

*City of Toronto*

*Presentation to*

*City Council*

*2002 Policy & Finance*

*Recommended Budget*

*March 4, 2002*

# Presentation Outline

- Guiding Principles & Budget Objectives
- Capital Budget
- 2002 Operating Budget
  - Corporate Summary
  - Pressure Analysis

# Guiding Principles

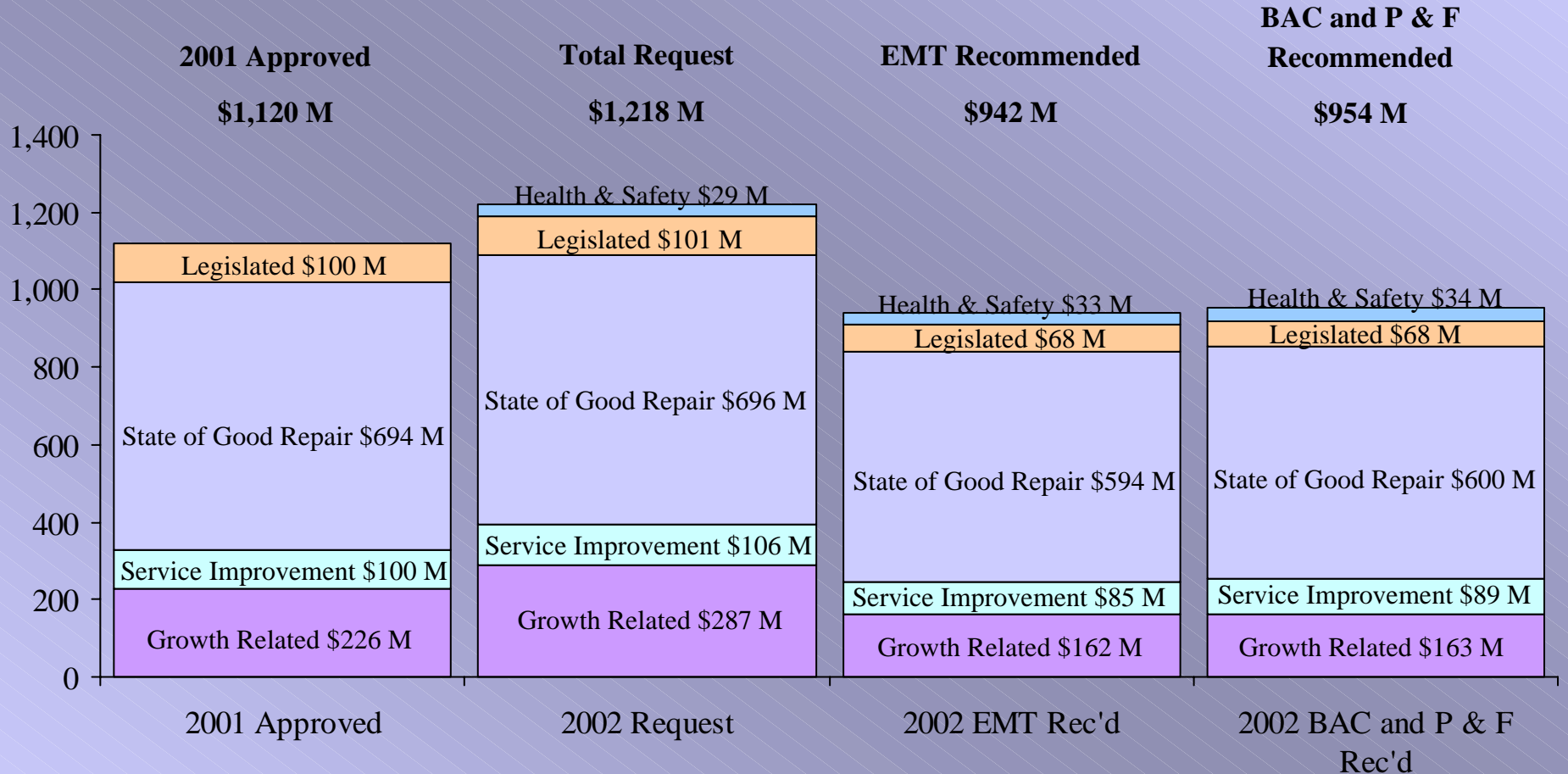
- Maintain Council 2001 approved services and service levels, to the greatest extent possible
- Achieve budget savings through efficiencies / continuous improvement initiatives and review non-tax revenue initiatives
- Standing Committee to review budget submissions and service levels
- BAC to receive Standing Committee service level recommendations and prioritize among programs
- Base affordability levels and targets on service level priorities
- Keep taxes and debt levels as low as possible

# Budget Objectives

- Maintain 2001 service levels with minimal tax increase:
  - maximize efficiencies and productivity
  - continuous improvement initiatives
  - maximize sustainable non-tax revenues
- Compliance with Council's Fiscal Priorities and Fiscal Principles
- Ensure Service alignment with Corporate Strategies
- Reduce debt charges and minimize residential tax increase
- Maximization of sustainable non-tax revenues

# 2002 Capital Budget

# 2002 Recommended Capital Budget By Category

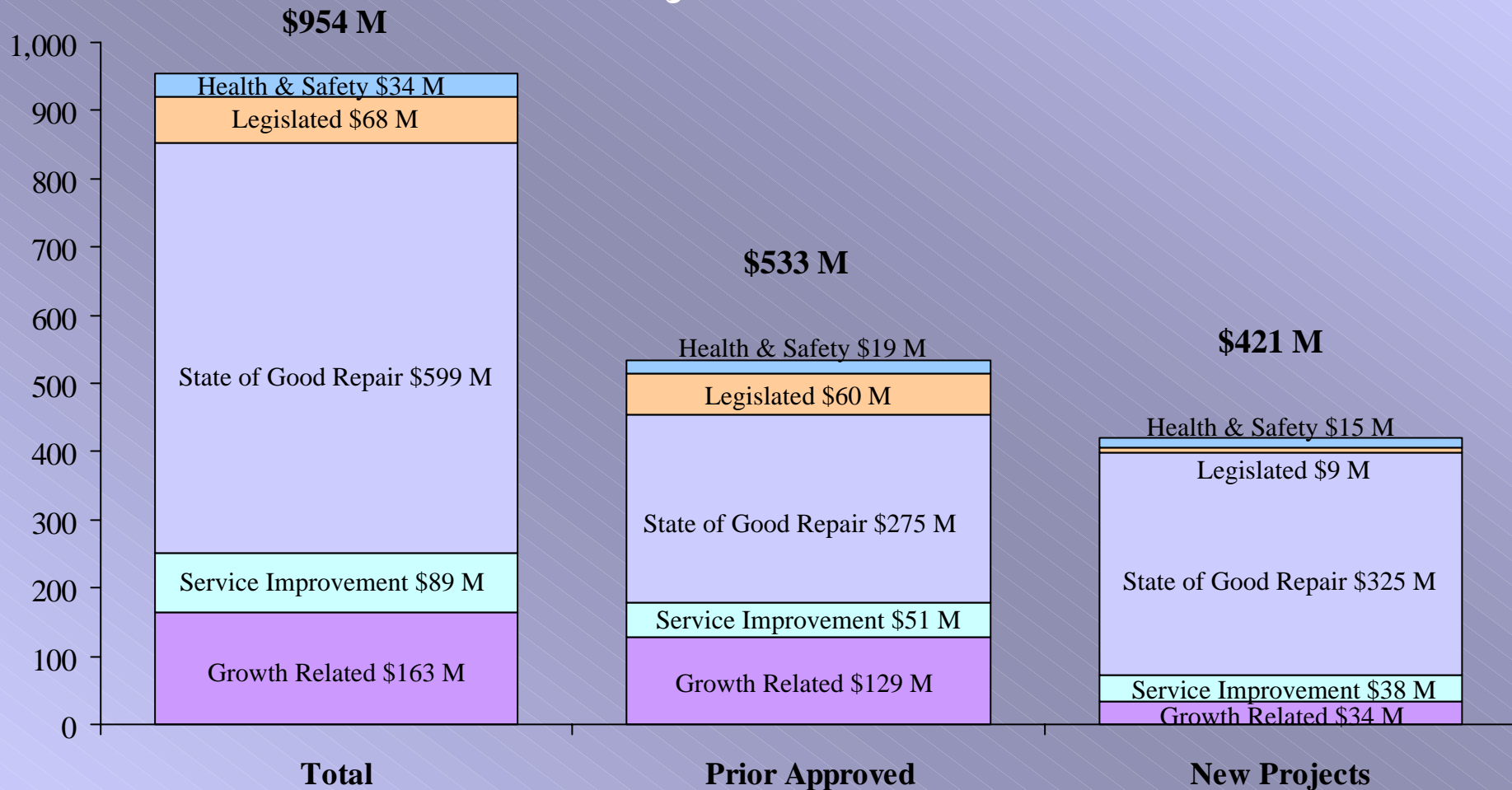


Note: Health & Safety Category Added in 2002 Budget Process

# 2002 Committee Adjustments

(\$ Millions)	2002 Cash Flow Gross
<b>EMT REC'D CAPITAL PROGRAM</b>	<b>941.6</b>
<b>COMMITTEE ADJUSTMENTS:</b>	
• Administration	(0.3)
• Community Services	0.8
• Economic Development & Parks	1.0
• Planning & Transportation	0.0
• Works	2.9
• Budget Advisory	7.8
• Policy & Finance	0.4
<b>NET CHANGE RECOMMENDED BY COMMITTEES</b>	<b>12.7</b>
<b>TOTAL COMMITTEE RECOMMENDED</b>	<b>954.3</b>

# 2002 Recommended Capital Budget By Status



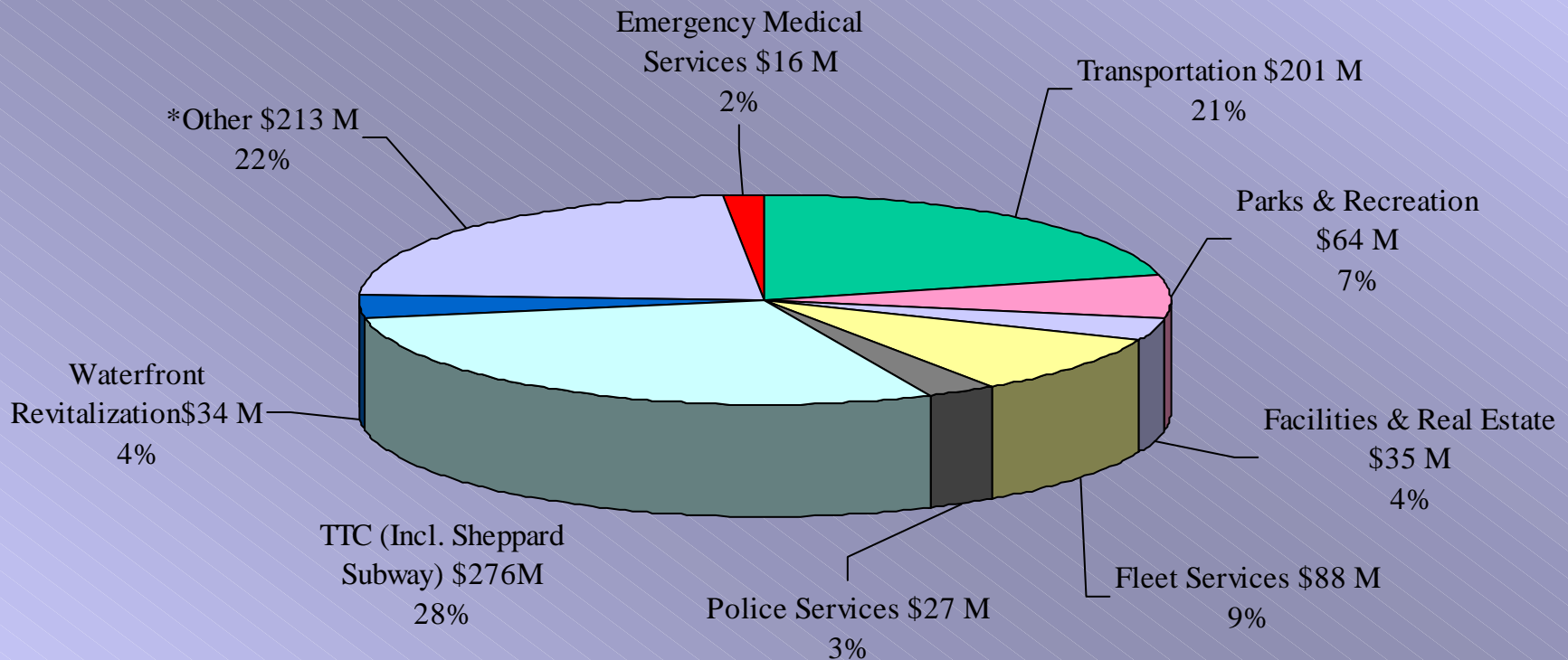
*Note: Health & Safety Category Added in 2002 Budget Process*



# 2002 Recommended Capital Budget Funding Sources (\$ Millions)

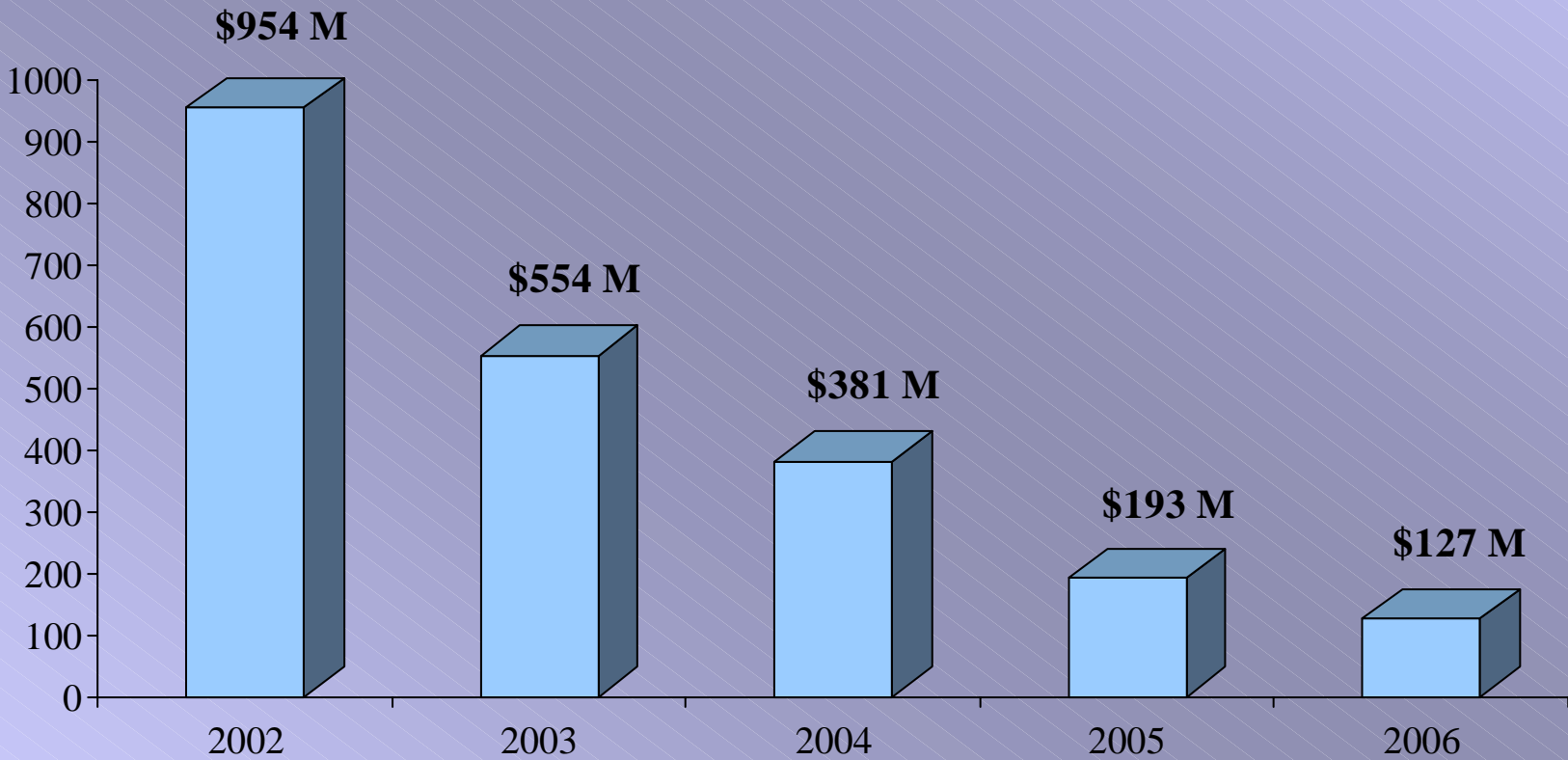
Financing Sources	Affordability	P & F
		Recommended
Self Financed	209.226	209.226
Capital From Current	146.513	146.513
Other Financing	94.278	94.278
Internal Sources	107.654	107.654
Provincial Subsidy (1/3 TTC)	76.517	76.517
Federal Subsidy (1/3 TTC)	76.518	76.518
<b>Debt</b>	<b>110.000</b>	<b>243.516</b>
<hr/> Total	<hr/> 820.706	<hr/> 954.222

# 2002 Recommended Tax Supported Capital Budget By Program (Cash Flow \$954 M)



\*Other Tax Supported includes Fire, Solid Waste Management, Shelters, Homes for the Aged, Libraries, Toronto Zoo, etc.

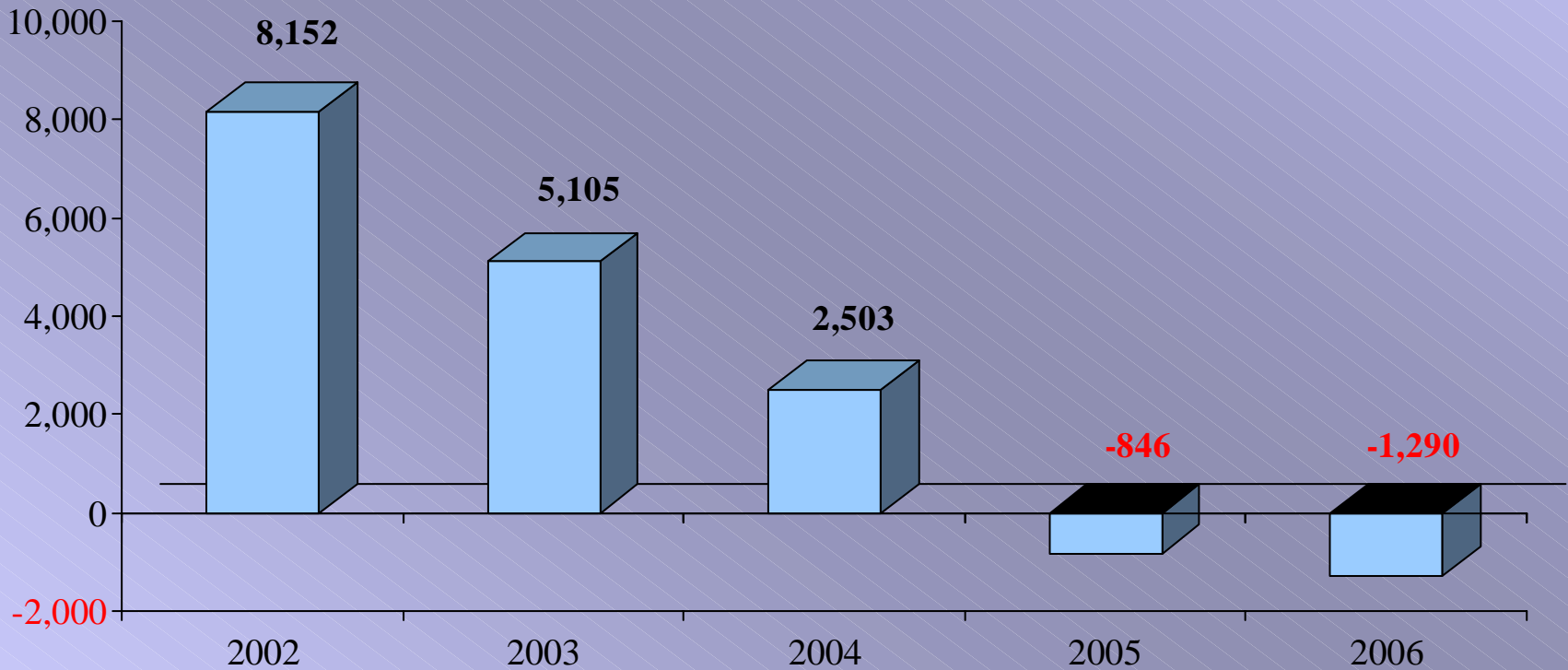
# 2002 Recommended Tax Supported Program Future Year Commitments (\$2,249 Million\*)



*\*Note: \$40 M Commitment 2007-2011*



# 2002 Recommended Capital Budget Incremental Net Operating Impact (\$13.624 Million)



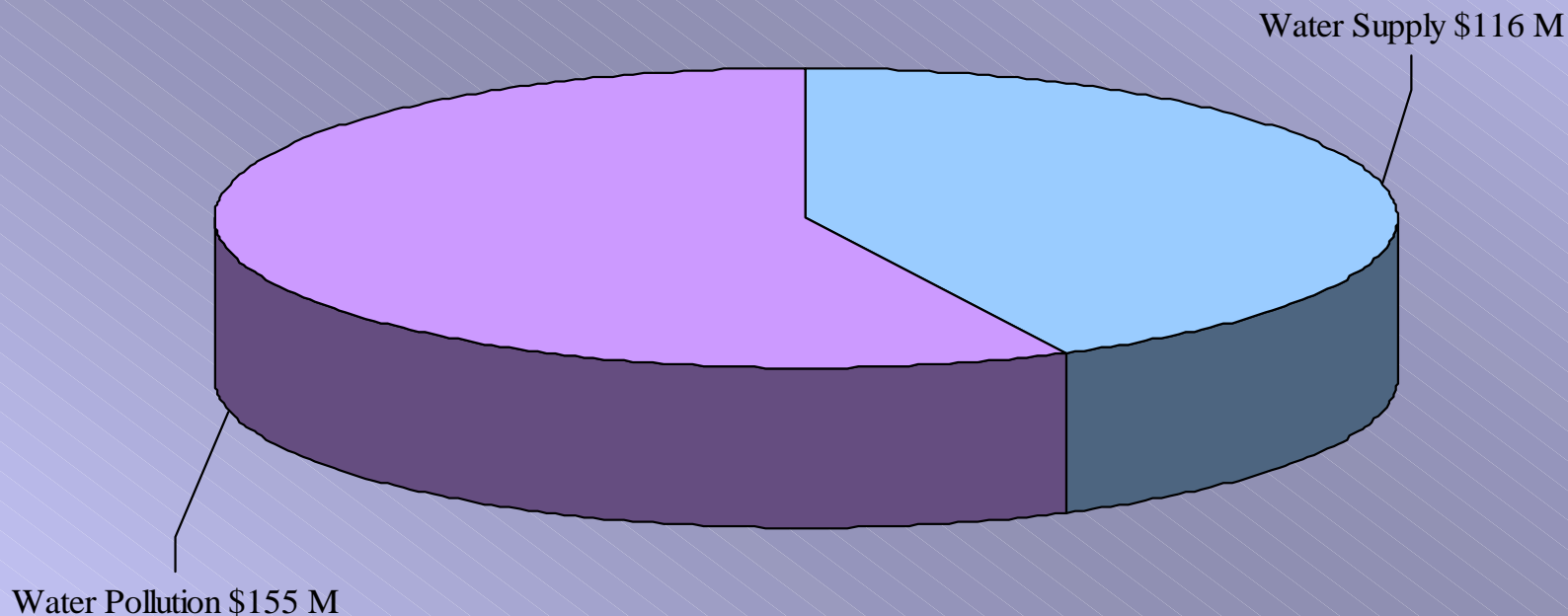
# 2002 Recommended Capital Budget

## Annualized Impact on Operating Budget

P & F  
Recommended

Increased City Debt	56	
Sheppard Subway	47	
TTC - City Share	31	
<b>Total Incremental Debt to be Issued</b>	<b>\$134</b>	Million
Debt Charges Due to Increased Debt	\$20	Million
Impact on Property Tax Bill/Residential	2.0%	
Impact on Property Tax Bill/C&I and Res.	0.7%	

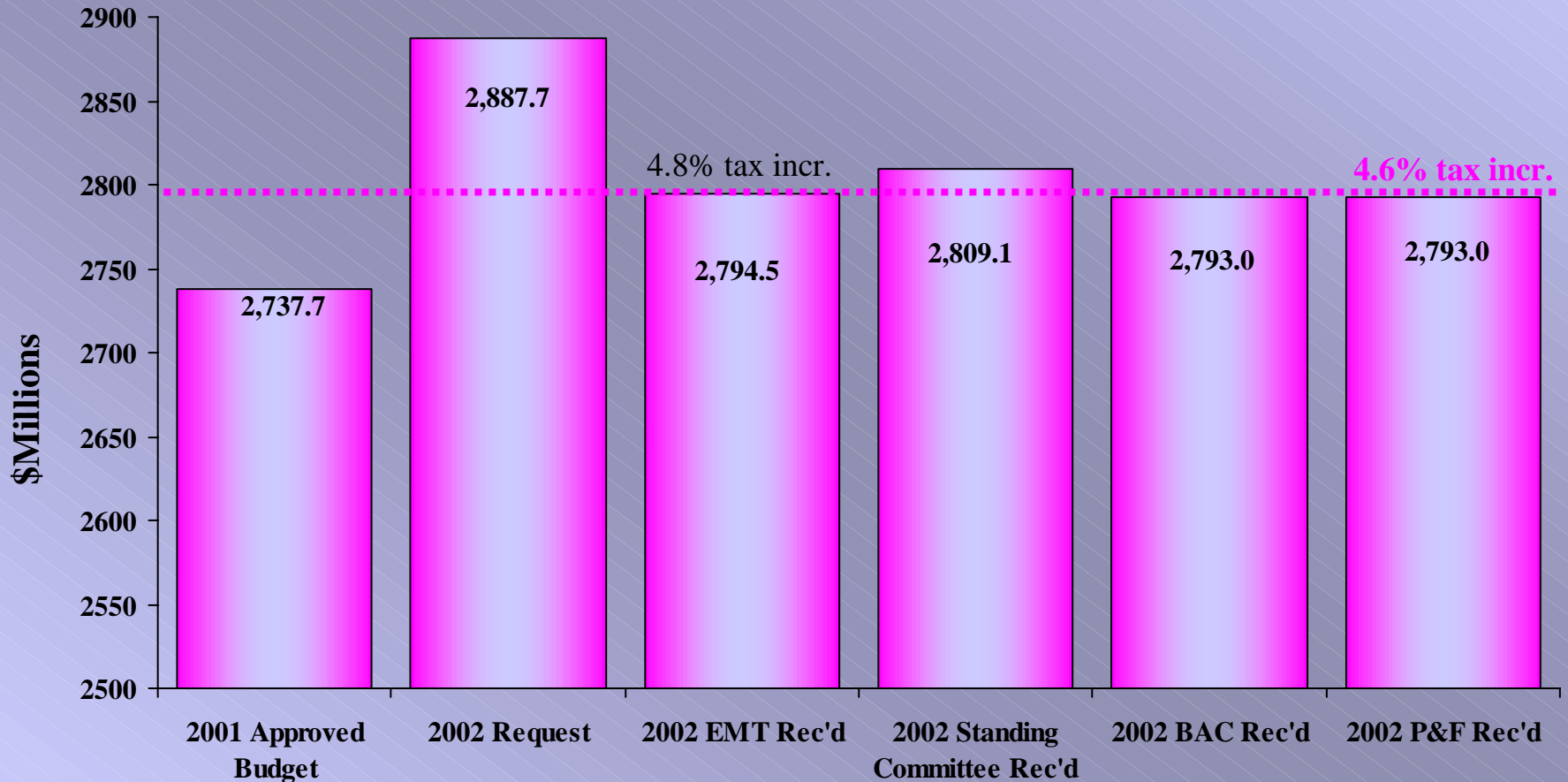
# 2002 Recommended Water Supply and Water Pollution Capital Budget (Cash Flow \$271 M)



# 2002 Operating Budget

# Corporate Summary

## 2002 Net Operating Budget



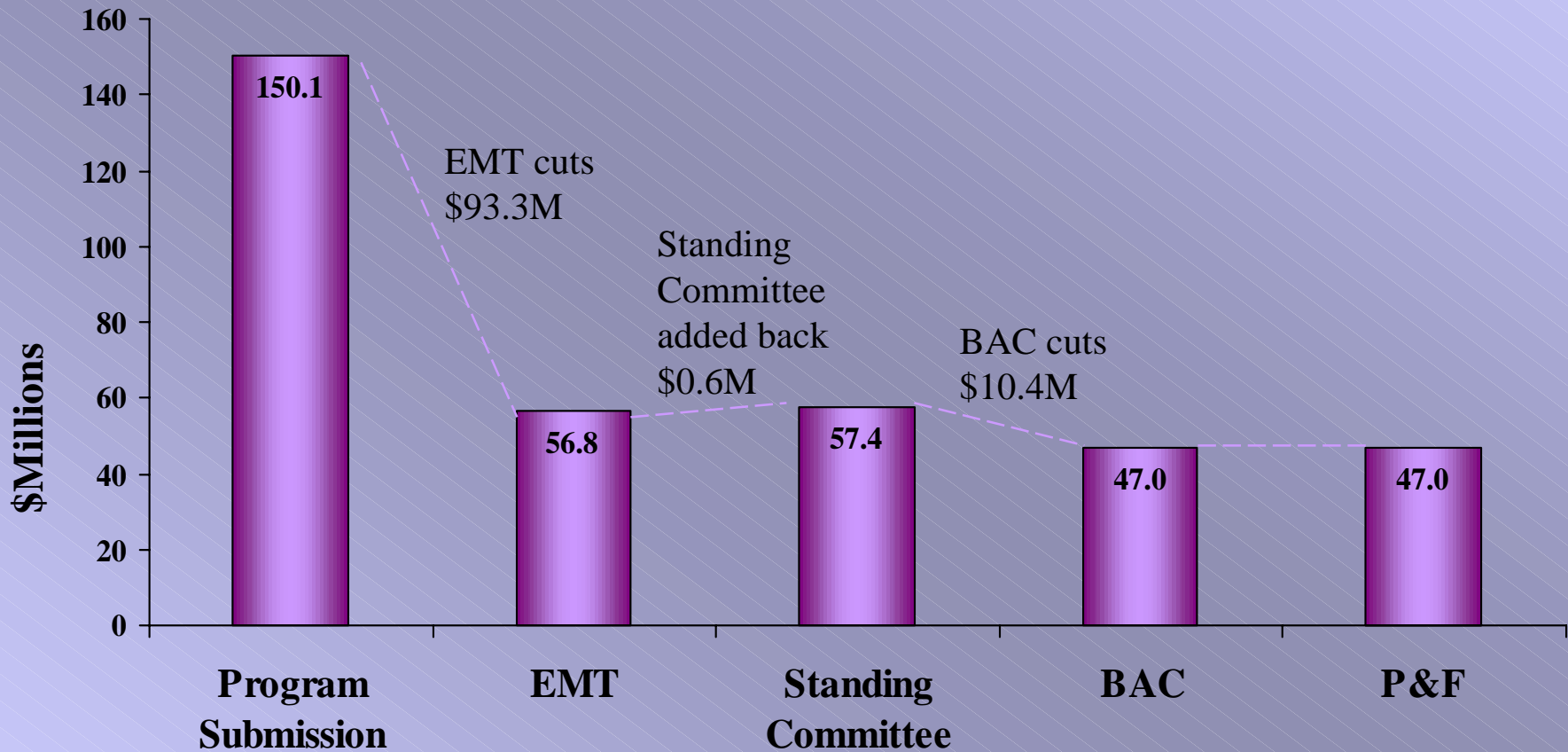


# 2002 Operating Budget Overview by Department

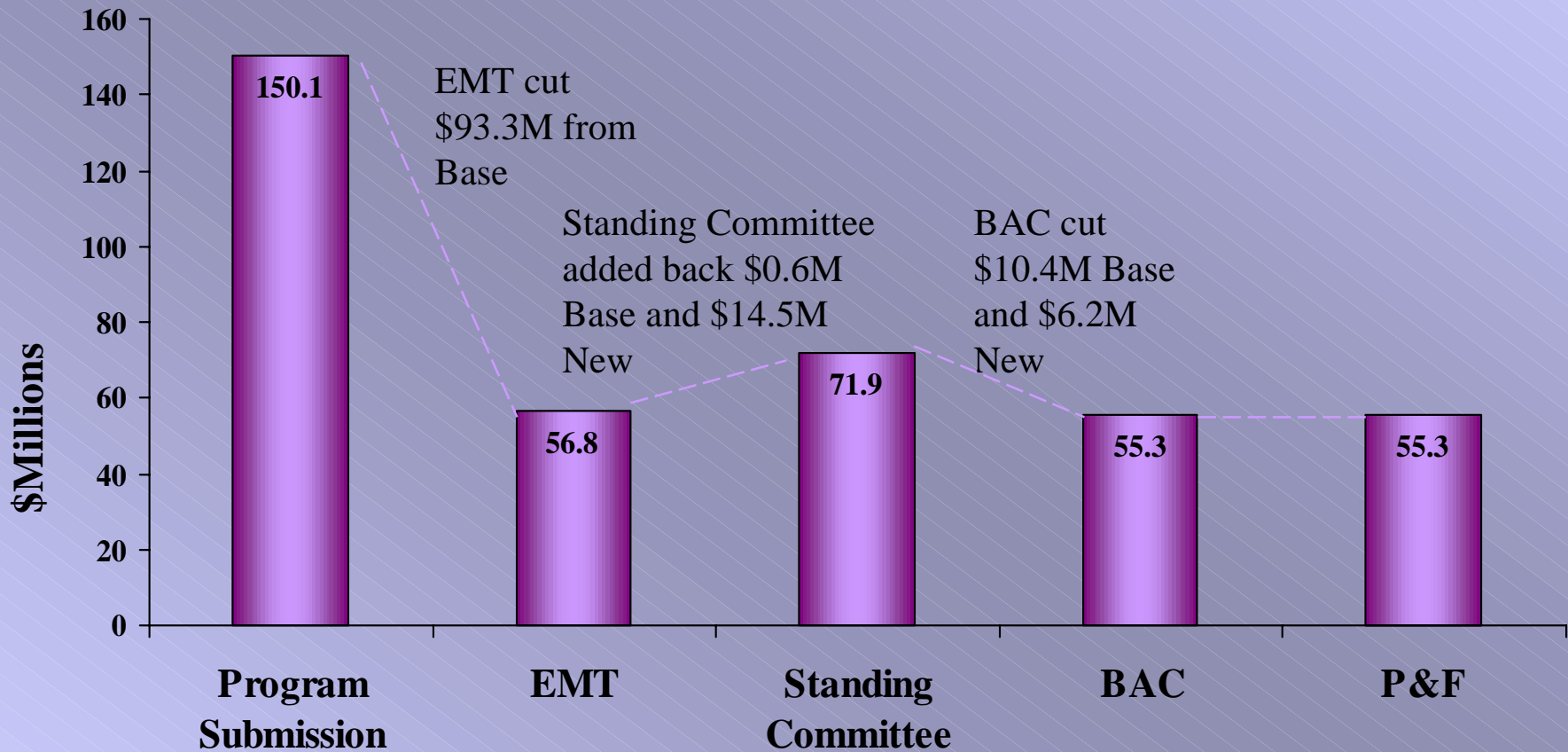
\$ Millions										
Departments	2001 Budget	2002 Base Request	2002 EMT Recom'd Base	2002 SC Rec'd Base	2002 BAC Recom'd Base	2002 P&F Recom'd Base	Chnge from 2001	New/ Enhanced Services	2002 Total P&F Rec'd	Chnge from 2001
CNS	588.9	615.4	591.3	588.6	581.9	581.9	(7.0)	1.0	582.9	(6.0)
WES	543.7	600.6	570.2	573.6	570.4	570.4	26.7	2.7	573.1	29.4
Emer. Mgmt Preparedness							0.0	2.1	2.1	2.1
EDCT	178.3	179.7	177.9	177.9	177.9	177.9	(0.4)	3.8	181.7	3.4
Yonge Dundas Square	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.4
UDS	14.1	16.3	14.1	14.1	14.1	14.1	0.0	0.9	15.0	0.9
Corporate Services	146.9	156.1	148.1	148.1	147.9	147.9	1.0	0.8	148.7	1.8
Finance	31.7	32.3	31.3	31.3	31.3	31.3	(0.4)	0.3	31.6	(0.1)
Other City Depart.	26.1	25.6	25.6	25.6	25.6	25.6	(0.5)	0.1	25.7	(0.4)
<b>Total City Operations</b>	<b>1,529.7</b>	<b>1,626.0</b>	<b>1,558.5</b>	<b>1,559.2</b>	<b>1,549.1</b>	<b>1,549.1</b>	<b>19.4</b>	<b>12.1</b>	<b>1,561.1</b>	<b>31.4</b>
ABCs	954.5	1,002.6	977.6	977.6	978.3	978.3	23.8	6.8	985.1	30.5
Corporate Accounts	253.4	259.1	258.4	258.4	257.3	257.3	3.9	(10.5)	246.8	(6.6)
<b>Net Operating Levy</b>	<b>2,737.7</b>	<b>2,887.7</b>	<b>2,794.5</b>	<b>2,795.1</b>	<b>2,784.7</b>	<b>2,784.7</b>	<b>47.0</b>	<b>8.3</b>	<b>2,793.0</b>	<b>55.3</b>

4.6% residential tax increase after assessment growth

# Base Budget - Net Pressure Analysis by Review Phase



# Total Budget - Net Pressure Analysis (Inc. New/Enhanced Services) by Review Phase



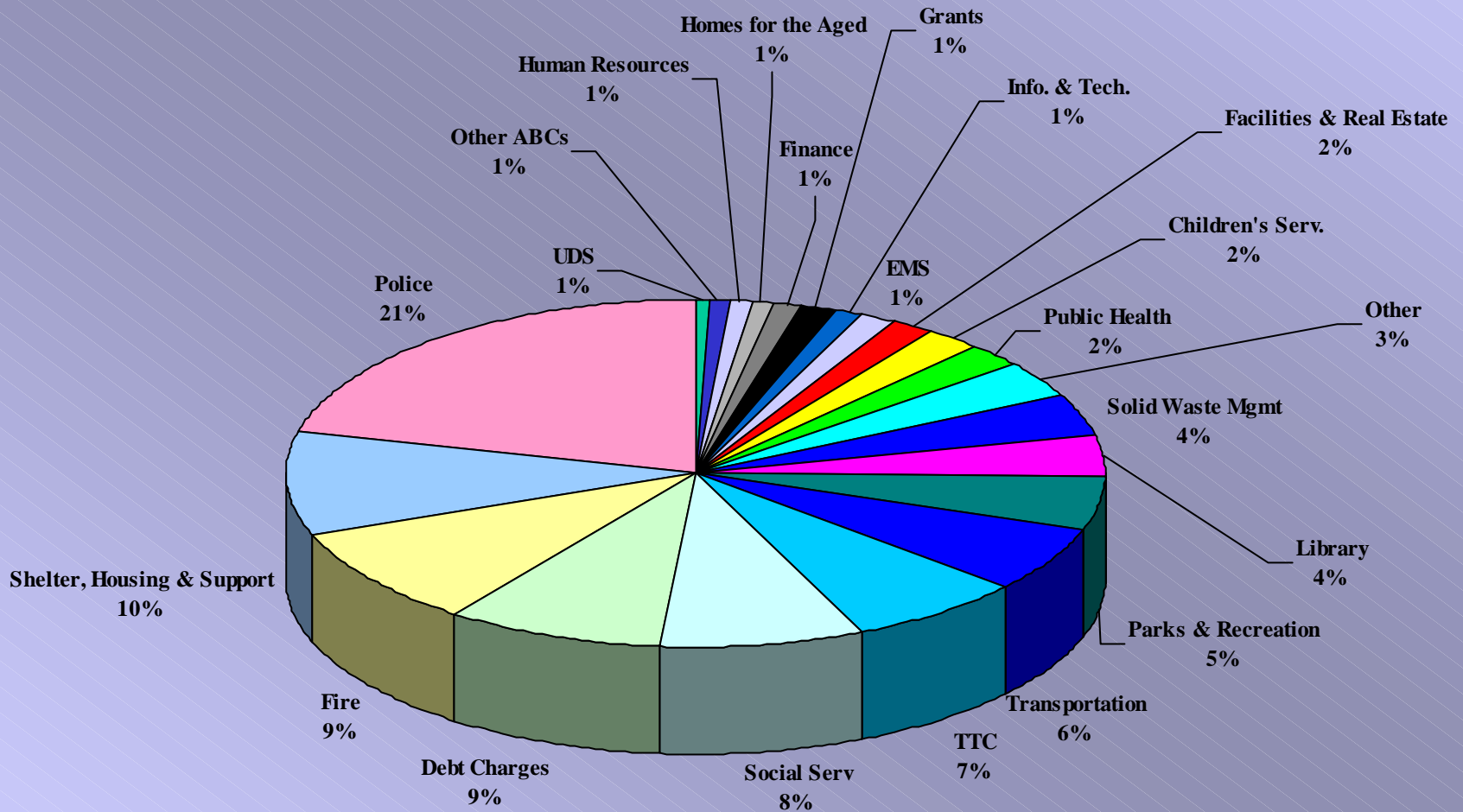
# P & F Recommended 2002 Operating Budget

	Operating	New Debt Charges	Total
Increase on Total Tax Base	0.8%	0.9%	1.7%
Impact of Comm., Indust. & Multi-Res. Transfer to Residential as a result of Bill 140	1.5%	1.4%	2.9%
Net Impact of Bill 140 and Increase on Residential ONLY	2.3%	2.3%	4.6%

# 2002 Comparative Tax Increases

<b>Municipality</b>	<b>Projected Tax Increase (Full Tax Base)</b>	<b>Projected Tax Increase (Res. Only)</b>	<b>Assessment Growth</b>	<b>Budget Increase</b>
Toronto	1.70%	4.62%	0.29%	2.00%
Peel Region	Not Applicable	1.71%	3.63%	5.30%
Halton Region	Not Applicable	3.10%	2.50%	5.60%
York Region	Not Applicable	2.30%	4.10%	6.10%

# P&F Recommended Net Budget by Major Programs



# Summary

- Budget Request pressure of \$150.1 million
- EMT budget reductions of \$93.3 million
- SC/BAC net budget reductions of \$9.8 million base and added \$8.3 million for new/enhanced services
- P&F adopted BAC recommendation
- Net P&F recommended budget pressure \$ 55.3 million
- Net remaining pressure represents 4.6% residential tax after assessment growth
- Impact on average residential homeowner per annum \$84.50

# Recommendation

- Approve Budget of \$6,225.1 million gross, \$3,432.1 million revenues, \$2,793.0 million net
- Budget increase is 1.7%
- Residential Property Tax Increase due to impact of Bill 140 is 4.6%