

Downtown Budget Town Hall

City of Toronto

2012 Operating and Capital Budget

Hosted by

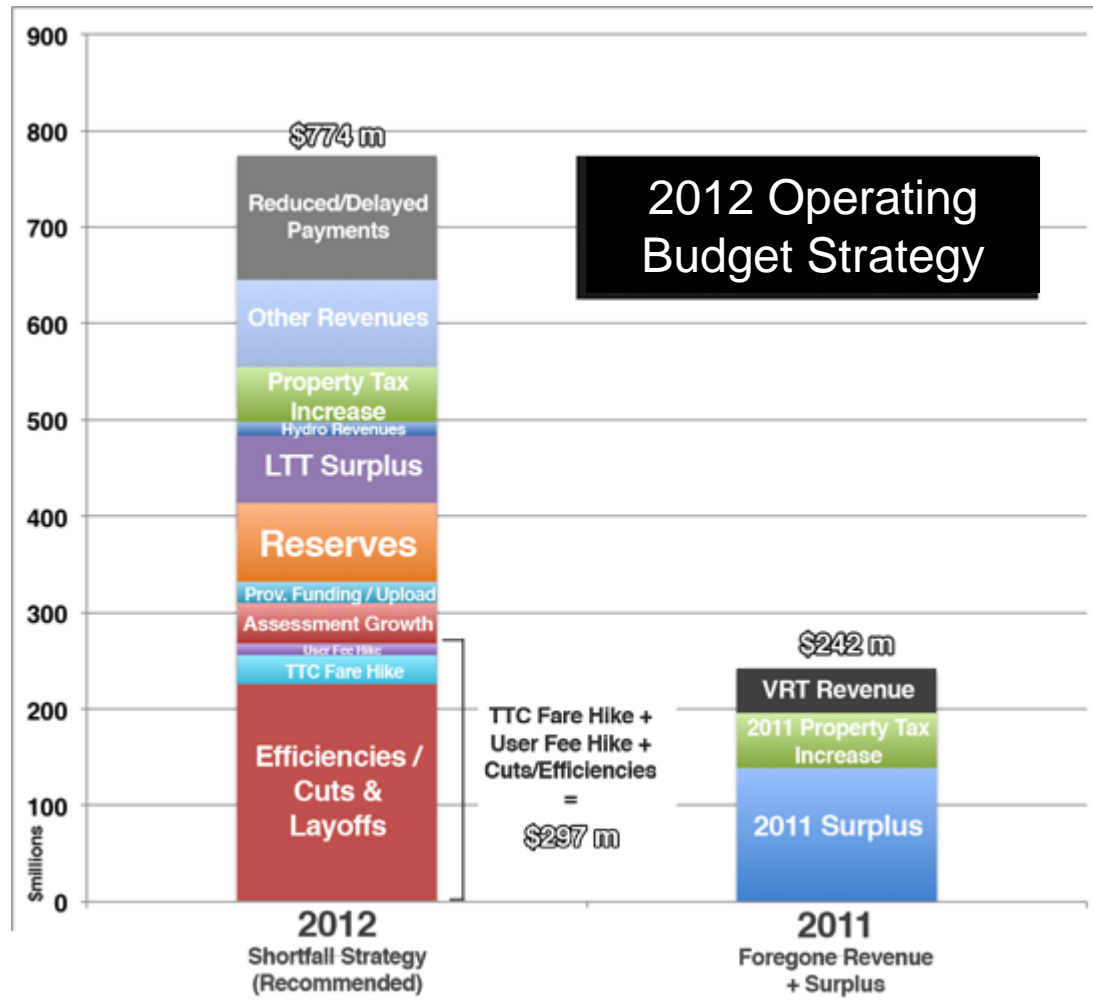
Councillor Pam McConnell (Ward 28)

Councillor Kristyn Wong-Tam (Ward 27)

Councillor Adam Vaughan (Ward 20)

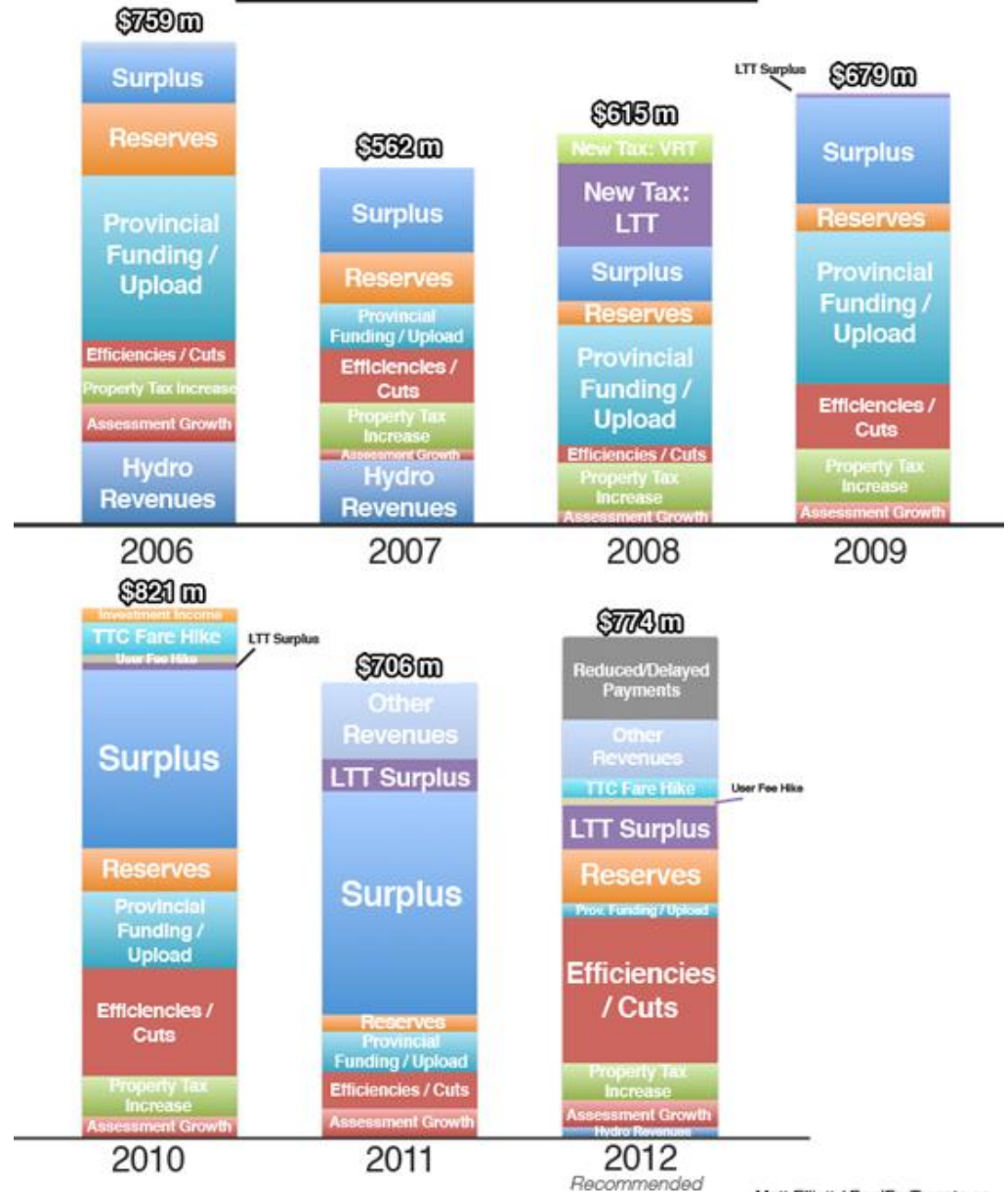
January 4, 2012

The City of Toronto does not have a deficit crisis



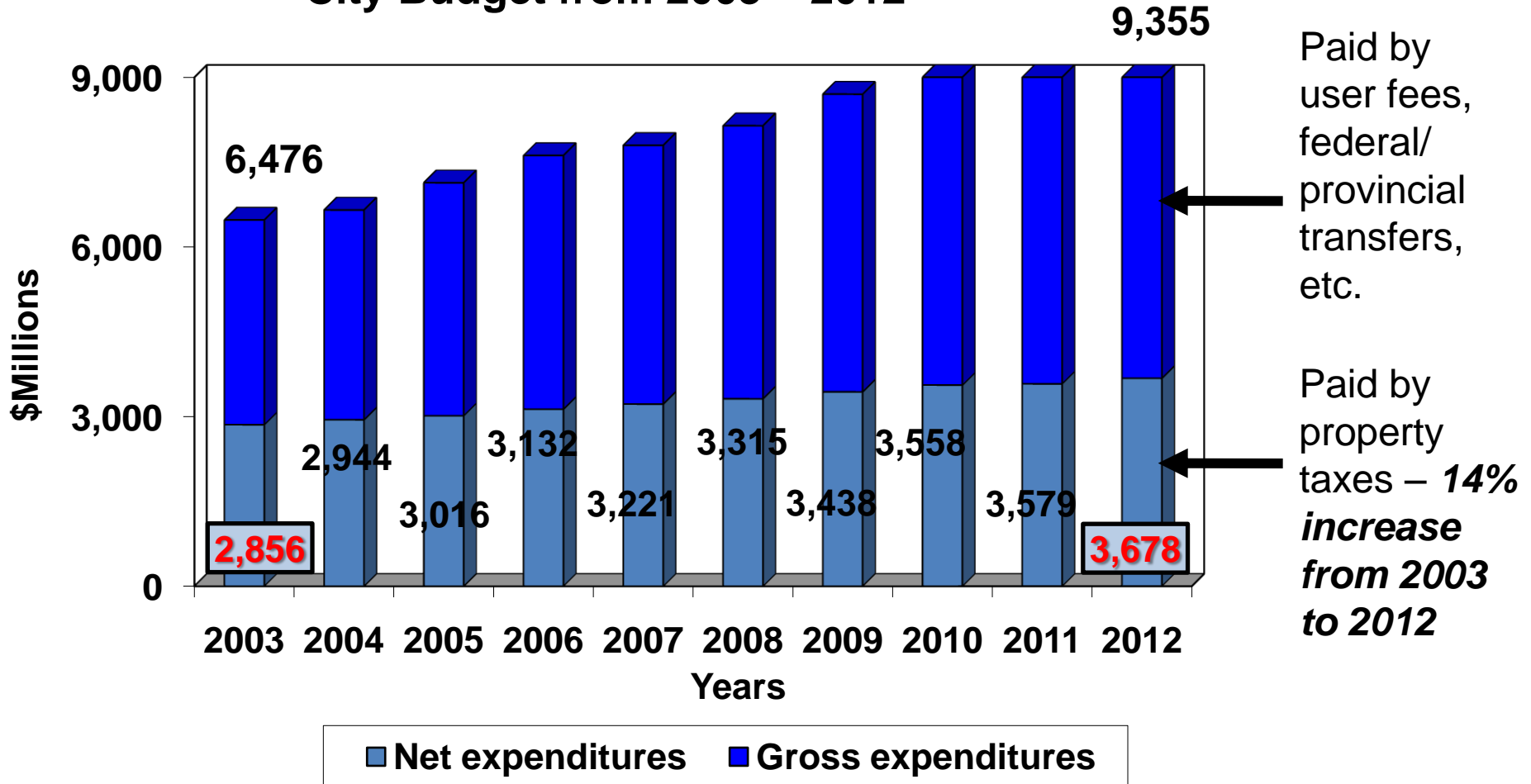
City of Toronto Operating Budgets
Balancing Strategies, 2006-2012

This year is no different than other years.



Spending History (Gross and Net)

City Budget from 2003 – 2012



2012 Operating Budget

Budget Process

- The City of Toronto Budget is divided into:
 - **Rate Supported** (entirely funded by user fees)
 - **Toronto Water** – Operating and Capital Budgets
 - **Solid Waste Management** – Operating and Capital Budgets
 - **Tax Supported** (using funding from property taxes)
 - **Capital Budget** – For infrastructure (roads, libraries, community centres, vehicles, etc.)
 - **Operating Budget** – For service delivery (employee salaries, fuel, utilities, supplies, etc.)

Operating Budget

- The City must approve a balanced Operating Budget
 - Unlike federal and provincial governments, municipalities cannot run an operating deficit
 - No borrowing to meet shortfall
 - Emergent issues must be funded with reallocations or from emergency reserves
 - No contingency fund is provided

Canadian municipalities receive just **eight cents** of every tax dollar collected in Canada

- 50 cents goes to the federal government
- 42 cents goes to the provincial/territorial governments

Operating Budget - City Services at Work

- 3-1-1 🕒
 - Emergency Services
 - Police 🕒
 - Fire 🕒
 - EMS 🕒
 - Transportation and Transit
 - TTC 🕒
 - Roads 🕒
 - Sidewalks
 - Economic Development
 - Libraries
 - Parks and Recreation
 - Court Services
 - Arts, Culture and Heritage
 - Bylaw Enforcement and Inspections
 - Planning and Development
 - Building Permits
 - Licensing
 - Tourism Promotion
 - Social and Health Services
 - Social Assistance
 - Homes for the Aged 🕒
 - Child Care
 - Hostels 🕒
 - Social Housing 🕒
 - Public Health
 - Community Support
- Rate Supported:
- Solid Waste Collection, Recycling
 - Water and Wastewater 🕒

The Mayor's Budget Directions

- Cut spending through “efficiencies” and “service level adjustments”
 - Using the Core Service Review as a guide
- Maximize revenue sources
 - Increase to user fees
- Moderate impact of capital financing
- Moderate Property Tax and TTC fare increase

All departments directed to decrease operating budgets by 10%

Financial Pressures — The Structural Challenge

- Property taxes don't grow with economy or inflation
 - Post-amalgamation property tax freezes put the City behind by over \$215 million every year (based on a 2% increase for each of those years)
 - MPAC property tax reassessments are revenue neutral for the City
 - **The amount collected by property taxes remains unchanged unless the rate increases.**
- Operating costs increasing faster than revenues
 - 1% increase in City expenses = \$94 million
 - 1% overall increase in property taxes = \$35 million
 - 1% increase for an average homeowner = \$24
- Provincial downloading and no cost share on transit

Financial Pressures — A Problem Compounded

- The repeal of the Personal Vehicle Tax
 - Eliminated \$64 million per year
 - *Equal to a 4.3% residential property tax increase (or 1.8% blended increase)*
- Property Tax Freeze for 2011
 - Eliminated over \$57 million per year
- Cancellation of Transit City
 - About \$65 million in penalties and fees

The Mayor has promised to eliminate the Municipal Land Transfer Tax – *which brings in over \$300 million every year.*

Where the money goes - \$9.355 Billion

Provincially Mandated

Shelter, Support & Housing Administration, \$785.8 , 8.4%

Toronto Public Health, \$230.0 , 2.5%

Children's Services, \$387.8 , 4.1%

Long Term Care Homes & Services, \$224.8 , 2.4%

Toronto Employment & Social Services, \$1,225.1 , 13.1%

EMS, \$169.5 , 1.8%

Fire Services, \$369.8 , 4.0%

Emergency Services

TTC & Transportation

TTC, \$1,536.1 , 16.4%

Transportation Services, \$284.0 , 3.0%

Toronto Police Service, \$1,012.9 , 10.8%

(\$ Million)

Toronto Public Library, \$172.3 , 1.8%

Municipal Services

Economic Development & Culture, \$33.4 , 0.4%

Parks , Forestry & Recreation, \$377.6 , 4.0%

Municipal Licensing and Standards, \$47.3 , 0.5%

City Planning, \$38.4 , 0.4%

Fleet and Facilities, \$224.3 , 2.4%

Other City Services, \$360.1 , 3.8%

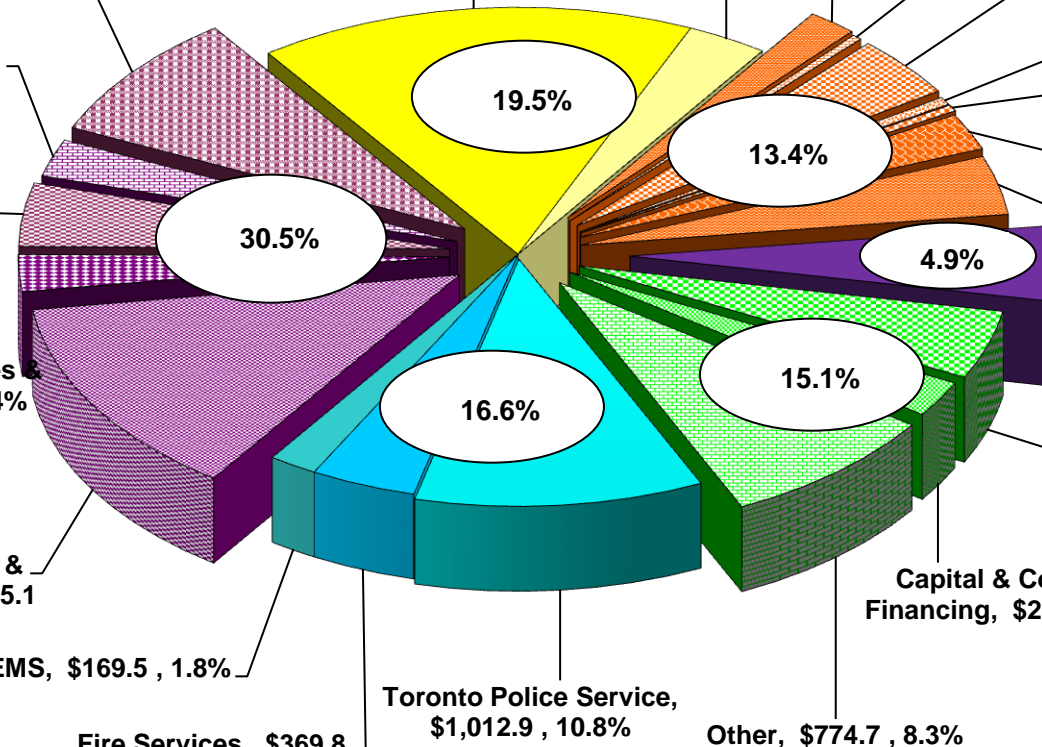
Governance and Internal Services, \$462.2 , 4.9%

Debt Charges, \$419.4 , 4.5%

Capital & Corporate Financing, \$219.8 , 2.3%

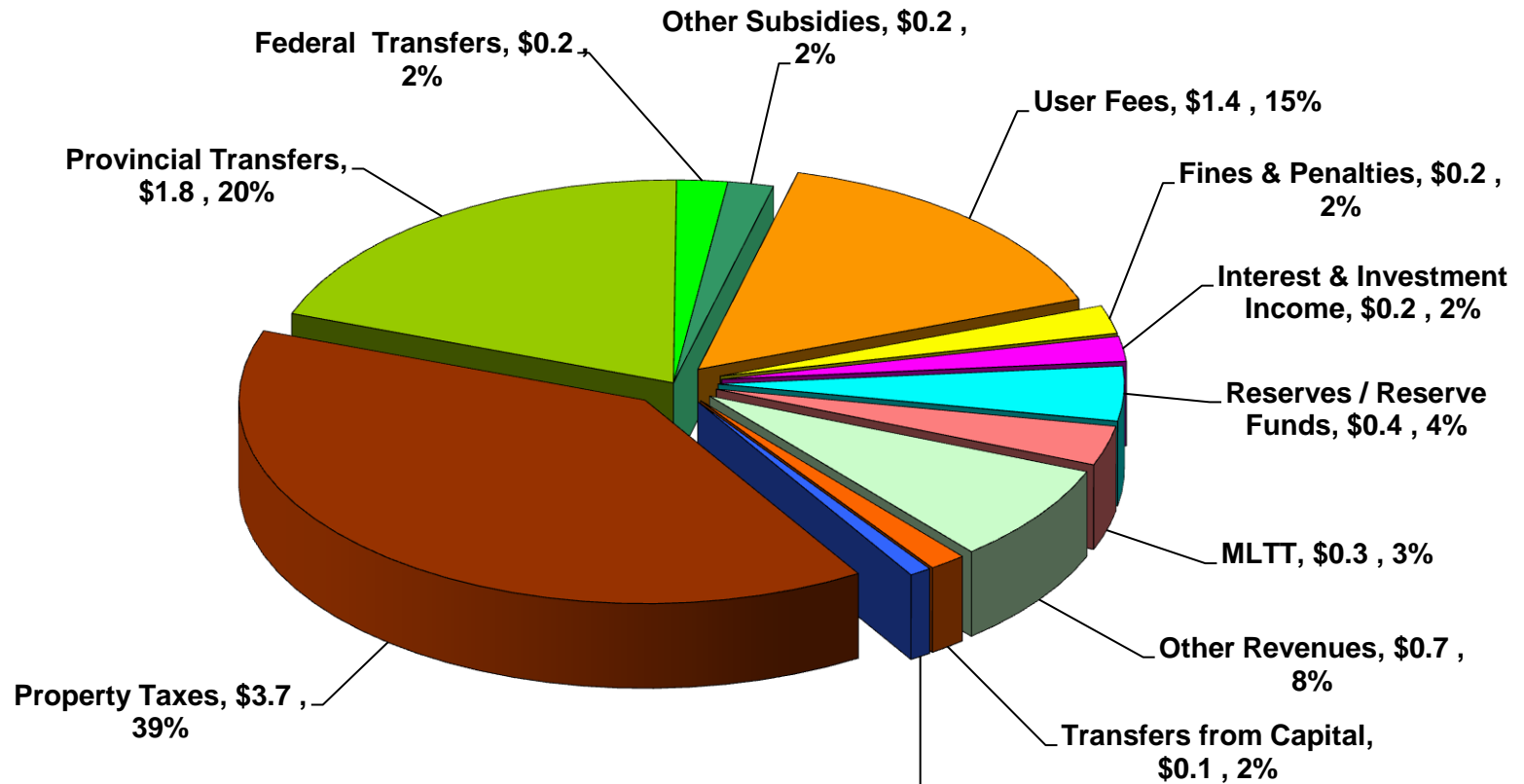
Other, \$774.7 , 8.3%

Mortgage payment on Capital Projects



Where the money comes from - \$9.4 Billion

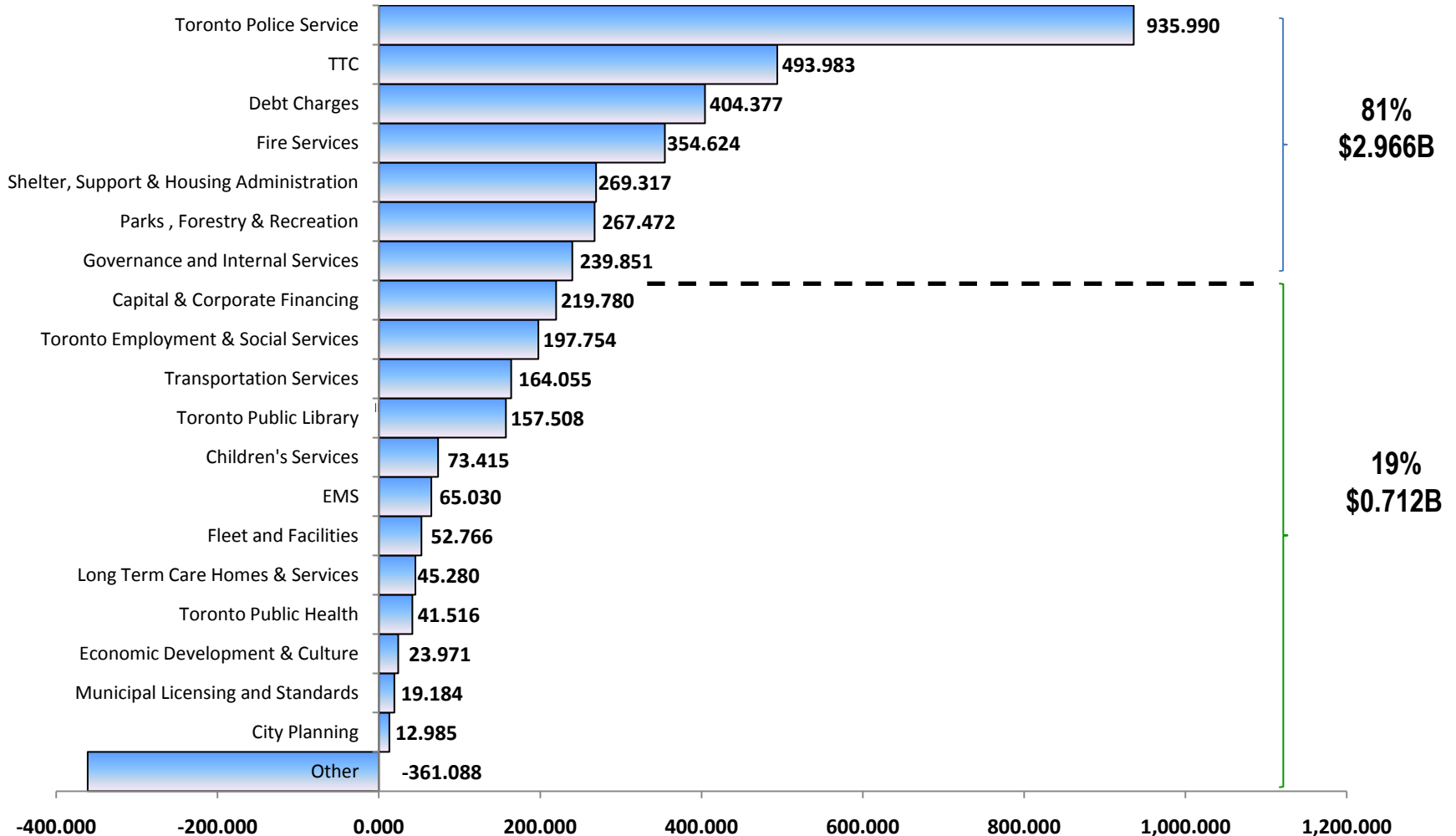
(\$ Billion)



Unsustainable, one year funding →



Distribution of Property Taxes



2011 Capital Budget

2012 Capital Budget - \$2.338 Billion

- Breakdown of the Capital Budget

- State of Good Repair - \$1.328 Billion (57%)

- Repairs to roads, bridges, community centres, etc., bus and subway car replacement

- Growth Related - \$659 million (28%)

- New ambulances, new libraries, new fire stations

- Service Improvement - \$260 million (11%)

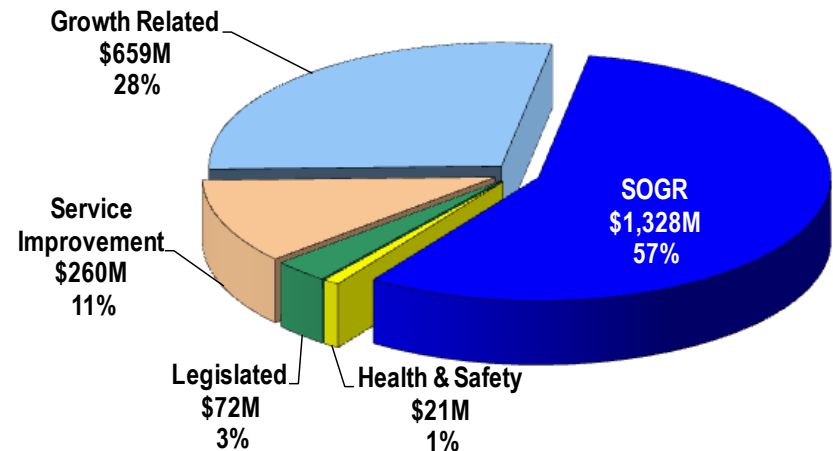
- New childcare centres, databases, Union Station redevelopment

- Legislated - \$72 million (3%)

- Security systems, environmental remediation

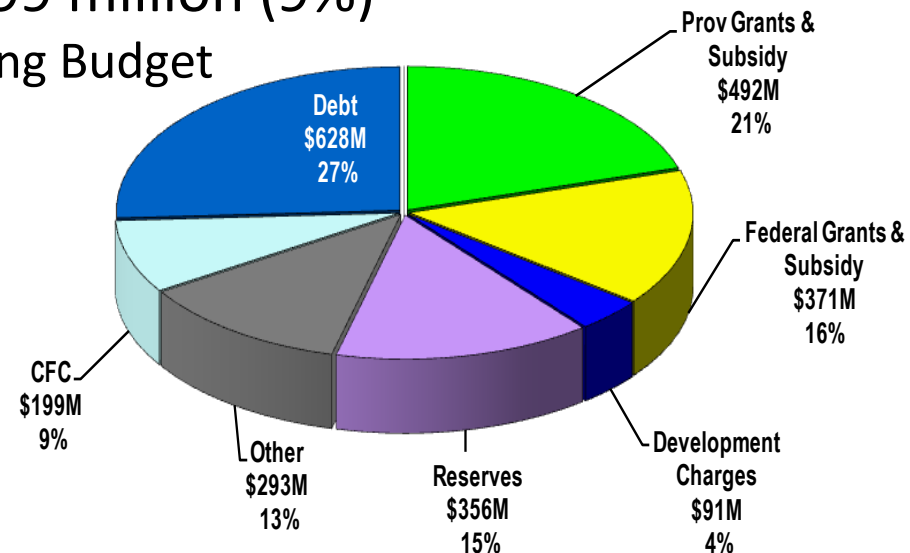
- Health & Safety - \$21 million (1%)

- Defibrillators, playground retrofits, fire safety equipment



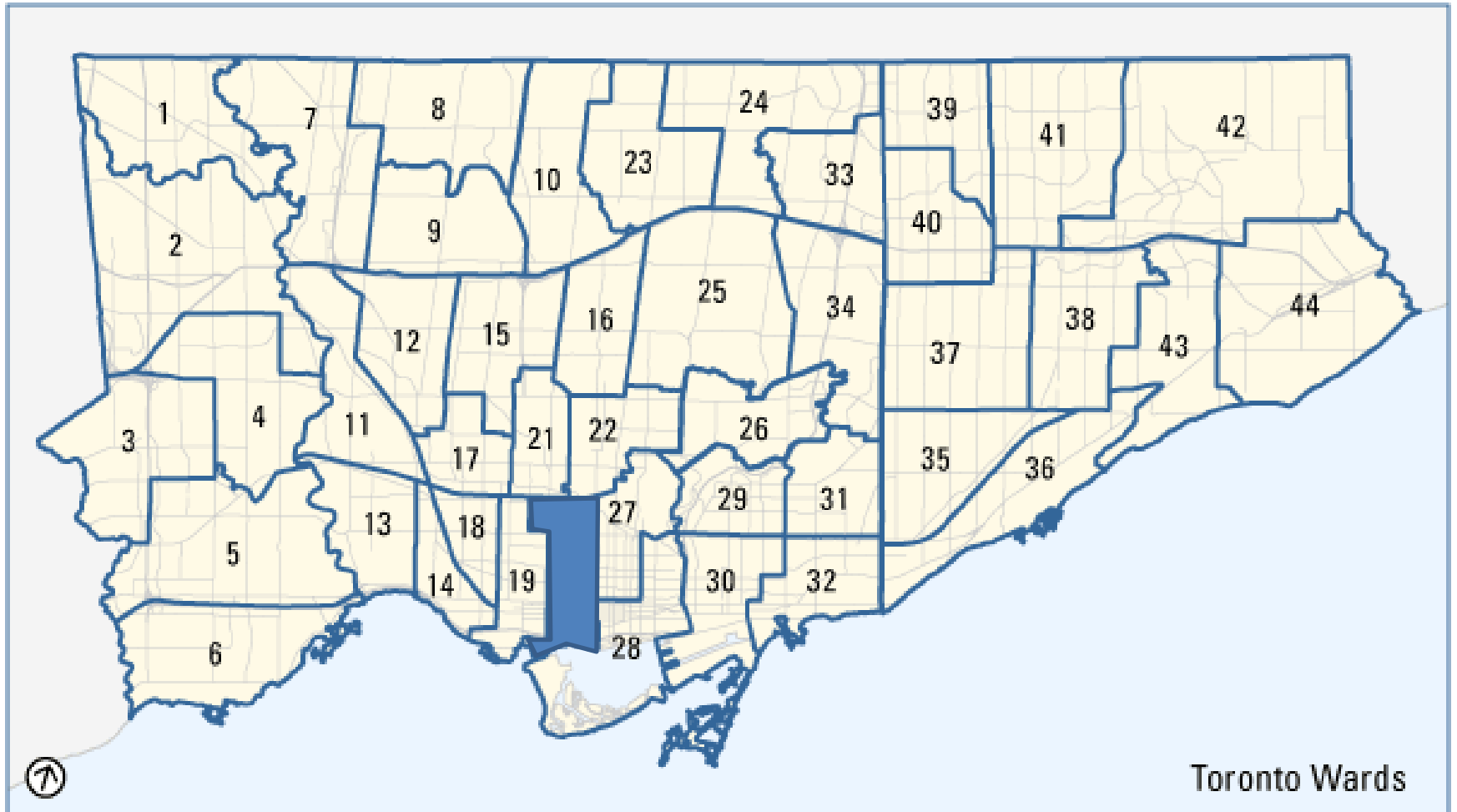
Funding the 2012 Capital Budget – How we pay for our projects

- Debt financed - \$628 million (27%)
 - Mortgage on long-lived assets
- Federal and provincial funding - \$863 million (37%)
 - \$239 million leveraged through Infrastructure Stimulus Funds
- Reserves - \$356 million (15%)
 - E.g., vehicle replacement, land acquisition, computer replacement, project specific
- Capital from Current (CFC) - \$199 million (9%)
 - Direct spending from the Operating Budget
- Other funding from development charges, BIA contributions, Section 37, etc. - \$293 million (13%)



In Our Communities

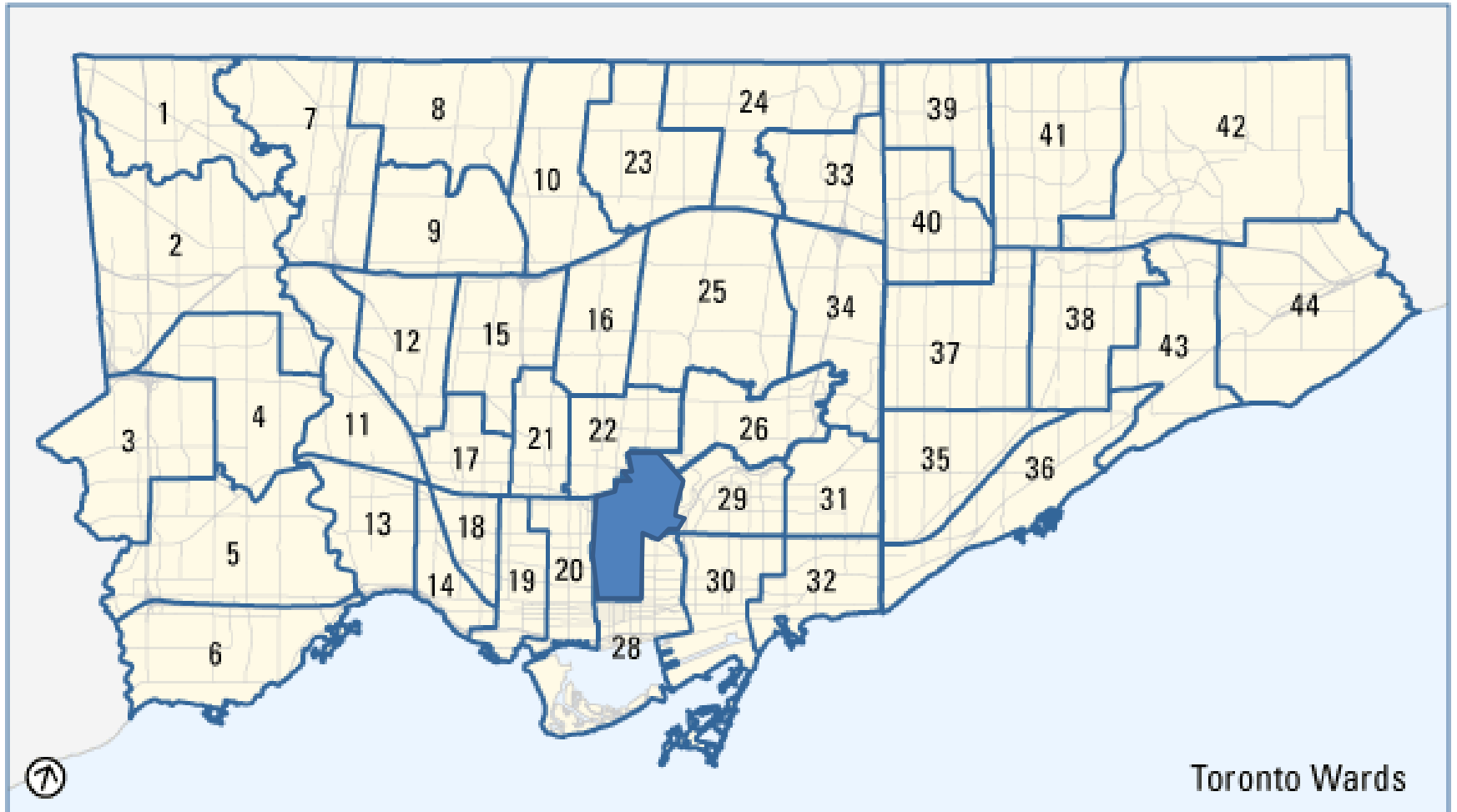
Ward 20



Capital Projects in Ward 20 – included in the 10-year plan

- Front & Bathurst Library Branch – \$ 8.6 million
- Sanderson Library Revitalization - \$ 5 million
- Bathurst & Bremner intersection - \$ 5.8 million
- Various parks – Vermont Square, Sibelius Square, Margaret Fairley, Bellevue Square, Grange Park and Clarence Square - \$ 6.8 million
- Railways Lands Community Centre - \$13 million
- State of good repair improvements to community centres, including St. Alban's Boys & Girls Club, Scadding Court Community Centre, University Settlement House & Harbourfront Community Centre - \$ 6 million
- Plus on-going water pipe replacements, cycling infrastructure, road repairs
- Not in the capital plan, but in the works (in partnership with private funds and City agencies):
 - John Street Cultural Corridor
 - Alexandra Park Revitalization
 - Scadding Court Community Centre Revitalization
 - Queens Quay Revitalization
 - Canada Square

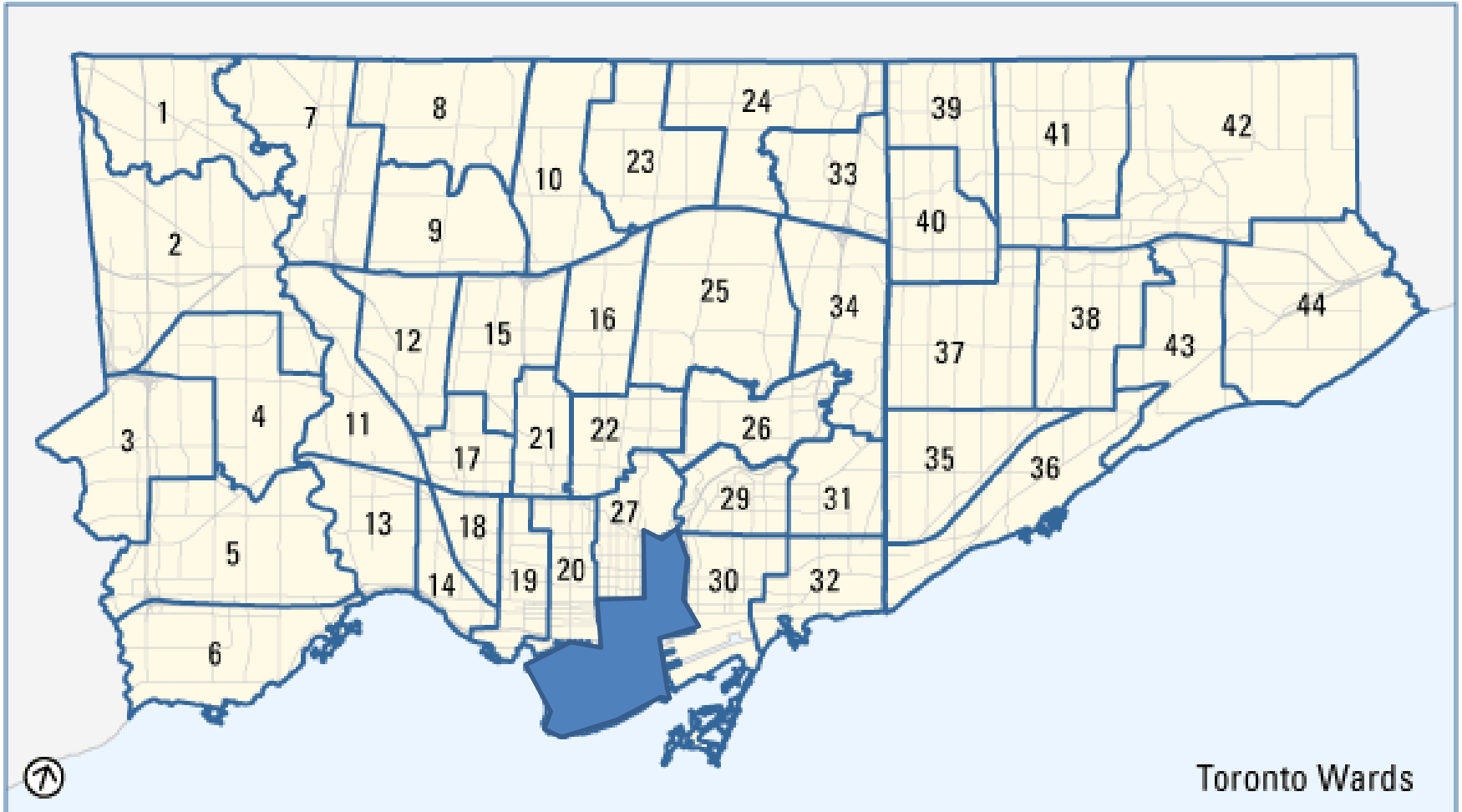
Ward 27



Capital Projects in Ward 27 – included in the 10-year plan

- **Nathan Phillips Square renovation- \$19.9 Million**
- **Old City Hall Revitalization \$12.3 Million**
- **City Hall Energy Upgrade \$1.9 Million**
- **Parks and Recreation - \$2.768 million:**
 - Improvements in Queen's Park North, Allan Gardens playground development, Cawthra Square Park, Ramsden Park, Trinity Square Park, David Balfour Park
- **Toronto Reference Library revitalization- \$16.8 Million**
- **Sherbourne Street Re-surfacing**
- **State of Good Repair of municipally owned buildings, John Innes Community Centre.**
- **Wellesley Station second entrance on Dundonald**
- **Not in the capital plan, but in the works (in partnership with private funds and City agencies):**
 - Bay Cloverhill Community Association's Bay Street Bioswale project, Yonge Street Revitalization, McAlpine – McMurrich Streetscape Improvements, Re-building of Barbara Ann Scott Park, Gateway markers for South Rosedale, Re-construction of Bay and Davenport, Church and Alexander Streetscape Improvements

Ward 28

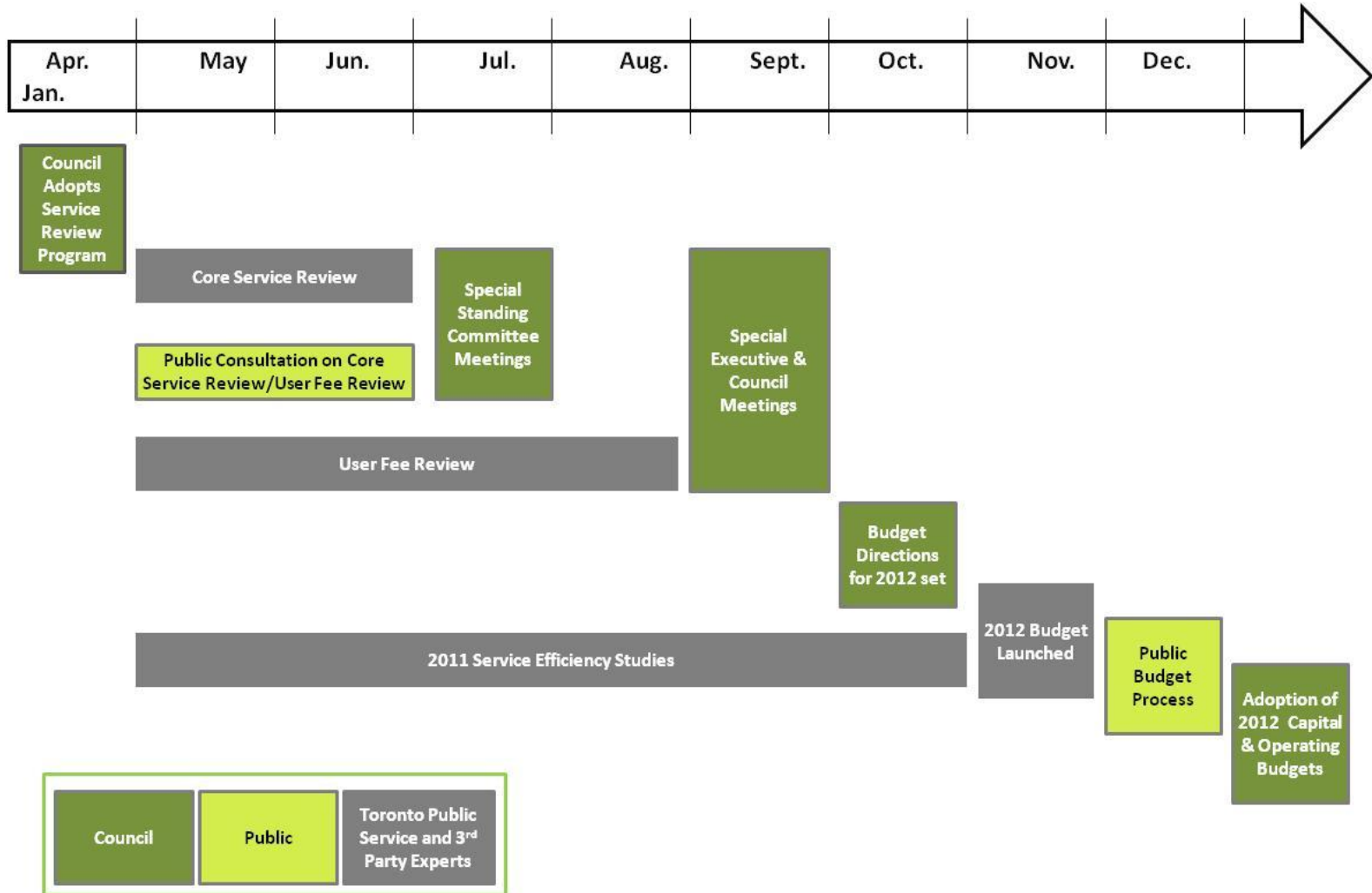


Capital Projects in Ward 28 – included in the 10-year plan

- Union Station revitalization - \$411 million
- Development of West Don Lands and East Bayfront and revitalization of Queens Quay - \$137 million
- St. Lawrence North Market redevelopment - \$72 million
 - Design – 2012
 - Relocation – 2013
 - Construction – 2014-2015
- Regent Park Community Centre - \$17 million
- New parkland in Regent Park - \$6 million
- Regent Park Aquatic Centre - \$4 million (project complete 2012)
- St. Lawrence Library expansion - \$18 million (project to start in 2017)

Core Service Review

Core Service Review & Efficiency Studies and the Budget Process



Core Service Review – Public Consultations

- Eight roundtable consultation discussions and online feedback form completed by almost 13,000 people
- Public input:
 - First choice funding strategy was to increase property taxes
 - 57% approved of an increase of 5% or greater
 - Less than 5% wanted no tax increase
 - Most residents felt that the majority of services provided by the City are necessary
 - Most residents felt that the City staff should provide services rather than contracting them out
 - About 60% said that Toronto should strive to be better than most or all other cities

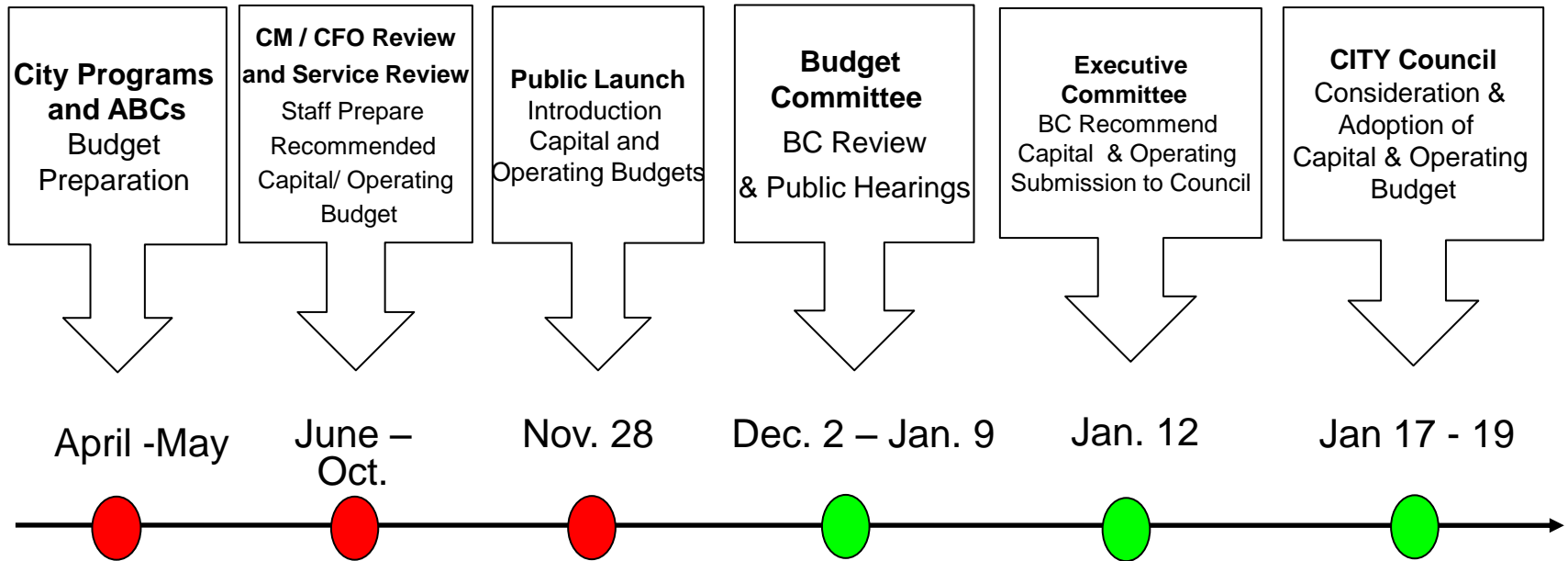
Downtown Core Service Review Town Hall (June 11, 2011)

- Residents told us:
 - They want more and better services, such as child care, recreation, and TTC
 - Willing to pay more for better services, including higher property taxes
 - Did not want public services contracted out
 - Wanted the City to continue identifying efficiencies and cost savings, but not at the expense of services
 - Services for the vulnerable should be improved
 - City services and assets contribute to the livability and success of Toronto
 - The City has a revenue problem, not a spending problem
 - Other orders of government need to pay their fair share

Service Reduction Impact in our Communities

- New user fees for children and youth at Priority Centres
 - Regent Park Community Centre
 - John Innes Community Centre
 - Wellesley Community Centre
 - Scadding Court Community Centre
 - Harrison Pool
- Increase in fees for other recreation programs
- Reduce funding for child care centres
- Reduction in Library hours and materials
- Defer hiring of Police Officers, Firefighters, and Paramedics
- Service reductions in 68 TTC routes
- Cuts to agencies providing health programs, including AIDS prevention
- Cuts to arts and culture funding

2012 Budget Timeline



Let's hear from you...