**Budget 2020 Overview**

**OPERATING BUDGET**
- Keeps property taxes at inflation
- Preserves services and makes new investments

**CAPITAL BUDGET**
- Addresses achievability
- Major investments in transit and housing

**PARTNERSHIPS**
- Continued and new co-investments
Guiding Principles – Operating

1. Preserve existing services
2. Property tax increase for City operations at the level of inflation
3. Invest in Council priorities & key challenges
4. Modernize the budget process
5. Consider how the budget impacts all Torontonians
Budget Modernization – Year 1

Budget based on previous years’ actual spending trends

Capital budget recast to deliver achievability and affordability

Increase residents’ understanding of how their money is invested
Operating Budget Overview

- Recommended balanced operating budget
- Preserves existing services
- $76 million in new or enhanced investments
- Continues government partnerships
- Inflationary residential tax rate increase for City operations
- Responsible reserve management
- Manages Municipal Land Transfer Tax risk
2020 Tax & Rate Operating Budget

Budget Committee Recommended Tax Supported Operating Budget, $11.59 Billion, 86%

$13.53 Billion

- Solid Waste Management Services, $0.38 Billion, 3%
- Toronto Parking Authority, $0.17 Billion, 1%
- Toronto Water, $1.39 Billion, 10%

Approved Rate Programs $1.94 Billion 14%

*Please note Rate Program figures include Capital Contributions*
**Tax Supported Operating Budget**

**WHERE THE MONEY COMES FROM**
($11.59 Billion)

- **Property Tax**: $4.4, 38.2%
- **Fed / Prov Revenue**: $2.5, 21.3%*
- **TTC Fares**: $1.3, 11.6%
- **User Fees & Fines**: $0.9, 7.5%
- **Land Transfer Tax**: $0.8, 6.9%
- **Other**: $0.6, 5.6%
- **Reserves**: $0.5, 4.4% **
- **Investment Income**: $0.3, 2.3%
- **Transfers from Capital**: $0.3, 2.3%

**HOW THE MONEY IS INVESTED**
($11.59 Billion)

- **Cost Shared Social Programs**: $3.3, 28.3%
- **TTC**: $2.1, 18.5%
- **Emergency Services**: $2.0, 17.0%
- **Corporate & Capital Financing**: $1.0, 8.9%
- **Other City Operations**: $1.0, 8.2%
- **Governance & Corporate Services**: $0.7, 6.4%
- **Corporate Accounts**: $0.7, 5.7%
- **Transportation**: $0.4, 3.6%
- **Other Agencies**: $0.4, 3.5%

* Expects continued federal government funding of $77 million in support of refugee funding

** Reflects annual reserve draws which are supported by annual reserve contributions in order to smooth out expenses that fluctuate or are periodic in nature (e.g. insurance claims, employee benefits and vehicle reserves)
New Investments ($76 M)

STAFF RECOMMENDED BUDGET
~ $67 MILLION in new investments

CLIMATE CHANGE $5.9 M

TRANSIT $9.5 M

POVERTY REDUCTION $15.3 M

SAFETY & SECURITY $27.8 M

OTHER CITY PRIORITIES $8.5 M

APPROVED BY BUDGET COMMITTEE
~ $9 MILLION in additional new investments

VIOLENCE REDUCTION / ROOTS OF YOUTH VIOLENCE $6.0 M

RAVINE STRATEGY $1.3 M

OTHER CITY PRIORITIES $1.8 M
Partnerships

• Budget expects $77 million in continued federal support for refugees

• Provincial upload of subway expansion allows the City to redirect funding to transit state-of-good-repair

• Federal co-investment of $1.3 billion for building repair for Toronto Community Housing Corporation
Property Tax Increases to Fund Operating Costs of City Services

RESIDENTIAL*

- **2.00%**
  - Residential: assumed at inflation

- **0.00%**
  - Multi-residential: no increase per regulation

**1.43%** Total budgetary increase

BUSINESS

- **1.00%**
  - Commercial: half of residential increase per policy and regulation

- **0.66%**
  - Industrial: a third of residential increase per policy and regulation

**$61** Tax increase to the average home

* 2% residential tax rate increase is based on Toronto CMA CPI for the previous 12 trailing months as of November 2019
City Building Fund Extension - Dedicated to Transit and Housing

1.5% Dedicated levy over the next 6 years*

$6.6 B Additional dedicated funding to support transit and housing

$5 billion to invest in subways, signal systems, streetcars and station upgrades

$45 Tax increase to the average home

$45 Funding to support 40,000 affordable housing units within 10 years

*The increase to the City Building Fund levy would start by adding 1% in 2020 and 2021 to the existing 0.5% increment, and an additional 1.5% annually from 2022-2025, inclusively.
Your Property Tax Investment

Based on Property Tax of $3,141.
The average house has an assessed value of $703,232. 2020 Property tax on this home would be $3,141 (includes $61 increase for City operations and $45 increase for the City Building Fund).

*Does not Include Education Taxes
Guiding Principles - Capital

1. Address Capital Plan achievability and affordability
2. Address recent Council commitments
3. Reflect other government partnerships
4. Develop a Capital Asset Management Plan
Capital Budget Overview

- Investing a total of $13.2 billion in transit, **nearly doubling** the investment in state-of-good-repair

- City Building Fund extended to support $6.6 billion dedicated to transit and housing

- Reflects government partnerships:
  - Federal Partnerships: $1.3 billion CMHC co-investment supporting TCHC building repairs
  - Provincial partnership: with provincial funded transit expansion, investment redirected to SOGR

- Initiating a recast to reflect industry best practices

- Complies with 15% debt service ratio in each year of the plan

- Reflects realistic funding contributions
# Tax Supported 10-Year Capital Plan

## WHERE THE MONEY COMES FROM
($27.9 Billion)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Dedicated City Building Fund *</td>
<td>$7.3</td>
<td>26%</td>
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<tr>
<td>Debt</td>
<td>$6.0</td>
<td>22%</td>
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<tr>
<td>Capital From Current</td>
<td>$3.7</td>
<td>13%</td>
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<tr>
<td>Federal Funding</td>
<td>$3.1</td>
<td>11%</td>
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<tr>
<td>Reserve/Reserve Fund</td>
<td>$2.5</td>
<td>9%</td>
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<tr>
<td>Provincial Funding</td>
<td>$1.6</td>
<td>6%</td>
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<tr>
<td>Recoverable Debt</td>
<td>$1.2</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>$2.4</td>
<td>9%</td>
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* City Building Fund is dedicated to Transit and Housing projects

## HOW THE MONEY IS INVESTED
($27.9 Billion)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Transit</td>
<td>$13.2</td>
<td>47%</td>
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<tr>
<td>Housing **</td>
<td>$2.7</td>
<td>9%</td>
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<tr>
<td>Transportation</td>
<td>$4.9</td>
<td>18%</td>
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<tr>
<td>Environment</td>
<td>$2.9</td>
<td>10%</td>
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<tr>
<td>Corporate Real Estate Mgmt</td>
<td>$1.2</td>
<td>4%</td>
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<tr>
<td>Emergency Services</td>
<td>$0.8</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>$2.3</td>
<td>8%</td>
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</table>

** $2.7B in additional foregone revenue to support the development of 20K of the 40K affordable homes planned under the HousingTO 2020-2030 Action Plan.
10-Year Capital Plan

2020 - 2029 Recommended Capital Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Projection</th>
<th>Budget</th>
<th>Plan</th>
<th>Plan</th>
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<tbody>
<tr>
<td></td>
<td>4,000</td>
<td>3,500</td>
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City Building Fund - To be Allocated to Transit & Housing
City Building Fund
TCHC Commitment
Total Recasted Capital Budget
Budget 2020

Operating Budget
• Preserves services
• Makes new investments

Capital Budget
• Addresses achievability
• Major investments in transit and housing

Partnerships
• Continued and new co-investments
Thank You