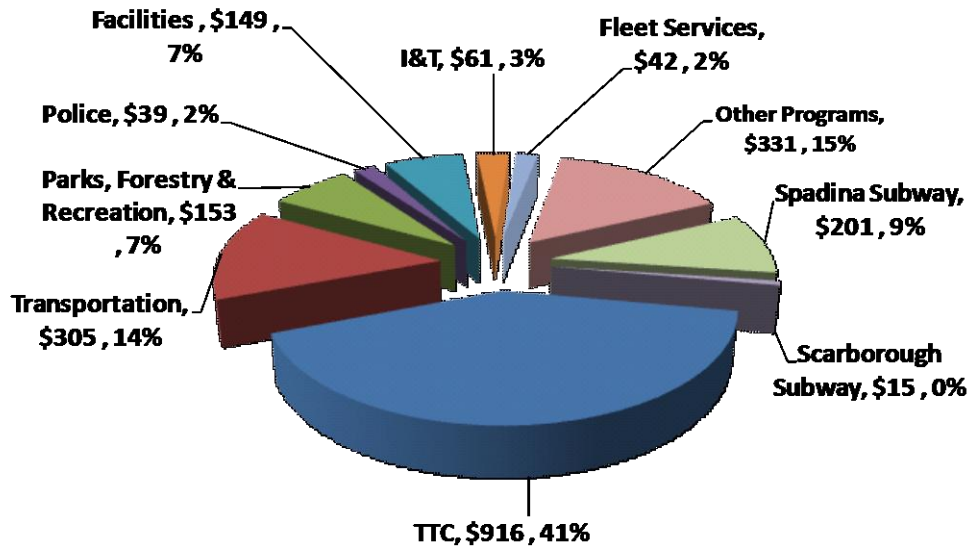
# 2014 – 2023 Capital Budget & Plan - \$18.612 Billion- Where the Money Comes From



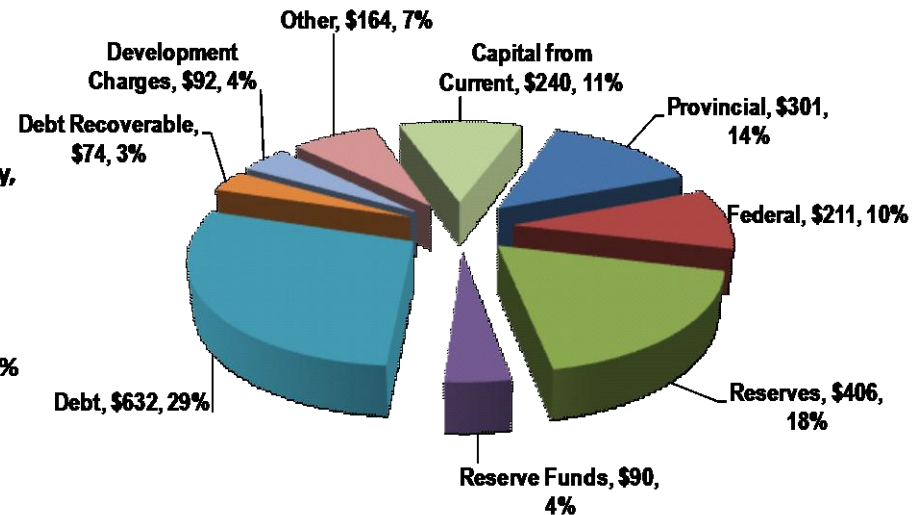
# 2014 Capital Budget - \$2.211 Billion

\$ Million

**2014 Capital Budget & Plan**  
Where the money goes  
**65% TTC & Transportation**



**2014 Capital Budget & Plan**  
Where the money comes from  
**Debt Funding 29%**



# 2014 – 2023 Capital Budget and Plan

## - by Category and Financing Source

\$ Million

Expenditures	Capital Plan					2014-2018		2019 - 2022		2014 - 2023	
	2014	2015	2016	2017	2018	Total	%	Total	%	Total	%
Health and Safety	22	28	30	24	16	121	1.1%	97	1.2%	218	1.2%
Legislated	61	80	91	80	77	388	3.7%	50	0.6%	438	2.4%
State of Good Repair	1,359	1,532	1,291	1,272	1,134	6,588	62.4%	4,556	56.6%	11,144	59.9%
Service Improvement	300	342	228	139	92	1,102	10.4%	315	3.9%	1,417	7.6%
Growth Related	469	517	557	371	445	2,360	22.4%	3,036	37.7%	5,396	29.0%
<b>Total Expenditures</b>	<b>2,211</b>	<b>2,500</b>	<b>2,197</b>	<b>1,886</b>	<b>1,765</b>	<b>10,559</b>	<b>100%</b>	<b>8,053</b>	<b>100%</b>	<b>18,612</b>	<b>100.0%</b>
<b>Funded By:</b>											
Provincial	301	389	349	219	305	1,563	14.8%	1,935	24.0%	3,498	18.8%
Federal	211	231	229	189	221	1,081	10.2%	1,287	16.0%	2,368	12.7%
Reserves	406	417	350	341	284	1,797	17.0%	1,009	12.5%	2,806	15.1%
Reserve Funds	90	56	64	56	92	356	3.4%	106	1.3%	463	2.5%
Debt Rec	74	96	31	22	15	238	2.2%	75	0.9%	313	1.7%
DC	92	144	171	148	100	655	6.2%	551	6.8%	1,207	6.5%
Other	164	196	159	56	53	627	5.9%	210	2.6%	838	4.5%
Capital from Current	240	265	291	320	352	1,468	13.9%	2,364	29.4%	3,833	20.6%
Debt	632	706	554	537	344	2,773	26.3%	515	6.4%	3,287	17.7%
<b>Total Funding</b>	<b>2,211</b>	<b>2,500</b>	<b>2,197</b>	<b>1,886</b>	<b>1,765</b>	<b>10,559</b>	<b>100.0%</b>	<b>8,053</b>	<b>100.0%</b>	<b>18,612</b>	<b>100.0%</b>

Includes Scarborough Subway



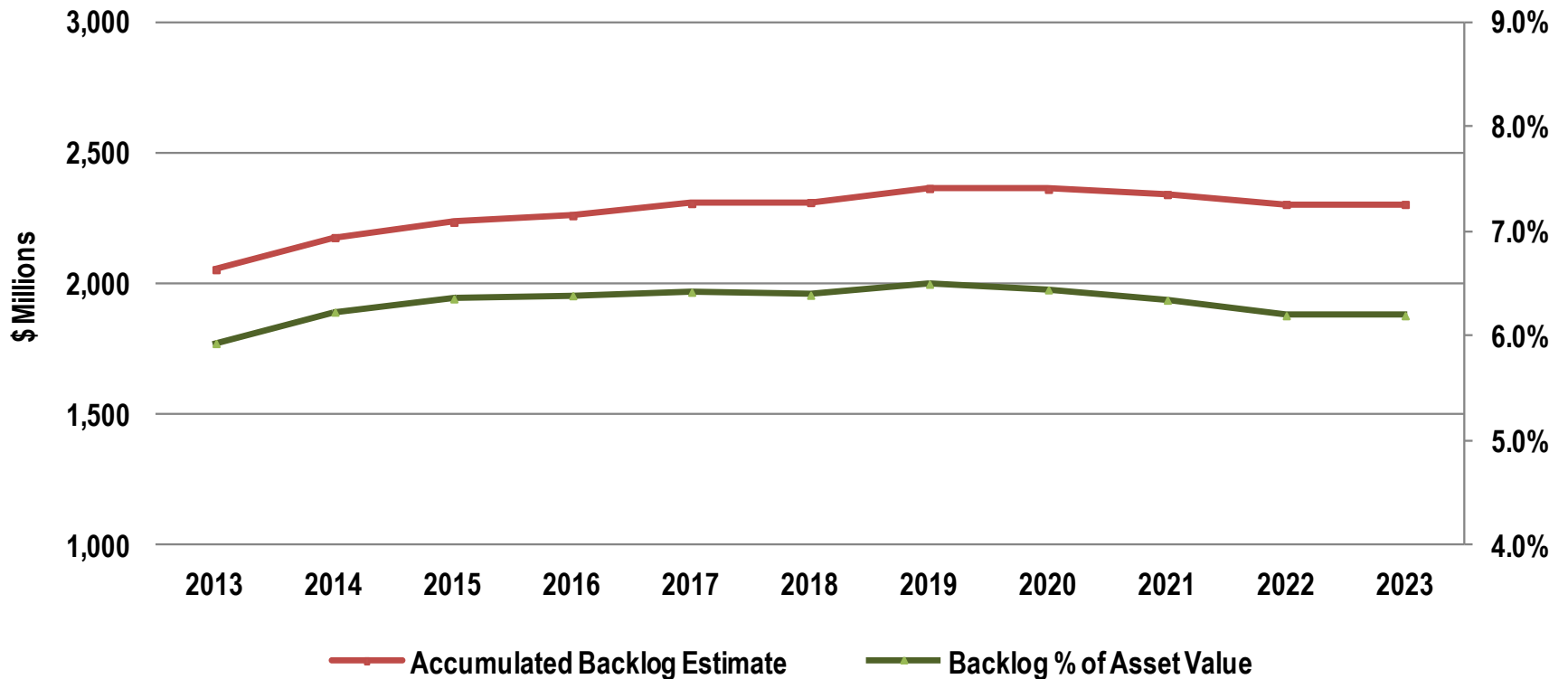
# 2014 – 2023 Scarborough Subway Capital Budget and Plan

\$ Million

Description (\$ Millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Post 2023	Total
<b>Gross Expenditures</b>												
<b>Scarborough Subway Extension</b>												
Scarborough Subway	15	16	83	171	339	666	879	628	411	97		<b>3,305</b>
SRT Life Extension			14	15	16	16	17	17	18	19		<b>132</b>
SRT Decommissioning & Demolition											123	<b>123</b>
<b>Total Annual Gross Expenditures</b>	<b>15</b>	<b>16</b>	<b>97</b>	<b>186</b>	<b>355</b>	<b>682</b>	<b>896</b>	<b>645</b>	<b>429</b>	<b>116</b>	<b>123</b>	<b>3,560</b>
<b>Financing</b>												
Debt / Tax Supported Costs	15	3	20	38	73	140	185	133	88	24	25	<b>745</b>
Development Charges		1	5	9	17	32	42	30	20	5	6	<b>165</b>
Federal Funding		3	18	35	66	127	167	120	80	22	23	<b>660</b>
Provincial Funding		9	54	105	199	383	503	362	241	65	69	<b>1,990</b>
<b>Total Financing</b>	<b>15</b>	<b>16</b>	<b>97</b>	<b>186</b>	<b>355</b>	<b>682</b>	<b>896</b>	<b>645</b>	<b>429</b>	<b>116</b>	<b>123</b>	<b>3,560</b>



# SOGR Backlog As a % of Capital Asset Value



# Top 5 City Programs/Agencies with Accumulated SOGR - Comprise 87% of the \$2.039 Billion in SOGR

\$ Million	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transportation Services	949	981	1,011	1,038	1,045	1,056	1,107	1,149	1,187	1,218	1,215
Toronto Transit Commission	0	30	93	123	148	183	208	243	278	313	338
Facilities Management and Real Estate	334	329	351	341	337	324	308	296	288	279	285
Toronto & Region Conservation Authority	187	185	182	180	177	175	172	169	166	163	158
Parks, Forestry & Recreation	310	296	308	330	335	360	317	305	247	184	120
Other	259	260	255	246	240	231	219	223	216	206	209
<b>Total SOGR Backlog</b>	<b>2,039</b>	<b>2,080</b>	<b>2,201</b>	<b>2,258</b>	<b>2,283</b>	<b>2,329</b>	<b>2,331</b>	<b>2,385</b>	<b>2,382</b>	<b>2,363</b>	<b>2,325</b>
Total Asset Value (end of year)	33,699	34,642	34,939	35,164	35,393	35,933	36,155	36,395	36,648	36,904	37,180
SOGR as % Asset Value	6.05%	6.01%	6.30%	6.42%	6.45%	6.48%	6.45%	6.55%	6.50%	6.40%	6.25%



# Adjustments to Requested TTC Capital Plan

\$Millions	Gross	Debt	Impact on Debt
<b>Final TTC 10-Year Request</b>	<b>9,072</b>	<b>5,012</b>	<b>3,134</b>
<b>Actions Taken</b>			
Deferred Wheel-Trans Projects Pending Review of Future Needs (New Garage and 112 Buses)	(203)	(203)	(203)
Reduced Track Replacement Project Cost - Sharing	(18)	(18)	(18)
Increased Toronto Water Contribution for Leslie Barns		(10)	(10)
Increased Development Charge Funding		(253)	(253)
<b>Revised TTC 10-Year Request</b>	<b>8,851</b>	<b>4,528</b>	<b>2,650</b>
Projects Placed Below the Line	(2,526)	(2,526)	(2,526)
<b>Recommended TTC 10-Year Plan</b>	<b>6,325</b>	<b>2,002</b>	<b>124</b>





# TTC 2014 – 2023 Capital Budget and Plan

## Unfunded Projects - \$2.526 Billion

	<u>\$ Millions</u>
<b>Toronto Transit Commission Unfunded Projects</b>	<b>2,526</b>
<b>2014-2023 Reductions</b>	
Rolling Stock (Subway Cars, LRVs and Buses for growth or replacement)	1,575
Scope Increases (Fire Ventilation Upgrades and Phase 2 of McNicoll Bus Garage)	260
New Projects (Station Finish Renewal and Train Door Monitoring)	112
Legislated Projects that exceed affordability (Easier Access)	240
Projects that will to the City's backlog (Ability to Spend)	338
<b>Total 2014-2023 Project Reductions</b>	<b><u>2,526</u></b>



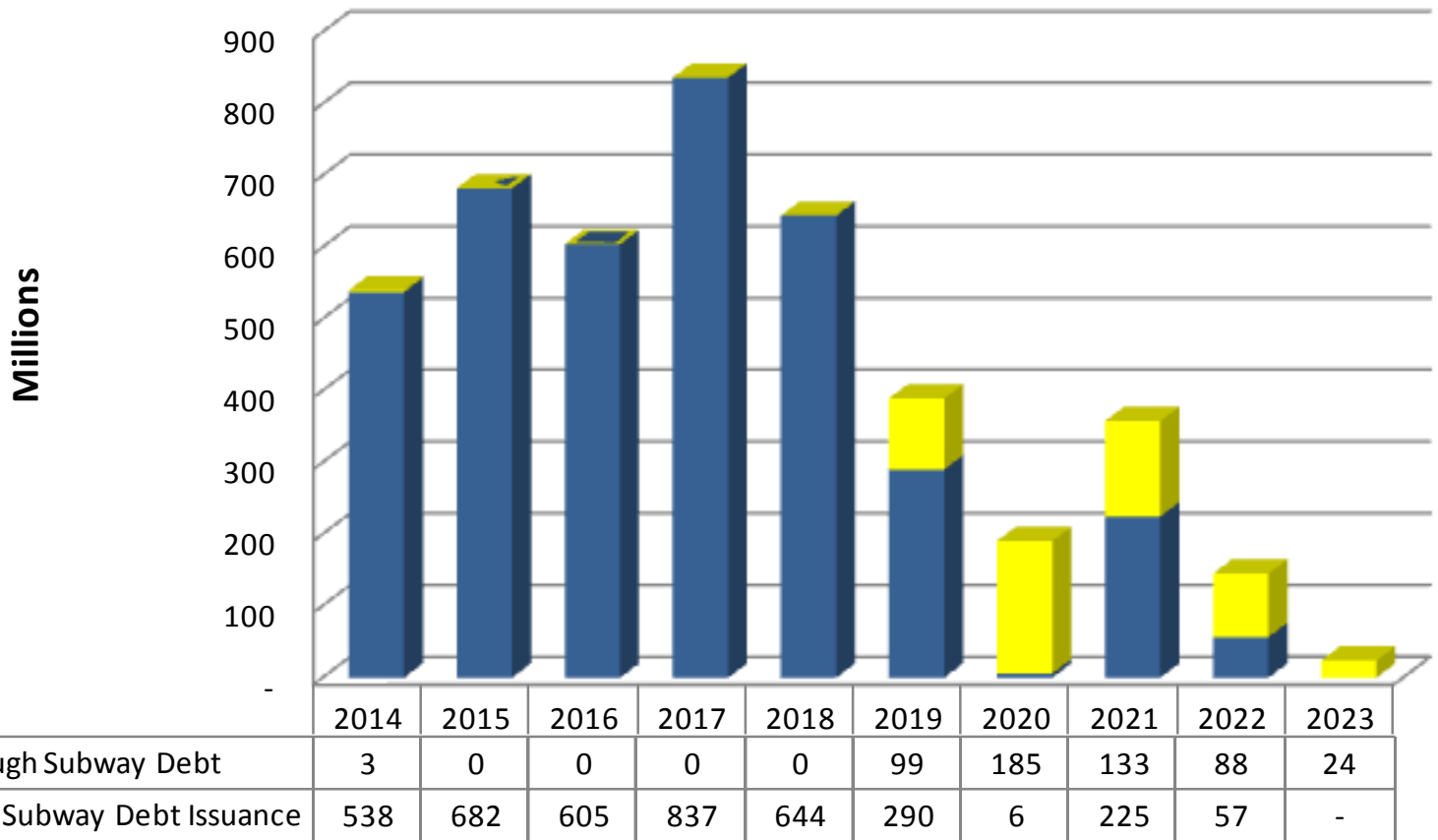
## Next Steps

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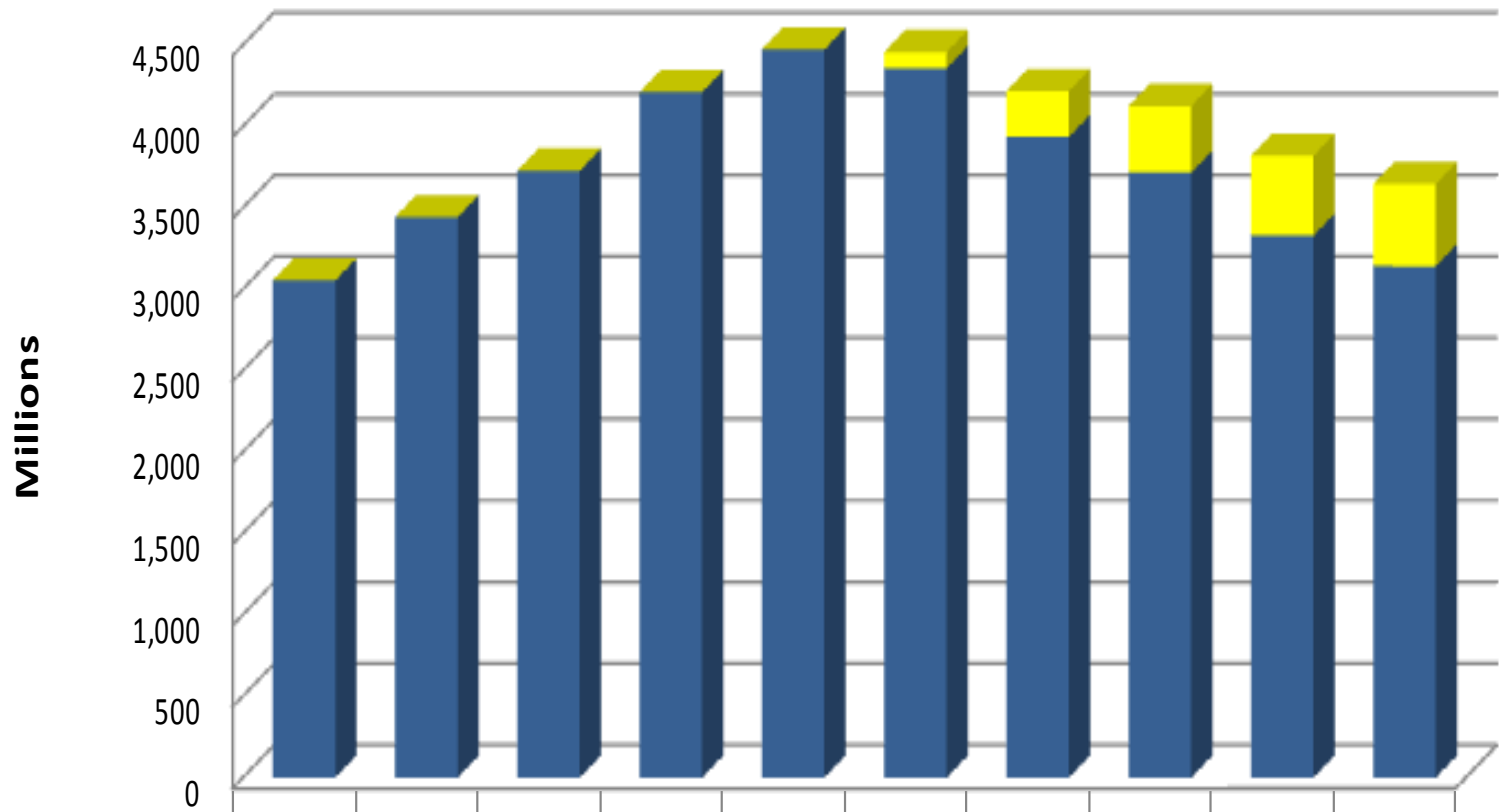
- TTC has significant unmet needs despite sizeable investment by the City
- Need a Tri-Party Partnership between the Feds, Province and City for a dedicated, long term, stable funding plan
- Special City/TTC Taskforce will be established to prioritize, seek and secure funding from Provincial and Federal governments



# Debt Issuances including Scarborough Subway

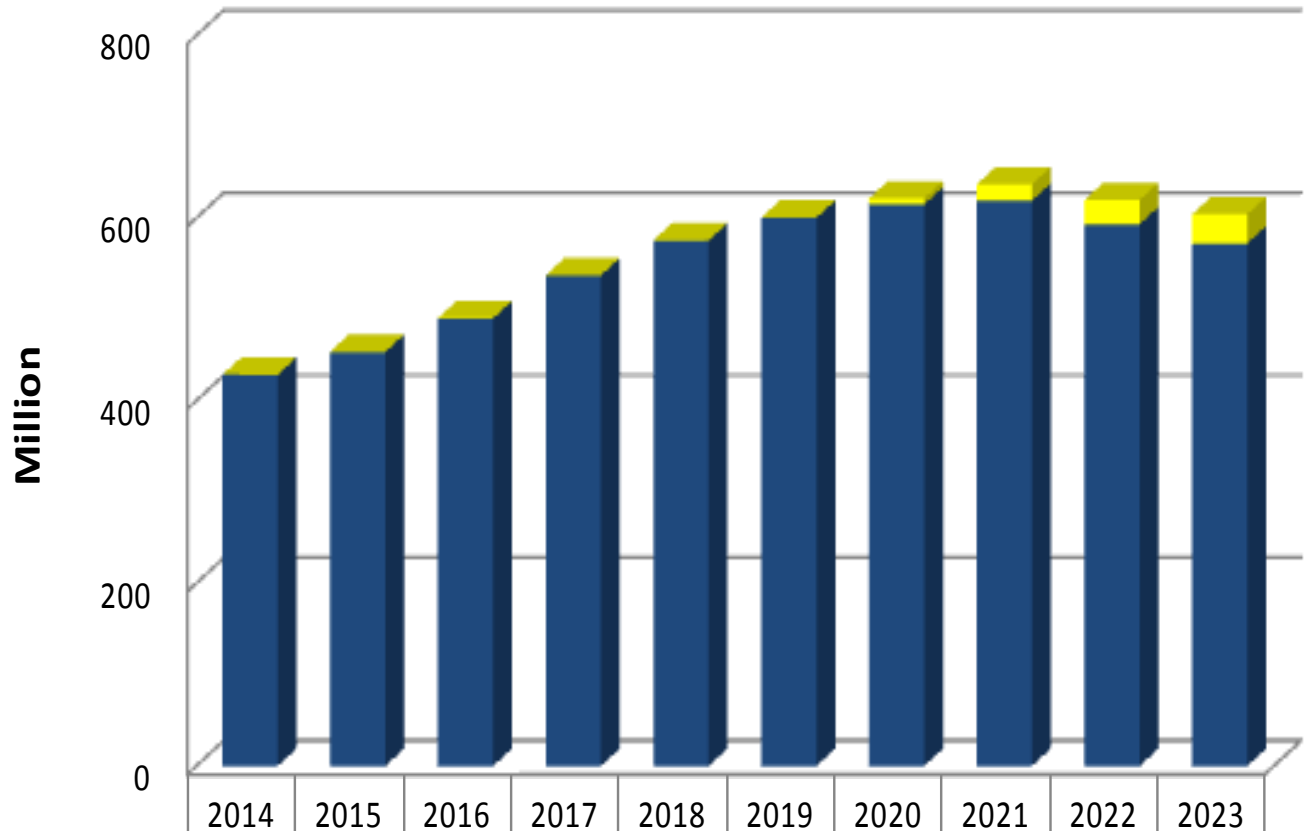


# Net Debt including Scarborough Subway



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Scarborough Subway Net Debt	0	0	0	0	0	99	282	410	490	505
Net Debt - Excl. Scar Subway	3,055	3,443	3,729	4,211	4,474	4,358	3,936	3,716	3,330	3,142

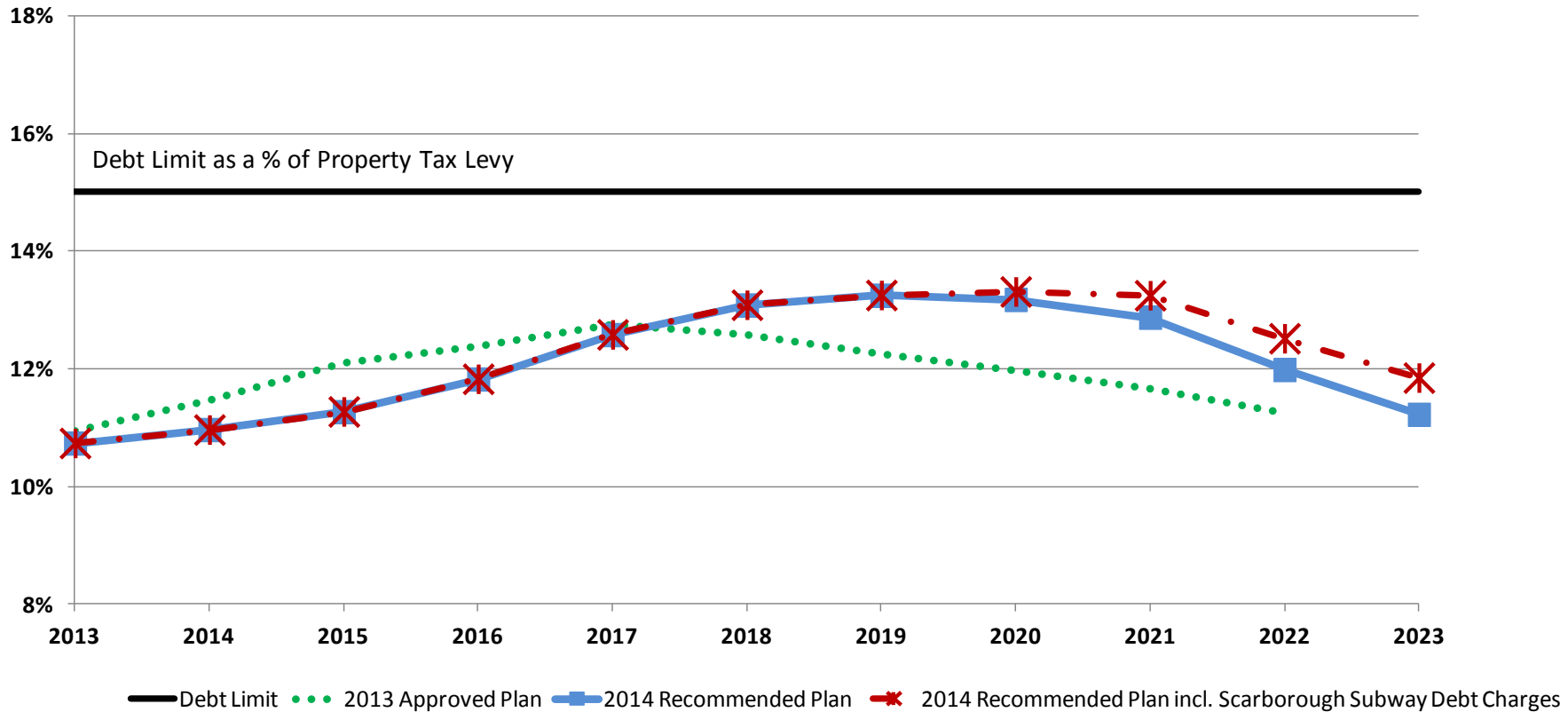
# Debt Charges including Scarborough Subway



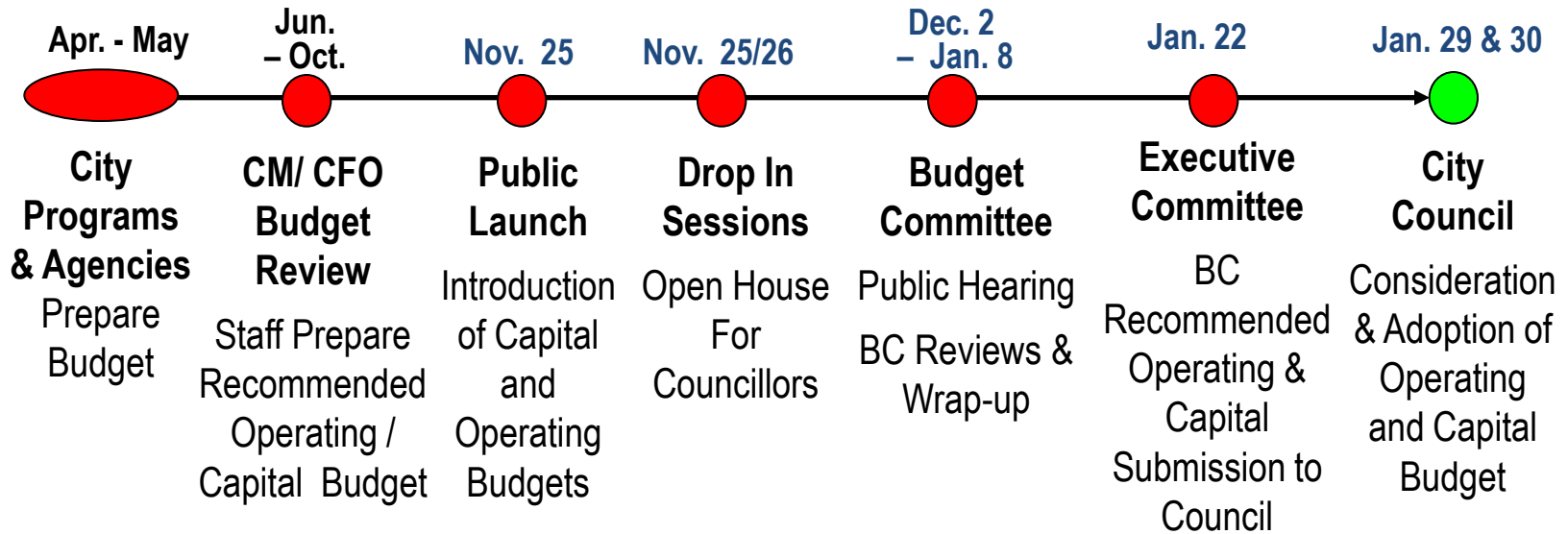
■ Scarborough Subway Debt Charges	0	0	0	0	0	0	6	18	26	32
■ Debt Charges Excl. Scarborough Subway	429	454	490	537	576	600	615	619	593	572

# Debt Charges as % of Tax Levy

## – including Scarborough Subway



# 2014 Budget Schedule - Key Dates



# Budget Process is more Transparent

Provides new communication tactics to enhance civic engagement including:

- New 2014 Budget website
- Open House / Budget Drop in Sessions
- Whiteboard animation video
- Budget Basic Sheets
- Budget at a Glance
- Info graphics
- Updated Analyst Notes

<http://www.toronto.ca/budget2014>

Toronto **2014**  
**BUDGET**

Every time you use a park or recreation centre, get a book from the library, have your garbage or recycling picked up, drink clean water, ride the TTC or have emergency services rush to your aid when you make a 911 call – you are using City of Toronto services. City services touch your life every day. That's why the City's budget is so important. More than just

How to  
Get Involved  
in the Budget  
Process

#### Be informed

The first step is to be informed. You can learn about the budget process on our website at [toronto.ca/budget2014](http://toronto.ca/budget2014) and in our Budget Basics brochure, "Understanding the Toronto City Budget."

Toronto has three rate supported budgets: Solid Waste, Toronto Water and the Toronto Parking Authority. These programs are funded entirely by the user. The staff recommended budgets for these programs will be presented at the City's Budget Committee on November 1.

Toronto Public Libraries

Toronto **2014**  
**BUDGET**

## How we work for you.

There are **98** Toronto Public Library branches in every corner of the city.



The branches are welcoming spaces for everybody, including **children, newcomers, students, entrepreneurs and book lovers of every age**

**1.3 million** people are registered Toronto Public Library cardholders



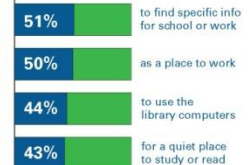
**1 in 6 people** visit their local library at least once a week.

**In 2012**

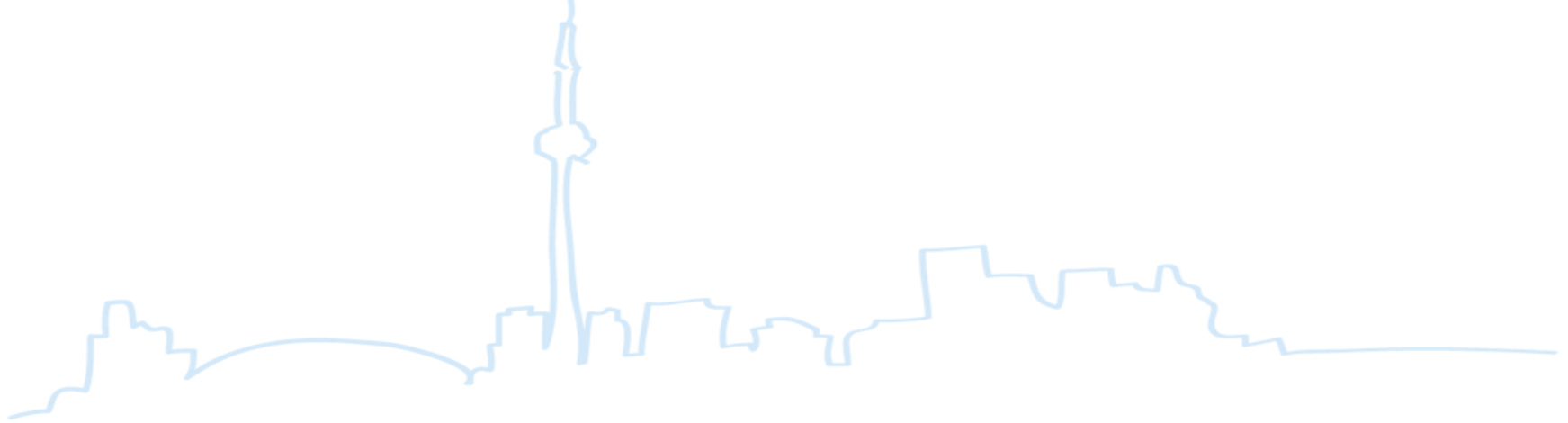
[torontopubliclibrary.ca](http://torontopubliclibrary.ca) had about **26 million** visits

People borrowed library material **32 million** times

**Students library use**







# 2014 Reassessment and Tax Policy Impacts

# Reassessment Changes 2013-2016

	Jan. '12 vs. Jan '08	Phased-in for 2013	Phased-in for 2014
Residential	23.0%	5.7%	5.4%
Multi-Residential	23.4%	5.7%	5.6%
Commercial	22.1%	5.2%	5.5%
Industrial	18.2%	4.3%	3.7%
<b>City Wide</b>	<b>22.8%</b>	<b>5.6%</b>	<b>5.4%</b>



# Residential Property Value Changes

	No. of Properties	Average Value (Valuation Basis Jan. 1/12)	2013 Year End Phased-In Average Value	Phased-in Average Value for 2014
<b>Single Family Detached</b>	286,772	\$714,831	\$619,007	\$650,948
<b>Semi-Detached</b>	83,485	\$514,387	\$440,787	\$465,320
<b>Townhomes</b>	23,324	\$526,159	\$446,097	\$472,784
<b>Condominiums</b>	256,637	\$361,698	\$309,442	\$326,861
<b>All Residential</b>	705,929	\$550,530	<b>\$473,797</b>	<b>\$499,521</b>



# Enhancing Toronto's Business Climate

## Tax Ratio Reduction Initiative

		Actual					Projected	Target	
		2009	2010	2011	2012	2013	2014	2015	2020
Residential	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 (vs. 3.23 target)	3.12 (vs. 3.15 target)	3.07 (vs. 3.08 target)	3.00	2.50
Industrial	4.09	3.55			3.26 (vs. 3.23 target)	3.18 (vs. 3.15 target)			
Multi-Residential	3.63	3.38	3.31	3.31	3.26 (vs. 3.23 target)	3.18 (vs. 3.15 target)			
Small Business	n/a	3.26	2.97	2.93	2.81 (vs. 2.89 target)	2.76	2.63 (vs. 2.63 target)	2.50	



# Summary of 2014 Municipal Tax impacts

## 2.17% Residential Tax Increase (% over 2013 taxes)

Tax Class	Average CVA Impact	Average Policy Impact	Average Budget Impact	Average Subway Impact	Average Total Impact	
Residential	0.01%	0.47%	1.67%	0.50%	2.65%	} 2.65% Res.
Multi-residential (Apartment)	0.16%	-1.53%	0.56%	0.17%	-0.65%	
Commercial	0.68%	-0.77%	0.56%	0.17%	0.63%	} 0.28% Non-Res.
Commercial Large*	-0.43%	0.46%	0.56%	0.17%	0.75%	
Industrial	-1.71%	0.44%	0.56%	0.17%	-0.55%	
<b>City Average</b>	<b>0.00%</b>	<b>0.00%</b>	<b>1.09%</b>	<b>0.33%</b>	<b>1.42%</b>	

\*Commercial Large includes: office buildings >25,000 ft<sup>2</sup>; shopping centres >25,000 ft<sup>2</sup>; parking lots; professional sports facilities.



# 2014 Impact of CVA, Policy and Levy on Average\* Residential Home (preliminary)

Budgetary 1.67% Res./0.55% Non. Res. Tax Increase (+0.5%/0.17% res/non-res increase for subway)

		Impact on Average Residential Household		2013 Tax = \$2,529 (municipal)
		%	\$ Per Household*	
✓	CVA-Shift between Property Classes	0.01%	\$0.31	} <i>No New Revenue To City</i>
✓	Policy Shift between Property Classes	0.47%	\$11.62	
	Budgetary Levy Increase (Res.*)	1.67%	\$42.33	
✓	Scarborough Subway	0.50%	\$12.70	
<b>Average Net Impact on Homeowner</b>		<b>2.65%</b>	<b>\$66.96</b>	2014 Tax = \$2,596

\*Average House Assessed at \$499,521





**Thank You / End**