

### 2017 Budget Committee Recommended Tax Supported Operating Budget

**Date:** February 3, 2017

**To:** Executive Committee

**From:** City Manager and Deputy City Manager & Chief Financial Officer on behalf of Budget Committee

**Wards:** All

#### SUMMARY

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This report presents the 2017 Budget Committee (BC) Recommended Tax Supported Operating Budget and seeks Council's approval for service spending plans, service budgets and associated service levels, and staffing detailed therein.

The 2017 Budget Committee Recommended Tax Supported Operating Budget is \$10.535 billion gross and \$3.987 billion net (excluding the Scarborough Subway Extension Special Levy and City Building Fund) or \$10.590 billion gross and \$4.101 billion net (including the Scarborough Subway Extension Special Levy and City Building Fund).

*The City of Toronto's Long-Term Financial Direction* report considered by Council in June 2016, among other things, outlined a series of principles and directions to guide the development of new strategies to manage expenses and expand revenues noting that decisions being made in the 2017 Budget process needed to be consistent with the City's long term strategies for fiscal sustainability. Also, in December 2016, City Council referred a variety of revenue options to Budget Committee for its consideration as part of the 2017 Budget process.

In preparation for the 2017 Budget process, it was assumed that City Council would only consider an inflationary increase of 2% for residential property tax. As a result of this assumption, constraining expenses and considering new revenues measures were explored as part of the 2017 Budget Process.

The 2017 Budget process focused on finding sustainable savings across City Programs and Agencies, in response to a budget reduction target of -2.6% below the 2016 Council Approved Net Operating Budget. City Programs, Agencies and Accountability Offices were directed to explore all services for efficiency saving opportunities, review the impact of vacant positions on service levels delivered, and review service levels and

outcomes for relevance, value and impact with a focus on non-public facing services first.

Operating budget submissions identified an opening budget pressure of \$731 million (from \$516 million identified in June 2016) primarily arising from the City's 3 largest Agencies (TTC, TCHC, and Toronto Police Services), compensation costs, capital and corporate costs and measures that were phased-in from prior years such as the loss of pooling compensation grants for housing and the use of one-time bridging strategies in 2016 which continue to exert pressure in 2017.

A number of budget reduction and revenue balancing strategies were employed to mitigate the opening budget pressure given the inflation-level property tax increase guideline of 2% (excluding 0.5% property tax levy for the City Building Fund) while maintaining service levels. On the revenue side, these measures generated \$362 million and included:

- Increasing the Municipal Land Transfer Tax (MLTT) revenue to 2016 levels;
- Maximizing all user fees, including a transit fare increase;
- Benefiting from the upload of social services and court security costs to the Province; and
- Realizing moderate assessment growth, and assuming a 2% residential tax rate increase.

These actions combined \$177 million in additional base budget reductions, efficiency savings and service adjustments as well as \$100 million in the use of bridging strategies primarily recommended by City Agencies, resulted in a 2017 Preliminary Operating Budget that left a residual budget pressure or gap of \$90.570 million. Only new and enhanced service investments which are funded from within existing budgets, have a net zero funding impact, or generate additional revenues were included in the 2017 Preliminary Operating Budget.

City Programs largely achieved the reduction target which helped reduce the remaining pressures being driven by Toronto Transit Commission and Toronto Community Housing Corporation. The Toronto Police Service minimized its pressure, resulting a 2017 Operating Budget that is 0.2% increase over its 2016 Net Operating Budget.

A series of revenue measures were considered by Budget Committee with several incorporated into the 2017 Budget Committee Recommended Tax Supported Operating Budget. Budget Committee recommended significant changes to the 2017 Preliminary Operating Budget to achieve a balanced budget as follows:

- Reversal of certain Service Adjustments and a new User Fee proposal included in the 2017 Preliminary Operating Budget (\$5.203 million net);
- Reduction in Bridging Strategies (\$6.752 million net);
- Additional Service Changes (\$2.284 million net);
- Additional New and / or Enhanced Services Priorities (\$20.260 million net); and
- Increase revenues (\$107.7 million net and base expenditure adjustments (\$12.8 million net).

The 2017 BC Recommended Tax Supported Operating Budget keeps the costs of City services affordable with a residential tax rate increase of 2%, an inflation-level increase. However, the 2017 Budget Committee Tax Supported Operating Budget continues to contain fiscal risks including the following:

- Increased dependence on the Municipal Land Transfer Tax (growth from \$532 million in 2016 to \$716 million in 2017),
- Escalating expense pressures from City Agencies namely Toronto Community Housing Corporation (TCHC) and Toronto Transit Commission (TTC), and
- One-time bridging strategies included within the 2017 Operating Budget of \$87.8 million that will result in an operating budget pressure in 2018.

## **2018 and 2019 Plan**

The projected pressure for the 2018 and 2019 Plan is \$370 million (net) and \$81 million (net) respectively. The Plans assumes inflationary increases for residential property taxes (2%), moderate assessment growth, and no growth in Municipal Land Transfer Tax (MLTT). The expenditure pressures are primarily driven by:

- Agency expenses predominantly Toronto Community Housing Corporation (TCHC) and Toronto Transit Commission (TTC);
- Reversal of one-time bridging strategies used to balance 2017 Operating Budget,
- Inflationary compensation and contract to provide 2017 services and service levels; and
- Annualization of costs for 2017 recommended new and enhanced service investments.

While expenditure management will continue to play a vital role in addressing future budget pressures, these strategies alone will not solve the City's financial challenges. Further revenue measures are required to increase stable revenue sources through policy change (e.g. raise existing revenue sources or implement new revenue options). As many of these new revenues measures have been utilized, there will a continued reliance on existing revenue sources. In addition, the City's reliance and exposure to the MLTT will need to be closely monitored.

## **RECOMMENDATIONS**

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The Budget Committee recommends the following to Executive Committee for recommendation to City Council:

1. City Council approve the 2017 Budget Committee Recommended Tax Supported Operating Budget of \$10.590 billion gross and \$4.101 billion net including the special levy for the Scarborough Subway Extension, and City Building Fund as detailed in Appendix 1, consisting of:

- a. a Base Budget of \$10.505 billion gross and \$4.043 billion net for core services and service levels;

b. savings of \$10.366 million gross and \$9.010 million net resulting from Service Adjustments and Service Changes to existing services and service levels;

c. an investment in strategic New and Enhanced services priorities of \$40.399 million gross and \$12.030 million net;

d. funding for the Scarborough Subway Extension of \$40.699 million gross and net from the 2017 special levy; and

e. funding for the City Building Fund of \$14.046 million gross and net from the dedicated property tax levy for priority transit and housing capital projects.

2. City Council approve the Recommendations for City Programs and Agencies as detailed in Appendix 5.

## FINANCIAL IMPACT

### 2017 Operating Budget Overview

The 2017 Budget Committee (BC) Recommended Tax Supported Operating Budget is \$10.535 billion gross and \$4.046 billion net, resulting in a \$438.1 million or 4.34% increase in gross expenditures and a \$115.2 million or 2.9% increase in net expenditures over the 2016 Approved Operating Budget.

The \$115.2 million or 2.9% increase in net expenditures has been funded by a total overall tax rate increase of 1.4% after assessment growth which is well below the rate of inflation, as outlined in Table 1 below. This translate to an equivalent residential tax rate increase of 2% for 2017 for budgetary purposes.

Table 1: 2017 BC Recommended Tax Supported Operating Budget

	2016		2017		Change			
	Gross	Net	Gross	Net	Gross		Net	
					\$	%	\$	%
City Operations	5,108.7	2,101.3	5,274.9	2,143.6	166.2	3.25%	42.3	2.0%
Agencies	3,608.0	1,882.6	3,711.6	1,966.6	103.6	2.87%	84.0	4.5%
Corporate Accounts	1,380.4	(52.7)	1,548.7	(63.8)	168.3	12.19%	(11.1)	(21.1%)
<b>Net Operating Budget</b>	<b>10,097.1</b>	<b>3,931.2</b>	<b>10,535.2</b>	<b>4,046.4</b>	<b>438.1</b>	<b>4.34%</b>	<b>115.2</b>	<b>2.9%</b>
Assessment Change				(59.0)			(59.0)	
<b>Total Net Tax Levy</b>	<b>10,097.1</b>	<b>3,931.2</b>	<b>10,535.2</b>	<b>3,987.4</b>	<b>438.1</b>	<b>4.34%</b>	<b>56.2</b>	<b>1.4%</b>

Note: Above table excludes the Scarborough Subway Extension and City Building Fund

The 2017 BC Recommended Tax Supported Budget includes key new and enhanced service investments that total \$40.399 million gross and \$18.001 million net, as detailed in Appendix 3 and a staff complement of 51,516.1 positions (48,068.3 operating positions and 3,371.0 capital positions), as detailed in Appendix 4. This represents an overall net decrease of -349.1 positions (a reduction of -518.5 base positions and 169.4

position increases to support new and enhanced service investments) or the equivalent of a -0.7% reduction when compared to the 2016 Council Approved Complement.

## 2017 Budget Committee Recommended Changes

The 2017 Preliminary Operating Budget presented by the City Manager and the Chief Financial Officer on December 6, 2016 reduced the beginning pressure from \$731 to \$90.570 million, based on current policy and service levels. The BC was provided with both expenditure and revenues options for consideration to eliminate the residual pressure. BC reviewed these expenditure and revenue options and recommended a number of strategies to balance the budget that are summarized in Table 2 below.

Table 2: Budget Committee Recommended Changes

(\$000s)	2017 BC Recommended Changes		
	Gross	Net	Pos
<b>Residual Budget Pressure</b>		90,570.0	
<b>BC Recommended Reversals:</b>			
Service Adjustments included in 2017 Preliminary Operating Budget	3,167.9	3,202.6	15.7
New User Fee for Film Industry		2,000.0	
Select bridging strategies to reduce 2018 budget opening pressure	1,517.3	6,751.5	6.6
<b>Total BC Recommended Reversals</b>	<b>4,685.2</b>	<b>11,954.1</b>	<b>22.3</b>
<b>BC Recommended Additions:</b>			
Less: Additional Service Changes to be included (residual list)	(2,709.4)	(2,284.0)	(6.0)
Additional New/Enhanced Service Priorities	23,796.1	20,259.9	41.5
Other Base Changes	2,630.0		11.0
<b>Total BC Recommended Additions</b>	<b>23,716.7</b>	<b>17,975.9</b>	<b>46.5</b>
<b>Budget Pressures after BC Recommended Reversals &amp; Additions</b>	<b>28,401.9</b>	<b>29,930.0</b>	<b>68.8</b>
<b>Total Remaining Budget Pressures</b>	<b>28,401.9</b>	<b>120,500.0</b>	<b>68.8</b>
<b>BC Recommended Balancing Strategies:</b>			
Commercial Property Tax Shift (1/3 --> 1/2)		(3,800.0)	
MLTT Rate Harmonization with Ontario		(77,000.0)	
Increase MLTT Rebate for First Time Homebuyers (\$3,725 to \$4,475)		9,000.0	
MLTT Based on 2016 Actual Experience		(15,000.0)	
Additional Toronto Hydro Dividend – 2016 Actual Experience		(10,000.0)	
Hotel and Lodging Tax (4%)		(5,000.0)	
Increase Income Sharing with Toronto Parking Authority (75->85%)		(6,300.0)	
Eliminate Vacancy Rebate Program	(5,500.0)	(5,500.0)	
Reduce Solid Waste Rebate Program ([M & L] \$1/bag/month)	(7,300.0)	(7,300.0)	
Assessment Growth revised estimate		2,500.0	
Additional Provincial Funding Increase for Toronto Police Service		(2,100.0)	
<b>Total Recommended Balancing Strategies</b>	<b>(12,800.0)</b>	<b>(120,500.0)</b>	<b>0.0</b>
<b>Remaining Budget Pressure</b>	<b>15,601.9</b>	<b>0.0</b>	<b>68.8</b>

After consideration of all included and available service adjustments, BC recommended the reversal of several service adjustments that were included in the 2017 Preliminary Operating Budget. Budget Committee also reversed a proposed new user rental fee for commercial film productions, as well as eliminated the use of certain one-time bridging strategies largely related to one-time reserve draws to fund regular operations. The use of reserve funds for Children's Services, and Information and Technology will be fully replaced with tax funding and the TTC Commission recommended use of \$14.4 million will be reduced by \$1.516 million. This recommendation will help mitigate pressures arising from 2017 bridging strategies into 2018.

The above changes recommended by BC resulted in additional net costs of \$29.930 million net bringing the total net pressure to \$120.500 million. To close this gap, BC recommended a combination of cost savings, adjustments to existing revenues and new revenue measures totalling \$120.500 million as follows:

#### Expenditure Reductions (\$12.8 million gross and net)

- Reduce allowable rebate percentage for vacant commercial and industrial properties in the Vacancy Rebate Program subject to receiving the necessary regulation.
- Reduce the rebate for medium and large bins by the equivalent of a \$1 per bag per month in the Solid Waste Rebate Program.

#### Increase Existing Revenues (\$24.6 million)

- The Municipal Land Transfer Tax (MLTT) budget was increased to reflect actual 2016 experience bringing the base MLTT budget by \$116 million over 2016.
- Toronto Hydro annual dividend was also increased by \$10 million based on 2016 actual experience.
- Other revenues included confirmation of funding from the Province for Toronto Police Service offset by a revised assessment growth estimate.

#### New Revenues that Require Policy Changes (\$83.1 million)

- A change to the income sharing agreement with Toronto Parking Authority to increase the income sharing formula from 75% to 85%.
- An increase in the 2017 commercial property tax rates from the current one third to the maximum allowed 50% of the residential property tax rate increase.
- Harmonization of the City's Municipal Land Transfer Tax (MLTT) with Ontario based on the new graduated rate and 2016 actual performance, offset by change of the first-time homebuyer rebate eligibility threshold from \$3,725 to \$4,475.
- Introduction of a Hotel and Lodging Tax at 4% will be introduced for hotels and 10% for short-term rentals subject to receiving the necessary legislative authority.

A list of all changes recommended by the BC with respect to Service Adjustments and New and Enhanced Service Investments is detailed in Appendix 2 and 3, respectively.

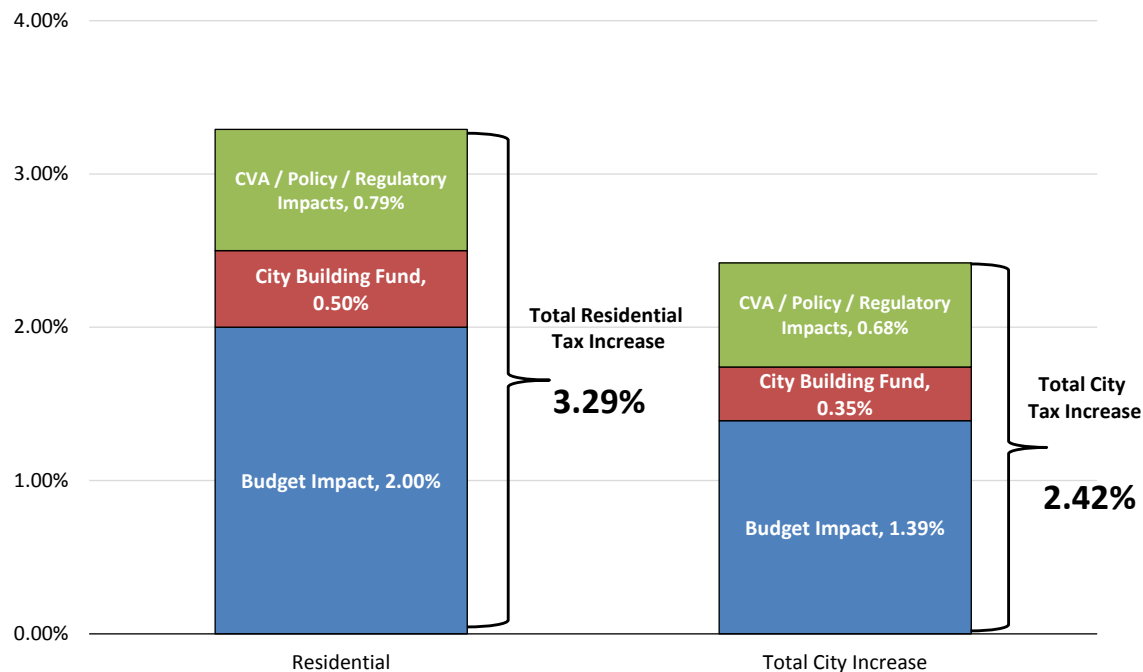
### **Drivers of the 2017 Budget Tax Increase**

The 2017 BC Recommended Tax Supported Operating Budget keeps the costs of City services affordable with a residential tax rate increase of 2%, reflective of an inflation-level adjustment. BC has also recommended a 0.5% property tax levy which will contribute to the City's Building Fund commencing in 2017 to be dedicated for capital

transit and housing projects. The property tax levy for the City Building Fund will increase by 0.5% annually for the next 5 years to a total of 2.5% in 2021.

When one takes into account Council tax policy, current value assessment and regulatory impacts, the total residential tax rate increase will be 3.29% and the total City of Toronto tax rate increase will be 2.42% as shown in Chart 1 below.

Chart 1: Budget Tax Increase Including City Building Fund and Current Value Assessment (CVA) Policy Shift



### 2018 and 2019 Plan

The City of Toronto will be challenged with ongoing budgetary pressures for 2018 and beyond. It is projected that the budget pressure for the 2018 and 2019 will be at least \$370 million (net) and \$81 million (net) respectively. The pressures are primarily driven by:

- Agency expenses predominantly Toronto Community Housing Corporation (TCHC) and Toronto Transit Commission (TTC);
- Reversal of one-time bridging strategies used to balance the 2017 Operating Budget;
- Inflationary cost increases to maintain and provide prior year services and service levels including cost of living adjustments;
- The annualized costs of 2017 new and enhanced service investments; and finally
- Ongoing debt servicing costs for the City's capital works program.

In addition, the City's exposure and reliance on the MLTT will need to be monitored closely.

## DECISION HISTORY

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At its meeting on January 24, 2017, Budget Committee requested that the Deputy City Manager and Chief Financial Officer submit to Executive Committee at its meeting of February 7, 2017 a corporate staff report outlining the 2017 Tax Supported Operating Budget, as recommended by the Budget Committee.

<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-100507.pdf>

At its meeting on December 13, 14 and 15, 2016, a staff report entitled "*EX20.1 City of Toronto Long-Term Financial Direction Update*" was adopted by City Council to provide an update on the City of Toronto's Long-Term Financial Plan which is currently under development and will provide scenarios for a sustainable financial framework for municipal services and city-building investments, involving both expense and revenue measures.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.1>

During the same City Council meeting on December 13, 14 and 15, 2016, the following two closely aligned staff reports were adopted:

"*EX20.2 The City of Toronto's Immediate and Longer-term Revenue Strategy Direction*" in which City Council referred various revenue options to Budget Committee for consideration as part of the 2017 Budget Process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.2>

"*EX20.3 Asset Optimization Review - Toronto Hydro Corporation and Toronto Parking Authority*" in which it details an asset optimization study in relation to the City's investments in Toronto Hydro Corporation and Toronto Parking Authority and City Council directed the Deputy City Manager & Chief Financial Officer to report to the Budget Committee as part of the 2017 Budget Process on the potential for increasing the Toronto Parking Authority's income share rate to the City.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.3>

At its meeting on July 12, 13, 14 and 15, 2016, City Council adopted recommendations related to the report entitled "*EX16.37 2017 Budget Process: Budget Directions and Schedule*" that set a budget reduction target of -2.6% below the 2016 Approved Net Operating Budget for all City Programs, Agencies and Accountability Offices guidelines to achieve a balanced budget for 2017 based on assumed property tax rate increase of 2%.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.37>

At its meeting on June 7, 8, and 9, 2016, City Council adopted recommendations related to the report, "The City of Toronto's Long-Term Financial Direction" including a request to report back to Executive Committee in the fall of 2016 on multi-year financial and budget process, strengthening the City's strategic decision-making and financial oversight, a multi-year expenditure management plan, a multi-year revenue strategy, and an asset optimization study. It noted the need for a long term financial plan to set the priorities for the City's financial sustainability.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX15.1>



## COMMENTS

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### 2016 Budget Implications for 2017

Budget pressures are partly due to decisions made in prior years that have a direct financial impact on the following year's budget pressures such as:

- The full year financial impact resulting from the approval of part-year funding for new/enhanced service investments;
- Approval of capital projects in the Capital Budget that will have incremental operating costs to operate facilities, systems and assets once the projects are completed;
- Balancing strategies that are on-time in nature must be reversed in the following year as they are not available on a sustainable basis;
- Deferral of unavoidable expenses such as Toronto Pooling Compensation loss that must be addressed; and
- Full year impact of service efficiencies, service adjustments and revenue changes with part year implementation resulting in additional savings or revenues.

These 2016 decisions alone resulted in a \$163 million pressure for 2017. When combined with inflationary costs for compensation, contracts, and significant cost increases projected for the City's largest Agencies – Toronto Transit Commission (TC) and Toronto Police base operating pressures and Toronto Community Housing Corporation (TCHC) operating funding gap - expenditure pressures were projected to total \$582 million. A review of available revenue sources that assumed a 2% residential property tax increase as well as moderate assessment growth resulted in a planned pressure of \$516 million going into the 2017 Budget process.

As a result, City Council was presented with options for setting 2017 budget reduction targets and guidelines to address these anticipated pressures. At its meeting on July 12, 13, 14 and 15, 2016, City Council adopted recommendations related to the report entitled "*EX16.37 2017 Budget Process: Budget Directions and Schedule*" which established a budget reduction target of -2.6% below the 2016 Approved Net Operating Budget for all City Programs, Agencies and Accountability Offices, as well as directions to achieve those targets.

City Programs, Agencies and Accountability Officers were directed to explore all services for efficiency saving opportunities, review the impact of vacancies on service levels delivered, and adjust service levels and outcomes for relevance, value and impact with a focus on non-public facing services. In addition, City Programs and Agencies were directed by City Council to ensure that any new and enhanced service requests were funded from within existing budgets or a "net zero" funding impact. City Council also directed that thorough justification be provided for any new positions.

In fact, the 2017 Budget submissions had an opening budget pressure of \$731 million primarily arising from the City's 3 Agencies (TTC, TCHC and Toronto Police Service), together with compensation costs, capital and corporate costs and measures that were phased-in from prior years such as the loss of pooling compensation grants for social

housing and the use of 2016 one-time bridging strategies which exerted pressures for 2017, namely:

- Toronto Transit Commission (TTC) expenditure pressures and the annualization of costs including contractual payments for Presto fee (\$175 million);
- Increased debt servicing, Capital from Current funding for capital projects, and the impact of Toronto Pooling Compensation loss (\$126 million),
- Toronto Community Housing Corporation's (TCHC) operating gap (\$103 million and later revised to \$108 million);
- Contractually obligated increases in compensation and benefits, including Toronto Police Service (\$90 million);
- Increased provision for tax deficiencies in anticipation of higher write-offs during the first year of a reassessment cycle consistent with past experience (\$55 million); and
- The reversal of a number of one-time revenue measures implemented in 2016, transit ridership change and revenue mix, potential loss of Toronto Hydro annual dividend to the City of Toronto, and other interest income (\$120 million).

### **2017 Preliminary Operating Budget**

Through the administrative review process and through Agency decisions, the opening budget pressure was reduced to \$90.570 million between expenses and revenues. Through the strategies and measures identified in the 2017 Budget Directions Report, staff explored all services for efficiency saving opportunities through business process reengineering, streamlining of operations, transformation and innovation in service delivery, as well as reviewing vacancies on service levels delivered. In addition, City Programs and Agencies reviewed and if appropriate adjusted services, service levels and outcomes based on relevance, value and impact, looking to non-public facing services first.

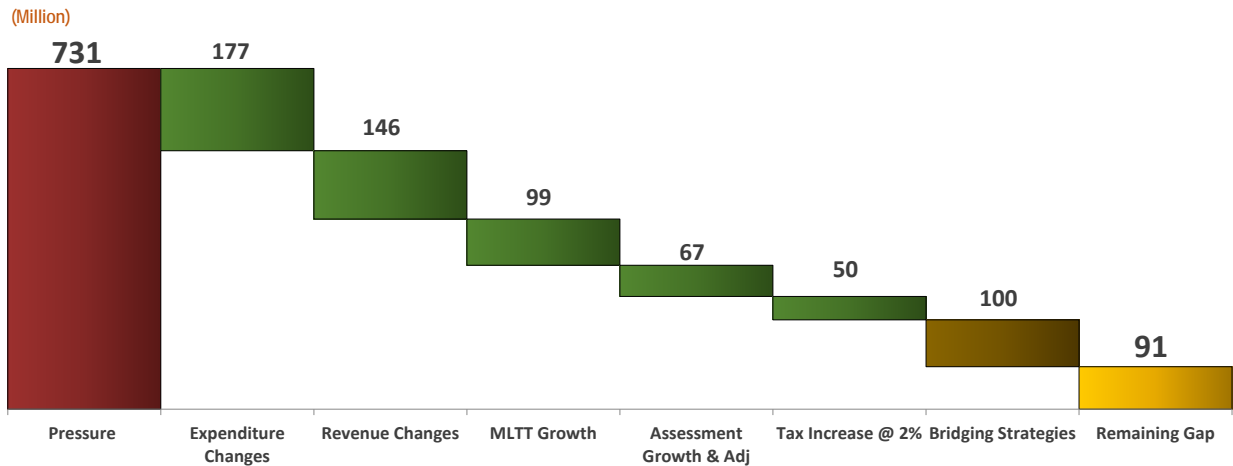
The overall pressure of \$731 million was reduced to \$90.570 million as a result of the following:

- \$177 million in expenditure reductions arising from efficiency savings, base budget reductions and estimates and service adjustments;
- \$362 million in revenue increases, maximizing user fee revenues, and increases in Municipal Land Transfer Tax and assessment growth revenues to reflect actual experience; and
- \$100.5 million in bridging strategies that reflect the one-time deferral of expenses and use of reserve contributions to reduce the budget, with the most significant coming from TCHC's deferral of \$72 million in expenses.

The 2017 Preliminary Operating Budget incorporated all Agency budget decisions with the exception of the TTC Commission's recommended treatment of depreciation and hybrid batteries. City Programs largely achieved the reduction target while Agencies mainly TTC, and TCHC did not. City Divisions achieved an overall reduction budget reduction of 0.7% from its collective 2016 Approved Budget. In contrast, TTC and TCHC Operating Budget is 12.7% and 15.3% respectively over their 2016 Approved Operating Budget. Although, Toronto Police Service did not fully achieve the reduction target, significant progress was made to minimize the pressure that resulted in only a

0.2% (net expenditures) increase over the 2016 Operating Budget. Chart 2 below highlights these changes.

Chart 2: Balancing Actions Taken To Reducing Budget Pressure to \$91 Million



City Programs and Agencies collectively identified \$177 million in expenditure reductions that included \$143 million in base budget reductions as part of ongoing expense management, combined with \$24 million in efficiency savings through business modernization and continuous improvement and \$10 million in service adjustments based on reviewing service levels for relevance, value and outcomes.

Revenue changes of \$146 million include the following:

- maximization of user fees to reflect inflationary increases and full cost-recovery where appropriate and applicable, sustainable reserve draws,
- additional revenues from Toronto Parking Authority based on existing income sharing agreement, and Provincial funding for the ongoing costs of OW,
- further Supplementary Taxes as well as transit fare increases of 10-cent on all non-cash single fares, followed by a reinstatement of annual dividend from Toronto Hydro to remain at the same level as 2016.

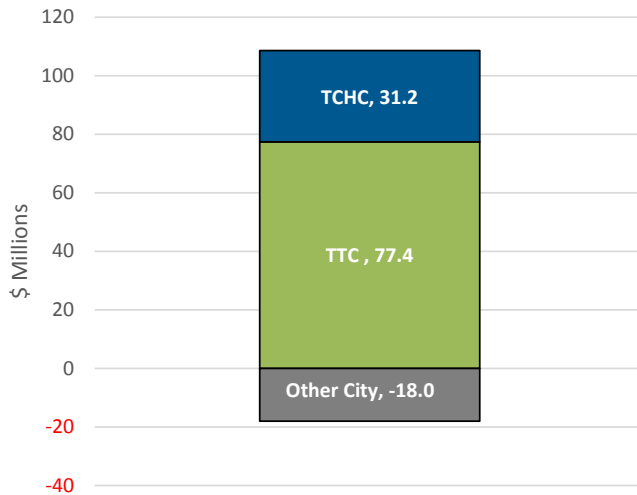
It is important to highlight that the City of Toronto has become increasingly dependent on the Municipal Land Transfer Tax (MLTT) as one of its major revenue sources. Additional MLTT revenue of \$99 million is included in the 2017 Preliminary Operating Budget based on 2016 activity, and assumes the real estate market in Toronto will continue to grow as experienced in 2016.

A net tax supported revenue increase of approximately \$117 million reflected moderate year-over-year assessment growth of \$67 million plus an assumed 2% residential inflation-level property tax rate increase equivalent to \$50 million.

It is noted that the 2017 Preliminary Operating Budget includes bridging strategies including use one-time reserve draws of \$19.7 million, deferring expenses of \$72 million for Toronto Community Housing Corporation (TCHC), unconfirmed Provincial revenues of \$6.4 million for Toronto Police Service, and \$2.4 million expense deferrals for various City Programs, for a total of \$100.5 million.

Nevertheless, a \$90.570 million budget shortfall remained despite substantial savings associated with the -2.6% budget reduction target. Of the remaining \$90.750 residual pressure, TCHC and TTC comprise \$108.6 million that is offset by Other City Programs as presented in Chart 3 below.

Chart 3 – Remaining Budget Residual Pressure totaling \$90.750 million



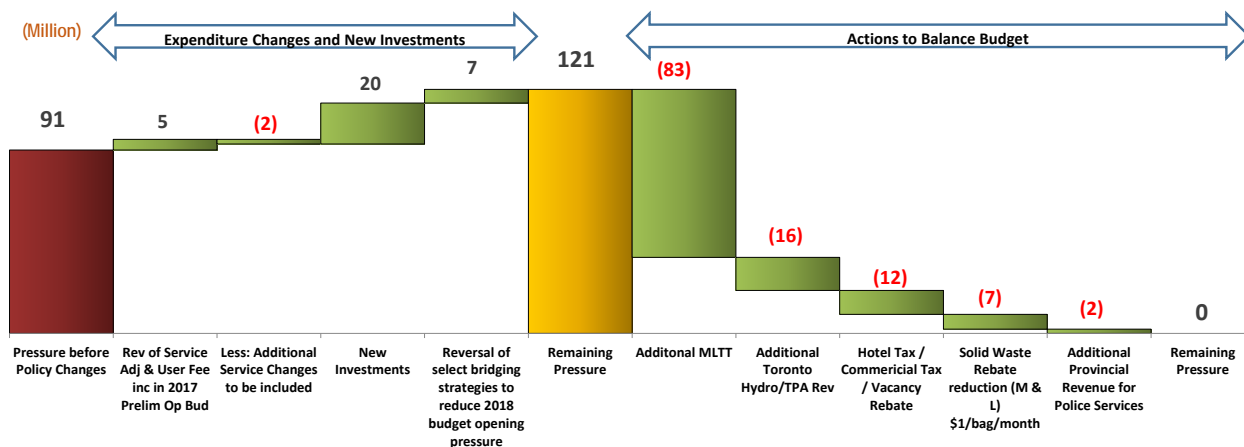
### 2017 Budget Committee Recommended Changes

The 2017 Preliminary Operating Budget presented by the City Manager and the Chief Financial Officer on December 6, 2016 reduced the beginning pressure from \$731 to \$90.570 million, based on current policy and service levels. The BC was provided with both expenditure and revenues options for consideration to eliminate the gap.

BC completed a detailed review of additional service changes, new / enhanced services and revenue options, held public deputation sessions at the six Civic Centre sites to seek public input and considered more detailed information on key issues with a series of budget briefing notes in early January 2017.

As a result of these deliberations, BC recommended a number of changes to the 2017 Preliminary Operating Budget and to address the remaining budget shortfall of \$90.570 million as outlined in Chart as summarized in Chart 4 below.

Chart 4: BC Recommended Changes to Reducing Budget Pressure to \$0



The BC reprioritized some of the service and service levels. reversed selected service changes and one-time reserve contributions (bridging strategies) and a new user fee increase that were originally included in the 2017 Preliminary Operating Budget. BC also recommended new and enhanced service investments. With these recommended changes, the net pressure increased by \$29.930 million to \$120.500 million.

To close this gap of \$120.500 million, further revenue measures were recommended. These measures included an increase in Municipal Land Transfer Tax (MLTT) revenues by \$83 million. The increase is mainly a result of harmonizing the rate with the Province. Also recommended is a new hotel tax that will generate an additional \$5 million revenue, subject to necessary legislative authority.

The following measures also contributed to offsetting the residual pressure:

- Additional dividends from Toronto Hydro and greater contribution from Toronto Parking Authority through income sharing to the City of Toronto;
- Additional savings generated through the reduced allowable rebate percentage given to owners of vacant commercial and industrial properties in the Vacancy Rebate;
- A reduced rebate for medium and large bins by \$1 per bag per month in the Solid Waste Rebate Program; and
- An increase in the commercial property tax rate to the maximum allowed 50% of the residential rate from the current City policy of 33%.

A detailed list of all changes recommended by the BC with respect to Service Adjustments and New/Enhanced Service Investments is set out in Appendix 2 and 3 respectively.

## Financial Sustainability Issues and Risks

### *Bridging Strategies*

The 2017 Preliminary Operating Budget incorporated bridging strategies of \$100.5 million that included the deferrals of expenses and one-time use of reserve funding sources that would result in an equivalent 2018 pressures.

The most significant use of these bridging strategies arise from TCHC, TTC and the Toronto Public Library, including:

TTC's recommended use of its Stabilization Reserve to reduce its budget pressure by \$14.4 million and TCHC's deferral of \$72 million expenses for capital repairs (\$54 million) and establishing a fund to repay debt (\$18 million). Many of these budget strategies incorporated into the 2017 Preliminary Operating Budget reflect Agencies recommended strategies to reduce their respective budgets.

In order to help mitigate the 2018 pressure that would result from these strategies, BC replaced tax funding with the use of one-time reserve draws. As a result, the impact of one-time bridging strategies to help balance the 2017 BC Recommended Tax Supported Operating Budget has been reduced to \$87.8 million from the initial \$100.5 million. The total of \$5.2 million has been allocated as follows:

- Reducing the withdrawal from the TTC Stabilization Reserve by \$1.516 million, thereby lowering the 2017 contribution and 2018 pressure from \$14.4 million to \$12.9 million.
- Eliminating the one-time withdrawal from the Tax Stabilization Reserve of \$1.005 million that was previously used to fund the leasing and maintenance costs of the City's Data Centre until it is completely decommissioned in 2019.
- Replacing the use of the Child Care Expansion Reserve Fund of \$2.717 million, historically used as a bridging strategy to balance annual operating budget shortfall for the provision of child care subsidies. This tax funding permanently eliminates the need for the 5-year Child Care funding strategy previously approved by City Council in 2015 as the base budget is now fully tax funded.

The Toronto Police Services Budget included \$6.4 million in unconfirmed funding from the Province as a bridging strategy. Consequently, the Provincial revenue has been secured at a higher amount of \$8.5 million. As a result, the Toronto Police Services Budget was reduced by \$2.1 million and eliminated this unsecured revenue risk of \$6.4 million and potential pressure in 2018.

Although reduced, there still remains one-time bridging strategies embedded within the 2017 BC Recommended Tax Supported Operating Budget of \$87.8 million that will result in a pressure in 2018. These one-time solutions must be funded on a sustainable basis to provide permanent relief.

### *Increased Reliance on Municipal Land Transfer Tax*

The rise in the Municipal Land Transfer Tax (MLTT) has become essential and critical to City Council's ability to maintain below or at inflation-level property tax rate increases. To a great extent, the annual Operating Budget increasingly relies on revenue gains from a buoyant real estate market in Toronto.

The 2017 BC Recommended Tax Supported Operating Budget includes \$716 million in MLTT revenue which represents an increase of \$184 million or 35% when compared to the 2016 Budget due to:

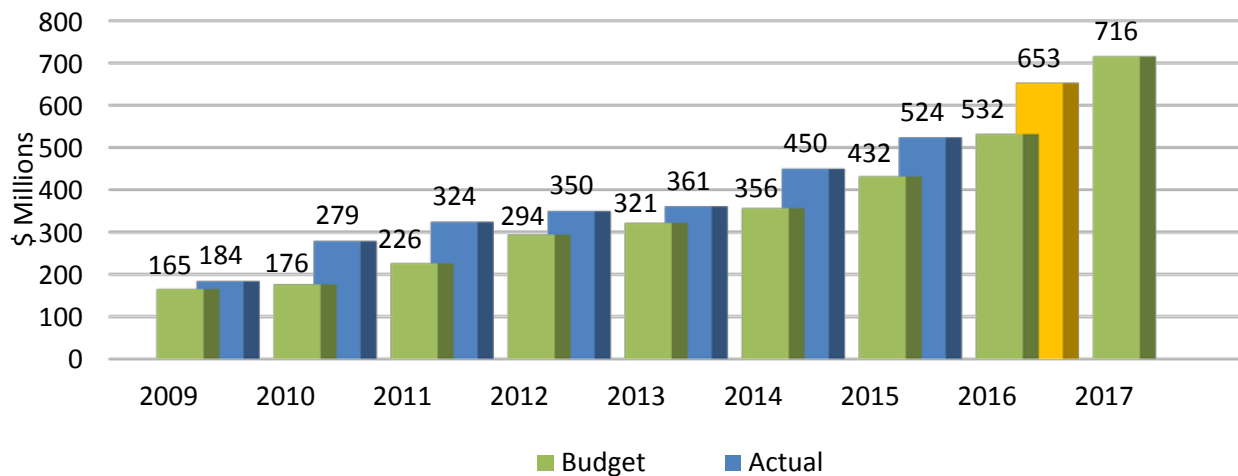
- volume increase based on the latest 2016 year-end projections which far exceed the budget (\$116 million),
- rate impact resulting from the harmonization with current Ontario Land Transfer Tax (\$77 million),
- offset by an estimated cost of increasing maximum Municipal Land Transfer Tax rebate to first-time homebuyers (\$9 million).

The gross MLTT revenue is \$40 million higher and is budgeted as contribution to the Capital Financing Reserve Fund. In addition to providing much-needed capital funding, it also acts as buffer or hedge in the event of revenue volatility. This represented a 7.5% buffer in the 2017 Preliminary Operating Budget and with the recommended changes by BC that has increased the MLTT budget to \$716 million, the \$40 million buffer now only represents 5.6% of budgeted revenue for 2017, leaving little room for market fluctuation.

There are a number of circumstances that could cause the City of Toronto to miss this aggressive budget target including market correction and changes in interest rates and regulations. As indicated in the report "*The City of Toronto's Immediate and Longer-term Revenue Strategy Direction*", a prudent capital allocation of up to 20% of MLTT revenue budget (i.e. approximately \$143 million) would be a reasonable hedge against a potential market downturn.

Chart 5 below illustrates the revenue budget increase in MLTT from 2009 to 2017. During this period of time, revenue from the MLTT has grown by over 40% per annum on average, at a faster rate than property tax increases as well as assessment growth.

Chart 5: Growth in Municipal Land Transfer Tax



The City has become increasingly reliant on the Municipal Land Transfer Tax (MLTT) as a source of revenue to balance operating budget pressures. Its degree of reliance on this single revenue source is disproportionate to the City of Toronto's municipal property tax rate increases. That is to say that the fiscal future of the City of Toronto is tremendously dependent upon the performance of the Toronto real estate market.

#### *Expense Management and Governance of Agencies*

Fiscal challenges from City Agencies are a primary contributing factor to the City of Toronto's long-term financial pressures. The increase in the 2017 BC Recommended Operating Budget for City Operations as a whole, totals \$5.0 million or 0.3%. In contrast, Toronto Community Housing Corporation (TCHC) and the Toronto Transit Commission (TTC) have a combined increase of \$118 million or 14.4%.

As identified in the *Long-Term Financial Direction Update* report presented to City Council at its December 2016 meeting, the long-term financial stability of TCHC will entirely depend upon resolution of key TCHC capital requirements and future City Council decisions with respect to TCHC operating gap and needs. The report also identified a \$103 million operating deficit in TCHC's 2017 Budget, later revised to \$108 million.

Staff will report back in Q1 2017 on an implementation plan to transform TCHC including financial implications for the City of Toronto awaiting for the level of support from the other orders of government. The 2017 Preliminary Operating Budget included a deferral of \$72 million (capital and sinking fund contribution as recommended by the TCHC's Board) as one-time bridging strategy to reduce the pressure to \$31.2 million. The 2017 BC Recommended Operating Budget maintains this base funding which will close the gap between TCHC's expenses and revenues. BC subsequently added \$6



million in new funding to complete Phase 3 of Regent Park Revitalization. Thus, TCHC operating subsidy funding in the 2017 BC Recommended Budget will increase by \$37.2 million or 18.2%.

With respect to the Toronto Transit Commission, the 2017 BC Recommended Operating Budget funds an increase of \$80 million net or 13% above the 2016 Council Approved Operating Budget for combined TTC and Wheel-Trans Services. The budget increase is mainly a result of the following:

- 2017 salary settlement;
- Timing of incremental operating costs associated with Presto implementation;
- Growth in Conventional and Wheel Trans ridership demand;
- New light rail operations and the opening of the Toronto-York Spadina subway extension (TYSSE); and
- A flattening trend in ridership growth and a loss in revenue associated with the decline in ridership.

The 2017 BC Recommended Operating Budget for TTC is higher by than the Board recommended treatment of depreciation expenses and capitalization of hybrid batteries that would have transferred \$37.5 million in expenses to its Capital Budget and reduced the TTC operating pressures. As these are not eligible capital expenses, these reductions were not accepted.

In the case of the Toronto Police Service, through a hiring moratorium and alternative staffing strategies, the Agency was able to offset \$36.7 million in operating budget pressures arising mainly from grant funding losses and the impacts of the 2017 salary settlement to achieve a 0.2% or \$1.820 million net increase over the 2016 Council Approved Operating Budget. Steps have been taken to establish more sustainable financial management for Toronto Police Service. Through the work of the Transformational Task Force and internal initiatives, the Agency has defined a transformation strategy and outlined a clear future fiscal direction. This work will serve as an input into annual budget process in future years.

### **Where the 2017 Operating Budget Will Be Spent**

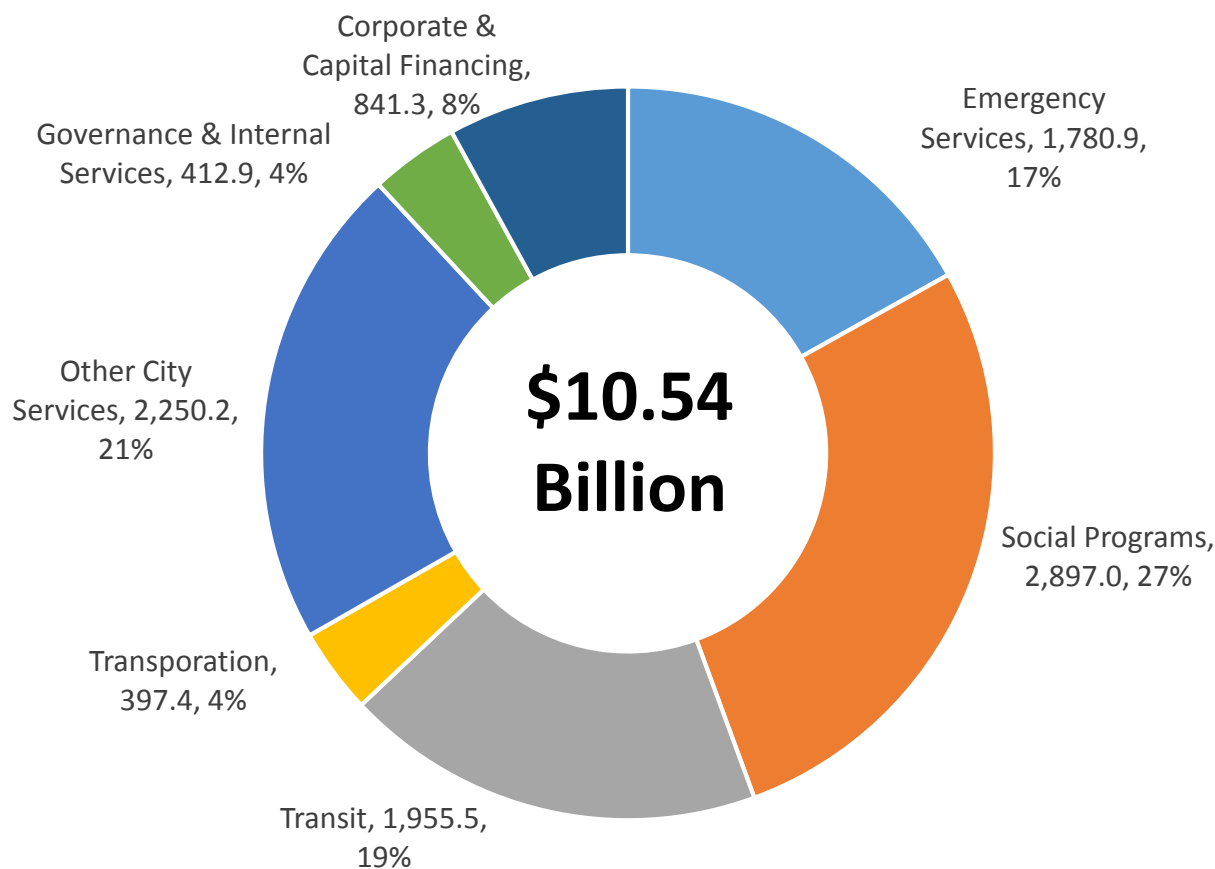
As outlined in Chart 6 on the following page, the 2017 BC Recommended Tax Supported Operating Budget is \$10.535 billion gross of which 27% will be spent on services that the City of Toronto has no direct control over as they are mandated and/or cost-shared with the Province. These services consists of Children's Services, Toronto Public Health, Long-Term Care Homes and Services, Toronto Employment and Social Services, and Shelter, Support and Housing Administration which includes the City's funding for the City's Toronto Community Housing Corporation (red segment).

The next largest segment is Transportation and Transit Services which together account for 23% while Emergency Services, which include the Toronto Police Service, Toronto Fire Services, and Toronto Paramedic Services, represent 17% of the City's total expenditures (blue segment). Altogether, these services plus the 8% funding allocation to the repayment of debt and other capital costs represent 75% of the City of Toronto's total spending for 2017. It is critical that the City manages its debt borrowing as debt

repayment must be funded within the City's Operating Budget. The higher these debt servicing costs, the less funding is available for the delivery of City's services.

The remaining 25% represents all other service expenditures directly managed and delivered by the City of Toronto.

Chart 6: Where the 2017 Operating Budget Will Be Spent



When translated into the an average tax bill, Chart 7 below shows how the 2017 property taxes of \$2,835 for the average value of a home assessed at \$587,471 will be spent based on the recommended 2% residential property tax rate increase.

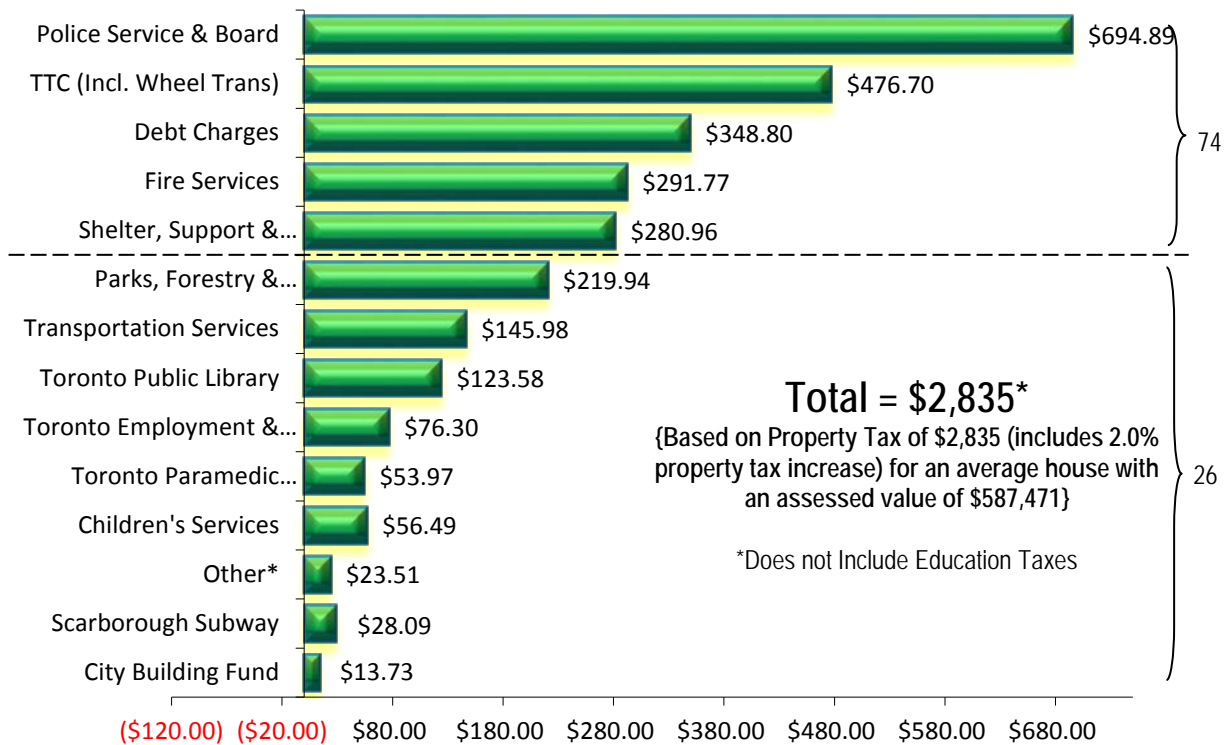
Approximately 74% or \$2,107 will be spent on Toronto Police Service, Toronto Transit Commission (including Wheel-Trans), repayment of the principal and interest costs for debt borrowing (debt servicing for capital works), Toronto Fire Services and Shelter, Support and Housing Administration.

The remaining \$728 or 26% of the property tax bill funds all other services delivered by the City of Toronto including Parks, Forestry and Recreation, Transportation Services, Toronto Public Library, Toronto Employment and Social Services, Toronto Paramedic Services, and Children's Services, just to name a few.

It should be noted that TTC and Emergency Services, including Toronto Police Service, Toronto Fire Services and Toronto Paramedic Services, account for \$1,528 or more than half of the average taxes paid by households.

In addition, approximately \$28 is being dedicated to covering the City of Toronto's debt servicing costs for its proportion of funding for the Scarborough Subway Extension project and \$13.7 towards the City Building Fund for capital transit and housing projects.

Chart 7: Where the 2017 Property Taxes are Spent



### New and Enhanced Service Investments

The 2017 BC Recommended Tax Supported Operating Budget provides funding of \$40.399 million gross which will require tax funding of \$18.001 million for new and enhanced service investments. This level of investment reflects new and enhanced services of \$16.403 million gross and -\$2.240 million net (revenue) from the 2017 Preliminary Operating Budget, as well as new and enhanced services of \$23.796 million gross and \$20.260 million net recommended by Budget Committee.

Investments in new and enhanced services are based largely on service priorities that were referred to or directed by City Council to be considered with the 2017 Budget but also include necessary investments to support continuous improvement in City operations. Approval of these new and enhanced service investments will widen the budget gap for 2018 as these investments will require incremental funding of \$3.219 million net in 2018 to reflect their full year cost.

New and Enhanced Investments included in 2017 BC Recommended Tax Supported Operating Budget enable the City of Toronto to:

<b>New and Enhanced Service Category (\$000s)</b>	<b>Gross</b>	<b>Net</b>
Invest in Arts and Culture	868	813
Invest in Poverty Reduction	8,543	8,431
Expand Tree Canopy	4,736	2,235
Promote Community Wellness	1,811	114
Improve Access to Child Care	3,458	3,458
Invest in Safe Transportation	3,113	1,528
Advance Environment Sustainability	592	333
Invest in Transformation & Modernization	5,631	(1,496)
Strengthen City Building Support	4,428	118
Strengthen Financial Mgmt, Oversight & Support	7,220	2,467
<b>Total New and Enhanced Service Investments</b>	<b>40,400</b>	<b>18,001</b>

It is noted that the investment of \$8.543 million gross and \$8.431 million net in Poverty Reduction is incremental to the poverty reduction initiatives already included in the 2017 base budget of \$31 million net. A detailed list of 2017 New and Enhanced Service Investments recommended by the BC is set out in Appendix 3.

### Staff Complement

The City's services and service levels funded by the 2017 BC Recommended Tax Supported Operating Budget require a staff complement of 51,532.1 positions (48,068.3 operating and 3,371.0 capital). This represents an overall net decrease of 349.1 positions (a reduction of 518.5 base positions and 169.4 new positions for new and enhanced service investments), representing an equivalent 0.7% reduction when compared to the 2016 Council Approved Staff Complement. Table 3 below summarizes the overall complement changes as a result of this recommended budget:

Table 3: Summary of 2017 Complement Changes

	2016 Approved Staff Complement	2017 Complement Changes									
		Prior Year Impact	Operating Impacts of Capital Proj.	Capital Project Delivery	Base Changes	Efficiencies	Service Changes	Total Base Change	New/Enh Service Priorities	Total 2017 BC Rec'd Budget	Change from 2016 Approved
Citizen Centred Services "A"	13,096.3	(61.3)	19.4	71.2	(284.4)	(87.2)	(21.1)	(363.5)	26.4	12,759.3	(337.0)
Citizen Centred Services "B"	6,364.8	(5.0)				(30.5)		(35.5)	61.0	6,390.3	25.5
Internal Services	3,069.0		17.0	(59.2)	(6.5)	(45.0)	(15.0)	(108.7)	18.0	2,978.2	(90.7)
City Manager	429.0	(1.0)			12.0	(3.0)	(11.0)	(3.0)	6.0	432.0	3.0
Other City Programs	924.3	(12.9)	2.0	16.2	7.3	(19.0)	(2.0)	(8.3)	45.5	961.5	37.2
Accountability Offices	54.8					0.5		0.5		55.2	0.5
<b>TOTAL - CITY OPERATIONS</b>	<b>23,938.0</b>	<b>(80.2)</b>	<b>38.4</b>	<b>28.2</b>	<b>(271.6)</b>	<b>(184.2)</b>	<b>(49.1)</b>	<b>(518.5)</b>	<b>156.9</b>	<b>23,576.5</b>	<b>(361.6)</b>
<b>Agencies</b>											
TTC (incl. Wheel-Trans)	14,540.0		(287.0)		323.0			36.0	5.0	14,581.0	41.0
Police Services & Board	7,888.0									7,888.0	
Toronto Public Library	1,741.0					(8.7)		(8.7)		1,732.3	(8.7)
Toronto Public Health	1,864.6		3.0	(6.5)	(10.7)	(23.9)	(2.0)	(40.1)	6.5	1,831.0	(33.6)
Other Agencies	1,512.6		(0.0)		14.8	(2.0)		12.8	1.0	1,526.4	13.8
<b>TOTAL - AGENCIES</b>	<b>27,546.2</b>		<b>(284.0)</b>	<b>(6.5)</b>	<b>327.2</b>	<b>(34.6)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>12.5</b>	<b>27,558.7</b>	<b>12.5</b>
Corporate Accounts (Inc Parkign Tags)	397.0									397.0	
<b>TOTAL LEVY OPERATING BUDGET</b>	<b>51,881.2</b>	<b>(80.2)</b>	<b>(245.6)</b>	<b>21.7</b>	<b>55.6</b>	<b>(218.9)</b>	<b>(51.1)</b>	<b>(518.5)</b>	<b>169.4</b>	<b>51,532.1</b>	<b>(349.1)</b>

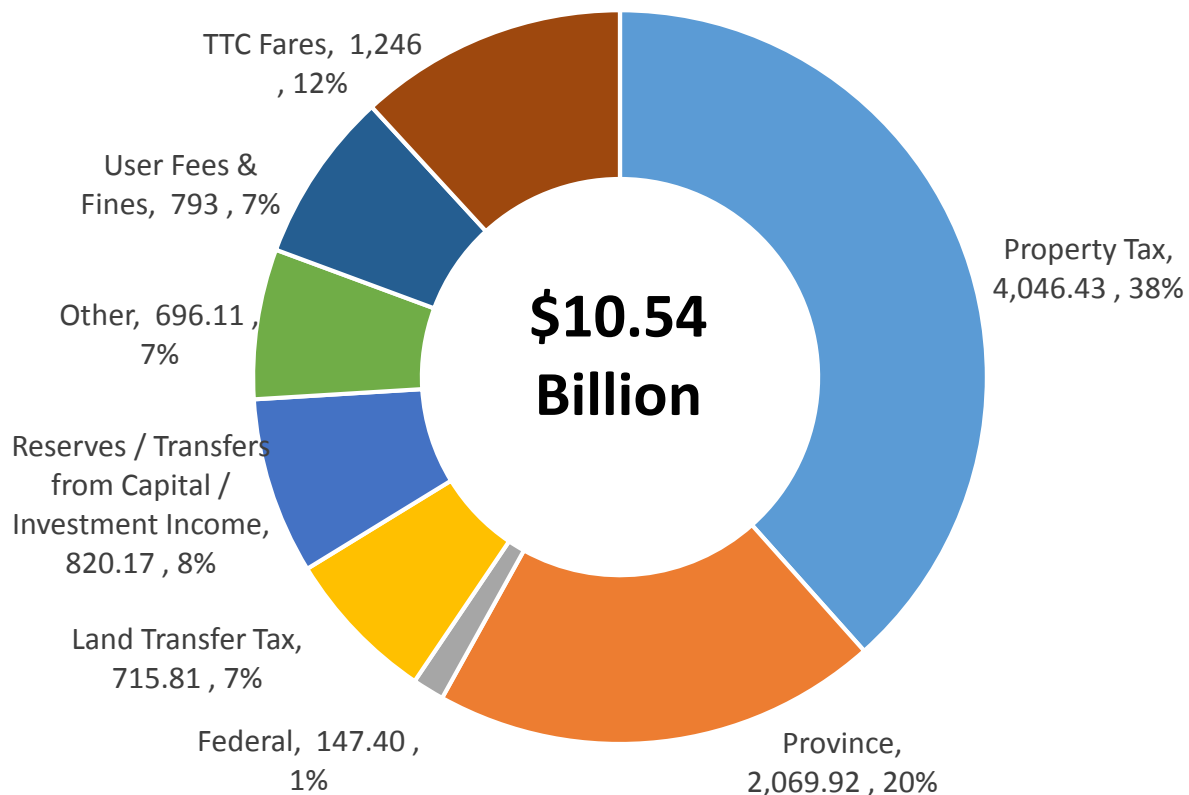
Please refer to Appendix 4 for the 2017 BC Recommended Staff Complement details by City Program and Agency.

## Where the Money Comes From

As shown in Chart 8 below, the 2017 BC Recommended Tax Supported Operating Budget of \$10.535 billion gross is funded from various revenue sources. Municipal property tax is the funding of last resort and it is important for the City of Toronto to maximize all other revenue sources first. Funding is comprised of the following:

- Provincial (\$2.070 billion) and Federal (\$0.147 billion) transfers, which represent 21% of the total revenues, is \$87 million higher than 2016 primarily due to increased provincial upload funds as well as the \$66 million in Social Infrastructure Fund for housing.
- User fees, charges and fines total \$2.039 billion or 19% and reflects a Toronto Transit Commission cash fare increase of 10-cents on all non-cash single fares.
- Municipal Land Transfer Tax Gross revenues amount to \$0.716 billion or 7% of total revenues. It should be noted that, in the absence of the MLTT, the proportion of property tax revenues would have increased by an equal value to 45%.
- Other revenues including investment income and reserve draws amount to \$1.517 billion or 15%; and
- Property tax revenue totals \$4.046 billion and represents 38% of all City funding, based on a recommended 2% residential property tax rate increase.

Chart 8: Where the Money Comes From



## User Fees and Other Changes

The City of Toronto Act (2006) enables the City of Toronto and its Local Boards to charge user fees to recover the cost of services. At its special meeting of September 26 and 27, 2011, Council approved a User Fee Policy, which provides the framework for managing the City of Toronto's user fee program. This policy applies to all City Programs and Local Boards.

With the exception of annual inflationary increases, TTC fares as well as certain market-based fees charged by Local Boards, City Council must authorize new fees and changes to existing user fees for services provided to the general public for all City Programs and Local Boards. Annual inflationary adjustments are automatic and effective January 1 each year. Authority is delegated to the Deputy City Manager & Chief Financial Officer to determine the annual inflation rate for user fees.

The inflationary adjustment applied to each user fee service is based on a blended rate or the specific inflation for each component cost represented in the basket of goods utilized to provide the service. This method reflects more accurately the overall inflation for the services provided, in some cases resulting in a rate increase greater than 2.0%. Fees are also adjusted to reflect market prices, where applicable, and/or to recover an incremental amount of the full cost of providing the related user fee services.

In total, price changes to existing user fees and new user fees will generate incremental gross revenues of \$38.466 million for 2017. Of this amount to be generated:

- \$5.523 million will be from rate changes based on inflationary adjustments;
- \$5.800 million will be from adjustments to current market prices and/or to recover full costs of providing the related user fee services;
- \$12.480 million will maintain cost recovery of services provided for the review of development applications; and
- \$14.663 million will be raised from the introduction of new fees.

Table 4 on the next page summarizes, by City Program and Agency, the incremental revenues from changes to existing user fees including the full cost recovery review of the development application and recommended new user fees, recommended by BC.

Table 4: 2017 Budget Committee Recommended User Fee Change and New User Fees Incremental Revenue Impact Summary

Division / Agency	Development Application Fee Revenue	Inflationary Adjustments Base Fees	Other Adjustments Base Fees	New Fees	Total 2017 Incremental Revenue Total
	2017 Incremental Revenue \$	2017 Incremental Revenue \$	2017 Incremental Revenue \$	2017 Incremental Revenue \$	2017 Incremental Revenue Total \$
AOCC - Swansea Town Hall Community Centre			23,000		23,000
City Clerk's Office		1,907	1,297		3,204
City Planning	544,477	572,176			1,116,653
Courts Services				10,590	10,590
Economic Development & Culture	398,176		26,000		424,176
Engineering & Construction Services	3,640,248	46,088			3,686,336
Facilities, Real Estate & Energy		26,700			26,700
Fire Services	419,839	11,700		1,014,760	1,446,299
Information & Technology		2,624			2,624
Legal Services	1,877,309	89,680			1,966,989
Municipal Licensing & Standards		147,000	213,000	1,333,000	1,693,000
Parks, Forestry & Recreation	316,107	1,973,300	359,200	473,300	3,121,907
Office of the Treasurer		196,105	(700,000)		(503,895)
Toronto Building	1,174,404	1,416,076			2,590,480
Toronto Paramedic Services		5,947	(285,658)	-	(279,711)
Toronto Public Health		20,116	54,000		74,116
Toronto Zoo			576,500		576,500
Transportation Services	294,179	979,597	322,300	5,719,664	7,315,740
Non-Program Revenue - Administrative Penalty System (Other / New)	3,815,421	34,097	5,210,000	6,112,000	15,171,517
<b>TOTAL</b>	<b>12,480,161</b>	<b>5,523,112</b>	<b>5,799,639</b>	<b>14,663,314</b>	<b>38,466,226</b>

An explanation of all user fee changes are detailed in the Budget Briefing Note # 3 entitled "*Changes to Existing User Fees and New User Fees in the 2017 Preliminary Operating Budget*" that was provided to the BC for consideration at its meeting of January 5, 2017.

<http://www1.toronto.ca/City%20Of%20Toronto/Strategic%20Communications/City%20Budget/2017/Briefing%20Notes/BN03%20OP%20Corporate%202017%20User%20Fees.pdf>

## Municipal Land Transfer Tax

As a result of Budget Committee's recommendations, revenues from the Municipal Land Transfer Tax have increased by \$184 million to \$716 million in 2017, comprised of the following:

- A volume increase of \$116 million based on the latest 2016 year-end projections which far exceed the 2016 Budget.
- Rate harmonization with the current Ontario Land Transfer Tax thereby increasing MLTT revenue by \$77 million based on the following recommended rates:

Value of Consideration	Residential (SFR)*		All other properties (non-SFR)	
	Current	Proposed	Current	Proposed
\$0-\$55,000.00	0.50%	0.50%	0.50%	0.50%
\$55,000.01 - \$250,000.00	1.00%	1.00%	1.00%	1.00%
\$250,000.01 - \$400,000.00	1.00%	1.50%	1.00%	1.50%
>\$400,000.00	2.00%	2.00%	1.50%	2.00%
>\$2 million		2.50%		
>\$40 million			1.00%	

\* Residential = properties with not more than 2 single-family residences (SFR).  
All other properties = non-SFR

- An increase in the maximum MLTT rebate for first-time homebuyers from \$3,725 to \$4,475 so as to provide a rebate for transactions with values of consideration up to \$400,000 for eligible first time homebuyers, with an estimated cost of \$9 million.

### 2017 Property Tax Changes Impact on Average Household (Municipal Taxes)

The 2017 BC Recommended Tax Supported Operating Budget keeps the costs of City services affordable with an inflation-level residential property tax rate increase of 2% and an overall total tax rate increase of 1.39% for budgetary purposes. This represents an increase of \$55 for an average household with a home value assessed at \$587,471 for 2017. However, it is important to note that the 2% residential property tax rate increase does not include the BC recommended 0.5% property tax levy or \$14 increase to be a dedicated contribution to the City Building Fund commencing in 2017 for capital transit and housing projects. The property tax levy for the City Building Fund will increase by 0.5% annually for the next 5 years to a total of 2.5% in 2021.

When combining the impact of the BC recommended change to City's policy to shift 1/2 of the budgetary property tax increase from non-residential to residential from its current policy of shifting one-third, the total residential tax increase is 3.29% or \$90 for an average value of home assessed at \$587,471 for 2017, as shown in Chart 9 below.



Chart 9: 2017 Property Tax Increase Including City Building Fund and Current Value Assessment (CVA) Policy Shift

	\$	%	
<b>2016 Tax</b>	<b>2,745</b>		<b>2016 Average CVA \$548,943</b>
<b>Reassessment Impact</b>	(3)	-0.12%	
<b>Policy / Regulation Impact</b>	<u>25</u>	<u>0.91%</u>	
	<b>2,766</b>	<b>0.79%</b>	
<b>Budget Increase</b>	55	2.0%	
<b>City Building Fund</b>	<u>14</u>	<u>0.5%</u>	
	<u>69</u>	<u>2.50%</u>	
<b>Total Impact</b>	<b>90</b>	<b>3.29%</b>	
<b>2017 Tax</b>	<b>2,835</b>		<b>2017 Average CVA \$587,471</b>

### 2018 and 2019 Operating Plan

The City of Toronto will continue to face budgetary pressures. It is projected that the expenditure budget pressure is estimated to be at least \$533 million gross in 2018 and \$252 million gross in 2019, as shown in Table 5. The pressure is primarily driven by the following key drivers:

- The one-time bridging solutions used to balance the 2017 BC Recommended Tax Supported Operating Budget including use of the TTC Stabilization Reserve funding of \$12.9 million and expense deferrals for Toronto Community Housing Corporation (TCHC) of \$72 million which must be addressed in 2018. The City of Toronto will need to replace \$87.8 million in unsustainable bridging strategies with permanent funding for 2018.
- Toronto Transit Commission (TTC)'s operating costs continue to grow including the full implementation costs of Presto, the full year impact of operating the extension for Toronto-York Spadina Subway Extension (TYSSE), as well as the planned Station Transformation and transit fare equity implementation projected for 2018. Together, these pressures are estimated to be approximately \$180 million.
- Increased debt servicing costs and Capital from Current funding of \$127.4 million to finance additional capital works approved in the 2017 - 2026 BC Recommended Capital Budget and Plan. This does not take into any further account progress to be made on the City's unfunded capital needs.

- Escalating service costs due to inflationary labour, contractual, and other expenditures to provide prior year services and service levels as well as the incremental costs to reflect the full year implementation for 2017 new and enhanced service investments.

On a net expenditure basis, these pressures will be reduced to \$370 million net for 2018 and \$81 million net for 2019, due in large part to an assumed property tax rate increase maintained at the rate of inflation and continued moderate assessment growth. No additional Municipal Land Transfer Tax (MLTT) is assumed given the sizeable increase in 2017. Residual revenues generated from BC recommended harmonization of the Land Transfer Tax rates and a new hotel tax will provide an additional \$22 million in 2018. In addition, 2018 will be the final year the City of Toronto benefits from the provincial upload associated with Ontario Works.

These estimates do not include any investment in new or expanded services and service levels for these years.

Table 5: 2018 and 2019 Incremental Operating Budget Plan

<b>Reversal of 2017 Bridging Strategies (in \$ Millions)</b>	<b>2018</b>	<b>2019</b>
2017 Bridging Strategies: TCHC	72	0
2017 Bridging Strategies: Other (Inc TTC Reserve)	16	0
<b>Reversal of 2017 Bridging Strategies Total</b>	<b>88</b>	<b>0</b>
<b>Expenditure Pressures</b>		
TTC	180	74
Capital & Corporate Costs	127	85
Comp & Benefits (Excl TTC & Police)	67	62
Tax Deficiencies	27	(10)
Operating Impact of Capital Projects	11	5
Non-labour Inflationary Impact	9	8
Employee Liability	5	5
Insurance	6	0
Other Base Pressures	12	22
<b>Expenditure Pressures Total</b>	<b>445</b>	<b>252</b>
<b>Revenue Changes</b>		
User Fee Change	(6)	(5)
OW Benefit Upload	(22)	0
Interest / Dividend Income	4	(16)
TTC Base User Fee Change	(9)	(22)
TTC Fare Change	0	(20)
Hotel and Lodging Tax	(15)	0
Municipal Land Transfer Tax	(7)	0
Assessment Growth	(50)	(50)
2% Tax Increase	(57)	(58)
<b>Revenue Changes Total</b>	<b>(163)</b>	<b>(172)</b>
<b>Total Pressure</b>	<b>370</b>	<b>81</b>

With most revenue sources having been utilized, expense management will be a major focus. As such, BC has recommended that the City Manager report on a 3-year plan

that restrains spending and reforms programs for City Divisions and Agencies that would include a 10% reduction of management positions through attrition similar to 2017, beginning in 2018. The intent is that this plan will build on the Mayor's 4 point plan to save money and improve service to residents through innovation, modern technology and improved efficiency and will be based on the City's Long Term Financial Plan's financial targets required to achieve fiscal sustainability. The City Manager will report back to the Executive Committee in the spring of 2017.

Furthermore, new and enhanced funding was added to the Auditor General's Office, over three years commencing in 2017 to conduct value for money audits subject to approved work plans. Funding was also added to:

- Internal Audit within the City Manager's Office to provide additional internal audit capacity to improve operation controls, and risk management practices in the City.
- Financial Planning Division to undertake the City's long-term financial planning, analytics, and performance reporting initiatives.

The absence of integrated financial planning - across budgets, program areas and annual cycles - is a longstanding challenge for City governance and Council decision making. It has contributed to the emergence of significant gaps between City Council's current fiscal framework and long-term aspirations.

The City of Toronto's Long-Term Financial Plan is currently under development and will provide scenarios for a sustainable financial framework for the City of Toronto. Key pieces of outstanding work are underway to finalize the Long-Term Financial Plan:

- Strategies and processes to strengthen strategic decision-making that will support:
  - City Council setting priorities and outcomes in order to deliver its strategic agenda;
  - Integrated financial and budget processes in a multi-year perspective;
  - Detailed financial analysis and modelling in order to improve outcome measurement;
  - Integrated service planning through City Programs and Agencies with the City's financial planning and budgeting to achieve the strategic allocation of resources to meet intended outcomes; and
  - Increased financial management and oversight of City Programs and Agencies.
- A multi-year expense and revenue forecast together with expenditure management plans that will include short-term and long-term strategies to deliver a business transformation program that:
  - Modernizes processes,
  - Improves productivities,
  - Embeds efficiencies to achieve excellence in service delivery, and
  - Maximizes the use of City assets in support of service delivery in order to provide the best value for the public.

Expenditure management alone will not solve the City's financial challenges. Revenue measures are required to increase stable revenue sources through policy change (e.g. raise existing revenue sources or implement new revenue options).

The 2017 Budget process is a crucial first step in addressing major expense pressures faced by the City of Toronto. Any residual or incremental pressures that are not addressed through the budget decisions will be considered through the Long-Term Financial Plan.

A final Long-Term Financial Plan will be presented to Committee and City Council in the second quarter 2017 well in advance of the 2018 Budget Process. It will present options and create a roadmap to achieve long-term financial sustainability through multi-year expenditure and revenue strategies. The primary fiscal challenges that must be addressed in the report include long term expense management, particularly with regard to City agencies and long term revenue management.

Changes will be required to the City of Toronto's annual budget process to achieve integrated, multi-year business and financial planning and strengthen the City of Toronto's strategic decision-making and financial governance and oversight.

## **CONTACT**

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## **SIGNATURE**

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Peter Wallace  
City Manager

Roberto Rossini  
Deputy City Manager &  
Chief Financial Officer

## **ATTACHMENTS**

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Appendix 1 - 2017 Budget Committee Recommended Operating Net Expenditure, Gross Expenditure and Revenue Budget  
Appendix 2 - 2017 Budget Committee Recommended Service Adjustments  
Appendix 3 - 2017 Budget Committee Recommended New Service Investments  
Appendix 4 - 2017 Budget Committee Recommended Staff Complement  
Appendix 5 - 2017 Budget Committee Recommended Operating Budget Recommendations by City Program and Agency

(In \$000's)	2016 Budget	2017 Base Budget	Change from 2016 Approved Budget		2017 New / Enh. Budget	2017 BC Recommended Operating Budget	Change from 2016 Approved Budget	
			\$ Incr / (Dcr)	%			\$ Incr / (Dcr)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	1,201	1,170	(31)	(2.6%)		1,170	(31)	(2.6%)
Children's Services	78,122	78,390	267	0.3%	3,458	81,848	3,726	4.8%
Court Services	8,545	9,246	701	8.2%	844	10,090	1,546	18.1%
Economic Development & Culture	58,941	61,321	2,379	4.0%	180	61,501	2,559	4.3%
Toronto Paramedic Services	78,922	78,189	(732)	(0.9%)		78,189	(732)	(0.9%)
Long-Term Care Homes & Services	48,493	47,323	(1,170)	(2.4%)		47,323	(1,170)	(2.4%)
Parks, Forestry & Recreation	316,085	316,662	577	0.2%	1,993	318,654	2,569	0.8%
Shelter, Support & Housing Administration	348,415	401,062	52,647	15.1%	6,000	407,062	58,647	16.8%
Social Development, Finance & Administration	32,023	32,194	172	0.5%		32,194	172	0.5%
Toronto Employment & Social Services	137,743	110,551	(27,192)	(19.7%)		110,551	(27,192)	(19.7%)
<b>Sub-Total Citizen Centred Services "A"</b>	<b>1,108,490</b>	<b>1,136,107</b>	<b>27,617</b>	<b>2.5%</b>	<b>12,475</b>	<b>1,148,582</b>	<b>40,093</b>	<b>3.6%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	15,694	15,292	(402)	(2.6%)		15,292	(402)	(2.6%)
Fire Services	418,653	423,074	4,421	1.1%	(349)	422,725	4,072	1.0%
Municipal Licensing & Standards	19,893	20,526	633	3.2%	(1,150)	19,376	(517)	(2.6%)
Policy, Planning, Finance & Administration	9,759	9,108	(651)	(6.7%)		9,108	(651)	(6.7%)
Engineering & Construction Services	7,617	3,937	(3,680)	(48.3%)	118	4,056	(3,561)	(46.8%)
Toronto Building	(10,755)	(10,755)	(0)	0.0%		(10,755)	(0)	0.0%
Transportation Services	207,642	215,145	7,503	3.6%	(3,647)	211,498	3,855	1.9%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>668,504</b>	<b>676,328</b>	<b>7,824</b>	<b>1.2%</b>	<b>(5,029)</b>	<b>671,299</b>	<b>2,795</b>	<b>0.4%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	9,828	9,571	(256)	(2.6%)	140	9,711	(117)	(1.2%)
Office of the Treasurer	28,983	27,394	(1,590)	(5.5%)	829	28,223	(761)	(2.6%)
Facilities, Real Estate, Environment & Energy	69,326	67,556	(1,769)	(2.6%)	333	67,890	(1,436)	(2.1%)
Fleet Services		(172)	(172)	n/a		(172)	(172)	n/a
311 Toronto	9,895	9,638	(257)	(2.6%)		9,638	(257)	(2.6%)
Information & Technology	74,249	74,679	430	0.6%	10	74,689	440	0.6%
<b>Sub-Total Internal Services</b>	<b>192,280</b>	<b>188,667</b>	<b>(3,614)</b>	<b>(1.9%)</b>	<b>1,312</b>	<b>189,979</b>	<b>(2,302)</b>	<b>(1.2%)</b>
<b>City Manager</b>								
City Manager's Office	47,555	46,447	(1,108)	(2.3%)	500	46,947	(608)	(1.3%)
<b>Sub-Total City Manager</b>	<b>47,555</b>	<b>46,447</b>	<b>(1,108)</b>	<b>(2.3%)</b>	<b>500</b>	<b>46,947</b>	<b>(608)</b>	<b>(1.3%)</b>
<b>Other City Programs</b>								
City Clerk's Office	32,466	32,438	(28)	(0.1%)		32,438	(28)	(0.1%)
Legal Services	20,334	19,524	(810)	(4.0%)	2,867	22,391	2,057	10.1%
Mayor's Office	2,311	2,251	(60)	(2.6%)		2,251	(60)	(2.6%)
City Council	20,898	20,355	(543)	(2.6%)		20,355	(543)	(2.6%)
<b>Sub-Total Other City Programs</b>	<b>76,009</b>	<b>74,568</b>	<b>(1,441)</b>	<b>(1.9%)</b>	<b>2,867</b>	<b>77,435</b>	<b>1,426</b>	<b>1.9%</b>
<b>Accountability Offices</b>								
Auditor General's Office	5,033	4,902	(131)	(2.6%)	1,000	5,902	869	17.3%
Integrity Commissioner's Office	485	507	22	4.5%		507	22	4.5%
Office of the Lobbyist Registrar	1,156	1,154	(2)	(0.2%)		1,154	(2)	(0.2%)
Office of the Ombudsman	1,834	1,810	(24)	(1.3%)		1,810	(24)	(1.3%)
<b>Sub-Total Council Appointed Programs</b>	<b>8,508</b>	<b>8,373</b>	<b>(135)</b>	<b>(1.6%)</b>	<b>1,000</b>	<b>9,373</b>	<b>865</b>	<b>10.2%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>2,101,347</b>	<b>2,130,490</b>	<b>29,143</b>	<b>1.4%</b>	<b>13,125</b>	<b>2,143,615</b>	<b>42,268</b>	<b>2.0%</b>
<b>Agencies</b>								
Toronto Public Health	58,923	58,540	(383)	(0.6%)	2,257	60,797	1,874	3.2%
Toronto Public Library	177,175	178,762	1,588	0.9%	289	179,052	1,877	1.1%
Association of Community Centres	7,696	7,808	112	1.5%		7,808	112	1.5%
Exhibition Place	(157)	(163)	(6)	3.7%		(163)	(6)	3.7%
Heritage Toronto	306	298	(8)	(2.6%)		298	(8)	(2.6%)
Theatres	5,497	5,253	(244)	(4.4%)	633	5,886	389	7.1%
Toronto Zoo	11,885	11,574	(311)	(2.6%)		11,574	(311)	(2.6%)
Arena Boards of Management	(10)	(20)	(10)	99.7%		(20)	(10)	99.7%
Yonge-Dundas Square	387	377	(10)	(2.6%)		377	(10)	(2.6%)
Toronto & Region Conservation Authority	3,474	3,561	87	2.5%		3,561	87	2.5%
Toronto Transit Commission - Conventional	493,627	546,581	52,955	10.7%	1,398	547,979	54,352	11.0%
Toronto Transit Commission - Wheel Trans	116,712	142,678	25,965	22.2%		142,678	25,965	22.2%
Toronto Police Service	1,004,744	1,004,465	(280)	(0.0%)		1,004,465	(280)	(0.0%)
Toronto Police Services Board	2,302	2,309	7	0.3%		2,309	7	0.3%
<b>TOTAL - AGENCIES</b>	<b>1,882,562</b>	<b>1,962,025</b>	<b>79,463</b>	<b>4.2%</b>	<b>4,577</b>	<b>1,966,602</b>	<b>84,040</b>	<b>4.5%</b>

(In \$000's)	2016 Budget	2017 Base Budget	Change from 2016 Approved Budget		2017 New / Enh. Budget	2017 BC Recommended Operating Budget	Change from 2016 Approved Budget	
			\$ Incr / (Dcr)	%			\$ Incr / (Dcr)	%
<b>Corporate Accounts</b>								
<u>Capital &amp; Corporate Financing</u>								
Capital from Current	212,607	293,902	81,295	38.2%		293,902	81,295	38.2%
Technology Sustainment	17,912	17,912				17,912		
Debt Charges	463,373	505,349	41,976	9.1%		505,349	41,976	9.1%
<b>Capital &amp; Corporate Financing</b>	<b>693,891</b>	<b>817,163</b>	<b>123,271</b>	<b>17.8%</b>		<b>817,163</b>	<b>123,271</b>	<b>17.8%</b>
<u>Non Program Expenditures</u>								
Tax Deficiencies/Write offs	29,216	76,499	47,284	161.8%		76,499	47,284	161.8%
Assessment Function (MPAC)	40,670	42,270	1,600	3.9%		42,270	1,600	3.9%
Temporary Borrowing				n/a				n/a
Funding of Employee Related Liabilities	65,875	70,829	4,953	7.5%		70,829	4,953	7.5%
Tax Rebates for Registered Charities				n/a				n/a
Programs Funded from Reserve Funds		(0)	(0)	n/a		(0)	(0)	n/a
Other Corporate Expenditures	44,286	44,498	213	0.5%		44,498	213	0.5%
Insurance Premiums & Claims	300	4,300	4,000	1333.3%		4,300	4,000	1333.3%
Parking Tag Enforcement & Operations Exp	65,580	65,701	121	0.2%	440	66,141	561	0.9%
Vacancy Rebate Program	23,000	17,500	(5,500)	(23.9%)		17,500	(5,500)	(23.9%)
Heritage Property Taxes Rebate	2,000	1,750	(250)	(12.5%)		1,750	(250)	(12.5%)
Street & Expressway Lighting Services				n/a				n/a
Pandemic Influenza Stockpiling		500	500	n/a		500	500	n/a
Solid Waste Management Services Rebate	153,802	144,302	(9,500)	(6.2%)		144,302	(9,500)	(6.2%)
<b>Non-Program Expenditures</b>	<b>424,728</b>	<b>468,149</b>	<b>43,421</b>	<b>10.2%</b>	<b>440</b>	<b>468,589</b>	<b>43,861</b>	<b>10.3%</b>
<u>Non Program Revenues</u>								
Tax Stabilization Reserve (Prior Year Surplus)				n/a				n/a
Payments in Lieu of Taxes	(102,830)	(100,523)	2,307	(2.2%)		(100,523)	2,307	(2.2%)
Supplementary Taxes	(40,700)	(35,000)	5,700	(14.0%)		(35,000)	5,700	(14.0%)
Tax Penalty Revenue	(29,000)	(29,000)				(29,000)		
Municipal Land Transfer Tax	(485,600)	(668,000)	(182,400)	37.6%		(668,000)	(182,400)	37.6%
Third Party Sign Tax	(10,836)	(11,036)	(200)	1.8%		(11,036)	(200)	1.8%
Interest/Investment Earnings	(116,863)	(100,406)	16,457	(14.1%)		(100,406)	16,457	(14.1%)
Other Corporate Revenues	(9,130)	(9,160)	(30)	0.3%		(9,160)	(30)	0.3%
Dividend Income	(67,500)	(75,000)	(7,500)	11.1%		(75,000)	(7,500)	11.1%
Provincial Gas Tax	(91,600)	(91,600)				(91,600)		
Parking Authority Revenues	(46,947)	(49,034)	(2,088)	4.4%		(49,034)	(2,088)	4.4%
Administrative Support Recoveries - Water	(18,973)	(18,973)				(18,973)		
Administrative Support Recoveries - Health & EMS	(16,327)	(16,327)				(16,327)		
Parking Tag Enforcement & Operations Rev	(102,414)	(106,455)	(4,042)	3.9%	(6,112)	(112,567)	(10,154)	9.9%
Other Tax Revenues	(13,499)	(13,095)	405	(3.0%)		(13,095)	405	(3.0%)
Woodbine Slots Revenues	(15,500)	(16,000)	(500)	3.2%		(16,000)	(500)	3.2%
Gaming & Registry Revenues	(3,588)	(3,822)	(234)	6.5%		(3,822)	(234)	6.5%
Court Services Fine Revenue				n/a				n/a
<b>Non-Program Revenues</b>	<b>(1,171,305)</b>	<b>(1,343,430)</b>	<b>(172,125)</b>	<b>14.7%</b>	<b>(6,112)</b>	<b>(1,349,542)</b>	<b>(178,236)</b>	<b>15.2%</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>(52,686)</b>	<b>(58,118)</b>	<b>(5,432)</b>	<b>10.3%</b>	<b>(5,672)</b>	<b>(63,790)</b>	<b>(11,104)</b>	<b>21.1%</b>
<b>TOTAL LEVY OPERATING BUDGET BEFORE ASSESSMENT GROWTH AND TAX INCREASE</b>								
	3,931,223	4,034,396	103,173	2.6%	12,030	4,046,426	115,204	2.9%
						(52,150)	(52,150)	
Assessment Growth						(6,872)	(6,872)	
Assessment Adjustments Per New Regulation								
<b>TOTAL LEVY OPERATING BUDGET</b>	<b>3,931,223</b>	<b>4,034,396</b>	<b>103,173</b>	<b>2.6%</b>	<b>12,030</b>	<b>3,987,404</b>	<b>56,182</b>	<b>1.4%</b>
<b>Special Levy for Scarborough Subway</b>								
	40,699	40,699				40,699		
<b>City Building Fund</b>								
						14,046		
<b>TOTAL LEVY INCLUDING SCARBOROUGH SUBWAY EXTENSION LEVY</b>								
	3,971,922	4,075,095	103,173	2.6%	12,030	4,101,171	129,250	3.3%



**CITY OF TORONTO**  
**2017 BUDGET COMMITTEE RECOMMENDED OPERATING BUDGET**  
**GROSS EXPENDITURE**

Appendix 1

(In \$000's)	2016 Budget	2017 Base Budget	Change from 2016 Approved Budget		2017 New/ Enh. Budget	2017 BC Recommended Operating Budget	Change from 2016 Approved Budget	
			\$ Incr / (Dcr)	%			\$ Incr / (Dcr)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	3,020	3,474	454	15.0%		3,474	454	15.0%
Children's Services	473,539	479,083	5,544	1.2%	3,458	482,541	9,002	1.9%
Court Services	50,002	51,104	1,103	2.2%	855	51,959	1,958	3.9%
Economic Development & Culture	78,163	79,419	1,257	1.6%	235	79,654	1,492	1.9%
Toronto Paramedic Services	204,913	210,484	5,571	2.7%		210,484	5,571	2.7%
Long-Term Care Homes & Services	254,570	255,639	1,069	0.4%	1,342	256,981	2,411	0.9%
Parks, Forestry & Recreation	451,957	452,327	369	0.1%	5,002	457,328	5,371	1.2%
Shelter, Support & Housing Administration	697,737	823,484	125,747	18.0%	6,100	829,583	131,847	18.9%
Social Development, Finance & Administration	54,159	49,212	(4,947)	(9.1%)	259	49,471	(4,688)	(8.7%)
Toronto Employment & Social Services	1,100,880	1,083,234	(17,646)	(1.6%)		1,083,234	(17,646)	(1.6%)
<b>Sub-Total Citizen Centred Services "A"</b>	<b>3,368,939</b>	<b>3,487,459</b>	<b>118,521</b>	<b>3.5%</b>	<b>17,250</b>	<b>3,504,709</b>	<b>135,771</b>	<b>4.0%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	45,752	46,808	1,055	2.3%	1,267	48,075	2,323	5.1%
Fire Services	433,981	439,160	5,179	1.2%	665	439,826	5,844	1.3%
Municipal Licensing & Standards	50,735	51,865	1,130	2.2%	1,257	53,122	2,387	4.7%
Policy, Planning, Finance & Administration	22,208	23,071	864	3.9%		23,071	864	3.9%
Engineering & Construction Services	71,416	72,634	1,219	1.7%	612	73,247	1,831	2.6%
Toronto Building	53,825	54,852	1,027	1.9%	1,185	56,037	2,211	4.1%
Transportation Services	388,902	394,181	5,279	1.4%	3,258	397,439	8,537	2.2%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>1,066,819</b>	<b>1,082,572</b>	<b>15,753</b>	<b>1.5%</b>	<b>8,245</b>	<b>1,090,817</b>	<b>23,997</b>	<b>2.2%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	16,731	16,673	(58)	(0.3%)	318	16,991	260	1.6%
Office of the Treasurer	76,796	70,853	(5,944)	(7.7%)	1,931	72,784	(4,012)	(5.2%)
Facilities, Real Estate, Environment & Energy	194,264	194,646	382	0.2%	333	194,979	715	0.4%
Fleet Services	52,088	53,907	1,819	3.5%		53,907	1,819	3.5%
311 Toronto	18,975	17,624	(1,351)	(7.1%)		17,624	(1,351)	(7.1%)
Information & Technology	125,833	127,805	1,972	1.6%	10	127,815	1,982	1.6%
<b>Sub-Total Internal Services</b>	<b>484,689</b>	<b>481,508</b>	<b>(3,181)</b>	<b>(0.7%)</b>	<b>2,593</b>	<b>484,101</b>	<b>(588)</b>	<b>(0.1%)</b>
<b>City Manager</b>								
City Manager's Office	55,309	54,131	(1,177)	(2.1%)	899	55,031	(278)	(0.5%)
<b>Sub-Total City Manager</b>	<b>55,309</b>	<b>54,131</b>	<b>(1,177)</b>	<b>(2.1%)</b>	<b>899</b>	<b>55,031</b>	<b>(278)</b>	<b>(0.5%)</b>
<b>Other City Programs</b>								
City Clerk's Office	50,279	50,438	159	0.3%		50,438	159	0.3%
Legal Services	50,921	52,847	1,926	3.8%	4,936	57,783	6,862	13.5%
Mayor's Office	2,311	2,251	(60)	(2.6%)		2,251	(60)	(2.6%)
City Council	20,938	20,435	(503)	(2.4%)		20,435	(503)	(2.4%)
<b>Sub-Total Other City Programs</b>	<b>124,449</b>	<b>125,971</b>	<b>1,521</b>	<b>1.2%</b>	<b>4,936</b>	<b>130,906</b>	<b>6,457</b>	<b>5.2%</b>
<b>Accountability Offices</b>								
Auditor General's Office	5,033	4,902	(131)	(2.6%)	1,000	5,902	869	17.3%
Integrity Commissioner's Office	485	507	22	4.5%		507	22	4.5%
Office of the Lobbyist Registrar	1,156	1,154	(2)	(0.2%)		1,154	(2)	(0.2%)
Office of the Ombudsman	1,834	1,810	(24)	(1.3%)		1,810	(24)	(1.3%)
<b>Sub-Total Council Appointed Programs</b>	<b>8,508</b>	<b>8,373</b>	<b>(135)</b>	<b>(1.6%)</b>	<b>1,000</b>	<b>9,373</b>	<b>865</b>	<b>10.2%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>5,108,713</b>	<b>5,240,015</b>	<b>131,302</b>	<b>2.6%</b>	<b>34,923</b>	<b>5,274,937</b>	<b>166,224</b>	<b>3.3%</b>
<b>Agencies</b>								
Toronto Public Health	244,079	241,951	(2,128)	(0.9%)	2,717	244,667	588	0.2%
Toronto Public Library	194,767	198,371	3,603	1.9%	289	198,660	3,893	2.0%
Association of Community Centres	7,970	8,105	135	1.7%		8,105	135	1.7%
Exhibition Place	36,575	37,282	707	1.9%		37,282	707	1.9%
Heritage Toronto	766	795	29	3.8%		795	29	3.8%
Theatres	23,123	28,425	5,302	22.9%	633	29,058	5,935	25.7%
Toronto Zoo	51,065	52,086	1,021	2.0%		52,086	1,021	2.0%
Arena Boards of Management	8,642	9,013	371	4.3%		9,013	371	4.3%
Yonge-Dundas Square	2,332	2,352	20	0.9%		2,352	20	0.9%
Toronto & Region Conservation Authority	43,044	43,532	488	1.1%		43,532	488	1.1%
Toronto Transit Commission - Conventional	1,736,756	1,802,885	66,128	3.8%	1,398	1,804,282	67,526	3.9%
Toronto Transit Commission - Wheel Trans	123,666	151,169	27,503	22.2%		151,169	27,503	22.2%
Toronto Police Service	1,132,208	1,127,817	(4,391)	(0.4%)		1,127,817	(4,391)	(0.4%)
Toronto Police Services Board	3,052	2,809	(243)	(8.0%)		2,809	(243)	(8.0%)
<b>TOTAL - AGENCIES</b>	<b>3,608,046</b>	<b>3,706,592</b>	<b>98,546</b>	<b>2.7%</b>	<b>5,036</b>	<b>3,711,628</b>	<b>103,583</b>	<b>2.9%</b>





**CITY OF TORONTO**  
**2017 BUDGET COMMITTEE RECOMMENDED OPERATING BUDGET**  
**GROSS EXPENDITURE**

Appendix 1

(In \$000's)	2016 Budget	2017 Base Budget	Change from 2016 Approved Budget		2017 New/ Enh. Budget	2017 BC Recommended Operating Budget	Change from 2016 Approved Budget	
			\$ Incr / (Dcr)	%			\$ Incr / (Dcr)	%
<b>Corporate Accounts</b>								
<u>Capital &amp; Corporate Financing</u>								
Capital from Current	212,607	293,902	81,295	38.2%		293,902	81,295	38.2%
Technology Sustainment	17,912	17,912				17,912		
Debt Charges	486,679	529,529	42,850	8.8%		529,529	42,850	8.8%
<b>Capital &amp; Corporate Financing</b>	<b>717,198</b>	<b>841,343</b>	<b>124,145</b>	<b>17.3%</b>		<b>841,343</b>	<b>124,145</b>	<b>17.3%</b>
<u>Non Program Expenditures</u>								
Tax Deficiencies/Write offs	61,420	105,395	43,975	71.6%		105,395	43,975	71.6%
Assessment Function (MPAC)	40,670	42,270	1,600	3.9%		42,270	1,600	3.9%
Temporary Borrowing				n/a				n/a
Funding of Employee Related Liabilities	65,875	70,829	4,953	7.5%		70,829	4,953	7.5%
Tax Rebates for Registered Charities	7,157	7,157				7,157		
Programs Funded from Reserve Funds	130,435	140,881	10,447	8.0%		140,881	10,447	8.0%
Other Corporate Expenditures	52,073	50,763	(1,310)	(2.5%)		50,763	(1,310)	(2.5%)
Insurance Premiums & Claims	300	4,300	4,000	1333.3%		4,300	4,000	1333.3%
Parking Tag Enforcement & Operations Exp	65,580	65,701	121	0.2%	440	66,141	561	0.9%
Vacancy Rebate Program	23,000	17,500	(5,500)	(23.9%)		17,500	(5,500)	(23.9%)
Heritage Property Taxes Rebate	2,000	1,750	(250)	(12.5%)		1,750	(250)	(12.5%)
Street & Expressway Lighting Services				n/a				n/a
Pandemic Influenza Stockpiling		500	500	n/a		500	500	n/a
Solid Waste Management Services Rebate	153,802	144,302	(9,500)	(6.2%)		144,302	(9,500)	(6.2%)
<b>Non-Program Expenditures</b>	<b>602,311</b>	<b>651,347</b>	<b>49,036</b>	<b>8.1%</b>	<b>440</b>	<b>651,787</b>	<b>49,476</b>	<b>8.2%</b>
<u>Non Program Revenues</u>								
Tax Stabilization Reserve (Prior Year Surplus)				n/a				n/a
Payments in Lieu of Taxes				n/a				n/a
Supplementary Taxes				n/a				n/a
Tax Penalty Revenue				n/a				n/a
Municipal Land Transfer Tax	46,428	47,810	1,381	3.0%		47,810	1,381	3.0%
Third Party Sign Tax	1,116	1,116				1,116		
Interest/Investment Earnings	1,132	1,151	19	1.6%		1,151	19	1.6%
Other Corporate Revenues	2,092	4,762	2,670	127.7%		4,762	2,670	127.7%
Dividend Income				n/a				n/a
Provincial Gas Tax				n/a				n/a
Parking Authority Revenues	9,380		(9,380)	(100.0%)			(9,380)	(100.0%)
Administrative Support Recoveries - Water				n/a				n/a
Administrative Support Recoveries - Health & EMS				n/a				n/a
Parking Tag Enforcement & Operations Rev				n/a				n/a
Other Tax Revenues				n/a				n/a
Woodbine Slots Revenues				n/a				n/a
Gaming & Registry Revenues	709	709				709		
Court Services Fine Revenue				n/a				n/a
<b>Non-Program Revenues</b>	<b>60,857</b>	<b>55,548</b>	<b>(5,310)</b>	<b>(8.7%)</b>		<b>55,548</b>	<b>(5,310)</b>	<b>(8.7%)</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>1,380,366</b>	<b>1,548,238</b>	<b>167,871</b>	<b>12.2%</b>	<b>440</b>	<b>1,548,678</b>	<b>168,311</b>	<b>12.2%</b>
<b>TOTAL LEVY OPERATING BUDGET BEFORE ASSESSMENT GROWTH AND TAX INCREASE</b>								
	<b>10,097,125</b>	<b>10,494,844</b>	<b>397,719</b>	<b>3.9%</b>	<b>40,399</b>	<b>10,535,243</b>	<b>438,118</b>	<b>4.3%</b>
<b>Assessment Growth</b>								
<b>TOTAL LEVY OPERATING BUDGET</b>	<b>10,097,125</b>	<b>10,494,844</b>	<b>397,719</b>	<b>3.9%</b>	<b>40,399</b>	<b>10,535,243</b>	<b>438,118</b>	<b>4.3%</b>
Special Levy for Scarborough Subway	40,699	40,699				40,699		
City Building Fund						14,046		
<b>TOTAL LEVY INCLUDING SCARBOROUGH SUBWAY EXTENSION LEVY</b>	<b>10,137,824</b>	<b>10,535,543</b>	<b>397,719</b>	<b>3.9%</b>	<b>40,399</b>	<b>10,589,988</b>	<b>452,164</b>	<b>4.5%</b>



(In \$000's)	2016 Budget	2017 Base Budget	Change from 2016 Approved Budget		2017 New / Enh. Budget	2017 BC Recommended Operating Budget	Change from 2016 Approved Budget	
			\$ Incr / (Dcr)	%			\$ Incr / (Dcr)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	1,819	2,304	485	26.7%		2,304	485	26.7%
Children's Services	395,417	400,693	5,277	1.3%		400,693	5,277	1.3%
Court Services	41,457	41,858	401	1.0%	11	41,869	412	1.0%
Economic Development & Culture	19,221	18,099	(1,122)	(5.8%)	55	18,154	(1,067)	(5.6%)
Toronto Paramedic Services	125,991	132,295	6,303	5.0%		132,295	6,303	5.0%
Long-Term Care Homes & Services	206,077	208,316	2,239	1.1%	1,342	209,658	3,581	1.7%
Parks, Forestry & Recreation	135,872	135,665	(207)	(0.2%)	3,009	138,674	2,802	2.1%
Shelter, Support & Housing Administration	349,322	422,422	73,100	20.9%	100	422,521	73,199	21.0%
Social Development, Finance & Administration	22,136	17,018	(5,119)	(23.1%)	259	17,276	(4,860)	(22.0%)
Toronto Employment & Social Services	963,137	972,683	9,546	1.0%		972,683	9,546	1.0%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>2,260,449</b>	<b>2,351,352</b>	<b>90,903</b>	<b>4.0%</b>	<b>4,775</b>	<b>2,356,127</b>	<b>95,678</b>	<b>4.2%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	30,058	31,516	1,457	4.8%	1,267	32,783	2,725	9.1%
Fire Services	15,329	16,087	758	4.9%	1,015	17,101	1,773	11.6%
Municipal Licensing & Standards	30,842	31,339	497	1.6%	2,407	33,746	2,905	9.4%
Policy, Planning, Finance & Administration	12,448	13,963	1,515	12.2%		13,963	1,515	12.2%
Engineering & Construction Services	63,799	68,697	4,898	7.7%	494	69,191	5,392	8.5%
Toronto Building	64,580	65,607	1,027	1.6%	1,185	66,791	2,211	3.4%
Transportation Services	181,260	179,036	(2,223)	(1.2%)	6,905	185,941	4,682	2.6%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>398,315</b>	<b>406,244</b>	<b>7,929</b>	<b>2.0%</b>	<b>13,273</b>	<b>419,517</b>	<b>21,202</b>	<b>5.3%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	6,904	7,102	198	2.9%	178	7,280	376	5.4%
Office of the Treasurer	47,813	43,459	(4,354)	(9.1%)	1,103	44,562	(3,252)	(6.8%)
Facilities, Real Estate, Environment & Energy	124,939	127,090	2,151	1.7%		127,090	2,151	1.7%
Fleet Services	52,088	54,079	1,991	3.8%		54,079	1,991	3.8%
311 Toronto	9,080	7,986	(1,094)	(12.0%)		7,986	(1,094)	(12.0%)
Information & Technology	51,584	53,126	1,542	3.0%		53,126	1,542	3.0%
<b>Sub-Total Internal Services</b>	<b>292,408</b>	<b>292,841</b>	<b>433</b>	<b>0.1%</b>	<b>1,281</b>	<b>294,122</b>	<b>1,714</b>	<b>0.6%</b>
<b>City Manager</b>								
City Manager's Office	7,754	7,685	(69)	(0.9%)	399	8,084	330	4.3%
<b>Sub-Total City Manager</b>	<b>7,754</b>	<b>7,685</b>	<b>(69)</b>	<b>(0.9%)</b>	<b>399</b>	<b>8,084</b>	<b>330</b>	<b>4.3%</b>
<b>Other City Programs</b>								
City Clerk's Office	17,813	18,000	187	1.0%		18,000	187	1.0%
Legal Services	30,587	33,323	2,736	8.9%	2,069	35,392	4,805	15.7%
Mayor's Office				n/a				n/a
City Council	40	80	40	100.0%		80	40	100.0%
<b>Sub-Total Other City Programs</b>	<b>48,440</b>	<b>51,402</b>	<b>2,962</b>	<b>6.1%</b>	<b>2,069</b>	<b>53,471</b>	<b>5,031</b>	<b>10.4%</b>
<b>Accountability Offices</b>								
Auditor General's Office				n/a				n/a
Integrity Commissioner's Office				n/a				n/a
Office of the Lobbyist Registrar				n/a				n/a
Office of the Ombudsman				n/a				n/a
<b>Sub-Total Council Appointed Programs</b>				n/a				n/a
<b>TOTAL - CITY OPERATIONS</b>	<b>3,007,366</b>	<b>3,109,525</b>	<b>102,159</b>	<b>3.4%</b>	<b>21,797</b>	<b>3,131,322</b>	<b>123,956</b>	<b>4.1%</b>
<b>Agencies</b>								
Toronto Public Health	185,156	183,411	(1,745)	(0.9%)	460	183,870	(1,286)	(0.7%)
Toronto Public Library	17,593	19,608	2,016	11.5%		19,608	2,016	11.5%
Association of Community Centres	273	296	23	8.4%		296	23	8.4%
Exhibition Place	36,732	37,445	713	1.9%		37,445	713	1.9%
Heritage Toronto	460	497	37	8.1%		497	37	8.1%
Theatres	17,627	23,172	5,546	31.5%		23,172	5,546	31.5%
Toronto Zoo	39,180	40,512	1,332	3.4%		40,512	1,332	3.4%
Arena Boards of Management	8,652	9,033	381	4.4%		9,033	381	4.4%
Yonge-Dundas Square	1,945	1,975	30	1.5%		1,975	30	1.5%
Toronto & Region Conservation Authority	39,570	39,971	401	1.0%		39,971	401	1.0%
Toronto Transit Commission - Conventional	1,243,130	1,256,303	13,174	1.1%		1,256,303	13,174	1.1%
Toronto Transit Commission - Wheel Trans	6,954	8,492	1,538	22.1%		8,492	1,538	22.1%
Toronto Police Service	127,464	123,352	(4,112)	(3.2%)		123,352	(4,112)	(3.2%)
Toronto Police Services Board	750	500	(250)	(33.3%)		500	(250)	(33.3%)
<b>TOTAL - AGENCIES</b>	<b>1,725,484</b>	<b>1,744,567</b>	<b>19,083</b>	<b>1.1%</b>	<b>460</b>	<b>1,745,027</b>	<b>19,543</b>	<b>1.1%</b>

(In \$000's)	2016 Budget	2017 Base Budget	Change from 2016 Approved Budget		2017 New / Enh. Budget	2017 BC Recommended Operating Budget	Change from 2016 Approved Budget	
			\$ Incr / (Dcr)	%			\$ Incr / (Dcr)	%
<b>Corporate Accounts</b>								
<b>Capital &amp; Corporate Financing</b>								
Capital from Current				n/a				n/a
Technology Sustainment				n/a				n/a
Debt Charges	23,306	24,180	874	3.7%		24,180	874	3.7%
<b>Capital &amp; Corporate Financing</b>	<b>23,306</b>	<b>24,180</b>	<b>874</b>	<b>3.7%</b>		<b>24,180</b>	<b>874</b>	<b>3.7%</b>
<b>Non Program Expenditures</b>								
Tax Deficiencies/Write offs	32,204	28,895	(3,309)	(10.3%)		28,895	(3,309)	(10.3%)
Assessment Function (MPAC)				n/a				n/a
Temporary Borrowing				n/a				n/a
Funding of Employee Related Liabilities				n/a				n/a
Tax Rebates for Registered Charities	7,157	7,157				7,157		
Programs Funded from Reserve Funds	130,435	140,881	10,447	8.0%		140,881	10,447	8.0%
Other Corporate Expenditures	7,787	6,264	(1,523)	(19.6%)		6,264	(1,523)	(19.6%)
Insurance Premiums & Claims				n/a				n/a
Parking Tag Enforcement & Operations Exp				n/a				n/a
Vacancy Rebate Program				n/a				n/a
Heritage Property Taxes Rebate				n/a				n/a
Street & Expressway Lighting Services				n/a				n/a
Pandemic Influenza Stockpiling				n/a				n/a
Solid Waste Management Services Rebate				n/a				n/a
<b>Non-Program Expenditures</b>	<b>177,583</b>	<b>183,198</b>	<b>5,615</b>	<b>3.2%</b>		<b>183,198</b>	<b>5,615</b>	<b>3.2%</b>
<b>Non Program Revenues</b>								
Tax Stabilization Reserve (Prior Year Surplus)				n/a				n/a
Payments in Lieu of Taxes	102,830	100,523	(2,307)	(2.2%)		100,523	(2,307)	(2.2%)
Supplementary Taxes	40,700	35,000	(5,700)	(14.0%)		35,000	(5,700)	(14.0%)
Tax Penalty Revenue	29,000	29,000				29,000		
Municipal Land Transfer Tax	532,028	715,810	183,781	34.5%		715,810	183,781	34.5%
Third Party Sign Tax	11,952	12,152	200	1.7%		12,152	200	1.7%
Interest/Investment Earnings	117,995	101,557	(16,438)	(13.9%)		101,557	(16,438)	(13.9%)
Other Corporate Revenues	11,221	13,921	2,700	24.1%		13,921	2,700	24.1%
Dividend Income	67,500	75,000	7,500	11.1%		75,000	7,500	11.1%
Provincial Gas Tax	91,600	91,600				91,600		
Parking Authority Revenues	56,327	49,034	(7,292)	(12.9%)		49,034	(7,292)	(12.9%)
Administrative Support Recoveries - Water	18,973	18,973				18,973		
Administrative Support Recoveries - Health & EMS	16,327	16,327				16,327		
Parking Tag Enforcement & Operations Rev	102,414	106,455	4,042	3.9%	6,112	112,567	10,154	9.9%
Other Tax Revenues	13,499	13,095	(405)	(3.0%)		13,095	(405)	(3.0%)
Woodbine Slots Revenues	15,500	16,000	500	3.2%		16,000	500	3.2%
Gaming & Registry Revenues	4,297	4,530	234	5.4%		4,530	234	5.4%
Court Services Fine Revenue				n/a				n/a
<b>Non-Program Revenues</b>	<b>1,232,163</b>	<b>1,398,978</b>	<b>166,815</b>	<b>13.5%</b>	<b>6,112</b>	<b>1,405,089</b>	<b>172,927</b>	<b>14.0%</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>1,433,052</b>	<b>1,606,356</b>	<b>173,304</b>	<b>12.1%</b>	<b>6,112</b>	<b>1,612,468</b>	<b>179,416</b>	<b>12.5%</b>
				n/a				
<b>TOTAL LEVY OPERATING BUDGET BEFORE ASSESSMENT GROWTH AND TAX INCREASE</b>	<b>6,165,902</b>	<b>6,460,448</b>	<b>294,546</b>	<b>4.8%</b>	<b>28,369</b>	<b>6,488,817</b>	<b>322,914</b>	<b>5.2%</b>
Assessment Growth								
<b>TOTAL LEVY OPERATING BUDGET</b>	<b>6,165,902</b>	<b>6,460,448</b>	<b>294,546</b>	<b>4.8%</b>	<b>28,369</b>	<b>6,488,817</b>	<b>322,914</b>	<b>5.2%</b>
Special Levy for Scarborough Subway								
City Building Fund								
<b>TOTAL LEVY INCLUDING SCARBOROUGH SUBWAY EXTENSION LEVY</b>	<b>6,165,902</b>	<b>6,460,448</b>	<b>294,546</b>	<b>4.8%</b>	<b>28,369</b>	<b>6,488,817</b>	<b>322,914</b>	<b>5.2%</b>

**City of Toronto  
2017 Budget Committee Recommended Operating Budget  
Summary of Service Adjustments**

Cluster / Division / Business Case Description (\$000s)	2017			2018 Incremental			2019 Incremental		
	Gross	Net	Position	Gross	Net	Position	Gross	Net	Position
<b>Citizen Centred Service "A"</b>									
<b>Children's Services</b>									
Close Capri TELCCCs due to H & S issues & low enrollment	(358)	(358)	(6.5)	(315)	(315)	(1.5)	(16)	(16)	0.0
Phase Out Occupancy Grants	(1,133)	(1,133)	0.0	(1,133)	(1,133)	0.0	0	0	0.0
<b>Children's Services Total</b>	<b>(1,491)</b>	<b>(1,491)</b>	<b>(6.5)</b>	<b>(1,448)</b>	<b>(1,448)</b>	<b>(1.5)</b>	<b>(16)</b>	<b>(16)</b>	<b>0.0</b>
<b>Economic Development &amp; Culture</b>									
Discontinue Op. Zion Church Cultural Centre as an EDC Prog.	0	0	0.0	(30)	(30)	0.0	0	0	0.0
Reduce Funding for Cultural Hotspots	(50)	(50)	0.0	0	0	0.0	0	0	0.0
Reduce Previously Budgeted Nuit Blanche Enhancements in 2016	(142)	(142)	0.0	0	0	0.0	0	0	0.0
<b>Economic Development &amp; Culture Total</b>	<b>(192)</b>	<b>(192)</b>	<b>0.0</b>	<b>(30)</b>	<b>(30)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Long-Term Care Homes &amp; Services</b>									
Realignment of Staff	(630)	(630)	(3.0)	(5)	(5)	0.0	(5)	(5)	0.0
Reduction to backfill staff on Mandatory Education Training	(686)	(686)	0.0	0	0	0.0	0	0	0.0
<b>Long-Term Care Homes &amp; Services Total</b>	<b>(1,316)</b>	<b>(1,316)</b>	<b>(3.0)</b>	<b>(5)</b>	<b>(5)</b>	<b>0.0</b>	<b>(5)</b>	<b>(5)</b>	<b>0.0</b>
<b>Parks, Forestry &amp; Recreation</b>									
Close Toronto Island Ropes Course	(57)	(50)	(1.4)	0	0	0.0	0	0	0.0
<b>Parks, Forestry &amp; Recreation Total</b>	<b>(57)</b>	<b>(50)</b>	<b>(1.4)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Shelter, Support &amp; Housing Administration</b>									
Reduction of Complement through Attrition	(1,048)	(1,048)	(10.3)	(28)	(28)	0.0	(29)	(29)	0.0
<b>Shelter, Support &amp; Housing Administration Total</b>	<b>(1,048)</b>	<b>(1,048)</b>	<b>(10.3)</b>	<b>(28)</b>	<b>(28)</b>	<b>0.0</b>	<b>(29)</b>	<b>(29)</b>	<b>0.0</b>
<b>Toronto Paramedic Services</b>									
Discontinue the Public Awareness Campaign	(150)	(75)	0.0	0	0	0.0	0	0	0.0
<b>Toronto Paramedic Services Total</b>	<b>(150)</b>	<b>(75)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Citizen Centred Service "A" Total</b>	<b>(4,253)</b>	<b>(4,172)</b>	<b>(21.1)</b>	<b>(1,511)</b>	<b>(1,511)</b>	<b>(1.5)</b>	<b>(49)</b>	<b>(49)</b>	<b>0.0</b>
<b>Citizen Centred Service "B"</b>									
<b>Policy, Planning, Finance &amp; Administration</b>									
Discontinue Emergency Cooling Centre Program Provided by OEM	(30)	(30)	0.0	0	0	0.0	0	0	0.0
<b>Policy, Planning, Finance &amp; Administration Total</b>	<b>(30)</b>	<b>(30)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Transportation Services</b>									
Reduce Street Sweeping - Local Roads	(315)	(315)	0.0	0	0	0.0	0	0	0.0
Reduce Street Sweeping on Arterial Roads to 1 per month	(2,000)	(2,000)	0.0	0	0	0.0	0	0	0.0
<b>Transportation Services Total</b>	<b>(2,315)</b>	<b>(2,315)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Citizen Centred Service "B" Total</b>	<b>(2,345)</b>	<b>(2,345)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Internal Services</b>									
<b>Facilities, Real Estate, Environment &amp; Energy</b>									
Move to Standard Custodial Service Delivery-Toronto Police	(850)	(0)	(4.0)	(900)	0	0.0	0	0	0.0
<b>Facilities, Real Estate, Environment &amp; Energy Total</b>	<b>(850)</b>	<b>(0)</b>	<b>(4.0)</b>	<b>(900)</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Information &amp; Technology</b>									
Reduced Capacity to Provide Critical Business App Support	(313)	(313)	(3.0)	0	0	0.0	0	0	0.0
Reduced Capacity to Provide Geospatial & Open Data Support	(272)	(272)	(3.0)	0	0	0.0	0	0	0.0
Reduced Capacity to Provide Geospatial Data/Analytics Supp	(204)	(204)	(2.0)	0	0	0.0	0	0	0.0
Reduced Capacity to Provide Public Facing Web App. Support	(115)	(115)	(1.0)	0	0	0.0	0	0	0.0
Reduced Capacity to Provide Sharepoint Application Support	(204)	(204)	(2.0)	0	0	0.0	0	0	0.0
<b>Information &amp; Technology Total</b>	<b>(1,108)</b>	<b>(1,108)</b>	<b>(11.0)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Internal Services Total</b>	<b>(1,958)</b>	<b>(1,108)</b>	<b>(15.0)</b>	<b>(900)</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>City Manager's Office</b>									
<b>City Manager's Office</b>									
Delays in Addressing Audit Recommendations for e-Learning	(302)	(302)	(3.0)	(13)	(13)	0.0	(13)	(13)	0.0
Delays in Responses to Corporate Initiatives	(110)	(110)	(1.0)	(9)	(9)	0.0	(5)	(5)	0.0
Impact to Delivery of Governance and Gov-wide Initiatives	(130)	(130)	(1.0)	(7)	(7)	0.0	(6)	(6)	0.0
Reduced Capacity for Early Grievance Resolution	(189)	(189)	(2.0)	(8)	(8)	0.0	(8)	(8)	0.0
Reduced Capacity to Coord. & Lead Bus. Transformation Proj.	(34)	(34)	0.0	0	0	0.0	0	0	0.0
Reduced Services Levels in Hiring Process for Divisions	(200)	(200)	(2.0)	(5)	(5)	0.0	(8)	(8)	0.0
Reduced Support for Early Return to Work	(168)	(168)	(2.0)	(8)	(8)	0.0	(7)	(7)	0.0
<b>City Manager's Office Total</b>	<b>(1,134)</b>	<b>(1,134)</b>	<b>(11.0)</b>	<b>(49)</b>	<b>(49)</b>	<b>0.0</b>	<b>(48)</b>	<b>(48)</b>	<b>0.0</b>
<b>City Manger's Office Total</b>	<b>(1,134)</b>	<b>(1,134)</b>	<b>(11.0)</b>	<b>(49)</b>	<b>(49)</b>	<b>0.0</b>	<b>(48)</b>	<b>(48)</b>	<b>0.0</b>
<b>Other City Programs</b>									
<b>City Clerk's Office</b>									
Service Delivery Model Review	(108)	(108)	(2.0)	(36)	(36)	0.0	0	0	0.0
<b>City Clerk's Office Total</b>	<b>(108)</b>	<b>(108)</b>	<b>(2.0)</b>	<b>(36)</b>	<b>(36)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Other City Programs Total</b>	<b>(108)</b>	<b>(108)</b>	<b>(2.0)</b>	<b>(36)</b>	<b>(36)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Agencies</b>									
<b>Toronto Public Health</b>									
Health Promotion Efficiencies	(97)	(24)	(2.0)	(101)	(25)	0.0	0	0	0.0
Management Rationalization & Restructuring	(471)	(118)	(4.0)	(110)	(28)	0.0	0	0	0.0
<b>Toronto Public Health Total</b>	<b>(567)</b>	<b>(142)</b>	<b>(6.0)</b>	<b>(211)</b>	<b>(53)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Agencies Total</b>	<b>(567)</b>	<b>(142)</b>	<b>(6.0)</b>	<b>(211)</b>	<b>(53)</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Grand Total</b>	<b>(10,366)</b>	<b>(9,010)</b>	<b>(55.1)</b>	<b>(2,707)</b>	<b>(1,649)</b>	<b>(1.5)</b>	<b>(98)</b>	<b>(98)</b>	<b>0.0</b>

**City of Toronto  
2017 Budget Committee Recommended Operating Budget  
Summary of New & Enhanced Services**

Category / Business Case Description (\$000s)	2017			2018 Incremental			2019 Incremental		
	Gross	Net	Position	Gross	Net	Position	Gross	Net	Position
<b>Investing in Arts &amp; Culture</b>									
<b>Economic Development &amp; Culture</b>									
Growing Toronto's Screen Industry - A Film Friendly City	180	180	0.0	0	0	0.0	0	0	0.0
Mackenzie House Laneway Improvement	10	0	0.0	(10)	0	0.0	0	0	0.0
Museum and Heritage Services - Photography	20	0	0.0	(20)	0	0.0	0	0	0.0
Planned Arts & Culture Spending Increase (\$25/Capita)	0	0	0.0	2,000	2,000	0.0	0	0	0.0
Zion School House Desk Configuration	25	0	0.0	(25)	0	0.0	0	0	0.0
<b>Theatres</b>									
Bring in New Leadership for Civic Theatres	633	633	1.0	(633)	(633)	(1.0)	0	0	0.0
<b>Investing in Arts &amp; Culture Total</b>	<b>868</b>	<b>813</b>	<b>1.0</b>	<b>1,312</b>	<b>1,367</b>	<b>(1.0)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Investing in Poverty Reduction</b>									
<b>Shelter, Support &amp; Housing Administration</b>									
Trsf to TCHC for Completion of Phase 3 of Regent Park	6,000	6,000	0.0	0	0	0.0	0	0	0.0
<b>Toronto Public Health</b>									
Student Nutrition Program - Expansion	958	958	0.0	1,068	1,068	0.0	0	0	0.0
Student Nutrition Program-Strengthen Current Pgm	1,145	1,145	0.0	1,396	1,396	0.0	0	0	0.0
Toronto Urban Health Fund - Year 3	150	38	0.0	150	150	0.0	150	150	0.0
<b>Toronto Public Library</b>									
Internet Wi Fi hotspot lending enhancement	150	150	0.0	0	0	0.0	0	0	0.0
Sunday open hours - year round service at District branches	139	139	0.0	106	106	0.0	0	0	0.0
<b>Investing in Poverty Reduction Total</b>	<b>8,543</b>	<b>8,431</b>	<b>0.0</b>	<b>2,720</b>	<b>2,720</b>	<b>0.0</b>	<b>150</b>	<b>150</b>	<b>0.0</b>
<b>Expanding Tree Canopy</b>									
<b>Parks, Forestry &amp; Recreation</b>									
Advancement of Tree Maintenance	2,100	0	5.0	139	0	0.0	(2,239)	(0)	(5.0)
Cost Recovery- Enf. & Compliance for Dangerous Private Trees	200	(25)	0.0	0	0	0.0	0	0	0.0
Growing Toronto's Tree Canopy - Private Lands	176	0	2.0	74	0	0.0	23	(0)	0.0
Tree Planting - Council Priority to Maintain 2016 Level	1,200	1,200	0.0	0	0	0.0	0	0	0.0
Tree Planting & Care on Private Lands-Private Partnerships	1,060	1,060	0.0	0	0	0.0	0	0	0.0
<b>Expanding Tree Canopy Total</b>	<b>4,736</b>	<b>2,235</b>	<b>7.0</b>	<b>213</b>	<b>0</b>	<b>0.0</b>	<b>(2,215)</b>	<b>(0)</b>	<b>(5.0)</b>
<b>Promoting Community Wellness</b>									
<b>Long-Term Care Homes &amp; Services</b>									
Prov. funded pos. to meet leg sids for resident acuity needs	1,342	0	6.8	8	8	0.0	9	9	0.0
<b>Parks, Forestry &amp; Recreation</b>									
Community Recreation Programming Development	(2)	(2)	(2.4)	6	6	0.0	6	6	0.0
Tennis Pilot Permit Project	8	0	0.0	0	0	0.0	0	0	0.0
<b>Toronto Public Health</b>									
Health Hazard and Food Safety Inspections	166	41	2.5	90	22	0.0	0	0	0.0
Overdose Response Enhancement	297	74	4.0	90	22	0.0	0	0	0.0
<b>Promoting Community Wellness Total</b>	<b>1,811</b>	<b>114</b>	<b>10.9</b>	<b>192</b>	<b>58</b>	<b>0.0</b>	<b>15</b>	<b>15</b>	<b>0.0</b>
<b>Improving Access to Child Care</b>									
<b>Children's Services</b>									
4 Temporary Staff To Help Administer System Growth	455	455	4.0	18	18	0.0	19	19	0.0
Add 75 Child Care Subsidies as Directed by Council in 2016	750	750	0.0	0	0	0.0	0	0	0.0
Additional 225 subsidies to enhance access to child care	2,253	2,253	0.0	0	0	0.0	0	0	0.0
<b>Improving Access to Child Care Total</b>	<b>3,458</b>	<b>3,458</b>	<b>4.0</b>	<b>18</b>	<b>18</b>	<b>0.0</b>	<b>19</b>	<b>19</b>	<b>0.0</b>
<b>Investing in Safe Transportation</b>									
<b>City Manager's Office</b>									
Transit Initiatives & Federal Infrastructure Programs	399	0	3.0	7	0	0.0	(406)	0	(3.0)
<b>Toronto Transit Commission - Conventional</b>									
Fit for Duty	1,300	1,300	0.0	0	0	0.0	0	0	0.0
Transit Enforcement Officers - Increased Powers	98	98	5.0	1,200	1,200	0.0	0	0	0.0
<b>Transportation Services</b>									
Capital Infrastructure Planning Unit - Project Lead	115	40	1.0	5	0	0.0	5	0	0.0
Cycling Network Plan Delivery	339	0	4.0	309	(0)	2.0	90	0	0.0
Road Safety Plan Delivery	747	90	7.0	247	219	2.0	43	14	0.0
Traffic Congestion Management - Project Lead (Capital )	115	(0)	1.0	5	0	0.0	5	0	0.0
<b>Investing in Safe Transportation Total</b>	<b>3,113</b>	<b>1,528</b>	<b>21.0</b>	<b>1,772</b>	<b>1,419</b>	<b>4.0</b>	<b>(264)</b>	<b>14</b>	<b>(3.0)</b>
<b>Advancing Environment Sustainability</b>									
<b>Facilities, Real Estate, Environment &amp; Energy</b>									
Implementation of 2017 TransformTO Key Priorities	333	333	6.0	293	293	0.0	(626)	(626)	(6.0)
<b>Social Development, Finance &amp; Administration</b>									
Temporary Complement to support TR Energy Retrofit Program	139	0	1.0	6	0	0.0	(145)	0	(1.0)
Tower Residents & Staff Engagement Initiative	50	0	0.0	0	0	0.0	0	0	0.0
Youth Civic Engagement Food Justice Project - TNO	70	0	0.0	(70)	0	0.0	0	0	0.0
<b>Advancing Environment Sustainability Total</b>	<b>592</b>	<b>333</b>	<b>7.0</b>	<b>229</b>	<b>293</b>	<b>0.0</b>	<b>(770)</b>	<b>(626)</b>	<b>(7.0)</b>
<b>Investing in Transformation &amp; Modernization</b>									
<b>Court Services</b>									
New Administrative Penalty System for Parking Violations	855	855	7.0	505	505	0.0	22	22	0.0
<b>Fire Services</b>									
Transformation Plan - Staffing & Re-Inspection Fees	469	(546)	8.0	496	(519)	0.0	9	9	0.0
<b>Legal Services</b>									
Positions Increase for the New Administrative Penalty System	2,867	2,867	30.5	(432)	(432)	(9.0)	(86)	(86)	0.0
<b>Non-Program Expenditures</b>									
PEU - Contribution for Replacing Digital	440	440	0.0	0	0	0.0	0	0	0.0
<b>Non-Program Revenues</b>									
Increase In Parking Tag Revenue		(6,112)	0.0	0	(5,215)	0.0	0	0	0.0
<b>Transportation Services</b>									
Divisional Service Delivery Review	1,000	1,000	0.0	(1,000)	(1,000)	0.0	0	0	0.0
<b>Investing in Transformation &amp; Modernization Total</b>	<b>5,631</b>	<b>(1,496)</b>	<b>45.5</b>	<b>(431)</b>	<b>(6,661)</b>	<b>(9.0)</b>	<b>(55)</b>	<b>(55)</b>	<b>0.0</b>

City of Toronto  
2017 Budget Committee Recommended Operating Budget  
Summary of New & Enhanced Services

Category / Business Case Description (\$000s)	2017			2018 Incremental			2019 Incremental		
	Gross	Net	Position	Gross	Net	Position	Gross	Net	Position
<b>Strengthening City Building Support</b>									
<b>City Planning</b>									
Add a Permanent Director, Committee of Adjustment	202	0	1.0	8	0	0.0	8	0	0.0
Canada 150 Grant for Bentway Programming	175	0	0.0	(175)	0	0.0	0	0	0.0
UR-Additional Staffing Resources for Development Review	890	0	9.0	240	0	0.0	(890)	0	(9.0)
<b>Engineering &amp; Construction Services</b>									
Audit Function (evaluate contracts, etc.)	136	(0)	1.0	5	0	0.0	6	0	0.0
Proj Mgmt to Deliver Infrastructure after Completion of EAs	240	0	2.0	10	(0)	0.0	10	(0)	0.0
Review Impacts of Other Govt / Agency Projects	118	118	1.0	5	5	0.0	5	5	0.0
Review Work for Metrolinx	118	0	1.0	5	(0)	0.0	5	0	0.0
<b>Legal Services</b>									
Additional Staffing Resources for DARP Review	656	0	5.0	219	0	0.0	(656)	(0)	(5.0)
Positions Increase for Processing Development Applications	448	(0)	4.0	176	176	0.0	26	26	0.0
<b>Parks, Forestry &amp; Recreation</b>									
DARP - Additional Staff Resources (Staff Report )	260	0	3.0	93	0	0.0	(260)	0	(3.0)
<b>Toronto Building</b>									
Support new CA requirement - Support zoning incr. volumes	1,185	0	12.0	0	0	0.0	(0)	(0)	0.0
<b>Strengthening City Building Support Total</b>	<b>4,428</b>	<b>118</b>	<b>39.0</b>	<b>586</b>	<b>181</b>	<b>0.0</b>	<b>(1,746)</b>	<b>31</b>	<b>(17.0)</b>
<b>Strengthening Financial Management, Oversight &amp; Support</b>									
<b>Auditor General's Office</b>									
Temporary Increase in Auditor General's Office Budget	1,000	1,000	0.0	1,500	1,500	0.0	1,400	1,400	0.0
<b>City Manager's Office</b>									
Expanding Internal Audit Functions	500	500	3.0	0	0	0.0	0	0	0.0
<b>Fire Services</b>									
Conveyance Clerk to process Fire Code Violations	56	56	0.0	28	28	0.0	0	0	0.0
Solicitor Required to Address Fire Code & Safety Violations	140	140	0.0	70	70	0.0	0	0	0.0
<b>Information &amp; Technology</b>									
Open Source Data Pilot Initiative	10	10	0.0	(20)	(20)	0.0	10	10	0.0
<b>Legal Services</b>									
Additional Solicitors for Fire Services	140	0	1.0	70	0	0.0	0	0	0.0
Conveyance Clerk to support Fire Services	56	0	1.0	28	0	0.0	0	0	0.0
Increased in Legal Insurance Claims Support	768	0	4.0	24	(0)	0.0	25	(0)	0.0
<b>Municipal Licensing &amp; Standards</b>									
Licensing Framework Rental Apartment Buildings (MRAB)	507	(1,150)	12.0	1,296	(451)	0.0	32	32	0.0
ML&S Grant to the Toronto Wildlife Centre	750	0	0.0	(750)	0	0.0	0	0	0.0
<b>Office of the Chief Financial Officer</b>									
New Risk & Insurance Mgmt Pos Dedicated to Transportation	79	0	1.0	47	0	0.0	5	0	0.0
Provide added capacity for long term financial planning	140	140	1.0	6	6	0.0	6	6	0.0
Sr Financial Planning Analyst pos. Supporting Social Housing	100	0	1.0	46	(0)	0.0	6	(0)	0.0
<b>Office of the Treasurer</b>									
Additional dedicated support SW	103	0	1.0	(4)	(4)	0.0	5	5	0.0
PMMD Program Review Funded by Base Reduction in Treasurer	1,829	829	8.0	2,489	3,489	7.0	1,107	1,107	(1.0)
<b>Shelter, Support &amp; Housing Administration</b>									
Snr. Financial Analyst Position for TCHC Funded by SSHA	100	0	0.0	46	0	0.0	6	0	0.0
<b>Transportation Services</b>									
Mgmt of Contaminated Lands-Sr Environ Proj Mgr (Regulatory)	142	142	1.0	6	6	0.0	6	6	0.0
Street Lighting Assets Condition Assessment	800	800	0.0	(800)	(800)	0.0	0	0	0.0
<b>Strengthening Financial Management, Oversight &amp; Support Total</b>	<b>7,220</b>	<b>2,467</b>	<b>34.0</b>	<b>4,083</b>	<b>3,823</b>	<b>7.0</b>	<b>2,609</b>	<b>2,567</b>	<b>(1.0)</b>
<b>Grand Total</b>	<b>40,399</b>	<b>18,001</b>	<b>169.4</b>	<b>10,694</b>	<b>3,219</b>	<b>1.0</b>	<b>(2,258)</b>	<b>2,113</b>	<b>(33.0)</b>

\*Please note "New Investments" Table does not include New User Fees. When New User Fees are incorporated the Net figure becomes \$12.030 million.



**City of Toronto**  
**2017 Budget Committee Recommended Staff Complement**  
**Operating vs Capital**

Program/Agency	2016 Council Approved Complement			2017 BC Recommended Staff Complement (includes Base & New)			Change from 2016 Council Approved Complement		
	Operating	Capital	Total	Operating	Capital	Total	Operating	Capital	Total
<b>Citizen Centred Services "A"</b>									
Affordable Housing Office	23.0		23.0	23.0		23.0			
Children's Services	981.9	9.0	990.9	973.5	9.0	982.5	(8.4)		(8.4)
Court Services	288.0		288.0	252.0		252.0	(36.0)		(36.0)
Economic Development & Culture	307.5	16.0	323.5	284.5	16.0	300.5	(23.0)		(23.0)
Toronto Paramedic Services	1,449.8	0.5	1,450.3	1,445.8	0.5	1,446.3	(4.0)		(4.0)
Long Term Care Homes & Services	2,372.0		2,372.0	2,373.9		2,373.9	1.9		1.9
Parks, Forestry & Recreation	4,512.7	96.0	4,608.7	4,283.9	149.1	4,433.0	(228.7)	53.0	(175.7)
Shelter, Support & Housing Administration	770.4	1.0	771.4	770.1	19.0	789.1	(0.2)	18.0	17.8
Social Development, Finance & Administration	148.5		148.5	147.0		147.0	(1.5)		(1.5)
Toronto Employment & Social Services	2,120.0		2,120.0	2,012.0		2,012.0	(108.0)		(108.0)
<b>Sub-Total Citizen Centred Services "A"</b>	<b>12,957.8</b>	<b>122.5</b>	<b>13,096.3</b>	<b>12,514.4</b>	<b>193.6</b>	<b>12,759.3</b>	<b>(408.1)</b>	<b>71.0</b>	<b>(337.0)</b>
<b>Cluster B</b>									
City Planning	366.5	9.5	376.0	376.5	9.5	386.0	10.0		10.0
Fire Services	3,167.3	1.0	3,168.3	3,175.3	1.0	3,176.3	8.0		8.0
Municipal Licensing & Standards	470.0	3.0	473.0	476.5	3.0	479.5	6.5		6.5
Policy, Planning, Finance & Administration	196.4		196.4	188.4		188.4	(8.0)		(8.0)
Engineering & Construction Services	123.9	442.2	566.1	127.7	446.4	574.1	3.7	4.3	8.0
Toronto Building	455.0	1.0	456.0	467.0	1.0	468.0	12.0		12.0
Transportation Services	1,027.2	101.7	1,129.0	1,010.1	107.8	1,118.0	(17.1)	6.1	(11.0)
<b>Sub-Total Citizen Centred Services "B"</b>	<b>5,806.4</b>	<b>558.4</b>	<b>6,364.8</b>	<b>5,806.8</b>	<b>566.5</b>	<b>6,390.3</b>	<b>15.1</b>	<b>10.4</b>	<b>25.5</b>
<b>Internal Services</b>									
Office of the Chief Financial Officer	103.0	12.0	115.0	105.0	12.0	117.0	2.0		2.0
Office of the Treasurer	660.2	43.0	703.2	646.2	9.0	655.2	(14.0)	(34.0)	(48.0)
Facilities, Real Estate, Environment & Energy	935.5	88.0	1,023.5	923.0	83.0	1,006.0	(12.5)	(5.0)	(17.5)
Fleet Services	186.0	8.0	194.0	178.0	3.0	181.0	(8.0)	(5.0)	(13.0)
Information & Technology	613.0	235.0	848.0	628.0	218.0	846.0	15.0	(17.0)	(2.0)
311 Toronto	164.0	21.3	185.3	160.0	13.0	173.0	(4.0)	(8.3)	(12.3)
<b>Sub-Total Internal Services</b>	<b>2,661.2</b>	<b>407.8</b>	<b>3,069.0</b>	<b>2,633.2</b>	<b>338.0</b>	<b>2,978.2</b>	<b>(21.5)</b>	<b>(69.3)</b>	<b>(90.8)</b>
<b>City Manager</b>									
City Manager's Office	412.0	17.0	429.0	411.0	21.0	432.0	(1.0)	4.0	3.0
<b>Sub-Total City Manager</b>	<b>412.0</b>	<b>17.0</b>	<b>429.0</b>	<b>408.0</b>	<b>20.0</b>	<b>432.0</b>	<b>(1.0)</b>	<b>4.0</b>	<b>3.0</b>
<b>Other City Programs</b>									
City Clerk's Office	403.0	10.9	413.9	386.3	16.3	402.6	(16.7)	5.5	(11.2)
Legal Services	307.9	2.5	310.4	356.4	2.5	358.9	48.5		48.5
Mayor's Office	20.0		20.0	20.0		20.0			
City Council	180.0		180.0	180.0		180.0			
Auditor General's Office	31.5		31.5	32.0		32.0	0.5		0.5
Office of the Lobbyist Registrar	8.3		8.3	8.3		8.3			
Integrity Commissioner's Office	3.0		3.0	3.0		3.0			
Office of the Ombudsman	12.0		12.0	12.0		12.0			
Corporate Accounts	3.0		3.0	3.0		3.0			
<b>Sub-Total Other City Programs</b>	<b>968.7</b>	<b>13.4</b>	<b>982.0</b>	<b>994.0</b>	<b>18.8</b>	<b>1,019.8</b>	<b>32.3</b>	<b>5.5</b>	<b>37.8</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>22,806.0</b>	<b>1,119.0</b>	<b>23,941.1</b>	<b>22,356.3</b>	<b>1,136.9</b>	<b>23,579.5</b>	<b>(383.1)</b>	<b>21.6</b>	<b>(361.6)</b>
<b>Agencies</b>									
Toronto Public Health	1,840.9	23.7	1,864.6	1,813.8	17.1	1,831.0	(27.1)	(6.5)	(33.6)
Toronto Public Library	1,741.0		1,741.0	1,732.3		1,732.3	(8.7)		(8.7)
Association of Community Centres	77.9		77.9	77.9		77.9			
Exhibition Place	356.0	5.0	361.0	354.0	5.0	359.0	(2.0)		(2.0)
Heritage Toronto	7.0		7.0	7.0		7.0			
Theatres	171.9		171.9	187.7		187.7	15.8		15.8
Toronto Zoo	394.0		394.0	394.0		394.0			
Arena Boards of Management	67.7		67.7	67.7		67.7			
Yonge-Dundas Square	6.5		6.5	6.5		6.5			
Parking Tag Enforcement & Operations	394.0		394.0	394.0		394.0			
Toronto & Region Conservation Authority	426.6		426.6	426.6		426.6			
Toronto Transit Commission - Conventional	11,870.0	2,105.0	13,975.0	11,798.0	2,212.0	14,010.0	(72.0)	107.0	35.0
Toronto Transit Commission - Wheel Trans	565.0		565.0	571.0		571.0	6.0		6.0
Toronto Police Service	7,881.0		7,881.0	7,881.0		7,881.0			
Toronto Police Services Board	7.0		7.0	7.0		7.0			
<b>Sub-Total Agencies</b>	<b>25,806.5</b>	<b>2,133.7</b>	<b>27,940.1</b>	<b>25,712.0</b>	<b>2,234.1</b>	<b>27,952.6</b>	<b>(88.0)</b>	<b>100.5</b>	<b>12.5</b>
<b>Total Tax Supported Operations</b>	<b>48,612.5</b>	<b>3,252.7</b>	<b>51,881.2</b>	<b>48,068.3</b>	<b>3,371.0</b>	<b>51,532.1</b>	<b>(471.1)</b>	<b>122.1</b>	<b>(349.1)</b>